

October 12, 2011

MEMORANDUM TO: Ronald K. Lorentzen
Deputy Assistant Secretary
for Import Administration

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

SUBJECT: Diamond Sawblades and Parts Thereof from the People's Republic
of China: Issues and Decision Memorandum for the Final Results
of the Changed Circumstances Review

SUMMARY

We have analyzed the affirmative and rebuttal briefs received from Petitioner¹ and Respondents² for the changed circumstances review (“CCR”) of the antidumping duty order on diamond sawblades and parts thereof from the People’s Republic of China (“PRC”). As a result of our analysis, we have affirmed the Preliminary Results.³

The Department of Commerce (“Department”) held a public hearing on July 25, 2011, to discuss arguments made in affirmative and rebuttal briefs. Following an analysis of the comments received and a review of all the information on the record, we made no changes to our determination in the Preliminary Results. 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 for which we received comments from interested parties.

COMMENT I: TERMINATION OF PETITIONER’S REVIEW REQUEST

COMMENT II: WHETHER TO AFFIRM THE PRELIMINARY RESULTS

¹ The Diamond Sawblade Manufacturers Coalition (“DSMC” or “Petitioner”).

² Hebei Husqvarna-Jikai Diamond Tools Co., Ltd. (“Hebei Husqvarna JV”), Husqvarna Construction Products North America (“HCPNA”), and Husqvarna Holding AB (collectively “Respondents”), which also included, until July 20, 2011, Hebei Jikai Industrial Group Co., Ltd. (“Hebei Jikai”). On July 20, 2011, counsel for Respondents submitted a letter stating that they no longer were representing Hebei Jikai in this review.

³ See Diamond Sawblades and Parts Thereof from the People’s Republic of China: Preliminary Results and Preliminary Intent to Terminate, in Part, Antidumping Duty Changed Circumstances Review and Extension of Time Limit for Final Results, 76 FR 38357 (June 30, 2011) (“Preliminary Results”).

- A. **Appropriate Time Period to Examine**
- B. **Policy Concerns Regarding Large Companies Acquiring Smaller Companies**
- C. **Analysis of the Four Factors**
- D. **Hebei Husqvarna JV Must Be the Successor-in-Interest to Hebei Jikai**

DISCUSSION OF THE ISSUES:

COMMENT I: TERMINATION OF PETITIONER’S REVIEW REQUEST

In the Preliminary Results, the Department preliminarily terminated Petitioner’s CCR request because the request asked the Department to find Hebei Husqvarna JV to be the successor to Husqvarna Holding AB, Electrolux Construction Products (Xiamen) Co. Ltd. (“Electrolux”), or to be an altogether new entity-

Petitioner

- Petitioner argues that the Department should reinstate its request for the CCR because, in its request, it asked the Department to confirm that Hebei Husqvarna JV is subject to the PRC-wide rate, rather than the 48.5 percent rate of Hebei Jikai, which Hebei Husqvarna JV had been using.

Respondents

- Respondents did not submit comments on this issue.

Department’s Position:

In the Preliminary Results, we stated that if we affirm our finding that Hebei Husqvarna JV is not the successor-in-interest to Hebei Jikai, then Hebei Husqvarna JV would be subject to the PRC-wide antidumping duty rate of 164.09 percent.⁴ In the Petitioner’s CCR request it asked the Department to review matters that would not answer the question of whether Hebie Husqvarna JV is entitled to Hebei Jikai’s antidumping deposit rate. In other words, unless the Department finds that a specific entity is the successor-in-interest to Hebei Jikai, no other entity is entitled to use Hebei Jikai’s rate.⁵ Because we find that Hebei Husqvarna JV is not the successor-in-interest to Hebei Jikai, we continue to find it appropriate to terminate Petitioner’s CCR request.

COMMENT II: WHETHER TO AFFIRM THE PRELIMINARY RESULTS

A. Appropriate Time Period to Examine

Respondents

- The Department examined the wrong period when concluding that there had been significant changes in management. The changes in management occurred four years after the

⁴ See Preliminary Results, 76 FR at 38358.

⁵ See *id.*

formation of the joint venture (“JV”). In the years immediately following the formation of the JV, management remained unchanged.

- Examining data from four years after the formation of the JV is both arbitrary and without precedent.
- Respondents cite to other cases⁶ where the Department examined the time periods immediately before and after the formation of the JV when considering changes in management, production facilities, suppliers, and customers.
- The Department should examine the years immediately before and after the formation of the JV when evaluating changes in production facilities, suppliers, and customers.

Petitioner

- The change in management that took place in 2010 is the most relevant information on the record of this review.
- The Department should compare management information for the alleged predecessor company with the successor company’s current information, obtained at the time of the Department’s review.

Department’s Position:

The Department disagrees with Respondents’ arguments that we examined the incorrect period of time by considering changes in management that took place four years after the formation of the JV. Although we generally consider information from immediately before and after the formation of a new entity, the Department is required to consider all information on the record relevant to the determination. In this case, the Department: (i) received information in the requests for the CCR from Petitioner and Respondents; and (ii) requested further information about changes in production facilities, management, suppliers, and customers in the period immediately prior to and following the formation of the JV.⁷

In response to the Department’s supplemental questionnaire requesting certain information regarding Hebei Jikai’s customers and suppliers, Respondents stated that they could not provide that information because the people who knew that information were no longer at Hebei Husqvarna JV. In this explanation, Respondents listed the management personnel who left Hebei Husqvarna JV in 2010.⁸ Therefore, based on Respondents’ responses, the record contains

⁶ See Brass Sheet and Strip from Canada: Final Results of Antidumping Duty Administrative Review, 57 FR 20460 (May 13, 1992); Certain Frozen Warmwater Shrimp from India: Preliminary Results of Antidumping Duty Changed Circumstances Review, 75 FR 44229 (July 28, 2010) (“Shrimp from India”); Preliminary Results of Antidumping Duty Changed Circumstances Review: Light-Walled Rectangular Pipe and Tube from Mexico, 74 FR 41680 (August 18, 2009) (“Pipe and Tube from Mexico”).

⁷ See Letter from DSMC to the Department regarding Diamond Sawblades and Parts Thereof from the People’s Republic of China—Request for Initiation of Changed Circumstances Review, dated August 13, 2010; Letter from DSMC to the Department regarding Diamond Sawblades and Parts Thereof from the People’s Republic of China—Supplementary Information on Request for Initiation of Changed Circumstances Review, dated August 20, 2010; Letter from Hebei Jikai to the Department regarding Diamond Sawblades and Parts Thereof from the People’s Republic of China – Request for Initiation of a Changed Circumstances Review; Changed Circumstances Review of Diamond Sawblades and Parts thereof From the People’s Republic of China: Supplemental Questionnaire, dated October 6, 2010.

⁸ See Letter from Hebei Husqvarna JV dated April 4, 2011, at page 2.

management information about the entities in question from before the formation of the JV, immediately after the formation of the JV, and changes that took place in 2010. Although the changes in management did not occur immediately after the formation of the JV, the fact that there was a significant change in management factors into our determination whether Hebei Husqvarna JV is the successor-in-interest to Hebei Jikai. Therefore, we disagree that it was arbitrary for the Department to consider information regarding changes to management that occurred in 2010, as that information pertains to actual changes in management that took place at Hebei Husqvarna JV and was placed on the record by Respondents. Respondents also argue that the Department's consideration of information from 2010 is without precedent. They cite several cases in which the Department examined changes in the four factors in the period immediately before and after the formation of the JV.⁹

Foremost, we note that successorship necessarily is a case-by-case determination where the Department analyzes the totality of the evidence on the record. Additionally, the Department disagrees with Respondents' conclusion regarding the cases to which they cite, *i.e.*, that we cannot consider the 2010 change in management in this successorship determination. For example, in Shrimp from India, the Department found that the new entity was the successor-in-interest because there were few changes among the four factors that we consider in a successorship analysis, rather than disregarding information relating to any possible changes that may have taken place long after the formation of the new entity.¹⁰ In Pipe and Tube from Mexico, the Department analyzed a new entity that had been formed in April 2008. In conducting its analysis, the Department requested, and received, information regarding management structure for 2007 and March 2009, while at the same time requesting data regarding customers and suppliers from 2007 and 2008—immediately before and after the new entity was formed.¹¹ Thus, the situation in this CCR is analogous to that in Pipe and Tube from Mexico, where the Department considered management information on the record pertaining to the JV at a later date, October 2010, during the course of the CCR, rather than simply looking at the management structure immediately before and after the formation of the JV. Moreover, in Steel Wire Rod from Mexico, the Department had on the record, and considered as part of its analysis, the management structure of the acquired entity over a three year period.¹²

Furthermore, here, information pertaining to management changes in 2010 contradicts the Articles of Association that state management shall remain the same.¹³ The Department notes that Respondents placed information on the record pertaining to its management structure in 2010. As explained above, the Department must consider all relevant information on the record—in this case, some of it concerning changes in management having taken place four

⁹ See Footnote 6, above.

