



A-583-820
A-570-822
Sunset Review
Public Document
Office I: JS

DATE: March 1, 2017

MEMORANDUM TO: Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Senior Director, Office I
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of the
Expedited Fourth Sunset Reviews of the Antidumping Duty Orders
on Certain Helical Spring Lock Washers from the People's
Republic of China and Taiwan

SUMMARY

We have analyzed the substantive responses of the domestic interested party in the fourth sunset reviews of the antidumping duty (AD) orders covering certain helical spring lock washers (lock washers) from the People's Republic of China (PRC) and Taiwan.¹ We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum. Below is a complete list of the issues in these sunset reviews for which we received substantive responses:

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

BACKGROUND

On November 1, 2016, the Department of Commerce (the Department) published the notice of initiation of the fourth sunset reviews of the AD orders on lock washers from the PRC and Taiwan pursuant to section 751(c) of the Act.² On November 4, 2016, the Department received notices of intent to participate in both reviews from Shakeproof Assembly Components Division of Illinois Tool Works Inc. (the petitioner) within the deadline specified in 19 CFR 351.218(d)(1)(i). The petitioner claimed interested party status under section 771(9)(C) of the Act, as a producer of the domestic like product. On December 1, 2016, the Department received adequate substantive responses from the petitioner, within the deadline specified in 19 CFR 351.218(d)(3)(i). The Department did not receive substantive responses from any respondent

¹ We received no responses from respondent interested parties.

² See *Initiation of Five-Year (Sunset) Review*, 81 FR 75808 (November 1, 2016).



interested party to these proceedings. 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 has conducted expedited sunset reviews of these AD orders.

SCOPE OF THE ORDERS

The products covered by the orders are helical spring lock washers of carbon steel, of carbon alloy steel, or of stainless steel, heat-treated or non-heat-treated, plated or non-plated, with ends that are off-line. Helical spring lock washers are designed to: (1) Function as a spring to compensate for developed looseness between the component parts of a fastened assembly; (2) distribute the load over a larger area for screws or bolts; and (3) provide a hardened bearing surface. The scope does not include internal or external tooth washers, nor does it include spring lock washers made of other metals, such as copper.³

Helical spring lock washers subject to the orders are currently classifiable under subheadings 7318.21.0000, 7318.21.0030, and 7318.21.0090 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.⁴

HISTORY OF THE ORDERS

PRC

On September 20, 1993, the Department published its affirmative determination of sales at less than fair value (LTFV) with respect to lock washers from the PRC.⁵ On October 19, 1993, the Department published the AD order on lock washers from the PRC.⁶ On November 23, 1993, the Department published an amended order, which included an amendment to the LTFV determination in order to correct ministerial errors made in the margin calculations in the *Final*

³ The Department determined that helical spring washers which are imported into the United States in an uncut, coil form are within the scope of the order. See *Notice of Scope Rulings*, 62 FR 62288, (November 21, 1997).

⁴ See *Antidumping Duty Order: Certain Helical Spring Lock Washers from the People's Republic of China*, 58 FR 53914 (October 19, 1993); see also *Amended Final Determination and Amended Antidumping Duty Order: Certain Helical Spring Lock Washers from the People's Republic of China*, 58 FR 61859 (November 23, 1993).

⁵ See *Final Determination of Sales at Less Than Fair Value: Certain Helical Spring Lock Washers from the People's Republic of China*, 58 FR 48833 (September 20, 1993) (*Final Determination*).

⁶ See *Antidumping Duty Order: Certain Helical Spring Lock Washers from the People's Republic of China*, 58 FR 53914 (October 19, 1993).

