



A-570-900  
Sunset Review  
**Public Document**  
AD/CVD OI: CW

November 30, 2020

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

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

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

---

## I. SUMMARY

In the second sunset review of the antidumping duty (AD) order covering diamond sawblades and parts thereof (diamond sawblades) from the People's Republic of China (China),<sup>1</sup> Diamond Sawblades Manufacturers' Coalition (the petitioner) submitted a substantive response opposing revocation of the *Order*. The petitioner submitted its notice of intent to participate as a domestic interested party, pursuant to 19 CFR 351.218(d)(1)(i). No respondent interested party submitted a substantive response. Accordingly, we conducted an expedited (120-day) sunset review. In accordance with our analysis of the substantive response, we recommend adopting the positions described below. The following is a complete list of issues in this sunset review for which we received a substantive response:

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

## II. BACKGROUND

The *Order* was published on November 4, 2009.<sup>2</sup> On August 4, 2020, Commerce published the notice of initiation of the second sunset review of the *Order*.<sup>3</sup> On August 19, 2020, Commerce received a timely and complete notice of intent to participate in the sunset review from the

---

<sup>1</sup> See *Initiation of Five-Year (Sunset) Reviews*, 85 FR 47185 (August 4, 2020) (*Initiation Notice*) and *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) (*Order*).

<sup>2</sup> See *Order*, 74 FR 57145 (November 4, 2009).

<sup>3</sup> See *Initiation Notice*.

domestic interested party within the deadline specified in 19 CFR 351.218(d)(1).<sup>4</sup> The domestic interested party claimed interested party status pursuant to 19 CFR 351.102(b)(29)(vii) and sections 771(9)(C) and 771(9)(F) of the Tariff Act of 1930, as amended (the Act).<sup>5</sup>

Commerce received a complete substantive response from the domestic interested party within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).<sup>6</sup> Commerce did not receive a substantive response from any respondent interested party. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of the *Order*.

### 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 (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 U.S. Customs and Border Protection.<sup>7</sup>

---

<sup>4</sup> See Petitioner's Letter, "Notice of Intent to Participate in Review," dated August 19, 2020 (Intent to Participate).

<sup>5</sup> *Id.*

<sup>6</sup> See Petitioner's Letter, "Substantive Response to the Notice of Initiation," dated September 3, 2020 (Substantive Response).

<sup>7</sup> See *Diamond Sawblades and Parts Thereof from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review*, 76 FR 76128 (December 6, 2011).

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.<sup>8</sup>

The tariff classifications are provided for convenience and customs purposes; however, the written description of the scope of the *Order* is dispositive.

#### IV. HISTORY OF THE ORDER

##### *Investigation and Order*

On May 22, 2006, Commerce published the *LTFV Final*.<sup>9</sup> On June 22, 2006, Commerce published the *Amended LTFV Final*,<sup>10</sup> in which Commerce determined the following dumping margins in the investigation:

Exporter/Producer	Percent Margin
Advanced Technology & Materials Co., Ltd.	2.82
Bosun Tools Group Co., Ltd.	35.51
Hebei Jikai Industrial Group Co., Ltd.	48.50
Non-Selected Separate Rate Respondents	21.43
China-Wide Rate	164.09

The International Trade Commission (ITC) made a preliminary determination that there was a reasonable likelihood that an industry in the United States was materially injured or threatened with material injury.<sup>11</sup> On July 11, 2006, however, the ITC published its final determination that an industry in the United States was not materially injured or threatened with material injury by reason of imports of diamond sawblades from the Republic of Korea (Korea) and China.<sup>12</sup> As a result of subsequent litigation, the ITC reversed its determination and found that a U.S. industry is threatened with material injury by reason of imports of diamond sawblades from Korea and China.<sup>13</sup> On January 13, 2009, the CIT upheld the ITC's affirmative determination upon remand

<sup>8</sup> 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 (IDM) at 3.

<sup>9</sup> See *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People's Republic of China*, 71 FR 29303 (May 22, 2006) (*LTFV Final*).

<sup>10</sup> See *Notice of Amended Final Determination of Sales at Less Than Fair Value: Diamond Sawblades and Parts Thereof from the People's Republic of China*, 71 FR 35864 (June 22, 2006) (*Amended LTFV Final*).

<sup>11</sup> See *Diamond Sawblades and Parts Thereof from China and Korea*, 70 FR 43903 (July 29, 2005).

<sup>12</sup> See *Investigation Nos. 731-TA-1092 and 1093 (Final) Diamond Sawblades and Parts Thereof from China and Korea*, 71 FR 39128 (July 11, 2006) (*ITC Negative Determination*).

<sup>13</sup> See *Diamond Sawblades and Parts Thereof from China and Korea: Investigation Nos. 731-TA-1092 and 1093 (Final)(Remand)*, ITC Pub. 4007 (May 2008), which can be accessed directly at [http://www.usitc.gov/publications/701\\_731/pub4007.pdf](http://www.usitc.gov/publications/701_731/pub4007.pdf).

and thus, despite the completion of the less-than-fair-value (LTFV) investigation in 2006, the *Order* was not imposed until 2009.<sup>14</sup>

### *Subsequent Sunset, Administrative, New Shipper, Changed Circumstance, and Circumvention Reviews*

On March 11, 2015, in the first sunset review, Commerce determined that revocation of the *Order* would likely lead to continuation or recurrence of dumping and that the magnitude of the margin of dumping likely to prevail would be up to 164.09 percent.<sup>15</sup> On September 18, 2015, Commerce published the notice of continuation of the *Order*.<sup>16</sup>

Commerce has completed nine administrative reviews of the *Order*. Three of these reviews preceded the first sunset review.<sup>17</sup> Six of these reviews were completed after the first sunset review. Following the first sunset review, Commerce calculated dumping margins, as amended, ranging from 3.45 percent to 82.05 percent in the fourth administrative review;<sup>18</sup> 39.66 percent to

---

<sup>14</sup> See *Diamond Sawblades Manufacturers Coalition v. United States*, 33 C.I.T. 48 (2009); *Diamond Sawblades and Parts Thereof from the People's Republic of China and the Republic of Korea: Notice of Court Decision Not In Harmony With Final Determination of the Antidumping Duty Investigations*, 74 FR 6570 (February 10, 2009); *Diamond Sawblades Manufacturers Coalition v. United States*, 650 F. Supp. 2d 1331, 1334, 1352-57 (CIT 2009) (ordering Commerce "to issue and publish antidumping duty orders and require the collection of cash deposits on subject merchandise"), *aff'd in Diamond Sawblades Mfrs. Coalition v. United States*, 626 F.3d 1374, 1376 (Fed. Cir. 2010); *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) ("Therefore, effective January 23, 2009, Commerce will direct the U.S. Customs and Border Protection ("CBP") to suspend liquidation and collect cash deposits on diamond sawblades from China and Korea.") (collectively *DSMC 2009*).

<sup>15</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 80 FR 12797 (March 11, 2015) (*First Sunset Review*).

<sup>16</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Continuation of the Antidumping Duty Order*, 80 FR 56441 (September 18, 2015) (*Continuation Notice*).

<sup>17</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2009-2010*, 78 FR 11143 (February 15, 2013); *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 36166 (June 17, 2013), as amended in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Amended Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 42930 (July 18, 2013); *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).

<sup>18</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2012-2013*, 80 FR 32344 (June 8, 2015), as amended in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Notice of Court Decision Not in Harmony With the Final Results of Review and Amended Final Results of the Antidumping Duty Administrative Review; 2012-2013*, 83 FR 55520 (November 6, 2018).

82.05 percent in the fifth administrative review;<sup>19</sup> 82.05 percent in the sixth,<sup>20</sup> seventh,<sup>21</sup> and eighth<sup>22</sup> administrative reviews; and 0.00 percent to 82.05 percent in the ninth administrative review.<sup>23</sup>

Two new shipper reviews have been requested and subsequently rescinded since publication of the *Order*.<sup>24</sup>

Since the publication of the *Order*, Commerce has conducted four changed circumstance reviews in which Commerce made the following decisions:

