

A-580-867 Sunset Review **Public Document** ADCVD/VI: MYS

October 31, 2017

MEMORANDUM TO: Gary Taverman

Deputy Assistant Secretary

for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance

FROM: James Maeder

Senior Director

performing the duties of Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Expedited First Sunset

Review of the Antidumping Duty Order on Large Power

Transformers from the Republic of Korea

# I. Summary

We have analyzed the response of an interested party in the first sunset review of the antidumping duty order<sup>1</sup> covering large power transformers (LPTs) from the Republic of Korea (Korea). No other interested party submitted a substantive response. Accordingly, we conducted an expedited (120-day) sunset review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.218(e)(1)(ii)(C)(2). We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum. Below is the complete list of the issues in this sunset review for which we received substantive responses:

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

# II. Background

On July 3, 2017, the Department of Commerce (the Department) published the notice of initiation of the first sunset review of the *Order* on LPTs from Korea, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).<sup>2</sup> On July 18, 2017, the Department received a notice of intent to participate from ABB Inc. (the petitioner) within the deadline specified in 19

<sup>&</sup>lt;sup>1</sup> See Large Power Transformers from Japan: Antidumping Duty Order, 77 FR 53177 (August 31, 2012) (Order).

<sup>&</sup>lt;sup>2</sup> See Initiation of Five-Year ("Sunset") Reviews, 82 FR 30844 (July 3, 2017).

CFR 351.218(d)(1)(i).<sup>3</sup> The petitioner claimed interested party status under section 771(9)(C) of the Act, as a manufacturer of a domestic like product in the United States.

The Department received a complete substantive response from the petitioner within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).<sup>4</sup> We received no substantive responses from respondent interested parties, and no party requested a hearing. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2), the Department is conducting an expedited (120-day) sunset review of the *Order* on LPTs from Korea.

# III. Scope of the Order

The scope of this order covers large liquid dielectric power transformers (LPTs) having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete.

Incomplete LPTs are subassemblies consisting of the active part and any other parts attached to, imported with or invoiced with the active parts of LPTs. The "active part" of the transformer consists of one or more of the following when attached to or otherwise assembled with one another: the steel core or shell, the windings, electrical insulation between the windings, the mechanical frame for an LPT.

The product definition encompasses all such LPTs regardless of name designation, including but not limited to step-up transformers, step-down transformers, autotransformers, interconnection transformers, voltage regulator transformers, rectifier transformers, and power rectifier transformers.

The LPTs subject to this order are currently classifiable under subheadings 8504.23.0040, 8504.23.0080 and 8504.90.9540 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the 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

### A. Margins

On August 3, 2011, the Department initiated a less-than-fair-value (LTFV) investigation regarding LPTs from Korea.<sup>5</sup> On July 11, 2012, the Department published its final affirmative determination of sales at less than fair value in the *Federal Register* with respect to imports of LPTs from Korea.<sup>6</sup> The final determination margins were as follows:

<sup>&</sup>lt;sup>3</sup> See the petitioner's July 18, 2017, Letter, regarding "Five-Year ("Sunset") Review of Antidumping Duty Order on Large Power Transformers from the Republic of Korea – Petitioner's Notice of Intent to Participate."

<sup>&</sup>lt;sup>4</sup> See the petitioner's August 2, 2017, Letter, regarding "Large Power Transformers from the Republic of Korea – Five-Year ("Sunset") Review of Antidumping Duty Order – Domestic Interested Party's Substantive Response to Notice of Initiation" (Substantive Response).

<sup>&</sup>lt;sup>5</sup> See Large Power Transformers from the Republic of Korea: Initiation of Antidumping Duty Investigation, 76 FR 49439 (August 10, 2011).

<sup>&</sup>lt;sup>6</sup> See Large Power Transformers from the Republic of Korea: Final Determination of Sales at Less Than Fair Value, 77 FR 40857 (July 11, 2012) (Final Determination).

Producer/Exporter	Weighted-Average Dumping Margin (percent)
Hyosung Corporation	29.04
Hyundai Heavy Industries Co., Ltd.	14.95
All Others	22.00

Following the issuance of the Department's final determination, the U.S. International Trade Commission (the Commission) found that the U.S. industry was materially injured by reason of the subject imports.<sup>7</sup> On August 31, 2012, the Department published its antidumping duty order in the *Federal Register* with respect to imports of LPTs from Korea at the above-referenced rates.<sup>8</sup> Since the issuance of the antidumping *Order*, the Department has completed three administrative reviews.

On October 2, 2013, the Department initiated the first administrative review of the *Order* covering the period February 16, 2012, through July 31, 2013. The Department reviewed Hyundai Heavy Industries Co., Ltd. (Hyundai) and Hyosung Corporation (Hyosung) as mandatory respondents. Other Korean producers/exporters, *i.e.*, Iljin Electric Co., Ltd., Iljin and LSIS Co., Ltd., were non-selected respondents that were also subject to the administrative review.

On March 31, 2014, the Department published its final results of the first administrative review in the *Federal Register* with respect to imports of LPTs from Korea.<sup>10</sup> Subsequently, based on ministerial errors allegations from the parties, the Department twice amended the final results.<sup>11</sup>

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<sup>&</sup>lt;sup>7</sup> See Large Power Transformers from Korea, Inv. Nos. 731-TA-1189 (Final), USITC Pub. 4346 (August 2012).

<sup>&</sup>lt;sup>8</sup> See Order, 77 FR 53177, 53178.

<sup>&</sup>lt;sup>9</sup> See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part, 78 FR 60834 (October 2, 2013).

<sup>&</sup>lt;sup>10</sup> See Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2012-2013, 80 FR 17034 (May 31, 2015) (ARI Final Results).

<sup>&</sup>lt;sup>11</sup> See Large Power Transformers from the Republic of Korea: Amended Final Results of Antidumping Duty Administrative Review; 2012-2013, 80 FR 26001 (May 6, 2015) (AR1 First Amended Final Results); see also Large Power Transformers from the Republic of Korea: Second Amended Final Results of Antidumping Duty Administrative Review; 2012-2013, 80 FR 35628 (June 22, 2015) (AR1 Second Amended Final Results).

The amended margins were as follows:

Producer/Exporter	Second Amended Weighted-Average Dumping Margin (percent)
Hyosung Corporation	8.23
Hyundai Heavy Industries Co., Ltd.	12.36
Iljin Electric Co., Ltd.	10.54
Iljin	10.54
LSIS Co., Ltd.	10.54
All Others	22.00

The petitioner appealed the final results and amended final results of the first administrative review to the Court of International Trade (CIT or Court). On October 10, 2017, the CIT sustained in whole the Department's Final Redetermination. Thus, the Court affirmed the following dumping margins as calculated by the Department in the Final Redetermination: 9.09 percent for Hyosung and 13.82 percent for Hyundai.

On September 30, 2014, the Department initiated its second administrative review of the *Order* covering the period August 1, 2013, through July 31, 2014. The Department reviewed Hyundai and Hyosung as mandatory respondents. Korean producers/exporters Iljin Electric Co., Ltd., Iljin and LSIS Co., Ltd., were non-selected respondents that were subject to the administrative review.

On March 16, 2016, the Department published its final results of the second administrative review in the *Federal Register* with respect to imports of LPTs from Korea.<sup>15</sup> Subsequently, the Department amended the final results.<sup>16</sup> The amended margins were as follows:

<sup>&</sup>lt;sup>12</sup> See ABB, INC. v. United States, Court No. 15-00108, Slip Op. 17-137 (CIT 2017).

<sup>&</sup>lt;sup>13</sup> *Id.*; see Department Memorandum, "Final Results of Redetermination Pursuant to Court Remand *ABB INC v. United States*, Court No. 15-00108, Slip Op. 16-95 (CIT October 7, 2016)," February 2, 2017 (Final Redetermination) (available at http://enforcement.trade.gov/remands/16-95.pdf).

<sup>&</sup>lt;sup>14</sup> See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 79 FR 58729 (September 30, 2014).

<sup>&</sup>lt;sup>15</sup> See Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2013-2014, 81 FR 14087 (March 16, 2016) (AR2 Final Results).

<sup>&</sup>lt;sup>16</sup> See Large Power Transformers from the Republic of Korea: Amended Final Results of Antidumping Duty Administrative Review; 2013-2014, 81 FR 27088 (May 5, 2016) (AR2 Amended Final Results).

Producer/Exporter	Amended Weighted-Average Dumping Margin (percent)
Hyosung Corporation	7.89
Hyundai Heavy Industries Co., Ltd.	4.07
Iljin Electric Co., Ltd.	5.98
Iljin	5.98
LSIS Co., Ltd.	5.98
All Others	22.00

Both the petitioner and Hyosung appealed the final results of the second administrative review to the CIT. The appeal is currently pending and the Department has issued no corrections to the above margins as of the time of this sunset review.

