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MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Import Administration

FROM: Gary Taverman 
Senior Advisor
for Antidumping and Countervailing Duty Operations

SUBJECT: Certain Steel Nails from the People's Republic of China: Decision
Memorandum for the Preliminary Results of the 2011-2012
Antidumping Duty Administrative Review

SUMMARY

The Department of Commerce ("Department") is conducting the fourth administrative review of the antidumping duty order on certain steel nails ("nails") from the People's Republic of China ("PRC").¹ The Department has preliminarily determined that Stanley² and JISCO³ sold merchandise below normal value ("NV") during the period of review ("POR") August 1, 2011, through July 31, 2012. The Department also preliminarily has determined that certain companies are entitled to a separate rate and that other companies had no shipments during the POR.

If we adopt these preliminary results in the final results of the reviews, we will instruct U.S. Customs and Border Protection ("CBP") to assess antidumping duties on all appropriate entries of subject merchandise during the POR.

We invite interested parties to comment on these preliminary results. We expect to issue final results no later than 120 days from the date of publication of this notice pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("Act").

Case History

On September 26, 2012, the Department initiated the fourth administrative review of nails from the PRC with respect to 499 companies.⁴ Because of the large number of exporters involved in

¹ See *Notice of Antidumping Duty Order: Certain Steel Nails From the People's Republic of China*, 73 FR 44961 (August 1, 2008).

² The Stanley Works (Langfang) Fastening Systems Co., Ltd. ("Stanley Langfang"), and Stanley Black & Decker, Inc. ("SBD") (collectively, "Stanley")

³ Qingdao JISCO Co., Ltd. and ECO System Corporation (d/b/a JISCO Corporation) (collectively, "JISCO").

⁴ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 77 FR 59168 (September 26, 2012) ("Initiation").

the administrative review, the Department limited the number of respondents individually examined pursuant to section 777A(c)(2) of the Act and selected Stanley and JISCO as mandatory respondents (collectively referred to as “Respondents”).⁵ The Department sent antidumping duty questionnaires to Stanley and JISCO, to which they responded in a timely manner. Between April 2013 and June 2013, the Department issued supplemental questionnaires to the Respondents to which they responded in a timely manner. On February 8, 2013, the Department sent interested parties a letter inviting comments on surrogate country selection and surrogate value (“SV”) data.⁶ Between March 29, 2013, and April 29, 2013, the Department received surrogate country and SV comments and rebuttal comments from interested parties.

Scope of the Order

The merchandise covered by this order includes certain steel nails having a shaft length up to 12 inches. Certain steel nails include, but are not limited to, nails made of round wire and nails that are cut. Certain steel nails may be of one piece construction or constructed of two or more pieces. Certain steel nails may be produced from any type of steel, and have a variety of finishes, heads, shanks, point types, shaft lengths and shaft diameters. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, whether by electroplating or hot dipping one or more times), phosphate cement, and paint. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted shank styles. Screw-threaded nails subject to this proceeding are driven using direct force and not by turning the fastener using a tool that engages with the head. Point styles include, but are not limited to, diamond, blunt, needle, chisel and no point. Finished nails may be sold in bulk, or they may be collated into strips or coils using materials such as plastic, paper, or wire. Certain steel nails subject to this order are currently classified under the Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings 7317.00.55, 7317.00.65 and 7317.00.75.

Excluded from the scope of this order are steel roofing nails of all lengths and diameter, whether collated or in bulk, and whether or not galvanized. Steel roofing nails are specifically enumerated and identified in ASTM Standard F 1667 (2005 revision) as Type I, Style 20 nails. Also excluded from the scope are the following steel nails: 1) Non-collated (*i.e.*, hand-driven or bulk), two-piece steel nails having plastic or steel washers (caps) already assembled to the nail, having a bright or galvanized finish, a ring, fluted or spiral shank, an actual length of 0.500” to 8”, inclusive; and an actual shank diameter of 0.1015” to 0.166”, inclusive; and an actual washer or cap diameter of 0.900” to 1.10”, inclusive; 2) Non-collated (*i.e.*, hand-driven or bulk), steel nails having a bright or galvanized finish, a smooth, barbed or ringed shank, an actual length of 0.500” to 4”, inclusive; an actual shank diameter of 0.1015” to 0.166”, inclusive; and an actual head diameter of 0.3375” to 0.500”, inclusive; 3) Wire collated steel nails, in coils, having a galvanized finish, a smooth, barbed or ringed shank, an actual length of 0.500” to 1.75”, inclusive; an actual shank diameter of 0.116” to 0.166”, inclusive; and an actual head diameter of 0.3375” to 0.500”, inclusive; and 4) Non-collated (*i.e.*, hand-driven or bulk), steel nails having a

⁵ See Memorandum to James Doyle, Office Director, from Matthew Renkey, Senior Analyst, “Fourth Antidumping Duty Administrative Review of Certain Steel Nails from the People’s Republic of China: Selection of Respondents for Individual Review,” dated November 20, 2012.

⁶ See the Department’s Letter to All Interested Parties, “Fourth Administrative Review of Certain Steel Nails from the People’s Republic of China: Surrogate Country List,” dated February 8, 2013 (“Surrogate Country Memo”).

convex head (commonly known as an umbrella head), a smooth or spiral shank, a galvanized finish, an actual length of 1.75” to 3”, inclusive; an actual shank diameter of 0.131” to 0.152”, inclusive; and an actual head diameter of 0.450” to 0.813”, inclusive.

Also excluded from the scope of this order are corrugated nails. A corrugated nail is made of a small strip of corrugated steel with sharp points on one side. Also excluded from the scope of this order are fasteners suitable for use in powder-actuated hand tools, not threaded and threaded, which are currently classified under HTSUS 7317.00.20 and 7317.00.30. Also excluded from the scope of this order are thumb tacks, which are currently classified under HTSUS 7317.00.10.00.

Also excluded from the scope of this order are certain brads and finish nails that are equal to or less than 0.0720 inches in shank diameter, round or rectangular in cross section, between 0.375 inches and 2.5 inches in length, and that are collated with adhesive or polyester film tape backed with a heat seal adhesive. Also excluded from the scope of this order are fasteners having a case hardness greater than or equal to 50 HRC, a carbon content greater than or equal to 0.5 percent, a round head, a secondary reduced-diameter raised head section, a centered shank, and a smooth symmetrical point, suitable for use in gas-actuated hand tools. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

DISCUSSION OF THE METHODOLOGY

Preliminary Determination of No Shipments

Between November 5 and November 26, 2012, the following companies filed no-shipment certifications indicating that they did not export subject merchandise to the United States during the POR: Besco Machinery Industry (Zhejiang) Co., Ltd.; Certified Products International Inc.; China Staple Enterprise (Tianjin) Co., Ltd.; Jining Huarong Hardware Products Co., Ltd.; Mingguang Abundant Hardware Products Co., Ltd.; PT Enterprise Inc.; Shanghai Jade Shuttle Hardware Tools Co., Ltd.; Shanghai Tengyu Hardware Tools Co., Ltd.; and Shanxi Yuci Broad Wire Products Co., Ltd. In order to examine these claims, we sent inquiries to CBP requesting that CBP inform the Department if it had any information contrary to the no-shipment claims.

We received responses from CBP with respect to Certified Products International Inc. and Mingguang Abundant Hardware Products Co., Ltd. contrary to their no shipment claims. We have not yet issued supplemental questionnaires to these two companies to further evaluate the information (as we only received the entry documentation shortly before these preliminary results), but will do so after these preliminary results.⁷ We note that Certified Products International Inc. submitted a separate rate application as well as a no-shipment response, which we discuss below in the “Separate Rate” section.⁸

⁷ We placed entry documentation received from CBP on the record. See memorandum to the file “Certain Steel Nails from the People’s Republic of China: Entry Documentation from U.S. Customs and Border Protection,” dated September 3, 2013.

⁸ See Certified Products International Inc.’s no shipments letter, dated November 15, 2012, and its separate rate application, dated November 19, 2012.

Based on the evidence on the record thus far, we preliminarily determine that these companies, including Certified Products International Inc. and Mingguang Abundant Hardware Products Co., Ltd., did not have any reviewable transactions during the POR because they have submitted responses stating as such. For Certified Products International Inc. and Mingguang Abundant Hardware Products Co., Ltd., while the Department did receive information contrary to their no shipments claims, we plan to examine this matter further, as explained above. In addition, the Department finds that consistent with its recently announced refinement to its assessment practice in nonmarket economy (“NME”) cases, it is appropriate not to rescind the review in part in this circumstance but, rather, to complete the review with respect to the above named companies and issue appropriate instructions to CBP based on the final results of the review.⁹

Non-Market Economy Country Status

In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the Department. The Department considers the PRC to be an NME country.¹⁰ Therefore, we continue to treat the PRC as an NME country for purposes of these preliminary results.

Separate Rates

Pursuant to section 771(18)(C)(i) of the Act, a designation of a country as an NME remains in effect until it is revoked by the Department. Accordingly, there is a rebuttable presumption that all companies within an NME are subject to government control, and thus, should be assessed a single antidumping duty rate.¹¹ In the *Initiation*, the Department notified parties of the application process by which exporters and producers may obtain separate rate status in NME proceedings.¹² It is the Department’s policy to assign all exporters of the merchandise subject to review in NME countries a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, the Department analyzes each exporting entity in an NME country under the test established in *Sparklers*,¹³ as amplified by *Silicon Carbide*.¹⁴ However, if the Department determines that a company is wholly foreign-owned by individuals or by companies

⁹ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-65695 (October 24, 2011).

¹⁰ See, e.g., *Certain Steel Nails from the People’s Republic of China; Final Results of Third Antidumping Duty Administrative Review; 2010-2011*, 78 FR 16651, 16652 (March 18, 2013), and accompanying Issues and Decision Memorandum (“AR3 Final”).

¹¹ See *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People’s Republic of China*, 71 FR 53079, 53082 (September 8, 2006); *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People’s Republic of China*, 71 FR 29303, 29307 (May 22, 2006).

¹² See *Initiation*, 77 FR at 59168-77.

¹³ See *Final Determination of Sales at Less Than Fair Value: Sparklers from the People’s Republic of China*, 56 FR 20588 (May 6, 1991) (“*Sparklers*”).

¹⁴ See *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People’s Republic of China*, 59 FR 22585 (May 2, 1994) (“*Silicon Carbide*”).

located in a market economy (“ME”), then a separate rate analysis is not necessary to determine whether it is independent from government control.¹⁵

In addition to the mandatory respondents, Stanley and JISCO, the Department received timely separate rate applications or certifications from the following 28 companies (“Separate-Rate Applicants”):

- 1) Cana (Tianjin) Hardware Industrial Co., Ltd.
- 2) Chiieh Yung Metal Ind. Corp.
- 3) China Staple Enterprise (Tianjin) Co., Ltd.
- 4) Dezhou Hualude Hardware Products Co., Ltd.
- 5) Hebei Cangzhou New Century Foreign Trade Co., Ltd.
- 6) Huanghua Jinhai Hardware Products Co., Ltd.
- 7) Huanghua Xionghua Hardware Products Co., Ltd.
- 8) Nanjing Yuechang Hardware Co., Ltd.
- 9) Qingdao D&L Group Ltd.
- 10) SDC International Australia Pty., Ltd
- 11) Shandong Dinglong Import & Export Co., Ltd.
- 12) Shandong Oriental Cherry Hardware Group Co., Ltd.
- 13) Shandong Oriental Cherry Hardware Import and Export Co., Ltd.
- 14) Shanghai Curvet Hardware Products Co., Ltd.
- 15) Shanghai Yueda Nails Industry Co., Ltd.
- 16) Shanxi Hairui Trade Co., Ltd.
- 17) Shanxi Pioneer Hardware Industrial Co., Ltd.
- 18) Shanxi Tianli Industries Co., Ltd.
- 19) S-Mart (Tianjin) Technology Development Co., Ltd.
- 20) Suntec Industries Co., Ltd.
- 21) Suzhou Xingya Nail Co., Ltd.
- 22) Tianjin Jinchi Metal Products Co., Ltd.
- 23) Tianjin Jinghai County Hongli Industry & Business Co., Ltd.
- 24) Tianjin Lianda Group Co., Ltd.
- 25) Tianjin Universal Machinery Imp & Exp Corporation
- 26) Tianjin Zhonglian Metals Ware Co., Ltd.
- 27) Xi’an Metals & Minerals Import and Export Co., Ltd.
- 28) Zhejiang Gem-Chun Hardware Accessory Co., Ltd.

As noted above, we have made a preliminary finding of no-shipments for Certified Products International Inc. Despite its no-shipments submission, this company submitted a separate-rate application. Certified Products International Inc. received a separate rate in a prior review, and

¹⁵ See, e.g., *Wooden Bedroom Furniture from the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review*; 2011, 78 FR 9493 (February 6, 2013), and accompanying Decision Memorandum at p.9, unchanged in final results, 78 FR 35249 (June 12, 2013); *Certain Pneumatic Off-the-Road Tires from the People’s Republic of China, Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 73 FR 9278, 9284 (February 20, 2008), unchanged in final affirmative determination, 73 FR 40485 (July 15, 2013).

due to our preliminary finding of no-shipments in this review, accordingly retains its prior separate rate.

The remaining companies did not submit either a separate-rate application or certification.¹⁶ Therefore, because these companies did not demonstrate their eligibility for separate-rate status, they remain preliminarily included as part of the PRC-wide entity and are subject to the PRC-wide rate.

Additionally, we note that the *Initiation* included a variation of company names not included in either the separate-rate applications or certifications of the Separate-Rate Applicants.¹⁷ Because these names (1) have not been granted separate-rate status in a previous granting period and (2) do not appear on the business license submitted to the Department, and, therefore, are not recognized as representing the same entity, consistent with our practice, we are preliminarily not including these names on the lists of those for which separate rate status applies.¹⁸

a. Absence of *De Jure* Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies.¹⁹ The evidence provided by Stanley, JISCO, and the Separate-Rate Applicants supports a preliminary finding of *de jure* absence of government control based on the following: (1) an absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) there are applicable legislative enactments decentralizing control of the companies; and (3) there are formal measures by the government decentralizing control of companies.

b. Absence of *De Facto* Control

Typically the Department considers four factors in evaluating whether each respondent is subject to *de facto* government control of its export functions: (1) whether the export prices ("EPs") are set by or are subject to the approval of a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.²⁰ The Department has determined that an analysis of *de facto* control is critical in determining whether respondents are,

¹⁶ See Appendix.

¹⁷ *Id.*; see also *Initiation*, 77 FR at 59169.

¹⁸ See *Certain Frozen Warmwater Shrimp from the Socialist Republic of Vietnam: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 74 FR 47191 (September 15, 2009) ("3rd AR Final"), and accompanying Issues and Decision Memorandum at Comment 17.

¹⁹ See *Sparklers*, 56 FR at 20589.

²⁰ See *Silicon Carbide*, 59 FR at 22586-87; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995).

in fact, subject to a degree of government control which would preclude the Department from assigning separate rates.²¹

The evidence provided by Stanley, JISCO, and the Separate-Rate Applicants supports a preliminary finding of *de facto* absence of government control based on the following: (1) the companies set their own EPs independent of the government and without the approval of a government authority; (2) the companies have authority to negotiate and sign contracts and other agreements; (3) the companies have autonomy from the government in making decisions regarding the selection of management; and (4) there is no restriction on any of the companies' use of export revenue.²² Therefore, the Department preliminarily finds that Stanley, JISCO, and the Separate-Rate Applicants have established that they qualify for a separate rate under the criteria established by *Silicon Carbide* and *Sparklers*.

Separate Rate Calculation for Companies Not Individually Examined

As noted above, we stated that the Department employed a limited examination methodology, as it did not have the resources to examine all companies for which a review request was made, and selected two exporters as mandatory respondents in this review. Stanley and JISCO participated in the administrative review as mandatory respondents. As noted above, 28 additional companies submitted timely information and remained subject to review as separate-rate respondents.

The statute and the Department's regulations do not directly address the establishment of a rate to be applied to individual companies not selected for individual examination where the Department limited its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Section 735(c)(5)(A) of the Act instructs that we do not calculate an all-others rate using any zero or *de minimis* weighted-average dumping margins or any weighted-average dumping margins based entirely on facts available. Accordingly, the Department's usual practice has been to average the rates for the selected companies excluding rates that are zero, *de minimis*, or based entirely on facts available.²³

In this review, we have calculated weighted-average dumping margins for both mandatory respondents, which are above *de minimis* and are not based entirely on facts available. Accordingly, for the preliminary results, consistent with the Act and the Department's practice,

²¹ See Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China, 60 FR 22544, 22544 (May 8, 1995).

²² See, e.g., Stanley's December 12, 2012, section A response at 1-21, JISCO's January 16, 2013 section A response at 1-11, and generally, the separate rate certifications and applications submitted by the Separate-Rate Applicants between October 31, 2012, and November 26, 2012.

²³ See *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews and Rescission of Review in Part*, 73 FR 52823, 52824 (September 11, 2008), and accompanying Issues and Decision Memorandum at Comment 16.

the Department has preliminarily determined that the margin to be assigned to the Separate Rate Applicants is the weighted average of the calculated margins of the mandatory respondents.²⁴

PRC-Wide Entity

Upon initiation of the administrative review, as explained above, we provided the opportunity for all companies upon which we initiated the review to complete either the separate-rates application or certification.²⁵ We have preliminarily determined that 462 companies did not demonstrate their eligibility for a separate rate and are properly considered part of the PRC-wide entity. In NME proceedings, “‘rates’ may consist of a single dumping margin applicable to all exporters and producers.”²⁶ As explained above in the “Separate Rates” section, all companies within the PRC are considered to be subject to government control unless they are able to demonstrate an absence of government control with respect to their export activities. Such companies are thus assigned a single antidumping duty rate distinct from the separate rate(s) determined for companies that are found to be independent of government control with respect to their export activities. We consider the influence that the government has been found to have over the economy to warrant determining a rate for the entity that is distinct from the rates found for companies that have provided sufficient evidence to establish that they operate freely with respect to their export activities.²⁷ In this regard, we note that no party has submitted evidence to demonstrate that such government influence is no longer present or that our treatment of the NME entity is otherwise incorrect. Therefore, we are assigning the entity an *ad valorem* rate of 118.04 percent, the only rate ever determined for the PRC-wide entity in this proceeding.²⁸

On December 26, 2012, Petitioner timely withdrew its request for review for 117 companies that were not requested by any other interested party. For those companies for which a review was initiated, for which all review requests have been withdrawn, and which previously received separate-rate status in a prior segment of this case, it is the Department’s practice to rescind the administrative review, in accordance with 19 CFR 351.213(d)(1). However, none of these 117 companies have a separate rate. While the requests for review of these companies were timely withdrawn, these companies remain a part of the PRC-wide entity. The PRC-wide entity is under review for these preliminary results. Thus, we are not rescinding this review with respect

²⁴ We note that it is the Department’s practice to calculate the rate based on the average of the margins calculated for those companies selected for individual review, weighted by each company’s publicly-ranged quantity of reported U.S. transactions. See *Ball Bearings and Parts Thereof From France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010). For further discussion of this calculation, see Memo to the File, from Javier Barrientos, Senior Analyst, “Fourth Administrative Review of Certain Steel Nails from the People’s Republic of China: Calculation of the Separate Rate,” dated concurrently with this memo.

²⁵ See *Initiation*, 77 FR at 59168-69. The separate-rate certification and separate-rate applications were available at: <http://ia.ita.doc.gov/nme/nme-sep-rate.html>.

²⁶ See 19 CFR 351.107(d).

²⁷ See, e.g., *AR3 Final*.

²⁸ *Id.*; see also, e.g., *Wooden Bedroom Furniture From the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2011*, 78 FR 35249 (June 12, 2013).

to these companies at this time, but the Department will make a determination with respect to the PRC-wide entity at the conclusion of these preliminary results and final results.²⁹

Facts Available (“FA”)

Section 776(a) of the Act provides that the Department shall apply “facts otherwise available” if (1) necessary information is not on the record or (2) an interested party or any other person (A) withholds information that has been requested, (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act, (C) significantly impedes a proceeding, or (D) provides information that cannot be verified as provided by section 782(i) of the Act.

Stanley used tollers to perform wire drawing, galvanizing, and a small amount of “semi-finished” nail making. Stanley obtained FOPs from all of its tollers, but the FOP data for one of its five wire-drawing tollers are incomplete. This toller accounted for a very small percentage of Stanley’s overall wire drawing. Therefore, pursuant to section 776(a)(1) of the Act, we preliminary find that necessary information is missing from the record and as FA, we are using the wire drawing FOPs from only those four tollers whose complete data Stanley was able to obtain and submit on the record, according to our practice.³⁰

Surrogate Country and Surrogate Value Data

As noted above, on February 8, 2013, the Department sent interested parties a letter inviting comments on surrogate country selection and SV data.³¹ Also, as noted above, between March 29 and April 29, 2013, interested parties submitted comments and rebuttal comments on surrogate country selection and SVs.

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs it to base NV, in most circumstances, on the NME producer’s factors of production (“FOP”), valued using the best available information in a surrogate ME country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall utilize, to the extent possible, the prices or costs of FOPs in one or more ME countries that are: (a) at a level of economic development comparable to that of the NME country; and (b) significant producers of comparable merchandise.³² Reading section 773(c)(1) and (c)(4) in concert, it is the Department’s practice to select an appropriate surrogate country based on the availability and reliability of data.³³ Accordingly, we examine each factor below.

²⁹ See, e.g., *Narrow Woven Ribbons With Woven Selvedge From the People’s Republic of China: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 77 FR 47363, 47365 (August 8, 2012), unchanged in *Narrow Woven Ribbons With Woven Selvedge From the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 10130 (February 13, 2013).

³⁰ See, e.g., *Certain Steel Nails From the People’s Republic of China: Final Results of the First Antidumping Duty Administrative Review*, 76 FR 16379 (March 23, 2011), and accompanying Issues and Decision Memorandum at Comment 17.

³¹ See Surrogate Country Memo.

³² See *Import Administration Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process* (March 1, 2004) (“Policy Bulletin”).

³³ See, e.g., *Chlorinated Isocyanurates from the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 41364 (July 10, 2013), and accompanying Preliminary Decision Memorandum at 7; see also *id.*

Petitioner and Stanley recommend Thailand because it is at a level of economic development comparable to the PRC, is a significant producer of comparable merchandise, and has superior quality and availability of SV data. JISCO recommends Ukraine, contending that even though it was not listed among the countries identified by Policy as at a level of economic development comparable to the PRC, it has a *per capita* gross national income (“GNI”) within the range of those countries, is a significant producer of comparable merchandise, and has available SV data. In the alternative, JISCO also suggests Colombia as a surrogate country for the same reasons as Ukraine.

a. Comparable Level of Economic Development

Pursuant to section 773(c)(4) of the Act, the Department has determined that Colombia, Costa Rica, Indonesia, the Philippines, South Africa, and Thailand are countries at the same level of economic development as the PRC.³⁴ Section 773(c)(4)(A) of the Act is silent with respect to how or on what basis the Department may make this determination, but it is the Department’s long standing practice to use *per capita* GNI data reported in the World Bank’s World Development Report.³⁵ Therefore, we consider all six of these countries as having met this prong of the surrogate country selection criteria. Also, based on Ukraine’s GNI, we find that it is also at the same level of economic development as China and are considering it alongside the other countries for the purpose of surrogate country selection.³⁶

b. Significant Producers of Comparable Merchandise

Section 773(c)(4)(B) of the Act requires the Department to value FOPs in a surrogate country that is a significant producer of comparable merchandise. Neither the statute nor the Department’s regulations provide further guidance on what may be considered comparable merchandise. Given the absence of any definition in the statute or regulations, the Department looks to other sources such as the *Policy Bulletin* for guidance on defining comparable merchandise. The *Policy Bulletin* states that “in all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise.”³⁷ Conversely, if identical merchandise is not produced, then a country producing comparable merchandise is sufficient in selecting a surrogate country.³⁸ Further, when selecting a surrogate country, the statute requires the Department to consider the comparability of the merchandise, not the comparability of the industry.³⁹ “In cases where the identical merchandise is not produced, the Department must determine if other merchandise that is comparable is produced. How the Department does this

³⁴ See Surrogate Country Memo.

³⁵ See, e.g., *Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review and New Shipper Reviews; 2010-2011*, 78 FR 17350, and accompanying Issues and Decision Memorandum at Comment I.A.

³⁶ See JISCO’s March 29, 2013, surrogate country submission at 4.

³⁷ See *Policy Bulletin* at 2.

³⁸ The *Policy Bulletin* also states that “if considering a producer of identical merchandise leads to data difficulties, the operations team may consider countries that produce a broader category of reasonably comparable merchandise.” *Id.* at note 6.

³⁹ See *Sebacic Acid from the People’s Republic of China; Final Results of Antidumping Duty Administrative Review*, 62 FR 65674, 65675-76 (December 15, 1997) (“{T}o impose a requirement that merchandise must be produced by the same process and share the same end uses to be considered comparable would be contrary to the intent of the statute.”).

depends on the subject merchandise.”⁴⁰ In this regard, the Department recognizes that any analysis of comparable merchandise must be done on a case-by-case basis:

In other cases, however, where there are major inputs, *i.e.*, inputs that are specialized or dedicated or used intensively, in the production of the subject merchandise, *e.g.*, processed agricultural, aquatic and mineral products, comparable merchandise should be identified narrowly, on the basis of a comparison of the major inputs, including energy, where appropriate.⁴¹

Further, the statute grants the Department discretion to examine various data sources for determining the best available information.⁴² Moreover, while the legislative history provides that the term “significant producer” includes any country that is a significant “net exporter,”⁴³ it does not preclude reliance on additional or alternative metrics. In this case, because production data of comparable merchandise are not available, we analyzed exports of comparable merchandise from the seven countries, as a proxy for production data. We obtained export data using the Global Trade Atlas (“GTA”) for HTS 7317.00: Nails, Tacks, Drawing Pins, Staples (Other Than In Strips), And Similar Articles, Of Iron Or Steel, Excluding Such Articles With Heads Of Copper. The countries reported the following export volumes for the POR: (1) Colombia (13,875,708 kilograms (“kgs”)); (2) Costa Rica (617,151 kgs); (3) Indonesia (756,233 kgs); (4) the Philippines (49,158 kgs); (5) South Africa (3,354,646 kgs); (6) Thailand (11,010,204 kgs); and (7) Ukraine (10,846,898 kgs).⁴⁴

As noted above, all six countries identified in the Surrogate Country and Values Memo and Ukraine had significant exports under the HTS numbers included in the scope of the order.⁴⁵ Because none of the potential surrogate countries have been definitively disqualified through the above analysis, the Department looks to the availability and quality of SV data to determine the most appropriate surrogate country.

c. Data Availability

The *Policy Bulletin* states that, if more than one country is at a level of economic development comparable to that of the NME and is a significant producer, “then the country with the best factors data is selected as the primary surrogate country.”⁴⁶ Importantly, the *Policy Bulletin* explains further that “data quality is a critical consideration affecting surrogate country selection” and that “a country that perfectly meets the requirements of economic comparability and significant producer is not of much use as a primary surrogate if crucial factor price data from that country are inadequate or unavailable.”⁴⁷

⁴⁰ See *Policy Bulletin* at 2.

⁴¹ *Id.* at 3.

⁴² See section 773(c) of the Act; see also *Nation Ford Chem. Co. v. United States*, 166 F.3d 1373, 1377 (Fed. Cir. 1990).

⁴³ See Conference Report to the 1988 Omnibus Trade & Competitiveness Act, H.R. Rep. No. 100-576, at 590 (1988).

⁴⁴ See Prelim SV Memo.

⁴⁵ See April 2, 2013, Surrogate Country and Values Memo.

⁴⁶ See *Policy Bulletin*.

⁴⁷ *Id.*

Section 773(c)(1) of the Act instructs the Department to value the FOPs based upon the best available information from an ME country or countries that the Department considers appropriate. When considering what constitutes the best available information, the Department considers several criteria, including whether the SV data is contemporaneous, publicly available, tax and duty exclusive, represents a broad market average, and is specific to the input.⁴⁸ The Department's preference is to satisfy the breadth of the aforementioned selection criteria.⁴⁹ Moreover, it is the Department's practice to carefully consider the available evidence in light of the particular facts of each industry when undertaking its analysis of valuing the FOPs.⁵⁰ The Department must weigh the available information with respect to each input value and make a product-specific and case-specific decision as to what constitutes the "best" available SV for each input.⁵¹

No SV information exists on the record for Costa Rica, Indonesia, the Philippines, and South Africa, nor has any party argued that one of these countries should be selected as the surrogate country. As a result, we have not considered these countries for surrogate country selection purposes. Interested parties have placed SV data on the record for Colombia, Thailand, and Ukraine. We have examined the available data with respect to these three countries to determine which contained the best available information for valuing FOPs.

In the *AR3 Final*, we selected Thailand as the surrogate country, after initially selecting Ukraine at the preliminary results. There was a greater availability of Thai SV data on the record for the *AR3 Final*. Further, we only had usable Thai financial statements. In light of *Clearon*⁵² and our regulatory guidance⁵³ for using the data of a single surrogate country, we selected Thailand for the *AR3 Final*.⁵⁴ For this administrative review, as in the *AR3 Final*, among all potential surrogate countries, only Thailand has data for everything we need to calculate NV in this review based on a single surrogate country. As in the prior review, only Thailand has usable financial statements.⁵⁵ We did not find the Ukrainian company's financial statements to be publicly available in the prior review and no new information demonstrating that these statements are publicly available has been placed on the record of this review.⁵⁶ The Thai financial statements are from two companies that produce identical merchandise. Further, because the Thai HTS

⁴⁸ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People's Republic of China*, 71 FR 53079 (September 8, 2006) ("CLPP"), and accompanying Issues and Decision Memorandum at Comment 3.

⁴⁹ See, e.g., *Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 76 FR 51940, 51943 (August 19, 2011), and accompanying Issues and Decision Memorandum at Comment 2.

⁵⁰ See *Certain Preserved Mushrooms from the People's Republic of China: Final Results and Final Partial Rescission of the Sixth Administrative Review*, 71 FR 40477 (July 17, 2006) ("Mushrooms"), and accompanying Issues and Decision Memorandum at Comment 1; see also *Freshwater Crawfish Tail Meat from the People's Republic of China; Notice of Final Results of Antidumping Duty Administrative Review, and Final Partial Rescission of Antidumping Duty Administrative Review*, 67 FR 19546 (April 22, 2002), and accompanying Issues and Decision Memorandum at Comment 2.

⁵¹ See, e.g., *Mushrooms*, and accompanying Issues and Decision Memorandum at Comment 1.

⁵² *Clearon Corporation and Occidental Chemical Corp. v. United States*, Slip Op. 13-22 (CIT 2013) at 13 ("Clearon")

⁵³ See 19 CFR 351.408(c)(2).

⁵⁴ See *AR3 Final*, 78 FR at 16652.

⁵⁵ See Petitioner's April 18, 2013, SV submission at Exhibit 10.

⁵⁶ See *AR3 Final*, and accompanying Issues and Decision Memorandum at 14-15.

schedule goes into greater detail than does Colombia's or Ukraine's, we have more specific Thai SV information for every material input, including the primary and secondary ones.⁵⁷ The remaining Thai SV data (labor, energy, and transportation) are at the very least just as specific as the data from Colombia or Ukraine.⁵⁸ Given the above facts, the Department has selected Thailand as the primary surrogate country for this review. A detailed explanation of the SVs appears below in the "Factor Valuations" section of this memorandum.

Date of Sale

Pursuant to 19 CFR 351.401(i), the Department starts with a presumption that invoice date is the correct date of sale unless record evidence indicates that the material terms are established on another date. The date of sale is generally the date on which the parties agree upon all substantive terms of the sale, which normally includes the price, quantity, delivery terms and payment terms.⁵⁹ 19 CFR 351.401(i) states that, "[i]n identifying the date of sale of the merchandise under consideration or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter or producer's records kept in the normal course of business. The Secretary may use a date other than the date of invoice if the Secretary is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale."⁶⁰ However, as noted by the Court of International Trade ("CIT") in *Allied Tube*, a party seeking to establish a date of sale other than invoice date bears the burden of establishing that "a different date better reflects the date on which the exporter or producer establishes the material terms of sale."⁶¹

Stanley, as in previous reviews, explained that because of alterations or cancellations, the earlier of invoice date or shipment date is the appropriate date of sale because it reflects the date on which the material terms no longer change.⁶² Consistent with the regulatory presumption for invoice date and because the Department found no evidence on the record contrary to Stanley's claims, for these preliminary results, the Department used the invoice date as the date of sale. Consistent with the Department's practice, for those sales where shipment date preceded invoice date, the Department used the shipment date as the date of sale, as Stanley provided evidence that the material terms of sale were set on that date.⁶³

JISCO reported shipment date as the date of sale, claiming that, for its U.S. sales of subject merchandise made during the POR, the material terms of sale were established on that date. As explained above, the Department will not use a date other than the date of invoice unless a party

⁵⁷ See, generally, the SV submissions from the interested parties and the Prelim SV Memo.

⁵⁸ *Id.*

⁵⁹ See *Carbon and Alloy Steel Wire Rod from Trinidad and Tobago: Final Results of Antidumping Duty Administrative Review*, 72 FR 62824 (November 7, 2007), and accompanying Issues and Decision Memorandum at Comment 1; see also *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products from Turkey*, 65 FR 15123 (March 21, 2000), and accompanying Issues and Decision Memorandum at Comment 2.

⁶⁰ See 19 CFR 351.401(i); see also *Allied Tube & Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090-1092 (CIT 2001) ("*Allied Tube*").

⁶¹ See *Allied Tube*, 132 F. Supp. 2d at 1090 (quoting 19 CFR 351.401(i)).

⁶² See Stanley's December 12, 2012, section A questionnaire response at 23-28.

⁶³ See 19 CFR 351.401(i); see also *Certain Steel Nails from the People's Republic of China: Preliminary Results and Partial Rescission of the Third Antidumping Duty Administrative Review*, 77 FR 53845, 53850-51 (September 4, 2012) (unchanged in *AR3 Final*).

provides sufficient evidence that a different date better reflects the date on which the material terms of sale were established.⁶⁴ In this case, JISCO has provided evidence that the material terms of sale are set on shipment date.⁶⁵ Accordingly, the Department used the reported dates as the date of sale for these preliminary results in accordance with 19 CFR 351.401(i).

Determination of Comparison Method

Pursuant to 19 CFR 351.414(c)(1), the Department calculates individual dumping margins by comparing weighted-average NVs to weighted-average EPs or Constructed Export Prices (“CEPs”) (the average-to-average (“A-A”) method) unless the Secretary determines that another method is appropriate in a particular situation. In antidumping duty investigations, the Department examines whether to compare weighted-average NVs to the EPs or CEPs of individual transactions (the average-to-transaction (“A-T”) method) as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern the Department’s examination of this question in the context of administrative reviews, the Department finds that the issue arising under 19 CFR 351.414(c)(1) in administrative reviews is, in fact, analogous to the issue in antidumping duty investigations.⁶⁶ In recent investigations, the Department applied a “differential pricing” analysis for determining whether application of A-T comparisons is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1) and consistent with section 777A(d)(1)(B) of the Act. The Department finds the differential pricing analysis used in those recent investigations may be instructive for purposes of examining whether to apply an alternative comparison method in this administrative review. The Department will continue to develop its approach in this area based on comments received in this and other proceedings, and on the Department’s additional experience with addressing the potential masking of dumping that can occur when the Department uses the A-A method in calculating weighted-average dumping margins.⁶⁷

The differential pricing analysis used in these preliminary results requires a finding of a pattern of EPs (or CEPs) for comparable merchandise that differs significantly among purchasers, regions, or time periods. If such a pattern is found, then the differential pricing analysis evaluates whether such differences can be taken into account when using the A-A method to calculate the weighted-average dumping margin. The differential pricing analysis used here evaluates all purchasers, regions, and time periods to determine whether a pattern of prices that differ significantly exists. The analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the reported consolidated customer code. Regions are defined using the reported destination code (*e.g.*, zip codes or cities) and are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the POR being examined based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region and time period, comparable merchandise is considered using the product control number

⁶⁴ See 19 CFR 351.401(i).

⁶⁵ See JISCO’s May 30, 2013, supplemental questionnaire response at Exhibit S-7.

⁶⁶ See *Ball Bearings and Parts Thereof From France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010–2011*, 77 FR 73415 (December 10, 2012).

⁶⁷ As noted above, differential pricing was used in recent investigations. It was also used in the recent antidumping duty administrative review of polyester staple fiber from Taiwan. See *Polyester Staple Fiber from Taiwan: Preliminary Results of Antidumping Duty Administrative Review; 2011–2012*, 78 FR 17637 (March 22, 2013), and accompanying Decision Memorandum.

and any characteristics of the sales, other than purchaser, region and time period, that the Department uses in making comparisons between EP (or CEP) and NV for the individual dumping margins.

In the first stage of the differential pricing analysis used here, the “Cohen’s *d* test” is applied. The Cohen’s *d* test is a generally recognized statistical measure of the extent of the difference between the mean of a test group and the mean of a comparison group. First, for comparable merchandise, the Cohen’s *d* test is applied when the test and comparison groups of data each have at least two observations, and when the sales quantity for the comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. Then, the Cohen’s *d* coefficient is calculated to evaluate the extent to which the net prices to a particular purchaser, region or time period differ significantly from the net prices of all other sales of comparable merchandise. The extent of these differences can be quantified by one of three fixed thresholds defined by the Cohen’s *d* test: small, medium or large. Of these thresholds, the large threshold provides the strongest indication that there is a significant difference between the means of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference was considered significant if the calculated Cohen’s *d* coefficient is equal to or exceeds the large (*i.e.*, 0.8) threshold.

Next, the “ratio test” – the second stage of the analysis – assesses the extent of the significant price differences for all sales as measured by the Cohen’s *d* test. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test account for 66 percent or more of the value of total sales, then the identified pattern of prices that differ significantly supports the consideration of the application of the A-T method to all sales as an alternative to the A-A method. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test accounts for more than 33 percent and less than 66 percent of the value of total sales, then the results support consideration of the application of an A-T method to those sales identified as passing the Cohen’s *d* test as an alternative to the A-A method, and application of the A-A method to those sales identified as not passing the Cohen’s *d* test. If 33 percent or less of the value of total sales passes the Cohen’s *d* test, then the results of the Cohen’s *d* test do not support consideration of an alternative to the A-A method.

If both tests in the first stage (*i.e.*, the Cohen’s *d* test and the ratio test) demonstrate the existence of a pattern of prices that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, we examine whether using only the A-A method can appropriately account for such differences. In considering this question, the Department tests whether using an alternative method, based on the results of the Cohen’s *d* and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the A-A method only. If the difference between the two calculations is meaningful, this demonstrates that the A-A method cannot account for differences such as those observed in this analysis, and, therefore, an alternative method would be appropriate. A difference in the weighted-average dumping margins is considered meaningful if (1) there is a 25 percent relative change in the weighted-average dumping margin between the A-A method and the appropriate alternative method where

both rates are above the *de minimis* threshold, or (2) the resulting weighted-average dumping margin moves across the *de minimis* threshold.

Interested parties may present arguments in relation to the above-described differential pricing approach used in these preliminary results, including arguments for modifying the group definitions used in this proceeding.

Results of the Differential Pricing Analysis

For Stanley, based on the results of the differential pricing analysis, the Department finds that between 33 and 66 percent of its U.S. sales confirm the existence of a pattern of CEPs for comparable merchandise that differ significantly among purchasers, regions, or time periods.⁶⁸ When comparing the weighted-average dumping margins calculated using the standard average-to-average method for all U.S. sales and the appropriate alternative comparison method, there is a meaningful difference in the results. Therefore, the average-to-average method cannot take into account the observed differences and, as a result, the mixed alternative method was used.⁶⁹ For JISCO, based on the results of the differential pricing analysis, the Department finds that over 66 percent of its U.S. sales confirm the existence of a pattern of EPs for comparable merchandise that differ significantly among purchasers, regions, or time periods.⁷⁰ However, the Department determines that the A-A method can appropriately account for such differences because there is no meaningful difference between the weighted-average dumping margin calculated using the A-A method and when using the alternative method.⁷¹ Accordingly, the Department has determined to use the A-A method in making comparisons of EP (or CEP) and NV for JISCO, whose sales passed the Cohen's *d* test.⁷²

Comparisons to Normal Value

To determine whether the respondents' sales of subject merchandise were made at less than fair value, we compared their EP, or CEP, to NV in accordance with section 777A(d)(2) of the Act as described below in the "Export Price" and "Constructed Export Price" and "Normal Value" sections of this memorandum.

U.S. Price

a. Export Price

Pursuant to section 772(a) of the Act, EP is "the price at which subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject

⁶⁸ See Stanley's Preliminary Analysis Memorandum, dated concurrently with this notice ("Stanley Analysis Memo") at Attachment 2.

⁶⁹ In these preliminary results, the Department applied the weighted-average dumping margin calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012) ("*Final Modification for Reviews*"). In particular, the Department compared monthly weighted-average CEPs with monthly weighted-average NVs and granted offsets for non-dumped comparisons in the calculation of the weighted-average dumping margin.

⁷⁰ See JISCO Preliminary Analysis Memorandum, dated concurrently with this notice, at Attachment 2.

⁷¹ *Id.* at 1.

⁷² See *Final Modification for Reviews*.

merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States,” as adjusted under section 772(c) of the Act. In accordance with section 772(a) of the Act, the Department calculated EP for all sales to the United States for JISCO because the first sale to an unaffiliated party was made before the date of importation and the use of CEP was not otherwise warranted on those sales. The Department calculated EP based on the sales price to unaffiliated purchasers in the United States. In accordance with section 772(c)(2)(A) of the Act, as appropriate, the Department deducted from the sales price certain foreign inland freight, brokerage and handling (“B&H”), and international movement costs. Because the inland freight, B&H services, and some international freight were either provided by an NME vendor or paid for using an NME currency, the Department based the deduction of these charges on SVs.⁷³ For international freight provided by an ME provider and paid in U.S. dollars, the Department used the actual cost per kg of the freight.

b. Constructed Export Price

Pursuant to section 772(b) of the Act, CEP is “the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter,” as adjusted under section 772(c) and (d) of the Act. For Stanley’s sales, the Department based U.S. price on CEP in accordance with section 772(b) of the Act, because sales were made on behalf of the PRC-based company by a U.S. affiliate to unaffiliated purchasers in the United States. For these sales, the Department based CEP on prices to the first unaffiliated purchaser in the United States. Where appropriate, the Department made deductions from the starting price (gross unit price) for foreign movement expenses, international movement expenses, U.S. movement expenses, and appropriate selling adjustments, in accordance with section 772(c)(2)(A) of the Act.

In accordance with section 772(d)(1) of the Act, the Department also deducted those selling expenses associated with economic activities occurring in the United States. The Department deducted, where appropriate, commissions, inventory carrying costs, interest revenue, credit expenses, warranty expenses, and indirect selling expenses. Where foreign movement expenses, international movement expenses, or U.S. movement expenses were provided by NME service providers or paid for in an NME currency, the Department valued these services using SVs (*see* “Factor Valuations” section below for further discussion). For those expenses that were provided by an ME provider and paid for in an ME currency, the Department used the reported expense. Due to the proprietary nature of certain adjustments to U.S. price, for a detailed description of all adjustments made to U.S. price for each company, *see* the company-specific analysis memoranda, dated concurrently with these preliminary results.

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using an FOP methodology if: (1) the merchandise is exported from an NME country; and (2) the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(e) of the Act. When determining NV in an NME context,

⁷³ *See* Prelim SV Memo for details regarding the SVs for movement expenses.

the Department will base NV on FOPs because the presence of government controls on various aspects of these economies renders price comparisons and the calculation of production costs invalid under our normal methodologies. The Department's questionnaire requires that the respondents provide information regarding the weighted-average FOPs across all of the companies' plants and suppliers that produce the merchandise under consideration, not just the FOPs from a single plant or supplier.⁷⁴ This methodology ensures that the Department's calculations are as accurate as possible.⁷⁵

The Department calculated NV based on FOPs in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c). Under section 773(c)(3) of the Act, FOPs used by the respondents in the production of nails include, but are not limited to, (1) hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs. The Department based NV on the respondents' reported FOPs for materials, energy, and labor.

Factor Valuations

In accordance with section 773(c) of the Act, for subject merchandise produced by the respondents, the Department calculated NV based on the FOPs reported by these companies for the POR. The Department used Thai import data and other publicly available Thai sources in order to calculate SVs. To calculate NV, the Department multiplied the reported per-unit FOP quantities by publicly available SVs. The Department's practice when selecting the best available information for valuing FOPs is to select, to the extent practicable, SVs which are product-specific, representative of a broad market average, publicly available, contemporaneous with the POR, and exclusive of taxes and duties.⁷⁶

As appropriate, the Department adjusted input prices by including freight costs to render them delivered prices. Specifically, the Department added to Thai import SVs a surrogate-freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory where it relied on an import value. This adjustment is in accordance with the decision of the Federal Circuit in *Sigma Corp. v. United States*, 117 F.3d 1401, 1408 (Fed. Cir. 1997). Additionally, where necessary, the Department adjusted SVs for inflation and exchange rates, taxes, and converted all applicable FOPs to a per-kg basis.

Furthermore, with regard to the Thai import-based SVs, we have disregarded import prices that we have reason to believe or suspect may be subsidized. We have reason to believe or suspect that prices of inputs from India, Indonesia, and South Korea may have been subsidized because we have found in other proceedings that these countries maintain broadly available, non-

⁷⁴ See the Department's original antidumping duty questionnaire, dated February 27, 2013, at Section D.

⁷⁵ See, e.g., *Final Determination of Sales at Less Than Fair Value and Critical Circumstances: Certain Malleable Iron Pipe Fittings from the People's Republic of China*, 68 FR 61395 (October 28, 2003), and accompanying Issues and Decision Memorandum at Comment 19.

⁷⁶ See, e.g., *Electrolytic Manganese Dioxide from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 48195 (August 18, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

industry-specific export subsidies.⁷⁷ Therefore, it is reasonable to infer that all exports to all markets from these countries may be subsidized.⁷⁸ Further, guided by the legislative history, it is the Department's practice not to conduct a formal investigation to ensure that such prices are not subsidized.⁷⁹ Rather, the Department bases its decision on information that is available to it at the time it makes its determination. Additionally, consistent with our practice, we disregarded prices from NME countries and excluded imports labeled as originating from an "unspecified" country from the average value because the Department could not be certain that they were not from either an NME country or a country with general export subsidies.⁸⁰ Therefore, we have not used prices from these countries either in calculating the Thai import-based SVs or in calculating ME input values.

Pursuant to 19 CFR 351.408(c)(1), when a respondent sources inputs from an ME supplier in meaningful quantities (*i.e.*, not insignificant quantities) and pays in an ME currency, the Department uses the actual price paid by the respondent to value those inputs, except when prices may have been distorted by findings of dumping and/or subsidization.⁸¹ Where the Department finds ME purchases to be of significant quantities (*i.e.*, 33 percent or more), in accordance with our statement of policy as outlined in *Antidumping Methodologies: Market Economy Inputs*,⁸² the Department uses the actual purchase prices to value the inputs. Information reported by Stanley demonstrates that certain inputs were sourced and produced from an ME country and paid for in ME currencies.⁸³ The information reported by Stanley also demonstrates that such inputs were purchased in significant quantities (*i.e.*, 33 percent or more) from ME suppliers.⁸⁴ As a consequence, the Department has used Stanley's actual ME purchase prices to value these inputs. Where appropriate, freight expenses were added to the ME price of the input.

⁷⁷ See, e.g., *Carbazole Violet Pigment 23 from India: Final Results of the Expedited Five-year (Sunset) Review of the Countervailing Duty Order*, 75 FR 13257 (March 19, 2010), and accompanying Issues and Decision Memorandum at 4-5; *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 74 FR 2512 (January 15, 2009), and accompanying Issues and Decision Memorandum at 17, 19-20.

⁷⁸ See *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers from the People's Republic of China*, 69 FR 20594 (April 16, 2004), and accompanying Issues and Decision Memorandum at Comment 7.

⁷⁹ See Conference Report to the 1988 Omnibus Trade & Competitiveness Act, H.R. Rep. No. 100-576, at 590 (1988); see also *Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 30758, 30763 (June 4, 2007), unchanged in *Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 60632 (October 25, 2007).

⁸⁰ See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Chlorinated Isocyanurates from the People's Republic of China*, 69 FR 75294, 75300 (December 16, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates From the People's Republic of China*, 70 FR 24502 (May 10, 2005).

⁸¹ See, e.g., *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27366 (May 19, 1997).

⁸² See *Antidumping Methodologies: Market Economy Inputs, Expected Non-Market Economy Wages, Duty Drawback; and Request for Comments*, 71 FR 61716, 61717-61718 (October 19, 2006) ("*Antidumping Methodologies: Market Economy Inputs*").

⁸³ See Stanley's January 18, 2013, section D response at 11 and Exhibit D-5.

⁸⁴ *Id.* Because this case was initiated before September 3, 2013, the market economy input threshold is 33% percent. In future reviews, this threshold will be 85 percent. See *Use of Market Economy Input Prices in Nonmarket Economy Proceedings*, 78 FR 46799 (August 2, 2013).

The Department used Thai Import Statistics from the *Global Trade Atlas* (“GTA”) to value certain raw materials, byproducts, and packing material inputs that Respondents used to produce subject merchandise during the POR, except where listed below.

We valued electricity and water using values from Thai utilities. Specifically, we valued electricity using data from the Thai Board of Investment, a government agency. We valued water using a value from the Thai Metropolitan Waterworks Authority.⁸⁵

We valued brokerage and handling (“B&H”) using a price list of export procedures necessary to export a standardized cargo of goods in Thailand. The price list is compiled based on a survey case study of the procedural requirements for trading a standard shipment of goods by ocean transport that is published in *Doing Business 2012: Thailand* by the World Bank.⁸⁶

We used Thai transport information in order to value the freight-in cost of the raw materials. The Department determined the best available information for valuing truck freight to be from *Doing Business 2012: Thailand*. This World Bank report gathers information concerning the distance and cost to transport products in a 20-foot container from the largest city in Thailand to the nearest seaport. We calculated the per-unit inland freight costs using the distance from Bangkok to the nearest seaport. We calculated a per-kg, per-kilometer surrogate inland freight rate based on the methodology used by the World Bank.⁸⁷ The Department determined the best available information for valuing boat freight to be the same as that for truck freight because no party submitted, nor were we able to locate, a Thai boat freight rate.

On June 21, 2011, the Department revised its methodology for valuing the labor input in NME antidumping proceedings.⁸⁸ In *Labor Methodologies*, the Department determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country. Additionally, the Department determined that the best data source for industry-specific labor rates is Chapter 6A from the International Labor Organization’s (“ILO”) *Yearbook of Labor Statistics* (“ILO Yearbook”).

In these preliminary results, the Department has calculated the labor input using data from the 2007 Industrial Census data published by Thailand’s National Statistics Office (the “2007 NSO data”).⁸⁹ Although the 2007 NSO data are not from the ILO, the Department finds that this fact does not preclude us from using this source for valuing labor. In *Labor Methodologies*, the Department decided to change to the use of ILO Chapter 6A data from the use of ILO Chapter 5B data, on the rebuttable presumption that Chapter 6A data better account for all direct and indirect labor costs.⁹⁰ The Department did not, however, preclude all other sources for evaluating labor costs in NME antidumping proceedings. Rather, we continue to follow our practice of selecting the “best information available” to determine SVs for inputs such as labor. Thus, we find that the 2007 NSO data are the best available information for valuing labor for this

⁸⁵ For more information on the electricity and water SV calculations, see the Prelim SV Memo.

⁸⁶ For more information on the B&H SV calculation, see the Prelim SV Memo.

⁸⁷ For more information on the truck freight SV calculation, see the Prelim SV Memo.

⁸⁸ See *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) (“*Labor Methodologies*”).

⁸⁹ For more information on the labor SV calculation, see the Prelim SV Memo.

⁹⁰ See *Labor Methodologies*, 76 FR at 36093.

segment of the proceeding. Specifically, the 2007 NSO data are more contemporaneous than the ILO Chapter 6A data from Thailand, which are from 2005.⁹¹ Additionally, the NSO data are industry-specific, whereas the Thai ILO data reflect general manufacturing wages. As stated above, the Department used Thailand data reported under the 2007 NSO data, which reflects all costs related to labor, including wages, benefits, housing, training, *etc.* Additionally, where the financial statements used to calculate the surrogate financial ratios include itemized detail of labor costs, the Department made adjustments to certain labor costs in the surrogate financial ratios.⁹²

The Department's criteria for choosing surrogate financial statements from which we derive the financial ratios are the availability of contemporaneous financial statements, comparability to the respondent's experience, and publicly available information.⁹³ Moreover, for valuing factory overhead, selling, general, and administrative ("SG&A") expenses and profit, the Department normally will use non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country.⁹⁴ In addition, the CIT has held that in the selection of surrogate producers, the Department may consider how closely the surrogate producers approximate the NME producer's experience.⁹⁵ To value factory overhead, SG&A expenses, and profit, the Department used the 2011 financial statements from two Thai producers of the identical product (*i.e.*, nails), Bangkok Fastening Co., Ltd. and LS Industry Co., Ltd.⁹⁶

Currency Conversion

Where necessary, the Department made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales, as certified by the Federal Reserve Bank. These exchange rates are available on the IA website at <http://ia.ita.doc.gov/exchange/index.html>.

⁹¹ See Petitioner's April 18, 2013, SV submission at Exhibit 9.

⁹² See *Labor Methodologies*, 76 FR at 36093-94; see also the Prelim SV Memo.

⁹³ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates from the People's Republic of China*, 70 FR 24502 (May 10, 2005), and accompanying Issues and Decision Memorandum at Comment 3.

⁹⁴ See, e.g., *Diamond Sawblades and Parts Thereof from the People's Republic of China, Final Determination in the Antidumping Duty Investigation*, 71 FR 29303 (May 22, 2006), and accompanying Issues and Decision Memorandum at Comment 2; see also section 773(c)(4) of the Act; 19 CFR 351.408(c)(4).

⁹⁵ See *Rhodia, Inc. v. United States*, 240 F. Supp. 2d 1247, 1253-1254 (CIT 2002); see also *Persulfates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 70 FR 6836 (February 9, 2005), and accompanying Issues and Decision Memorandum at Comment 1.

⁹⁶ For more information on the surrogate financial ratios calculations, see the Prelim SV Memo and Petitioner's April 18, 2013, SV submission at Exhibit 10.

RECOMMENDATION

We recommend applying the above methodology for these preliminary results.

✓
Agree

Disagree

Paul Piquado
Paul Piquado
Assistant Secretary
for Import Administration

3 SEPTEMBER 2017
(Date)

Appendix

3C Interglobal Ltd.
ABF Freight System, Inc.
Agritech Products Ltd.
Aihua Holding Group Co., Ltd.
Aironware (Shanghai) Co. Ltd.
Anping County Anning Wire Mesh Co.
Anping Fuhua Wire Mesh Making Co.
Anping Shuangmai Metal Products Co.
Apex Qingdao Shipping Co., Ltd.
APM Global Logistics O/B Hasbro Toy
ATE Logistics Co., Ltd.
Ba Shi YUuexin Logistics Development
Beijing Daruixing Global Trading Co., Ltd.
Beijing Daruixing Nail Products Co., Ltd.
Beijing Hong Sheng Metal Products Co., Ltd.
Beijing Hongsheng Metal Products Co., Ltd.
Beijing Jinheuang Co., Ltd.
Beijing Kang Jie Kong Cargo Agent
Beijing KJK Intl Cargo Agent Co., Ltd.
Beijing Long Time Rich Tech Develop
Beijing Tri-Metal Co., Ltd.
Beijing World Resource Time Int'l
Beijing Yonghongsheng Metal Products Co., Ltd.
Bellan International Limited
Besco Machinery Industry (Zhejiang) Co., Ltd.
Big China International Enterprise
Brighten International, Inc.
Brilliant Globe Logistics Inc.
Canada Find Parts and Supplies Inc.
Century Shenzhen Xiamen Branch
Certified Products International Inc.
Changzhou MC I/E Co., Ltd.
Changzhou Quyuan Machinery Co., Ltd.
Changzhou Refine Flag & Crafts Co., Ltd.
Chao Jinqiao Welding Material Co., Ltd.
Chaohu Bridge Nail Industry Co., Ltd.
Chaohu Jinqiao Welding Material Co.
Chewink Corp.
Chia Pao Metal Co., Ltd.
China Container Line (Shanghai) Ltd.
China Ningbo Cixi Imp. & Exp. Corp.
China Olsem Industrial and Internat
China Rainbow Int'l Industry Ltd.
China Silk Trading & Logistics Co., Ltd.
Chongqing Hybest Nailery Co., Ltd.

Chongqing Hybest Tools Group co., Ltd.
Cintee Steel Products Co., Ltd.
Cyber Express Corporation
CYM (Nanjing) Nail Manufacture Co., Ltd.
CYM (Nanjing) Ningquan Nail Manufacture Co., Ltd.
Dagang Zhitong Metal Products Co., Ltd.
Dalian Taihua North Trading Co., Ltd.
Dalixi Co., Limited
Damco Shenzhen
Daxing Niantan Industrial
De Well Container Shipping Inc.
Delix International Co., Ltd.
Deweiya Shoes Co., Ltd.
Dingzhou Derunda Material and Trade Co., Ltd.
Dingzhou Ruili Nail Production Co., Ltd.
Dong'e Fugiang Metal Products Co., Ltd.
Dongguan Five Stone Machinery Products Trading Co., Ltd.
Dynamic Network Container Line Limited
Elite International Logistics Co.
Elite Master International Ltd.
England Rich Group (China) Ltd.
Entech Manufacturing (Shenzhen) Ltd.
Expeditors China Tianjin Branch
Expeditors Tianjin Branch as Agent
Faithful Engineering Products Co. Ltd.
Fedex International Freight Forward Agency Services (Shanghai) Co., Ltd.
Feiyin Co., Ltd.
Fension International Trade Co., Ltd.
Foreign Economic Relations & Trade
Fujiansmartness Imp. & Exp. Co., Ltd.
Fuzhou Builddirect Ltd.
Goal Well Stone Co., Ltd.
Gold Union Group Ltd.
Goldever International Logistics Co.
Goldmax United Ltd.
Grace News Inc.
Guangdong Foreign Trade Import & Export Corporation
Guangdong Xionglue Technology
Guangzhou Qiwei Imports and Exports Co., Ltd.
Guoxin Group Wang Shun I/E Co., Ltd.
GWP Industries (Tianjin) Co., Ltd.
GWP Manufacturing Corp.
H.W.C.
Haierc Industry Co., Ltd.
Haixing Hongda Hardware Production Co., Ltd.
Haixing Linhai Hardware Products Factory

Haiyan Fefine Import and Export Co.
Handuk Industrial Co., Ltd.
Hangzhou Esrom Imp. and Exp. Co.
Hangzhou Kelong Electrical Appliance & Tools Co. Ltd.
Hangzhou Light Industrial Products
Hangzhou New Line Co., Ltd.
Hangzhou Quanda Nails Co., Ltd.
Hangzhou Zhongding Imp. & Exp. Co., Ltd.
Hebei Brother International Trading
Hebei Development Metals Co., Ltd.
Hebei Five-Star Metal Products Co.
Hebei Jinsidun (JSD) Co., Ltd.
Hebei Machinery Import and Export Co., Ltd.
Hebei Minmetals Co., Ltd.
Hebei My Foreign Trade Co., Ltd.
Hebei Richylin Trading Co., Ltd.
Hebei Super Star Pneumatic Nails Co., Ltd.
Hecny Shipping Limited
Henan Pengu Hardware Manufacturing Co., Ltd.
Hengshui Mingyao Hardware & Mesh Products Co., Ltd.
Heretops (Hong Kong) International Ltd.
Heretops Import & Export Co., Ltd.
Hilti (China) Limited
HK Villatao Sourcing Co., Ltd.
Hong Kong Hailiang Metal Trading Ltd.
Hong Kong Yu Xi Co., Ltd.
Honour Lane Shipping Ltd. Qingdao
Huadu Jin Chuan Manufactory Co Ltd.
Huanghua Honly Industry Corp.
Huanghua Huarong Hardware Products Co., Ltd.
Huanghua Jinhai Import and Exports
Huanghua Jinhai Metal Products Co., Ltd.
Huanghua Juhong Hardware Products Co., Ltd.
Huanghua Shenghua Hardware Manufactory Factory
Huanghua Xinda Nail Production Co., Ltd.
Huanghua Yufutai Hardware Products Co., Ltd.
Hubei Boshilong Technology Co., Ltd.
Huiyuan Int'l Commerce Exhibition Co., Ltd.
Jiashan Superpower Tools Co., Ltd.
Jiaxing Yaoliang Import & Export Co., Ltd.
Jinheung Co., Ltd.
Jinhua Kaixin Imp & Exp Ltd.
Jining Huarong Hardware Products Co., Ltd.
Joto Enterprise Co., Ltd.
K.D.W. Co., Ltd.
K.E. Kingstone

Karuis Custom Metal Parts Mfg. Ltd.
Kasy Logistics (Tianjin) Co., Ltd.
Key Joy Industrial Ltd.
Keyun Shipping Agency Co., Ltd.
Kitty Royal (HK) International Industrial
Koram Panagene Co., Ltd.
Kuehne & Nagel Ltd.
Kum Kang Trading Co., Ltd.
Kyung Dong Corp.
Le Group Industries Corp. Ltd.
Leang Wey Int. Business Co., Ltd.
Liang's Industrial Corp.
Lijiang Liantai Trading Co., Ltd.
Linhai Chicheng Arts & Crafts Co., Ltd.
Lins Corp.
Linyi Flying Arrow Imp & Exp. Co., Ltd.
Maanshan Cintee Steel Products Co., Ltd.
Maanshan Leader Metal Products Co. Ltd.
Maanshan Longer Nail Product Co., Ltd.
Manufacutersinchina (HK) Company Ltd.
Marsh Trading Ltd.
Master International Co., Ltd.
Mingguang Abundant Hardware Products Co., Ltd.
Montana (Taiwan) Int'l Co., Ltd.
Motao International Ltd.
Nanjing Dayu Pneumatic Gun Nails Co., Ltd.
Nanjing Nuo Chun Hardware Co., Ltd.
Nantong Corporation for Internation
NEO GLS
Ningbo Bolun Electric Co., Ltd.
Ningbo Dollar King Industrial Co., Ltd.
Ningbo Endless Energy Electronic Co., Ltd.
Ningbo Fension International Trade Center
Ningbo Fortune Garden Tools and Equipment Inc.
Ningbo Haixin Railroad Material Co.
Ningbo Huamao Imp & Exp. Co., Ltd.
Ningbo Hyderon Hardware Co., Ltd.
Ningbo JF Tools Industrial Co., Ltd.
Ningbo KCN Electric Co., Ltd.
Ningbo Meizhi Tools Co., Ltd.
Ningbo Ordam Import & Export Co., Ltd.
Ningbo Raffini Import & Export
Ningbo Raffini Import & Export Co.
NYK Logistics (China) Co., Ltd.
Ocean King Industries Limited
Oceanblue Int'l Trading Co., Ltd.

OEC Logistics (Qingdao) Co. Ltd.
Olsen Industrial and International
Omega Products International
OOCL Logistics O B oF Winston Marketing Group Orisun Electronics HK Co., LTD.
Oriental Cherry Hardware Group Co., Ltd.
Oriental Logistics Group Ltd
Pacole International Ltd.
Panagene Inc.
Patek Tool Co., Limited
Pavilion Investmen Ltd.
Perfect Seller Co., Ltd.
Prominence Cargo Service, Inc.
PT Enterprise Inc.
Pudong Trans USA, Inc.
Qianshan Huafeng Trading Co., Ltd.
Qidong Liang Chyuan Metal Industry Co., Ltd.
Qingao Aoxin Wood Industry Co., Ltd.
Qingdao Apex Shipping Co., Ltd.
Qingdao Bestworld Industry Trading
Qingdao Cheshire Trading Co., Ltd.
Qingdao D & L Supply Group Co., Ltd.
Qingdao Denarius Manufacture Co. Limited
Qingdao Glory Unit Trade Co., Ltd.
Qingdao Golden Sunshine ELE-EAQ Co., Ltd.
Qingdao Huarui Industrial Products
Qingdao International Fastening Systems Inc.
Qingdao Keyun Logistics Co., Ltd.
Qingdao Koram Steel Co., Ltd.
Qingdao Lutai Industrial Products Manufacturing Co., Ltd.
Qingdao Meijia Metal Products Co.
Qingdao Mingkai Metal Industrial Ltd.
Qingdao Relly Industry & Commerce
Qingdao Rohuida International Trading Co.,
Qingdao Shantron Int'l Trade Co., Ltd.
Qingdao Sino-Sun International Trading Company Limited
Qingdao Super United Metals & Wood Prods. Co. Ltd.
Qingdao Tiger Hardware Co., Ltd.
Qingdao TISCO Co., Ltd.
Qingdao Uni-Trend International Limited
Qingfu Metal Craft Manufacturing Ltd.
Qinghai Wutong (Group) Industry Co.
Qingyuan County Hongyi Hardware Products Factory
Qingyun Hongyi Hardware Factory
Qinhuangdao Kaizheng Industry and Trade Co.
Q-Yield Outdoor Great Ltd.
Region International Co., Ltd.

Rich Shipping Company Limited
Richard Hung Ent. Co. Ltd.
River Display Ltd.
Rizhao Changxing Nail-Making Co., Ltd.
Rizhao Handuk Fasteners Co., Ltd.
Rizhao Qingdong Electronic Appliance Co.,
Romp (Tianjin) Hardware Co., Ltd.
Saikelong Electric Appliances (Suzhou) Co.,
Samsar Exports (HK) Company
SDV PRC International Freight
Se Jung (China) Shipping Co., Ltd.
Seamaster Global Forwarding (China)
Seamaster Logistics Inc.
Seatrade International Incorporation
Senco Products, Inc.
Senco-Xingya Metal Products (Taicang) Co., Ltd.
Shandex Co. Economic Developing
Shandex Co., Ltd.
Shandex Industrial Inc.
Shandong Liaocheng Minghua Metal Products Co. Ltd.
Shandong Minmetals Co., Ltd.
Shandong Qingyun Hongyi Hardware Prods Co Ltd
Shanghai C&D Co. Ltd.
Shanghai Chengkai Hardware Product. Co., Ltd.
Shanghai Colour Nail Co., Ltd.
Shanghai Ding Ying Printing & Dyeing CLO
Shanghai GBR Group International Co.
Shanghai Goldenbridge International
Shanghai Holiday Import & Export Co., Ltd.
Shanghai Jade Shuttle Hardware Tools Co., Ltd.
Shanghai Jian Jie International TRA
Shanghai KJ Import & Export Co., Ltd.
Shanghai March Import & Export Company Ltd.
Shanghai Mizhu Imp & Exp Corporation
Shanghai Nanhui Jinjun Hardware Factory
Shanghai Pioneer Speakers Co., Ltd.
Shanghai Pudong Int'l Transportation Booking Dep't
Shanghai Seti Enterprise International Co., Ltd.
Shanghai Shengxiang Hardware Co.
Shanghai Suyu Railway Fastener Co.
Shanghai Tengyu Hardware Products Co., Ltd.
Shanghai Tengyu Hardware Tools Co., Ltd.
Shanghai Topnotch International
Shanghai Tymex International Trade Co., Ltd.
Shanghai Vantell Industry Development Co., Ltd.
Shanxi Tianli Enterprise Co., Ltd.

Shanxi Yuci Broad Wire Products Co., Ltd.
Shanxi Yuci Wire Material Factory
Shaoguang International Trade Co.
Shaoxing Chengye Metal Producing Co., Ltd.
Shenyang Yulin International
Shenzhen Changxinghongye Imp.
Shenzhen Erisson Technology Co., Ltd.
Shenzhen Hengxinli Trading Co., Ltd.
Shenzhen Meihuiyang Export Co., Ltd.
Shenzhen Meiyuda Trade Co., Ltd.
Shenzhen Pacific-Net Logistics Inc.
Shenzhen Shangqi Imports-Exports TR
Shenzhen Shunxingli Import Export
Shenzhen Wang Le Tian Import and Export
Shenzhen Yuanshun Xiang Trading Co.
Shijiazhuang Anao Imp & Export Co. Ltd.
Shijiazhuang Fangyu Import & Export Corp.
Shijiazhuang Fitex Trading Co., Ltd.
Shijiazhuang Glory Way Trading Co.
Shijiazhuang Shuangjian Tools Co., Ltd.
Shitong Int'l Holding Limited
Shouguang Meiqing Nail Industry Co., Ltd.
Shouguang Xinlong New Material Co., Ltd.
Sinochem Tianjin Imp & Exp Shenzhen Corp.
Sinosource Zhongding Int'l Ltd.
Sirius Global Logistics Co., Ltd.
STD Logistics Ltd.
Summit Logistics International
Sunfield Enterprise Corporation
Sunlife Enterprises (Yangjiang) Ltd.
Sunway Logistics USA Inc.
Sunworld International Logistics
Superior International Australia Pty Ltd.
Suzhou Guoxin Group Wangshun I/E Co. Imp. Exp. Co., Ltd.
Suzhou Yaotian Metal Products Co., Ltd.
T.H.I. Group (Shanghai) Ltd.
Taihe International Industries Co., Ltd.
Tampin Sin Yong Wai Industry
Team Builder Enterprise Ltd.
Telex Hong Kong Industry Co., Ltd.
The Everest Corp.
The Stanley Works (Langfang) Fastening Systems Co., Ltd.
Thermwell Products
Tian Jin Sundy Co., Ltd. (a/k/a/Tianjin Sunny Co., Ltd.)
Tianjin Baisheng Metal Product Co., Ltd.
Tianjin Bosai Hardware Tools Co., Ltd.

Tianjin Chengyi International Trading Co., Ltd.
Tianjin Chentai International Trading Co., Ltd.
Tianjin City Dagang Area Jinding Metal Products Factory
Tianjin City Daman Port Area Jinding Metal Products Factory
Tianjin City Jinchi Metal Products Co., Ltd.
Tianjin Dagang Dongfu Metallic Products Co., Ltd.
Tianjin Dagang Hewang Nail Factory
Tianjin Dagang Hewang Nails Manufacture Plant
Tianjin Dagang Huasheng Nailery Co., Ltd.
Tianjin Dagang Jingang Nail Factory
Tianjin Dagang Jingang Nails Manufacture Plant
Tianjin Dagang Linda Metallic Products Co., Ltd.
Tianjin Dagang Longhua Metal Products Plant
Tianjin Dagang Shenda Metal Products Co., Ltd.
Tianjin Dagang Yate Nail Co., Ltd.
Tianjin Dery Import and Export Co., Ltd.
Tianjin Everwin Metal Products Co., Ltd.
Tianjin Foreign Trade (Group) Textile & Garment Co., Ltd.
Tianjin Hewang Nail Making Factory
Tianjin Hongli Qiangsheng Import/Export Co. Ltd.
Tianjin Huachang Metal Products Co., Ltd.
Tianjin Huapeng Metal Company
Tianjin Huasheng Nails Production Co., Ltd.
Tianjin Jetcom Manufacturing Co., Ltd.
Tianjin Jieli Hengyuan Metallic Products Co., Ltd.
Tianjin Jietong Hardware Products Co., Ltd.
Tianjin Jietong Metal Products Co., Ltd.
Tianjin Jin Gang Metal Products Co., Ltd.
Tianjin Jinjin Pharmaceutical Factory Co., Ltd.
Tianjin Jishili Hardware Co., Ltd.
Tianjin JLHY Metal Products Co., Ltd.
Tianjin Jurun Metal Products Co., Ltd.
Tianjin Juxiang Metal Products Co., Ltd.
Tianjin Kunxin Hardware Co., Ltd.
Tianjin Kunxin Metal Products Co., Ltd.
Tianjin Linda Metal Company
Tianjin Longxing (Group) Huanyu Imp. & Exp. Co., Ltd.
Tianjin Master Fastener Co., Ltd. (a/k/a Master Fastener Co., Ltd.)
Tianjin Mei Jia Hua Trade Co., Ltd.
Tianjin Metals and Minerals
Tianjin Port Free Trade Zone Xiangtong Intl. Industry & Trade Corp.
Tianjin Pro Team Hardware Co., Ltd.
Tianjin Products & Energy Resources Dev. Co., Ltd.
Tianjin Qichuan Metal Co. Ltd.
Tianjin Qichuan Metal Products Co., Ltd.
Tianjin Ruiji Metal Products Co., Ltd.

Tianjin Senbohengtong International
Tianjin Senbohengtong Metal Product
Tianjin Senmiao Import and Export Co., Ltd.
Tianjin Shen yuan Steel Producing Group Co., Ltd.
Tianjin Shishun Metal Product Co., Ltd.
Tianjin Shishun Metallic Products Co., Ltd.
Tianjin Sunny Co., Ltd.
Tianjin Tailai Import Export
Tianjin Xiantong Fucheng Gun Nail Manufacture Co., Ltd.
Tianjin Xiantong Juxiang Metal MFG Co., Ltd.
Tianjin Xiantong Material & Trade Co., Ltd.
Tianjin Xinyuansheng Metal Products Co., Ltd.
Tianjin Yihao Metallic Products Co., Ltd.
Tianjin Yongchang Metal Product Co., Ltd.
Tianjin Yongxu Metal Products Co., Ltd.
Tianjin Yongye Furniture
Tianjin Yongyi Standard Parts Production Co., Ltd.
Tianjin Zhong Jian Wanli Stone Co., Ltd.
Tianjin Zhongsheng Garment Co., Ltd.
Tianwoo Logistics Developing Co. Ltd.
Toll Global Forwarding (Hong Kong)
Top Shipping Logistics Co., Ltd.
Topocean Consolidation Service (CHA) Ltd.
Traser Mexicana, S.A. De C.V.
Treasure Way International Dev. Ltd.
True Value Company (HK) Ltd.
U.S. Shipping, Inc.
Unicatch Industrial Co. Ltd.
Unigain Trading Co., Ltd.
Union Enterprise (Kunshan) Co., Ltd. a.k.a. Union Enterprise Co., Ltd.
Union Enterprise Co., Ltd.
Vinin Industries Limited
Wang Jing
Wintime Import & Export Corporation Limited of Zhongshan
Weifang Hecheng International Trade Co Ltd.
Weifang Wenhe Pneumatic Tools Co., Ltd.
Weifang Xiaotian Machine Co., Ltd.
Wenzhou KLF Medical Plastics Co., Lt.
Wenzhou Ouxin Foreign Trade Co., Ltd.
Wenzhou Xinhe Import and Export Co.
Wenzhou Yuwei Foreign Trade Co., Ltd.
Whorthy Asia Ltd.
Winner Power International Limited
Winnsen Industry Co., Ltd.
Winsmart International Shipping Ltd. O/B Zhaoqing Harvest Nails Co., Ltd.
Winston Marketing Group

Worldwide Logistics Co., Ltd. (Tianjin Branch)
Wuhan Xinxin Native Produce & Animal By-Products Mfg. Co. Ltd.
Wuhu Sheng Zhi Industrial Co., Ltd.
Wuhu Shijie Hardware Co., Ltd.
Wuhu Xin Lan De Industrial Co., Ltd.
Wuqiao County Huifeng Hardware Products Factory
Wuqiao County Xinchuang Hardware Products Factory
Wuqiao Huifeng Hardware Production Co., Ltd.
Wuxi Baolin Nail Enterprises
Wuxi Baolin Nail-Making Machinery Co., Ltd.
Wuxi Chengye Metal Products Co., Ltd.
Wuxi Colour Nail Co., Ltd.
Wuxi Jinde Assets Management Co., Ltd.
Wuxi Moresky Developing Co., Ltd.
Wuxi Qiangye Metalwork Production Co., Ltd.
Xiamen New Kunlun Trade Co., Ltd.
Xi'an Metals & Minerals Import and Export Co.
Xi'an Steel
XIWU Plastic Products Factory
XL Metal Works Co., Ltd.
XM International, Inc.
Xuzhou CIP International Group Co., Ltd.
Yeswin Corporation
Yitian Nanjing Hardware Co., Ltd.
Yiwu Dongshun Toys Manufacture
Yiwu Excellent Import & Export Co., Ltd.
Yiwu Jiehang Import & Export Co., Ltd.
Yiwu Qiaoli Import & Export Co., Ltd.
Yiwu Richway Imp & Exp Co., Ltd.
Yiwu Zhongai Toys Co., Ltd.
YM Corporation Limited
Yongcheng Foreign Trade Corp.
Yu Chi Hardware Co., Ltd.
Yue Sang Plastic Factory
Yuhuan Yazheng Importing
ZEN Continental (Tianjin) Enterprises Co., Ltd.
Zhangjiagang Lianfeng Metals Products Co., ltd
Zhangjiagang Longxiang Packing Materials Co.
Zhaoqing Harvest Nails Co., Ltd.
Zhejiang Chaoyue Hardware & Chemical Co., Ltd.
Zhejiang Hungyan Xingzhou Industria
Zhejiang Jinhua Nail Factory
Zhejiang Minmetals Sanhe Imp & Exp Co.
Zhejiang Qifeng Hardware Make Co., Ltd.
Zhejiang Taizhou Eagle Machinery Co.
Zhejiang Yiwu Huishun Import/Export Co., Ltd.

Zhongge International Trade Co., Ltd.
Zhongshan Junlong Nail Manufactures Co., Ltd.
ZJG Lianfeng Metals Product Ltd.