*Determination.*⁷ The Department established a weighted-average margin of 69.88 percent for Hangzhou Spring Washer Plant (HSWP) and HSWP via seven foreign trading companies,⁸ and 128.63 percent for the PRC-wide entity. Following the investigation and prior to the first sunset review initiation, the Department conducted four administrative reviews.⁹ In the 1993-1994 administrative review, the Department published one company-specific weighted-average dumping margin of 26.08 percent for Zhejiang Wanxin Group Co., Ltd. (ZWG), also known as HSWP. In the 1994-1995 administrative review, the Department calculated a rate of 38.27 percent for ZWG. The Department calculated a margin of 14.15 percent for ZWG in the 1995-1996 administrative review and a margin of 3.85 percent for ZWG in the 1996-1997 administrative review.

On November 2, 1999, the Department initiated the first sunset review of the AD order on lock washers from Taiwan and the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).¹⁰ As a result of the first sunset review, pursuant to section 751(c) and 752 of the Act, the Department determined that revocation of the AD order on lock washers from the PRC would likely lead to continuation or recurrence of dumping.¹¹ On January 31, 2001, the International Trade Commission (ITC), pursuant to section 751(c) of the Act, published its determination that revocation of the AD order on lock washers from the PRC would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹² Accordingly, the Department published a notice of the

⁷ See *Amended Final Determination and Amended Antidumping Duty Order: Certain Helical Spring Lock Washers from the People's Republic of China*, 58 FR 61859 (November 23, 1993).

⁸ The foreign trading companies are IFI Morgan Limited, Carway Development Limited, Fastwell Industry Co., Ltd., Linkwell Industry Co., Ltd., Midway Fasteners, Ltd., Sunfast International Corp., and Winner Standard Parts Co., Ltd.

⁹ See *Helical Spring Lock Washers from the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 61 FR 41994 (August 13, 1996); *Certain Helical Spring Lock Washers from The People's Republic of China; Final Results of Antidumping Administrative Review*, 61 FR 66255 (December 17, 1996); *Certain Helical Spring Lock Washers from the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 62 FR 61794 (November 19, 1997); and *Certain Helical Spring Lock Washers from the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 64 FR 13401 (March 18, 1999).

¹⁰ See *Notice of Initiation of Five-Year (Sunset) Reviews*, 64 FR 59160 (November 2, 1999) (*First Sunset Review Initiation Notice*).

¹¹ See *Helical Spring Lock Washers from the People's Republic of China and Taiwan; Final Results of Expedited Sunset Reviews*, 65 FR 35605 (June 5, 2000) (*First Sunset Review Final Results*).

¹² See *Helical Spring Lock Washers from China and Taiwan*, 66 FR 8424 (January 31, 2001); see also *Helical Spring Lock Washers from China and Taiwan* (Invs. Nos. 731-TA-624-625 (Review) and USITC Publication 3384, January 2001) (collectively, *First ITC Sunset Final*).

continuation of the AD order on lock washers from the PRC, pursuant to 19 CFR 351.218(f)(4).¹³

Following the first sunset review initiation and prior to the second sunset review, the Department completed six administrative reviews.¹⁴ In the 1997-1998 administrative review, the Department published a weighted-average dumping margin of zero percent for ZWG. In the 1998-1999 administrative review, the Department published a weighted-average dumping margin of 2.76 percent for ZWG (predecessor to Hangzhou Spring Washer Co., Ltd. (Hangzhou)). In the 1999-2000 administrative review, the Department published a weighted-average dumping margin of 0.01 percent for Hangzhou (also known as ZWG). In the 2000-2001 administrative review, the Department published a weighted-average dumping margin of 0.13 (*de minimis*) percent for Hangzhou/(ZWG). In the 2001-2002 administrative review, the Department published a weighted-average dumping margin of 28.59 percent for Hangzhou. In the 2002-2003 administrative review, Hangzhou received a margin of 19.48 percent as a result of litigation.

On January 3, 2006, the Department initiated the second sunset review of the order, pursuant to section 751(c) of the Act.¹⁵ As a result of the second sunset review, pursuant to sections 751(c) and 752 of the Act, the Department determined that revocation of the order would likely lead to continuation or recurrence of dumping.¹⁶ On June 20, 2006, the ITC published its determination that, pursuant to section 751(c) of the Act, revocation of the order would likely lead to

¹³ See *Continuation of Antidumping Duty Orders on Helical Spring Lock Washers from China and Taiwan*, 66 FR 11255 (February 23, 2001) (*First Continuation Notice*).

