

June 30, 2015

MEMORANDUM TO: Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

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

SUBJECT: Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order on Hand Trucks and Certain Parts Thereof from the People's Republic of China

### **Summary**

The Department of Commerce (the Department) analyzed the substantive response submitted by Gleason Industrial Products, Inc. and Precision Products, Inc. (collectively, Petitioners) in the expedited second sunset review of the antidumping duty order<sup>1</sup> on hand trucks and certain parts thereof (hand trucks) from the People's Republic of China (PRC). We recommend you approve the positions described in the "Discussion of Issues" section of this memorandum. Below is a complete list of the issues in the sunset review for which we have received a substantive response:

1. Likelihood of continuation or recurrence of dumping
2. Magnitude of the margins likely to prevail

### **Background**

On March 2, 2015, the Department initiated the second sunset review of the *AD Order* on hand trucks from the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).<sup>2</sup> On March 6, 2015, Petitioners timely notified the Department (pursuant to 19 CFR 351.218(d)(1)(i)) that they intended to participate in the sunset review, and claimed domestic interested party status under section 351.102(b)(29)(v) of the Department's regulations and

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<sup>1</sup> See *Notice of Antidumping Duty Order: Hand Trucks and Certain Parts Thereof From the People's Republic of China*, 69 FR 70122 (December 2, 2004) (*AD Order*).

<sup>2</sup> See *Initiation of Five-year ("Sunset") Review*, 80 FR 11164 (March 2, 2015) (*Sunset Initiation*).

section 771(9)(C) of the Act, as domestic producers of hand trucks.<sup>3</sup> The Department received a complete substantive response filed by Petitioners on March 26, 2015, within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).<sup>4</sup> We received no substantive response from any respondent interested parties. On the basis of the notice of intent to participate and adequate substantive response filed by Petitioners and the lack of a substantive response from any respondent interested parties, the Department determined to conduct an expedited, *i.e.*, 120-day, sunset review of this order pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2).

### Scope of the Order

The merchandise subject to this *AD Order* consists of hand trucks manufactured from any material, whether assembled or unassembled, complete or incomplete, suitable for any use, and certain parts thereof, namely the vertical frame, the handling area and the projecting edges or toe plate, and any combination thereof.

A complete or fully assembled hand truck is a hand-propelled barrow consisting of a vertically disposed frame having a handle or more than one handle at or near the upper section of the vertical frame; at least two wheels at or near the lower section of the vertical frame; and a horizontal projecting edge or edges, or toe plate, perpendicular or angled to the vertical frame, at or near the lower section of the vertical frame. The projecting edge or edges, or toe plate, slides under a load for purposes of lifting and/or moving the load.

That the vertical frame can be converted from a vertical setting to a horizontal setting, then operated in that horizontal setting as a platform, is not a basis for exclusion of the hand truck from the scope of this petition. That the vertical frame, handling area, wheels, projecting edges or other parts of the hand truck can be collapsed or folded is not a basis for exclusion of the hand truck from the scope of the petition. That other wheels may be connected to the vertical frame, handling area, projecting edges, or other parts of the hand truck, in addition to the two or more wheels located at or near the lower section of the vertical frame, is not a basis for exclusion of the hand truck from the scope of the petition. Finally, that the hand truck may exhibit physical characteristics in addition to the vertical frame, the handling area, the projecting edges or toe plate, and the two wheels at or near the lower section of the vertical frame, is not a basis for exclusion of the hand truck from the scope of the petition.

Examples of names commonly used to reference hand trucks are hand truck, convertible hand truck, appliance hand truck, cylinder hand truck, bag truck, dolly, or hand trolley. They are typically imported under heading 8716.80.5010 of the Harmonized Tariff Schedule of the United States (HTSUS), although they may also be imported under heading 8716.80.5090. Specific parts of a hand truck, namely the vertical frame, the handling area and the projecting edges or toe plate, or any combination thereof, are typically imported under heading 8716.90.5060 of the

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<sup>3</sup> See Petitioner letter, “Hand Trucks and Certain Parts Thereof from the People’s Republic of China: Notice of Intent to Participate in the Second Five-Year (Sunset) Review of the Antidumping Order,” dated March 6, 2015.