¹⁰ See Shrimp from India, 75 FR at 44230 (unchanged in the final results, Certain Frozen Warmwater Shrimp From India: Final Results of Antidumping Duty Changed Circumstances Review, 75 FR 52718 (August 27, 2010)).

¹¹ See Preliminary Results of Antidumping Duty Changed Circumstances Review: Light-Walled Rectangular Pipe and Tube from Mexico, 74 FR 28887, 28888-89 (June 18, 2009) (unchanged in the final results, Final Results of Antidumping Duty Changed Circumstances Review: Light-Walled Rectangular Pipe and Tube From Mexico, 74 FR 41680 (August 18, 2009)).

¹² See Antidumping Duty Changed Circumstances Review: Carbon and Certain Alloy Steel Wire Rod from Mexico, 76 FR 45509 (July 29, 2011) ("Steel Wire Rod from Mexico") and accompanying Issues and Decision Memorandum at 9.

¹³ See Respondents' September 13, 2010 submission at Exhibit 5.

years after the formation of the JV. Therefore, the Department disagrees with Respondents that it arbitrarily considered information from “the wrong period,” that this practice is without precedent, or that the Department is precluded from considering all relevant information on the record, regardless of whether it pertains to immediately before or after the formation of the JV.

B. Policy Concerns Regarding Large Companies Acquiring Smaller Companies

Petitioner

- Respondents should not be permitted to effectively buy a lower antidumping duty cash deposit rate. To allow large companies to acquire smaller, lower-rate respondents would undermine the basic function of AD laws and lessen protection from unfair pricing practices. Therefore, the Department should find that Hebei Husqvarna JV should be required to pay cash deposits at the PRC-wide rate of 164.09 percent.

Respondents

- The Department’s primary policy concern is to calculate accurate AD margins using the best information available, rather than policing the acquisition of a “smaller respondent” by a “larger respondent.”
- At the time of the acquisition, there was no order on diamond sawblades. Therefore, the argument made by Petitioner is without grounds, as Husqvarna Husqvarna Holding AB did not stand, at the time, to benefit from obtaining Hebei Jikai’s rate.

Department’s Position:

While Hebei Husqvarna JV will be assigned the PRC-wide rate of 164.09 percent, we disagree with Petitioner that this rate should be assigned simply due to policy concerns that the Department may have regarding large companies acquiring smaller companies. In this case, Petitioner has submitted no evidence to support its claim that Respondents created the JV so as to buy a lower cash deposit rate. In fact, as Hebei Husqvarna JV states, there was no AD order on diamond sawblades from the PRC at the time the JV was formed. Therefore, the Department finds no grounds for basing its application of the PRC-wide rate to Hebei Husqvarna JV on concerns that the JV is claiming successorship solely for the purpose of buying Hebei Jikai’s lower rate.

C. Analysis of the Four Factors

Respondents

- A successor-in-interest determination must be based on the totality of the facts and circumstances. Examining the four factors, using the appropriate period of time, the Department must conclude that it is the successor-in-interest to Hebei Jikai, as it is materially the same in production facilities, management, suppliers, and customers.
- When the JV was created, a requirement of the JV was that, wherever possible, production facilities, management, suppliers, and customers would remain the same. These provisions were included in the JV’s Articles of Association.
- Any changes in the board of directors are immaterial, as a change in the board of directors would not affect business operations, nor did it affect management.

- Production facilities remained essentially the same, despite a purchase that changed production capacity by a small amount. Also, minor changes in product line are not a basis for finding that production facilities have changed.
- The suppliers and customers of Hebei Jikai and Hebei Husqvarna JV were substantially unchanged. Hebei Husqvarna JV's inability to provide detailed information regarding the largest suppliers and customers of Hebei Jikai does not invalidate the information that was already provided.
- Hebei Husqvarna JV should not have AFA applied regarding supplier and customer factors due to its inability to provide Hebei Jikai's customer quantity and value and percentages accounted for by suppliers.
- The detailed information regarding Hebei Jikai's customers and suppliers is not required for the Department to complete its analysis. Relative changes within customers' sales levels are not a basis for finding that the customer base changed and would amount to a new test in evaluating these factors. Further, based on the fact that the top suppliers in 2006 and 2007 were the same, it is reasonable to find that their relative percentages of supply were the same before and after the change.
- The Department has conducted other CCRs where it has made a positive successorship determination without examining suppliers and customers purchases by quantity, value, or percentages for which supplies account. The Department, in requesting such information, is adding a new test to the successor-in-interest analysis.
- In the past, the Department has focused on whether the top suppliers remained the same, as opposed to whether the purchases from these suppliers in terms of relative percentages remained the same. Regarding customers, the quantity, value, and percentage data are not needed because the issue is not whether customers bought the same amounts, but whether the base remained the same.

