



A-570-945
Sunset Review
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December 28, 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 the Expedited Second Sunset Review of the Antidumping Duty Order on Prestressed Concrete Steel Wire Strand from the People's Republic of China

I. SUMMARY

We have analyzed the response of domestic producers of prestressed concrete steel wire strand (PC strand) in the second sunset review of the antidumping duty (AD) order on PC strand from the People's Republic of China (China). No other interested party submitted a substantive response. Accordingly, we conducted an expedited (120-day) sunset review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.218(e)(1)(ii)(C)(2). We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum. Below is the complete list of the 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

On June 29, 2010, the Department of Commerce (Commerce) published the AD order on PC strand from China.¹ On September 1, 2020, Commerce initiated the second sunset review of the AD order on PC strand from China pursuant to section 751(c) of the Act.² Commerce received a notice of intent to participate from domestic interested parties, Insteel Wire Products Company, Sumiden Wire Products Corporation, and Wire Mesh Corporation (collectively, "Domestic

¹ See *Notice of Antidumping Duty Order; Prestressed Concrete Steel Wire Strand from the People's Republic of China*, 75 FR 37382 (June 29, 2010) (*Order*).

² See *Initiation of Five-Year (Sunset) Reviews*, 85 FR 54348 (September 1, 2020).



Industry”), within the deadline specified in 19 CFR 351.218(d)(1)(i).³ The members of the Domestic Industry claimed interested party status under section 771(9)(C) of the Act as producers of the domestic like product. On September 30, 2020, Commerce received a substantive response from the Domestic Industry within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).⁴ Commerce received no responses from respondent interested parties with respect to the *Order* covered by this sunset review.

On October 27, 2020, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive an adequate substantive response from respondent interested parties.⁵ 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 product covered by the *Order* is PC strand, produced from wire of non-stainless, non-galvanized steel, which is suitable for use in prestressed concrete (both pretensioned and post-tensioned) applications. The product definition encompasses covered and uncovered strand and all types, grades, and diameters of PC strand. PC strand is normally sold in the United States in sizes ranging from 0.25 inches to 0.70 inches in diameter. PC strand made from galvanized wire is only excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft² standard set forth in ASTM-A-475. Imports of the subject merchandise are currently classifiable under subheadings 7312.10.3010 and 7312.10.3012 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

IV. HISTORY OF THE *ORDER*

On May 21, 2010, Commerce published its *Final Determination* in the less-than-fair-value (LTFV) investigation of PC strand from China.⁶ In that determination, Commerce found the following weighted-average dumping margins:⁷

³ See Domestic Industry’s Letter, “Prestressed Concrete Steel Wire Strand from the People’s Republic of China – Domestic Industry’s Notice of Intent to Participate,” dated September 14, 2020.

⁴ See Domestic Industry’s Letter, “Prestressed Concrete Steel Wire Strand from the People’s Republic of China – Domestic Industry’s Substantive Response,” dated September 30, 2020 (Substantive Response).

⁵ See Commerce’s Letter, “Sunset Reviews Initiated on September 1, 2020,” dated October 27, 2020.

⁶ See *Prestressed Concrete Steel Wire Strand from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 75 FR 28560 (May 21, 2010) (*Final Determination*).

⁷ See *Final Determination*, 75 FR at 28563; see also *Order*, 75 FR at 37382.

| Exporter | Weighted-Average Margin (%) |
|--|-----------------------------|
| Wuxi Jinyang Metal Products Co., Ltd. | 42.97 |
| Xinhua Metal Products Co., Ltd. | 175.94 |
| Fasten Group Import & Export Co., Ltd. | 175.94 |
| China-Wide Entity | 193.55 |

Following the issuance of Commerce’s *Final Determination*, the ITC found that the U.S. industry was threatened with material injury by reason of imports from China pursuant to section 735(b) of the Act.⁸ Subsequently, Commerce published the *Order*.⁹

Since the issuance of the *Order*, Commerce has not conducted an administrative review. In the first sunset review, we found that revocation of the *Order* would be likely to lead to continuation or recurrence of dumping.¹⁰ In addition, the ITC determined, pursuant to section 751(c) of the Act, that revocation of the *Order* would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹¹ Thus, Commerce published the notice of continuation of the *Order*.¹²

Commerce has not conducted any administrative reviews, new shipper reviews, or changed circumstances reviews, made any scope rulings, or found duty absorption over the history of the *Order*. The *Order* remains in effect for all Chinese producers and exporters of PC strand.

