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International Trade Administration
Washington, D.C. 20230

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November 5, 2014

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

FROM: Christian Marsh 
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for Preliminary Results of Antidumping
Duty Administrative Review: Small Diameter Graphite Electrodes
from the People's Republic of China

SUMMARY

In response to requests from interested parties, the Department of Commerce (the Department) is conducting this administrative review of the antidumping duty (AD) order on small diameter graphite electrodes (graphite electrodes) from the People's Republic of China¹ (PRC), covering the period February 1, 2013, through January 31, 2014. The Department preliminarily determines that during the period of review (POR) one manufacturer/exporter covered by this review made sales of subject merchandise at less than normal value. Interested parties are invited to comment on these preliminary results. We intend to issue our final results no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act).

The Department is also rescinding this review for those exporters for which requests for review were timely withdrawn. For the companies for which this review is rescinded, duties shall be assessed at rates equal to the cash deposits of estimated ADs required at the time of entry, or withdrawal from warehouse, for consumption. Exporters for which requests for review were timely withdrawn that did not have a separate rate will remain part of the PRC-wide entity. Furthermore, we determine that one company, for which a review was requested, did not demonstrate entitlement to a separate rate.² As a result, we preliminarily determine that this company remains part of the PRC-wide entity, and is subject to the PRC-wide entity rate.³

¹ See *Antidumping Duty Order: Small Diameter Graphite Electrodes from the People's Republic of China*, 74 FR 8775 (February 26, 2009) (*SDGE Order*).

² See "Separate Rates" section below.

³ See "PRC-Wide Entity" section below.



BACKGROUND

Initiation of the Administrative Review

On February 26, 2009, we published in the *Federal Register* the AD order on graphite electrodes from the PRC.⁴ On February 3, 2014, we published a notice of opportunity to request an administrative review of this order.⁵ On February 27, 2014, the Department received a timely request in accordance with 19 CFR 351.213(b) for an administrative review of 193 companies from SGL Carbon LLC and Superior Graphite Co. (the petitioners).⁶ On that date we also received a timely review request from Henan Sanli Carbon Products Co., Ltd. (Henan Sanli).⁷

On April 1, 2014, we initiated an administrative review of the AD order on graphite electrodes from the PRC with respect to 193 companies.⁸

First Selection of Respondents for Individual Examination

On April 11, 2014, we released to interested parties U.S. Customs and Border Protection data covering POR imports of graphite electrodes from the PRC and invited comments on the Department's selection of respondents for individual examination.⁹ On May 28, 2014, we selected the Fangda Group¹⁰ and Fushun Jinly Petrochemical Carbon Co., Ltd. (Fushun Jinly) for individual examination in this review.¹¹ On June 3, 2014, we sent the AD questionnaire to the Fangda Group and Fushun Jinly.¹²

On June 2, 2014, we received a separate-rate application from Henan Sanli.¹³

⁴ See *SDGE Order*.

⁵ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 79 FR 6159 (February 3, 2014).

⁶ See Letter from the petitioners entitled "Small Diameter Graphite Electrodes from the People's Republic of China – Request for Initiation of Antidumping Administrative Review" dated February 27, 2014.

⁷ See Letter from Henan Sanli entitled "Small Diameter Graphite Electrodes from China; Request for Administrative Review" dated February 27, 2014.

⁸ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 79 FR 18262 (April 1, 2014) (*Initiation Notice*).

⁹ See the Department's memoranda to "All Interested Parties," dated April 11, 2014.

¹⁰ The Fangda Group consists of Beijing Fangda Carbon Tech Co., Ltd., Chengdu Rongguang Carbon Co., Ltd., Fangda Carbon New Material Co., Ltd., Fushun Carbon Co., Ltd., and Hefei Carbon Co., Ltd. We refer to the Fangda Group as a single entity pursuant to 19 CFR 351.401(f)(1). See *Small Diameter Graphite Electrodes From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances, in Part*, 73 FR 49408, 49411-12 (August 21, 2008) (where we collapsed the individual members of the Fangda Group), unchanged in *Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances: Small Diameter Graphite Electrodes from the People's Republic of China*, 74 FR 2049 (January 14, 2009).

¹¹ See the Department's memorandum entitled "Small Diameter Graphite Electrodes from the People's Republic of China: Selection of Respondents for Individual Examination" dated May 28, 2014.

