

MEMORANDUM TO: David M. Spooner  
Assistant Secretary  
for Import Administration

FROM: Stephen J. Claeys  
Deputy Assistant Secretary  
for Import Administration

SUBJECT: Issues and Decision Memorandum for the Expedited Sunset Review of  
the Antidumping Duty Order on Non-Malleable Cast Iron Pipe Fittings  
from the People's Republic of China; Final Results

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### Summary

We have analyzed the response of the domestic interested parties in the first sunset review of the antidumping duty order covering non-malleable cast iron pipe fittings (“non-malleable pipe fittings”) from the People’s Republic of China (“PRC”). 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

### History of the Order

On February 18, 2003, the Department of Commerce (“Department”) published its final affirmative determination of sales at less than fair value (“LTFV”) in the Federal Register with respect to imports of non-malleable pipe fittings from the PRC at the following rates:

Jinan Meide Casting Co., Ltd.	7.08
Shanghai Foreign Trade Enterprises Co., Ltd.	6.34
PRC-Wide Rate	75.50

See Notice of Final Determination of Sales at Less Than Fair Value: Non-Malleable Cast Iron Pipe Fittings from the People’s Republic of China, 68 FR 7765 (February 18, 2003).

On April 7, 2003, the Department published in the Federal Register the antidumping duty order on non-malleable pipe fittings from the PRC. See Notice of Antidumping Duty Order: Non-Malleable Cast Iron Pipe Fittings From the People’s Republic of China, 68 FR 16765 (April 7, 2003).

Since the issuance of the antidumping duty order, the Department has conducted two administrative reviews with respect to the order on non-malleable pipe fittings from the PRC.<sup>1</sup> See Non-Malleable Cast Iron Pipe Fittings from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, 71 FR 69546 (December 1, 2006) (“2004-2005 Pipe Fittings from the PRC Final”); Non-Malleable Cast Iron Pipe Fittings from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, 72 FR 38563 (July 13, 2007) (“2005-2006 Pipe Fittings from the PRC Final”). In the 2004-2005 Pipe Fittings from the PRC Final, the Department determined an adverse facts available margin of 75.50 percent for Myland Industrial Co., Ltd. In the 2005-2006 Pipe Fittings from the PRC Final, the Department determined that Myland Industrial Co., Ltd., and Buxin Myland (Foundry) Ltd. (collectively “Myland”) withheld critical information needed for the Department’s separate rate analysis and margin calculation, significantly impeded the review, and provided information that could not be verified. Consequently, Myland lost its separate rate and was assigned the PRC-Wide rate of 75.50 percent.

Additionally, following a scope request from Thomas and Betts Corporation, the Department issued a scope ruling on November 5, 2004, finding certain electrical conduit fittings within the scope of the antidumping order. See Notice of Scope Rulings, 70 FR 24533, 24534 (May 10, 2005). On September 6, 2007, Taco Inc., inquired as to whether black cast iron flange, green ductile iron flange, and the cast iron “Twin Tee” are included within the scope of the antidumping order. See Notice of Scope Rulings, 73 FR 29739, 29740 (May 22, 2008). This scope ruling is still pending. There have been no changed circumstances determinations concerning the order and the Department has made no findings with respect to duty absorption in this case. The order remains in effect for all manufacturers, producers, and exporters of the subject merchandise from the PRC.

On March 3, 2008, the Department published the notice of initiation of the first sunset review of the antidumping duty order on non-malleable pipe fittings from the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended (“Act”). See Initiation of Five-Year (“Sunset”) Reviews, 73 FR 11392 (March 3, 2008). The Department received Notice of Intent to Participate from Anvil International, Inc., and Ward Manufacturing (collectively “the domestic interested parties”) within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested parties claimed interested party status under 19 CFR 351.102(b), as manufacturers of a domestic-like product in the United States. Jinan Meide Casting Co., Ltd. (“JMC”) filed an entry of appearance as an interested party, specifically, as a PRC-based producer and exporter of the subject merchandise under section 771(9)(A) of the Act.

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<sup>1</sup> The Department did not conduct administrative reviews for 2003-2004 and 2006-2007.

We received a complete substantive response from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no substantive response from JMC or from any other respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited (120-day) sunset review of the order.

### Discussion of the Issues

In accordance with section 751(c)(1) of the Act, the Department is conducting this sunset review to determine whether revocation of the antidumping duty 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 this determination, the Department 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 antidumping duty order. In addition, section 752(c)(3) of the Act states that the Department shall provide to the International Trade Commission (“ITC”) the magnitude of the margins of dumping likely to prevail if the order were revoked. Below we address the comments of the domestic interested parties.