¹⁴ See *Certain Helical Spring Lock Washers from the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 65 FR 31143 (May 16, 2000); *Certain Helical Spring Lock Washers from the People's Republic of China; Final Results of Antidumping Duty Review*, 66 FR 1078 (January 5, 2001); *Certain Helical Spring Lock Washers from the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 67 FR 8520 (February 25, 2002); *Certain Helical Spring Lock Washers from the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 67 FR 69717 (November 19, 2002); *Certain Helical Spring Lock Washers from the People's Republic of China; Final Results of Antidumping Duty Administrative Review and Determination Not to Revoke the Antidumping Duty Order, in Part*, 69 FR 12119 (March 15, 2004); and *Certain Helical Spring Lock Washers from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 70 FR 28274 (May 17, 2005); as amended, *Notice of Amended Final Results in Accordance With Court Decision: Helical Spring Lock Washers from the People's Republic of China*, 72 FR 68562 (December 5, 2007).

¹⁵ See *Initiation of Five-Year (Sunset) Reviews*, 71 FR 91 (January 3, 2006) (*"Second Sunset Review Initiation Notice"*).

¹⁶ See *Certain Helical Spring Lock Washers from the People's Republic of China and Taiwan: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 71 FR 27227 (May 10, 2006) (*Second Sunset Review Final Results*).

continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁷ Accordingly, the Department published a notice of the continuation of the order, pursuant to 19 CFR 351.218(f)(4).¹⁸

Following the second sunset review initiation and prior to the third sunset review, the Department conducted two administrative reviews and rescinded two others.¹⁹ In the 2005-2006 administrative review, the Department published a weighted-average dumping margin of zero percent for Hangzhou /(ZWG). In the 2007-2008 administrative review, the Department published a weighted-average dumping margin of 6.96 percent for Hangzhou /(ZWG).

On June 1, 2011, the Department initiated the third sunset review of the order, pursuant to section 751(c) of the Act.²⁰ As a result of the third sunset review, pursuant to sections 751(c) and 752 of the Act, the Department determined that revocation of the order would likely lead to continuation or recurrence of dumping.²¹ On November 3, 2011, the ITC published its determination that, pursuant to section 751(c) of the Act, revocation of the order would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²² Accordingly, the Department published a notice of the continuation of the order, pursuant to 19 CFR 351.218(f)(4).²³

¹⁷ See *Helical Spring Lock Washers from China and Taiwan*, 71 FR 35449 (June 20, 2006); see also *Helical Spring Lock Washers from China and Taiwan* Investigation Nos. 701-TA-624 and 625 (Second Review) and USITC Publication 3858, June 2006) (collectively, *Second ITC Sunset Final*).

¹⁸ See *Continuation of Antidumping Duty Orders: Certain Helical Spring Lock Washers from the People's Republic of China and Taiwan*, 71 FR 37904 (July 3, 2006) (*Second Continuation Notice*).

¹⁹ See *Helical Spring Lock Washers from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 73 FR 4175 (January 24, 2008); *Certain Helical Spring Lock Washers from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 75 FR 29720 (May 27, 2010); *Helical Spring Lock Washers from the People's Republic of China: Notice of Rescission of Antidumping Duty Administrative Review*, 73 FR 33991 (June 16, 2008); and *Certain Helical Spring Lock Washers from the People's Republic of China: Rescission of Antidumping Duty Administrative Review*, 75 FR 16753 (April 2, 2010).

²⁰ See *Initiation of Five-Year (Sunset) Reviews*, 76 FR 31588 (January 3, 2006) (*Third Sunset Review Initiation Notice*).

²¹ See *Certain Helical Spring Lock Washers from the People's Republic of China and Taiwan: Final Results of the Expedited Third Five-Year Sunset Reviews of the Antidumping Duty Orders*, 76 FR 61343 (October 4, 2011) (*Third Sunset Review Final Results*).

