DATE: July 30, 2015

MEMORANDUM TO: Ronald Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

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

RE: Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders on Carbazole Violet Pigment 23 from India and the People’s Republic of China

I. SUMMARY

We analyzed the responses of the domestic interested parties in the second sunset reviews of the antidumping duty orders covering carbazole violet pigment 23 (CVP-23) from India and the People’s Republic of China (the PRC). No respondent interested party submitted a substantive response. Accordingly, we conducted expedited sunset reviews. The following is a list of the issues in these sunset reviews for which we received substantive responses:

1. Likelihood of Continuation or Recurrence of Dumping
2. Magnitude of the Margins Likely to Prevail

We recommend that you approve the positions described in the “Discussion of the Issues” section of this memorandum.

II. BACKGROUND

On December 29, 2004, the Department of Commerce (the Department) published the AD orders on CVP-23 from India and the PRC.1 On April 1, 2015, pursuant 751(c) of the Tariff Act of 1930, as amended (the Act), the Department of Commerce (the Department) published the notice of initiation of the second sunset reviews of the antidumping duty orders on CVP-23 from India

1 See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Carbazole Violet Pigment 23 From India, 69 FR 77988 (December 29, 2004); and Antidumping Duty Order: Carbazole Violet Pigment 23 From the People's Republic of China, 69 FR 77987 (December 29, 2004).
On April 13, 2015, we received a notice of intent to participate from Nation Ford Chemical Company and Sun Chemical Corporation (collectively, Petitioners). Petitioners claimed interested party status under section 771(9)(C) of the Act, as manufacturers of a domestic like product in the United States. On May 1, 2015, we received adequate substantive responses from Petitioners within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).

We received no substantive response from any respondent interested party. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department is conducting expedited sunset reviews of the antidumping duty orders on CVP-23 from India and the PRC.

III. SCOPE OF THE ORDERS

The merchandise subject to the antidumping duty orders is CVP-23, identified as Color Index Number 51319 and Chemical Abstract Number 6358-30-1, with the chemical name of diindolo [3,2-b:3',2'-m]5 triphenodioxazine, 8,18-dicholor-5, 15-diethyl-5, 15-dihydro-, and molecular formula of C₃₄H₂₂Cl₂N₄O₂. The subject merchandise includes the crude pigment in any form (e.g., dry powder, paste, wet cake) and finished pigment in the form of presscake and dry color. Pigment dispersions in any form (e.g., pigment dispersed in oleoresins, flammable solvents, water) are not included within the scope of the orders. The merchandise subject to the antidumping duty orders is classifiable under subheading 3204.17.90.40 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the orders is dispositive.

IV. HISTORY OF THE ORDERS

India

On November 17, 2004, the Department published its final determination in the less-than-fair-value (LTFV) investigation of CVP-23 from India. On December 29, 2004, the Department

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4 See Letters from Petitioners, “Carbazole Violet Pigment 23 from India/Petitioners’ Substantive Response” (India Substantive Response) and “Carbazole Violet Pigment 23 from the People’s Republic of China/Petitioners’ Substantive Response” (PRC Substantive Response), May 1, 2015 (collectively, Substantive Responses).
5 The bracketed section of the product description, [3,2-b:3'2'-m], is not business proprietary information. In this case, the brackets are simply part of the chemical nomenclature. See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Carbazole Violet Pigment 23 from India, 69 FR 77988 (December 29, 2004) (India Amended Final Determination and Antidumping Duty Order); see also Antidumping Duty Order: Carbazole Violet Pigment 23 from the People’s Republic of China, 69 FR 77987 (December 29, 2004) (PRC Antidumping Duty Order).
6 See Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 from India, 69 FR 67306 (November 17, 2004).
issued its amended final determination and the antidumping duty order. The Department calculated the following dumping margins:

Alpanil Industries 27.23  
Pidilite Industries Ltd. 66.59  
All-Others Rate 44.80

The Department continued the order as the result of an expedited first five-year sunset review. Since the most recent continuation, the Department has not conducted any reviews of the order. The order remains in effect for all producers/exporters from India.

PRC

On November 17, 2004, the Department published its final determination in the LTFV investigation of CVP-23 from the PRC. On December 29, 2004, the Department issued the antidumping duty order. The weighted-average dumping margins were subsequently amended, pursuant to a court decision, as follows:

GoldLink Industries Co., Ltd. 12.46  
Nantong Haidi Chemicals Co., Ltd. 57.07  
Trust Chem Co., Ltd. 39.29  
Tianjin Hanchem International Trading Co., Ltd. 85.41  
PRC-Wide Rate 241.32

The Department continued the order as the result of an expedited first five-year sunset review. Since the most recent continuation, the Department has not conducted any reviews of the order. The order remains in effect for all producers/exporters from the PRC.

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7 See India Amended Final Determination and Antidumping Duty Order.  
8 See Carbazole Violet Pigment 23 from India and the People’s Republic of China: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders, 75 FR 12497 (March 16, 2010) (Final Results of Expedited First Sunset Reviews); see also Carbazole Violet Pigment 23 from India and the People’s Republic of China: Continuation of Antidumping Duty Orders, 75 FR 29718 (May 27, 2010) (Notice of Continuation).  
9 The Department completed three administrative reviews prior to the order’s continuation. See Carbazole Violet Pigment 23 from India: Final Results of Antidumping Duty Administrative Review, 73 FR 19811 (April 11, 2008); see also Carbazole Violet Pigment 23 from India: Final Results of Antidumping Duty Administrative Review, 73 FR 74141 (December 5, 2008); Carbazole Violet Pigment 23 from India: Final Results of Antidumping Duty Administrative Review, 75 FR 38076 (July 1, 2010) (India Final Results of Third Administrative Review). Two subsequent administrative reviews were rescinded after initiation. See Carbazole Violet Pigment 23 from India: Rescission of Administrative Review, 75 FR 25209 (May 7, 2010); see also Carbazole Violet Pigment 23 from India: Rescission of Administrative Review, 76 FR 24855 (May 3, 2011).  
11 See PRC Antidumping Duty Order.  
12 See Carbazole Violet Pigment 23 from the People’s Republic of China: Notice of Amended Final Determination in Accordance with Court Decision, 72 FR 15101 (March 30, 2007).  
13 See Final Results of Expedited First Sunset Reviews; see also Notice of Continuation.  
14 The Department completed three administrative reviews prior to the order’s continuation. See Carbazole Violet Pigment 23 from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, 72 FR
Scope Inquiries, Changed Circumstances Reviews, and Duty Absorption

Since the most recent continuation of these orders, the Department has issued one scope determination, finding that crude CVP-23 from India or the PRC, which is converted into finished CVP-23 in Japan, is within the scope of the orders. We have not conducted any changed circumstances reviews or duty absorption inquiries since the most recent continuation of these orders.

V. LEGAL FRAMEWORK

In accordance with section 751(c) of the Act, the Department is conducting these sunset reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of dumping. Section 752(c)(1)(A)-(B) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigations and subsequent reviews, as well as the volume of imports of the subject merchandise for the period before and after the issuance of the orders.

In accordance with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the Statement of Administrative Action (SAA), the House Report, and the Senate Report, the Department’s determinations of likelihood will be made on an order-wide, rather than a company-specific, basis. In addition, the Department normally determines that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping when: (1) dumping continued at any level above de minimis after the issuance of the order; (2) imports of the subject merchandise ceased after issuance of the order; or (3) after issuance of the order, dumping was eliminated and import volumes for the subject merchandise declined significantly.


19 See SAA at 879; see also House Report at 56.
In addition, as a base period of import volume comparison, it is the Department’s practice to use the 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 the comparison.\textsuperscript{21} 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 issuance of the last continuation notice.\textsuperscript{22}

Furthermore, section 752(c)(3) of the Act states that the magnitude of the dumping margin likely to prevail if the orders were revoked shall be provided by the Department to the International Trade Commission (ITC). Generally, the Department selects the dumping margins from the final determination in the original investigation, as these rates are the only calculated rates that reflect the behavior of exporters without the discipline of an order in place.\textsuperscript{23} In certain circumstances, however, a more recently calculated rate may be more appropriate.\textsuperscript{24}

On February 14, 2012, the Department announced it was modifying its practice in sunset reviews, such that it would not rely on weighted-average dumping margins calculated using the “zeroing” methodology found to be inconsistent with World Trade Organization (WTO) obligations.\textsuperscript{25} In the \textit{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.\textsuperscript{26} 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 period 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.”\textsuperscript{27}

Finally, pursuant to section 752(c)(4)(A) of the Act, a dumping margin of zero or \textit{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 LTFV.

\textsuperscript{21} See, e.g., \textit{Stainless Steel Bar from Germany: Final Results of the Sunset Review of the Antidumping Duty Order}, 72 FR 56985 (October 5, 2007), and accompanying Issues and Decision Memorandum at Comment 1.

\textsuperscript{22} See \textit{Ferrovanadium 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.

\textsuperscript{23} See SAA at 890; see also \textit{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.

\textsuperscript{24} See SAA at 890-891 (stating, 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 the lower rates found in a more recent review.”).

\textsuperscript{25} See \textit{Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings: Final Modification}, 77 FR 8101, 8103 (February 14, 2012) (\textit{Final Modification for Reviews}).

\textsuperscript{26} Id.

\textsuperscript{27} Id. at 8109.
VI. DISCUSSION OF THE ISSUES

1. Likelihood of Continuation or Recurrence of Dumping

Petitioners’ Comments

Petitioners argue that shipments of CVP-23 from India and the PRC have declined since the orders were imposed.\textsuperscript{28} Petitioners further claim that there will be material injury to the domestic CVP-23 industry if the antidumping duty orders are revoked, as imports of CVP-23 would likely increase at unfairly low prices. Finally, Petitioners state that, as confirmed by three completed administrative reviews of each order, dumping of CVP-23 from India and the PRC has continued at above \textit{de minimis} levels.\textsuperscript{29}

Citing to the SAA and the Department’s \textit{Sunset Policy}, Petitioners conclude that the Department should determine that revocation of the antidumping duty orders is inappropriate under the conditions described above.\textsuperscript{30} Specifically, they assert that such revocation would be inappropriate where, after issuance of an order, (1) dumping continued at any level above \textit{de minimis} or (2) import volumes for the subject merchandise declined significantly.\textsuperscript{31} As such, Petitioners contend that the record evidence strongly supports the conclusion that dumping of CVP-23 from India and the PRC would recur if the orders were to be revoked.\textsuperscript{32}

Department’s Position

Consistent with the guidance provided in the SAA, the House Report, and the Senate Report, the Department’s determination regarding likelihood of continuation or recurrence of dumping will be made on an order-wide basis.\textsuperscript{33} In addition, the Department will normally determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence where (1) dumping continued at any level above \textit{de minimis} after the issuance of the order, (2) imports of the subject merchandise ceased after the issuance of the order, or (3) dumping was eliminated after the issuance of an order and import volumes for the subject merchandise declined significantly.\textsuperscript{34} According to the SAA, “{d}eclining import volumes accompanied by the continued existence of dumping margins after the issuance of an order may provide a strong indication that, absent an order, dumping would be likely to continue, because the evidence would indicate that the exporter needs to dump to sell at pre-order volumes.”\textsuperscript{35}

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

\textsuperscript{28} See India Substantive Response at 5; see also PRC Substantive Response at 4.
\textsuperscript{29} See India Substantive Response at 8; see also PRC Substantive Response at 9.
\textsuperscript{30} See Substantive Responses at 8.
\textsuperscript{31} Id. at 11.
\textsuperscript{32} See SAA at 879; see also House Report at 56.
\textsuperscript{33} See SAA at 889-890; see also PRC Substantive Response at 9.
\textsuperscript{34} See SAA at 889.
underlying investigation (i.e., 2002 for these reviews) to import volumes since the issuance of
the last continuation notice. The last continuation notice for these sunset reviews was issued on
May 27, 2010.\textsuperscript{36} Therefore, for these sunset reviews, we compared import volumes in 2002 to
import volumes during the 2010 through 2014 sunset review period.\textsuperscript{37} Furthermore, the
Department examined the weighted-average dumping margins in effect to determine whether
dumping continued at above \textit{de minimis} levels during the sunset review period. As noted above,
in accordance with the \textit{Final Modification for Reviews}, the Department did not rely on weighted-
average dumping margins that were calculated using zeroing.

\textit{India}

The Department examined import statistics for the relevant period, which show that imports for
CVP-23 from India fluctuated between 26,766 kilograms and 56,209 kilograms after the
completion of the sunset review in 2010.\textsuperscript{38} Although, for most of this sunset review period,
import volumes were greater than import volumes in 2002,\textsuperscript{39} we note that the order remains in
effect for all Indian producers and exporters of CVP-23. As stated above, in the investigation,
the Department found an India-wide dumping margin of 44.80 percent and company-specific
dumping margins of 27.23 percent and 66.59 percent. The India-wide rate was calculated by
averaging the company-specific weighted-average dumping margins, excluding zero and \textit{de minimis}
margins and any margins determined entirely on facts available, as required under
section 776 of the Act.\textsuperscript{40} The company-specific margins were calculated without using the
zeroing methodology and, therefore, all margins determined in the investigation are consistent
with the \textit{Final Modification for Reviews}.\textsuperscript{41} Furthermore, the final company-specific dumping
margin in the most recent completed administrative review was above \textit{de minimis} and consistent
with the \textit{Final Modification for Reviews}.\textsuperscript{42} As such, dumping continued at a level above \textit{de
minimis} after the antidumping duty order was issued and, pursuant to section 752(c)(1) of the
Act, the Department finds that dumping would likely continue or recur if the order was revoked.

\textit{PRC}

The Department examined import statistics for the relevant period, which show that imports for
CVP-23 from the PRC fluctuated between 79,132 kilograms and 113,615 kilograms after the
completion of the sunset review in 2010.\textsuperscript{43} As such, during this sunset review period, import

\textsuperscript{36} \textit{See Notice of Continuation.}
\textsuperscript{37} \textit{See Attachment.} The relevant annual import volumes were retrieved using the ITC’s DataWeb database.
\textsuperscript{38} \textit{Id.}
\textsuperscript{39} \textit{Id.}
\textsuperscript{40} \textit{See Department Memorandum, “Amended All-Others Rate Calculation Memorandum for the Final Determination
of the Antidumping Duty Investigation on Carbazole Violet Pigment 23 from India,” December 9, 2004.}
\textsuperscript{41} \textit{See Department Memorandum, “Final Determination Analysis Memo: Antidumping Duty Investigation
(10/1/2002 – 9/30/2003) on Carbazole Violet Pigment from India’s Alpanil Industries,” November 8, 2004; see also
Department Memorandum, “Amended Final Determination Analysis Memorandum for Pidilite Industries Limited,”
December 9, 2004.}
\textsuperscript{42} \textit{See India Final Results of Third Administrative Review} (finding a dumping margin of 58.90 percent for Alpanil
Industries and continuing the India-wide rate of 44.80 percent).
\textsuperscript{43} \textit{See Attachment.}
volumes were significantly less than import volumes in 2002.\textsuperscript{44} Furthermore, we note that the order remains in effect for PRC producers and exporters of CVP-23. As stated above, in the investigation, the Department found a PRC-wide dumping margin of 241.32 percent and company-specific dumping margins of 12.46 percent, 57.07 percent, 39.29 percent, and 85.41 percent. The PRC-wide rate was calculated using adverse facts available.\textsuperscript{45} Specifically, the PRC-wide rate is based on the export price provided in the original petition and the highest company-specific normal value in the amended final determination.\textsuperscript{46} The company-specific margins were calculated without using the zeroing methodology.\textsuperscript{47} Therefore, all margins determined in the investigation are consistent with the \textit{Final Modification for Reviews}. In addition, the final company-specific dumping margin in the most recent completed administrative review was above \textit{de minimis} and consistent with the \textit{Final Modification for Reviews}.\textsuperscript{48} As such, dumping continued at a level above \textit{de minimis} after the antidumping duty order was issued and, pursuant to section 752(c)(1) of the Act, the Department finds that dumping would likely continue or recur if the order were revoked.