Petitioner

- The Department's preliminary determination that Hebei Husqvarna JV is not the successor-in-interest to Hebei Jikai was correct based on the four factors that the Department considers in CCRs.
- The Department correctly found that there had been substantive changes in management and board of directors.
- The production facilities are not substantially the same as those of Hebei Jikai. This is based on changes in product line and a change in the production capacity.
- Because Hebei Husqvarna JV did not provide Hebei Jikai's complete information concerning suppliers and customers, the Department should find that they are not materially the same as Hebei Husqvarna JV. Furthermore, the Department should apply AFA in considering these two factors, as the parties involved have not acted to the best of their ability in providing the information.

Department's Position:

In considering the totality of the information that is on the record, Hebei Husqvarna JV has not demonstrated that it is the successor-in-interest to Hebei Jikai. In a CCR, the Department typically examines several factors including, but not limited to, changes in: 1) management, 2)

production facilities, 3) supplier relationships, and 4) customer base.¹⁴ While no single factor or combination of these factors will necessarily be dispositive, the Department will generally consider the new company to be the successor to the previous company if its resulting operation is not materially dissimilar to that of its predecessor.¹⁵ Therefore, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as its predecessor, the Department will assign the new company the cash deposit rate of its predecessor.

Even though there was a minor increase in production capacity and product line, based on record evidence, the Department continues to find that the production facilities of Hebei Husqvarna JV remained materially the same as those of Hebei Jikai.¹⁶

With respect to supplier relationships, Hebei Husqvarna JV was unable to provide complete information requested by the Department; specifically, the percentages for which the top suppliers of Hebei Jikai accounted. When comparing entities involved in forming a JV, the Department considers whether there have been any changes in the supplier bases. Often, this factor speaks to the commercial realities and relationships of the JV and helps determine if the new company is materially similar to any of the entities which formed the new entity. We acknowledge that the names of the top 10 suppliers for Hebei Jikai and Hebei Husqvarna JV are largely the same.¹⁷ However, Respondents did not provide any information regarding actual percentages for which each of Hebei Jikai's suppliers accounted. While the Department is able to read the names of the suppliers, we are not able to look beneath a simple listing of names to see if there had been any significant changes within the percentages for which the top suppliers accounted. In other words, the Department does not know how the top supplier lists were compiled. Such data are essential in order to undertake a meaningful comparison of how supplier relationships may have changed between Hebei Jikai and Hebei Husqvarna JV. Because we did not know how the top 10 supplier lists for Hebei Jikai and Hebei Husqvarna JV were created, we requested further information about how they were compiled. Respondents were unable to obtain this information with respect to Hebei Jikai.

With respect to customer base, the fact pattern is similar to that of the supplier relationships discussed above. Here too we have incomplete information regarding how Respondents compiled the list of top customers for Hebei Jikai. That is, they were unable to obtain the quantity and value data upon which such a list would be based. As such, and as explained above, we are unable to make a meaningful comparison between the customer bases for Hebei Jikai and Hebei Husqvarna JV. However, as we explained in the Preliminary Results, even without complete information concerning customers' quantity and value, there seems to have been a significant change in the customers—specifically, the largest customer.¹⁸ Moreover, Hebei Husqvarna JV placed on the record its Articles of Association that stated that the JV would

¹⁴ See Fresh and Chilled Atlantic Salmon From Norway: Final Results of Changed Circumstances Antidumping Duty Administrative Review, 64 FR 9979, 9980 (March 1, 1999).

¹⁵ See id.

¹⁶ See Memorandum to James C. Doyle, Office Director, Office 9, through Matthew Renkey, Acting Program Manager, Office 9, from Alan Ray, Case Analyst, "Diamond Sawblades and Parts Thereof from the People's Republic of China: Successor-in-Interest Analysis," dated June 24, 2011 ("Analysis Memo") at page 2.

¹⁷ See Respondents' September 13, 2010, submission at Exhibit 8.

¹⁸ For specific details regarding this change, see Analysis Memo at pages 2-3.

remain the same, to the extent possible. Record evidence shows that customers did in fact change considerably.¹⁹

We note that there was a significant change in the board of directors between Hebei Jikai and Hebei Husqvarna JV at the time the JV was created, to reflect the new levels of ownership, although we note that the new board did not make any significant changes to management.²⁰ However, regarding management, no party disputes that management changed significantly in October 2010. Respondents argue that the Department should not consider any management changes that took place in October 2010, because in analyzing successorship, the Department typically examines changes within the four factors in the time periods immediately before and after the formation of a JV. Nevertheless, as explained above in Comment II. A., Hebei Husqvarna JV placed information on the record from this time period as an explanation for why it was unable to provide Hebei Jikai's customers' quantity and value of purchases and the percentages for which each of the largest suppliers accounted. Because this information is on the record of this review, and because it directly demonstrates that significant changes took place in management between Hebei Jikai and Hebei Husqvarna JV, the Department must also consider this information.²¹ Therefore, as discussed above, the Department concludes that there were significant changes between Hebei Jikai and Hebei Husqvarna JV with respect to management.²²

In evaluating the totality of the evidence regarding the four factors, the Department continues to find that Hebei Husqvarna JV is not the successor-in-interest to Hebei Jikai. As stated above, the production facilities between Hebei Jikai and Hebei Husqvarna JV remained materially the same. However, because Respondents were unable to provide complete information regarding changes in customers and suppliers, we cannot conclude that for those two factors Hebei Husqvarna JV is materially the same as Hebei Jikai. Moreover, consistent with what we stated in the Preliminary Results and accompanying Analysis Memo, we note that even with the limited information regarding Hebei Jikai's customers on the record, a significant change in the customer base seems to have occurred.²³ With respect to changes in management, the Department finds that there were significant changes.²⁴ The underlying purpose of a successor-in-interest analysis is to determine whether a new entity currently is eligible to use a previous entity's cash deposit rate, and clearly, current management at Hebei Husqvarna JV is substantially different than that of Hebei Jikai. As explained above, we have considered this information together with the totality of the evidence on the record. Because the burden to clearly demonstrate whether it is the successor-in-interest lies with Hebei Husqvarna JV, we find that the totality of the evidence on the record does not demonstrate that Hebei Husqvarna JV is the successor-in-interest to Hebei

¹⁹ See id.

²⁰ See Letter from DSMC to the Department regarding Diamond Sawblades and Parts Thereof from the People's Republic of China—Request for Initiation of Changed Circumstances Review, dated August 13, 2010; Letter from DSMC to the Department regarding Diamond Sawblades and Parts Thereof from the People's Republic of China—Supplementary Information on Request for Initiation of Changed Circumstances Review, dated August 20, 2010; Letter from Hebei Jikai to the Department regarding Diamond Sawblades and Parts Thereof from the People's Republic of China – Request for Initiation of a Changed Circumstances Review; Changed Circumstances Review of Diamond Sawblades and Parts thereof From the People's Republic of China: Supplemental Questionnaire, dated October 6, 2010.

²¹ See Analysis Memo at page 2.

²² See id at page 2.

²³ See id at page 3.

²⁴ See id at page 2.

Jikai.

Finally, with respect to Petitioner's argument that the Department should apply AFA, we affirm our finding in the Preliminary Results and agree with Respondents that there is no basis for applying an adverse inference with respect to the analysis of the suppliers and customers. There is no evidence that Hebei Husqvarna JV failed to cooperate by not acting to the best of its ability to comply with a request for information.²⁵ As such, there is no basis to overturn the decision from the Preliminary Results to not apply AFA. Nevertheless, for the reasons outlined above, the absence of this information is relevant to our determination that Hebei Husqvarna JV is not the successor-in-interest to Hebei Jikai.

D. Hebei Husqvarna JV Must Be the Successor-in-Interest to Hebei Jikai

Respondents

- Citing to 19 U.S.C. § 1675(a)(2)(B) and 1677(33)(E) and Marine Harvest,²⁶ Respondents argue that the Department *must* find either Hebei Husqvarna JV to be the successor-in-interest to Hebei Jikai or a new shipper, as a new entity is the equivalent of a new shipper. Because Hebei Husqvarna JV is affiliated with Hebei Jikai, it may not be a new entity or new shipper and, therefore, must be the successor-in-interest to Hebei Jikai. Otherwise, Hebei Husqvarna JV would not be able to have its own deposit rate, thereby violating the statutory scheme as to deposit rates.

Petitioner

- Petitioner argues that, unlike the facts in Marine Harvest, there is no evidence that Hebei Husqvarna JV and Hebei Jikai are directly or indirectly controlling another person, are directly or indirectly controlled by another person, or are under common control with another person. This is reinforced by the deterioration in the relationship, which explains why Hebei Husqvarna JV could not provide requested information about Hebei Jikai.

Department's Position:

The Department notes that the Court's ruling in Marine Harvest was specific to the facts of that particular case, rather than a broad holding that a new entity would necessarily have to be either a successor-in-interest to a previous entity, or a new shipper. The facts in this case are different from those in Marine Harvest. In Marine Harvest, two companies (Pesquera Mares Australes Ltd., and Marine Harvest) who had previously exported subject merchandise during the investigation and were investigated by the Department, later merged into one company (Marine Harvest).²⁷ Under those facts, the Court stated that the Department could not find the post-merger Marine Harvest to be a new entity—it must be a new shipper or a successor-in-interest to one or both of the pre-merging entities (*i.e.*, Mares Australes and pre-merger Marine Harvest).²⁸

²⁵ See section 776(b) of the Tariff Act of 1930, as amended (“Act”).

²⁶ See Marine Harvest (Chile) S.A. v. United States, 244 F. Supp. 2d 1364, 1379 (CIT 2002).

²⁷ See Marine Harvest, 244 F. Supp. 2d at 1366-67.

²⁸ See *id.* at 1381.

Here, and unlike in Marine Harvest, one company (Hebei Jikai), who was subject to the Department's less-than-fair-value investigation, formed a JV, (Hebei Husqvarna JV) with another company (Husqvarna Holding AB) subsequent to the investigation. Specifically, in this case there are three entities involved in the successorship question: (i) Hebei Jikai, the producer and exporter from the original investigation who became a minority owner in the JV; (ii) Husqvarna Holding AB, a foreign company who was not involved in the original investigation and who contributed majority ownership to the JV; and (iii) Hebei Husqvarna JV, the JV.²⁹ During the less-than-fair-value investigation, Hebei Jikai exported subject merchandise from the PRC to the United States, while Husqvarna Holding AB did not.³⁰ Shortly after the conclusion of the investigation, Husqvarna Holding AB and Hebei Jikai formed a new entity, Hebei Husqvarna JV. As such, the parallel that Respondents seek to draw to Marine Harvest is incongruous with the facts of the instant case. Thus, and for the reasons stated above, we find that Hebei Husqvarna JV is not the successor-in-interest to Hebei Jikai. Also, contrary to Respondents' argument, our finding does not mean that there is no manner by which Hebei Husqvarna JV can get its own AD cash deposit rate; Hebei Husqvarna JV can request an administrative review at the appropriate time to establish its own cash deposit rate.

Moreover, regarding Respondents' argument that Hebei Husqvarna JV would not be entitled to a new shipper review and, as such, must be a successor to Hebei Jikai, we note that successor-in-interest determinations and new shipper reviews are different as they pertain to different concepts. The purpose of a successor-in-interest analysis is to determine if an entity's operations are materially similar to those of a pre-existing entity that has already been examined and thus eligible to use that previous entity's AD rate.³¹ In contrast, new shipper reviews are opportunities for new exporters, unaffiliated with any company from the original investigation, to obtain their own AD rate by requesting a review within one year of their first sale.³² Here, the Department has determined that Hebei Husqvarna JV's operations are not materially similar to those of Hebei Jikai and that, therefore, it is not the successor-in-interest to Hebei Jikai.

²⁹ See Petitioner's requests for a CCR dated August 13, and August 20, 2010, and Respondents' request for a CCR dated September 13, 2010.

³⁰ See *id.*

³¹ See Fresh and Chilled Atlantic Salmon From Norway: Final Results of Changed Circumstances Antidumping Duty Administrative Review, 64 FR 9979, 9980 (March 1, 1999).

³² See Section 751(a)(2)(B) of the Act and 19 CFR 351.214(a).

RECOMMENDATION

Based on our analysis of the comments received, we recommend adopting all of the above positions. If accepted, we will publish the final results of review in the Federal Register.

AGREE_____ DISAGREE_____

Ronald K. Lorentzen
Acting Deputy Assistant Secretary
for Import Administration

Date