



A-570-018  
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 Expedited Sunset  
Review of the Antidumping Duty Order on Boltless Steel Shelving  
Units Prepackaged for Sale from the People's Republic of China

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## I. SUMMARY

We have analyzed the response of the domestic interested party, Edsal Manufacturing Company Inc. (the petitioner) in the first sunset review of the antidumping duty (AD) order covering boltless steel shelving units prepackaged for sale (boltless steel shelving) from the People's Republic of China (China). We recommend adopting 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 substantive responses:

1. Likelihood of Continuation or Recurrence of Dumping
2. Magnitude of the Margins of Dumping Likely to Prevail

## II. BACKGROUND

On September 1, 2020, Commerce published the *Notice of Initiation* of the sunset review of the AD order on boltless steel shelving from China pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).<sup>1</sup> On September 14, 2020, Commerce received a notice of intent to participate from the petitioner within the deadline specified in 19 CFR 351.218(d)(1)(i).<sup>2</sup> On September 30, 2020, the petitioner submitted a timely substantive response within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).<sup>3</sup> The petitioner claimed domestic interested party status under section 771(9)(C) of the Act, as a manufacturer of a domestic like product in the

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<sup>1</sup> See *Initiation of Five-Year (Sunset) Reviews*, 85 FR 54348 (September 1, 2020) (*Notice of Initiation*).

<sup>2</sup> See Petitioner's Letter, "Petitioner's Notice of Intent to Participate," dated September 14, 2020 at 2.

<sup>3</sup> See Petitioner's Letter, "Petitioner's Substantive Response to Notice of Initiation," dated September 30, 2020 (Petitioner's Substantive Response).



United States.<sup>4</sup> Commerce received no substantive responses from any other interested parties with respect to the AD order covered by this sunset review, nor was a hearing requested. Commerce received no comments on the adequacy of responses in this sunset review. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce is conducting an expedited (120-day) sunset review of the AD order on boltless steel shelving from China.

The *Order* on boltless steel shelving from China remains in effect for all producers and exporters of the subject merchandise.<sup>5</sup>

### III. SCOPE OF THE ORDER

The scope of this order covers boltless steel shelving units prepackaged for sale, with or without decks (boltless steel shelving). The term “prepackaged for sale” means that, at a minimum, the steel vertical supports (*i.e.*, uprights and posts) and steel horizontal supports (*i.e.*, beams, braces) necessary to assemble a completed shelving unit (with or without decks) are packaged together for ultimate purchase by the end-user. The scope also includes add-on kits. Add-on kits include, but are not limited to, kits that allow the end-user to add an extension shelving unit onto an existing boltless steel shelving unit such that the extension and the original unit will share common frame elements (*e.g.*, two posts). The term “boltless” refers to steel shelving in which the vertical and horizontal supports forming the frame are assembled primarily without the use of nuts and bolts or screws. The vertical and horizontal support members for boltless steel shelving are assembled by methods such as, but not limited to, fitting a rivet, punched or cut tab or other similar connector on one support into a hole, slot or similar receptacle on another support. The supports lock together to form the frame for the shelving unit and provide the structural integrity of the shelving unit separate from the inclusion of any decking. The incidental use of nuts and bolts or screws to add accessories, wall anchors, tie-bars or shelf supports does not remove the product from scope. Boltless steel shelving units may also come packaged as partially assembled, such as when two upright supports are welded together with front-to-back supports, or are otherwise connected, to form an end unit from the frame. The boltless steel shelving covered by this order may be commonly described as rivet shelving, welded frame shelving, slot and tab shelving, and punched rivet (quasi-rivet) shelving as well as by other trade names. The term “deck” refers to the shelf that sits on or fits into the horizontal supports (beams or braces) to provide the horizontal storage surface of the shelving unit.

The scope includes all boltless steel shelving meeting the description above, regardless (1) vertical support or post type (including but not limited to open post, closed post and tubing); (2) horizontal support or beam/brace profile (including but not limited to Z-beam, C-beam, L-beam, step beam and cargo rack); (3) number of supports; (4) surface coating (including but not limited to paint, epoxy, powder coating, zinc and other metallic coating); (5) number of levels; (6) weight capacity; (7) shape (including but not limited to rectangular, square, and corner units); (8) decking material (including but not limited to wire decking, particle board, laminated board or no deck at all); or (9) the boltless method by which vertical and horizontal supports connect

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<sup>4</sup> *Id.*

<sup>5</sup> See *Boltless Steel Shelving Units Prepackaged for Sale from the People’s Republic of China: Antidumping Duty Order*, 80 FR 63741 (October 21, 2015) (*Order*).

(including but not limited to keyhole and rivet, slot and tab, welded frame, punched rivet and clip).

Specifically excluded from the scope are:

- wall-mounted shelving, defined as shelving that is hung on the wall and does not stand on, or transfer load to, the floor;
- wire shelving units, which consist of shelves made from wire that incorporates both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create the finished shelving unit;
- bulk-packed parts or components of boltless steel shelving units; and
- made-to-order shelving systems.

Subject boltless steel shelving enters the United States through Harmonized Tariff Schedule of the United States (HTSUS) statistical subheadings 9403.20.0018, 9403.20.0020, 9403.20.0025, and 9403.20.0026, but may also enter through HTSUS 9403.10.0040. While 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 August 26, 2015, Commerce published the final affirmative determination in the less-than-fair-value (LTFV) investigation of boltless steel shelving from China in the *Federal Register*.<sup>6</sup> On October 21, 2015, Commerce published the *Order*, which established the following weighted-average dumping margins:<sup>7</sup>

Exporter	Producer	Weighted-Average Margin (percent)
Zhongda United Holding Group Co., Ltd.	Jiaxing Zhongda Metalwork Co., Ltd.	17.55
Jiaxing Zhongda Import & Export Co., Ltd.	Jiaxing Zhongda Metalwork Co., Ltd.	17.55

<sup>6</sup> See *Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 80 FR 51779 (August 26, 2015) (*Final Determination*).

<sup>7</sup> See *Order*, 80 FR at 63743

Ningbo ETDZ Huixing Trade Co., Ltd.	Haifa (Ningbo) Office Equipment Co., Ltd.	17.55
Ningbo ETDZ Huixing Trade Co., Ltd.	Ningbo Decko Metal Products Trade Co., Ltd.	17.55
Ningbo ETDZ Huixing Trade Co., Ltd.	Lianfa Metal Product Co., Ltd.	17.55
Meridian International Co. Ltd.	Zhejiang Limai Metal Products Co., Ltd.	17.55
Zhejiang Limai Metal Products Co., Ltd.	Zhejiang Limai Metal Products Co., Ltd.	17.55
HoiFat (NingBo) Office Facilities Co., Ltd.	HoiFat (NingBo) Office Facilities Co., Ltd.	17.55
China-Wide Entity (including Nanjing Topsun Racking Manufacturing Co., Ltd.).		112.68

Since the investigation, no administrative reviews or new shipper reviews have been requested or conducted under the *Order*. There have also been no duty-absorption findings or changed circumstance reviews since the issuance of the *Order*. Since the investigation, Commerce has issued six scope rulings under the *Order*.<sup>8</sup>

## 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 these determinations, Commerce shall consider both the weighted-average dumping margins determined in the investigations and subsequent reviews, and the volume of imports of the subject merchandise for the periods before and after the issuance of the *Order*.

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<sup>8</sup> See Petitioner's Substantive Response at 17-19.

In accordance with the guidance provided in the legislative history in the SAA,<sup>9</sup> the House Report,<sup>10</sup> and the Senate Report,<sup>11</sup> Commerce's determinations of likelihood will be made on an order-wide, rather than company-specific, basis.<sup>12</sup> In addition, Commerce 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 the 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>13</sup>

In addition, 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 an investigation may dampen import volumes and, thus, skew the comparison.<sup>14</sup> When analyzing import volumes for first and subsequent sunset reviews, Commerce's practice is to compare import volumes during the year preceding the initiation of the underlying investigation to import volumes since the issuance of the last continuation notice.<sup>15</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>16</sup> 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 order would not be likely to lead to a continuation or recurrence of sales at LTFV.<sup>17</sup>

Generally, Commerce selects the 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.<sup>18</sup> However, in certain circumstances, a more recently calculated rate may be more appropriate (*e.g.*, "if dumping margins have declined over the life of

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<sup>9</sup> See Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, vol 1 (1994) (SAA).

<sup>10</sup> See H. Rep. No. 103-826, pt. 1 (1994) (House Report), reprinted in 1994 U.S.C.C.A.N. 3773 (1994).

<sup>11</sup> See S. Rep. No. 103-412 (1994) (Senate Report).

<sup>12</sup> See SAA at 879 and House Report at 56.

<sup>13</sup> 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 Review Policies*).

<sup>14</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 Issues and Decision Memorandum (IDM) at Comment 1.

<sup>15</sup> 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 IDM at 3.

<sup>16</sup> See SAA at 889-890; see also House Report at 63.

<sup>17</sup> 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.

<sup>18</sup> 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.

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>19</sup>

Regarding the margin of dumping likely to prevail, in the *Final Modification for Reviews*, Commerce announced that, in five-year sunset reviews, it will not rely on weighted-average dumping margins that were calculated using the zeroing methodology.<sup>20</sup> 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.<sup>21</sup> 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.<sup>22</sup> 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.”<sup>23</sup>

## VI. DISCUSSION OF THE ISSUES

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

#### *Domestic Interested Parties’ Comments*

- Commerce has not conducted any administrative reviews and, therefore, the dumping margins established in the investigation remain in effect for all shipments of subject merchandise.<sup>24</sup> The continued existence of above *de minimis* margins is, in itself, sufficient basis to conclude that producers in China are likely to continue to engage in dumping if the order were revoked.<sup>25</sup>
- Commerce stated in the *Final Modification for Reviews* that it would continue to rely on dumping margins that were calculated using AFA to determine whether dumping continued at above *de minimis* levels. Because the China-wide rate was based on AFA, and the separate rate was based on the rate calculated for the mandatory respondent, Commerce should rely on these margins in finding that dumping is likely to continue if the order is revoked.<sup>26</sup>

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<sup>19</sup> See SAA at 890-91.

<sup>20</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*).

<sup>21</sup> *Id.*, 77 FR at 8102, 8105, and 8109

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> See Petitioner’s Substantive Response at 12.

<sup>25</sup> *Id.* (citing to *Sunset Review Policies*, 63 FR at 18872).

<sup>26</sup> *Id.*

- After the imposition of AD duties, subject imports declined significantly.<sup>27</sup> Imports have remained at significantly reduced levels in all years subsequent to the publication of the *Order*.<sup>28</sup>

No other comments were received from interested parties.

### Commerce 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 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, 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.”<sup>29</sup> 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.”<sup>30</sup> 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.<sup>31</sup>

As noted above, in the *Final Determination* Commerce assigned weighted-average dumping margins between 17.55 percent and 112.68 percent to the exporters/producers subject to the investigation.<sup>32</sup> Also noted above, Commerce has conducted no administrative reviews of this order and, therefore, these margins remain in effect for all companies. Further, these margins did not rely on a zeroing methodology, consistent with the *Final Modification for Reviews*.<sup>33</sup> In the instances where dumping margins continue to exist and there is a significant decline in import volumes, “it is reasonable to assume that dumping would continue if the discipline of the order were removed.”<sup>34</sup>

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<sup>27</sup> *Id.* at 13.

<sup>28</sup> *Id.* at 13-14.

<sup>29</sup> See SAA at 890.

<sup>30</sup> *Id.* at 889; see also House Report at 63, and Senate Report at 52.

<sup>31</sup> See SAA at 889-90; see also House Report at 63, and Senate Report at 52.

<sup>32</sup> See *Final Determination*, 80 FR at 51781; see also *Order*, 80 FR at 63743.

<sup>33</sup> 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) (*Investigation Margin Calculation Modification*).

<sup>34</sup> See SAA at 890.

Additionally, we examined the import statistics for the calendar year preceding the initiation of the LTFV investigation and for the five-year period since the imposition of the *Order*, which show that imports of boltless steel shelving from China declined significantly after the imposition of AD duties and remain significantly lower during the sunset period of review than in the calendar year before initiation of the LTFV investigation.<sup>35</sup> Given this decrease in import volumes during the sunset review period, we determine that it is unlikely that Chinese exporters of boltless steel shelving would be able to sell at pre-*Order* levels without dumping.

Therefore, pursuant to section 752(c)(1) of the Act, because non-*de minimis* dumping margins remain in place after the issuance of the *Order*, and Commerce has found dramatically lower import volumes in the period since the imposition of the *Order*, we find that dumping would be likely to continue or recur if the *Order* were revoked.

## 2. Magnitude of the Margins Likely to Prevail

### *Domestic Interested Parties' Comments*

- Consistent with the SAA, Commerce will normally select dumping margins established in the original investigation as the margins that are likely to prevail if an order is revoked.<sup>36</sup>
- Commerce, echoing the instructions set forth in the SAA, makes clear that the magnitude of the margin of dumping in most cases is the company-specific final margin from the original investigation, as that margin best reflects the behavior of the respondents free of the constraints of an AD order.<sup>37</sup>
- Commerce's modification of its practice for sunset reviews to no longer rely on margins calculated using a "zeroing" methodology does not change the result in this proceeding; there is no evidence that the margin calculated and applied to the separate rate respondents was based on a methodology involving zeroing.<sup>38</sup> The margin applied to the China-wide entity was based on total AFA.<sup>39</sup>
- Commerce should find that the margins likely to prevail if the order were revoked would be 112.68 percent for the China-wide entity and 17.55 percent for producers/exporters found to be eligible for a separate rate because these are the only margins that reflect the behavior of producers/exporters without the discipline of the order and are the margins that should be reported to the International Trade Commission (ITC) as those likely to prevail upon revocation.<sup>40</sup>

No other comments were received from interested parties.

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<sup>35</sup> See Petitioner's Substantive Response at 12-14 at Exhibit 1.

<sup>36</sup> *Id.* at 14.

<sup>37</sup> *Id.* at 14-15.

<sup>38</sup> *Id.* at 16.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.* at 16-17.



## Commerce Position:

Pursuant to section 752(c)(3) of the Act, Commerce shall provide to the ITC the magnitude of the margins of dumping that are likely to prevail if the *Order* were revoked. Commerce's preference is to select a weighted-average dumping margin from the LTFV investigation because it is the only calculated rate that reflects the behavior of the producers and exporters without the discipline of an order in place.<sup>41</sup> Because above *de minimis* margins remained in place following the issuance of the *Order*, and given the absence of arguments or 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 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>42</sup> These rates were not affected by the denial of offsets, in accordance with the *Final Modification for Reviews*,<sup>43</sup> because the *Final Determination* occurred after Commerce ended the practice of zeroing when making average-to-average comparisons in investigations.<sup>44</sup> Thus, these margins did not involve zeroing. Accordingly, consistent with section 752(c) of the Act, Commerce will report to the ITC the margins up to the highest rate from the investigation concerning subject merchandise from China as indicated in the "Final Result of Sunset Review" section of this memorandum.

## VII. FINAL RESULTS OF SUNSET REVIEW

We determine that revocation of the *Order* on boltless steel shelving units from China would likely lead to continuation or recurrence of dumping, and that the magnitude of the margins of dumping likely to prevail would be up to 112.68 percent.

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<sup>41</sup> See SAA at 890; see also *Persulfates Second Sunset Review* IDM at Comment 2.

<sup>42</sup> See *Final Modification for Reviews*, 77 FR at 8103.

<sup>43</sup> *Id.*

<sup>44</sup> See *Investigation Margin Calculation Modification*.

## VIII. RECOMMENDATION

Based on our analysis of the 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*.

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Agree

Disagree

12/28/2020

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Signed by: JEFFREY KESSLER

Jeffrey I. Kessler  
Assistant Secretary  
for Enforcement and Compliance