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Sunset Reviews
AD/CVD Operations
Office 7:DS; Office 9: CB
Public Document

MEMORANDUM TO: David M. Spooner
Assistant Secretary
for Import Administration

FROM: Stephen Claeys
Deputy Assistant Secretary
for AD/CVD Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of the Expedited Five-Year (“Sunset”) Reviews of the Antidumping Duty Orders on Honey from Argentina and the People’s Republic of China

Summary

We have analyzed the substantive response of the domestic interested parties in the first sunset reviews of the antidumping duty orders covering honey from Argentina 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 continuation or recurrence of dumping
2. Magnitude of the margins likely to prevail

History of the Orders

Argentina

On October 4, 2001, the Department of Commerce (the Department) published in the Federal Register its final affirmative determination of sales at less than fair value (LTFV) with respect to honey from Argentina. See Notice of Final Determination of Sales at Less Than Fair Value: Honey From Argentina, 66 FR 50611 (October 4, 2001). In its final determination, the Department established weighted-average dumping margins of 38.71 percent for Asociación de Cooperativas Argentinas (ACA), 32.56 percent for Radix S.r.L. (Radix), 60.67 percent for ConAgra Argentina, and 36.59 percent for all other Argentinean producers and exporters of the subject merchandise. The Department amended its final determination to correct certain ministerial errors alleged by ACA, which resulted in revised weighted-average dumping margins of 37.44 percent for ACA and 35.76 percent for all other Argentinean producers and exporters. See Notice of Amended Final Determination of Sales at Less Than Fair Value; Honey From Argentina, 66 FR 58434 (November 21, 2001). Subsequently, on December 10, 2001, the

Department published the antidumping duty order on honey from Argentina. See Notice of Antidumping Duty Order: Honey From Argentina, 66 FR 63672 (December 10, 2001).

Since the issuance of the antidumping duty order, the Department has completed three administrative reviews of the antidumping duty order on honey from Argentina and is currently conducting a fourth administrative review. In the first administrative review, which covered the period May 11, 2001, through November 30, 2002, the Department calculated a weighted-average dumping margin of zero percent for ACA, HoneyMax, S.A. (HoneyMax), and TransHoney S.A. (Transhoney), 0.60 percent for Seylinco, S.A. (Seylinco), and 0.87 percent for Nexco, S.A. (Nexco).¹ For this same period, the Department also initiated a new shipper review of Nutrin S.A. (Nutrin), but rescinded the review because it found that Nutrin's single U.S. sale was neither commercially reasonable nor bona fide.²

The second administrative review covered the period December 1, 2002, through November 30, 2003. In the final results of the second administrative review, the Department found the following weighted-average dumping margins: for ACA, HoneyMax, Seylinco, TransHoney, and the combined entity Compañía Apícola Argentina S.A./Mielar S.A./El Chelibo S.A., zero percent; for Nexco, 0.38 percent; and for Nutrin, 55.15 percent.³

In the final results of the third administrative review, which covered the period December 1, 2003, through November 30, 2004, the Department established weighted-average dumping margins of 2.95 percent for ACA and zero percent for Seylinco and also rescinded the review with respect to four other exporters due to no shipments of subject merchandise.⁴ For the period December 1, 2003, through December 31, 2004, the Department also initiated a new shipper review for one exporter, El Mana S.A. (El Mana). However, the Department found that El Mana's supplier of honey had, or should have had, knowledge that the honey was destined for the United States and because there was no request for review of the supplier's sale of honey to El Mana and because El Mana had no other U.S. sales during the period of review (POR), the Department rescinded its new shipper review of El Mana.⁵

The fourth administrative review, which is currently ongoing, covers the period December 1, 2004, through November 30, 2005. The Department has preliminarily calculated a weighted-average dumping margin of zero percent for Seylinco and has preliminarily determined

¹ See Honey From Argentina: Final Results of Antidumping Duty Administrative Review, 69 FR 30283 (May 27, 2004) and Honey From Argentina: Corrected Final Results of Antidumping Duty Administrative Review, 69 FR 59187 (October 4, 2004).

² See Honey From Argentina: Rescission of Antidumping Duty New Shipper Review, 68 FR 58305 (October 9, 2003).

³ See Honey from Argentina: Final Results of Antidumping Duty Administrative Review, 70 FR 19926 (April 15, 2005).

⁴ See Honey from Argentina: Final Results, Partial Rescission of Antidumping Duty Administrative Review and Determination Not to Revoke in Part, 71 FR 26333 (May 4, 2006).

⁵ See Honey from Argentina: Rescission of Antidumping Duty New Shipper Review, 70 FR 72294 (December 2, 2005).

not to revoke the order with respect to Seylinco. The Department also has preliminarily applied the rate calculated for Seylinco (i.e., zero percent) to Compañía Apícola Argentina S.A./Mielar S.A. and El Mana.⁶ In addition, for the period December 1, 2004, through December 31, 2005, the Department initiated a new shipper review of Argentinean exporter Patagonik S.A. (Patagonik), and has preliminarily calculated a zero percent weighted-average dumping margin for Patagonik.⁷

There have been no duty absorption findings, changed-circumstance determinations, or scope rulings with respect to the antidumping duty order on honey from Argentina.

The PRC

On October 4, 2001, the Department published in the Federal Register its final affirmative determination of sales at LTFV with respect to honey from the PRC. See Notice of Final Determination of Sales at Less Than Fair Value; Honey From the People's Republic of China, 66 FR 50608 (October 4, 2001). On December 10, 2001, the Department published the amended final determination and the antidumping duty order on honey from the PRC. See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Honey From the People's Republic of China, 66 FR 63670 (December 10, 2001). In the amended final determination, the Department established weighted-average dumping margins of 57.13 percent for Inner Mongolia Autonomous Region Native Produce and Animal By-Products Import and Export Corporation (Inner Mongolia), 49.60 percent for Kunshan Foreign Trading Company (Kunshan), 25.88 percent for Zhejiang Native Produce and Animal By-Products Import and Export Corporation (Zhejiang), 45.46 percent for High Hope International Group Jiangsu Foodstuffs Import and Export Corporation (High Hope), 45.46 percent for Shanghai Eswell Enterprise Company Ltd. (Shanghai Eswell), 45.46 for Anhui Native Produce Import and Export Corporation (Anhui), 45.46 percent for Henan Native Produce Import and Export Corporation (Henan), and 183.80 percent for the PRC-wide rate.

Since the issuance of the antidumping duty order on honey from the PRC, the Department has completed three administrative reviews and is currently conducting a fourth administrative review. In the final results of the first administrative review, which covered the period February 10, 2001, through November 30, 2002, the Department calculated a weighted-average dumping margin for Zhejiang of 67.70 percent. The PRC-wide rate remained at 183.80 percent.⁸ In the final results of the second administrative review, which covered the period December 1, 2002

⁶ See Honey from Argentina: Preliminary Results of Antidumping Duty Administrative Review and Intent Not to Revoke in Part, 71 FR 78397 (December 29, 2006).

⁷ Honey From Argentina: Preliminary Results of New Shipper Review, 71 FR 67850 (November 24, 2006), as corrected, Honey From Argentina: Preliminary Results of New Shipper Review, 71 FR 75614 (December 15, 2006).

⁸ See Honey From the People's Republic of China: Final Results of First Antidumping Duty Administrative Review, 69 FR 25060 (May 5, 2004), as amended, Honey From the People's Republic of China: Amended Final Results of First Antidumping Duty Administrative Review, 69 FR 32494 (June 10, 2004).

through November 30, 2003, the Department calculated weighted-average dumping margins of 45.54 percent for Zhejiang, 38.60 percent for Shanghai Eswell, 72.02 percent for Jinfu Trading Co., Ltd. (Jinfu Trading), and 101.51 percent for Wuhan Bee Healthy Company, Ltd. (Wuhan Bee), and the PRC-wide rate remained at 183.80 percent.⁹ In the final results of the third administrative review, which covered the period December 1, 2003 through November 30, 2004, the Department established weighted-average dumping margins of 212.39 percent for Anhui Honghui Foodstuffs (Group) Co., Ltd. (Anhui Honghui), 210.53 percent for Jiangsu Kanghong Natural Healthfoods Co., Ltd. (Jiangsu Kanghong), 168.88 percent for Jinfu Trading, 168.30 percent for Shanghai Eswell, 169.11 percent for Zhejiang, and 212.39 percent for the PRC-wide rate.¹⁰ In the ongoing fourth administrative review, which covers the period December 1, 2004, through November 30, 2005, the Department has preliminarily calculated weighted-average dumping margins of 248.96 percent for Anhui Honghui and 212.39 percent for the PRC-wide rate.¹¹

The Department has also completed seven new shipper reviews and is currently conducting two additional new shipper reviews. In the first new shipper review, which covered the period December 1, 2001, through May 31, 2002, the Department calculated a weighted-average dumping margin of 32.84 percent for Wuhan Bee; however, pursuant to court remand, the Department revised Wuhan Bee's margin to 32.63 percent.¹² In the second new shipper review, which covered the period February 10, 2001, through November 30, 2002, the Department established rates of 21.61 percent for Sichuan-Dujiangyan Dubao Bee Industrial Co., Ltd. and 183.80 percent for Shanghai Xiuwei International Trade Co., Ltd.¹³

The third new shipper review covered the period December 1, 2002, through May 31, 2003 and two companies, Cheng Du Wai Yuan Bee Products Co., Ltd. (Cheng Du) and Jinfu Trading. In its final results, the Department calculated a dumping margin of 22.03 percent for Cheng Du and rescinded the review with respect to Jinfu Trading because it found that Jinfu Trading failed to show its entitlement to a new shipper review.¹⁴ Jinfu Trading subsequently

⁹ See Honey from the People's Republic of China: Final Results and Final Rescission, In Part, of Antidumping Duty Administrative Review, 70 FR 38873 (July 6, 2005).

¹⁰ See Honey from the People's Republic of China: Final Results and Final Rescission, In Part, of Antidumping Duty Administrative Review, 71 FR 34893 (June 16, 2006).

¹¹ See Honey from the People's Republic of China: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review, 72 FR 102 (January 3, 2007).

¹² See Notice of Final Results of Antidumping Duty New Shipper Review: Honey From the People's Republic of China, 68 FR 62053 (October 31, 2003) and Honey from the People's Republic of China: Amended Final Results of Antidumping Duty New Shipper Review, 71 FR 4894 (January 30, 2006).

¹³ See Notice of Final Results of Antidumping Duty New Shipper Review: Honey From the People's Republic of China, 69 FR 24128 (May 3, 2004).

¹⁴ See Honey from the People's Republic of China; Notice of Final Results and Final Rescission, In Part, of Antidumping Duty New Shipper Review, 69 FR 64029 (November 3, 2004).

challenged the Department's rescission of its new shipper review. No final decision has yet been issued by the Court of International Trade regarding this litigation.

For the fourth new shipper review, which covered the period December 1, 2002, through November 30, 2003, the Department calculated weighted-average dumping margins of 25.72 percent for Anhui Honghui, 46.92 percent for Jiangsu Kanghong, 50.35 percent for honey produced by Chuzhou Huadi Foodstuffs Co., Ltd. or Eurasia Bee's Products Co., Ltd. (Eurasia) and exported by Eurasia, and 51.71 percent for honey produced by Qinhuangdao Municipal Dafeng Industrial Co., Ltd. and exported by Inner Mongolia Youth Trade Development Co., Ltd.¹⁵

The fifth new shipper review, which covered the period December 1, 2003, through May 31, 2004 and honey produced by Anhui Tianxin Bee Products Co., Ltd. and exported by Foodworld International Club, Ltd. (Foodworld), was rescinded upon Foodworld's timely withdrawal of request for review.¹⁶ The Department also rescinded the sixth new shipper review, which covered the period December 1, 2003, through November 30, 2004, and respondent Kunshan Xin'an Trade Co., Ltd. (Xinan), upon determining that Xinan's single U.S. sale was not bona fide.¹⁷ For the seventh new shipper review, which covered the period December 1, 2004, through May 31, 2005, the Department established a dumping margin of 39.63 percent for Shanghai Taiside Trading Co., Ltd., but rescinded this new shipper review with respect to Wuhan Shino-Food Trade Co., Ltd. (Shino-Food) due to a finding that Shino-Food's sale was not a bona fide commercial transaction.¹⁸

The Department is currently conducting the eighth and ninth new shipper reviews of the antidumping duty order on honey from the PRC. In the eighth new shipper review, which covers the period December 1, 2004, through November 30, 2005, the Department has preliminarily established margins of 145.98 percent for Inner Mongolia Altin Bee-Keeping Co., Ltd. and 33.08 percent for Dongtai Peak Honey Industry Co., Ltd. Additionally, in the eighth new shipper review the Department has preliminarily found that the single sale by Qinhuangdao Municipal Dafeng Industrial Co., Ltd. was not a bona fide transaction and therefore preliminarily intends to rescind the new shipper review with respect to this respondent.¹⁹ Finally, in the ninth new shipper review, which covers the period December 1, 2005, through June 30, 2006, the Department is currently reviewing exports of honey made by Shanghai Bloom International

¹⁵ See Honey From the People's Republic of China; Notice of Final Results of Antidumping Duty New Shipper Reviews, 70 FR 9271 (February 25, 2005).

¹⁶ See Honey from the People's Republic of China: Rescission of Antidumping Duty New Shipper Review, 70 FR 7714 (February 15, 2005).

¹⁷ See Notice of Rescission of Antidumping Duty New Shipper Review: Honey from the People's Republic of China, 70 FR 59031 (October 11, 2005).

¹⁸ See Honey from the People's Republic of China: Rescission and Final Results of Antidumping Duty New Shipper Reviews, 71 FR 58579 (October 4, 2006).

¹⁹ See Honey from the People's Republic of China: Intent to Rescind, In Part, and Preliminary Results of Antidumping Duty New Shipper Reviews, 72 FR 111 (January 3, 2007).

Trading Co., Ltd. and produced by Linxiang Jindeya Bee-Keeping Co., Ltd.²⁰ Although the Department also initiated new shipper reviews for this same period for Hangzhou Golden Harvest Health Industry Co., Ltd. and Qingdao Aolan Trade Co., Ltd., the Department has since rescinded these reviews due to these companies' withdrawals of their requests for review.²¹

_____ There have been no duty absorption findings, changed-circumstance determinations, or scope rulings with respect to the antidumping duty order on honey from the PRC.

Initiation of Sunset Reviews

On November 1, 2006, the Department initiated sunset reviews of the antidumping duty orders on honey from Argentina and the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). See Initiation of Five-Year ("Sunset") Reviews, 71 FR 64242 (November 1, 2006). On November 16, 2006, the Department received notices of intent to participate in these sunset reviews from two domestic interested parties, American Honey Producers Association and Sioux Honey Association (collectively, domestic interested parties) within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. The domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of a domestic like product and under section 771(9)(E) as a trade association whose members produce the domestic like product in the United States. On December 1, 2006, the Department received complete substantive responses from domestic interested parties within the deadline specified in section 351.218(d)(3)(i) of the Department's regulations. The Department did not receive any responses to the notice of initiation from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department conducted expedited sunset reviews of these orders.

Discussion of the Issues

In accordance with section 751(c)(1) of the Act, the Department conducted these sunset reviews to determine whether revocation of these antidumping duty orders would be likely to lead to 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 investigation and subsequent reviews and the volume of imports of the subject merchandise for the periods before and after the issuance of the antidumping duty order. In addition, section 752(c)(3) of the Act provides 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. Below we address the comments of domestic interested parties.