- Hebei Husqvarna-Jikai Diamond Tools Co., Ltd., is not the successor-in-interest to Hebei Jikai Industrial Group Co., Ltd., which was a respondent selected for individual examination in the LTFV investigation.<sup>25</sup>
- Husqvarna (Hebei) Co., Ltd. remains the successor-in-interest to Hebei Husqvarna Jikai Diamond Tools Co., Ltd.<sup>26</sup>
- Wuhan Wanbang Co., Ltd. is the successor-in-interest to Wuhan Wanbang Co.<sup>27</sup>
- Chengdu Huifeng New Material Technology Co., Ltd. is the successor-in-interest to Chengdu Huifeng Diamond Tools Co., Ltd.<sup>28</sup>

---

<sup>19</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2013-2014*, 81 FR 38673 (June 14, 2016), as amended in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Notice of Court Decision Not in Harmony With the Final Results of Review, Rescission of Administrative Review in Part, and Amended Final Results of the Antidumping Duty Administrative Review; 2013-2014*, 84 FR 23763 (May 23, 2019).

<sup>20</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 82 FR 26912 (June 12, 2017), as amended in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Notice of Court Decision Not in Harmony With the Final Results of Review and Amended Final Results of the Antidumping Duty Administrative Review; 2014-2015*, 85 FR 66 (January 2, 2020).

<sup>21</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2015-2016*, 83 FR 17527 (April 20, 2018).

<sup>22</sup> 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).

<sup>23</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2017-2018*, 85 FR 71308 (November 9, 2020) (*Final Results 2017-2018*).

<sup>24</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Rescission of Antidumping Duty New Shipper Review*, 76 FR 4634 (January 26, 2011); and *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Rescission of Antidumping Duty New Shipper Review*, 76 FR 20317 (April 12, 2011).

<sup>25</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results and Termination, in Part, of the Antidumping Duty Changed Circumstances Review*, 76 FR 64898 (October 19, 2011).

<sup>26</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 78 FR 48414 (August 8, 2013).

<sup>27</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 81 FR 20618 (April 6, 2016).

<sup>28</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 82 FR 60177 (December 19, 2017).

Commerce completed two anti-circumvention inquiries on diamond sawblades from China.<sup>29</sup> Commerce also notified CBP of an anti-circumvention determination in response to a covered merchandise referral from CBP.<sup>30</sup>

On March 28, 2013, Commerce revoked the *Order*, in part, with respect to Advanced Technology & Materials Co., Ltd., pursuant to the *Section 129 Determination*.<sup>31</sup>

### *Scope Rulings*

Since the publication of the *Order*, Commerce has completed four scope rulings. In the first scope ruling, Commerce determined that certain rescue/demolition blades are not within the scope of the *Order*.<sup>32</sup> In the second scope ruling, Commerce determined that finished diamond sawblades are covered by the *Order* regardless of the Rockwell C hardness of the incorporated cores and that certain cupwheels are not covered by the scope of the *Order*.<sup>33</sup> In the third scope ruling, Commerce determined that Bosch's Dremel Saw-Max SM-20 power tool is within the scope of the *Order*.<sup>34</sup> In the fourth scope ruling, Commerce determined that polycrystalline diamond tipped sawblades are not within the scope of the *Order*.<sup>35</sup>

### *Duty Absorption*

Since the publication of the *Order*, there have been no duty absorption determinations.

## **V. LEGAL FRAMEWORK**

In accordance with section 751(c)(1) of the Act, Commerce is conducting this sunset review to determine whether revocation of the *Order* would be likely to lead to continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that in making these determinations, Commerce shall consider both the weighted-average dumping margins determined in the investigation and subsequent reviews, and the volume of imports of the subject merchandise for the period before, and the period after, the issuance of the order.

Consistent with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the Statement of Administrative Action (SAA), H.R. Doc.

---

<sup>29</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Determination of Anti-Circumvention Inquiry*, 84 FR 33920 (July 16, 2019); and *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Determination of Anti-Circumvention Inquiry*, 85 FR 9737 (February 20, 2020).

<sup>30</sup> See Memorandum, "Diamond Sawblades and Parts Thereof from the People's Republic of China: Notification of the Final Determination of the Anti-Circumvention Inquiry in Response to the Covered Merchandise Referral," dated July 10, 2019; see also *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Determination of Anti-Circumvention Inquiry*, 84 FR 33920 (July 16, 2019).