On October 6, 2015, the Department initiated its third administrative review of the *Order* covering the period August 1, 2014, through July 31, 2015.<sup>17</sup> The Department reviewed Hyundai and Hyosung as mandatory respondents. Korean producers/exporters Iljin Electric Co., Ltd., Iljin and LSIS Co., Ltd., were non-selected respondents that were subject to the administrative review.

On March 13, 2017, the Department published its final results of the third administrative review in the *Federal Register* with respect to imports of LPTs from Korea. <sup>18</sup> The final results margins were as follows:

<sup>18</sup> See Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2014-2015, 82 FR 13432 (March 13, 2017) (AR3 Final Results).

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<sup>&</sup>lt;sup>17</sup> See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 80 FR 60356 (October 6, 2015).

Producer/Exporter	Weighted-Average Dumping Margin (percent)
Hyosung Corporation	2.99
Hyundai Heavy Industries Co., Ltd.	60.81
Iljin Electric Co., Ltd.	2.99
Iljin	2.99
LSIS Co., Ltd.	2.99
All Others	22.00

The margin calculated for Hyundai Heavy Industries Co., Ltd. (Hyundai) was based on the application of total adverse facts available in the final results, while the margin calculated for Hyosung Corporation (Hyosung) was based on partial adverse facts available.<sup>19</sup> Hyundai filed an appeal of the final results at the CIT. That appeal is currently pending and the Department has issued no corrections to the above margins as of the time of this sunset review.

On October 14, 2016, the Department initiated its fourth administrative review of the *Order* covering the period August 1, 2015, through July 31, 2016.<sup>20</sup> The Department selected Hyundai and Hyosung as mandatory respondents. Korean producers/exporters Iljin Electric Co., Ltd., Iliin and LSIS Co., Ltd., were non-selected respondents that were subject to the administrative review.

On September 7, 2017, the Department published its preliminary results of the fourth administrative review in the *Federal Register* with respect to imports of LPTs from Korea.<sup>21</sup>

<sup>&</sup>lt;sup>20</sup> See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 81 FR 71061 (October 14, 2016).

<sup>&</sup>lt;sup>21</sup> See Large Power Transformers from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2015-2016, 82 FR 42289 (September 7, 2017) (AR4 Preliminary Results).

The preliminary results margins were as follows:

Producer/Exporter	Weighted-Average Dumping Margin (percent)
Hyosung Corporation	60.81
Hyundai Heavy Industries Co., Ltd.	60.81
Iljin Electric Co., Ltd.	60.81
Iljin	60.81
LSIS Co., Ltd.	60.81
All Others	22.00

The margins calculated for Hyosung and Hyundai were based on the application of total adverse facts available in the preliminary results.<sup>22</sup> This administrative review is currently ongoing and the final results are currently scheduled to be issued on January 5, 2018.

# B. Import Volumes

Using import trade statistics from the Commission's Interactive Tariff and Trade DataWeb (DataWeb), the Department analyzed and considered the volume of imports of the subject merchandise for the period prior to the initiation of the investigation (i.e., 2010), and import volumes during the period of this sunset review (i.e., 2012-2016). As discussed below, we note that import volumes after the imposition of the *Orders* were significantly below the volume of imports in the year preceding the initiation of the investigation (i.e., 2010).

Since the issuance of the Order, import volumes of LPTs from Korea into the United States have decreased and remain below pre-investigation levels. In analyzing import volumes for the period of this sunset review, based on DataWeb, the Department has determined that imports of LPTs under the HTSUS numbers listed in the scope of the *Order*, applicable to LPTs, have been at levels significantly lower than the year immediately preceding the filing of the petition and the initiation of the LTFV investigation (i.e., 2010).<sup>23</sup> Specifically, according to DataWeb, volumes of imports of LPTs from Korea in one year prior to the filing of the petition and the initiation of the investigation (i.e., 2010) were 404 units. Following the imposition of the antidumping duty order, the volume of imports of LPTs from Korea dropped significantly below pre-petition levels to 242 units in 2012, 108 units in 2013, 78 units in 2014, 100 units in 2015, and 128 units in 2016.<sup>24</sup> Although import volumes have risen since 2015, import volumes since 2015 remain significantly lower when compared to pre-initiation import volumes.<sup>25</sup> Thus, as a whole, record

<sup>&</sup>lt;sup>22</sup> *Id.*, 82 FR at 42290.

<sup>&</sup>lt;sup>23</sup> The petition was filed on July 14, 2011 and the case was initiated on August 3, 2011.

<sup>&</sup>lt;sup>24</sup> See Attachment entitled "U.S. Imports for Consumption."

evidence shows that the imports are significantly lower in the last five years when compared to pre-initiation import volumes. Hence, we find that import volumes have remained at levels well below pre-order volumes over the sunset period (*i.e.*, 2012-2016) and that the combination of above *de minimis* margins and decreasing import volumes reasonably indicates that dumping is likely to continue or recur as the exporters likely need to dump to sell at pre-order volumes.

Sunset Reviews

This is the first sunset review of the *Order*.

# V. Legal Framework

In accordance with section 751(c)(1) of the Act, the Department 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 this determination, the Department shall consider both the weighted-average dumping margins determined in the investigation and subsequent reviews, and the volume of imports of the subject merchandise for the periods before and the periods after the issuance of the *Order*.

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 on a company-specific, basis. <sup>26</sup> In addition, the Department normally determines that revocation of an *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>27</sup> 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 *Order* would not be likely to lead to a continuation or recurrence of sales at less than fair value. <sup>28</sup>

In addition, as a base period of 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 the comparison.<sup>29</sup> Also, when analyzing import volumes for the second and subsequent sunset reviews, the Department's practice is to compare import volumes during the

<sup>&</sup>lt;sup>26</sup> See SAA at 879; House Report at 56.

<sup>&</sup>lt;sup>27</sup> See SAA at 889-90; House Report at 63-64; 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).

<sup>&</sup>lt;sup>28</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 Issues and Decision Memorandum at Comment 1.

<sup>&</sup>lt;sup>29</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 at Comment 1.

year preceding initiation of the underlying investigation to import volumes since the issuance of the last continuation notice.<sup>30</sup>

Further, section 752(c)(3) of the Act states that the Department shall provide to the Commission the magnitude of the margin of dumping likely to prevail if the *Order* were revoked. Generally, the Department 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>31</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 an *Order* and imports have remained steady or increased, {the Department} may conclude that exporters are likely to continue dumping at the lower rates found in a more recent review").<sup>32</sup>

In February 2012, the Department announced 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 found to be WTO-inconsistent (*i.e.*, zeroing/the denial of offsets).<sup>33</sup> In the *Final Modification for Reviews*, the Department stated that "only in the most extraordinary circumstances" would it rely on margins other than those calculated and published in prior determinations.<sup>34</sup> The Department further stated that apart from the "most extraordinary circumstances," it did not anticipate needing to recalculate dumping margins in the vast majority of future sunset determinations and, instead 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 that were not affected by the WTO-inconsistent methodology, such as dumping margins recalculated pursuant to Section 129 proceedings, dumping margins determined based on the use of total adverse facts available, and dumping margins where no offsets were denied because all comparison results were positive."<sup>35</sup>

#### VI. Discussion of the Issues

1. Likelihood of Continuation or Recurrence of Dumping

# Petitioner's Argument

• The Department should determine that revocation of the *Order* would likely lead to a continuation or recurrence of dumping by the producers and exporters of the subject merchandise.<sup>36</sup>

<sup>&</sup>lt;sup>30</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 Issues and Decision Memorandum at "Discussion of the Issues: Legal Framework."

<sup>&</sup>lt;sup>31</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), and accompanying Issues and Decision Memorandum at Comment 2.

<sup>&</sup>lt;sup>32</sup> See SAA at 890-91.

<sup>&</sup>lt;sup>33</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>&</sup>lt;sup>34</sup> *Id*.

<sup>&</sup>lt;sup>35</sup> *Id*.

<sup>&</sup>lt;sup>36</sup> See Substantive Response at 9, 13.

- As the calculated margins have been at above *de minimis* levels in every segment, dumping has continued at above de minimis levels since the Department's final determination in the investigation.<sup>37</sup>
- The imposition of the *Order* has had a significant impact on the volume of imports of LPTs from Korean producers and exporters.<sup>38</sup>

## Department's Position:

As explained in the "Legal Framework" section above, when determining whether revocation of the *Order* would be likely to lead to continuation or recurrence of dumping, sections 752(c)(1)(A) and (B) of the Act instruct the Department 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 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."39 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>40</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."41

In the instant review, we find that revocation of the *Order* would likely result in the continuation of dumping in the United States due to the continued existence of dumping margins since the issuance of the Order.