2. Magnitude of the Margins Likely to Prevail

\textit{Petitioners’ Comments}

Petitioners request that, in accordance with the \textit{Policy Bulletin}, the Department report the country-wide dumping margins that were determined in the investigation, as amended, to the ITC.\textsuperscript{49} Petitioners argue that these margins represent the best evidence of the behavior of the applicable producers and exporters without the discipline of the order.\textsuperscript{50}

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\textsuperscript{44} Id.
\textsuperscript{45} See Department Memorandum, “Recalculated PRC-Wide Rate for Final Results of Redetermination Pursuant to Remand,” October 16, 2006.
\textsuperscript{46} Id.
\textsuperscript{48} See PRC Final Results of Third Administrative Review (finding a dumping margin of 30.72 percent for Trust Chem Co., Ltd. and continuing the PRC-wide rate of 241.32 percent); see also Department Memorandum, “2007-2008 Administrative Review of Carbazole Violet Pigment 23 from the People’s Republic of China: Final Results Margin Calculation for Trust Chem Co., Ltd.,” June 21, 2010. Pursuant to court remand, the Department subsequently reconsidered the methodology used to calculate Trust Chem Co., Ltd.’s margin in \textit{PRC Final Results of Third Administrative Review}. No changes to the methodology were made in the Department’s redetermination. \textit{See Results of Redetermination Pursuant to Court Remand: Carbazole Violet Pigment 23 from the People’s Republic of China, Trust Chem Company Limited v. United States}, Court No. 10-00214, Slip Op. 11-97 (CIT August 3, 2011).
\textsuperscript{49} See India Substantive Response at 9-10; see also PRC Substantive Response at 10-11.
\textsuperscript{50} See India Substantive Response at 9-10; see also PRC Substantive Response at 10-11.
Department’s Position

Pursuant to section 752(c)(3) of the Act, as well as the SAA, the Department will normally provide company-specific margins from the investigation to the ITC. In non-market economy (NME) cases, for companies which were not specifically investigated and were not found to be eligible for a separate rate, or for companies that did not begin shipping until after the order was issued, the Department will normally provide a margin based on the NME country-wide rate from the investigation. The Department’s preference for selecting a margin from the LTFV investigation is based on the fact that it is the only calculated rate that reflects the behavior of manufacturers, producers, and exporters without the discipline of an order or suspension agreement in place. Under certain circumstances, however, the Department may select a more recently calculated margin to report to the ITC.

As indicated in the “Legal Framework” section of this memorandum, the Department’s current practice is to not rely on weighted-average dumping margins calculated using zeroing. Instead, we may rely on other rates that may be available or, in extraordinary circumstances, we may recalculate weighted-average dumping margins using our current off-setting methodology. In addition, a PRC-wide rate that was based on the margin from the relevant petition and did not involve the denial of offsets may also be reported to the ITC.

India

After considering the dumping margins determined in the investigation and the subsequent administrative reviews, we find that, as an indication of the magnitude of the margins likely to prevail, it is appropriate to provide the ITC with the margins determined in the LTFV investigation because those margins reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. As noted above, the relevant calculations are calculated without zeroing. As a result, we will report the dumping margins likely to prevail, as listed in the “Final Results of Sunset Reviews” section of this memorandum, to the ITC.

51 See SAA at 890.
52 See, e.g., Non-Malleable Cast Iron Pipe Fittings from the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order, 73 FR 39656 (July 10, 2008), and accompanying Issues and Decision Memorandum at Comment 2.
53 See Final Modification for Reviews at 8103.
After considering the dumping margins determined in the investigation and the subsequent administrative reviews, we find that, as an indication of the magnitude of the margins likely to prevail, it is appropriate to provide the ITC with the margins determined in the LTFV investigation because those margins reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. Specifically, as discussed above, the PRC-wide rate was calculated without zeroing. As a result, we will report the margins of dumping likely to prevail, as listed in the “Final Results of Sunset Reviews” section of this memorandum, to the ITC.

VII. FINAL RESULTS OF SUNSET REVIEWS

We determine that revocation of the antidumping duty orders on CVP-23 from India and the PRC would likely lead to continuation or recurrence of dumping and that the magnitude of the dumping margins likely to prevail would be weighted-average margins of up to 44.80 percent for India and up to 241.32 percent for the PRC.

VIII. RECOMMENDATION

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

[Signature]

Ronald Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

July 30, 2015
CVP-23: First Unit of Quantity by Country Name and First Unit of Quantity for CVP-23

U.S. Imports for Consumption

Annual Data

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Sources: Data on this site have been compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.