<sup>31</sup> See *Certain Frozen Warmwater Shrimp from the People's Republic of China and Diamond Sawblades and Parts Thereof from the People's Republic of China: Notice of Implementation of Determinations Under Section 129 of the Uruguay Round Agreements Act and Partial Revocation of the Antidumping Duty Orders*, 78 FR 18958 (March 28, 2013) (*Section 129 Determination*).

<sup>32</sup> See *Notice of Scope Rulings*, 77 FR 9893, 9894 (February 21, 2012).

<sup>33</sup> See *Notice of Scope Rulings*, 84 FR 36577, 36578 (July 29, 2019).

<sup>34</sup> See *Notice of Scope Rulings*, 84 FR 50385 (September 25, 2019).

<sup>35</sup> See *Notice of Scope Rulings*, 85 FR 2712, 2713 (January 16, 2020).

No. 103-316, vol. 1 (1994), the House Report, H. Rep. No. 103-826, pt. 1 (1994) (House Report), and the Senate Report, S. Rep. No. 103-412 (1994) (Senate Report), Commerce normally determines that revocation of an order is likely to lead to continuation or recurrence of dumping when: (a) dumping continued at any level above *de minimis* after issuance of the order; (b) imports of the subject merchandise ceased after issuance of the order; or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly.<sup>36</sup> Alternatively, Commerce normally will determine that revocation of an AD order is not likely to lead to continuation or recurrence of dumping where dumping was eliminated after issuance of the order and import volumes remained steady or increased.<sup>37</sup> In addition, as a base period for import volume comparison, it is Commerce'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.<sup>38</sup> Also, when analyzing import volumes for the second and subsequent sunset reviews, Commerce's practice is to compare import volumes during the year preceding initiation of the underlying investigation to import volumes since the issuance of the last continuation notice.<sup>39</sup>

Further, section 752(c)(3) of the Act states that Commerce shall provide to the ITC the magnitude of the margin of dumping likely to prevail if the order were revoked. Generally, Commerce 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.<sup>40</sup> However, Commerce 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).<sup>41</sup> Finally, pursuant to section 752(c)(4)(A) of the Act, a dumping margin of "zero or *de minimis* shall not by itself require" Commerce to determine that revocation of an AD order would not be likely to lead to a continuation or recurrence of sales at less than fair value.

In the *Final Modification for Reviews*, Commerce announced that it was modifying its practice in sunset reviews such that it will not rely on weighted-average dumping margins that were calculated using the zeroing methodology.<sup>42</sup> Commerce also noted that "*only in the most*

---

<sup>36</sup> See SAA at 889 and 890, House Report at 63-64, and Senate Report at 52; and *Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871, 18872 (April 16, 1998).

<sup>37</sup> See SAA, H.R. Rep. No. 103-316, vol. 1 (1994) at 889-90.

<sup>38</sup> 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 IDM at Comment 1.

<sup>39</sup> See *Ferrovandium from the People's Republic of China and the Republic of South Africa: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 79 FR 14216 (March 13, 2014), and accompanying IDM at "Discussion of the Issues: Legal Framework."

<sup>40</sup> See SAA at 890; see, *e.g.*, *Persulfates from the People's Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order*, 73 FR 11868 (March 5, 2008), and accompanying IDM at Comment 2.

<sup>41</sup> See SAA at 890-91.

<sup>42</sup> See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101, 8103 (February 14, 2012) (*Final Modification for Reviews*).

*extraordinary circumstances* will Commerce rely on margins other than those calculated and published in prior determinations.”<sup>43</sup> Commerce also explained that it does not anticipate that it will need to recalculate the dumping margins in sunset determinations to avoid WTO inconsistency, apart from the “most extraordinary circumstances” provided for in its regulations.<sup>44</sup>

Below we address the comments submitted by the domestic interested party.

## VI. DISCUSSION OF THE ISSUES

### 1. Likelihood of Continuation or Recurrence of Dumping

The petitioner contends that, in accordance with sections 751(c)(1) and 752(c)(1)(A) and (B) of the Act, Commerce should find that revoking the *Order* on imports of diamond sawblades from China would likely lead to the continuation or recurrence of dumping in the United States. According to the petitioner, evidence of continuous dumping is illustrated by the dumping margins found in the first expedited sunset review and eight administrative reviews conducted by Commerce.<sup>45</sup> Specifically, the petitioner states that the China-wide rate found in each of the administrative reviews completed by Commerce is 164.09 percent and Commerce repeatedly found dumping above *de minimis* levels after the issuance of the *Order*.

The petitioner contends that Chinese sawblade manufacturers are circumventing and evading the *Order*, resulting in administrative reviews not capturing the full impact of Chinese diamond sawblades sold at LTFV in the United States. The petitioner points to instances where certain exporters joined Chinese cores and segments in Thailand and Canada before shipping the Chinese merchandise as diamond sawblades to the United States as evidence of circumvention and evasion.<sup>46</sup> The petitioner further claims that evidence of circumvention is shown by U.S. Customs and Border Protection’s (CBP) determination in Enforce and Protect Act (EAPA) investigations that Chinese producers are evading the *Order*. The petitioner points specifically to EAPA case number 7184, where the petitioner claims that CBP found that Diamond Tool Technology LLC (DTT) entered Chinese diamond sawblades as Thailand-origin merchandise after joining Chinese-origin cores and Chinese-origin segments in Thailand.<sup>47</sup> The petitioner also claims that, in another EAPA investigation, CBP found that two importers evaded the *Order* by not paying cash deposits on subject merchandise from China.<sup>48</sup> The petitioner asserts that this is further evidence that parties are attempting to evade the *Order*, suggesting that revoking the *Order* would lead to recurrence of dumping.

---

<sup>43</sup> *Id.* (emphasis added).

<sup>44</sup> *Id.*

<sup>45</sup> See Substantive Response at 10-12.

<sup>46</sup> See *Diamond Sawblades and Parts Thereof from the People’s Republic of China: Final Determination of Anti-Circumvention Inquiry*, 84 FR 33920 (July 16, 2019); and *Diamond Sawblades and Parts Thereof from the People’s Republic of China: Final Determination of Anti-Circumvention Inquiry*, 85 FR 9737 (February 20, 2020).

<sup>47</sup> See *Diamond Sawblades and Parts Thereof from the People’s Republic of China: Notice of Covered Merchandise Referral*, 83 FR 9280 (March 5, 2018).

<sup>48</sup> See *Diamond Sawblades and Parts Thereof from the People’s Republic of China: Notice of Covered Merchandise Referral and Initiation of Scope Inquiry*, 85 FR 4947 (January 28, 2020).

The petitioner claims that, because Chinese diamond sawblade producers are highly export oriented, dumping is likely to recur. The petitioner states that many Chinese diamond sawblade producers subject to the China-wide rate boast of their involvement in the U.S. market. The petitioner points to Wuxi Lianhua Superhard Material Tools Co., Ltd.'s claim that it is capable of producing over one million sawblades a year with 80 percent of exports made to countries including the United States. The petitioner highlights Ashine Diamond Tools Co., Ltd.'s claim of a capacity 200,000 pieces of which 90 percent are exported. The petitioner also mentions Fujian Quanzhou Huazuan Diamond Tools Co. Ltd. as having manufactured 250,000 diamond sawblades annually with up to 90 percent of them being exported. The petitioner goes on to cite additional Chinese diamond sawblade producers' websites as evidence that those manufacturers hold a particular market share in the United States. The petitioner claims that these examples provide evidence that Chinese diamond sawblade producers would continue to import what the petitioner sees as unfairly low-priced diamond sawblades into the United States were the *Order* revoked.

The petitioner contends that the continued dumping of the imports of the subject merchandise after the issuance of the order supports the likelihood that dumping will continue or recur if the order is lifted. According to the petitioner, once the *Order* was expected to go into place, there was an increase in imports of subject merchandise. The petitioner claims that, after this increase, analysis of the two subclassifications, 8202.39.0010 and 8202.39.0040 for diamond sawblades and diamond sawblade cores respectively, reveals that volumes have decreased each year since 2012. The petitioner claims that their finding of a decrease in volume of imports of subject merchandise correlates with an increase in no shipment certifications from Chinese producers that previously exported significant volumes of subject merchandise.

