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Sunset Reviews
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June 28, 2016

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

FROM: Christian Marsh 
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Expedited Sunset
Reviews of the Antidumping Duty Orders on Carbon Steel Butt-
Weld Pipe Fittings from Brazil, Japan, Taiwan, Thailand, and the
People's Republic of China

I. Summary

We have analyzed the responses of the interested parties in the sunset reviews of the antidumping duty orders covering carbon butt-weld pipe fittings (BWPF) from Brazil, Japan, Taiwan, Thailand, and the People's Republic of China (PRC). We recommend that you approve the positions described in the Discussion of the Issues section of this memorandum. Below is the complete list of the issues in these sunset reviews for which we received substantive responses:

1. Likelihood of the Continuation or Recurrence of Dumping
2. Magnitude of the Margin of Dumping Likely to Prevail

II. Background

On March 1, 2016, the Department of Commerce (Department) published the notice of initiation of the third sunset reviews of the antidumping duty orders on BWPF from Brazil, Japan, Taiwan, Thailand, and the PRC, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).¹ The Department received a notice of intent to participate from Tube Forgings of America, Inc. (TFA), Mills Iron Works, Inc. (MIW), and Hackney Ladish, Inc. (a subsidiary of Precision Castparts Corp.) (HL),² and Weldbend Corporation (Weldbend), domestic interested parties,

¹ See *Initiation of Five-Year ("Sunset") Reviews*, 81 FR 10578 (March 1, 2016).

² Collectively, TFA *et. al.*

within the deadline specified in 19 CFR 351.218(d)(1)(i).³ TFA *et. al.* and Weldbend claimed interested party status under section 771(9)(C) of the Act, as manufacturers of a domestic like product in the United States.

The Department received complete substantive responses to the notice of initiation from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).⁴ We received no substantive responses from respondent interested parties with respect to any of the orders covered by these sunset reviews, nor was a hearing requested. On May 9, 2016, pursuant to 19 CFR 351.309(e), TFA *et. al.* filed comments on the adequacy of responses in these sunset reviews. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2), the Department is conducting expedited (120-day) sunset reviews of the antidumping duty orders on BWPF from Brazil, Japan, Taiwan, Thailand, and the People's Republic of China.

The orders on BWPF from Brazil, Japan, Taiwan, Thailand, and the PRC remain in effect for all manufacturers, producers, and exporters of the subject merchandise except for the following company, which received a *de minimis* rate in the investigation and as a result was excluded from the order on Thailand: Awaji Sangyo (Thailand) Co., Ltd.⁵

III. Scope of the Orders

Brazil

The merchandise covered by the order consists of certain carbon steel butt-weld type fittings, other than couplings, under 14 inches in diameter, whether finished or unfinished, that have been formed in the shape of elbows, tees, reducers, caps, *etc.*, and, if forged, have been advanced after forging. These advancements may include any one or more of the following: coining, heat treatment, shot blasting, grinding, die stamping or painting. Such merchandise was classifiable under Tariff Schedules of the United States Annotated (TSUSA) item number 610.8800. These imports are currently classified under subheading 7307.93.30 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheading is provided for convenience and customs purposes. The written product description remains dispositive.

Japan

The merchandise covered by the order consists of certain carbon steel butt-weld type fittings, other than couplings, under 14 inches in inside diameter, whether finished or unfinished, that have been formed in the shape of elbows, tees, reducers, caps, *etc.*, and if forged, have been

³ See March 7 and March 9, 2016, letters regarding “Five-Year (“Sunset”) Reviews of the Antidumping Duty Orders on Carbon Steel Butt-Weld Pipe Fittings from Brazil, Japan, Taiwan, Thailand, and the People’s Republic of China - Notice of Intent to Participate.”

⁴ See March 31, 2016, letters from the domestic interested parties regarding “Sunset Reviews of the Antidumping Duty Orders on Carbon Steel Butt-Weld Pipe Fittings from Brazil, Japan, Taiwan, Thailand, and the People’s Republic of China: Substantive Responses” (Brazil Substantive Responses, Japan Substantive Responses, Taiwan Substantive Responses, Thailand Substantive Responses, and PRC Substantive Responses, respectively).