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

### Interested Party Comments

The domestic interested parties believe that revocation of this antidumping duty order would likely lead to a continuation or recurrence of dumping by the Chinese manufacturers, producers, and exporters of the subject merchandise. See Substantive Response of domestic interested parties (March 31, 2008) at 3. Specifically, the domestic interested parties argue that revocation of the antidumping order on non-malleable pipe fittings from the PRC would have the effect of the continuation or resumption of sales at LTFV by margins equivalent to, or greater than, those found in the original investigation. Id.

The domestic interested parties contend that prior to the issuance of the LTFV final results, the volume of imports of the subject merchandise were 15,590 and 15,387 short tons in 2001 and 2002, respectively. With the imposition of duties in 2003, imports fell to 12,697 short tons for that year, and then further to 9,814 short tons in 2004. Id. at Exhibit 1. According to the domestic interested parties, imports increased somewhat in 2005 to 2007 (12,702 short tons in 2005, 11,348 short tons in 2006, and 12,832 short tons in 2007), but remained below the pre-investigative levels. Id. According to the domestic interested parties, the antidumping margins established in the original investigation and the subsequent administrative reviews continue to provide relief for the U.S. industry from dumped products. Thus, the domestic interested parties claim that the decrease in imports of the subject merchandise from the PRC indicates a strong likelihood of a recurrence of dumping should the antidumping order be revoked and urges the

Department not to terminate the antidumping duty order on non-malleable pipe fittings from the PRC. See Substantive Response of domestic interested parties (March 31, 2008) at 4-5.

### Department's Position

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. 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”), the Department’s determinations of likelihood will be made on an order-wide basis. See SAA at 879 and House Report at 56. In addition, the Department normally will determine that revocation of an antidumping duty 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 the order and import volumes for the subject merchandise declined significantly. See SAA at 889 and 890, House Report at 63-64, and Senate Report at 52. In addition, pursuant to 752(c)(1)(B) of the Act, the Department considers the volume of imports of the subject merchandise for the period before and after the issuance of the antidumping duty order.

In the original investigation, the Department calculated weighted-average dumping margins that ranged between 6.34 and 75.50 percent for several Chinese manufacturers, producers, and exporters of non-malleable pipe fittings. Moreover, in reviews conducted subsequent to the original investigation, margins above de minimis levels continued for Chinese companies, including the PRC-Wide Entity. See 2004-2005 Pipe Fittings from the PRC Final, 2005-2006 Pipe Fittings from the PRC Final. Given that dumping continues at above de minimis levels, the Department determines that dumping is likely to continue or recur if the order were revoked.

## 2. Magnitude of the Margin Likely to Prevail

### Interested Party Comments

The domestic interested parties request that the Department report to the ITC the margins determined in the original investigation, and confirm the margins assigned to the companies in the subsequent 2004-2005 and 2005-2006 administrative reviews. See Substantive Response of domestic interested parties (March 31, 2008) at 6.

### Department's Position

Normally the Department will provide to the ITC the company-specific margin from the investigation for each company. See SAA at 890. For companies not investigated specifically, or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the non-market economy (“NME”) Wide Entity rate from the investigation. The Department’s preference for selecting a margin from the

investigation is based on the fact that it is the only calculated rate that reflects the behavior of manufacturers, producers, and exporters without the discipline of an order or suspension agreement in place. Under certain circumstances, however, the Department may select a more recently calculated margin to report to the ITC.

Since the original investigation, the Department conducted two administrative reviews on non-malleable pipe fittings from the PRC. In this sunset review, the domestic interested parties request that the Department continue to use the investigation's rates for those companies which participated in the original investigation with the addition of a rate for Myland of 75.50 percent. See Substantive Response of domestic interested parties (March 31, 2008) at 6.

The Department finds that it is appropriate to provide the ITC with the rates from the investigation for those companies involved in the original investigation because these are the only calculated rates that reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. Regarding Myland, the Department notes that the respondent was found to be ineligible for a separate rate in the 2005-2006 administrative review, where it was assigned the PRC-Wide rate. See 2005-2006 Pipe Fittings from the PRC Final at 38564. Consequently, the Department finds that, with regard to Myland, it is appropriate to provide the ITC with the rate from the investigation for the PRC-Wide Entity. Thus, pursuant to section 752(c)(3) of the Act, the Department will report to the ITC the margins as listed in the "Final Results of Review" section below.

#### Final Results of Review

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

Manufacturers/Exporters/Producers	Weighted-Average Margin (percent)
Jinan Meide Casting Co., Ltd.	7.08
Shanghai Foreign Trade Enterprises Co., Ltd.	6.34
PRC-Wide Entity Rate (including Myland Industrial Co., Ltd., and Buxin Myland (Foundry) Ltd.)	75.50

#### Recommendation

Based on our analysis of the substantive response received, 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.

AGREE \_\_\_\_\_

DISAGREE \_\_\_\_\_

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David M. Spooner  
Assistant Secretary  
for Import Administration

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(Date)