²² See *Helical Spring Lock Washers from China and Taiwan*, 76 FR 72722 (November 25, 2011); see also *Helical Spring Lock Washers from China and Taiwan* Investigation Nos. 731-TA-624 and 625 (*Third Review*) and USITC Publication 4276, November 2011) (collectively, *Third ITC Sunset Final*).

²³ See *Certain Helical Spring Lock Washers from Taiwan and the People's Republic of China: Continuation of Antidumping Duty Orders*, 76 FR 75873 (December 5, 2011) (*Third Continuation Notice*).

Following the third sunset review initiation and prior to the fourth sunset review, the Department conducted one administrative review.²⁴ In the 2012-2013 administrative review, the Department published a weighted-average dumping margin of 189.81 percent for Jiangsu RC Import & Export Co., Ltd. (Jingsu RC).

The order remains in effect for all known producers/exporters of the subject merchandise from the PRC. To date, the Department has not issued any duty absorption findings in this case.

Taiwan

On May 11, 1993, the Department published its affirmative determination of sales at LTFV with respect to lock washers from Taiwan.²⁵ The AD order on lock washers from Taiwan was published on June 28, 1993.²⁶ The Department calculated three company-specific weighted-average dumping margins of 31.93 percent for Spring Lake Enterprises Co., Ltd., Ceimiko Industrial Co. Ltd., and Par Excellence Industrial Co., Ltd., as well as an “All Others” rate of 31.93 percent.

On November 2, 1999, the Department initiated the first sunset review of the AD order on lock washers from Taiwan, pursuant to section 751(c) of the Act.²⁷ As a result of the first sunset review, pursuant to sections 751(c) and 752 of the Act, the Department determined the revocation of the order would likely lead to continuation or recurrence of dumping.²⁸ On January 31, 2001, the ITC, pursuant to section 751(c) of the Act, determined that revocation of the order would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²⁹ Accordingly, the Department published a notice of the continuation of the order, pursuant to 19 CFR 351.218(f)(4).³⁰

²⁴ See *Helical Spring Lock Washers from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 80 FR 13833 (March 17, 2015); see also, *Helical Spring Lock Washers from the People's Republic of China: Amended Final Results of Antidumping Duty Administrative Review 2012-2013*, 80 FR 21208 (April 17, 2015).

²⁵ See *Final Determination of Sales at Less Than Fair Value: Certain Helical Spring Lock Washers from Taiwan*, 58 FR 27709 (May 11, 1993)

²⁶ See *Antidumping Duty Order: Certain Helical Spring Lock Washers from Taiwan*, 58 FR 34567 (June 28, 1993).

²⁷ See *First Sunset Review Initiation Notice*.

²⁸ See *First Sunset Review Final Results*.

²⁹ See *First ITC Sunset Final*.

³⁰ See *First Continuation Notice*.

On January 3, 2006, the Department initiated the second sunset review of the order, pursuant to section 751(c) of the Act.³¹ As a result of the second sunset review, pursuant to sections 751(c) and 752 of the Act, the Department determined that revocation of the order would likely lead to continuation or recurrence of dumping.³² On June 20, 2006, the ITC published its determination that, pursuant to section 751(c) of the Act, revocation of the order would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.³³ On July 3, 2006, the Department published a notice of the continuation of the order, pursuant to 19 CFR 351.218(f)(4).³⁴

On June 1, 2011, the Department initiated the third sunset review of the order, pursuant to section 751(c) of the Act.³⁵ As a result of the third sunset review, pursuant to sections 751(c) and 752 of the Act, the Department determined that revocation of the order would likely lead to continuation or recurrence of dumping.³⁶ On November 3, 2011, the ITC published its determination that, pursuant to section 751(c) of the Act, revocation of the order would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.³⁷ Accordingly, the Department published a notice of the continuation of the order, pursuant to 19 CFR 351.218(f)(4).³⁸

The Department has not conducted any administrative reviews of this order to date. The order remains in effect for all known producers/exporters of the subject merchandise from Taiwan. To date, the Department has not issued any duty absorption findings in this case.