⁵ See *Certain Carbon Steel Butt-Weld Pipe Fittings From Thailand: Final Determination of Sales at Less Than Fair Value*, 57 FR 21065 (May 18, 1992) (*Thailand Final*).

advanced after forging. These advancements may include any one or more of the following: coining, heat treatment, shot blasting, grinding, die stamping or painting. Such merchandise was classifiable under TSUSA item number 610.8800. These imports are currently classifiable under the HTSUS item number 7307.93.30. Induction pipe bends classifiable under item 7307.93.30 which have at one or both ends tangents that equal or exceed 12 inches in length are excluded from the scope. The HTSUS subheading is provided for convenience and customs purposes. The written product description remains dispositive.

Taiwan

The merchandise covered by this order consists of certain carbon steel butt-weld type fittings, other than couplings, under 14 inches in inside diameter, whether finished or unfinished, that have been formed in the shape of elbows, tees, reducers, and caps, and if forged, have been advanced after forging. These advancements may include one or more of the following: coining, heat treatment, shot blasting, grinding, die stamping or painting. The Department clarified that the so-called sprink-let is within the scope of the order (57 FR 19602). Such merchandise was classifiable under TSUSA item number 610.8800. These imports are currently classifiable under the HTSUS item number 7307.93.3000. The HTSUS subheading is provided for convenience and for customs purposes. The written product description remains dispositive.

Thailand and the PRC

The merchandise covered by the orders consists of certain carbon steel butt-weld pipe fittings, having an inside diameter of less than 14 inches, imported in either finished or unfinished form. These formed or forged pipe fittings are used to join sections in piping systems where conditions require permanent, welded connections, as distinguished from fittings based on other fastening methods (*e.g.*, threaded, grooved, or bolted fittings). Carbon steel butt-weld pipe fittings are currently classified under subheading 7307.93.30 of the HTSUS. The HTSUS subheading is provided for convenience and customs purposes. The written product description remains dispositive.

IV. History of the Orders

The Department published its final affirmative determinations of sales at less than fair value (LTFV) in the Federal Register with respect to imports of certain carbon steel butt-weld pipe fittings from Brazil, Japan, Taiwan, Thailand, and the PRC⁶ at the following percentage rates:

⁶ See *Certain Carbon Steel Butt-Weld Pipe Fittings From Brazil; Final Determination of Sales at Less Than Fair Value*, 51 FR 37770 (October 24, 1986) (*Brazil Final*); *Certain Carbon Steel Butt-Weld Pipe Fittings From Japan: Final Determination of Sales at Less Than Fair Value*, 51 FR 46892 (December 29, 1986) (*Japan Final*); *Certain Carbon Steel Butt-Weld Pipe Fittings From Taiwan; Final Determination of Sales at Less Than Fair Value*, 51 FR 37772 (October 24, 1986) (*Taiwan Final*); *Thailand Final; Antidumping Duty Order and Amendment to the Final Determination of Sales at Less Than Fair Value; Certain Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China*, 57 FR 29702 (July 6, 1992) (*PRC Amended Final and Order*).

Brazil

All Brazilian Manufacturers, Producers and Exporters 52.25

Japan

Awaji Sangyo, K.K 30.83
Nippon Benkan Kogyo Limited Co 65.81
All others 62.79

Taiwan

Rigid Industries 6.84
Chung Ming Pipe Fitting Manufacturing Company. Ltd. 8.57
Gei Bey Corporation 87.30
Chup Hisin Enterprises 87.30
All others 49.46

Thailand

Awaji Sangyo (Thailand) Co., Ltd. 1.22 (*de minimis*)
Thai Benkan Company 50.84
TTU Industrial Corp. Ltd. 10.68
All others 39.10

The PRC

China North Industries Corp. 154.72
Jilin Provincial Machinery & Equipment Import & Export Corp. 75.23
Liaoning Machinery & Equipment Import & Export Corp. 134.79
Liaoning Metals & Minerals Import & Export Corp. 103.70
Shenyang Billiongold Pipe Fittings Co. Ltd. 110.39
Shandong Metals & Minerals Import & Export Corp. 35.06
Shenyang Machinery & Equipment Import & Export Corp.;
Liaoning Metals; Shenzhen Machinery Industry Corporation;
and all others 182.90

The Department later published in the *Federal Register* antidumping duty orders on certain carbon steel butt-weld pipe fittings from Brazil, Japan, Taiwan, Thailand, and the PRC.⁷

⁷ See *Antidumping Duty Order; Certain Carbon Steel Butt-Weld Pipe Fittings from Brazil*, 51 FR 45152 (December 17, 1986); *Antidumping Duty Order: Certain Carbon Steel Butt-Weld Pipe Fittings from Japan*, 52 FR 4167 (February 10, 1987); *Antidumping Duty Order; Certain Carbon Steel Butt-Weld Pipe Fittings From Taiwan*, 51 FR 45152 (December 17, 1986); *Antidumping Duty Order; Certain Carbon Steel Butt-Weld Pipe Fittings From Thailand*, 57 FR 29702 (July 6, 1992); *PRC Amended Final and Order*.

Brazil and the PRC

Since the publication of the antidumping duty orders, the Department has conducted no administrative reviews of the antidumping duty orders on certain carbon steel butt-weld pipe fittings from Brazil and the PRC.

Japan

Since the publication of the antidumping duty order, the Department initiated one administrative review of the antidumping duty order on certain carbon steel butt-weld pipe fittings from Japan, which the Department later rescinded.⁸

Taiwan

Since the publication of the antidumping duty order, the Department initiated three administrative reviews of the antidumping duty order on certain carbon steel butt-weld pipe fittings from Taiwan, completing two reviews and rescinding one review.⁹ In the completed administrative reviews, the Department found that the producers/exporters continued to dump subject merchandise at levels above *de minimis* with the order in place.

Thailand

Since the publication of the antidumping duty order, the Department initiated four administrative reviews of the antidumping duty order on certain carbon steel butt-weld pipe fittings from Thailand, completing three reviews and rescinding one review.¹⁰ In the completed administrative reviews, the Department found that the producers/exporters continued to dump subject merchandise at levels above *de minimis* with the order in place.

The Department has thrice continued the five orders as a result of prior sunset reviews.¹¹

⁸ See *Carbon Steel Butt-Weld Pipe Fittings from Japan: Rescission of Antidumping Duty Administrative Review*, 74 FR 39934 (August 10, 2009).

⁹ See *Certain Carbon Steel Butt-Weld Pipe Fittings From Taiwan; Final Results of Antidumping Duty Administrative Review*, 56 FR 20187 (May 2, 1991); *Certain Carbon Steel Butt-Weld Pipe Fittings From Taiwan; Final Results of Administrative Review*, 60 FR 49585 (September 26, 1995); *Carbon Steel Butt-Weld Pipe Fittings From Taiwan; Termination of Antidumping Administrative Review*, 55 FR 22368 (June 1, 1990).

¹⁰ See *Certain Carbon Steel Butt-Weld Pipe Fittings From Thailand; Final Results of the Antidumping Duty Administrative Review*, 62 FR 40797 (July 30, 1997); *Certain Carbon Steel Butt-Weld Pipe Fittings From Thailand; Final Results of Antidumping Duty Administrative Review*, 64 FR 69487 (December 13, 1999); *Certain Carbon Steel Butt-Weld Pipe Fittings From Thailand; Final Results of Antidumping Duty Administrative Review*, 68 FR 6409 (February 7, 2003); *Carbon Steel Butt-Weld Pipe Fittings from Thailand: Notice of Rescission of Antidumping Duty Administrative Review*, 69 FR 65147 (November 10, 2004).

