

November 29, 2011

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Import Administration

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

SUBJECT: Issues and Decision Memorandum for the Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order on Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China

Summary

We have analyzed the responses of the interested parties in the third sunset review of the antidumping duty order covering tapered roller bearings (“TRBs”) from the People’s Republic of China (“PRC”). Timken Company (“Timken”), a domestic producer, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (“USW”), a union that represents workers engaged in the manufacturing of TRBs in the United States, submitted a sufficient substantive response. No respondent interested party submitted a substantive response. In accordance with our analysis of Timken and USW’s (collectively, “Domestic Parties”) substantive response, we recommend adopting the positions described in the Discussion of the Issues section of this memorandum. Below is the complete list of issues in this sunset review for which we received a substantive response:

1. Likelihood of continuation or recurrence of dumping; and
2. Magnitude of the dumping margin likely to prevail.

History of the Order

On June 15, 1987, the Department of Commerce (“the Department”) published the antidumping duty order on TRBs from the PRC.¹ The Department found the following antidumping duty margins: 0.97 percent for Premier Bearing & Equipment, Ltd. (“Premier”), 4.69 percent for

¹ *See* Antidumping Duty Order; Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From the People’s Republic of China, 52 FR 22667 (June 15, 1987), as amended, *Tapered Roller Bearings From the People’s Republic of China; Amendment to Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order in Accordance With Decision Upon Remand*, 55 FR 6669 (February 26, 1990) (“Order”).

China National Machinery & Equipment Import & Export Corporation (“CMEC”), and a PRC-wide rate of 2.96 percent.

The Department conducted several administrative reviews before the period of this sunset review that resulted in publication of final results of review, and in certain instances amended final results of review upon judicial review. A summary of citations of those reviews is as follows:

Review	Period of review (“POR”)	Citation
(1)	February 6, 1987 - May 31, 1988	56 FR 66 (January 2, 1991)
(2)	June 1, 1988 - May 31, 1989	56 FR 66 (January 2, 1991)
(3)	May 2, 1989 - May 31, 1990	61 FR 29345 (June 10, 1996) and
	June 1, 1989 - May 31, 1990	61 FR 29345 (June 10, 1996)
(4)	June 1, 1990 - May 31, 1991	66 FR 20425 (April 23, 2001)
(5)	June 1, 1991 - May 31, 1992	66 FR 20425 (April 23, 2001)
(6)	June 1, 1992 - May 31, 1993	66 FR 20425 (April 23, 2001)
(7)	June 1, 1993 - May 31, 1994	69 FR 10423 (March 5, 2004)
(8)	June 1, 1994 - May 31, 1995	68 FR 60196 (December 3, 2001)
(9)	June 1, 1995 - May 31, 1996	67 FR 46176 (July 12, 2002)
(10)	June 1, 1996 - May 31, 1997	63 FR 63842 (December 28, 1998)
(11)	June 1, 1997 - May 31, 1998	69 FR 2331 (January 15, 2004)
(12)	June 1, 1998 - May 31, 1999	70 FR 19421 (April 13, 2005)
(13)	June 1, 1999 - May 31, 2000	66 FR 57420 (November 15, 2001)
(14)	June 1, 2000 - May 31, 2001	67 FR 72147 (December 4, 2002)
(15)	June 1, 2001 - May 31, 2002	68 FR 75489 (December 31, 2003)
(16)	June 1, 2002 - May 31, 2003	69 FR 42041 (July 13, 2004)
(17)	June 1, 2003 - May 31, 2004	71 FR 2517 (January 17, 2006)

The Department issued final results of several administrative reviews during the period of this five-year sunset review:

Review	POR	Citation
(18)	June 1, 2004 - May 31, 2005	71 FR 75936 (December 19, 2006)
(19)	June 1, 2005 - May 31, 2006	72 FR 56724 (October 4, 2007)
(20)	June 1, 2006 - May 31, 2007	74 FR 3987 (January 22, 2009)
(21)	June 1, 2007 - May 31, 2008	75 FR 844 (January 6, 2010)
(22)	June 1, 2008 - May 31, 2009	76 FR 3086 (January 19, 2011)

Previous Sunset Reviews

The Department published its notice of initiation of the first sunset review on April 1, 1999, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). *See Initiation of Five-Year Reviews*, 64 FR 15727 (April 1, 1999). As a result of this review, the Department found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping with the following rates. *See Tapered Roller Bearings From the People’s Republic of China; Final Results of Full Sunset Review*, 65 FR 11550 (March 3, 2000) (“*First Sunset Review*”).