LEGAL FRAMEWORK

In accordance with section 751(c)(1) of the Act, the Department is conducting these sunset reviews to determine whether revocation of the AD orders would be likely to lead to the continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that in making these determinations, the Department shall consider both the weighted-average dumping margins determined in the investigation and subsequent reviews, and the volume of imports of

³¹ See *Second Sunset Review Initiation Notice*.

³² See *Second Sunset Review Final Results*.

³³ See *Second ITC Sunset Final*.

³⁴ See *Second Continuation Notice*.

³⁵ See *Third Sunset Review Initiation Notice*.

³⁶ See *Third Sunset Review Final Results*.

³⁷ See *Third ITC Sunset Final*.

³⁸ See *Third Continuation Notice*.

the subject merchandise for the period before, and the period after, the issuance of the AD orders.

In accordance with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the Statement of Administrative Action, H.R. Doc. 103-316, vol. 1 (1994) (SAA), 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, rather than company-specific, basis.³⁹ In addition, the Department normally determines that revocation of an AD order is likely to lead to continuation or recurrence of dumping when, among other scenarios: (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.⁴⁰ Alternatively, the Department 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.⁴¹

In addition, as a base period for import volume comparison, it is the Department'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.⁴² Also, when analyzing import volumes for second and subsequent sunset reviews, the Department'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.⁴³

³⁹ See SAA at 879 and House Report at 56.

⁴⁰ See SAA at 889-90, House Report at 63-64, and Senate Report at 52. See also *Policies Regarding the Conduct of Five-Year (Sunset) Reviews of Antidumping and Countervailing Duty Orders*; *Policy Bulletin 98.3*, 63 FR 18871, 18872 (April 16, 1998) (*Sunset Policy Bulletin*).

⁴¹ See SAA, H.R. Rep. No. 103-316, Vol. 1 (1994), at 889-90.

⁴² 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 Issues and Decision Memorandum at Comment 1.

⁴² See *Ferrovanadium 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 Issues and Decision Memorandum.

⁴³ See *Ferrovanadium 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 Issues and Decision Memorandum.

Further, section 752(c)(3) of the Act states that the Department shall provide to the ITC the magnitude of the margin of dumping likely to prevail if the order were revoked. Generally, the Department 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.⁴⁴ However, the Department 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).⁴⁵ Finally, pursuant to section 752(c)(4)(A) of the Act, a dumping margin of “zero or *de minimis* shall not by itself require” the Department to determine that revocation of an AD order would not be likely to lead to a continuation or recurrence of sales at LTFV.

In the *Final Modification for Reviews*, the Department 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 methodology determined by the Appellate Body to be World Trade Organization (WTO)-inconsistent, *i.e.*, zeroing/the denial of offsets.⁴⁶ The Department also noted that “only in the most extraordinary circumstances will the Department rely on margins other than those calculated and published in prior determinations.”⁴⁷ The Department further noted 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.⁴⁸

DISCUSSION OF THE ISSUES

Below we address the comments submitted by the petitioner in these proceedings.

1. Likelihood of Continuation or Recurrence of Dumping

⁴⁴ See SAA at 890. See also, *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 Issues and Decision Memorandum at Comment 2.

⁴⁵ See SAA at 890-91.

⁴⁶ 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*).

⁴⁷ *Id.*

⁴⁸ *Id.*

The petitioner asserts that revocation of either AD order would likely lead to continuation or recurrence of dumping.⁴⁹ The petitioner notes that section 752(c)(1) of the Act instructs the Department to consider the dumping margins in the investigation and reviews. The petitioner asserts that the Department has found that declining import volumes accompanied by continued dumping margins may provide a strong indication that, absent an order, dumping would be likely to continue or recur.⁵⁰ The petitioner notes that the *Policy Bulletin* states that the existence of dumping margins after the order is highly probative of the likelihood of continuation or recurrence of dumping.⁵¹ According to the petitioner, the existence of *de minimis* margins in some reviews should not affect the Department's conclusion that dumping is likely to continue if the orders were revoked.⁵²

In this case, the petitioner asserts, PRC imports occur at significant volumes but have exhibited an inability to be sold at non-dumped levels. The petitioner maintains that all PRC companies, except one, have a margin of 128.63 percent since the investigation, and the only exception (HSWP/ZWG/Hangzhou) was unable to sell in the United States without resuming dumping (6.96 percent margin in the 13th administrative review, after having previously received a *de minimis* margin).⁵³ The petitioner concludes that, as the PRC respondents have elected to continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the discipline of the order were removed.⁵⁴

For Taiwan, the petitioner notes that, although import volumes rose during the current period of review, they have remained relatively low since the order was imposed. In addition, the petitioner notes, all producers carry a 31.93 percent dumping margin, and no Taiwan respondent has ever been reviewed since the investigation. The petitioner concludes that it is clear that Taiwan producers have concluded that they are unable to compete in the U.S. market at any significant level without selling at considerably LTFV.⁵⁵

⁴⁹ See the petitioner's Letter to the Department, "Helical Spring Lock Washers from the PRC and Taiwan: Fourth Sunset Reviews," (Shakeproof's Fourth Sunset Review) at 6.

⁵⁰ See *Policies Regarding the Conduct of Five-year (Sunset) Reviews of Antidumping and Countervailing Duty Orders*; *Policy Bulletin*, 63 FR 18871, 18872 (April 16, 1998) (*Policy Bulletin*) (quoting the Statement of Administrative Action, H.R. Doc. No. 103-316, Vol. 1, at 889 (1994) (SAA)).

⁵¹ See *Policy Bulletin* 63 FR at 18872, quoting SAA at 890 and the House Report, H. Rep. No. 103-826, pt. 1 (House Report) at 63-64 (1994).

⁵² See *Policy Bulletin* 63 FR at 18873 (citing section 752(c)(4)(A) of the Act).

⁵³ See Shakeproof's Fourth Sunset Review at 8.

⁵⁴ Citing SAA at 890.

⁵⁵ See Shakeproof's Fourth Sunset Review at 7.

Department's Position: As explained in the Legal Framework section above, the Department's determination of likelihood of continuation or recurrence will be made on an order-wide basis for each case.⁵⁶ In addition, the Department 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.⁵⁷ In addition, the Department also considers the volume of imports of the subject merchandise in determining whether revocation of the AD order is likely to lead to continuation or recurrence of dumping. It is the Department's practice to compare the volume of imports for the one-year period preceding the initiation of the LTFV investigation to the volume of imports during the period of review. We address the import volumes for both orders below.⁵⁸

For lock washers from the PRC, deposit rates above *de minimis* remain in effect for all exports. In addition, as described above, we conducted 12 reviews in which we individually reviewed one entity, HSWP/ZWG/Hangzhou. Although the Department calculated zero or *de minimis* rates in four of those reviews, in the last completed administrative review, HSWP/ZWG/Hangzhou received an affirmative dumping margin, indicating that it was unable to sustain its *de minimis* margins. Moreover, the PRC-wide rate, the rate in effect for all other exporters of lock washers from the PRC, is 128.63 percent. Thus, the rates for all PRC producer/exporters are above *de minimis*. In the 2012-2013 administrative review, the Department published a weighted-average dumping margin of 189.81 percent for Jiangsu RC Import & Export Co., Ltd. (Jingsu RC), which is higher than the investigation rate.

For lock washers from Taiwan, deposit rates above *de minimis* remain in effect for all exporters. In addition, as described above, three companies, Spring Lake Enterprises Co., Ltd., Ceimiko Industrial Co. Ltd., and Par Excellence Industrial Co., Ltd., were examined in the investigation and ultimately received dumping margins of 31.93 percent. The Department also determined an "All Others" rate of 31.93 percent. The investigation margins, in addition to being the margins based on a time period for which orders were not yet in place, are the only margins we can examine because no reviews were conducted. We infer from the fact that the respondents have not requested an administrative review that dumping continues, because if dumping had ceased, it is likely they would have requested an administrative review.

⁵⁶ See SAA at 879 and House Report at 56.

⁵⁷ See SAA at 889-890, House Report at 63-64, and Senate Report at 52.

⁵⁸ See Attachment.

Pursuant to section 752(c)(1)(B) of the Act, the Department also considered the volume of imports of the subject merchandise for the period before and after the issuance of the orders. According to data gathered from the U.S. International Trade Commission, U.S. imports of the subject merchandise from the PRC and Taiwan have remained at consistent levels in the last five years since the third sunset review, but above the import levels following issuance of the orders.⁵⁹ Nevertheless, import volumes are not by themselves dispositive of the likelihood of the continuation or recurrence of dumping.

The Department finds that the existence of dumping margins after the issuance of the orders is highly probative of the likelihood of continuation or recurrence of dumping if the orders were to be revoked. As explained in the SAA, if companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the order were removed.⁶⁰ Therefore, pursuant to section 752(c)(1) of the Act, because above *de minimis* dumping margins continued after issuance of the orders, the Department determines that dumping would likely continue or recur if the orders were revoked.

2. Magnitude of the Margins Likely to Prevail

The petitioner asserts that in determining the magnitude of the margins that are likely to prevail if the orders were revoked, the SAA and *Policy Bulletin* state that the Department is normally to select the margins from the investigation.⁶¹ The petitioner claims that the Department will normally select a margin from the investigation because it is the only calculated rate that reflects the behavior of exporters, without the discipline of an order or suspension agreement in place. The petitioner concludes that the Department should report to the ITC the margins determined in the LTFV investigations.⁶²

Department's Position: Section 752(c)(3) of the Act provides that the Department will report to the ITC the magnitude of the margin of dumping that is likely to prevail if the order were revoked. The Department normally will select a margin from the final determination of the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order.⁶³

In the final determination of the investigation from the PRC, the Department found dumping

⁵⁹ See "Import Volumes and Values" for import data from both the PRC and Taiwan at Attachment 1.

⁶⁰ See SAA at 890.

⁶¹ See SAA at 890 and *Policy Bulletin* 63 FR at 18873.

⁶² See Shakeproof's Fourth Sunset Review at 9-10.

⁶³ See SAA at 890 and the House Report at 64.

margins of 69.88 percent for HSWP (subsequently known as ZWG and Hangzhou) and 128.63 percent for the PRC-wide entity. In the final results of subsequent administrative reviews of the PRC order, margins continued to be above-*de minimis*, with the exception of the calculated rate for HSWP/ZWG/Hangzhou in the 1997-1998, 1999-2000, 2001-2002, and 2005-2006 administrative reviews. In the first, second, and third sunset reviews, the Department determined that the margins calculated in the original investigations were reflective of the behavior of the PRC and Taiwan producers and exporters of lock washers without the discipline of the order.⁶⁴ Under certain circumstances, the Department may select a more recent rate to report to the ITC.⁶⁵ Since the third sunset review, the Department has calculated a weighted-average dumping margin of 189.81 percent for Jingsu RC in the 2012-2013 administrative review, using a WTO-consistent methodology. Therefore, we find it appropriate to provide the margin of 189.81 percent as the rate up to which dumping is likely to continue or recur.

In the final determination of the investigation from Taiwan, the Department found dumping margins of 31.93 percent all companies based on adverse facts available. Since the original investigation, there have been no administrative reviews of the AD order from Taiwan. Thus, the dumping margin from the final determination in the investigation is the only rate that can be reported to the ITC. The 31.93 margin from the investigation was not affected by the zeroing/denial of offsets. As a result, we will report to the ITC the margins of dumping likely to prevail listed in the “Final Results of Review” section below.