¹¹ See *Final Results of Expedited Sunset Reviews: Certain Carbon Steel Butt-Weld Pipe Fittings From Brazil, Taiwan, Japan, Thailand, and the People's Republic of China*, 64 FR 67847 (December 3, 1999) (*First Sunset Reviews*); *Certain Carbon Steel Butt-Weld Pipe Fittings from Brazil, Taiwan, Japan, Thailand, and the People's Republic of China; Final Results of Expedited Sunset Reviews of the Antidumping Duty Orders*, 70 FR 39486 (July 8, 2005) (*Second Sunset Reviews*); and *Certain Carbon Steel Butt-Weld Pipe Fittings From Brazil, Japan, Taiwan, Thailand, and the People's Republic of China: Final Results of the Expedited Sunset Reviews of the Antidumping*

Duty Absorption, Changed Circumstances Reviews, and Scope Inquiries

There have been no duty-absorption findings in administrative reviews of these orders. Duty-absorption inquiries may not be conducted on pre-Uruguay Round Agreements Act (URAA) orders.¹²

Brazil

There have been no changed-circumstances reviews, scope rulings, or anti-circumvention determinations with respect to the order on certain carbon steel butt-weld pipe fittings from Brazil.

Japan

There have been no changed-circumstances reviews or scope rulings with respect to the order on certain carbon steel butt-weld pipe fittings from Japan. The Department issued a negative anti-circumvention determination with respect to the order on certain carbon steel butt-weld pipe fittings from Japan.¹³

Taiwan

There have been no changed-circumstances reviews or anti-circumvention determinations with respect to the order on certain carbon steel butt-weld pipe fittings from Taiwan. The Department conducted a scope ruling on pipe fittings from Taiwan and determined in May 1992 that the “Sprink-let” is subject to the order.¹⁴

Thailand

There have been no changed-circumstances reviews, scope rulings, or anti-circumvention determinations with respect to the order on certain carbon steel butt-weld pipe fittings from Thailand.

Duty Orders, 76 FR 7151 (February 9, 2011) (*Third Sunset Reviews*); see also *Continuation of Antidumping Orders: Certain Carbon Steel Butt-Weld Pipe Fittings From Brazil, China, Taiwan, Japan, and Thailand*, 65 FR 753 (January 6, 2000) (*First Continuation*); *Notice of Continuation of Antidumping Orders: Certain Carbon Steel Butt-Weld Pipe Fittings from Brazil, Taiwan, Japan, Thailand, and the People’s Republic of China*, 70 FR 70059 (November 21, 2005) (*Second Continuation*); and *Certain Carbon Steel Butt-Weld Pipe Fittings From Brazil, Japan, Taiwan, Thailand, and the People’s Republic of China: Continuation of Antidumping Duty Orders*, 76 FR 21331 (April 15, 2011) (*Third Continuation*).

¹² See *FAG Italia S.p.A. v. United States*, 291 F.3d 806 (Fed. Cir. 2002).

¹³ See *Certain Carbon Steel Butt-Weld Pipe Fittings From Japan; Negative Final Determination of Circumvention of Antidumping Duty Order*, 60 FR 58329 (November 27, 1995).

¹⁴ See *Scope Rulings*, 57 FR 19602 (May 7, 1992).

The PRC

There have been no changed-circumstances reviews with respect to the order on certain carbon steel butt-weld pipe fittings from the PRC.

The Department issued an affirmative anti-circumvention determination with respect to the order on certain carbon steel butt-weld pipe fittings from the PRC. The Department determined that PRC exporters circumvented the antidumping duty order by finishing the subject merchandise in Thailand and then exporting the finished products as products of Thailand.¹⁵

The Department conducted a scope proceeding on pipe fittings from the PRC and made its original determination in October 2009.¹⁶ Litigation on this scope ruling ended with the Court of Appeals for the Federal Circuit affirming the Department's original scope decision that the merchandise at issue fell within the scope of the order, and the appeals period has expired.¹⁷

V. Legal Framework

In accordance with section 751(c)(1) of the Act, the Department is conducting these sunset reviews to determine whether revocation of the antidumping duty orders would be likely to lead to a continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making these determinations, the Department shall consider both the weighted-average dumping margins determined in the investigations and subsequent reviews, and the volume of imports of the subject merchandise for the periods before and the periods after the issuance of the antidumping duty orders.

In accordance with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the Statement of Administrative Action, H.R. Doc. 103-316, vol. 1 (1994) (SAA), the House Report, H. Rep. No. 103-826, pt. 1 (1994) (House Report), and the Senate Report, S. Rep. No. 103-412 (1994) (Senate Report), the Department's determinations of likelihood will be made on an order-wide, rather than company-specific, basis.¹⁸ In addition, the Department normally determines that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping when, among other scenarios: (a) dumping continued at any level above *de minimis* after the issuance of the order; (b) imports of the subject merchandise ceased after issuance of the order; or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly.¹⁹

¹⁵ See *Certain Carbon Steel Butt-Weld Pipe Fittings From the People's Republic of China; Affirmative Final Determination of Circumvention of Antidumping Duty Order*, 59 FR 15155 (March 31, 1994).

¹⁶ See *Final Scope Ruling: Antidumping Duty Order on Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China* (October 20, 2009).

¹⁷ See *Certain Carbon Steel Butt-Weld Pipe Fittings From the People's Republic of China: Notice of Court Decision Not in Harmony With Amended Final Scope Ruling and Notice of Amended Final Scope Ruling in Accordance With Court Decision*, 77 FR 48965 (August 15, 2012).

¹⁸ See SAA at 879 and House Report at 56.

¹⁹ See SAA at 889-90, House Report at 63-64, and Senate Report at 52. See also *Policies Regarding the Conduct of Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin 98.3*, 63 FR 18871, 18872 (April 16, 1998) (*Sunset Policy Bulletin*).

In addition, as a base period of import volume comparison, it is the Department's practice to use the one-year period immediately preceding the initiation of the investigation, rather than the level of pre-order import volumes, as the initiation of an investigation may dampen import volumes and, thus, skew the comparison.²⁰ Also, when analyzing import volumes for second and subsequent sunset reviews, the Department's practice is to compare import volumes during the year preceding initiation of the underlying investigation to import volumes since the issuance of the last continuation notice.²¹

Further, section 752(c)(3) of the Act states that the Department shall provide to the International Trade Commission (ITC) the magnitude of the margin of dumping likely to prevail if the order were revoked. Generally, the Department selects the dumping margins from the final determination in the original investigation, as these rates are the only calculated rates that reflect the behavior of exporters without the discipline of an order in place.²² However, in certain circumstances, a more recently calculated rate may be more appropriate (e.g., "if dumping margins have declined over the life of an order and imports have remained steady or increased, {the Department} may conclude that exporters are likely to continue dumping at the lower rates found in a more recent review").²³

In February 2012, the Department announced it was modifying its practice in sunset reviews such that it will not rely on weighted-average dumping margins that were calculated using the methodology found to be WTO-inconsistent (*i.e.*, zeroing/the denial of offsets).²⁴ In the *Final Modification for Reviews*, the Department stated that "only in the most extraordinary circumstances" would it rely on margins other than those calculated and published in prior determinations.²⁵ The Department further stated that apart from the "most extraordinary circumstances," it would "limit its reliance to margins determined or applied during the five-year sunset period that were not determined in a manner found to be WTO-inconsistent" and that it "may also rely on past dumping margins that were not affected by the WTO-inconsistent methodology, such as dumping margins recalculated pursuant to Section 129 proceedings, dumping margins determined based on the use of total adverse facts available, and dumping margins where no offsets were denied because all comparison results were positive."²⁶

²⁰ See, e.g., *Stainless Steel Bar from Germany; Final Results of the Sunset Review of the Antidumping Duty Order*, 72 FR 56985 (October 5, 2007), and accompanying Issues and Decision Memorandum at Comment 1.

²¹ See *Ferrovandium from the People's Republic of China and the Republic of South Africa: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 79 FR 14216 (March 13, 2014) and accompanying Issues and Decision Memorandum.

²² See SAA at 890; see also *Persulfates from the People's Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order*, 73 FR 11868 (March 5, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

²³ See SAA at 890-91.

²⁴ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101, 8103 (February 14, 2012) (*Final Modification for Reviews*).

²⁵ *Id.*

²⁶ *Id.*

Pursuant to section 752(c)(4)(A) of the Act, a dumping margin of zero or *de minimis* shall not by itself require the Department to determine that revocation of an AD order would not be likely to lead to a continuation or recurrence of sales at LTFV.²⁷

VI. Discussion of the Issues

1. Likelihood of Continuation or Recurrence of Dumping

Domestic Interested Parties

- The domestic interested parties believe that revocation of these antidumping duty orders would likely lead to a continuation or recurrence of dumping by the manufacturers/producers and exporters of the subject merchandise, as well as material injury to the U.S. industry.²⁸
- With respect to volume of exports, the domestic interested parties assert that the imposition of the orders has had a dramatic impact on the volume of imports of BWPF from producers and exporters. The domestic interested parties point to record history of the orders to demonstrate that the discipline of the orders has forced foreign producers of subject merchandise to significantly reduce their volume of sales to the United States.²⁹
- Citing to the Department's *Sunset Policy Bulletin*, the domestic interested parties conclude that the Department should determine that revocation of an antidumping duty order is inappropriate where dumping continued at any level above *de minimis* after the issuance of the order.³⁰ In sum, the domestic interested parties argue that record evidence strongly supports the conclusion that dumping of BWPF by producers, manufacturers, and exporters from Brazil, Japan, Taiwan, Thailand, and the PRC would be likely to continue or recur if the orders were to be revoked.

Department's Position: As explained in the Legal Framework section above, when determining whether revocation of the order would be likely to lead to continuation of dumping, sections 752(c)(1)(A) and (B) of the Act instruct the Department to consider: (1) the weighted-average dumping margins determined in the investigation and subsequent reviews; and (2) the volume of imports of the subject merchandise for the period before and after the issuance of the AD order. According to the SAA, existence of dumping margins after the order "is highly probative of the likelihood of continuation or recurrence of dumping. If companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the discipline were removed. If imports cease after the order is issued, it is reasonable to assume that the exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping."³¹ In addition, "declining import volumes accompanied by the continued existence of dumping margins after the issuance

²⁷ See *Folding Gift Boxes from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 72 FR 16765 (April 5, 2007), and accompanying Issues and Decision Memorandum at Comment 1.

²⁸ See Brazil Substantive Responses, Japan Substantive Responses, Taiwan Substantive Responses, Thailand Substantive Responses, and PRC Substantive Responses (collectively, BWPF Substantive Responses).

²⁹ *Id.*

³⁰ See *Sunset Policy Bulletin*.

³¹ See SAA at 890.

of the order may provide a strong indication that, absent an order, dumping would be likely to continue, because the evidence would indicate that the exporter needs to dump to sell at pre-order volumes.”³²

Alternatively, the legislative history provides that declining (or no) dumping margins accompanied by steady or increasing imports may indicate that foreign companies do not have to dump to maintain market share in the United States and that dumping is less likely to continue or recur if the order were revoked.³³

As noted above, when analyzing import volumes for second and subsequent sunset reviews, the Department’s practice is to compare import volumes during the year preceding initiation of the underlying investigation, to import volumes since the issuance of the last continuation notice. The last continuation notice for these sunset reviews was issued in April 2011.³⁴ Therefore, for these sunset reviews we examined import volumes prior to the antidumping duty orders as compared to import volumes during the sunset review period (*i.e.*, 2011-2015).³⁵ Furthermore, the Department examined the weighted-average dumping margins in effect to determine whether dumping continued at above *de minimis* levels during the sunset review period. In accordance with the *Final Modification for Reviews*, the Department did not rely on weighted-average dumping margins that were calculated using a WTO-inconsistent methodology for any country.

Brazil: We examined the ITC Dataweb statistics for the relevant period which show no imports of BWPF from Brazil.³⁶ Thus, during this sunset review period, imports from Brazil ceased. The single margin determined in the underlying investigation remains in effect for all companies.³⁷ Further, we note that this margin is WTO-consistent, as it was based on “best information available,” the forerunner to facts available, because no companies in the original investigation provided any information to the Department. Accordingly, pursuant to section 752(c)(1) of the Act, the Department determines that dumping is likely to continue or recur if the order were revoked.

Japan: We examined the ITC Dataweb statistics for the relevant period which show that imports of BWPF from Japan were negligible.³⁸ Subsequent to the imposition of the antidumping duty order, imports from Japan steadily declined and are significantly below pre-order volumes.³⁹ The margins determined in the underlying investigation remain in effect for the all companies. Further, we note that these margins are WTO-consistent because they were not affected by the denial of offsets for non-dumped sales (*i.e.*, all comparison results were positive.⁴⁰ Accordingly, pursuant to section 752(c)(1) of the Act, the Department determines that dumping is likely to continue or recur if the order were revoked.

³² *Id.* at 889, the House Report at 63, and the Senate Report at 52.

³³ *See SAA* at 889-90, House Report at 63, and Senate Report at 52.

³⁴ *See Third Continuation Notice.*

³⁵ *See* BWPF Substantive Responses.

³⁶ *See* Brazil Substantive Responses at 5-6 and 10-11, respectively.

³⁷ *See Brazil Final.*

³⁸ *See* Japan Substantive Responses at 5-6 and 10-11, respectively.

³⁹ *Id.*

⁴⁰ *See Japan Final.*

Taiwan: We examined the ITC Dataweb statistics for the relevant period which show that imports of BWPF from Taiwan remain well below pre-order levels.⁴¹ Further, we note that certain margins from the investigation are WTO-consistent, as they were based on “best information available,” the forerunner to facts available, because two companies in the original investigation did not provide any information to the Department. Additionally, the Department has conducted two administrative reviews of the order for Taiwan and found that the producers/exporters continued to dump at levels above *de minimis*. Accordingly, the Department finds that dumping would likely continue or recur if the order were revoked, pursuant to section 752(c)(1) of the Act.

Thailand: Subsequent to the imposition of the antidumping duty order, an examination of the ITC Dataweb statistics shows that imports from Thailand declined, but have since fluctuated.⁴² As noted above, however, one Thai producer, Awaji Sangyo (Thailand) Co., Ltd., is excluded from the orders, so the import statistics would also include non-subject merchandise. Further, we note that the margin for one company from the investigation is WTO-consistent, as it was based on “best information available,” the forerunner to facts available, because that company did not provide any information to the Department. Moreover, the Department has conducted four administrative reviews of the order for Thailand (completing three and rescinding one), and found that the producers/exporters continued to dump at levels above *de minimis*. Accordingly, the Department finds that dumping would likely continue or recur if the order were revoked, pursuant to section 752(c)(1) of the Act.

The PRC: We examined the ITC Dataweb statistics for the relevant period which show that imports of BWPF from the PRC remain well below pre-order levels.⁴³ Further, we note that the order remains in effect for all PRC producers/exporters at the weighted-average dumping margins determined in the underlying investigation. Additionally, we note that margins for several companies, as well as for the PRC-wide entity, from the investigation are WTO-consistent, as they were based on “best information available,” the forerunner to facts available. Given that dumping margins continued to exist at levels above *de minimis* since the last sunset review, and imports are below pre-order levels, the Department finds that dumping would likely continue or recur if the order were revoked, pursuant to section 752(c)(1) of the Act.

2. Magnitude of the Margins of Dumping Likely to Prevail

Domestic Interested Parties

- The domestic interested parties (with limited exceptions for Thailand, as described below) request that the Department report to the ITC the dumping margins that were determined in the investigations, as amended and in accordance with the *Sunset Policy Bulletin*, as the magnitude of the margins of dumping likely to prevail if the findings were revoked. These rates are set forth in the “History of the Orders” section, above.

⁴¹ See Taiwan Substantive Responses at 5-6 and 10-11, respectively.

⁴² See Thailand Substantive Responses at 5-6 and 10-11, respectively.

⁴³ See PRC Substantive Responses at 5-6 and 10-11, respectively.

- With regard to Thailand, the domestic interested parties argue that because margins for two companies from subsequent administrative reviews are higher, the Department should report those as the margins likely to prevail in the absence of an order.

Department's Position: Pursuant to section 752(c)(3) of the Act, the administering authority shall provide to the ITC the magnitude of the margin of dumping that is likely to prevail if the order were revoked. Normally, the Department will select a weighted-average dumping margin from the investigation to report to the ITC.⁴⁴ The Department's preference is to select a weighted-average dumping margin from the LTFV investigation because it is the only calculated rate that reflects the behavior of the producers and exporters without the discipline of an order or suspension agreement in place.⁴⁵ Under certain circumstances, however, the Department may select a more recent rate to report to the ITC. Finally, as explained above, in accordance with the *Final Modification for Reviews*, the Department will not rely on weighted average dumping margins that were calculated using the methodology found to be WTO-inconsistent.⁴⁶

Given that dumping continued following the issuance of the orders and given the absence of argument and evidence to the contrary, the Department finds that the margins calculated in the original investigations are probative of the behavior of producers and exporters of subject merchandise from Brazil, Japan, Taiwan, and the PRC if these orders were revoked. Consistent with section 752(c) of the Act, the Department will report to the ITC the margins up to the highest rate from the investigations concerning subject merchandise from Brazil, Japan, Taiwan, and the PRC as indicated in the "Final Results of Reviews" section of this memorandum. As described above, these margins are WTO-consistent because they did not involve zeroing.

With respect to the sunset review of the order on certain carbon steel butt-weld pipe fittings from Thailand, the Department does not find any indication that the margins determined in subsequent reviews of the order are more probative of the behaviors of manufacturers, producers, and exporters without the discipline of the order. Although the margins from more recent administrative reviews are higher than the investigation margins, the margins the Department determined in those reviews are not calculated margins, but rather rates based on adverse facts available. As such, the margins do not represent the behavior of these companies absent an order but are instead reflective of the companies' failure to cooperate. Therefore, the Department finds that it is appropriate to report to the ITC the margins from the original investigation.

Prior to the issuance of the *Thailand Final*, the Department had completed an administrative review of the countervailing duty order (CVD) on carbon steel butt-weld pipe fittings from Thailand.⁴⁷ In the investigation, the Department adjusted the margins by the amount attributable to the export subsidy. The CVD order has been revoked.⁴⁸ Therefore, the Department will

⁴⁴ See SAA at 890; see also, e.g., *Persulfates from the People's Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order*, 73 FR 11868 (March 5, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

⁴⁵ See *Eveready Battery Company v. United States*, 77 F. Supp. 2d 1327, 1333 (CIT 1999); see also SAA at 890.

⁴⁶ See *Final Modification for Reviews*, 77 FR at 8103.

⁴⁷ See *Carbon Steel Butt-Weld Pipe Fittings from Thailand; Final Results of Countervailing Duty Administrative Review*, 57 FR 5248 (February 13, 1992).

⁴⁸ See *Notice of Revocation of Countervailing Duty Orders*, 60 FR 40568 (August 9, 1995).

report to the ITC the originally calculated margins in the *Thailand Final* unadjusted for the export subsidy, as stated below in the "Final Results of Reviews" section of this memorandum.

VII. Final Results of Sunset Reviews

We determine that revocation of the antidumping duty orders on BWPF from Brazil, Japan, Taiwan, Thailand, and the People's Republic of China would likely lead to continuation or recurrence of dumping, and that the magnitude of the dumping margins likely to prevail would be weighted-average margins up to the following percentages:

<u>Country</u>	<u>Weighted-Average Margin (Percent)</u>
Brazil	52.25
Japan	65.81
Taiwan	87.30
Thailand	52.60
The PRC	182.90

VIII. Recommendation

Based on our analysis of the responses received, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish these final results of reviews in the *Federal Register*.

Agree

Disagree



Paul Piquado
Assistant Secretary
for Enforcement and Compliance

28 JUNE 2016
Date