¹² See Letters from the Department releasing the questionnaire, dated June 3, 2014.

¹³ See Letter from Henan Sanli entitled "Small Diameter Graphite Electrodes from China; Submission of Separate Rate Application" dated June 2, 2014.

Withdrawal of Review Requests and Further Respondent Selection

On June 27, 2014,¹⁴ the petitioners timely withdrew their review request and asked the Department to rescind the review with respect to 192 companies for which the Department initiated a review, including the two mandatory respondents the Fangda Group and Fushun Jinly.¹⁵ On July 17, 2014, we selected Henan Sanli for individual examination, as the only remaining respondent with an outstanding request for review. On July 17, 2014, we sent the AD questionnaire to Henan Sanli.¹⁶ On August 22, 2014, Henan Sanli stated that it would no longer participate in the administrative review.¹⁷

Jilin Carbon Import and Export Company¹⁸ and UK Carbon & Graphite Co., Ltd.¹⁹ filed no shipment certifications; however, we are rescinding the review with respect to these companies because we received timely withdrawals of requests for review of these companies.²⁰

We extended the time limit for the preliminary results of review to December 10, 2014, pursuant to section 751(a)(3)(A) of the Act.²¹

SCOPE OF THE ORDER

The merchandise covered by the order includes all small diameter graphite electrodes of any length, whether or not finished, of a kind used in furnaces, with a nominal or actual diameter of 400 millimeters (16 inches) or less, and whether or not attached to a graphite pin joining system or any other type of joining system or hardware. The merchandise covered by the order also includes graphite pin joining systems for small diameter graphite electrodes, of any length, whether or not finished, of a kind used in furnaces, and whether or not the graphite pin joining system is attached to, sold with, or sold separately from, the small diameter graphite electrode. Small diameter graphite electrodes and graphite pin joining systems for small diameter graphite electrodes are most commonly used in primary melting, ladle metallurgy, and specialty furnace applications in industries including foundries, smelters, and steel refining operations. Small diameter graphite electrodes and graphite pin joining systems for small diameter graphite electrodes that are subject to the order are currently classified under the Harmonized Tariff

¹⁴ See letter from the petitioners entitled “5th Administrative Review of Small Diameter Graphite Electrodes from the People’s Republic of China – Petitioners’ Withdrawal of Certain Requests for Administrative Review” dated June 27, 2014 (Withdrawal Request).

¹⁵ See “Partial Rescission of the Administrative Review” section of the accompanying *Federal Register* notice.

¹⁶ See letter from the Department releasing the questionnaire, dated July 17, 2014.

¹⁷ See letter from Henan Sanli entitled “Small Diameter Graphite Electrodes from the People’s Republic of China; Withdrawal from Administrative Review” dated August 22, 2014.

¹⁸ See letter from Jilin Carbon Import & Export Company entitled “Small Diameter Graphite Electrodes from China; Submission of ‘No Shipment Certification’ Missing from Jilin Carbon Import & Export Company’s June 2, 2014 Statement of No Shipments” dated June 4, 2014.

¹⁹ See letter from UK Carbon & Graphite Co., Ltd. entitled “Small Diameter Graphite Electrodes from the People’s Republic of China: No Shipment Certification” dated April 17, 2014.

²⁰ See Withdrawal Request.

²¹ See memorandum entitled “Small Diameter Graphite Electrodes From the People’s Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review” dated October 24, 2014.

Schedule of the United States (HTSUS) subheadings 8545.11.0010,²² 3801.10,²³ and 8545.11.0020.²⁴ The HTSUS numbers are provided for convenience and customs purposes, but the written description of the scope is dispositive.

PARTIAL RESCISSION OF THE 2013-2014 REVIEW

As discussed above, on June 27, 2014, the petitioners timely withdrew their requests for the individual examination of 192 of the 193 requested companies. In accordance with 19 CFR 351.213(d)(1), we will rescind an administrative review “if a party that requested a review withdraws the request within 90 days of the date of publication of notice of initiation of the requested review.” Because the requests for review were timely withdrawn, in accordance with 19 CFR 351.213(d)(1), and consistent with our practice,²⁵ we are rescinding this review with respect to all companies for which we initiated the review with the exception of Henan Sanli.

DISCUSSION OF THE METHODOLOGY

Henan Sanli did not respond to our AD questionnaire and failed to establish that it is entitled to a separate rate. In light of this fact, and consistent with the Department’s change in practice regarding conditional review of the PRC-wide entity,²⁶ we preliminarily determine that Henan Sanli remains part of the PRC-wide entity. Under this practice, the PRC-wide entity will not be under review unless a party specifically requests, or the Department self-initiates, a review of the entity. Because no party requested a review of the PRC-wide entity, the entity is not under review and the entity’s rate is not subject to change. Therefore if our determination is unchanged in the final results, Henan Sanli’s entries will be liquidated at the rate previously established for the PRC-wide entity.

²² The scope described in the order refers to the HTSUS subheading 8545.11.0000. We note that, starting in 2010, imports of small diameter graphite electrodes are classified in the HTSUS under subheading 8545.11.0010 and imports of large diameter graphite electrodes are classified under subheading 8545.11.0020.

²³ HTSUS subheading 3801.10 was added to the scope of the *SDGE Order* based on a determination in *Small Diameter Graphite Electrodes From the People’s Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 77 FR 47596 (August 9, 2012) (first circumvention determination). The products covered by the first circumvention determination are SDGE (or graphite pin joining system) that were 1) produced by UK Carbon and Graphite Co., Ltd. (UKCG) from PRC-manufactured artificial/synthetic graphite forms, of a size and shape (e.g., blanks, rods, cylinders, billets, blocks, etc.), 2) which required additional machining processes (i.e., tooling and shaping) that UKCG performed in the United Kingdom (UK), and 3) were re-exported to the United States as UK-origin merchandise.

²⁴ HTSUS subheading 8545.11.0020 was added to the scope of the *SDGE Order* based on a determination in *Small Diameter Graphite Electrodes from the People’s Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order and Rescission of Later-Developed Merchandise Anticircumvention Inquiry*, 78 FR 56864 (September 16, 2013) (second circumvention determination). The products covered by the second circumvention determination are SDGE produced and/or exported by Jilin Carbon Import and Export Company with an actual or nominal diameter of 17 inches.

²⁵ See, e.g., *Brass Sheet and Strip from Germany: Notice of Rescission of Antidumping Duty Administrative Review*, 73 FR 49170 (August 20, 2008); see also *Certain Lined Paper Products from India: Notice of Partial Rescission of Antidumping Duty Administrative Review and Extension of Time Limit for the Preliminary Results of Antidumping Duty Administrative Review*, 74 FR 21781 (May 11, 2009).

²⁶ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65970 (November 4, 2013).

Non-Market Economy Country Status

The Department considers the PRC to be a non-market economy (NME) country.²⁷ In accordance with section 771(18)(C)(i) of the Act, any determination that a country is an NME country shall remain in effect until revoked by the administering authority.²⁸ None of the parties to this proceeding contested NME treatment for the PRC. Therefore, for the preliminary results of this review, we treated the PRC as an NME country and applied our current NME methodology in accordance with section 773(c) of the Act.

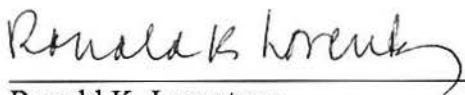
RECOMMENDATION

We recommend applying the above methodology for these preliminary results.

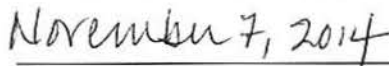
✓

Agree

Disagree



Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance



Date

²⁷ See, e.g., *Fresh Garlic From the People's Republic of China: Preliminary Results of the 2009–2010 Antidumping Duty Administrative Review*, 76 FR 76375 (December 7, 2011), unchanged in *Fresh Garlic from the People's Republic of China: Final Results of the 2009–2010 Administrative Review of the Antidumping Duty Order*, 77 FR 34346 (June 11, 2012).

²⁸ See *Brake Rotors From the People's Republic of China: Preliminary Results and Partial Rescission of the 2004/2005 Administrative Review and Preliminary Notice of Intent To Rescind the 2004/2005 New Shipper Review*, 71 FR 26736 (May 8, 2006), unchanged in *Brake Rotors From the People's Republic of China: Final Results and Partial Rescission of the 2004/2005 Administrative Review and Notice of Rescission of 2004/2005 New Shipper Review*, 71 FR 66304 (November 14, 2006).