<sup>4</sup> See Petitioners’ letter, “Hand Trucks and Certain Parts Thereof from the People’s Republic of China: Substantive Response to the Notice of Initiation of the Second Five-Year (Sunset) Review of the Antidumping Order,” dated March 26, 2015 (Substantive Response).

HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the scope is dispositive.

Excluded from the scope are small two-wheel or four-wheel utility carts specifically designed for carrying loads like personal bags or luggage in which the frame is made from telescoping tubular material measuring less than 5/8 inch in diameter; hand trucks that use motorized operations either to move the hand truck from one location to the next or to assist in the lifting of items placed on the hand truck; vertical carriers designed specifically to transport golf bags; and wheels and tires used in the manufacture of hand trucks.

Excluded from the scope is a multifunction cart that combines, among others, the capabilities of a wheelbarrow and dolly. The product comprises a steel frame that can be converted from vertical to horizontal functionality, two wheels toward the lower end of the frame and two removable handles near the top. In addition to a foldable projection edge in its extended position, it includes a permanently attached steel tub or barrow. This product is currently available under proprietary trade names such as the "Aerocart."

### **History of the Order**

On December 2, 2004, the Department published in the *Federal Register* the antidumping duty order on hand trucks from the PRC.<sup>5</sup> For the three mandatory respondents (Qingdao Huatian Hand Truck Co., Ltd, Qingdao Taifa Group Co., Ltd., and True Potential Co., Ltd.), the Department calculated weighted-average dumping margins ranging from 33.68 percent to 46.48 percent.<sup>6</sup> For Qingdao Future Tool Inc. and Shandong Machinery Import & Export Group, the Department assigned a rate of 32.76 percent.<sup>7</sup> For the PRC-wide entity, the Department assigned a rate of 383.60, which was based on adverse facts available.<sup>8</sup>

Since the publication of the final results of the first sunset review on March 10, 2010 and the continuation of the antidumping duty order,<sup>9</sup> the Department has completed the fourth (2007-2008) through the ninth (2012-2013) administrative reviews of the *AD Order*.<sup>10</sup> Amended final

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<sup>5</sup> See *AD Order*.

<sup>6</sup> See *Amended Final Determination of Sales at Less Than Fair Value: Hand Trucks and Certain Parts Thereof From the People's Republic of China*, 69 FR 65410 (November 12, 2004) (*Amended Final Determination*); see also *Notice of Final Determination of Sales at Less Than Fair Value: Hand Trucks and Certain Parts Thereof from the People's Republic of China*, 69 FR 60980 (October 14, 2004) (*Final LTFV*).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> See *Hand Trucks and Certain Parts Thereof from the People's Republic of China: Final Results of Expedited Five-year (Sunset) Review of Antidumping Duty Order*, 75 FR 11120 (March 10, 2010) (*Final Results First Sunset Review*); see also *Hand Trucks and Certain Parts Thereof from the People's Republic of China: Continuation of the Antidumping Duty Order (Continuation of the Antidumping Duty Order)* (April 28, 2010).

<sup>10</sup> See *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 75 FR 29314 (May 20, 2010) (2007-2008 AR Final); *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Final Results and Final Rescission in Part, of Antidumping Duty Administrative Review*, 76 FR 36083 (June 21, 2011) (2008-2009 AR Final); *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 77 FR 41744 (July 16, 2012) (2009-2010 AR Final); *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 28801 (May 16, 2013) (2010-2011 AR Final); *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Final*

results for the sixth (2009-2010) and seventh (2010-2011) administrative reviews were recently published.<sup>11</sup> A changed circumstances review was recently completed.<sup>12</sup> The tenth (2013-2014) administrative review is currently ongoing.<sup>13</sup>

In the fourth administrative review (2007-2008), we calculated an antidumping duty margin of 119.98 percent for Since Hardware (Guangzhou) Co., Ltd.<sup>14</sup> In the fifth administrative review (2008-2009), we calculated a zero percent antidumping margin for New-Tec (Xiamen) Integration (New Tec) and we also determined that the PRC-wide entity rate of 383.60 percent should be applied to Sunshine International Corporation, Zhejiang Yinmao Import and Export Co., and Qingdao Huazhan Hardware and Machinery Co., Ltd.<sup>15</sup> In the sixth administrative review (2009-2010), we calculated an antidumping margin of 41.49 percent for New-Tec, which was revised according to settlement to 20.89 percent.<sup>16</sup> In the seventh (2010-2011) administrative review, we calculated an antidumping duty margin of 9.21 percent for New-Tec, which was revised according to settlement to 5.38 percent for New-Tec.<sup>17</sup> In the eighth administrative review (2011-2012), we calculated an antidumping duty margin of zero percent for New-Tec.<sup>18</sup> In the ninth administrative review (2012-2013), we also calculated an antidumping duty margin of zero percent for New-Tec.<sup>19</sup>

There have been no duty absorption findings regarding this antidumping duty order. Since the publication of the *Continuation of the Antidumping Duty Order* on April 28, 2010, the Department has conducted numerous scope rulings related to the *AD Order*.

### **Legal Framework**

In accordance with section 751(c)(1) of the Act, the Department is conducting this sunset review to determine whether revocation of the *AD Order* would likely lead to continuation or recurrence of dumping. Sections 751(c)(1)(A) and (B) of the Act provide that, in making this determination, the Department shall consider both the weighted-average dumping margins determined in the investigation and subsequent reviews, and the volume of imports of subject merchandise for the period before, and the period after, the issuance of the *AD Order*.

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*Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 44008 (July 29, 2014) (*2011-2012 AR Final*); *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 80 FR 33246 (July 11, 2015) (*2012-2013 AR Final*).

<sup>11</sup> See *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Notice of Amended Final Results of Antidumping Duty Administrative Review Pursuant to Settlement*, 80 FR 34369 (June 16, 2015) (*Amended Final Results 2009-2010 AR*) and *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Notice of Amended Final Results of Antidumping Duty Administrative Review Pursuant to Settlement; 2010-2011*, 80 FR 34371 (*Amended Final Results 2010-2011 AR*).

<sup>12</sup> *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review and Revocation, in Part*, 80 FR 18812 (April 8, 2015).

<sup>13</sup> *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 80 FR 6041 (February 4, 2015).

<sup>14</sup> See *2007-2008 AR Final*.

<sup>15</sup> See *2008-2009 AR Final*.

<sup>16</sup> See *2009-2010 AR Final* and *Amended Final Results 2009-2010 AR*.

<sup>17</sup> See *2010-2011 AR Final* and *Amended Final Results 2010-2011 AR*.

<sup>18</sup> See *2011-2012 AR Final*.

<sup>19</sup> See *2012-2013 AR Final*.

In accordance with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act (URAA), specifically the Statement of Administrative Action, H.R. Doc. 103-316, vol. 1 (1994) (SAA), the House Report, H. Rep. No. 103-826, pt. 1 (1994) (House Report), and the Senate Report, S. Report No. 103-412 (1994) (Senate Report), the Department's determinations of likelihood will be made on an order-wide, rather than a company-specific basis.<sup>20</sup> In addition, the Department normally determines that revocation of an AD order is likely to lead to continuation or recurrence of dumping when: (a) dumping continued at any level above *de minimis* after issuance of the order; (b) imports of the subject merchandise ceased after issuance of the order; or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly.<sup>21</sup> Alternatively, the Department normally will determine that revocation of an AD order is not likely to lead to continuation or recurrence of dumping where dumping was eliminated after issuance of the order and import volumes remained steady or increased.<sup>22</sup> In addition, as a base period for import volumes comparison, it is the Department's practice to use a one-year period immediately preceding the initiation of the investigation, rather than the level of pre-order import volumes, as the initiation of an investigation may dampen import volumes, and, thus, skew comparison.<sup>23</sup>

When analyzing import volumes for second and subsequent reviews, the Department's practice is to compare import volumes during the years preceding initiation of the underlying investigation to import volumes since the issuance of the last continuation notice.<sup>24</sup>

Further, section 752(c)(3) of the Act states that the Department shall provide the International Trade Commission (ITC) the magnitude of the margin of dumping likely to prevail if the *AD Order* were revoked. Generally, the Department selects the margins from the final determination in the original investigation as the margins of dumping likely to prevail if the *AD Order* were revoked, as these margins are the only calculated rates that reflect the behavior of exporters without discipline of an order in place.<sup>25</sup> However, in certain circumstances, a more recently calculated rate may be appropriate (*e.g.*, "if dumping margins have declined over the life of an order and imports have remained steady or increased, {the Department} may conclude that exporters are likely to continue dumping at lower rates found in a more recent review.").<sup>26</sup>

In February 2012, the Department announced it was modifying its practice in sunset reviews such that it will not rely on weighted-average dumping margins that were calculated using the

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<sup>20</sup> See SAA at 879, and House Report at 56.

<sup>21</sup> See SAA at 889-90, House Report at 63-64, and Senate Report at 52.

<sup>22</sup> See SAA at 889-890, and House Report at 63.

<sup>23</sup> See, *e.g.*, *Stainless Steel Bar from Germany; Final Results of the Sunset Review of Antidumping Duty Order*, 72 FR 56985 (October 5, 2007) (*Stainless Steel Bar*), and accompanying Issue and Decision Memorandum (IDM) at Comment 1.

<sup>24</sup> See *Ferrovadium From the People's Republic of China and the Republic of South Africa: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 79 FR 14216 (March 13, 2014) and accompanying Issues and Decision Memorandum at "Legal Framework."

<sup>25</sup> See SAA at 890; see, *e.g.*, *Persulfates from the People's Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order*, 73 FR 11868 (March 5, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

<sup>26</sup> See SAA, at 890-891.

methodology found to be World Trade Organization (WTO)-inconsistent.<sup>27</sup> In the *Final Modification for Reviews*, the Department stated that “only in the most extraordinary circumstances” would it rely on margins other than those calculated and published in prior determinations.<sup>28</sup> The Department further stated that apart from the “most extraordinary circumstances,” it would “limit its reliance to margins determined or applied during the five-year sunset that were not determined in a manner found to be WTO-inconsistent” and that it “may also rely on past dumping margins that were not affected by the WTO-inconsistent methodology, such as dumping margins recalculated pursuant to Section 129 proceedings, dumping margins determined based on the use of total adverse facts available, and dumping margins where no offsets were denied because all comparison results were positive.”<sup>29</sup>

Finally, pursuant to section 752(c)(4)(A) of the Act, a dumping margin of zero or *de minimis* shall not by itself require the Department to determine that revocation of an antidumping duty order would not be likely to lead to a continuation or recurrence of sales at less than fair value (LTFV).<sup>30</sup>

Below we address Petitioners’ comments.

1. Likelihood of Continuation or Recurrence of Dumping

Petitioners assert that the Department should conclude that revocation of this order would be likely to lead to a continuation or recurrence of dumping because respondents have continued to dump notwithstanding the *Order*. The Chinese hand truck manufacturers have continued to dump through nine administrative reviews and cannot maintain a presence in the U.S. market without continuing to dump. The fact that New-Tec received a *de minimis* margin in administrative reviews since the first sunset review does not detract from the fact that dumping has continued above *de minimis* levels since the publication of the first sunset review. Petitioners contend that the Department has found dumping margins of 118.8 percent, 41.9 percent and 9.21 percent since publication of the *Final Results of the First Sunset Review*.<sup>31</sup>

Petitioners note that imports of hand trucks from the PRC have continued since the *AD Order* and following the first sunset review. Petitioners state that the margins for the PRC manufacturers have been rather high, ranging from 41.49 percent<sup>32</sup> to 383.60 percent.<sup>33</sup>

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<sup>27</sup> See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Anti-dumping Duty Proceedings; Final Modification*, 77 FR 8101, 8103 (February 14, 2012) (*Final Modification for Reviews*).

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> See *Folding Gift Boxes from the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 72 FR 16765 (April 5, 2007) and accompanying Issues and Decision Memorandum at Comment 1.

<sup>31</sup> See Petitioners’ Substantive Response at 10.

<sup>32</sup> See *Hand Trucks and Certain Parts Thereof From the People’s Republic of China: Final Results of Antidumping Duty Administrative Review*, 77 FR 41744 (July 16, 2012) (*Sixth Administrative Review*).

<sup>33</sup> See SAA at 890.

**Department's Position:** As explained above, when determining whether revocation of the *AD Order* would be likely to lead to continuation of dumping, sections 752(c)(1)(A) and (B) of the Act instruct the Department to consider: (1) the weighted-average dumping margins determined in the investigation and subsequent reviews; and (2) the volume of imports of the subject merchandise for the period before and after the issuance of the *AD Order*. In addition, the Department normally determines that revocation of an *AD Order* is likely to lead to continuation or recurrence of dumping when, among other scenarios: (a) dumping continued at any level above *de minimis* after the issuance of the *AD Order*; (b) imports of the subject merchandise ceased after the issuance of the *AD Order*; (c) dumping was eliminated after the issuance of the *AD Order* and import volumes for the subject merchandise declined significantly. Thus, one consideration is whether the Department continued to find dumping at above *de minimis* levels in administrative reviews subsequent to the imposition of the *AD Order*.<sup>34</sup> According to the SAA and the House Report, "if companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the discipline were removed."<sup>35</sup> We find that revocation of the *AD Order* would likely result in the continuation of dumping in the United States due to the continued existence of dumping margins since the issuance of the *AD Order*.

Petitioners note that dumping has continued at above *de minimis* rates after the issuance of the *AD Order*, and most PRC producers and exporters are currently subject to margins that are well above *de minimis*, and the PRC-wide entity continues to have a substantial margin.

Pursuant to section 752(c)(1)(A) of the Act, the Department first considered the weighted-average dumping margins determined in the investigation and subsequent reviews. In the *Amended Final Determination*, the Department calculated weighted-average dumping margins ranging from 33.68 percent to 46.48 percent for the three mandatory respondents (Qingdao Huatian Hand Truck Co., Ltd, Qingdao Taifa Group Co., Ltd., and True Potential Co., Ltd.) and assigned a separate rate of 32.76 percent to Qingdao Future Tool Inc. and Shandong Machinery Import & Export Group.<sup>36</sup>

Further, the Department found that the PRC-wide entity failed to cooperate to the best of its ability and, as adverse facts available, assigned it a rate of 383.60.<sup>37</sup> We note that the zeroing methodology was used in the investigation and offsets were denied for all of the mandatory companies because not all comparison results were positive for these companies. As a result, the separate rate of 32.76 percent to Qingdao Future Tool Inc. and Shandong Machinery Import & Export Group is also affected by zeroing. However, the PRC-wide entity rate did not include zeroing since it was based on the dumping margin from the petition.

Since the publication of the *First Expedited Sunset Review* and the *Continuation of the Antidumping Duty Order*, the Department has continued to find dumping in subsequent administrative reviews. In the fourth administrative review (2007-2008), we calculated an antidumping duty margin of 119.98 percent for Since Hardware (Guangzhou) Co., Ltd.<sup>38</sup> In the

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<sup>34</sup> See SAA at 890.