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 a continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making this determination, 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 periods before and the periods after the issuance of the AD order. In addition, section 752(c)(3) of the Act provides that Commerce shall provide to the ITC the magnitude of the margin of dumping likely to prevail if the order were revoked.

⁸ See *Prestressed Concrete Steel Wire Strand from China*, USITC Investigation Nos. 701-TA-464 and 731-TA-1160 (Final), USITC Publication 4162 (June 2010).

⁹ See *Order*.

¹⁰ See *Prestressed Concrete Steel Wire Strand s from the People’s Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 80 FR 43063 (July 21, 2015) (*First Sunset*), and accompanying Issues and Decision Memorandum (IDM).

¹¹ See *Prestressed Concrete Steel Wire Strand from China: Determination*, USITC Investigation Nos. 701-TA-464 and 731-TA-1160 (Review), USITC Publication 4569 (September 2015).

¹² See *Prestressed Concrete Steel Wire Strand from the People’s Republic of China: Continuation of Antidumping Duty Order and Countervailing Duty Orders*, 80 FR 61372 (October 13, 2015).

In accordance with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the SAA,¹³ the House Report,¹⁴ and the Senate Report,¹⁵ Commerce's determinations of likelihood will be made on an order-wide, rather than a company-specific, basis.¹⁶ In addition, Commerce normally determines that revocation of an AD order is likely to lead to continuation or recurrence of dumping when: (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 the order and import volumes for the subject merchandise declined significantly.¹⁷ 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.¹⁸

Furthermore, as a base period of 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 the investigation may dampen import volumes and, thus, skew the comparison.¹⁹ Also, when analyzing import volumes for 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.²⁰

In addition, section 752(c)(3) of the Act states that the magnitude of the margin of dumping that is likely to prevail if the order were revoked shall be provided by Commerce to the ITC. Generally, Commerce selects the weighted-average dumping margins from the final determination in the original investigation, as these rates are the only calculated rates that reflect the behavior of exporters without the discipline of an order in place.²¹ In certain circumstances, however, a more recently-calculated rate may be more appropriate (*e.g.*, "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").²² Finally, pursuant to section 752(c)(4)(A) of the Act, a

¹³ See Statement of Administrative Action accompanying the Uruguay Round Agreements Act (SAA), H.R. Doc. 103-316, vol. 1 (1994).

¹⁴ See H. Rep. No. 103-826, pt. 1 (1994) (House Report).

¹⁵ See S. Rep. No. 103-412 (1994) (Senate Report).

¹⁶ See SAA at 879; *see also* House Report at 56.

¹⁷ See SAA at 889-890; *see also* House Report at 63-64; 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) (*Sunset Policy Bulletin*).

¹⁸ See SAA at 889-890; *see also* House Report at 63.

¹⁹ See *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.

²⁰ See, *e.g.*, *Certain Welded Carbon Steel Pipes and Tubes from India, Thailand, and Turkey: Final Results of the Expedited Fourth Sunset Reviews of the Antidumping Duty Orders*, 82 FR 46485 (October 5, 2017), and accompanying IDM; *see also* *Ferrovandium from the People's Republic of China and the Republic of South Africa: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Orders*, 79 FR 14216 (March 13, 2014), and accompanying IDM.

²¹ See SAA at 890; *see also* *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) (*Persulfates Second Sunset Review*), and accompanying IDM at Comment 2.

²² See SAA at 890-91.

dumping margin of zero or *de minimis* shall not by itself require Commerce to determine that revocation of an order would not be likely to lead to a continuation or recurrence of sales at LTFV.²³

Regarding the margin of dumping likely to prevail, in the *Final Modification for Reviews*, Commerce announced that in five-year (*i.e.*, sunset) reviews, it will not rely on weighted-average dumping margins that were calculated using the zeroing methodology.²⁴ However, Commerce explained in the *Final Modification for Reviews* that it “retain{s} the discretion, on a case-by-case basis, to apply an alternative methodology, when appropriate” in both investigations and administrative reviews pursuant to section 777A(d)(1)(B) of the Act.²⁵ In the *Final Modification for Reviews*, Commerce stated that “only in the most extraordinary circumstances” would it rely on margins other than those calculated and published in prior determinations.²⁶ Commerce further stated that, apart from the “most extraordinary circumstances,” it would “limit its reliance to margins determined or applied during the five-year sunset period that were not determined in a manner found to be WTO-inconsistent” and that it “may also rely on past dumping margins recalculated pursuant to Section 129 proceedings, dumping margins determined based on the use of total adverse facts available (AFA), and dumping margins where no offsets were denied because all comparison results were positive.”²⁷

VI. DISCUSSION OF THE ISSUES

1. Likelihood of Continuation or Recurrence of Dumping

Interested Party Comments²⁸

The Domestic Industry argues that revocation of the *Order* would lead to a continuation or recurrence of dumping by producers and exporters of PC strand from China because dumping margins have remained at above *de minimis* levels and subject imports have significantly declined following the imposition of the *Order*. The Domestic Industry further states that these conditions are addressed in Commerce’s *Policy Bulletin*, and, thus, Commerce should find that dumping would be likely to continue absent the *Order*.²⁹

Commerce’s Position

As explained in the “Legal Framework” section above, 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

²³ See *Folding Gift Boxes from the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 72 FR 16765 (April 5, 2007), and accompanying IDM at Comment 1.

²⁴ 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*).

²⁵ *Id.*, 77 FR at 8102, 8105, and 8109.

²⁶ *Id.*

²⁷ *Id.*

²⁸ See Substantive Response at 10-17.

²⁹ *Id.* at 15

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. According to the SAA, the existence of dumping margins after the order “is highly probative of the likelihood of continuation or recurrence of dumping. 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. If imports cease after the order is issued, it is reasonable to assume that the exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping.”³⁰ In addition, “declining import volumes accompanied by the continued existence of dumping margins after the issuance of the order may provide a strong indication that, absent an order, dumping would be likely to continue, because the evidence would indicate that the exporter needs to dump to sell at pre-order volumes.”³¹ Alternatively, the legislative history provides that declining (or no) dumping margins accompanied by steady or increasing imports may indicate that foreign companies do not have to dump to maintain market share in the United States and that dumping is less likely to continue or recur if the order were revoked.³²

In the LTFV investigation, Commerce calculated a weighted-average dumping margin of 175.94 percent for Xinhua Metal Products Co., Ltd., the mandatory respondent, and 42.97 percent for Wuxi Jinyang Metal Products Co., Ltd., a voluntary respondent. Besides granting these companies a separate rate, we also granted a separate rate to Fasten Group Import & Export Co., Ltd. Further, Commerce found that the China-wide entity failed to cooperate to the best of its ability and, as adverse facts available, assigned it the petition rate, *i.e.*, 193.55 percent.³³ Thus, Commerce determined rates above *de minimis* for all Chinese manufacturers and exporters during the original investigation.³⁴ There have been no administrative reviews since issuance of the *Order*. Thus, any entries of subject merchandise into the United States after issuance of the *Order* were assessed at above *de minimis* AD rates.³⁵ As noted above, Commerce normally determines that revocation of an AD order would be likely to lead to continuation or recurrence of dumping when dumping continued at any level above *de minimis* after issuance of the order.

In analyzing import volumes for the period of this second sunset review, based on Commerce and ITC import statistics provided by the Domestic Industry, we determine record evidence demonstrates that PC strand imports from China are lower in the last five years in comparison to pre-2009 import volumes, when annual imports were at or exceeded 380,000,000 pounds.³⁶ From 2015 to 2019, combined annual imports of PC strand from China did not exceed 1,600,000 pounds.³⁷ Thus, import volumes substantially continue to be lower than they were pre-*Order*. Additionally, we considered the Domestic Industry’s statement that imports of PC strand have continued to decline since the imposition of the *Order*. Accordingly, pursuant to section 752(c)(1) of the Act, we determine that revocation of the *Order* would likely result in the continuation of dumping in the United States.

³⁰ See SAA at 890.

³¹ *Id.* at 889; see also House Report at 63; and Senate Report at 52.

³² See SAA at 889-90; see also House Report at 63; and Senate Report at 52.

³³ See *Final Determination*

³⁴ See *Order* at 75 FR 37383-37384

³⁵ See *First Sunset*, 80 FR at 43064

³⁶ See Substantive Response at Attachment I.

³⁷ *Id.*

2. Magnitude of the Margins Likely to Prevail

Interested Party Comments³⁸

The Domestic Industry cites to the SAA and the *Sunset Policy Bulletin* and notes that Commerce normally will select the rate from the original investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of the order in place. Therefore, the Domestic Industry argues that, consistent with the SAA and the *Sunset Policy Bulletin*, Commerce should rely upon the dumping margins from the original investigation. As such, the Domestic Industry contends that Commerce should report to the ITC that the magnitude of the dumping margins that are likely to prevail is indicated in the margins determined in the original AD order (*i.e.*, 42.97 percent for Wuxi Jinyang Metal Products Co., Ltd., 175.94 percent for both Xinhua Metal Products Co., Ltd. and Fasten Group Import & Export Co., Ltd., and 193.55 percent for the China-wide entity).³⁹

Commerce's Position

Pursuant to section 752(c)(3) of the Act, Commerce shall provide the ITC with the magnitude of the margin of dumping that is likely to prevail if an order were revoked. Normally, Commerce will select a weighted-average margin from the investigation to report to the ITC.⁴⁰ Commerce's preference for selecting a margin from the LTFV investigation is based on the fact that it is the only calculated rate that reflects the behavior of the manufacturers, producers, and exporters without the discipline of an order in place.⁴¹ Because dumping continued following the issuance of the *Order* and, given the absence of argument and evidence to the contrary, Commerce finds that the margins calculated in the original investigation are probative of the behavior of producers and exporters of subject merchandise from China if the *Order* were revoked. As indicated in the "Legal Framework" section above, consistent with *Final Modification for Reviews*, Commerce's current practice is to not rely on weighted-average dumping margins calculated using the zeroing methodology. The weighted-average dumping margins were calculated without employing zeroing methodology. The China-wide entity 193.55 percent rate determined in the final determination was based on a rate from the petition and was calculated without the zeroing methodology.⁴² Accordingly, consistent with section 752(c) of the Act, Commerce will report to the ITC the rate as indicated in the Final Results of Sunset Review section below.

³⁸ *Id.* at 10-17.

³⁹ *Id.*

⁴⁰ See SAA at 890; *see also Persulfates Second Sunset Review* IDM at Comment 2.

⁴¹ See SAA at 890; *see also Sunset Policy Bulletin* at 18872 (April 16, 1998) at section II.B.1; and *Persulfates Second Sunset Review* IDM at Comment 2.

⁴² Commerce announced it would cease zeroing in investigations on December 26, 2006. *See Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin During an Antidumping Investigation; Final Modification*, 71 FR 77722 (December 27, 2006).

VII. FINAL RESULTS OF SUNSET REVIEW

Commerce determines that revocation of the *Order* would be likely to lead to continuation or recurrence of dumping. Commerce also determines that the magnitude of the dumping margins likely to prevail would be up to 193.55 percent.

VIII. RECOMMENDATION

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

Agree

Disagree

12/28/2020

X



Signed by: JEFFREY KESSLER
Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance