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Sunset Reviews  
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September 30, 2010

MEMORANDUM TO: Ronald K. Lorentzen  
Deputy Assistant Secretary  
for Import Administration

FROM: Susan H. Kuhbach  
Acting Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of  
Expedited Second Sunset Reviews of the Antidumping Duty  
Orders on Certain Stainless Steel Sheet and Strip in Coils from  
Germany, Japan, the Republic of Korea, and Taiwan

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### Summary

We have analyzed the responses of the interested parties in the second sunset reviews of the antidumping duty orders covering certain stainless steel sheet and strip (“SSSS”) in coils from Germany, Japan, the Republic of Korea (Korea), and Taiwan. 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 these sunset reviews for which we received substantive responses:

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

### History of the Orders

The petitioners in all of the orders are: AK Steel Corporation; Allegheny Ludlum Corporation; North American Stainless; the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial Service Workers International Union; United Auto Workers Local 3303; and United Auto Workers Local 4104 (collectively, “petitioners” or “domestic interested parties”).

## Germany

*Less-Than-Fair Value Investigation and Administrative Reviews*

On June 8, 1999, the Department of Commerce (“the Department”) published its final affirmative determination of sales at less than fair value (“LTFV”) in the *Federal Register* with respect to imports of SSSS in coils from Germany.<sup>1</sup> On July 27, 1999, the Department amended the final determination and published in the *Federal Register* an antidumping duty order on SSSS in coils from Germany.<sup>2</sup> The Department applied partial adverse facts available against Krupp Thyssen Nirosta GmbH (“KTN”) and assigned a weighted-average margin of 25.72 percent to KTN and to the all-others rate. Following publication of the *German Antidumping Order*, Thyssen Krupp Nirosta GmbH (“TKN”), formerly KTN, and Krupp Hoesch Steel Products, Inc. (“KHSP”), a wholly-owned U.S. subsidiary of KTN, filed a lawsuit with the Court of International Trade (“the CIT”) challenging certain aspects of the Department’s findings in the antidumping investigation. As a result of this litigation, we amended our final determination of the antidumping duty investigation for KTN based on our recalculation of KTN’s rates pursuant to the remand.<sup>3</sup> The amended final determination weighted average margin for KTN was 13.48 percent. As a result of these changes, the “all others” rate also changed to 13.48 percent.

Since the issuance of the antidumping order, the Department has conducted six administrative reviews with respect to TKN. In those administrative reviews, the Department determined dumping weighted average margins with respect to TKN of 2.61 percent, 4.74 percent, 3.72 percent, 7.03 percent, 9.50 percent, and 2.45 percent, respectively.<sup>4</sup> In the seventh administrative review covering the period July 1, 2005, through June 30, 2006, TKN withdrew its request and the Department rescinded the review.<sup>5</sup>

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<sup>1</sup> See *Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From Germany*, 64 FR 30710 (June 8, 1999).

<sup>2</sup> See *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils From Germany*, 64 FR 40557 (July 27, 1999) (“*German Antidumping Order*”).

<sup>3</sup> See *Stainless Steel Sheet and Strip in Coils From Germany: Amended Final Determination of Antidumping Duty Investigation*, 67 FR 15178 (March 29, 2002).

<sup>4</sup> See *Stainless Steel Sheet and Strip in Coils From Germany: Notice of Final Results of Antidumping Duty Administrative Review*, 67 FR 7668 (February 20, 2002); *Stainless Steel Sheet and Strip in Coils From Germany: Notice of Final Results of Antidumping Duty Administrative Review*, 68 FR 6716 (February 10, 2003), amended by *Notice of Amended Final Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils From Germany*, 68 FR 14193 (March 24, 2003); *Stainless Steel Sheet and Strip in Coils From Germany: Notice of Final Results of Antidumping Duty Administrative Review*, 69 FR 6262 (February 10, 2004), amended by *Stainless Steel Sheet and Strip in Coils From Germany: Notice of Amended Final Results of Antidumping Duty Administrative Reviews*, 69 FR 18872 (April 9, 2004); *Stainless Steel Sheet and Strip in Coils From Germany: Notice of Final Results of Antidumping Duty Administrative Review*, 69 FR 75930 (December 20, 2004); *Stainless Steel Sheet and Strip in Coils From Germany: Notice of Final Results of Antidumping Duty Administrative Review*, 70 FR 73729 (December 13, 2005); *Stainless Steel Sheet and Strip in Coils From Germany: Notice of Final Results of Antidumping Duty Administrative Review*, 71 FR 74897 (December 13, 2006).

<sup>5</sup> See *Stainless Steel Sheet and Strip in Coils From Germany: Notice of Rescission of Antidumping Duty Administrative Review*, 71 FR 61021 (October 17, 2006).

### *Changed Circumstances Reviews*

The Department completed two changed circumstances reviews regarding imports of SSSS in coils from Germany since the issuance of the order. The first changed circumstances review revoked the order, in part, with regard to permanent magnet iron-chromium-cobalt stainless steel strips, currently supplied under the trade name Semi Vac 90.<sup>6</sup> The second changed circumstances review determined that TKN is the successor-in-interest to KTN and that TKN should retain the deposit rate assigned to KTN.<sup>7</sup>

### *Scope Rulings*

The Department has completed two scope rulings since the issuance of the order. On August 15, 2005, the Department determined that suspension foil, other than that specifically described in the scope exclusion language, is subject to the *German Antidumping Order*.<sup>8</sup> On October 10, 2008, the Department also determined that TriClad nickel-clad SSSS in coils from Germany is within the scope of antidumping duty order.<sup>9</sup>

### *Duty Absorption Finding*

The Department has made one duty absorption finding to date concerning SSSS in coils from Germany. In the fourth administrative review, covering the period July 1, 2002, through June 30, 2003, the Department determined that TKN had absorbed antidumping duties for all U.S. sales through its unaffiliated importers.<sup>10</sup>

### *Sunset Reviews*

On June 1, 2004, the Department published the notice of initiation of the first sunset review of the *German Antidumping Order* pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”).<sup>11</sup> On November 22, 2004, the Department published a notice of final results of its expedited sunset review of the antidumping duty order.<sup>12</sup> On July 18, 2005, the International Trade Commission (“the Commission”) determined that revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry.<sup>13</sup> On August 4,

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<sup>6</sup> See *Stainless Steel Sheet and Strip in Coils From Germany: Final Results of Changed Circumstances Review*, 66 FR 50173 (October 2, 2001).

<sup>7</sup> See *Stainless Steel Sheet and Strip and Coils From Germany: Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 67 FR 61319 (September 30, 2002).

<sup>8</sup> See Final Recommendation Memorandum – Scope Ruling Request by Hutchinson Technology Inc. on whether Certain Stainless Steel Suspension Foil is Subject to the Scope of the Antidumping and Countervailing Duty Orders on Stainless Steel Sheet and Strip in Coils from Subject Counties, dated August 15, 2005 (“Suspension Foil Scope Memorandum”).

<sup>9</sup> See *Notice of Scope Rulings*, 74 FR 14521 (March 31, 2009).

<sup>10</sup> See *Stainless Steel Sheet and Strip in Coils From Germany: Notice of Final Results of Antidumping Duty Administrative Review*, 69 FR 75930 (December 20, 2004).

<sup>11</sup> *Initiation of Five-Year (“Sunset”) Reviews*, 69 FR 30874 (June 1, 2004).

<sup>12</sup> See *Stainless Steel Sheet and Strip in Coils From Germany: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 69 FR 67896 (November 22, 2004).

<sup>13</sup> See *Certain Stainless Steel Sheet and Strip From France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom*, 70 FR 41236 (July 18, 2005).

2005, the Department published a notice of the continuation of the antidumping duty order on SSSS in coils from Germany.<sup>14</sup>

On June 2, 2010, the Department initiated the instant sunset review of the *German Antidumping Order* pursuant to section 751(c) of the Act.<sup>15</sup>

On June 17, 2010, the Department received a notice of intent to participate from the petitioners within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. Petitioners claimed domestic interested party status under sections 771(9)(C) and (D) of the Act, as U.S. producers and certified unions representing workers in the domestic industry processing SSSS in coils.

On July 2, 2010, we received a complete, substantive response from the petitioners within the 30-day deadline specified under section 351.218(d)(3)(i) of the Department's regulations. The Department received no substantive responses from respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department conducted an expedited (120-day) sunset review of this order.

## Japan

### *Less-Than-Fair Value Investigation and Administrative Reviews*

On June 8, 1999, the Department published its final affirmative determination of sales at LTFV in the *Federal Register* with respect to imports of SSSS in coils from Japan.<sup>16</sup> On July 27, 1999, the Department amended its final determination and published in the *Federal Register* an antidumping duty order on SSSS in coils from Japan.<sup>17</sup> The amended final determination margins were as follows:

Kawasaki Steel Corporation	40.18
Nippon Steel Corporation	57.87
Nisshin Steel Co., Ltd.	57.87
Nippon Yakin Kogyo	57.87
Nippon Metal Industries	57.87
All-Others Rate	40.18

Since the issuance of the antidumping order, the Department has conducted several administrative reviews. The first administrative review covered the period of review January 4,

<sup>14</sup> See *Continuation of Antidumping Duty Orders on Stainless Steel Sheet and Strip in Coils from Germany, Italy, Japan, the Republic of Korea, Mexico and Taiwan, and Countervailing Duty Orders on Stainless Steel Sheet and Strip in Coils from Italy and the Republic of Korea*, 70 FR 44886 (August 4, 2005).

<sup>15</sup> See *Initiation of Five-Year ("Sunset") Review*, 75 FR 30777 (June 2, 2010).

<sup>16</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From Japan*, 64 FR 30574 (June 8, 1999).

<sup>17</sup> See *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils From Japan*, 64 FR 40565 (July 27, 1999).

1999 – June 30, 2000, and one respondent, Kawasaki Steel Corporation (“Kawasaki”).<sup>18</sup> The Department determined a dumping margin of 1.92 percent for Kawasaki.<sup>19</sup> No parties requested an administrative review for the second period of review, July 1, 2000 – June 30, 2001, or for the third period of review, July 1, 2001 – June 30, 2002. Pursuant to a request by the petitioners, the Department conducted an administrative review for the fourth review period, July 1, 2002 – June 30, 2003, which covered one respondent, Kawasaki. However, the review was rescinded based on the Department’s finding that there were no entries of subject merchandise into the United States during the period of review from Kawasaki.<sup>20</sup> Pursuant to a request by the petitioners, the Department initiated an administrative review for the fifth period of review, July 1, 2003 – June 30, 2004, which covered one respondent, Kawasaki and its alleged successor-in-interest, JFE Steel Corporation (“JFE”). Because neither Kawasaki nor JFE participated in that review, the Department assigned Kawasaki and JFE a dumping margin of 57.87 based upon adverse facts available.<sup>21</sup>

Pursuant to a request by the petitioners, the Department conducted an administrative review for the sixth period of review, July 1, 2004 – June 30, 2005, which covered Kawasaki and JFE. However, the review was rescinded based on the Department’s finding that there were no entries of subject merchandise into the United States during the period of review from Kawasaki and JFE.<sup>22</sup> No parties requested an administrative review of the seventh period of review, July 1, 2005 – June 30, 2006, or the eighth period of review, July 1, 2006 – June 30, 2007. The Department conducted an administrative review for the ninth period of review, July 1, 2007 – June 30, 2008, determining dumping margins of 0.00 percent for Hitachi Cable, Ltd., and 0.54 percent for Nippon Kinzoku Company, Ltd. *See Stainless Steel Sheet and Strip in Coils from Japan: Final Results of Antidumping Duty Administrative Review*, 75 FR 6631, 6633 (February 10, 2010).

#### *Changed Circumstances Reviews and Scope Ruling*

The Department has completed four changed circumstances antidumping duty reviews regarding imports of SSSS in coils from Japan since the issuance of the order.<sup>23</sup> Pursuant to these changed circumstance reviews, the order was revoked in part with regard to: stainless steel

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<sup>18</sup> *See Notice of Final Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils from Japan*, 67 FR 6495 (February 12, 2002).

<sup>19</sup> *Id.*

<sup>20</sup> *See Stainless Steel Sheet and Strip in Coils From Japan: Rescission of Antidumping Duty Administrative Review*, 69 FR 18536 (April 8, 2004).

<sup>21</sup> *See Stainless Steel Sheet and Strip in Coils from Japan: Final Results of Antidumping Duty Administrative Review*, 70 FR 37759 (June 30, 2005).

<sup>22</sup> *See Stainless Steel Sheet and Strip in Coils From Japan: Final Rescission of Antidumping Duty Administrative Review*, 71 FR 26041, 26043 (May 3, 2006).

<sup>23</sup> *See Stainless Steel Sheet and Strip in Coils From Japan: Final Results of Changed Circumstance Antidumping Duty Review, and Determination To Revoke Order in Part*, 65 FR 17856 (April 5, 2000); *Stainless Steel Sheet and Strip in Coils From Japan: Final Results of Changed Circumstance Antidumping Duty Review, and Determination To Revoke Order in Part*, 65 FR 54841 (September 11, 2000); *Stainless Steel Sheet and Strip in Coils From Japan: Final Results of Changed Circumstance Antidumping Duty Review and Determination To Revoke Order in Part*, 65 FR 64423 (October 27, 2000); *Stainless Steel Sheet and Strip in Coils From Japan: Final Results of Changed Circumstance Antidumping Duty Review, and Determination To Revoke Order in Part*, 65 FR 77578 (December 12, 2000).

welding electrode strips; stainless steel razor blade steel, medical surgical blade steel, and industrial blade steel; certain stainless steel lithographic sheet; and nickel-clad SSSS in coils.<sup>24</sup>

The Department has completed one scope ruling since the issuance of the order. On August 15, 2005, the Department determined that suspension foil, other than that specifically described in the scope exclusion language, is subject to the antidumping duty order on SSSS in coils from Japan.<sup>25</sup>

### *Sunset Reviews*

The Department has conducted one prior sunset review of the antidumping duty order on SSSS in coils from Japan. On June 1, 2004, the Department published the notice of initiation of the first sunset review, pursuant to section 751(c) of the Act.<sup>26</sup> On October 25, 2004, the Department published a notice of final results of its expedited sunset review.<sup>27</sup> On July 18, 2005, the Commission determined that revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry.<sup>28</sup> On August 4, 2005, the Department published notice of the continuation of the antidumping duty order on SSSS in coils from Japan.<sup>29</sup>

On June 2, 2010, the Department initiated the instant sunset review of the antidumping duty order on SSSS in coils from Japan, pursuant to section 751(c) of the Act.<sup>30</sup> The Department received a notice of intent to participate from the petitioners within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. The petitioners claimed interested party status under sections 771(9)(C) and (D) of the Act, as U.S. producers and certified unions representing workers in the domestic industry processing SSSS in coils. On July 2, 2010, we received a complete, substantive response from the petitioners within the 30-day deadline specified in section 351.218(d)(3)(i) of the Department's regulations. The Department received no substantive responses from respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department conducted an expedited (120-day) sunset review of this order.

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<sup>24</sup> *Id.*

<sup>25</sup> See Suspension Foil Scope Memorandum.

<sup>26</sup> *Initiation of Five-Year ("Sunset") Reviews*, 69 FR 30874 (June 1, 2004).

<sup>27</sup> See *Stainless Steel Sheet and Strip in Coils from Japan; Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 69 FR 62250 (October 25, 2004).

<sup>28</sup> See *Certain Stainless Steel Sheet and Strip From France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom*, 70 FR 41236 (July 18, 2005).

<sup>29</sup> See *Continuation of Antidumping Duty Orders on Stainless Steel Sheet and Strip in Coils from Germany, Italy, Japan, the Republic of Korea, Mexico, and Taiwan, and Countervailing Duty Orders on Stainless Steel Sheet and Strip in Coils from Italy and the Republic of Korea*, 70 FR 44886 (August 4, 2005).

<sup>30</sup> See *Initiation of Five-Year ("Sunset") Review*, 75 FR 30777 (June 2, 2010).

Korea

*Less-Than-Fair Value Investigation and Administrative Reviews*

On June 8, 1999, the Department determined that SSSS in coils from Korea was being or was likely to be sold in the United States at LTFV.<sup>31</sup> The period of investigation was April 1, 1997, through March 31, 1998. On July 19, 1999, the Commission notified the Department of its final determination pursuant to section 735(b)(1)(A)(i) of the Act that an industry in the United States was materially injured by reason of LTFV imports of subject merchandise. On the basis of its affirmative finding of sales at LTFV, and the findings of the Commission, the Department issued an antidumping duty order on SSSS in coils from Korea.<sup>32</sup>

Thereafter, the Department amended its final determination in the antidumping duty investigation on SSSS in coils from Korea in order to implement the report of the WTO dispute settlement panel addressing various aspects of the Department's final determination.<sup>33</sup> Accordingly, the final determination rates are as follows: Pohang Iron & Steel Co., Ltd. ("POSCO") was changed to 2.49 percent, Incheon Iron & Steel Co., Ltd. ("Inchon") remained 0.00 percent, Taihan Electric Wire Co., Ltd. ("Taihan") remained 58.79 percent, and the "All-Others" rate was changed to 2.49 percent.

Since the issuance of the antidumping duty order, the Department has completed three administrative reviews. The first review covered imports of subject merchandise from POSCO, Samwon Precision Metals Co., Ltd. ("Samwon"), Daiyang Metal Co. Ltd. ("DMC"), and Sammi Steel Co. and its affiliates or any successor or surviving company ("Sammi") during the period January 4, 1999, through June 30, 2000. In this review, the Department found dumping margins of 0.03 percent for POSCO, 7.88 percent for Samwon, 2.74 percent for DMC, and rescinded the review with respect to Sammi based on a finding that Sammi did not ship subject merchandise during the POR.<sup>34</sup> Sammi's cash deposit rate was the "All Others" rate of 2.49 percent established in the amended final determination. *See* 67 FR at 2196. The second review covered imports of subject merchandise from POSCO, Samwon, and Daiyang during the period July 1, 2000, through June 30, 2001. In this review, the Department found dumping margins of 0.92 percent for POSCO, 5.44 percent for DMC, and rescinded the review with respect to Samwon.<sup>35</sup>

<sup>31</sup> *See Notice of Final Determination of Sales at Less Than Fair Value; Stainless Steel Sheet and Strip in Coils From the Republic of Korea*, 64 FR 30664 (June 8, 1999).

<sup>32</sup> *See Notice of Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils From United Kingdom, Taiwan and South Korea*, 64 FR 40555 (July 27, 1999).

<sup>33</sup> *See Notice of Amendment of Final Determinations of Sales at Less Than Fair Value; Stainless Steel Plate in Coils From the Republic of Korea; and Stainless Steel Sheet and Strip in Coils From the Republic of Korea*, 66 FR 45279 (August 28, 2001).

<sup>34</sup> *See Stainless Steel Sheet and Strip in Coils From the Republic of Korea; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 66 FR 64950 (December 17, 2001), amended by *Notice of Amended Final Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils From the Republic of Korea*, 67 FR 2194 (January 16, 2002) (correcting the "All-Others" rate from 12.12 percent *ad valorem* to 2.49 percent *ad valorem*).

<sup>35</sup> *See Stainless Steel Sheet and Strip in Coils From the Republic of Korea; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 68 FR 6713 (February 10, 2003), amended by *Stainless Steel Sheet and Strip in Coils From the Republic of Korea; Notice of Amended Final Results of Antidumping Duty Administrative Review*, 68 FR 12039 (March 13, 2003).

The Department rescinded the third and fourth administrative reviews covering the periods July 1, 2001, through June 30, 2002, and, July 1, 2002, through June 30, 2003, respectively.<sup>36</sup>

There was no fifth administrative review covering the period July 1, 2003, through June 30, 2004. During the sixth administrative review covering the period July 1, 2004, through June 30, 2005, the Department determined that eight of the thirteen companies did not have any shipments of SSSS in coils from Korea to the United States during the period of review and consequently rescinded the review with respect to those eight companies.<sup>37</sup> The Department found the following dumping margins for the five remaining producers/exporters: 58.79 percent for Boorim Corporation, 58.79 percent for Dae Kyung Corporation, 3.77 percent for DMC, 58.79 percent for Dine Trading Co., Ltd., and 58.79 percent for Dosko Co., Ltd.<sup>38</sup> The margins for all of the remaining respondents, except DMC, were based on total adverse facts available because those companies failed to respond to the Department's questionnaire.<sup>39</sup> There was no seventh administrative review covering the period July 1, 2005, through June 30, 2006. On August 20, 2007, the Department initiated the eighth administrative review covering the period July 1, 2006, through June 30, 2007, at the request of DMC.<sup>40</sup> Subsequently, DMC withdrew its request for review and, as a result, the Department rescinded the review.<sup>41</sup>

#### *Changed Circumstances Reviews and Scope Rulings*

The Department has conducted two changed circumstances reviews of this order. In the first changed circumstances review, the Department determined that INI Steel Company ("INI") is the successor-in-interest to Inchon for purposes of antidumping duty liability and that INI's acquisition of 68.42 percent of Sammi's equity did not change the status of either company as separate legal entities.<sup>42</sup> <sup>43</sup> In the second changed circumstances review, the Department determined that Hyundai Steel Company ("Hyundai") is the successor-in-interest to INI, formerly Inchon and, therefore, INI's exclusion from the order applied to Hyundai.<sup>44</sup>

The Department has completed one scope ruling since the issuance of the order. On August 15, 2005, the Department determined that suspension foil, other than that specifically described in the scope exclusion language, is subject to the antidumping duty order on SSSS in coils from Korea.<sup>45</sup>

<sup>36</sup> See *Stainless Steel Sheet and Strip in Coils from the Republic of Korea: Rescission of Antidumping Duty Administrative Review*, 67 FR 68989 (November 14, 2002), and *Stainless Steel Sheet and Strip in Coils from the Republic of Korea: Rescission of Antidumping Duty Administrative Review*, 68 FR 56622 (October 1, 2003).

<sup>37</sup> See *Stainless Steel Sheet and Strip in Coils From the Republic of Korea; Final Results and Rescission of Antidumping Duty Administrative Review in Part*, 72 FR 4486 (January 31, 2007).

<sup>38</sup> *Id.* at 4490.

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

<sup>40</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 72 FR 48613 (August 24, 2007).

<sup>41</sup> See *Stainless Steel Sheet and Strip in Coils from the Republic of Korea; Rescission of Antidumping Duty Administrative Review*, 72 FR 54239 (September 24, 2007).

<sup>42</sup> Inchon was excluded from the investigation.

<sup>43</sup> See *Stainless Steel Sheet and Strip in Coils from the Republic of Korea: Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 67 FR 43583 (June 28, 2002).

<sup>44</sup> See *Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils from the Republic of Korea*, 71 FR 37906 (July 3, 2006).

<sup>45</sup> See Suspension Foil Scope Memorandum.

### *Sunset Reviews*

On June 1, 2004, the Department published the notice of initiation of the first sunset review of the antidumping duty order on SSSS in coils from Korea pursuant to section 751(c) of the Act.<sup>46</sup> On November 22, 2004, the Department published a notice of final results of its expedited sunset review of the antidumping duty order.<sup>47</sup> All of the petitioners participated in that sunset review. Based on the substantive comments provided by the petitioners and the inadequate responses, *i.e.*, no responses, by all of the respondent interested parties, the Department determined that revocation of the antidumping order would likely lead to continuation or recurrence of dumping.<sup>48</sup> On July 18, 2005, the Commission determined that revocation of the order would likely lead to continuation or recurrence of material injury to the domestic industry.<sup>49</sup> Thus, on August 4, 2005, the Department published the notice of the continuation of the antidumping duty order on SSSS in coils from Korea.<sup>50</sup> On June 2, 2010, the Department published the notice of initiation of the instant sunset review of the antidumping duty order on SSSS in coils from Korea pursuant to section 751(c) of the Act.<sup>51</sup>

The Department received a notice of intent to participate from petitioners within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. Petitioners claimed domestic interested party status under sections 771(9)(C) and (D) of the Act, as U.S. producers and certified unions representing workers in the domestic industry processing SSSS in coils.

On July 2, 2010, we received a complete, substantive response from petitioners within the deadline specified in section 351.218(d)(3)(i) of the Department's regulations. The Department received inadequate responses, *i.e.*, no responses, from respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department conducted an expedited (120-day) sunset review of this order.

Taiwan

### *Less-Than-Fair Value Investigation and Administrative Reviews*

On June 8, 1999, the Department determined that SSSS in coils from Taiwan was being or was likely to be sold at LTFV in the United States.<sup>52</sup> The Department investigated four producers of subject merchandise: Yieh United Steel Corporation ("YUSCO"), Tung Mung Development Co., Ltd. ("Tung Mung"), Chang Mien Industries Co., Ltd. ("Chang Mien"), and Yieh Mau

<sup>46</sup> See *Initiation of Five-Year ("Sunset") Reviews*, 69 FR 30874 (June 1, 2004).

<sup>47</sup> See *Stainless Steel Sheet and Strip in Coils from The Republic of Korea, Taiwan and the United Kingdom; Final Results of the Expedited Five Year ("Sunset") Reviews of Antidumping Duty Orders*, 69 FR 67892 (November 22, 2004).

<sup>48</sup> *Id.*

<sup>49</sup> See *Certain Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom*, 70 FR 41236 (July 18, 2005).

<sup>50</sup> *Id.*

<sup>51</sup> See *Initiation of Five-Year ("Sunset") Review*, 75 FR 30777 (June 2, 2010).

<sup>52</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From Taiwan*, 64 FR 30592 (June 8, 1999).

Coporation (“Yieh Mau”), as well as one middleman of both YUSCO’s and Tung Mung’s product, Ta Chen Stainless Pipe Co., Ltd., and its affiliated U.S. subsidiary, Ta Chen International (CA) Corp. (collectively “Ta Chen”).<sup>53</sup> The Department concluded that Ta Chen had engaged in middleman dumping during the period of investigation and calculated a single, weighted average dumping rate for Ta Chen’s exports to the United States of SSSS in coils produced by YUSCO and Tung Mung, respectively. Based on the affirmative finding, the Commission examined whether the unfairly traded imports had materially injured a U.S. industry, and concluded that they had.<sup>54</sup>

On July 27, 1999, the Department issued the antidumping duty order covering SSSS in coils from Taiwan, establishing weighted-average dumping margins as follows: Tung Mung/Ta Chen 14.95 percent, Tung Mung 14.95 percent, Chang Mien (Excluded), YUSCO/Ta Chen 34.95 percent, YUSCO 34.95 percent, and All-Others Rate 12.61 percent.<sup>55</sup> Respondents Tung Mung and YUSCO contested various aspects of the Department’s determination, including the Department’s application of single weighted-average rates to merchandise produced by Tung Mung and YUSCO. On July 3, 2001, the CIT remanded the Department’s determination on this issue and instructed the Department to “either provide a reasonable explanation and substantial evidence for its change in practice, or...apply a combination rate, consistent with its prior practice.”<sup>56</sup>

On remand, the Department reconsidered its use of a single, weighted-average rate in this case and opted to assign combination cash deposit rates: YUSCO/Ta Chen 36.44 percent, YUSCO 21.10 percent, Tung Mung/Ta Chen 15.40 percent, and Tung Mung 0.00 percent. Because it received a 0.00 percent margin, Tung Mung was excluded from the order.<sup>57</sup> On August 22, 2002, the CIT sustained the Department’s remand determination.<sup>58</sup> The petitioners subsequently appealed the CIT’s decision to the United States Court of Appeals for the Federal Circuit (“CAFC”). On January 15, 2004, the CAFC affirmed the CIT’s decision.<sup>59</sup> On November 17, 2004, the Department issued a notice amending its final determination in accordance with the Court’s decision, and the Department excluded Tung Mung from the antidumping duty order.<sup>60</sup> Since the issuance of the order on SSSS in coils from Taiwan, the Department has completed nine administrative reviews and the tenth is currently ongoing. In the first administrative review, for the period January 4, 1999 to June 30, 2000, the Department found dumping margins of zero for YUSCO, zero for Tung Mung, 21.10 percent for Chia Far Industries Co., Ltd. (“Chia Far”),

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<sup>53</sup> *Id.*

<sup>54</sup> See *Certain Stainless Steel Sheet and Strip in Coils From France, Germany, Italy, Japan, The Republic of Korea, Mexico, Taiwan, and The United Kingdom*, 64 FR 40896 (July 28, 1999).

<sup>55</sup> See *Notice of Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils From United Kingdom, Taiwan and South Korea*, 64 FR 40555 (July 27, 1999).

<sup>56</sup> See *Tung Mung Dev. Co., Ltd. v. United States*, 25 C.I.T. 752, 773 (July 3, 2001).

<sup>57</sup> See *Final Results of Redetermination Pursuant to Court Remand: Tung Mung Dev. Co., Ltd. v. United States*, Consol. Ct. No. 99-07-00457 (November 28, 2001).

<sup>58</sup> See *Tung Mung Dev. Co. v. United States*, 219 F. Supp. 2d 1333, 1342-43 (CIT 2002).

<sup>59</sup> See *Tung Mung Dev. Co., Ltd. v. United States*, 354 F.3d 1371 (Fed. Cir. 2004).

<sup>60</sup> See *Notice of Amended Final Determination in Accordance With Court Decision of the Antidumping Duty Investigation of Stainless Steel Sheet and Strip in Coils From Taiwan*, 69 FR 67311 (November 17, 2004) and *Notice of Correction to the Amended Final Determination in Accordance With Court Decision in the Antidumping Duty Investigation of Stainless Steel Sheet and Strip in Coils From Taiwan*, 70 FR 17658 (April 7, 2005).

and 12.61 percent for “All Others.”<sup>61</sup> The petitioners and Chia Far contested various aspects of the Department’s first administrative review. On appeal, the CIT affirmed the Department’s final results.<sup>62</sup> In the second administrative review, for the period July 1, 2000 to June 30, 2001, the Department found dumping margins of zero for YUSCO, 1.11 percent for Chia Far, and 21.10 percent for Tung Mung.<sup>63</sup>

In the third administrative review, the Department found dumping margins of 1.96 percent for YUSCO, 0.98 percent for Chia Far, and 21.10 percent for Tung Mung.<sup>64</sup> The fourth administrative review covered thirteen producers/exporters for the period July 1, 2002, through June 30, 2003.<sup>65</sup> On February 15, 2005, the Department published its final results of this review.<sup>66</sup> In its final results the Department found that Yieh Mau Corporation, Ta Chen, Chain Chon Industrial Co., Ltd. (“Chain Chon”), Tung Mung<sup>67</sup>, and China Steel Corporation (“China Steel”) did not export SSSS in coils from Taiwan during the period of review to the United States and consequently rescinded the review for those companies.<sup>68</sup> The Department assigned the following dumping margins for the remaining companies:<sup>69</sup>

YUSCO	1.92
Chia Far	1.10
Chien Shing Stainless Steel Company, Ltd. (“Chien Shing”)	21.10
Goang Jau Shing Enterprise Co., Ltd. (“Goang Jau”)	21.10
PFP Taiwan Co. Ltd (“PFP Taiwan”)	21.10
Tang Eng Iron Works Company, Ltd. (“Tang Eng”)	21.10
Yieh Loong Enterprise Company, Ltd. (“Yieh Loong”)	21.10
Yieh Trading Corporation (“Yieh Trading”)	21.10

<sup>61</sup> See *Stainless Steel Sheet and Strip From Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 67 FR 6682, 6684 (February 13, 2002).

<sup>62</sup> See *Chia Far Industrial Factory Co., Ltd. v. United States*, 343 F. Supp. 2d 1344 (CIT 2004).

<sup>63</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 67 FR 76721 (December 13, 2002).

<sup>64</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 69 FR 5960 (February 9, 2004).

<sup>65</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 68 FR 50750 (August 22, 2003).

<sup>66</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 7715 (February 15, 2005).

<sup>67</sup> Tung Mung was later excluded from the order based on the Amended Final Determination from the investigation. See *Notice of Amended Final Determination in Accordance With Court Decision of the Antidumping Duty Investigation of Stainless Steel Sheet and Strip in Coils From Taiwan*, 69 FR 67311 (November 17, 2004). Therefore, though Tung Mung was a respondent in later reviews, the rates from these reviews are moot as Tung Mung was excluded from the order effective June 8, 1999. See *Notice of Correction to the Amended Final Determination in Accordance With Court Decision in the Antidumping Duty Investigation of Stainless Steel Sheet and Strip in Coils From Taiwan*, 70 FR 17658 (April 7, 2005).

<sup>68</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 7519, 7520-21 (February 15, 2005).

<sup>69</sup> *Id.* and *Stainless Steel Sheet and Strip in Coils From Taiwan: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 69 FR 48212, 48221-22 (August 9, 2004).

On February 13, 2006, the Department published its final results of the fifth administrative review covering sixteen producers/exporters for the period of July 1, 2003, through June 30, 2004.<sup>70</sup> The Department determined that Ta Chen, Yieh Mau, Chain Chon, Tung Mung<sup>71</sup>, Tang Eng, Yieh Loong, and China Steel did not ship SSSS in coils from Taiwan to the United States during the period of review, and thus rescinded the review with respect to these companies.<sup>72</sup> The Department assigned the following dumping margins for the remaining companies: YUSCO 0.00 percent, Chia Far 1.36 percent, and Goang Jau, PFP Taiwan, Yieh Trading, and Chieng Shing all were each assigned a rate of 21.10 percent.

On December 15, 2006, the Department published its final results of its sixth administrative review covering fifteen producers/exporters for the period of July 1, 2004, through June 30, 2005.<sup>73</sup> The Department determined that Ta Chen, YUSCO, Yieh Mau, Chain Chon, Yieh Loong, and China Steel did not ship SSSS in coils to the United States during the period of review, and thus rescinded the review with respect to these companies.<sup>74</sup> The Department also rescinded the review with respect to Emerdex Stainless Flat-Rolled Products, Inc., Emerdex Stainless Steel, Inc., and the Emerdex Group (hereafter referred to as “the Emerdex companies”) because the Department determined that these companies were not identified as Taiwanese exporters or producers of subject merchandise.<sup>75</sup>,<sup>76</sup> The Department assigned the following dumping margins for the remaining companies: Chia Far 0.79 percent. Goang Jau, PFP Taiwan, Yieh Trading, Chieng Shing, and Tang Eng were each assigned a rate of 21.10 percent.<sup>77</sup>

On February 6, 2008, the Department published its final results of its seventh administrative review covering fifteen producers/exporters for the period of July 1, 2005, through June 30, 2006.<sup>78</sup> The Department determined that nine of the companies: Chain Chon, Chien Shing, China Steel, Goang Jau, Ta Chen, Tang Eng, Yieh Loong, Yieh Mau, and YUSCO did not ship SSSS in coils to the United States during the POR, and thus rescinded the review with respect to these companies.<sup>79</sup> The Department also rescinded the review with respect to the Emerdex companies because they were determined to be U.S. entities.<sup>80</sup> The Department assigned the following dumping margins for the remaining companies: Chia Far 1.41 percent, PFP Taiwan, and Yieh Trading Corporation/Yieh Corp. 21.10 percent, respectively.<sup>81</sup>

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<sup>70</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 7519 (February 13, 2006).

<sup>71</sup> See footnote 68,

<sup>72</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 7520-21 (February 13, 2006).

<sup>73</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 75504 (December 15, 2006).

<sup>74</sup> *Id.* at 75505.

<sup>75</sup> *Id.*, and *Stainless Steel Sheet and Strip in Coils From Taiwan; Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review*, 71 FR 45521, 45524 (August 9, 2006).

<sup>76</sup> *Id.* and *Stainless Steel Sheet and Strip in Coils from Taiwan: Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review*, 71 FR 45521, 45524- 45525 (Aug. 9, 2006) (unchanged in *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 75504 (Dec. 15, 2006)).

<sup>77</sup> See 71 FR at 75506.

<sup>78</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Rescission in Part of Antidumping Duty Administrative Review*, 73 FR 6932 (February 6, 2008).

<sup>79</sup> *Id.* at 6933.

<sup>80</sup> *Id.*, 73 FR at 6933-34.

<sup>81</sup> *Id.* at 6935

The eighth administrative review initiated covered fifteen producers/exporters and the period July 1, 2006, through June 30, 2007.<sup>82</sup> Petitioners withdrew their request for review for twelve of the companies.<sup>83</sup> On December 9, 2008, the Department published its final results of this review.<sup>84</sup> In its final results, the Department found that Ta Chen and YUSCO did not export SSSS in coils into the United States during the period of review and consequently rescinded the review for those companies.<sup>85</sup> The Department assigned the sole remaining respondent, Chia Far, a dumping margin of 2.71 percent.

At the request of the petitioners, the Department initiated its ninth administrative review covering twenty producers/exporters for the period of July 1, 2007, through June 30, 2008.<sup>86</sup> Petitioners withdrew their request for review of seventeen of the companies. As a result the Department rescinded the review of those companies.<sup>87</sup> On February 5, 2010, the Department published its final results as to respondent Chia Far and also rescinded the review of two respondents, Ta Chen and YUSCO, based on finding that they did not ship subject merchandise into the United States during the POR.<sup>88</sup> The Department assigned the sole remaining respondent, Chia Far, a dumping margin of 4.30 percent.

At the request of the petitioners and Chia Far, the Department initiated its tenth administrative review covering twenty-three producers/exporters for the period of July 1, 2008, through June 30, 2009.<sup>89</sup> On August 13, 2010, the Department published its preliminary results for this review.<sup>90</sup>

### *Scope Rulings*

The Department has completed one scope ruling since the issuance of the order. On August 15, 2005, the Department determined that suspension foil, other than that specifically described in the scope exclusion language, is subject to the antidumping duty order on SSSS in coils from Taiwan.<sup>91</sup>

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<sup>82</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 72 FR 48613 (August 24, 2007).

<sup>83</sup> See *Stainless Steel Sheet and Strip in Coils from Taiwan; Partial Rescission of Antidumping Duty Administrative Review and Notice of Extension of Time Limits for Preliminary Results of Antidumping Duty Administrative Review*, 73 FR 16264 (March 27, 2008).

<sup>84</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Rescission in Part of Antidumping Duty Administrative Review*, 73 FR 74704 (December 9, 2008).

<sup>85</sup> *Id.* at 74706.

<sup>86</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 73 FR 50308, 50309 (August 26, 2008).

<sup>87</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review*, 74 FR 39055, 39057 (August 5, 2009).

<sup>88</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Rescission in Part of Antidumping Duty Administrative Review*, 75 FR 5947, 5949 (February 5, 2010).

<sup>89</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 74 FR 42873 (August 25, 2009).

<sup>90</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan: Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review*, 75 FR 49467 (August 13, 2010).

<sup>91</sup> See Suspension Foil Scope Memorandum.

### *Duty Absorption Finding*

The Department has made one duty absorption finding to date concerning SSSS in coils from Taiwan. In the fourth administrative review, covering the period July 1, 2002, through June 30, 2003, the Department determined that Chia Far had absorbed antidumping duties for all U.S. sales through its affiliated importer.<sup>92</sup>

### *Sunset Reviews*

On June 1, 2004, the Department published the notice of initiation of the first sunset review of the antidumping duty order on SSSS in coils from Taiwan pursuant to section 751(c) of the Act.<sup>93</sup> On November 22, 2004, the Department published the notice of final results of its expedited sunset review of the antidumping duty order.<sup>94</sup> The petitioners participated in that sunset review. Based on the substantive comments provided by petitioners and the inadequate response of the respondent interested parties, the Department determined that revocation of the antidumping order would likely lead to continuation or recurrence of dumping.<sup>95</sup> On July 18, 2005, the Commission determined that revocation of the order would likely lead to continuation or recurrence of material injury to the domestic industry.<sup>96</sup> On August 4, 2005, the Department published notice of the continuation of the antidumping duty order on SSSS in coils from Taiwan.<sup>97</sup>

On June 2, 2010, the Department initiated the instant sunset review of the antidumping duty order on SSSS in coils from Taiwan pursuant to section 751(c) of the Act.<sup>98</sup>

The Department received a notice of intent to participate from the petitioners within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. The petitioners claimed interested party status under sections 771(9)(C) and (D) of the Act, as U.S. producers of SSSS in coils and certified unions representing workers in the domestic industry producing SSSS in coils.

On July 2, 2010, we received a complete, substantive response from the petitioners within the 30-day deadline specified in the Department's regulations under section 351.218(d)(3)(i). The Department received no substantive responses from respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department conducted an expedited (120-day) sunset review of this order.

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<sup>92</sup> See *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Partial Rescission of Antidumping Administrative Duty Review*, 70 FR 7715, 7717 (February 15, 2005).

<sup>93</sup> *Initiation of Five-Year ("Sunset") Reviews*, 69 FR 30874 (June 1, 2004).

<sup>94</sup> See *Stainless Steel Sheet and Strip in Coils from The Republic of Korea, Taiwan and the United Kingdom; Final Results of the Expedited Five Year ("Sunset") Reviews of Antidumping Duty Orders*, 69 FR 67892 (November 22, 2004).

<sup>95</sup> *Id.* at 67899.

<sup>96</sup> *Certain Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom*, 70 FR 41236 (July 18, 2005).

<sup>97</sup> See *Continuation of Antidumping Duty Orders on Stainless Steel Sheet and Strip in Coils from Germany, Italy, Japan, the Republic of Korea, Mexico, and Taiwan, and Countervailing Duty Orders on Stainless Steel Sheet and Strip in Coils from Italy and the Republic of Korea*, 70 FR 44886 (August 4, 2005).

<sup>98</sup> See *Initiation of Five-Year ("Sunset") Review*, 75 FR 30777 (June 2, 2010).

## Discussion of the Issues

In accordance with section 751(c)(1) of the Act, the Department is conducting these sunset reviews to determine whether revocation of the antidumping duty orders would likely lead to a 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 the subject merchandise for the periods before and the periods after the issuance of the antidumping duty orders. In addition, section 752(c)(3) of the Act provides that the Department shall provide to the Commission the magnitude of the margins of dumping likely to prevail if the orders were revoked. Below we address the comments of the interested parties.

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

#### Interested Party Comments

##### Germany

The domestic interested parties believe that revocation of the antidumping duty order would likely lead to a continuation or recurrence of dumping by the manufacturers/producers and exporters of the subject merchandise. *See* substantive response of the domestic interested parties for Germany (July 2, 2010) (“Germany Substantive Response”) at 14. Noting the margins in the original investigation, the domestic interested parties claim such margins have had a significant impact on the volume of imports of SSSS in coils from Germany. *Id.*

With respect to volume of imports, the domestic interested parties assert that the imposition of the order has had a dramatic impact on the volume of imports of SSSS in coils from Germany. The domestic interested parties point to the history of the order to demonstrate that the discipline of the order has forced German producers of subject merchandise to significantly reduce their volume of sales to the United States. *See* Germany Substantive Response at 15-16. The domestic interested parties state that the administrative reviews conducted by the Department reveal that the foreign producers and exporters have continued to sell subject merchandise in the United States at LTFV. *Id.* at 16.

Citing to the Department’s *Sunset Policy Bulletin*,<sup>99</sup> the domestic interested parties conclude that the Department should determine that revocation of an antidumping duty order is inappropriate where dumping continued at any level above *de minimis* after the issuance of the order. In sum, the domestic interested parties argue that record evidence strongly supports the conclusion that dumping of SSSS in coils by producers, manufacturers, and exporters from Germany, would be likely to continue or recur if the order were to be revoked.

##### Japan

The domestic interested parties argue that revocation of the antidumping duty order would likely lead to a continuation or recurrence of dumping by the manufacturers/producers and exporters of

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<sup>99</sup> *See Policies Regarding the Conduct of Five-year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) (“*Sunset Policy Bulletin*”).

the subject merchandise. *See* Petitioners' Substantive Response for Japan (July 2, 2010) ("Japan Substantive Response") at 13.

With respect to volume of imports, the domestic interested parties assert that the imposition of the order has had a dramatic impact on the volume of imports of SSSS in coils from Japan. The domestic interested parties point to the history of the order to demonstrate that the discipline of the order has forced Japanese producers of subject merchandise to significantly reduce their volume of sales to the United States. *Id.* at 14. Noting the antidumping margins assigned to the Japanese companies in the investigation, the domestic interested parties argue that the imposition of these antidumping duties led to a dramatic reduction in the volume of subject imports from Japan with an overall drop of 89 percent during the post-order period. *Id.* at 14, 15.

The domestic interested parties state that the administrative reviews conducted by the Department reveal that the foreign producers and exporters have relied upon continued dumping to sustain their access to the U.S. market, and that "the Japanese cannot export commercially significant volumes to the United States if such dumping is neutralized by antidumping duties." *Id.* at 16.

Citing to the Department's *Sunset Policy Bulletin*, the domestic interested parties conclude that the Department should determine that revocation of an antidumping duty order is inappropriate where dumping continued at any level above *de minimis* after the issuance of the order. In sum, the domestic interested parties argue that record evidence strongly supports the conclusion that dumping of SSSS in coils by producers, manufacturers, and exporters from Japan, would be likely to continue or recur if the orders were to be revoked.

#### Korea

The domestic interested parties believe that revocation of the antidumping duty order would likely lead to a continuation or recurrence of dumping by the manufacturers/producers and exporters of the subject merchandise. *See* substantive response of the domestic interested parties for Korea (July 2, 2010) ("Korea Substantive Response") at 14.

With respect to volume of imports, the domestic interested parties assert that the imposition of the order has had a depressing impact on the volume of imports of SSSS in coils from Korea. The domestic interested parties point to the record history of the order to demonstrate that the discipline of the order has forced Korean producers of subject merchandise to significantly reduce their volume of sales to the United States. *See* Korea Substantive Response at 16. Noting the antidumping margins assigned to the Korean companies in the investigation, the domestic interested parties argue that the imposition of these antidumping duties led to a significant reduction in the volume of subject imports from Korea with an overall volume of roughly one third of the pre-order volume during the current sunset post-order period. *Id.* at 17.

The domestic interested parties state that the administrative reviews conducted by the Department reveal that the foreign producers and exporters have continued to rely on dumping, and that these trends are "... evidence of the impact of the antidumping duties, and the inability of POSCO and other Korean producers to export to the United States at pre-order volumes without dumping the product." *Id.*

The domestic interested parties also note that in each of the completed three administrative reviews, Korean producers were found to be dumping at levels above *de minimis*. *Id.* Citing to the Department's *Policy Bulletin*, the domestic interested parties conclude that the Department should determine that revocation of an antidumping duty order is inappropriate where dumping continued at any level above *de minimis* after the issuance of the order. In sum, the domestic interested parties argue that record evidence strongly supports the conclusion that in the event of revocation, Korean producers would continue dumping, and would resume exports of substantial volumes of SSSS in coils to the United States. *Id.* at 18.

#### Taiwan

The domestic interested parties believe that revocation of the antidumping duty order would likely lead to Taiwanese producers/exporters needing "to continue to unfairly price their SSSS shipments in order to sell them in the reduced quantities now shipped, and would have to increase unfair pricing to sell in higher volumes." *See* substantive response of the domestic interested parties for Taiwan (July 2, 2010) ("Taiwan Substantive Response") at 18, 19.

With respect to volume of imports, the domestic interested parties assert that the imposition of the order has had a significant reduction in the volume of subject imports from Taiwan. The domestic interested parties point to the record history of the order to demonstrate that the discipline of the order has forced Taiwanese producers of subject merchandise to significantly reduce their volume of sales to the United States. *See* Taiwan Substantive Response at 20. Noting the antidumping margins assigned to the Taiwanese companies in the investigation, the domestic interested parties argue that the imposition of these antidumping duties led to a reduction in the volume of subject imports from Taiwan with an overall drop of thirty-four percent of the pre-order volume during the current sunset post-order period. *Id.* at 21.

Citing to the Department's *Sunset Policy Bulletin*, the domestic interested parties conclude that the Department should determine that revocation of the antidumping duty order is inappropriate because dumping continued at any level above *de minimis* after the issuance of the order in each of the administrative reviews for certain respondents. In sum, the domestic interested parties argue that record evidence strongly supports the conclusion that in the event of revocation, Taiwanese producers would continue dumping, and would resume exports of substantial volumes of SSSS in coils to the United States. *Id.* at 22.

#### Department's Position:

Consistent with the guidance provided in the legislative history accompanying the *Uruguay Round Agreements Act*, specifically the *Statement of Administrative Action* ("SAA"), H. Doc. No. 103-316, vol. 1 (1994), 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 of the continuation or recurrence of dumping will be made on an order-wide basis. In addition, the Department normally will determine that revocation of an antidumping duty 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 the order and import volumes for the subject merchandise declined significantly. In addition, pursuant to section 752(c)(1)(B) of the Act, the

Department considers the volume of imports of the subject merchandise for the period before and after the issuance of the antidumping duty order.

Germany: The Department examined the data for the relevant periods which show that, subsequent to the imposition of the antidumping duty order, imports of SSSS in coils from Germany have decreased. *See* Germany Substantive Response at 15-16. The Department confirmed the data using tariff and trade data from the Department and the Commission. *See* Import Volumes for the Final Results of Expedited Sunset Reviews of the Antidumping Duty Orders on Certain Stainless Steel Sheet and Strip (“SSSS”) in Coils from Germany, Japan, the Republic of Korea, and Taiwan (“Import Volumes Memorandum”) dated September 30, 2010. The Department notes that in the full year<sup>100</sup> prior to initiation of the investigation, *i.e.*, 1997, the import volume of SSSS in coils from Germany was 13,218 metric tons. *See* Import Volumes Memorandum. During the 2005-2009 period, imports of SSSS in coils from Germany averaged 3,076 metric tons, indicating an overall decline in imports from the pre-order period.

The results of the administrative reviews conducted as part of this proceeding indicated that German producers have continued to dump when selling their product in the U.S. market during the post-order period. Accordingly, based on the continued existence of dumping margins and the general decline in subject imports from Germany as a result of the order, the Department determines that dumping is likely to continue if the order were revoked.

Japan: The Department examined the data provided by the petitioners for the relevant periods, which show that imports of SSSS in coils from Japan decreased after the imposition of the order. *See* Japan Substantive Response at 15. The Department confirmed the data using tariff and trade data from the Department and the Commission. *See* Import Volumes Memorandum. The Department notes that in the full year prior to initiation of the investigation, *i.e.*, 1997, the import volume of SSSS in coils from Japan was 53,356 metric tons. *Id.* During the 2005-2009 period, imports of SSSS in coils from Japan averaged 11,612 metric tons, indicating an overall decline in imports from the pre-order period.

The results of the administrative reviews conducted as part of this proceeding demonstrate that Japanese producers and exporters have continued to dump when selling their product in the U.S. market during the post-order period. Accordingly, based on the continued existence of dumping margins and the significant decline in subject imports from Japan as a result of the order, the Department determines that dumping is likely to continue if the order were revoked.

Korea: The Department examined the data for the relevant periods which show that imports of SSSS in coils from Korea decreased after the imposition of the order. *See* Korea Substantive

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<sup>100</sup> When comparing imports of subject merchandise for the five-year sunset review period, the Department’s practice is to look at the full year prior to initiation of the investigation (as opposed to prior to issuance of the order). *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; *Furfuryl Alcohol From Thailand; Preliminary Results of the Second Sunset Review of the Antidumping Duty Order*, 71 FR 62583 (October 26, 2006) and accompanying Issues and Decision Memorandum at Comment 1 (unchanged in *Furfuryl Alcohol from Thailand; Final Results of the Second Sunset Review of the Antidumping Duty Order and Revocation of the Order*, 72 FR 9729 (March 5, 2007)); *Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Japan and Mexico; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 70 FR 53159 (September 7, 2005) and accompanying Issues and Decision Memorandum at Comment 1.

Response at 16. The Department confirmed the accuracy of the data by using tariff and trade data from the Department and the Commission. *See* Import Volumes Memorandum. The Department notes that in the full year prior to initiation of the investigation, *i.e.*, 1997, the import volume of SSSS in coils from Korea was 29,673 metric tons. *Id.* During the 2005-2009 period imports of SSSS in coils from Korea averaged 10,697 metric tons, indicating an overall decline in imports from the pre-order period.

The results of the administrative reviews conducted as part of this proceeding indicated that Korean producers have continued to dump when selling their product in the U.S. market during the post-order period. Accordingly, based on the continued existence of dumping margins and the significant decline in subject imports from Korea as a result of the order, the Department determines that dumping is likely to continue if the order were revoked.

Taiwan: The Department examined the data for the relevant periods which show that imports of SSSS in coils from Taiwan decreased after the imposition of the order. *See* Taiwan Substantive Response at 20. The Department confirmed the accuracy of the data by using tariff and trade data from the Department and the Commission. *See* Import Volumes Memorandum dated. The Department notes that in the full year prior to initiation of the investigation, *i.e.* 1997, the import volume of SSSS in coils from Taiwan was 27,786 metric tons. *Id.* During the 2005-2009 period imports of SSSS in coils from Taiwan averaged 14,020 metric tons, indicating an overall decline in imports from the pre-order period.

The results of the administrative reviews conducted as part of this proceeding indicate that Taiwanese producers have continued to dump when selling their product in the U.S. market during the post-order period. For each of the completed administrative reviews, the Department has calculated dumping margins above *de minimis*. Accordingly, based on the continued existence of dumping margins and the significant decline in subject imports from Taiwan as a result of the order, the Department determines that dumping is likely to continue if the order were revoked.

## 2. Magnitude of the Margin Likely to Prevail

### Interested Party Comments

Germany: Citing to the SAA and the *Sunset Policy Bulletin*, the domestic interested parties state that the Department normally selects dumping margins calculated in the original investigation to determine the magnitude of the margin of dumping likely to prevail. *See* Germany Substantive Response at 17-18. The domestic interested parties therefore request that the Department report to the Commission the antidumping duty margins, as amended, consistent with the first sunset review determination. These rates are set forth in the “History of the Orders” section, above.

Japan: Citing to the SAA and the *Sunset Policy Bulletin*, the domestic interested parties acknowledge that the Department normally reports to the Commission the dumping margins calculated in the original investigation. *See* Japan Substantive Response at 17. The domestic interested parties note, however, that the *Sunset Policy Bulletin* indicates that the Department may report to the Commission a more recently calculated rate that is higher than the rate originally calculated where a company has chosen to increase dumping in order to maintain or increase market share. *See* Japan Substantive Response at 18 (citing *Sunset Policy Bulletin*, 63

FR at 18873). The domestic interested parties argue that, in this case, the Department should rely on the margins for the original investigation, as amended, for all companies except Kawasaki/JFE, for which domestic interested parties claim the Department should use the 57.87 percent assigned to Kawasaki/JFE in the fifth administrative review covering the period July 1, 2003, to June 30, 2004. *See* Japan Substantive Response at 19.

Korea: Citing to the SAA and the *Sunset Policy Bulletin*, the domestic interested parties state that the Department normally selects dumping margins calculated in the original investigation. *See* Korea Substantive Response at 18. The domestic interested parties note, however, that the *Policy Bulletin* indicates that the Department may report to the Commission a more recently calculated rate that is higher than the rate originally calculated where a company has chosen to increase dumping in order to maintain or increase market share. *See* Korea Substantive Response at 19 citing *Sunset Policy Bulletin*, 63 FR at 18873.

With respect to POSCO, Taihan and the all-others rate, the domestic interested parties call upon the Department to reply upon the margin from the original investigation. With respect to DMC, which was not included in the original investigation, domestic interested parties note that the Department calculated a rate that is higher than the all-others rate for DMC in the second administrative review, covering the period July 1, 2000, through June 30, 2001.<sup>101</sup> Domestic interested parties note in the first sunset review, “the Department found it appropriate to rely on the higher rate for DMC because it determined that DMC’s import volumes and dumping margins increased and that the ‘increasing import volumes coupled with increasing dumping margins provide sufficient cause for the Department to report to the Commission a rate other than calculated in the amended final determination.’” *See* Korea Substantive Response at 19-20 citing the first sunset review Issues and Decisions Memorandum at 8.

Taiwan: Citing to the SAA and the *Sunset Policy Bulletin*, the domestic interested parties argue that the Department normally selects dumping margins calculated in the original investigation to determine the magnitude of the margin of dumping likely to prevail. *See* Taiwan Substantive Response at 22-3. The domestic interested parties therefore request that the Department report to the Commission the antidumping duty margins that were determined in the investigation, as amended, consistent with the first sunset review determination. These rates are set forth in the “History of the Orders” section, above.

#### Department’s Position:

Normally, the Department will provide to the Commission the company-specific margin from the investigation for each company.<sup>102</sup> For companies not investigated specifically, or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the “All-Others” rate from the investigation.<sup>103</sup> The

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<sup>101</sup> *See Stainless Steel Sheet and Strip in Coils From the Republic of Korea; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 68 FR 6713 (February 10, 2003), amended by *Stainless Steel Sheet and Strip in Coils From The Republic of Korea; Notice of Amended Final Results of Antidumping Duty Administrative Review*, 68 FR 12039 (March 13, 2003).

<sup>102</sup> *See Eveready Battery Co., Inc. v. United States*, 77 F. Supp. 2d 1327, 1333 (CIT 1999).

<sup>103</sup> *See Certain Hot-Rolled Carbon Steel Flat Products from Argentina, the People’s Republic of China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine; Final Results of Expedited Sunset*

Department's preference for selecting a margin from the investigation is based on the fact that it is the only calculated rate that reflects the behavior of manufacturers, producers, and exporters without the discipline of an order or suspension agreement in place.<sup>104</sup> Under certain circumstances, however, the Department may select a more recently calculated margin to report to the Commission. *See* section 752(c)(3) of the Act.<sup>105</sup>

We find it appropriate to provide the Commission with the amended final determination rates from the LTFV investigations of SSSS in coils from Germany and Taiwan because these margins best reflect the behavior of producers/exporters of SSSS in coils from Germany and Taiwan without the discipline of an order in place. With respect to Korea, the Department agrees with domestic interested parties that it should report the rates from the original investigation, as amended, and that it should report the rate of 5.44 percent for DMC, based upon the precedent set in the first sunset review, and noting that no argument has been placed on the record of this review as to why the Department should depart from its decision to utilize the 5.44 percent for DMC in this sunset review.

With respect to Japan, the Department agrees with domestic interested parties that the Department should rely upon the margins from the investigation for Nippon Steel Corporation, Nisshin Steel Co., Ltd., Nippon Yakin Kogyo, Nippon Metal Industries, and the all-others rate. However, the Department disagrees with domestic interested parties that it should report the 57.87 percent assigned to Kawasaki/JFE in the fifth administrative review covering the period July 1, 2003, to June 30, 2004. Domestic interested parties argue that the higher rate for Kawasaki/JFE provides a reasonable reflection of Kawasaki/JFE's likely dumping. Citing to a number of cases involving the People's Republic of China,<sup>106</sup> domestic interested parties claim that such cases endorse the view that the fifth administrative review rate should be reported because it is higher than the rate assigned during the original investigation. However, as set forth in the Department's *Sunset Policy Bulletin*, the Department may report a more recently calculated margin for a particular company where a company has increased dumping to increase market share.<sup>107</sup>

In the instant case, unlike *Paint Brushes*, the domestic interested parties have not provided information to the Department to demonstrate that Kawaski/JFE has increased its imports to the United States or its market share. They have only argued that the discipline of the order has caused total import volumes to decrease.<sup>108</sup>

Indeed, the Department's practice establishes that the onus is on the party requesting more recent rates to be reported to the Commission to provide the Department with the necessary data, and

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*Reviews of the Antidumping Duty Orders*, 71 FR 70506 (December 5, 2006) ("*Hot-Rolled*"), and accompanying Issues and Decision Memorandum at Comment 2.

<sup>104</sup> *See Hot-Rolled* and accompanying Issues and Decision Memorandum at Comment 2.

<sup>105</sup> *See also Final Results of Full Sunset Review: Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide From the Netherlands*, 65 FR 65294 (November 1, 2000), and accompanying Issues and Decision Memorandum at Comment 3.

<sup>106</sup> *See* Japan Substantive Response at 18, citing, e.g., *Natural Bristle Paint Brushes and Brush Heads from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 75 FR 13489 (March 22, 2010) ("*Paint Brushes*") and accompanying Issues and Decision Memorandum at Comment 2.

<sup>107</sup> *Sunset Policy Bulletin*, 63 FR at 18873.

<sup>108</sup> *See* Japan Substantive Response at 14-16.

no such evidence has been placed on the record of this proceeding.<sup>109</sup> Therefore, the Department has no reason to depart from its normal practice of reporting the rates from the original investigation for all companies. Thus, with respect to the order on SSSS in coils from Japan, the Department will report the rates for the final determination from the investigation, as amended, to the Commission.

The Department notes that although administrative reviews have been conducted, exports from Germany, Japan, Korea, and Taiwan are significantly below pre-order levels. These results indicate that the orders have imposed a discipline on exports. With respect to Germany, Japan, Korea, and Taiwan, while imports have decreased since the imposition of the orders, the existence of continued dumping margins throughout the life of the orders demonstrates that if the orders were revoked, it is likely that the German, Japanese, Korean, and Taiwanese producers/exporters would continue dumping and selling in significant volumes. Thus, with the exceptions noted above, the amended final determination rates from the LTFV investigations reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. The Department will therefore report to the Commission the margins listed in the “Final Results of Reviews” section, below.

### Final Results of Reviews

We determine that revocation of the antidumping duty orders on SSSS in coils from Germany, Japan, Korea, and Taiwan would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters	Weighted-Average Margin (percent)
<u>Germany</u>	
TKN	13.48
All-Others Rate	13.48
<u>Japan</u>	
Kawasaki Steel Corporation/JFE Steel Corporation	40.18
Nippon Steel Corporation	57.87
Nisshin Steel Co., Ltd.	57.87
Nippon Yakin Kogyo	57.87
Nippon Metal Industries	57.87
All-Others Rate	40.18

<sup>109</sup> See *Wooden Bedroom Furniture From the People's Republic of China: Final Results of Expedited Sunset Review of Antidumping Duty Order*, 75 FR 19364 (April 14, 2010) ) and accompanying Issues and Decision Memorandum at Comment 2.

Korea

POSCO	2.49
Taihan	58.79
DMC	5.44
All-Others Rate	2.49

Taiwan

Tung Mung/TaChen	15.40
Tung Mung	Excluded
YUSCO/Ta Chen	36.44
YUSCO	21.10
All-Others Rate	12.61

Recommendation

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

Agree\_\_\_\_\_

Disagree\_\_\_\_\_

\_\_\_\_\_  
 Ronald K. Lorentzen  
 Deputy Assistant Secretary  
 for Import Administration

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 Date