



A-570-900
Anti-Circumvention Inquiry
Diamond Sawblades,
DSMC - Protech
Public Document
E&C/OI: YJC

October 23, 2019

MEMORANDUM TO: Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Diamond Sawblades and Parts Thereof from the People's Republic
of China: Decision Memorandum for Preliminary Affirmative
Determination of Circumvention

I. SUMMARY

In response to a request from the Diamond Sawblades Manufacturers' Coalition (the petitioner),¹ the Department of Commerce (Commerce) initiated an anti-circumvention inquiry of the antidumping duty (AD) order on diamond sawblades and parts thereof (diamond sawblades) from the People's Republic of China (China), pursuant to section 781(b) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.225(h) to determine whether certain imports of diamond sawblades comprised of cores and segments produced in China and joined into diamond sawblades in Canada by Protech Diamond Tools Inc. (Protech), and exported from Canada by Protech to the United States are circumventing the AD order on diamond sawblades from China.²

Based on the information submitted by interested parties, and the analysis below, we recommend that, pursuant to section 781(b) of the Act, Commerce preliminarily finds that diamond sawblades produced by Protech in Canada with cores and segments from China and exported from Canada by Protech to the United States are circumventing the AD order on diamond sawblades from China.³

¹ See the Petitioner's Letter, "Request for Circumvention Ruling Pursuant to Section 781(b) of the Tariff Act of 1930" dated December 20, 2018 (the petitioner's circumvention ruling request).

² See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Initiation of Anti-Circumvention Inquiry*, 84 FR 19043 (May 3, 2019) (*Initiation Notice*).

³ See *Diamond Sawblades and Parts Thereof from the People's Republic of China and the Republic of Korea:*

II. BACKGROUND

As explained above, Commerce published the *Initiation Notice* on May 3, 2019. On May 7, 2019, Commerce issued the original questionnaire to Protech.⁴ On May 28, 2019, Protech submitted the first portion of the original response.⁵ In response, Commerce issued a supplemental questionnaire to Protech on June 6, 2019.⁶ On June 12, 2019, Protech submitted the second portion of the original response and a supplemental response.⁷ Due to multiple deficiencies in the original and supplemental responses, Commerce rejected Protech's original and supplemental responses in their entirety on June 25, 2019, and provided Protech with an opportunity to resubmit its original response by June 27, 2019.⁸ Protech did not resubmit its original response.

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 semi-finished 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 (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,

Antidumping Duty Orders, 74 FR 57145 (November 4, 2009).

⁴ See Commerce's Letter, "Diamond Sawblades and Parts Thereof from the People's Republic of China: Anti-Circumvention Inquiry Questionnaire," dated May 7, 2019.

⁵ See Commerce's Letter to Protech, dated June 25, 2019 (rejecting Protech's original and supplemental responses).

⁶ See Commerce's Letter to Protech, dated June 6, 2019 (supplemental questionnaire).

⁷ See Commerce's Letter to Protech, dated June 25, 2019 (rejecting Protech's original and supplemental responses).

⁸ *Id.*

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 U.S. Customs and Border Protection.⁹ Pursuant to requests by U.S. Customs and Border Protection (CBP), Commerce included to the customs case reference file the following HTSUS classification numbers: 8202.39.0040 and 8202.39.0070 on January 22, 2015, and 6804.21.0010 and 6804.21.0080 on January 26, 2015.¹⁰

The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of the order is dispositive.

IV. SCOPE OF THE ANTI-CIRCUMVENTION INQUIRY

We initiated this anti-circumvention inquiry to cover diamond sawblades produced in Canada by Protech with cores and segments produced in China and subsequently exported from Canada by Protech to the United States.¹¹

V. THE PERIOD OF INQUIRY

The period for this inquiry covers two years, *i.e.*, January 1, 2017 through December 31, 2018.