FINAL RESULTS OF SUNSET REVIEWS

We determine that revocation of the order on helical spring lock washers from the PRC would be likely lead to continuation or recurrence of dumping and that the magnitude of the margin of dumping likely to prevail would be weighted-average margins up to 189.81 percent.

We determine that revocation of the order on helical spring lock washers from Taiwan would be likely lead to continuation or recurrence of dumping and that the magnitude of the margin of dumping likely to prevail would be weighted-average margins up to 31.93 percent.

RECOMMENDATION

Based on our analysis of the substantive responses received, we recommend adopting the above

⁶⁴ See *First Sunset Review Final Results*; see also *Second Sunset Review Final Results*; see also *Third Sunset Review Final Results*.

⁶⁵ See SAA at 890-91.

positions. If this recommendation is accepted, we will publish the final results of these sunset reviews in the *Federal Register*, and notify the ITC of our determination.



Agree

Disagree

3/1/2017

X Ronald K. Lorentzen

Signed by: RONALD LORENTZEN

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

ATTACHMENT

HTS: Customs Value by HTS Number and Customs Value
for Taiwan

U.S. Imports for Consumption

Annual + Year-To-Date Data from Jan - Nov



HTS Number	Country	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015 YTD	2016 YTD	Percent Change YTD2015 - YTD2016
<i>In Actual Dollars</i>																								
Customs Value where quantities are collected in kilograms																								
7318210030	Taiwan	196,505	380,753	243,084	344,451	212,282	256,575	141,272	141,728	334,012	625,474	631,203	894,994	1,479,891	884,432	1,819,402	2,689,971	2,631,664	2,414,061	2,351,824	2,230,583	2,042,213	1,710,699	-16.20%
7318210090	Taiwan	2,050,139	2,374,002	2,693,521	2,510,638	2,698,006	2,445,261	1,995,837	1,974,875	2,331,365	2,808,444	3,457,201	2,887,411	3,623,404	1,333,405	3,080,243	4,110,981	3,765,116	3,518,473	3,805,828	3,868,725	3,596,328	2,750,052	-23.50%
Subtotal kilograms		2,246,644	2,754,755	2,936,605	2,855,089	2,910,288	2,701,836	2,137,109	2,116,603	2,665,377	3,433,918	4,088,404	3,782,405	5,103,295	2,217,837	4,899,645	6,800,952	6,396,780	5,932,534	6,157,652	6,099,308	5,638,541	4,460,751	-20.90%
Total		2,246,644	2,754,755	2,936,605	2,855,089	2,910,288	2,701,836	2,137,109	2,116,603	2,665,377	3,433,918	4,088,404	3,782,405	5,103,295	2,217,837	4,899,645	6,800,952	6,396,780	5,932,534	6,157,652	6,099,308	5,638,541	4,460,751	-20.90%

HTS: First Unit of Quantity by HTS Number and Customs Value
for Taiwan

U.S. Imports for Consumption

Annual + Year-To-Date Data from Jan - Nov



HTS Number	Country	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015 YTD	2016 YTD	Percent Change YTD2015 - YTD2016
<i>In Actual Units of Quantity</i>																								
First Unit of Quantity where quantities are collected in kilograms																								
7318210030	Taiwan	70,246	131,060	116,631	171,533	84,995	129,657	88,366	70,365	115,819	176,427	183,123	247,578	329,305	256,448	455,439	576,670	576,467	607,489	618,394	550,739	508,699	474,038	-6.80%
7318210090	Taiwan	505,602	585,378	741,609	794,694	823,730	805,404	653,142	605,903	713,670	661,472	792,739	635,676	676,807	243,700	592,452	568,471	604,465	482,100	508,155	478,723	443,587	391,546	-11.70%
Subtotal kilograms		575,848	716,438	858,240	966,227	908,725	935,061	741,508	676,268	829,489	837,899	975,862	883,254	1,006,112	500,148	1,047,891	1,145,141	1,180,932	1,089,589	1,126,549	1,029,462	952,286	865,584	-9.10%

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.