²⁰ See Honey from the People's Republic of China: Initiation of New Shipper Antidumping Duty Review, 71 FR 52764 (September 7, 2006).

²¹ See Honey from the People's Republic of China: Notice of Rescission of Antidumping Duty New Shipper Reviews, 71 FR 62081 (October 23, 2006).

1. Likelihood of Continuation or Recurrence of Dumping

Interested Party Comments

Argentina

Domestic interested parties contend the original investigation of honey from Argentina showed all exporters were dumping at a high level and that without the discipline of the order, such dumping would return. See Domestic Interested Parties' Substantive Response for Argentina (Argentina Substantive Response), dated December 1, 2006, at 13. Domestic interested parties argue that since the imposition of the order, dumping has continued substantially. Domestic interested parties note that all of the respondents from the original investigation currently have above de minimis margins, noting that ACA, the only respondent from the original investigation to be reviewed, currently has a 2.95 percent dumping margin. Domestic interested parties also point out that another exporter, Nutrin, received a 55.15 percent dumping margin in the only administrative review that exporter has completed. Id. at 13-14. Regarding the five other respondents for which the Department has calculated zero or de minimis margins in administrative reviews, domestic interested parties argue these respondents were reviewed under the discipline of the order and therefore their margins are not indicative of their behavior absent the order. Id. at 14. Domestic interested parties also assert no respondents have succeeded in being revoked from the order. Id. Therefore, domestic interested parties argue, zero and de minimis margins are not an indication that revocation of the order would not be likely to lead to the continuation or recurrence of dumping. Id.

_____ Domestic interested parties contend that the antidumping duty order on honey from Argentina has had a direct effect on respondents, as import volumes fell substantially after the imposition of antidumping duties. Id. at 14-15. Citing data from the ITC Interactive Tariff and Trade DataWeb (USITC DataWeb), petitioners argue that imports of honey during 1997 through 1999, the three years prior to the filing of the petition, averaged 44,707 short tons per year. Domestic interested parties contend that in 2000, the year when the petition was filed, almost 50,000 short tons of Argentinean honey were imported into the United States. Domestic interested parties then contrast these volumes with subsequent years, stating that in 2001 imports fell to 22,570 short tons and in the period 2002 through 2004 import volumes plummeted even further, to an average of 6,150 short tons per year. Id. at 15. Noting import levels rose to 24,963 short tons in 2005, domestic interested parties claim the rise in imports does not show the order is no longer effective in curbing dumping. Rather, domestic interested parties assert, without the order in place honey imports likely would have increased even more. Id. at 15-16.

In short, domestic interested parties contend that continued dumping margins in conjunction with declining import volumes demonstrates revocation of the order would likely result in the continuation or recurrence of dumping by Argentinean honey producers/exporters.

PRC

Domestic interested parties assert that revocation of the antidumping duty order would likely result in the continued dumping of honey by the PRC exporters and producers of honey and result in material injury to the U.S. industry. See Domestic Interested Parties' Substantive

Response for the PRC (PRC Substantive Response), dated December 1, 2006, at 20. Domestic interested parties contend that the exporters and producers from the PRC have persisted in dumping subject merchandise in the United States since the imposition of the order. Domestic interested parties argue that the PRC exporters have also used the new shipper reviews as a mechanism to evade the antidumping duties. *Id.* at 22. Domestic interested parties assert that the substantial declines in the volume of honey imports from the PRC immediately following the publication of the order demonstrate the inability of the PRC exporters and producers to sell subject merchandise in the U.S. markets without dumping. *Id.* at 23.

Domestic interested parties allege that the post-order increase in honey exports from the PRC to the United States started soon after the Department initiated its first new shipper review. Further, domestic interested parties assert that the increase in imports of honey since 2003 reflects PRC exporters' and U.S. importers' exploitation of the new shipper bonding loophole which Congress has now corrected.

Domestic interested parties maintain that between August 2002 and the present the Department has initiated nine new shipper reviews covering 21 new shippers and these new shippers have been responsible for the large increases in imports since that time. *Id.* at 25. Domestic interested parties argue that all entries made by the new shippers have been found by the Department in the relevant administrative reviews to have been dumped at high rates. Domestic interested parties contend that it is clear from the established dumping margins that dumping would continue if the order were revoked.

Department's Position

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act (URAA), specifically the Statement of Administrative Action (SAA), H.R. Doc. No. 103-316, vol. 1 at 883 (1994), the Department's determination of likelihood of continuation or recurrence is made on an order-wide basis. In addition, the Department normally determines that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above de minimis after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of an order and import volumes for the subject merchandise declined significantly.

Argentina

The record shows that dumping has persisted since the issuance of the antidumping duty order on honey from Argentina. While some Argentinean producers/exporters currently have zero or de minimis dumping margins, above de minimis margins remain in effect for several other producers and exporters of Argentinean honey.

The Department has also analyzed and considered the volume of U.S. imports of subject merchandise for the period prior to and subsequent to the issuance of the order. Using import trade statistics from the USITC DataWeb, the Department finds imports of honey from Argentina after the issuance of the order ranged from 4,245 and 9,713 short tons per year during the period 2002-2004 and rose to 25,214 and 32,289 short tons in 2005 and 2006, respectively. Prior to the issuance of the order, imports of Argentinean honey into the United States equaled 49,642 short

tons in 2000. See Memorandum to the File from Deborah Scott and Catherine Bertrand, Case Analysts, “Import Volumes for the Final Results of the Expedited Five-Year (“Sunset”) Reviews of the Antidumping Duty Orders on Honey from Argentina and the People’s Republic of China,” dated March 1, 2007 (Import Volumes Memorandum). Thus, import volumes since the issuance of the order have been significantly lower than pre-order volumes. We note that while import volumes rose in 2005 and 2006, the average volume of imports during the period 2002-2006 was 15,287 short tons per year, an amount significantly less than the pre-order volume.

The SAA provides that declining import volumes accompanied by the continued existence of dumping margins after the issuance of an 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. See SAA at 889-890. If companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the order were removed. See SAA at 890. Because there continue to be above de minimis dumping margins and import volumes have decreased significantly since the time preceding the investigation, the Department finds that dumping is likely to continue or recur if the order on honey from Argentina is revoked.

PRC

The record shows that dumping has persisted since the issuance of the antidumping duty order on honey from the PRC. Many of the honey producers/exporters from the PRC currently have high dumping margins and there are no companies with de minimis margins.

The Department has also analyzed and considered the volume of U.S. imports of subject merchandise for the period before and after the issuance of the order. Based on trade statistics from the USITC DataWeb, the Department finds imports of honey from the PRC after the issuance of the order totaled 14,345 short tons in 2002 and rose to 32,138 short tons in 2003, 38,699 short tons in 2004, 40,922 short tons in 2005, and 49,552 short tons in 2006. In 2000, prior to the issuance of the order, imports of honey from the PRC were 33,035 short tons. See Import Volumes Memorandum. Thus, imports in 2002, the year immediately following the issuance of the order, were significantly lower than pre-order volumes. However, imports approached pre-order levels in 2003 and then surpassed pre-order volumes during the years 2004-2006.

If companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the order were removed. See SAA at 890. Given that dumping margins remain above de minimis for all PRC exporters/producers, the Department determines that is likely to continue if the order on honey from the PRC is revoked.

2. Magnitude of the Margin Likely to Prevail

Interested Party Comments

Argentina

According to domestic interested parties, the SAA and the Department’s Policies Regarding the Conduct of Five-year (“Sunset”) Reviews of Antidumping and Countervailing

Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) (Policy Bulletin) specify that the Department normally is to select a dumping margin from the original investigation, as that margin is most reflective of respondents' behavior in the absence of an antidumping duty order. Argentina Substantive Response at 16. Thus, domestic interested parties urge the Department to select the margins from the original investigation of honey from Argentina as the margins likely to prevail if the order were revoked. Id. at 17.

PRC

According to domestic interested parties, the SAA and the Department's Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) (Policy Bulletin) specify that the Department normally is to select a dumping margin from the original investigation, as that margin is most reflective of respondents' behavior in the absence of an antidumping duty order. PRC Substantive Response at 27. Thus, domestic interested parties urge the Department to select the margins from the original investigation of honey from PRC as the margins likely to prevail if the order were revoked. Id. at 28.

Department's Position

Section 752(c)(3) of the Act provides that the Department will report to the ITC the magnitude of the margin of dumping that is likely to prevail if the order were revoked. The Department normally will select a margin from the final determination of the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order. See SAA at 890. For companies not investigated specifically or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. Under certain circumstances, however, the Department may select a more recently calculated margin to report to the ITC. See SAA at 890-891.

In the final determination of the investigation of honey from Argentina, the Department established weighted-average dumping margins of 37.44 for ACA, 32.56 percent for Radix, 60.67 percent for ConAgra Argentina, and 35.76 percent for all other Argentinean producers and exporters.²² While the Department has calculated de minimis margins for certain respondents in administrative reviews of honey from Argentina, the Department has found margins above de minimis for other respondents. With respect to the order on honey from the PRC, in the final determination the Department calculated weighted-average dumping margins of 57.13 percent for Inner Mongolia, 49.60 percent for Kunshan, 25.88 percent for Zhejiang, 45.46 percent for High Hope, 45.46 percent for Shanghai Eswell, 45.46 for Anhui, 45.46 percent for Henan, and 183.80 percent for the PRC-wide entity.²³ Since the issuance of the order on honey from the PRC, the Department has calculated above de minimis margins for all reviewed companies, and the PRC-wide rate remains above de minimis.

²² The margins for ACA and "all others" were established in the amended final determination.

²³ The margins for Kunshan, High Hope, Shanghai Eswell, Anhui, and Henan were established in the amended final determination.

The Department does not find any indication that the margins calculated in the administrative and new shipper reviews of honey from Argentina and the PRC are more probative of the behavior of producers and exporters without the discipline of the order. Where a respondent has a margin lower than that calculated in the original investigation, but there is no argument or company-specific data indicating that such respondent with a lower or de minimis margin maintained pre-order sales levels, the Department will provide the ITC with the rate from the original investigation. No such information has been placed on the record of these sunset reviews. Thus, the Department finds that the margins calculated in the original investigations of these orders are probative of the behavior of foreign producers and exporters, because these are the only calculated rates that reflect the behavior of manufacturers and exporters without the discipline of the orders. Therefore, consistent with section 752(c) of the Act, the Department will report to the ITC company-specific and “all others” rates from the investigations as indicated below.

Final Results of Sunset Reviews

As a result of these reviews, the Department determines that revocation of the antidumping duty orders on honey from Argentina and the PRC would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted-Average Margin (Percent)
<u>Argentina</u>	
Asociación de Cooperativas Argentinas (ACA)	37.44
Radix S.r.L. (Radix)	32.56
ConAgra Argentina	60.67
All Others	35.76
<u>PRC</u>	
Inner Mongolia Autonomous Region Native Produce and Animal By-Products Import and Export Corporation	57.13
Kunshan Foreign Trading Co.	49.60
Zhejiang Native Produce and Animal By-Products Import and Export Corp.	25.88
High Hope International Group Jiangsu Foodstuffs Import and Export Corp.	45.46
Shanghai Eswell Enterprise Co., Ltd.	45.46
Anhui Native Produce Import and Export Corporation	45.46
Henan Native Produce Import and Export Corporation	45.46
PRC-Wide rate	183.80

Recommendation

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

AGREE _____

DISAGREE _____

David M. Spooner
Assistant Secretary
for Import Administration

Date