VI. STATUTORY FRAMEWORK

Section 781 of the Act addresses circumvention of AD and/or countervailing duty (CVD) orders.¹² With respect to merchandise assembled or completed in a third country, section 781(b) of the Act provides that Commerce may find circumvention of an AD order when merchandise of the same class or kind subject to the order is assembled or completed in a foreign country other than the country to which the order applies. In conducting anti-circumvention inquiries under section 781(b) of the Act, Commerce, after taking into account any advice provided by the U.S. International Trade Commission (ITC) under section 781(e) of the Act, may include imported merchandise within the scope of an order at any time an order is in effect pursuant to the following criteria:¹³

(A) whether the merchandise imported into the United States is of the same class or kind of any merchandise that is subject to the order;

⁹ See *Diamond Sawblades and Parts Thereof from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review*, 76 FR 76128 (December 6, 2011).

¹⁰ See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 64331 (December 14, 2018) and accompanying Issues and Decision Memorandum at 3.

¹¹ See *Initiation Notice*, 84 FR at 19043 (“This anti-circumvention inquiry covers diamond sawblades produced in Canada using cores and segments of Chinese origin and exported from Canada to the United States by Protech.”).

¹² Specifically, the legislative history to section 781(b) of the Act indicates that Congress intended Commerce to make determinations regarding circumvention on a case-by-case basis, in recognition that the facts of individual cases and the nature of specific industries are widely variable. See S. Rep. No. 103-412 (1994), at 81-82.

¹³ See section 781(b)(1)(A)-(E) of the Act.

(B) before importation into the United States, whether such imported merchandise is completed or assembled in another foreign country from merchandise which is subject to the order or produced in the foreign country that is subject to the order;

(C) whether the process of assembly or completion in the foreign country referred to above is minor or insignificant;

(D) whether the value of the merchandise produced in the foreign country to which the AD order applies is a significant portion of the total value of the merchandise exported to the United States, and

(E) whether action is appropriate to prevent evasion of the order.

With respect to whether process of assembly or completion in the third country is minor or insignificant under section 781(b)(1)(C) of the Act, section 781(b)(2) of the Act directs Commerce to consider the following:¹⁴

(A) the level of investment in the foreign country;

(B) the level of research and development in the foreign country;

(C) the nature of the production process in the foreign country;

(D) the extent of production facilities in the foreign country; and

(E) whether the value of the processing performed in the foreign country represents a small proportion of the value of the merchandise imported into the United States.

In reaching this determination, Commerce “will not consider any single factor of section 781(b)(2) of the Act to be controlling.”¹⁵ In other words, Commerce’s practice is to evaluate each of these five factors as they exist in the third country, depending on the totality of the circumstances of the particular anti-circumvention inquiry.¹⁶

Finally, section 781(b)(3) of the Act further provides that, in determining whether to include merchandise assembled or completed in a foreign country within the scope of an AD order, Commerce shall consider the following additional factors:¹⁷

¹⁴ See section 781(b)(2)(A)-(E) of the Act.

¹⁵ See 19 CFR 351.225(h); see also Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, vol 1 (1994) at 893 (SAA); *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27328 (May 19, 1997).

¹⁶ See *Certain Tissue Paper Products from the People’s Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 73 FR 57591, 57592 (October 3, 2008) (*Tissue Paper*), *Certain Cold-Rolled Steel Flat Products from the People’s Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty and Countervailing Duty Orders*, 83 FR 23891 (May 23, 2018), and accompanying Issues and Decision Memorandum at “VI. Statutory Framework” (*Cold-Rolled Steel*).

¹⁷ See section 781(b)(3)(A)-(C) of the Act.

(A) the pattern of trade, including sourcing patterns;

(B) whether the manufacturer or exporter of the merchandise described in accordance with section 781(b)(1)(B) of the Act is affiliated with the person who uses the merchandise described in accordance with section 781(b)(1)(B) to assemble or complete in the foreign country the merchandise that is subsequently imported into the United States; and

(C) whether imports into the foreign country of the merchandise described in paragraph 781(b)(1)(B) have increased after the initiation of the investigation which resulted in the issuance of such order.

