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A-570-101
Sunset Review
Public Document

June 29, 2004

MEMORANDUM TO: Jeffrey A. May
Acting Assistant Secretary, Import Administration

FROM: Ronald K. Lorentzen
Acting Director, Office of Policy

SUBJECT: Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Greige Polyester Cotton Printcloth from the People's Republic from China; Final Results

Summary

We have analyzed the substantive response of the interested parties in the sunset review of the antidumping duty investigation covering Greige Polyester Cotton Printcloth ("printcloth") from the People's Republic from China ("PRC"). We recommend that you approve the positions we have developed in the Discussion of the Issues section of this memorandum. Below is the complete list of the issues in this sunset review for which we received a substantive response:

1. Likelihood of continuation or recurrence of dumping
 - A. Weighted-average dumping margin
 - B. Volume of imports

2. Magnitude of the margin likely to prevail
 - A. Margins from investigation

History of the Order

On July 28, 1983, the Department of Commerce (“Department”) published its final affirmative determination of sales at less than fair value (“LTFV”) in the *Federal Register* with respect to imports of printcloth from the PRC. *See Greige Polyester Cotton Printcloth from the People’s Republic from China; Final Determination of Sales at Less Than Fair Value*, 48 FR 34312 (July 28, 1983). On September 16, 1983, the Department published in the *Federal Register* an antidumping duty order on printcloth from the PRC. *See Greige Polyester Cotton Printcloth from the People’s Republic from China– Antidumping Duty Order*, 48 FR 41614 (September 16, 1983). Since the issuance of the antidumping order, the Department has conducted several administrative reviews with respect to imports of printcloth from the PRC.¹

The Department initiated the first sunset review on November 2, 1998, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). *See Initiation of Five-Year Reviews*, 63 FR 58709 (November 2, 1998). As a result of that review, the Department found that revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping. *See Final Results of Expedited Sunset Review: Greige Polyester Cotton Printcloth from the People’s Republic from China*, 64 FR 13399 (March 18, 1999). In that determination, the Department also reported to the International Trade Commission (“ITC”) as the likely dumping margin for all Chinese manufacturers

¹*Greige Polyester Cotton Printcloth from the People’s Republic from China; Final Results of Antidumping Duty Administrative Review*, 50 FR 5805 (February 12, 1985); *Greige Polyester Cotton Printcloth from the People’s Republic from China; Final Results of Antidumping Duty Administrative Review*, 57 FR 1254 (January 13, 1992); *Greige Polyester Cotton Printcloth from the People’s Republic from China; Final Results of Antidumping Duty Administrative Review*, 57 FR 31353 (July 15, 1992).

or exporters a rate of 22.4 percent. Id.

We completed no administrative review since the completion of the first sunset review in 1999.

Background:

On March 1, 2004, the Department published the notice of initiation of the second sunset review of the antidumping duty order on printcloth from the PRC pursuant to section 751(c) of the Act.² The Department received the Notice of Intent to Participate from the domestic interested parties of Alice Manufacturing Company, Inc. and Mount Vernon Mills, Inc. within the deadline specified in section 351.218(d)(1)(I) of the Department's Regulations ("Sunset Regulations"). The domestic interested parties claimed interested party status under section 771(9)(C) of the Act, as domestic manufacturers of printcloth. We received complete substantive responses from only the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). The Department received no responses from respondent interested parties. As a result, pursuant to section 751(c)(5)(A) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited (120-day) sunset review of this order.

Discussion of the Issues:

In accordance with section 751(c)(1) of the Act, the Department conducted this sunset review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making these determinations, the Department shall consider both the weighted-average dumping margins determined in the investigation

² *Initiation of Five-Year (Sunset) Reviews*, 69 FR 9585 (March 1, 2004).

and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period 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 ITC the magnitude of the margin of dumping likely to prevail if the order were revoked. Below we address the comments of the interested parties.