**Commerce's Position:** Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act (URAA), specifically the SAA, the House Report and the Senate Report, Commerce's determination of likelihood of continuation or recurrence will be made on an order-wide basis for each case.<sup>49</sup> In addition, Commerce will normally determine that revocation of an AD order is likely to lead to continuation or recurrence of dumping where: (a) dumping continued at any level above *de minimis* after the issuance of the order; (b) imports of the subject merchandise ceased after the issuance of the order; or (c) dumping was eliminated after the issuance of an order and import volumes for the subject merchandise declined significantly.<sup>50</sup> 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 Commerce to consider: (1) the weighted-average dumping margins determined in the investigation and subsequent reviews; and (2) the volume of imports of the subject merchandise for the period before and after the issuance of the AD order. Thus, one consideration is whether Commerce continued to find dumping above *de minimis* levels in administrative reviews subsequent to imposition of the *Order*.<sup>51</sup> According to the SAA and the House Report, "if companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the discipline were removed."<sup>52</sup> For the reasons discussed

---

<sup>49</sup> See SAA at 879 and House Report at 56.

<sup>50</sup> See SAA at 889-890, House Report at 63-64, and Senate Report at 52.

<sup>51</sup> See SAA at 890.

<sup>52</sup> *Id.*; see also House Report at 63-64.

below, we find that revocation of the *Order* on diamond sawblades from China would be likely to lead to the continuation or recurrence of dumping in the United States.

Pursuant to section 752(c)(1)(A) of the Act, Commerce first considered the weighted-average dumping margins determined in the investigation and subsequent proceedings. As stated above, in the investigation, Commerce found the dumping margin of 164.09 percent for the China-wide entity and dumping margins of 2.82 percent; 35.51 percent; 48.50 percent; and 21.43 percent for separate rate companies. The rates for the separate rate companies were calculated using the zeroing methodology but the rate for the China-wide entity was taken from the petition and was not based on zeroing.<sup>53</sup> In the first sunset review, Commerce determined that revocation of the *Order* would be likely to lead to continuation or recurrence of dumping at weighted-average margins up to 164.09 percent. In the fourth administrative review, Commerce found dumping margins of 3.45 percent; 22.57 percent; and 12.05 percent for companies that demonstrated eligibility for a separate rate, with a China-wide entity rate of 82.05 percent. In the fifth administrative review, Commerce found dumping margins of 39.66 percent and 56.67 for companies that demonstrated eligibility for a separate rate. In the sixth, seventh, and eighth administrative reviews, Commerce found dumping margins of 82.05 percent. In the ninth administrative review, Commerce found dumping margins of zero percent for companies that demonstrated eligibility for a separate rate, with a China-wide entity rate of 82.05 percent.

In the *Final Modification for Reviews*, Commerce announced that in sunset reviews, it will not rely on weighted-average dumping margins that were calculated using the methodology determined by the Appellate Body to be WTO-inconsistent.<sup>54</sup> Accordingly, Commerce is not relying on weighted-average dumping margins that were calculated using the methodology determined by the Appellate Body to be WTO-inconsistent. The 164.09 percent for the China-wide entity in the investigation was based on the dumping margin from the petition<sup>55</sup> and, therefore, does not include zeroing and is consistent with the *Final Modification for Reviews*. The current dumping margin for the China-wide entity is 82.05.<sup>56</sup> Also, the final calculated margins for Bosun Tools Co., Ltd. (Bosun) and Weihai Xiangguang Mechanical Industrial Co., Ltd. (Weihai) in the third and fourth administrative reviews and the Jiangsu Fengtai Single Entity in the fifth administrative review are above *de minimis* and consistent with the *Final Modification for Reviews*. Thus, dumping continued at an above *de minimis* level after the issuance of the *Order*.

Pursuant to section 752(c)(1)(B) of the Act, Commerce also considered the volume of imports of the subject merchandise in determining whether revocation of the order is likely to lead to continuation or recurrence of dumping. As discussed above, it is Commerce's practice to compare the volume of imports for the one-year period preceding the initiation of the investigation to the volume of imports during the period of a sunset review. For the analysis of import volume, we used HTSUS heading 8202.39. HTSUS subheadings 8202.39.00.10 and

---

<sup>53</sup> See *LTFV Final*, 71 FR at 29308.

<sup>54</sup> See *Final Modification for Reviews*.

<sup>55</sup> See *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People's Republic of China*, 71 FR 29303, 29308 (May 22, 2006).

<sup>56</sup> See *Final Results 2017-2018*.

8202.39.0040 do not cover the period prior to 2011 and 2015 respectively, so we cannot use them to examine the change in volume of imports since the period before the initiation of investigation.<sup>57</sup> We are relying on import volume to make a determination on the likelihood of continuation or recurrence of dumping in sunset reviews.<sup>58</sup> Finally, using HTSUS heading 8202.39, not HTSUS subheadings 8202.39.00.10 and 8202.39.0040, is consistent with the scope of the *Order*. Therefore, we did not use HTSUS subheadings 8202.39.00.10 or 8202.39.0040 to examine the import volumes prior to 2011.

Based on ITC DataWeb data for the HTSUS heading containing diamond sawblades (HTSUS heading 8202.39), pre-initiation (*i.e.*, base year) volume was 10.9 million units in 2004. In the years after the issuance of the *Continuation Notice*, from 2015 to 2019, volumes were 12.5 million units; 11.1 million units; 11 million units; 12.7 million units; and 11.4 million units, respectively. Imports from 2015 to 2019 have been 7.67 percent higher than pre-initiation volumes (average of 11.8 million units compared to 10.9 million units in the base year). Since the publication of the *Order*, the import volume of diamond sawblades from China increased from the pre-investigation level.<sup>59</sup> However, in the absence of respondent participation, we are not able to attribute the increased imports to any particular party.<sup>60</sup>

In addition, because of the *ITC Negative Determination* and the subsequent litigation that ended with *DSMC 2009*, there is a period between the publication of the *Amended LTFV Final* in 2006 and the imposition of the *Order* that took effect in January 2009. Because of the litigation history unique to this *Order*, we also compared the average volume of imports for the period between the base year (*i.e.*, 2004) and 2008 (*i.e.*, a period when there was no order in place) to the volume of the imports during the period of this sunset review. Since the publication of the *Order*, the import volume of diamond sawblades from China decreased from the 2004-2008 period to the period of this sunset review.<sup>61</sup>

While the volume of imports under HTSUS heading 8202.39 contains a basket category of merchandise (*i.e.*, subject and non-subject merchandise), for the reasons explained above, the imports under this HTSUS heading are the only products that we can use to compare the volumes for purposes of this sunset review. Based on our analysis of import volumes under this HTSUS heading, we find that the volume of imports for the 2015 to 2019 period increased from the pre-investigation level<sup>62</sup>

Hence, the combination of above *de minimis* margins and increasing import volumes reasonably indicates that dumping is likely to continue or recur as the exporters likely need to dump to sell

---

<sup>57</sup> See *First Sunset Review* IDM at 9-10.

<sup>58</sup> See, *e.g.*, *Folding Gift Boxes from the People's Republic of China: Preliminary Results of the Second Sunset Review of the Antidumping Duty Order*, 77 FR 65361 (October 26, 2012), and accompanying Preliminary Decision Memorandum at 6, unchanged in *Folding Gift Boxes from the People's Republic of China: Final Results of the Second Sunset Review and Continuation of the Antidumping Duty Order*, 78 FR 14269 (March 5, 2013) (collectively *Folding Gift Boxes*); and *Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order*, 79 FR 32913 (June 9, 2014).

<sup>59</sup> See Attachment.

<sup>60</sup> See *Folding Gift Boxes*.

<sup>61</sup> See Attachment.

<sup>62</sup> *Id.*

at pre-order volumes. Therefore, pursuant to section 752(c)(1) of the Act, Commerce determines that revocation of the *Order* is likely to lead to continuation or recurrence of dumping because the record indicates that dumping has continued at levels above *de minimis* during the period of investigation and in subsequent reviews, along with decreasing import volumes.<sup>63</sup>

## 2. Magnitude of the Margins Likely to Prevail

The petitioner requests that Commerce report to the ITC the China-wide rate 164.09 percent determined in the investigation. The petitioner contends that rates from the investigation should be used based on Commerce normally selecting a margin “from the investigation, because that is the only calculated rate that reflects the behavior of exporters ... without the discipline of an order ... in place.”<sup>64</sup> The petitioner cites Commerce’s finding of likely dumping margins of 164.09 percent in the previous five-year review as further evidence of why this rate should be used. The petitioner states that these rates were based on the dumping margin from the petition and are therefore consistent with Commerce’s *Final Modification for Reviews*. The petitioner argues that the separate rate of 82.05 percent assigned to eligible non-selected respondents and the China-wide rate of 82.05 percent assigned to the China-wide entity in the last completed administrative review are further evidence of above *de minimis* margins and calculated in a manner consistent with the *Final Modification for Reviews*.

**Commerce’s Position:** Section 752(c)(3) of the Act provides that the administering authority shall provide to the ITC the magnitude of the margin of dumping that is likely to prevail if the order were revoked. Normally, Commerce will select a margin from the investigation to report to the ITC.<sup>65</sup> Commerce prefers to select a margin from the investigation because it is the only calculated rate that reflects the behavior of producers or exporters without the discipline of an order or suspension agreement in place.<sup>66</sup> Under certain circumstances, however, Commerce may select a more recent rate to report to the ITC. The SAA states that, in certain instances, “a more recently calculated rate may be more appropriate. For example, if dumping margins have declined over the life of an order and imports have remained steady or increased, Commerce may conclude that exporters are likely to continue dumping at the lower rates found in a more recent review.”<sup>67</sup> Finally, as explained above, in accordance with the *Final Modification for Reviews*, Commerce will not rely on weighted-average dumping margins that were calculated using the zeroing methodology.<sup>68</sup>

In the investigation, we calculated weighted-average dumping margins for the three selected respondents using the zeroing methodology. These margins were above *de minimis* and

---

<sup>63</sup> See SAA at 890 (explaining that “{i}f companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the discipline were removed”).

<sup>64</sup> See Substantive Response at 15-16, quoting Policy Bulletin 98.3 and SAA at 890.

<sup>65</sup> See SAA at 890; see also, e.g., *Persulfates from the People’s Republic of China: Notice of Final Results of Expedited Sunset Review of Antidumping Duty Order*, 73 FR 11868 (March 5, 2008) and the accompanying IDM at Comment 2 (“Normally, {Commerce} will select a margin from the final determination in the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order or suspension agreement in place.”).

<sup>66</sup> See *Eveready Battery Co., Inc. v. United States*, 77 F. Supp. 2d 1327, 1333 (CIT 1999); see also SAA at 890.

<sup>67</sup> See SAA at 890-891.

<sup>68</sup> See *Final Modification for Reviews*, 77 FR at 8103.

calculated in a manner consistent with the *Final Modification for Reviews*. Also, the China-wide rate of 164.09 percent in the LTFV investigation was based on the dumping margin from the petition and does not include zeroing and is consistent with the *Final Modification for Reviews*. Here, Commerce finds that the magnitude of the margins of dumping likely to prevail if the Orders were revoked is the range of weighted-average dumping margins up to 164.09 percent for China.

## VII. FINAL RESULTS OF SECOND EXPEDITED SUNSET REVIEW

We determine that revocation of the *AD Order* on diamond sawblades from China would be likely to lead to continuation or recurrence of dumping at weighted-average margins up to 164.09 percent.

## VIII. RECOMENDATION

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

\_\_\_\_\_  
Agree

\_\_\_\_\_  
Disagree

X  
\_\_\_\_\_

\_\_\_\_\_  
Jeffrey I. Kessler  
Assistant Secretary  
for Enforcement and Compliance

Attachment

## Attachment

**HTS - 8202339: CIRCULAR SAW BLADES OF BASE METAL WITH WORKING PART OF MATERIAL OTHER THAN STEEL, AND PARTS**  
**First Unit of Quantity by Country Name and First Unit of Quantity**

U.S. Imports for Consumption

Annual Data

Country	HTS Number	Quantity Description	2004	2005	2006	2007	2008
			In Actual Units of Quantity				
China	820239	Number	10,940,273	12,567,387	13,247,385	16,660,676	15,269,429
<b>2004-2008 Average</b>			13,737,030				

Country	HTS Number	Quantity Description	2015	2016	2017	2018	2019
			In Actual Units of Quantity				
China	820239	Number	12,556,110	11,139,759	11,040,086	12,717,285	11,444,164
<b>2015-2019 Average</b>			11,779,481				

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