VII. USE OF ADVERSE FACTS AVAILABLE

Section 776(a) of the Act, provides that, if (1) necessary information is not available on the record or (2) an interested party: (A) withholds information that has been requested by Commerce; (B) fails to provide such information in a timely manner or in the form or manner requested subject to sections 782(c)(1) and (e) of the Act; (C) significantly impedes a proceeding under the antidumping statute; or (D) provides such information but the information cannot be verified, Commerce shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

Furthermore, section 776(b) of the Act states that if Commerce “finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority . . . , the administering authority . . . , in reaching the applicable determination under this title, may use an inference that is adverse to the interests of that party in selecting from among the facts otherwise available.”¹⁸ It is Commerce’s practice to make an adverse inference “to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.”¹⁹ An adverse inference may include reliance on information derived from the petition, the final determination in the investigation, any previous review, or any other information placed on the record.²⁰

In this anti-circumvention inquiry, Protech failed to respond to our request for information and provided no response, although we provided Protech with an opportunity to resubmit the original response. Therefore, pursuant to section 776(a) of the Act, Commerce has concluded that the application of facts available is warranted with respect to exports of diamond sawblades by Protech from Canada to the United States from January 1, 2017 to December 31, 2018. Necessary information requested in the original questionnaire to Protech is missing for purposes of this anti-circumvention inquiry and without it on the administrative record, Commerce cannot conduct its anti-circumvention analysis. Moreover, because Protech did not respond to Commerce’s request for information, we find that Protech withheld information that was requested by Commerce, failed to provide such information by the applicable deadline and in the form and manner requested, and significantly impeded this proceeding. Therefore, we find that

¹⁸ See SAA at 870.

¹⁹ *Id.*

²⁰ See section 776(b) of the Act.

the application of facts available pursuant to sections 776(a)(1) and (2)(A), (B), and (C) of the Act is warranted.

We also find that Protech failed to cooperate to the best of its ability, pursuant to section 776(b)(1) of the Act. Before we rejected Protech's original and supplemental responses, we held a telephone conversation with Protech's counsel and explained the deficiencies in the original and supplemental responses.²¹ In our rejection letter dated June 25, 2019, we explained the multiple deficiencies in detail and provided Protech with an opportunity to resubmit its original response.²² Specifically, we rejected Protech's original response because it misclassified its business proprietary original response that Protech single bracketed as a business proprietary document that may not be released under the APO. We also rejected Protech's original response because it misclassified the public version of its original response as a public document. In addition, Appendix IV of Protech's business proprietary original response listed the interested parties on which Protech served the public portions, not business proprietary portions, of Protech's original response.²³ We also rejected Protech's supplemental response because we found the supplemental response to be untimely filed. However, and despite the opportunity to do so, Protech never resubmitted its original response. By ultimately not responding to the original questionnaire, we find that Protech did not "do the maximum it is able to do," and, thus, did not cooperate to the best of its ability.²⁴ Pursuant to section 776(b)(1) of the Act, we find that adverse inferences are warranted in selecting from the facts otherwise available. Accordingly, as adverse facts available (AFA), Commerce preliminarily finds that all diamond sawblades produced and exported by Protech to the United States from January 1, 2017 to December 31, 2018, were made with Chinese-origin cores and Chinese-origin segments and they are circumventing the order. Our analysis follows below.

VIII. STATUTORY ANALYSIS

Section 781(b) of the Act directs Commerce to consider the criteria above to determine whether merchandise assembled or completed in a third-country circumvents an order. As explained below, Commerce finds that diamond sawblades produced by Protech in Canada with cores and segments from China and exported from Canada by Protech to the United States are circumventing the AD order on diamond sawblades from China. As explained above, we are applying AFA in the analysis that follows.

- (1) Whether Protech's Merchandise Exported to the United States from Canada is of the Same Class or Kind as Merchandise Subject to the AD Order on Diamond Sawblades from China.

²¹ See Memorandum, "Telephone Call with Counsel to Protech Diamond Tools, Inc.," dated June 25, 2019. This telephone conversation took place on June 20, 2019.

²² See Commerce's Letter to Protech, dated June 25, 2019 (rejecting Protech's original and supplemental responses).

²³ *Id.*

²⁴ See *Nippon Steel Corp. v. United States*, 337 F.3d 1373, 1382 (Fed. Cir. 2003).

Information on the record, in the form of U.S. import data,²⁵ coupled with pictures of diamond sawblades that the petitioner claims to have been advertised by Protech,²⁶ supports a finding that the merchandise exported to the United States by Protech is the same class or kind as that covered by the AD order on diamond sawblades from China.²⁷ Therefore, as AFA, Commerce preliminarily finds that the merchandise subject to this inquiry is of the same class or kind of merchandise as that subject the AD order on diamond sawblades from China, pursuant to section 781(b)(1)(A) of the Act.

- (2) Whether, Before Importation into the United States, Such Merchandise is Completed or Assembled by Protech in Canada from Merchandise that is Subject to the Order or that is Produced in China

We have information on the record from diamond sawblades industry experts claiming that, in Canada, cores made in China are being joined to segments made in China and undergo a minor welding operation and minor processing before they are imported into the United States.²⁸ Protech did not respond to the petitioner's claim. Based on this information, as AFA, Commerce preliminarily finds that diamond sawblades sold in the United States by Protech are assembled or completed with cores and segments produced in China. Further, both cores and segments from China are subject to the AD order on diamond sawblades from China because the scope of the order covers diamond sawblades and parts thereof, *i.e.*, cores and segments. Therefore, we also preliminarily find, as AFA, that certain diamond sawblades assembled or completed by Protech are assembled or completed from merchandise that is subject to the AD order on diamond sawblades from China, pursuant to section 781(b)(1)(B) of the Act.

- (3) Whether the Process of Assembly or Completion by Protech in Canada is Minor or Insignificant

As explained above, section 781(b)(2) of the Act instructs Commerce to consider the following criteria when determining whether the process of assembly or completion is minor or insignificant:

- (A) the level of investment in the foreign country,
- (B) the level of research and development in the foreign country,
- (C) the nature of the production process in the foreign country,
- (D) the extent of production facilities in the foreign country, and

²⁵ See the petitioner's circumvention ruling request at 13-14 and Exhibit 6.

²⁶ *Id.* at Exhibit 7.

²⁷ *Id.* at 13-14 and Exhibit 6.

²⁸ *Id.* at 14-17 and Exhibits 10, 13.

- (E) whether the value of the processing performed in the foreign country represents a small proportion of the value of the merchandise imported into the United States.

The SAA explains that no single factor listed in section 781(b)(2) of the Act will be controlling.²⁹ Accordingly, it is Commerce's practice to evaluate each of the factors as they exist in the third country depending on the particular circumvention scenario.³⁰ Therefore, the importance of any one of the factors listed under section 781(b)(2) of the Act can vary from case to case depending on the particular circumstances unique to each anti-circumvention inquiry. In accordance with section 781(b)(2) of the Act, Commerce has considered all the listed factors to determine whether the process of completing diamond sawblades in Canada is minor or insignificant.

As explained more in detail below, as AFA, we find that information on the record supports a finding that the assembly or completion of diamond sawblades in Canada using Chinese cores and Chinese segments by Protech is minor and insignificant, in accordance with section 781(b)(2) of the Act.³¹

(A) The Level of Investment in the Foreign Country

We have information on the record from diamond sawblades industry experts claiming that there is little evidence of any significant level of investment in Canada for production activities beyond joining cores and segments and laser welding.³² Based on this information, as AFA, we preliminarily find that the level of investment by Protech in Canada is insignificant.