Exporters	Weighted-Average Margin (percent)
Zhejiang Changshan Changhe Bearing Co. (“ZCCBC”)	0.00
China National Machinery Import & Export Corp. (“CMC”)	0.03
Zhejiang Wanxiang Group	0.03
Zhejiang Machinery Import & Export Corp. (“ZMC”)	0.11
Luoyang Bearing Corporation (“Luoyang”)	3.20
Premier	5.43
Liaoning Mec Group, Ltd. (“Liaoning”)	9.72
Guizhou Machinery	21.79
Guizhou Automotive	29.40
Wangfangdian	29.40
Jilin	29.40
Tianshui Hailin	29.40
Xiangyang	29.40
Xibei	29.40
CMEC	
Import & Export Corp.	29.40
All Others	29.40

On June 22, 2000, the International Trade Commission (“ITC”) determined, pursuant to section 751(c) of the Act, that revocation of this antidumping duty order would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. *See Certain Bearings from China, France, Germany, Hungary, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom*, 65 FR 39925 (June 28, 2000) and USITC Pub. 3309, Inv. No. 701-TA-344 (Review) (June 2000). On July 11, 2000, the Department published the notice of continuation of this antidumping duty order. *See Continuation of Antidumping Duty Orders: Certain Bearings From France, Germany, Italy, Japan, Singapore, the United Kingdom, and the People’s Republic of China*, 65 FR 42665 (July 11, 2000).

The Department published its notice of initiation of the second sunset review on June 1, 2005, pursuant to section 751(c) of the Act. *See Initiation of Five-Year Reviews*, 70 FR 31423 (June 1, 2005). As a result of this review, the Department found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping with the following rates. *See Tapered Roller Bearings from the People’s Republic of China: Notice of Final Results of Expedited Sunset Review of Antidumping Duty Order*, 70 FR 58383 (October 6, 2005) (“*Second Sunset Review*”).

Exporters	Weighted-Average Margin (percent)
ZCCBC	0.00
CMC	0.03
Zhejiang Wanxiang Group	0.03
ZMC	0.11
Luoyang	3.20
Premier Bearing & Equipment, Ltd.	5.43
Liaoning	9.72
CMEC	
Import & Export Corp.	29.40
China-wide Rate	29.40

On August 3, 2006, the ITC determined, pursuant to section 751(c) of the Act, that revocation of this antidumping duty order would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. *See Certain Bearings From China, France, Germany, Italy, Japan, Singapore, and the United Kingdom*, 71 FR 51850 (August 31, 2006) and USITC Pub. 3876, Inv. No. 731-TA-344 (Second Review) (Aug. 2006). On September 15, 2006, the Department published the notice of continuation of this antidumping duty order. *See Tapered Roller Bearings and Parts Thereof from the People's Republic of China and Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Continuation of Antidumping Duty Orders*, 71 FR 54469 (Sept. 15, 2006).

Scope Inquiries, Changed Circumstances Reviews, and Duty Absorption

On February 7, 2011, in response to an inquiry from Blackstone OTR LLC and OTR Wheel Engineering, Inc. (collectively, “Blackstone OTR”), the Department ruled that Blackstone OTR’s wheel hub assemblies are included in the scope of the *Order*.² On April 18, 2011, in response to an inquiry from New Trend Engineering Limited (“New Trend”), the Department ruled that: (1) New Trend’s splined and non-splined wheel hub assemblies without antilock braking system (“ABS”) elements are included in the scope of the order; and (2) New Trend’s wheel hub assemblies with ABS elements are also included in the scope of the *Order*.³ On June 14, 2011, in response to an inquiry from Bosda International (USA) LLC (“Bosda”), the Department ruled that Bosda’s wheel hub assemblies are included in the scope of the *Order*.⁴ On August 2, 2011, in response to an inquiry from DF Machinery International, Inc. (“DF Machinery”), the Department ruled that DF Machinery’s agricultural hub units are included in the scope of the *Order*.⁵

² See Memorandum entitled “Tapered Roller Bearings from the People's Republic of China: Final Scope Ruling on Blackstone OTR LLC and OTR Wheel Engineering, Inc.’s Wheel Hub Assemblies and TRBs,” dated February 7, 2011.