1. Likelihood of Continuation or Recurrence of Dumping

Interested Party Comments

The domestic interested parties believe that revocation of this antidumping duty order would likely lead to a continuation or recurrence of dumping by the Chinese producers of the subject merchandise due to continued dumping. *See* Substantive Response (March 31, 2004) at 5. The domestic interested parties state that imports declined dramatically when the order was imposed in 1983 and have never regained pre-order levels. *Id.* at 7, 9. In addition, there has been continued dumping since the imposition of the order, except in the years 1984 - 87, 2000, and 2001, when no printcloth was exported to the United States. *Id.* at 8-9 (citing to our administrative reviews as cited in footnote 1 of this decision memo). To support their argument, the domestic interested parties contend that the current average unit value of Chinese printcloth imports (\$0.33 per square meter) is less than the average unit value at the time of the imposition of the order in 1983 (\$0.36 per square meter). *Id.* at 9. The domestic interested parties contend that the average unit value was the basis of finding sales at less than fair value in 1983. *Id.*

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 (1994), the House Report, H. Rep. No. 103-826, pt. 1 (1994) (“House Report”), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. The Department clarified that determinations of likelihood will be made on an order-wide basis. *See Sunset Policy Bulletin at section II.A.2.* In addition, the Department indicated that normally it will determine 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 the order and import volumes for the subject merchandise declined significantly. *See Sunset Policy Bulletin at section II.A.3.*

Consistent with the *Sunset Policy Bulletin*, the Department normally will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where, *inter alia*, dumping continued at any level above *de minimis* after the issuance of the order. The Department has conducted a number of reviews since issuance of the order in which it found that dumping continued. *See* Footnote 1 of this Memorandum. Furthermore, the Department made an affirmative likelihood determination in its first sunset review of this order. No party has challenged that determination. The order, therefore, continues to exist and we continue to collect and assess dumping duties on entries of subject merchandise. Therefore, given that dumping at levels above *de minimis* have continued over the life of the order, the Department determines that dumping would likely continue or recur if the order were revoked.

In addition, the Department considers (a) the weighted-average dumping margins determined in the investigation and subsequent reviews, and (b) the volume of imports of the subject merchandise for the period before and after the issuance of the antidumping order. *See Policy Bulletin* at section II.A.1. Using statistics provided by the ITC Dataweb (see attached), the Department finds that imports have fluctuated. Since 1999, the completion of our first sunset review, we have seen imports decrease initially but then increase dramatically in 2003 despite no change in the rate. However, this increase in import volume did not rise to the pre-order level. Because the dumping margins have continued over the life of the order, the Department determines that dumping is likely to continue or recur if the order were revoked.

2. Magnitude of the Margin Likely to Prevail:

Interested Party Comments

The domestic interested parties note that there has been no calculated dumping margin since the investigation; accordingly, the Department should inform the ITC that a 22.4 percent margin will likely prevail if revocation occurs. *Id.* at 11.

Department's Position

In the *Sunset Policy Bulletin*, the Department stated that it normally will provide to the ITC the company-specific margin from the investigation for each company. For companies not investigated specifically, the Department normally will provide a margin based on the “All Others” rate from the investigation.

In section II.B.1. of the *Sunset Policy Bulletin*, the Department discussed the legislative history

related to the selection of the magnitude of the margin likely to prevail and clarified the preference for selecting a margin “from the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order or suspension agreement in place.” The Department believes it is appropriate to again report that figure to the ITC as the magnitude of the margin likely to prevail if the order were revoked because it is the only calculated rate that reflects the behavior of exporters without the discipline of a order in place. Therefore, we will report to the ITC the rate as published in the original investigation.

Final Results of Review

We determine that revocation of the antidumping duty order on printcloth from 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)
China-wide	22.4

Recommendation

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

AGREE X

DISAGREE _____

ORIGINAL SIGNED

Jeffrey A. May
Acting Assistant Secretary
for Import Administration

6/29/04

(Date)