<sup>35</sup> *Id.*; see also House Report, at 63-64.

<sup>36</sup> See *Amended Final Determination*; see also *Final LTFV*.

<sup>37</sup> *Id.*

<sup>38</sup> See *2007-2008 AR Final*.

fifth administrative review (2008-2009), we determined that the PRC-wide entity rate of 383.60 percent should be applied to Sunshine International Corporation, Zhejiang Yinmao Import and Export Co., and Qingdao Huazhan Hardware and Machinery Co., Ltd.<sup>39</sup> In the sixth administrative review (2009-2010), we calculated an antidumping margin of 41.49 percent for New-Tec, which has since been revised to 20.89 percent.<sup>40</sup> In the seventh (2010-2011) administrative review, we calculated an antidumping duty margin of 9.21 percent for New-Tec, which has since been revised to 5.38 percent.<sup>41</sup> None of these margins were affected by zeroing and are thus consistent with the *Final Modification for Reviews*. Although New-Tec received *de minimis* margin in certain administrative reviews conducted since the first sunset review,<sup>42</sup> dumping has continued above *de minimis* levels since that time.

Pursuant to section 752(c)(1)(B) of the Act, the Department also considered the volume of imports of subject merchandise in determining whether revocation of the AD *Order* would likely lead to continuation or recurrence of dumping. As noted above, when analyzing import volumes for second and subsequent sunset reviews, the Department's practice is to compare import volumes during the year preceding initiation of the underlying investigation to import volumes since the last continuation notice.

Petitioners, in their March 26, 2015 substantive response provided statistics from the ITC Dataweb indicating that import volumes decreased significantly following the imposition of the AD *Order*.<sup>43</sup> Dataweb imports of HTS 8716.80.5010 were 1,346,000 units and 1,026,000 units in 2003 and 2004.<sup>44</sup> Dataweb figures show that imports between 2010 and 2014 continued at levels significantly below pre-order levels.<sup>45</sup> The import levels from 2010 to 2014 ranged from 812,000 units to 333,000 units.

Despite Petitioners' argument that the level of pre-order imports have declined, our analysis indicates a different pattern. First, while hand trucks are typically imported under heading 8716.80.50.10 of the HTSUS, they may also be imported under headings 8716.80.50.90 and 8716.90.50.60. While HTS headings 8716.80.50.90 and 8716.90.50.60 may include out of scope merchandise, in scope merchandise is also imported under these HTS numbers, so we examined Dataweb imports for the eight digit HTS number (8716.80.50), which includes all three HTS numbers. Dataweb imports under HTS 8716.8050 were 9,139,469 units and 9,235,664 units in 2003 and 2004. Between 2010 and 2012, imports of hand trucks increased from pre-order levels to 11,244,774 units in 2010, 11,706,532 units in 2011, and 11,828,545 units in 2012. However by the end of this sunset review period, imports of hand trucks were significantly below pre-order levels at 4,384,157 units in 2013 and 2,915,003 in 2014.<sup>46</sup>

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<sup>39</sup> See 2008-2009 AR Final.

<sup>40</sup> See 2009-2010 AR Final and Amended Final Results 2009-2010 AR.

<sup>41</sup> See 2010-2011 AR Final and Amended Final Results 2010-2011 AR.

<sup>42</sup> See 2008-2009 AR Final; 2011-2012 AR Final; 2012-2013 AR Final.

<sup>43</sup> See ITC's Dataweb for HTS 8716.80.5010 only.

<sup>44</sup> See ITC's Dataweb for HTS 8716.80.5010 only.

<sup>45</sup> Imports were 812,000 units in 2010, 333,000 units in 2013, 593,000 units in 2012, 710,000 units in 2013, and 538,000 units in 2014 according to the ITC's Dataweb.