³ See Memorandum entitled, “Tapered Roller Bearings from the People's Republic of China: Final Scope Ruling on New Trend Engineering Ltd.'s Wheel Hub Assemblies,” dated April 18, 2011.

⁴ See Memorandum entitled “Tapered Roller Bearings from the People's Republic of China Final Scope Determination on Bosda's Wheel Hub Assemblies,” dated June 14, 2011.

⁵ See Memorandum entitled “Tapered Roller Bearings and Parts Thereof, finished and Unfinished, from the People's Republic of China- Final Scope Determination on DF Machinery's Agricultural Hub Units,” dated August 3, 2011;

On August 28, 2009, the SKF-owned PRC bearing producer/exporter, referred to as “SKF/CPZ” and the SKF-owned U.S. sales affiliate, referred to as “SKF/Peer,” (collectively “SKF”), a Swedish producer of bearings (including TRBs), submitted a request for a changed circumstance review (“CCR”) to determine that SKF/CPZ and SKF/Peer are not successors-in-interest to the pre-acquisition Spungen-owned Peer Bearing Company Ltd.– Changshan (“PBCD/CPZ”) (and its U.S. affiliate PBCD/Peer). On September 30, 2009, the Department informed parties that the information provided in SKF’s August 28, 2009, submission was sufficient to warrant a successor-in-interest analysis regarding SKF’s acquisition of CPZ and Peer, and that this determination would be performed within the context of the instant administrative review, instead of initiating a separate CCR. On January 19, 2011, we found that changes in ownership, management, structure, production facilities and supplier relationships indicate that SKF/CPZ is not the successor-in-interest to PBCD/CPZ.⁶

The Department has not conducted any duty absorption reviews during the period of this sunset review.

Background

On August 1, 2011, the Department initiated the third sunset review of the antidumping duty order on TRBs from the PRC, pursuant to section 751(c) of the Act.⁷ On August 16, 2011, pursuant to 19 CFR 351.218(d)(1), the Department received a timely and complete notice of intent to participate in the sunset review from Domestic Parties. On August 31, 2011, pursuant to 19 CFR 351.218(d)(3), Domestic Parties filed a timely and adequate substantive response within 30 days after the date of publication of the *Sunset Initiation*. See Substantive Response of the Domestic Parties (“Substantive Response”) (August 31, 2011). The Department did not receive substantive responses 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 conducted an expedited (120-day) sunset review of the antidumping duty order on TRBs from the PRC.

Discussion of the Issues

Legal Framework

In accordance with section 751(c)(1) of the Act, the Department conducted this sunset review to determine whether revocation of the antidumping duty order would be likely to lead to a continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews, and the volume of imports of the subject merchandise for the periods before, and the periods after, the issuance of the antidumping duty order.

As explained in the Statement of Administrative Action (“SAA”) accompanying the Uruguay Round Agreements Act (“URAA”), the Department normally determines that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping when: (a)

⁶ See *Tapered Roller Bearings From the People's Republic of China: Final Results of the 2008-2009 Administrative Review of Antidumping Duty Order*, 76 FR 3086, 3087 (January 19, 2011).

⁷ See *Initiation of Third-Year (“Sunset”) Review*, 76 FR 45778, 45779 (August 1, 2011) (“*Sunset Initiation*”).

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.⁸ Alternatively, the Department normally will determine that revocation of an antidumping duty 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.⁹ 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 comparison.¹⁰

Further, section 752(c)(3) of the Act states that the Department shall provide to the ITC the magnitude of the margin of dumping likely to prevail if the order is revoked. Generally, the Department selects the margin(s) from the final determination in the original investigation, as this is the only calculated rate that reflects the behavior of exporters without the discipline of an order in place.¹¹ However, the Department may use a rate from a more recent review where the dumping margin increased, as this rate may be more representative of a company's behavior in the absence of an order (*e.g.*, where a company increases dumping to maintain or increase market share with an order in place).¹² 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. Below we address the comments submitted by Domestic Parties.

Analysis

1. Likelihood of Continuation or Recurrence of Dumping

Domestic Parties' Comments

Domestic Parties argue that revocation of this *Order* would likely result in a recurrence of sales at less than fair value by margins equivalent to or greater than those found in the original investigation.¹³ Specifically, Domestic Parties argue that weighted-average margins for investigated companies have continued at above *de minimis* levels and have substantially increased over the levels of dumping found during the investigation. For example, the PRC-wide rate increased from 33.18 percent to 60.95 percent in the 2002-2003 POR. In the 2006-2007

⁸ See SAA, H.R. Rep. No. 103-316, Vol. 1 (1994), at 889-90; see also, *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.

⁹ See *Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

¹⁰ See, *e.g.*, *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.

¹¹ See SAA at 890 and *Sunset Policy Bulletin* at section II.B.1. 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.

¹² See SAA at 890-91; *Sunset Policy Bulletin* at section II.B.2.

¹³ See Substantive Response at 6.

POR, the PRC-wide rate further increased to 92.84 percent.¹⁴ In addition, Domestic Parties assert that since the imposition of the *Order*, the import volume of TRBs into the United States from PRC exporters have substantially increased. Based on USITC dataweb statistics, Domestic Parties argue that TRB imports in 1986, the year prior to the imposition of the *Order*, were \$377,000, and the import levels, by value and by weight, have increased while the *Order* has been in place. In 2010, the value of TRB imports was \$82 million.¹⁵ In light of the continued and increased dumping margins, Domestic Parties assert that the consideration of “other factors” is not warranted.¹⁶

Department’s Position

As explained in the “Legal Framework” section above, the Department’s determination concerning whether revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping is based, in part, upon guidance provided by the legislative history accompanying the URAA (*i.e.*, the SAA; House Report, H. Rep. No. 103-826, pt. 1 (1994) (“House Report”); and Senate Report, S. Rep. No. 103-412 (1994) (“Senate Report”). Consistent with the SAA, the Department will make its likelihood determination on an order-wide basis.¹⁷

Further, when determining whether revocation of the 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 antidumping duty order. Thus, one consideration is whether the Department has continued to find dumping above *de minimis* levels in administrative reviews subsequent to imposition of the antidumping duty order.¹⁸ 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.”¹⁹ In the instant review, for the reasons stated below, we find that revocation of the antidumping duty order on TRBs from the PRC would likely result in the continuation of dumping in the United States.

We find that PRC exporters of TRBs have continued to sell into the United States at prices below normal value following the issuance of the *Order*. Since issuance of the *Order*, dumping has continued at rates exceeding *de minimis* levels, which suggests that dumping is likely to continue if the *Order* is revoked.

Pursuant to section 752(c)(1)(B) of the Act, the Department considered the volume of imports of the subject merchandise for the period before and after the issuance of the antidumping duty order. Domestic Parties placed USITC dataweb data on the record to analyze TRBs import trends for this third sunset review. It is the Department’s current practice to use Global Trade

¹⁴ *See id.* at 8.

¹⁵ *Id.* at 9 and Exhibit 2.

¹⁶ *Id.* at 11.

¹⁷ *See SAA* at 879.

¹⁸ *Id.* at 890.

¹⁹ *Id.*; *see also* House Report at 63-64.

Atlas (“GTA”) import data.²⁰ The Department collected Harmonized Tariff Schedule of the United States (“HTSUS”) import data from GTA for TRB imports from the PRC under the HTSUS numbers listed in the scope of the *Order*. GTA maintains import statistics only as early as 1990 so the Department relied on data from the USITC dataweb data for 1986, the year preceding the imposition of the *Order* because the Act requires the Department to consider the pre-order volume of imports. The Department analyzed GTA import data for the five years following the last sunset review, 2005-2010. The GTA import data track certain commodities, including TRBs and parts thereof, in different units of measure. Therefore, we analyzed the GTA import data based on import value. Based on the GTA import data, the total import value of TRBs has increased between 2005 and 2010. In 2005, the import value of TRBs was \$956,309,882.00; whereas in 2010, the value increased to \$2,015,043,014.00, a 110.71 percent increase. *See* attachment 1.

The SAA provides that if companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the order were removed. *See* SAA at 890. In this case, the Department found dumping above *de minimis* levels in prior reviews. The Department has also determined that TRB imports from the PRC have been increasing in value during the period of this sunset review. *See* attachment 1. Thus, given the existence of dumping margins above *de minimis* levels accompanied by increased imports, the Department has determined that dumping would likely continue or recur if the order were revoked.

2. Magnitude of the Dumping Margin Likely to Prevail

Domestic Parties’ Comments

Domestic Parties state that dumping margins found since the issuance of the Order are well above *de minimis* levels; and therefore, dumping would most likely prevail if the order is revoked. Domestic Parties state that it is the Department’s normal practice to provide margins likely to prevail if the order is revoked based on the rates from the investigation.²¹ However, Domestic Parties state that the Department may also choose a more recently calculated rate when companies increase dumping in order to increase market share. Domestic Parties argue that the Policy Bulletin²² references *market share*; however, the Department has relied on *import volumes* as a surrogate measure when market share information is unavailable.²³ Domestic Parties also point out that when import volumes simultaneously increased with dumping, the Department has selected recent margins over the investigation margins.²⁴ Domestic Parties further argue that the selection of recent margins in this sunset review is also consistent with the

²⁰ *See Porcelain-On-Steel Cooking Ware from the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 76 FR 7534 (February 10, 2011) at n 5. *See also Chlorinated Isocyanurates from Spain and the People’s Republic of China: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 75 FR 49464 (Aug. 13, 2010).

²¹ *See* Substantive Response at 11.

²² *See* Policy Bulletin, 63 FR 18873, col. 3.

²³ *See Internal-Combustion Forklift Trucks from Japan: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 70 FR 58373 (Oct. 6, 2005) and accompanying Issues and Decision Memorandum at 7.

²⁴ *See Natural Bristle Paintbrushes and Brush Heads From the People’s Republic of China: Final Results of Expedited Sunset Review*, 64 FR 25011, 25013 (May 10, 1999) and Issues and Decision Memorandum at 5; *Frozen Concentrated Orange Juice from Brazil: Final Results of the Expedited Sunset Review of the Antidumping Order (“Juice/Brazil”)*, 69 FR 54117 (Sept. 7, 2004) and accompanying Issues and Decision Memorandum at 6.

Department's determinations in the first and second sunset reviews of TRBs from the PRC.²⁵ Domestic Parties assert that margins from the first and second sunset reviews should still apply for most of the companies in the third sunset review as there are no available public data to support a change.²⁶ Domestic Parties propose the following modifications to the margins reported from the first and second sunset reviews of TRBs from the PRC: (1) Domestic Parties request that the Department report SKF/CPZ's margin of 14.13 percent, as calculated in the 2008-2009 administrative review, because the Department found SKF/CPZ to be a new producer/exporter in that review; (2) Domestic Parties recommend that the Department change the PRC-wide rate from 29.4 percent from the first and second sunset reviews to 92.84 percent for the third sunset review because the highest import levels for TRBs occurred in recent years when the PRC-wide rate was 92.84 percent; and (3) Domestic Parties request the Department consider ZCCBC as part of the PRC-wide entity because it lost its separate rate status in the final results of the 2003-2004 administrative review.²⁷

Department's Position

The Department has determined that the dumping margins established in the first and second sunset reviews of TRBs from the PRC are most likely to prevail if the order is revoked. Normally, the Department will provide to the ITC the company-specific margin from the investigation for each company.²⁸ The Department's preference for selecting a margin from the 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.²⁹ For companies not investigated individually, or for companies that did not begin shipping until after the order was issued, the Department will normally provide a margin based on the "All-Others" rate from the investigation.³⁰ However, the Department considers the PRC to be a non-market economy ("NME") under section 771(18) of the Act, and thus the Department does not have an "All-Others" rate. Thus, in PRC cases, instead of an "All-Others" rate, the Department uses an established PRC-wide rate, which it applies to all imports from an exporter that has not established its eligibility for a separate rate.³¹

²⁵ See Substantive Response at 13.

²⁶ *Id.* at 14.

²⁷ See Substantive Response at 15-20;

²⁸ See *Eveready Battery Co., Inc. v. United States*, 77 F. Supp. 2d 1327, 1333 (CIT 1999).

²⁹ *Id.*; see also SAA at 890 and *Sunset Policy Bulletin* at section II.B.1.

³⁰ See *Certain Hot-Rolled Carbon Steel Flat Products from Argentina, the People's Republic of China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine; Final Results of Expedited Sunset Reviews of the Antidumping Duty Orders*, 71 FR 70506 (December 5, 2006), and accompanying Issues and Decision Memorandum at Comment 2.

³¹ See *Paper Clips from the People's Republic of China: Final Results of Expedited Sunset Review of Antidumping Duty Order*, 76 FR 26242 (May 6, 2011) and accompanying Issues and Decision Memorandum at Comment 2.

In the first sunset review, the Department provided company-specific margins for the period corresponding to the period in which the company had peak export volumes.³² In the second sunset review, no respondent interested party participated, thus, the Department did not receive company-specific data on market shares or export volumes as it had in the first sunset review; and therefore, the Department reported the margins from the first sunset review.³³ Because no respondent interested party participated in the instant sunset review or submitted company-specific data on market shares or export volumes, we find it appropriate to provide the ITC with the rates reported in the second sunset review of TRBs from the PRC with one modification. For margins that have been amended by the Department, for example as a result of judicial review, we will report the amended margins. In addition, the Department will report a margin calculated pursuant to section 129 of the Uruguay Round Agreements Act instead of the corresponding originally calculated margin.³⁴

PRC-Wide Rate: In the Domestic Parties' substantive response, they request that the Department report to the ITC the PRC-wide rate of 92.84 percent, as calculated in the 2006-2007 administrative review. Domestic Parties argue that the highest import levels for TRBs from China have occurred in recent years when the PRC-wide rate was 92.84 percent.³⁵ Domestic Parties argue that the Department has used more recent margins as the margin likely to prevail in sunset reviews where companies have continued to dump at increasing levels throughout the order. *See Petroleum Wax Candles From the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order ("Candles/PRC")*, 69 FR 75302 (December 16, 2004) and accompanying Issues and Decision Memorandum at 5; *see also Juice/Brazil* (September 7, 2004) at 6.

We agree with Domestic Parties that the 29.40 percent PRC-wide dumping margin from the 1995-1996 administrative review was appealed and the litigation resulted in an increase in the PRC-wide margin to 31.05 percent. *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Amended Final Results of Antidumping Duty Administration Review*, 67 FR 46176, 46177 (July 12, 2002). As stated above, for margins which have been amended by the Department, we will report the amended margins. However, we disagree with Domestic Parties that we should change the PRC-wide rate to the PRC-wide rate from the most recently completed administrative review of TRBs from the PRC, because, as we articulated above, there is no company-specific export data/market share information on this record. In the first sunset review of this proceeding, because the Department had company-specific export volume data on the record, it selected a recently calculated PRC-wide rate by taking "the total volume of imports {of TRBs from the PRC} less imports of those companies with separate rates."³⁶ In the second sunset review, we did not have company-specific data on

³² *See Notice of Preliminary Results of Full Sunset Review: Tapered Roller Bearings From the People's Republic of China*, 64 FR 57034 (Oct. 22, 1999) at 9-10.

³³ *See* Second Sunset Review I&D Memo at 6.

³⁴ *See, e.g., Stainless steel sheet and strip in coils from Mexico: Final Results of the Five-Year ("Sunset") Review of the Antidumping Duty Order*, 76 FR 25668 (May 5, 2011); *Stainless Steel Plate in Coils From Belgium, Italy, South Africa, South Korea, and Taiwan: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 75 FR 61699 (Oct. 6, 2010); *Hot-rolled, flat-rolled, carbon-quality steel products from Brazil and Japan: Final Results of Expedited Sunset Reviews of the Antidumping Duty Orders*, 75 FR 47541 (Aug. 6, 2010).

³⁵ *See* Substantive Response at 17-20.

³⁶ *See Preliminary Results of Full Sunset Review: Tapered Roller Bearings From the People's Republic of China*, 64 FR 57034 (October 22, 1999) at 57038, unchanged in *First Sunset Review*.

market share or export volumes on that record with which to make the adjustment to the total volume of imports from the PRC such that we could make a determination with respect to whether import volumes were increasing for the PRC-wide entity; and therefore, we relied on the first sunset review margins and did not report a more recently calculated PRC-wide rate. In this sunset review, we also do not have company-specific data on market share or export volumes, and therefore, as in the second sunset review, we are unable to conduct this analysis for the PRC-entity. Thus, we are relying on the PRC-wide rate reported in the second sunset review of TRBs from the PRC, which was reported in the first sunset review, amended as noted above.

Timken relies on *Candles/PRC* (December 16, 2004) in support of using the most recently calculated rate for the PRC-wide entity because dumping margins have increased at the same time import volumes have increased since the last sunset review. In the I&D Memo of *Candles/PRC* (December 16, 2004), the Department does not state what data it relied on in concluding that dumping margins and import volumes simultaneously increased since the then last review to, which lead to the determination to use a more recently calculated PRC-wide rate. By citing to *Juice/Brazil* (September 7, 2004) as an example to support use of the most recent PRC-wide rate for this sunset review, we find Domestic Parties' argument not topical because in the final results of the *Juice/Brazil* (September 7, 2004) sunset review, we did not report the most recent PRC-wide rate; rather, we reported the PRC-wide rate from its original investigation.

ZCCBC's Rate: For the third sunset review, Domestic Parties recommend that the Department change the margin likely to prevail for ZCCBC because ZCCBC no longer qualifies for a separate rate since the Department determined the company to be part of the PRC-wide entity and applied the then current PRC-wide rate of 60.95 percent in the 2003-2004 administrative review. *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Amended Final Results of Administration Review*, 71 FR 9521 (February 24, 2006) (published after completion of the second sunset review). Therefore, Domestic Parties urge the Department to consider ZCCBC as part of the PRC-wide entity and report to the ITC the PRC-wide rate as the margin likely to prevail if the order is revoked.

The Department agrees with Domestic Parties' recommendation; and therefore, we are reporting to the ITC for ZCCBC the a margin of 31.05 percent,³⁷ as part of the PRC-wide entity, as the margin likely to prevail if the order is revoked. This is consistent with our position in the first sunset review, where we reported the PRC-wide rate for companies that had lost their separate rate.³⁸

SKF/CPZ: Domestic Parties request that the Department report to the ITC the margin likely to prevail for SKF/CPZ from the 2008-2009 administrative review of 14.13 percent. Domestic Parties explain that SKF/CPZ constituted a new producer in the 2008-2009 administrative review. *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Preliminary Results of the 2008-2009 Antidumping Duty Administrative Review of the Antidumping Duty Order*, 75 FR 41148, 41151-52 (July 15, 2010), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Final Results of the 2008-2009 Antidumping Duty Administrative*

³⁷ This reflects the PRC-entity rate reported in the second sunset review, as amended by litigation.

³⁸ *See Notice of Preliminary Results of Full Sunset Review: Tapered Roller Bearings From the People's Republic of China*, 64 FR 57034 (October 22, 1999) at 9.

Review, 76 FR 3086, 3087 (January 19, 2011). Domestic Parties explain that the Department typically selects the “all others” rate (in the context of an NME investigation, the PRC-wide rate) from the original investigation as the margin likely to prevail for the new shipper; however, Domestic Parties argue that SKF/CPZ is a wholly foreign-owned company, independent from government control. As a result, Domestic Parties recommend that the Department report to the ITC the margin of 14.13 percent, from the 2008-2009 administrative review, as the margin likely to prevail for SKF/CPZ if the order is revoked.

For these final results, the Department has determined not to depart from our general practice regarding treatment of new shippers in a sunset review. As stated in the *Sunset Policy Bulletin*, for companies not specifically investigated or for companies that did not begin shipping until after the order, our practice is to report a margin based on the PRC-wide rate from the investigation. Moreover, we stated in the *First Sunset Review* that when companies do not participate in a sunset review and were not specifically investigated, the Department would not provide updated rates to the ITC.³⁹ In this instance, SKF/CPZ did not participate in this sunset review and was not a company that participated in the original investigation. Therefore, we are not reporting an individual rate for SKF/CPZ and instead we consider the margin likely to prevail for SKF/CPZ is the PRC-wide rate.⁴⁰

Final Results of Review

We determine that revocation of the antidumping duty order on TRBs from the PRC would likely lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Exporters	Weighted-Average Margin (percent)
China National Machinery Import & Export Corp. (“CMC”)	0.03
Zhejiang Wanxiang Group	0.11
Zhejiang Machinery Import & Export Corp. (“ZMC”)	0.11
Luoyang Bearing Corporation (“Luoyang”)	3.20
Premier Bearing & Equipment, Ltd. (“Premier”)	5.60
Liaoning Mec Group, Ltd. (“Liaoning”)	9.72
China National Machinery and Equipment Import & Export Corp. (“CMEC”)	31.05
PRC-Wide Rate	31.05

³⁹ See I&D Memo at Comment 3.

⁴⁰ See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People’s Republic of China: Final Results of the 2008-2009 Antidumping Duty Administrative Review*, 76 FR 3086, 3087 (January 19, 2011).

* As a result of litigation in the 1994-1995 and 1995-1996 administrative reviews,⁴¹ Zhejiang Wanxiang Group's margin was amended from 0.03 percent to 0.11 percent, Premier's margin changed from 5.43 percent to 5.60 percent, CMEC's margin changed from 29.40 to 31.05 percent, and the PRC-wide rate was amended from 29.40 to 31.05 percent.⁴²

Recommendation

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

Agree

Disagree

Paul Piquado
Assistant Secretary
for Import Administration

(Date)

⁴¹ See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Amended Final Results of Antidumping Duty Administrative Review*, 67 FR 46176 (July 12, 2002); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Amended Final Results of Antidumping Duty Administrative Review*, 66 FR 60196 (December 3, 2001).

⁴² See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Amended Final Results of Antidumping Duty Administrative Review*, 67 FR 46176 (July 12, 2002).

Attachment 1

United States (Consumption/Domestic) Import Statistics From China								
Commodity: TRBs 6 digit,								
Annual Series: 2005 - 2010								
Commodity	Description	2005	2006	2007	2008	2009	2010	% Change 2005- 2010
TRBs 6 digit		478154941	637289451	807911752	893974399	692313382	1007521507	
848220	Tapered Roll Brg, Incl Cone & Roller Assemblies	36983781	49592609	49248679	58653619	32556258	60620376	
8482910050	Tapered Rollers For Roller Bearings	95982	90646	41917	256744	65364	18056	
848299	Parts Of Bearings, Nesoi	42920172	28730748	31520854	54602719	26910463	43129117	
848320	Housed Bearings, Incorp Ball Or Roller Bearings	11362283	13163319	17461394	22457540	13692231	16863971	
848330	Bearing Housings; Plain Shaft Bearings	25456043	32982612	47955398	60550705	47642710	80832883	
848390	Toothed Wheels,Chain Sprockets&Oth Trans Elem; Pts	70797688	88995394	119651228	168402286	122701615	165988891	
8708998015	Double Flanged Wheel Hub Units Not Inc Ball Bearin	391731	853016	0	0	0	0	
8708998080	Parts, Nesoi, Of Motor Vehicles, Nesoi, Of Heading	290147261	422881107	0	0	0	0	
8708998115	Double Flanged Wheel Hub Units Not Inc Ball Bearin	0	0	3742516	4405826	5584552	13097828	
8708998180	Parts, Nesoi, Of Mv, Nesoi, Hds 8701- 8705	0	0	538289766	524644960	443160189	626970385	
Total		\$ 956,309,882.00	\$ 1,274,578,902.00	\$ 1,615,823,504.00	\$ 1,787,948,798.00	\$ 1,384,626,764.00	\$ 2,015,043,014.00	110.71%