As noted above in the "History of the Order" section, the petitioner observes that the Department completed the original investigation along with three administrative reviews of the antidumping duty order on LPTs from Korea and that Korean producers/exporters have been subject to margins above de minimis.<sup>42</sup> Moreover, the petitioner notes that all of the applicable dumping margins were calculated in a manner that is not inconsistent with the United States' WTO obligations, and as such the Department has found above *de minimis* margins.<sup>43</sup> These margins provide the best evidence of dumping behavior of these companies and there is no evidence that indicates dumping has ceased. Accordingly, revocation of the *Order* is likely to lead to continuation or recurrence of dumping.

Separately, pursuant to section 752(c)(1)(B) of the Act, the Department considered the volume of imports of the subject merchandise for the period before and after the issuance of the Order. As noted above in the "History of the Order" section, using DataWeb, the Department analyzed and considered the volume of imports of the subject merchandise for the period prior to the initiation

<sup>38</sup> *Id.* at 13-15.

<sup>&</sup>lt;sup>37</sup> *Id.* at 13.

<sup>&</sup>lt;sup>39</sup> See SAA at 890.

<sup>&</sup>lt;sup>41</sup> *Id.* at 889; House Report, at 63; Senate Report, at 52.

<sup>&</sup>lt;sup>42</sup> See Substantive Response at 4-9.

<sup>&</sup>lt;sup>43</sup> *Id.* at 11-12.

of the investigation (*i.e.*, 2010), and import volumes during the period of this sunset review (*i.e.*, 2012-2016). As detailed above, we note that import volumes after the imposition of the *Orders* were significantly below the volume of imports in the year preceding the initiation of the investigation (*i.e.*, 2010). In particular, record evidence indicates that import volumes have remained at levels well below pre-order volumes over the sunset period (*i.e.*, 2012-2016) and that the combination of above *de minimis* margins and decreasing import volumes reasonably indicates that dumping is likely to continue or recur as the exporters likely need to dump to sell at pre-order volumes.

Therefore, pursuant to section 752(c)(1) of the Act, the Department determines that revocation of the *Order* is likely to lead to continuation or recurrence of dumping because the record indicates that dumping has continued at levels above *de minimis* during the period of investigation and in subsequent reviews, along with decreasing import volumes.

2. Magnitude of the Margin Likely to Prevail

### Petitioner's Argument

 The domestic interested parties request that the Department report to the Commission the dumping margins that were determined in the investigation, in accordance with the Department's practice and regulations, as the magnitude of the margins of dumping is likely to prevail if the findings were revoked.<sup>44</sup>

# **Department's Position:**

Pursuant to section 752(c)(3) of the Act, the Department shall provide to the Commission the magnitude of the margin of dumping that is likely to prevail if the *Order* were revoked. Normally, the Department will select a weighted-average dumping margin from the investigation to report to the Commission. The Department'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* or suspension agreement in place. Under certain circumstances, however, the Department may select a more recent rate to report to the Commission. Finally, as explained above, in accordance with the *Final Modification for Reviews*, the Department will not rely on weighted-average dumping margins that were calculated using the zeroing methodology found to be WTO-inconsistent.

Because dumping continued following the issuance of the *Order* and given the absence of argument and evidence to the contrary, the Department finds that the margins calculated in the original investigation are probative of the behavior of producers and exporters of subject merchandise from Korea if this *Order* were revoked. Consistent with section 752(c) of the Act, the Department will report to the Commission the margins up to the highest rate from the

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<sup>&</sup>lt;sup>44</sup> See Substantive Response, at 16-18.

<sup>&</sup>lt;sup>45</sup> 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.

<sup>&</sup>lt;sup>46</sup> Id.

<sup>&</sup>lt;sup>47</sup> See Final Modification for Reviews, 77 FR at 8103.

investigation concerning subject merchandise from Korea, as indicated below. These margins were not based on adverse facts available and the zeroing methodology was not applied. Thus, the margins are WTO-consistent because they did not involve zeroing.

## VII. Final Results of Sunset Review

We determine that revocation of the *Order* on LPTs from Korea would be likely to lead to continuation or recurrence of dumping and that the magnitude of the margin likely to prevail would be weighted-average dumping margins up to 29.04 percent.

#### VIII. Recommendation

Based on our analysis of the Substantive Responses received, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish these final results of this expedited sunset review in the *Federal Register*.

Agree	Disagree
	10/31/2017
Cong	Jan

Signed by: GARY TAVERMAN

Gary Taverman

Deputy Assistant Secretary

for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance