

The Timken Company v. United States  
Consol. Court No. 13-00069, Slip Op. 14-51 (May 2, 2014)  
**FINAL RESULTS OF REDETERMINATION**  
**PURSUANT TO COURT ORDER**

**I. SUMMARY**

The Department of Commerce (“Department”) has prepared these final results of redetermination pursuant to the remand order of the U.S. Court of International Trade (“Court”) in *The Timken Company v. United States*, Consol. Court No. 13-00069, Slip Op. 14-51 (May 2, 2014) (“*Timken*”). The Court’s opinion and remand order were issued in connection with *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2010–2011*, 78 FR 3396 (January 16, 2013) (“*Final Results*”) and *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished from the People’s Republic of China: Amended Final Results of Antidumping Duty Administrative Review; 2010–2011*, 78 FR 12035 (February 21, 2013) (“*Amended Final Results*”). The Court granted the Department’s request for a voluntary remand to reexamine further manufacturing costs of Changshan Peer Bearing Co., Ltd. and Peer Bearing Company (collectively “CPZ/SKF”) in the *Amended Final Results*.<sup>1</sup> On May 23, 2014, the Department released its draft redetermination to all interested parties for comments. The Court extended the deadline for the final remand redetermination until June 17, 2014, and the Department extended the deadline for all interested parties to submit comments on the Department’s draft remand redetermination until June 3, 2014. On June 3, 2014, Timken

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<sup>1</sup> See *Timken* at 5-6.

submitted comments on the draft remand redetermination. CPZ/SKF did not provide any comments on the draft redetermination.

## II. REMANDED ISSUE

### A. Background

On June 28, 2011, the Department initiated an administrative review of tapered roller bearings and parts thereof, finished and unfinished, from the People's Republic of China ("PRC").<sup>2</sup> CPZ/SKF was selected as the sole mandatory respondent.<sup>3</sup>

On December 12, 2011, CPZ/SKF submitted its questionnaire responses to the Department that included an alleged error.<sup>4</sup> The error at issue concerned CPZ/SKF's further manufacturing costs incurred in Thailand.<sup>5</sup> The main document that reported manufacturing costs included a field labeled as "Further Manufacturing Cost (USD/PIECE)" within the file layout.<sup>6</sup> However, other exhibits that supported the data in the main document reported further

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<sup>2</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews, Request for Revocation in Part and Deferral of Administrative Reviews*, 76 FR 45227 (June 28, 2011).

<sup>3</sup> See Memorandum to Abdelali Elouaradia, Director, AD/CVD Operations, Office 4 "Respondent Selection in the 2010-2011 Administrative Review of Tapered Roller Bearings and Parts Thereof, Finished and Unfinished from the People's Republic of China," dated October 4, 2011.

<sup>4</sup> See Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Post-Verification Data Revision" dated June 5, 2012, at Attachment 1; Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Response to the Department's Sections A and C Third Supplemental Questionnaire and Second Section D Supplemental Questionnaire" dated March 30, 2012, at Appendix 12; Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Response to the Department's Sections A and C Second Supplemental Questionnaire and Section D Supplemental Questionnaire" dated March 9, 2012, at Appendix 30; and Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Response to the Department's Section C Supplemental Questionnaire" dated December 12, 2011, at Appendix SC-1.

<sup>5</sup> See Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Response to the Department's Section C Supplemental Questionnaire" dated December 12, 2011, at Exhibits E-9-13; and Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Response to the Department's Sections A and C Second Supplemental Questionnaire and Section D Supplemental Questionnaire" dated March 9, 2012, at pages 24-25 of Appendices 28-29.

<sup>6</sup> See Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Post-Verification Data Revision" dated June 5, 2012, at Attachment 1.

manufacturing costs in Thai baht per piece.<sup>7</sup> Although the exhibits reported costs in Thai baht, the Department relied upon the field description in the main document, which identified these costs as having been reported by CPZ/SKF in U.S. dollars per piece, for the *Preliminary Results*;<sup>8</sup> the post-preliminary results, and the *Final Results* when calculating CPZ/SKF's weighted-average dumping margin.<sup>9</sup>

Only after the Department issued the *Final Results*, did CPZ/SKF allege that the Department incorrectly relied on a mislabeled field description to make an adjustment for its further manufacturing costs.<sup>10</sup> CPZ/SKF cited to the exhibits that supported the main document and the U.S. sales data submitted to the Department in order to demonstrate that the further manufacturing costs which it reported were recorded in Thai baht, rather than U.S. dollars, per piece.<sup>11</sup> CPZ/SKF contended that reliance on the main document amounted to a ministerial error which the Department should have corrected. Timken rebutted CPZ/SKF's arguments, contending that the Department was correct to treat the further manufacturing costs as having

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<sup>7</sup> See Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Response to the Department's Section C Supplemental Questionnaire" dated December 12, 2011, at Exhibits E-9-13; and Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Response to the Department's Sections A and C Second Supplemental Questionnaire and Section D Supplemental Questionnaire" dated March 9, 2012, at pages 24-25 of Appendices 28-29.

<sup>8</sup> See *Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from the People's Republic of China: Preliminary Results of the 2010-2011 Antidumping Duty Administrative Review, Rescission in Part, and Intent to Rescind in Part*, 77 FR 40579, 40585 (July 10, 2012) ("*Preliminary Results*").

<sup>9</sup> See Memorandum to the File, "Administrative Review of Tapered Roller Bearings and Parts Thereof, Finished and Unfinished from the People's Republic of China: Post-Preliminary Calculation Memorandum" dated December 7, 2012, at Attachment B; and Memorandum to the File, "Administrative Review of Tapered Roller Bearings and Parts Thereof, Finished and Unfinished from the People's Republic of China: Final Results Analysis Memorandum of Changshan Peer Bearing Co., Ltd. and Peer Bearing Company" dated January 8, 2013, at Attachment 2.

<sup>10</sup> See *Amended Final Results*.

<sup>11</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary, AD/CVD Operations, to Paul Piquado, Assistant Secretary, Import Administration, "Final Results of the 2010 - 2011 Antidumping Duty Administrative Review of Tapered Roller Bearings from the People's Republic of China: Allegation of Ministerial Errors and Amended Final," dated February 13, 2013, at 3.

been reported in U.S. dollars.<sup>12</sup> In support of its rebuttal, Timken cited to various submissions on the record which identified CPZ/SKF's further manufacturing costs as being reported in U.S. dollars.<sup>13</sup> In addition to the alleged currency conversion error, CPZ/SKF also alleged other ministerial errors in the *Final Results*.

Thereafter, the Department issued the *Amended Final Results* to correct two ministerial errors, but found the alleged currency conversion error not to be a ministerial error.<sup>14</sup> Rather, the Department found the currency conversion error to result from CPZ/SKF's failure to report correct information.<sup>15</sup> Therefore, in the *Amended Final Results*, the Department made no corrections to the further manufacturing costs. CPZ/SKF challenged the *Amended Final Results* at the Court of International Trade, raising, among other things, the Department's failure to correct its alleged ministerial error. The Court sustained Commerce's determination in part on other issues, and granted the Department's request for a voluntary remand to re-examine the further manufacturing costs.

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<sup>12</sup> See Letter from Timken, "Administrative Review of the Antidumping Duty Order Covering Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From The People's Republic of China (6/1/2010 - 5/31/2011); The Timken Company Rebuttal to SKF's Ministerial Error Comments" dated January 22, 2013, at 2-6.

<sup>13</sup> See Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Post-Verification Data Revision" dated June 5, 2012, at Attachment 1; Letter from SKF to the Secretary of Commerce, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Response to the Department's Sections A and C Third Supplemental Questionnaire and Second Section D Supplemental Questionnaire" dated March 30, 2012, at Appendix 12; Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Response to the Department's Sections A and C Second Supplemental Questionnaire and Section D Supplemental Questionnaire" dated March 9, 2012, at Appendix 30; and Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Response to the Department's Section C Supplemental Questionnaire" dated December 12, 2011, at Appendix SC-1.

<sup>14</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary, AD/CVD Operations, to Paul Piquado, Assistant Secretary, Import Administration, "Final Results of the 2010 - 2011 Antidumping Duty Administrative Review of Tapered Roller Bearings from the People's Republic of China: Allegation of Ministerial Errors and Amended Final," dated February 13, 2013, at 3.

<sup>15</sup> *Id.*

B. Analysis

After careful examination of the record evidence, the Department finds that the correct currency for CPZ/SKF's further manufacturing costs is Thai baht. The record evidence indicates that CPZ/SKF's overhead costs were accrued in Thai baht, which was the basis of the further manufacturing costs reported in the U.S. sales database.<sup>16</sup> We note that this issue does not involve a ministerial error within the meaning of the Tariff Act of 1930, as amended ("the Act") and our regulations.<sup>17</sup> Rather, CPZ/SKF's variable for further manufacturing costs as reported in the main document and included in its U.S. sales data was inconsistent with the information on the record indicating that its further manufacturing costs were incurred in Thai baht. After consideration of all the information on the record of this administrative review, the Department finds that it is appropriate and supported by the record to use Thai baht per piece as the unit of measure for CPZ/SKF's further manufacturing costs. Therefore, we will apply a Thai currency exchange rate to the further manufacturing costs reported by CPZ/SKF as the appropriate adjustment to U.S. price to calculate CPZ/SKF's weighted-average dumping margin.<sup>18</sup>

**III. SUMMARY AND ANALYSIS OF TIMKEN'S COMMENTS**

Timken argues that the Department did not make a ministerial error in treating further manufacturing costs as being in U.S. dollars and should not have corrected it. Timken further maintains that in its targeted dumping analysis, the Department should have applied the average-to-transaction methodology in calculating CPZ/SKF's weighted-average dumping margin.

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<sup>16</sup> See Letter from SKF, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Response to the Department's Sections A and C Second Supplemental Questionnaire and Section D Supplemental Questionnaire" dated March 9, 2012, at Exhibit 28.

<sup>17</sup> See section 735(e) of the Act and 19 CFR 351.224(f).

<sup>18</sup> See Memorandum to the File "Analysis Memorandum for the Final Redetermination Pursuant to Remand: Changshan Peer Bearing Co., Ltd. and Peer Bearing Company," dated concurrently with this redetermination.

**Department's Position:**

Regarding Timken's argument about the currency conversion, we disagree that further manufacturing costs should have been treated as adjustments reported in U.S. dollars. As we discussed in the draft remand, CPZ/SKF's further manufacturing costs were in Thai baht, and, therefore, should have been converted to U.S. dollars. Timken cites to no record evidence to refute the fact that these transactions were incurred in Thai baht. Therefore, we have treated CPZ/SKF's further manufacturing costs as being in Thai baht and converted them into U.S. dollars.<sup>19</sup>

With respect to Timken's argument about correcting CPZ/SKF's weighted-average dumping margin by applying the average-to-transaction method, we disagree. As Timken states, the Court affirmed the Department's conclusions regarding this issue. This issue is beyond the scope of this remand. Therefore, we have not addressed targeted dumping in the final redetermination.

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<sup>19</sup> See Memorandum to the File "Analysis Memorandum for the Final Redetermination Pursuant to Remand: Changshan Peer Bearing Co., Ltd. and Peer Bearing Company," dated concurrently with this redetermination.

**IV. FINAL RESULTS OF REDETERMINATION**

In accordance with this final redetermination and the Court's order in *Timken*, we recalculated the weighted-average dumping margin as follows:

<u>Exporter</u>	<u>Amended Final Results</u>	<u>Final Remand Redetermination</u>
CPZ/SKF	14.91%	0.00%

  
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Christian Marsh  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

6/12/14  
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Date