<sup>46</sup> See Attachment 1.

Imports of hand trucks from the PRC have fluctuated during this sunset review period, 2010 through 2014, but companies have continued to dump with the discipline of an order in place. The Department finds that the existence of dumping margins even with an order in place is highly probative of the likelihood of continuation or recurrence of dumping, if the order were revoked. Therefore, the Department determines that dumping would likely continue or recur if the order were revoked.

## 2. Magnitude of the Margins Likely to Prevail

Petitioners request that the Department report the individual antidumping duty margins from the LTFV investigation for Qingdao Huatian Hand Truck Co., Ltd. and True Potential Co, which are 46.48 percent and 33.68 percent, respectively, to the ITC. Petitioners also argue that the Department should report the PRC-wide entity rate from the original investigation, 383.60 percent as the PRC-wide entity rate. Petitioners maintains that these are the only rates calculated absent the discipline of the order in place.

For Qingdao Future Tool Inc., Shandong Machinery Import & Export Group Corp. and Qingdao Taifa Group Co., Ltd., Petitioners argue that the Department should not use the rates that were calculated for these companies because the Department found these companies to be part of the PRC-wide entity in subsequent reviews. As a result, the Department should report the PRC-wide entity rate, 383.60 percent for Qingdao Future Tool Inc., Shandong Machinery Import & Export Group Corp. and Qingdao Taifa Group Co., Ltd. Petitioners also argue that New-Tec Integration (Xiamen) Co., Ltd., which was not a party to the original LTFV investigation, was found to have a rate of 41.49 in the sixth administrative review.

**Department's Position:** Section 752(c)(3) of the Act provides that the Department will report to the ITC the magnitude of the margin likely to prevail if the order were revoked. Normally, the Department will select a margin from the final determination in the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order or suspension agreement in place.<sup>47</sup>

As indicated in the "Legal Framework" section, the Department's current practice is to not rely on weighted-average dumping margins calculated using the zeroing methodology, consistent with the *Final Modification for Reviews*. For this reason, we disagree with Petitioners that it would be appropriate to use the rates determined in the LTFV investigation for Qingdao Huatian Hand Truck Co., Ltd. and True Potential as the basis of our analysis because those rates were calculated without offsets. Given that fact, those calculations are not consistent with the *Final Modification for Reviews*, where the Department announced that the it will not rely on weighted-average dumping margins that were calculated with a methodology found to be WTO-inconsistent.<sup>48</sup> Furthermore, we disagree with Petitioners that we should use the rate calculated for New-Tec in the sixth administrative review. As indicated above, we normally rely on a

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<sup>47</sup> See *Persulfates from the People's Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order*, 73 FR 11868 (March 5, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

<sup>48</sup> See *Final Modification for Reviews*.

margin determined in the LTFV investigation,<sup>49</sup> and we are doing so in this expedited sunset review.

The PRC-wide rate in the *Amended Final Determination* was based on a dumping margin from the petition and, therefore, did not include zeroing. The Department determines that the rate assigned to the PRC-wide entity is an available rate that we may report to the ITC consistent with the *Final Modification for Reviews*.

### Final Results of Review

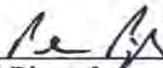
We determine that revocation of the *AD Order* on hand trucks from the PRC would likely lead to continuation or recurrence of dumping and that the magnitude of the margin of dumping likely to prevail would be weighted-average margins up to 383.60 percent.<sup>50</sup>

### Recommendation

Based on our analysis of substantive response and the record evidence, we recommend adopting the above positions. If these recommendations are accepted, we will publish the final results of the second sunset review in the *Federal Register* and notify the ITC of our determination.

AGREE

DISAGREE

  
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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

30 JUNE 2015  
\_\_\_\_\_  
Date

<sup>49</sup> See SAA at 890.

<sup>50</sup> See *Amended Final Determination*, 69 FR 65410.