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August 6, 2018

**MEMORANDUM TO:** James Maeder  
Associate Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations  
performing the duties of Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

**FROM:** Abdelali Elouaradia  
Acting Senior Director, Office I  
Antidumping and Countervailing Duty Operations

**SUBJECT:** Diamond Sawblades and Parts Thereof from the People's Republic  
of China: Decision Memorandum for Preliminary Results of  
Antidumping Duty Administrative Review; 2016-2017

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## **I. SUMMARY**

In response to requests from interested parties, the Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty order on diamond sawblades and parts thereof (diamond sawblades) from the People's Republic of China (China) covering the period of review (POR) November 1, 2016, through October 31, 2017. Commerce preliminarily determines that, during the POR, certain manufacturers/exporters covered by this review made sales of subject merchandise at less than normal value (NV). If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries of subject merchandise during the POR. Interested parties are invited to comment on these preliminary results. Unless extended, we intend to issue the final results within 120 days from the date of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act).

## II. BACKGROUND

On November 4, 2009, Commerce published in the *Federal Register* an antidumping duty order on diamond sawblades from China.<sup>1</sup> On November 1, 2017, Commerce published in the *Federal Register* a notice of opportunity to request an administrative review of the order.<sup>2</sup>

Based on timely requests for an administrative review, Commerce initiated an administrative review on January 11, 2018.<sup>3</sup> On February 12, 2018, we selected Danyang NYCL Tools Manufacturing Co., Ltd. (Danyang NYCL), and Husqvarna (Hebei) Co., Ltd. (Husqvarna) for individual examination.<sup>4</sup> Subsequently, we rescinded the administrative review in part with respect to Bosun Tools Co., Ltd., Danyang NYCL, and Husqvarna, because the requests for review were withdrawn for these three companies.<sup>5</sup> On April 23, 2018, we selected Danyang Huachang Diamond Tools Manufacturing Co., Ltd. (Danyang Huachang) and Jiangsu Youhe Tool Manufacturer Co., Ltd. (Jiangsu Youhe) for individual examination in this review.<sup>6</sup> We issued the original questionnaires to Danyang Huachang and Jiangsu Youhe<sup>7</sup>; these two companies informed us that they would not respond to our questionnaires in this administrative review.<sup>8</sup> Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018.<sup>9</sup> The preliminary results of this review are currently due on August 6, 2018.

## III. SCOPE OF THE ORDER

The products covered by the order are all finished circular sawblades, whether slotted or not, with a working part that is comprised of a diamond segment or segments, and parts thereof, regardless of specification or size, except as specifically excluded below. Within the scope of the order are semifinished diamond sawblades, including diamond sawblade cores and diamond sawblade segments. Diamond sawblade cores are circular steel plates, whether or not attached to non-steel plates, with slots. Diamond sawblade cores are manufactured principally, but not exclusively, from alloy steel. A diamond sawblade segment consists of a mixture of diamonds (whether natural or synthetic, and regardless of the quantity of diamonds) and metal powders

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<sup>1</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China and the Republic of Korea: Antidumping Duty Orders*, 74 FR 57145 (November 4, 2009).

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 82 FR 50620 (November 1, 2017).

<sup>3</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 1329 (January 11, 2018) (*Initiation Notice*).

<sup>4</sup> See Memorandum, "Diamond Sawblades and Parts Thereof from the People's Republic of China: Selection of Respondents for Individual Examination," dated February 12, 2018.

<sup>5</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Rescission of Antidumping Duty Administrative Review, in Part; 2016-2017*, 83 FR 18776 (April 30, 2018), and CBP message number 8136302 dated May 16, 2018, available at [http://adcvd.cbp.dhs.gov/adcvdweb/ad\\_cvd\\_msgs/24498](http://adcvd.cbp.dhs.gov/adcvdweb/ad_cvd_msgs/24498).

<sup>6</sup> See Memorandum, "Diamond Sawblades and Parts Thereof from the People's Republic of China: Second Selection of Respondents for Individual Examination," dated April 23, 2018 (Second Respondent Selection Memorandum).

<sup>7</sup> See the original questionnaires to Danyang Huachang and Jiangsu Youhe dated April 23, 2018.

<sup>8</sup> See Letter of non-participation from Danyang Huachang and Jiangsu Youhe dated May 22, 2018.

<sup>9</sup> See Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated January 23, 2018.

(including, but not limited to, iron, cobalt, nickel, tungsten carbide) that are formed together into a solid shape (from generally, but not limited to, a heating and pressing process).

Sawblades with diamonds directly attached to the core with a resin or electroplated bond, which thereby do not contain a diamond segment, are not included within the scope of the order. Diamond sawblades and/or sawblade cores with a thickness of less than 0.025 inches, or with a thickness greater than 1.1 inches, are excluded from the scope of the order. Circular steel plates that have a cutting edge of non-diamond material, such as external teeth that protrude from the outer diameter of the plate, whether or not finished, are excluded from the scope of the order. Diamond sawblade cores with a Rockwell C hardness of less than 25 are excluded from the scope of the order. Diamond sawblades and/or diamond segment(s) with diamonds that predominantly have a mesh size number greater than 240 (such as 250 or 260) are excluded from the scope of the order. Merchandise subject to the order is typically imported under heading 8202.39.00.00 of the Harmonized Tariff Schedule of the United States (HTSUS). When packaged together as a set for retail sale with an item that is separately classified under headings 8202 to 8205 of the HTSUS, diamond sawblades or parts thereof may be imported under heading 8206.00.00.00 of the HTSUS. On October 11, 2011, Commerce included the 6804.21.00.00 HTSUS classification number to the customs case reference file, pursuant to a request by CBP.<sup>10</sup> The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of the order is dispositive.

#### **IV. PRELIMINARY DETERMINATION OF NO SHIPMENTS**

The following six companies that received separate rates in previous segments of the proceeding and are subject to this review reported that they did not have any exports of subject merchandise during the POR:<sup>11</sup>

Danyang Hantronic Import & Export Co., Ltd.  
Danyang Tsunda Diamond Tools Co., Ltd.  
Jiangsu Huachang Tools Manufacturing Co., Ltd.  
Shanghai Starcraft Tools Company Limited  
Weihai Xiangguang Mechanical Industrial Co., Ltd.  
Wuhan Wanbang Laser Diamond Tools Co., Ltd.

We requested that CBP report any information contradicting their claims of no shipments.<sup>12</sup> To date, we have not received any contrary information from either CBP in response to our inquiry or any other sources that these companies had any shipments of the subject merchandise sold to the United States during the POR. Consistent with Commerce's assessment practice, we are

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<sup>10</sup> See *Diamond Sawblades and Parts Thereof from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review*, 76 FR 76128, 76130 (December 6, 2011).

<sup>11</sup> See the February 9, 2018, no-shipment letter from Weihai Xiangguang Mechanical Industrial Co., Ltd., and the February 12, 2018, no-shipment letters from Danyang Hantronic Import & Export Co., Ltd., Danyang Tsunda Diamond Tools Co., Ltd., Jiangsu Huachang Tools Manufacturing Co., Ltd., Shanghai Starcraft Tools Company Limited, and Wuhan Wanbang Laser Diamond Tools Co., Ltd.

<sup>12</sup> See the CBP message numbers 8129311-8129313 dated May 9, 2018, and 8130301-8130303 dated May 10, 2018, available at <http://adcvd.cbp.dhs.gov/adcvdweb/>.

completing the review with respect to these companies and will issue appropriate instructions to CBP based on the final results of the review.<sup>13</sup>

## V. DISCUSSION OF THE METHODOLOGY

### A. Non-Market Economy Country Status

Commerce considers China to be a non-market economy (NME) country.<sup>14</sup> In accordance with section 771(18)(C)(i) of the Act, any determination that a country is an NME country shall remain in effect until revoked by the administering authority.<sup>15</sup> None of the parties to this proceeding have contested NME treatment for China. Therefore, for the preliminary results of this review, we treated China as an NME country and applied our current NME methodology in accordance with section 773(c) of the Act.

### B. Separate Rates

There is a rebuttable presumption that all companies within China are subject to government control and, thus, should be assessed a single antidumping duty rate.<sup>16</sup> In the *Initiation Notice*, we notified parties of the application process by which exporters and producers may obtain separate rate status in NME proceedings.<sup>17</sup> It is our policy to assign all exporters of the merchandise subject to review in NME countries a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, we analyze each exporting entity in an NME country under the test established in *Sparklers*,<sup>18</sup> as amplified by *Silicon Carbide*.<sup>19</sup> However, if we determine that a company is wholly foreign-owned or located in a market economy (ME),

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<sup>13</sup> See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011).

<sup>14</sup> See *Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination*, 82 FR 50858, 50861, n. 20 (November 2, 2017), unchanged in *Certain Aluminum Foil from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018).

<sup>15</sup> See, e.g., *Certain Kitchen Appliance Shelving and Racks from the People's Republic of China: Preliminary Results of the First Administrative Review, Preliminary Rescission, in Part, and Extension of Time Limits for the Final Results*, 76 FR 62765, 62767-68 (October 11, 2011), unchanged in *Certain Kitchen Appliance Shelving and Racks from the People's Republic of China: Final Results and Partial Rescission of First Antidumping Duty Administrative Review*, 77 FR 21734 (April 11, 2012).

<sup>16</sup> See *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People's Republic of China*, 71 FR 53079, 53082 (September 8, 2006); *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances*, 71 FR 29303, 29307 (May 22, 2006).

<sup>17</sup> See *Initiation Notice*, 83 FR at 1329-30.

<sup>18</sup> See *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (*Sparklers*).

<sup>19</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585, 22586-89 (May 2, 1994) (*Silicon Carbide*).

then a separate rate analysis is not necessary to determine whether it is independent from government control.<sup>20</sup>

Commerce continues to evaluate its practice with regard to the separate rates analysis in light of this proceeding and its determinations therein.<sup>21</sup> In particular, in litigation involving this proceeding, the U.S. Court of International Trade (CIT) found Commerce's existing separate rates analysis deficient in the circumstances of that case, in which a government-owned and government-controlled entity exercised control over the respondent exporter.<sup>22</sup> Following the CIT's reasoning, in subsequent segments of proceedings, we have concluded that where a government entity holds a majority equity ownership, either directly or indirectly, in the respondent exporter, this interest in and of itself means that the government exercises or has the potential to exercise control over the company's operations generally.<sup>23</sup> This may include control over, for example, the selection of board members and management, a key factor in determining whether a company has sufficient independence in its export activities to merit a separate rate.<sup>24</sup> Consistent with normal business practices, we would expect any majority shareholder, including a government, to have the ability to control, and possess an interest in controlling, the operations of the company, including the selection of board members, management, and the profitability of the company.

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<sup>20</sup> See, e.g., *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles from the People's Republic of China*, 72 FR 52355, 52356 (September 13, 2007) (*Petroleum Wax Candles*).

<sup>21</sup> See *Final Results of Redetermination pursuant to Advanced Technology & Materials Co., Ltd., et al. v. United States*, 885 F. Supp. 2d 1343 (CIT 2012) (*Advanced Technology I*), and available at <http://enforcement.trade.gov/remands/12-147.pdf>, *aff'd Advanced Technology & Materials Co., Ltd., et al. v. United States*, 938 F. Supp. 2d 1342 (CIT 2013), *aff'd Advanced Technology & Materials Co., Ltd., et al. v. United States*, 581 Fed. Appx. 900 (Fed. Cir. 2014) (*Advanced Technology II*). See also *Diamond Sawblades and Parts Thereof from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 77098 (December 20, 2013) and accompanying Preliminary Decision Memorandum at 7, unchanged in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 35723 (June 24, 2014), and accompanying Issues and Decision Memorandum (I&D Memo) at Comment 1.

<sup>22</sup> See, e.g., *Advanced Technology I*, 885 F. Supp. 2d at 1349 (CIT 2012) ("The court remains concerned that Commerce has failed to consider important aspects of the problem and offered explanations that run counter to the evidence before it."); *Id.*, at 1351 ("Further substantial evidence of record does not support the inference that SASAC's {state-owned assets supervision and administration commission} 'management' of its 'state-owned assets' is restricted to the kind of passive-investor de jure 'separation' that Commerce concludes.") (footnotes omitted); *Id.*, at 1355 ("The point here is that 'governmental control' in the context of the separate rate test appears to be a fuzzy concept, at least to this court, since a 'degree' of it can obviously be traced from the controlling shareholder, to the board, to the general manager, and so on along the chain to 'day-to-day decisions of export operations,' including terms, financing, and inputs into finished product for export."); *Id.*, at 1357 ("AT&M itself identifies its 'controlling shareholder' as CISRI {owned by SASAC} in its financial statements and the power to veto nomination does not equilibrate the power of control over nomination.") (footnotes omitted).

<sup>23</sup> See, e.g., *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances, in Part*, 79 FR 53169 (September 8, 2014), and accompanying Preliminary Decision Memorandum at 5-9, and *Truck and Bus Tires from the People's Republic of China: Final Affirmative Determinations of Sales at Less Than Fair Value and Critical Circumstances*, 82 FR 8559 (January 27, 2017) (*Truck and Bus Tires*), and accompanying I&D Memo at Comment 2. See also *Diamond Sawblades Manufacturers Coalition v. United States*, 866 F.3d 1304 (Fed. Cir. 2017), and *Diamond Sawblades Manufacturers Coalition v. United States*, 704 Fed. Appx. 924 (Fed. Cir. 2017).

<sup>24</sup> See, e.g., *Truck and Bus Tires* and accompanying I&D Memo Comment 8.

In this administrative review, 17 companies submitted separate rate information. We selected two of these companies, Danyang Huachang and Jiangsu Youhe, for individual examination. In the *Initiation Notice*, we required that, to be considered for separate rate eligibility, exporters who submit a SRA or SRC and subsequently are selected for individual examination must respond to our questionnaires as individually examined respondents.<sup>25</sup> Although Danyang Huachang and Jiangsu Youhe were selected for individual examination, both companies indicated they would not respond to our questionnaire or other requests for information.<sup>26</sup> While these two companies filed SRCs,<sup>27</sup> section A of the original questionnaire that we issued to these companies includes more detailed requests for information that we need to evaluate and determine their separate rate eligibility as the respondents selected for individual examination.<sup>28</sup> Because these two companies did not respond to our requests for information or further participate in this proceeding, we find that they have not rebutted the presumption of the Chinese government control. Qingyuan Shangtai Diamond Tools Co., Ltd. (Qingyuan Shangtai) filed its SRC,<sup>29</sup> but it did not respond to our supplemental questionnaire in a timely manner<sup>30</sup> and, thus, failed to rebut the presumption of the Chinese government control. The remaining companies under review did not provide either a SRA or SRC, as applicable. As a result, we are treating these Chinese exporters as part of the China-wide entity.<sup>31</sup>

#### 1. Separate Rate Respondents

The following respondents seeking a separate rate stated that they are either joint ventures between Chinese and foreign companies or are wholly Chinese-owned companies:

Chengdu Huifeng New Material Technology Co., Ltd.  
Danyang Weiwang Tools Manufacturing Co., Ltd.  
Guilin Tebon Superhard Material Co., Ltd.  
Hangzhou Deer King Industrial and Trading Co., Ltd.  
Henan Huanghe Whirlwind International Co., Ltd.  
Huzhou Gu's Import & Export Co., Ltd.  
Jiangsu Fengtai Single Entity<sup>32</sup>  
Jiangsu Inter-China Group Corporation  
Quanzhou Zhongzhi Diamond Tool Co., Ltd.  
Rizhao Hein Saw Co., Ltd.

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<sup>25</sup> See *Initiation Notice*, 83 FR at 1330.

<sup>26</sup> See Letter from Danyang Huachang and Jiangsu Youhe dated May 22, 2018.

<sup>27</sup> See the SRCs filed by Danyang Huachang and Jiangsu Youhe dated February 13, 2018.

<sup>28</sup> See section A of the original questionnaires to Danyang Huachang and Jiangsu Youhe dated April 23, 2018. See also *Initiation Notice*, 83 FR at 1330.

<sup>29</sup> See Qingyuan Shangtai's SRC dated February 7, 2018.

<sup>30</sup> See Commerce's Letter dated June 8, 2018, in which we rejected and removed Qingyuan Shangtai's supplemental response dated June 4, 2018, from the record of this administrative review.

<sup>31</sup> See the China-Wide Entity section, *infra*.

<sup>32</sup> Jiangsu Fengtai Diamond Tool Manufacture Co., Ltd., Jiangsu Fengtai Tools Co., Ltd., and Jiangsu Fengtai Sawing Industry Co., Ltd., comprise the Jiangsu Fengtai Single Entity. See, e.g., *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2015-2016*, 83 FR 17527, 17528 n.7 (April 20, 2018) (*7<sup>th</sup> Review Final*).

Saint-Gobain Abrasives (Shanghai) Co., Ltd.  
Shanghai Jingquan Industrial Trade Co., Ltd.  
Xiamen ZL Diamond Technology Co., Ltd.  
Zhejiang Wanli Tools Group Co., Ltd.

In accordance with our practice, we analyzed whether these respondents seeking a separate rate have demonstrated the absence of *de jure* and *de facto* governmental control over their respective export activities.

## 2. Absence of *De Jure* Control

We consider the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) other formal measures by the government decentralizing control of companies.<sup>33</sup>

The evidence provided by the above-listed companies supports a preliminary finding of *de jure* absence of government control<sup>34</sup> based on the following: (1) an absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) there are applicable legislative enactments decentralizing control of the companies; and (3) there are formal measures by the government decentralizing control of the companies.<sup>35</sup>

## 3. Absence of *De Facto* Control

Typically we consider four factors in evaluating whether each respondent is subject to *de facto* government control of its export functions: (1) whether the export prices are set by or are subject to the approval of a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.<sup>36</sup>

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<sup>33</sup> See *Sparklers*, 56 FR at 20589.

<sup>34</sup> See the SRAs and SRCs filed between February 6, 2018, and February 14, 2018. See also the supplemental responses of Chengdu Huifeng New Material Technology Co., Ltd., Danyang Weiwang Tools Manufacturing Co., Ltd., Henan Huanghe Whirlwind International Co., Ltd., the Jiangsu Fengtai Single Entity, and Rizhao Hein Saw Co., Ltd., dated May 31, 2018, and the supplemental responses of Henan Huanghe Whirlwind International Co., Ltd., and the Jiangsu Fengtai Single Entity dated June 29, 2018.

<sup>35</sup> See, e.g., *Diamond Sawblades and Parts Thereof from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2015-2016*, 82 FR 57585 (December 6, 2017) (*7<sup>th</sup> Review Prelim*), and accompanying Preliminary Decision Memorandum at 7, unchanged in *7<sup>th</sup> Review Final* for the list of the *de jure* criteria.

<sup>36</sup> See *Silicon Carbide*, 59 FR at 22586-87. See also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995).

We determined that an analysis of *de facto* control is critical in determining whether the respondents are, in fact, subject to a degree of government control over export activities which would preclude us from assigning separate rates. For each of the above-listed companies, we determine that the evidence on the record<sup>37</sup> supports a preliminary finding of *de facto* absence of government control based on record statements and supporting documentation showing the following: (1) the respondent sets its own export prices independent of the government and without the approval of a government authority; (2) the respondent has the authority to negotiate and sign contracts and other agreements; (3) the respondent has autonomy from the government regarding the selection of management; and (4) the respondent retains the proceeds from its sales and makes independent decisions regarding disposition of profits or financing of losses.<sup>38</sup>

#### 4. Separate Rate for Eligible Non-Selected Respondents

In accordance with section 777A(c)(2)(B) of the Act, we selected Danyang Huachang and Jiangsu Youhe for individual examination because we did not have the resources to examine all companies for which a review was requested.<sup>39</sup> These two companies did not respond to our requests for information and, accordingly, we are not able to further evaluate their eligibility for a separate rate.

The statute and Commerce's regulations do not address the establishment of a rate to be applied to individual companies not selected for examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, we have used section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for respondents we did not examine in an administrative review.<sup>40</sup> Section 735(c)(5)(B) of the Act provides that, where all rates are zero, *de minimis*, or based entirely on facts available, we may use "any reasonable method" for assigning the rate to all other respondents. Because we preliminarily find that Danyang Huachang and Jiangsu Youhe are not eligible for a separate rate and treat them as part of the China-wide entity, we have no calculated margin for the preliminary results of this review. Therefore, we preliminarily assign the final rate for the non-selected separate rate respondents in the last completed administrative review, *i.e.*, 82.05 percent, to the non-selected respondents eligible for a separate rate in this review.<sup>41</sup>

#### 5. China-Wide Entity

Upon the initiation of this review, we provided an opportunity for all companies listed in the *Initiation Notice* that wish to qualify for separate rate status in this review to complete, as appropriate, either an SRA or SRC.<sup>42</sup> We preliminarily find that 19 companies listed in the

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<sup>37</sup> See footnote 34, *supra*.

<sup>38</sup> See, *e.g.*, *7<sup>th</sup> Review Prelim* and accompanying Preliminary Decision Memorandum at 7-8, unchanged in *7<sup>th</sup> Review Final* for the list of the *de facto* criteria.

<sup>39</sup> See Second Respondent Selection Memorandum.

<sup>40</sup> See, *e.g.*, *7<sup>th</sup> Review Prelim* and accompanying Preliminary Decision Memorandum at 8, unchanged in *7<sup>th</sup> Review Final*.

<sup>41</sup> See *7<sup>th</sup> Review Final*, 83 FR at 17528.

<sup>42</sup> See *Initiation Notice*, 83 FR at 1329 ("All firms listed below that wish to qualify for separate rate status in the

*Initiation Notice* are part of the China-wide entity because they did not submit an SRA, SRC, or no-shipment letter. These companies that are considered to be part of the China-wide entity are ASHINE Diamond Tools Co., Ltd., Danyang City Ou Di Ma Tools Co., Ltd., Danyang Like Tools Manufacturing Co., Ltd., Danyang Youhe Tool Manufacturer Co., Ltd., Hangzhou Kingburg Import & Export Co., Ltd., Hebei XMF Tools Group Co., Ltd., Henan Huanghe Whirlwind Co., Ltd., Hong Kong Hao Xin International Group Limited, Hubei Changjiang Precision Engineering Materials Technology Co., Ltd., Hubei ShengBaiRui Diamond Tools Co., Ltd., Orient Gain International Limited, Pantos Logistics (HK) Company Limited, Pujiang Talent Diamond Tools Co., Ltd., Qingdao Hyosung Diamond Tools Co., Ltd., Qingdao Shinhan Diamond Industrial Co., Ltd., Sino Tools Co., Ltd., Wuhan Baiyi Diamond Tools Co., Ltd., Wuhan Sadia Trading Co., Ltd., and Wuhan ZhaoHua Technology Co., Ltd. For the reasons explained above, we also preliminarily find that Danyang Huachang, Jiangsu Youhe, and Qingyuan Shangtai are part of the China-wide entity.

Under Commerce’s current policy regarding conditional review of the China-wide entity<sup>43</sup>, the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the China-wide entity in this review, the entity is not under review, and the entity’s rate of 82.05 percent is not subject to change.<sup>44</sup>

## VI. RECOMMENDATION

We recommend applying the above methodology for these preliminary results.

\_\_\_\_\_  
Agree

\_\_\_\_\_  
Disagree

8/6/2018

X 

Signed by: JAMES MAEDER

James Maeder  
Associate Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations  
performing the duties of Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

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administrative reviews involving NME countries must complete, as appropriate, either a separate rate application or certification, as described below.”).

<sup>43</sup> See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65970 (November 4, 2013).

<sup>44</sup> See, e.g., *7<sup>th</sup> Review Final*, 83 FR at 17528.