(B) The Level of Research and Development in the Foreign Country

We have information on the record from a diamond sawblades industry expert claiming that because laser-welding is a highly-automated process and other methods of joining cores and segments are less sophisticated than laser-welding, entities joining Chinese cores and Chinese segments in Canada do not, and do not need to, invest in research and development in Canada.³³ Based on this information, as AFA, we preliminarily find that Protech does not conduct any research and development in Canada.

²⁹ See SAA at 893; accord 19 CFR 351.225(h).

³⁰ See *Tissue Paper*, 73 FR at 57592, and *Cold-Rolled Steel*, 83 FR at 23891, and accompanying Issues and Decision Memorandum at "VI. Statutory Framework."

³¹ See *Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China: Preliminary Affirmative Determination of Circumvention of the Antidumping Duty Order*, 83 FR 35205 (July 25, 2018), and accompanying Preliminary Decision Memorandum at 15, unchanged in *Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China: Final Affirmative Determination of Circumvention of the Antidumping Duty Order*, 84 FR 29164 (June 21, 2019).

³² See the petitioner's circumvention ruling request at 18-19 and Exhibits 8-10 and 13 for more details of the petitioner's arguments.

³³ *Id.* at 20 and Exhibit 10.

(C) The Nature of the Production Process in the Foreign Country

We have information on the record from diamond sawblades industry experts claiming that there is very minimal additional processing done to diamond sawblades exported from China to Canada that are re-exported to the United States.³⁴ Based on this information, as AFA, we preliminarily find that the nature of Protech's production process in Canada involves only minimal steps in the overall production process.

(D) The Extent of Production Facilities in the Foreign Country

We have information on the record from diamond sawblades industry experts claiming that Protech's Canadian facilities were established to re-export Chinese diamond sawblades to the United States and that the investment to Protech's Canadian facilities is very limited for production of cores and segments.³⁵ Based on this information, as AFA, we preliminarily find that the extent of Protech's production facilities in Canada is limited to laser-welding operations.

(E) Whether the Value of the Processing Performed in the Foreign Country Represents a Small Proportion of the Value of the Merchandise Imported into the United States

We have information on the record from diamond sawblades industry experts claiming that the joining of cores and segments constitutes a minor portion of the cost and represents the smallest portion of the production costs of diamond sawblades imported into the United States.³⁶ Based on this information, as AFA, we preliminarily find that the value of Protech's processing performed in Canada represents a small portion of the value of diamond sawblades imported into the United States.

(F) Overall Analysis of Section 781(b)(1)(C) of the Act

As discussed above, we find that each of the statutory criteria under section 781(b)(2) of the Act are satisfied as they pertain to Protech. Therefore, as AFA, we find that the process of assembly or completion in Canada by Protech is overall minor or insignificant under section 781(b)(1)(C) of the Act.

(4) Whether the Value of the Merchandise Produced in China Is a Significant Portion of the Total Value of the Merchandise Exported to the United States

We have information from diamond sawblades industry experts claiming that the values of the segments and cores produced in China represent the vast majority of the value of the products exported to the United States.³⁷ Based on this information, as AFA, we preliminarily find that

³⁴ *Id.* at 20 and Exhibits 10, 13.

³⁵ *Id.* at 20-21 and Exhibits 10, 13.

³⁶ *Id.* at 21-22 and Exhibits 10, 13.

³⁷ *Id.* at 22-23 and Exhibits 10, 13.

the value of the Chinese cores and Chinese segments is a significant portion of the value of diamond sawblades imported into the United States, pursuant to section 781(b)(1)(D) of the Act.

IX. OTHER STATUTORY CRITERIA

In determining whether to include merchandise assembled or completed in a foreign country within the scope of an order, section 781(b)(3) of the Act instructs Commerce to consider several additional factors: patterns of trade, affiliation with suppliers, and increase in imports. The petitioner provided evidence indicating that the shipments of finished diamond sawblades from Canada to the United States increased since the imposition of the AD order in 2009. Available evidence on the record indicates that the value of finished diamond sawblades imported from Canada to the United States was \$246,758 between January and October 2017 but \$776,328 between January and October 2018.³⁸ Information on the record also supports, as AFA, that Protech is affiliated with Chinese producers.³⁹ Considering this available information, we find, as AFA, that Protech is affiliated with Chinese producers of cores and segments and increased its imports of Chinese cores and Chinese segments into Canada.

X. SUMMARY OF STATUTORY ANALYSIS

As discussed above, to make an affirmative determination of circumvention, all the elements under section 781(b)(1) of the Act must be satisfied, taking into account the minor or insignificant criteria listed in section 781(b)(2) of the Act. In addition, section 781(b)(3) of the Act instructs Commerce to consider, in determining whether to include merchandise assembled or completed in a foreign country within the scope of an order, factors such as the pattern of trade, affiliation, and whether imports into the foreign country of the merchandise described in section 781(b)(1)(B) of the Act have increased after the initiation of the investigation.

Pursuant to section 781(b)(1)(A) and (B) of the Act, Commerce preliminarily finds that the merchandise assembled or completed by Protech in Canada and imported into the United States is within the same class or kind that is subject to the AD order on diamond sawblades from China, and is completed or assembled in Canada from merchandise which is produced in the foreign country with respect to which the AD order on diamond sawblades from China applies.

Pursuant to section 781(b)(1)(C) of the Act, Commerce preliminarily finds that the process of assembly of Chinese cores and Chinese segments into diamond sawblades produced by Protech in Canada is minor or insignificant.

In accordance with section 781(b)(1)(D) of the Act, Commerce preliminarily finds that, for diamond sawblades assembled or completed by Protech in Canada with cores and segments produced in China, the values of the cores and segments produced in China are a significant portion of the total value of the merchandise exported from Canada to the United States.

Pursuant to section 781(b)(3) of the Act, Commerce preliminarily finds that Protech increased sourcing cores and segments from Chinese producers after the publication of the AD order in

³⁸ *Id.* at 23.

³⁹ *Id.* at 24.

2009, and that Protech is affiliated with Chinese producers. We find that Protech increased sourcing of Chinese cores and Chinese segments, which provides evidence supporting a finding of circumvention.

Considering the above, the factors under section 781(b)(1)-(3) of the Act support a determination that Protech's exports of diamond sawblades made with Chinese cores and Chinese segments circumvent the AD order on diamond sawblades from China. Finally, upon taking into consideration section 781(b)(3) of the Act, our analysis of the pattern of trade, including sourcing of cores and segments from China from Chinese producers, and our preliminary affirmative finding of an increase in imports of segments and cores from China to Canada after the publication of the AD order in 2009, we preliminarily determine that action is appropriate to prevent evasion of the order pursuant to section 781(b)(1)(E) of the Act. We preliminarily find that, without an action to prevent evasion of the order, circumvention activities we preliminarily find to exist under section 781(b)(1)(A)-(D) and 781(b)(3) of the Act will continue.

Consequently, our statutory analysis leads us to preliminarily find that, in accordance with sections 781(b)(1)-(3) of the Act, there is circumvention of the order as a result of Chinese cores and Chinese segments being assembled or completed into finished diamond sawblades in Canada by Protech. Therefore, Commerce preliminarily finds diamond sawblades assembled or completed in Canada with Chinese cores and Chinese segments by Protech are included within the scope of the AD order on diamond sawblades from China.

XI. RECOMMENDATION

We recommend applying the above methodology for these preliminary results.

Agree

Disagree

10/23/2019

X 

Signed by: JEFFREY KESSLER

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance