



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-909]

Certain Steel Nails from the People's Republic of China: Final Results of the Fourth Antidumping Duty Administrative Review

AGENCY: Enforcement and Compliance, formerly Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce ("Department") published its *Preliminary Results* of the fourth administrative review of the antidumping duty order on certain steel nails from the People's Republic of China ("PRC") on September 16, 2013.<sup>1</sup> The period of review ("POR") is August 1, 2011, through July 31, 2012. We gave interested parties an opportunity to comment on the *Preliminary Results*. Based upon our analysis of the comments received, we made changes to the margin calculations for these final results. The final dumping margins are listed below in the "Final Results of the Review" section of this notice.

DATES: EFFECTIVE DATE: (INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*).

FOR FURTHER INFORMATION CONTACT: Javier Barrientos or Matthew Renkey, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-2243 or (202) 482-2312, respectively.

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<sup>1</sup> See *Certain Steel Nails from the People's Republic of China: Preliminary Results of the Fourth Antidumping Duty Administrative Review*, 78 FR 56861 (September 16, 2013) ("*Preliminary Results*").

## SUPPLEMENTARY INFORMATION:

### Background

After the *Preliminary Results*, parties submitted surrogate value (“SV”) comments and rebuttal comments on October 31, 2013, and November 12, 2013, respectively. Parties also submitted case and rebuttal briefs on issues not relating to JISCO<sup>2</sup> on December 18, 2013, and December 23, 2013, respectively. Between January 6, 2014, and January 11, 2014, we conducted a verification of JISCO and subsequently issued our verification report.<sup>3</sup>

As explained in the memorandum from the Assistant Secretary for Enforcement and Compliance, the Department exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013.<sup>4</sup> Therefore, all deadlines in this segment of the proceeding have been extended by 16 days. If the new deadline falls on a non-business day, in accordance with the Department’s practice, the deadline will become the next business day.<sup>5</sup> On January 23, 2014, the Department extended the deadline in this proceeding by 60 days.<sup>6</sup> The revised deadline for the final results of this review is now March 31, 2014.

### Scope of the Order

The merchandise covered by the order includes certain steel nails having a shaft length up to 12 inches. Certain steel nails subject to the order are currently classified under the

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<sup>2</sup> Qingdao JISCO Co., Ltd. and ECO System Corporation (d/b/a JISCO Corporation) (collectively, “JISCO”)

<sup>3</sup> See Memorandum to the File, from Javier Barrientos, Senior Case Analyst, Office V, and Susan Pulongbarit, Senior Case Analyst, Office V, “Verification of the Sales and Factors of Production of Qingdao JISCO Co., Ltd.; JISCO Corporation & ECO System Co., Ltd (collectively, “JISCO”) in the Antidumping Duty Review of Certain Steel Nails from the People’s Republic of China (“PRC”),” dated February 19, 2014.

<sup>4</sup> See Memorandum for the Record from Paul Piquado, Assistant Secretary for the Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government” (October 18, 2013).

<sup>5</sup> See *Notice of Clarification: Application of “Next Business Day” Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, as Amended*, 70 FR 24533, 24533 (May 10, 2005).

<sup>6</sup> See Memorandum to Gary Taverman, “Certain Steel Nails from the People’s Republic of China: Extension of Deadline for Final Results of the Fourth Antidumping Duty Administrative Review,” dated January 23, 2014.

Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings 7317.00.55, 7317.00.65 and 7317.00.75. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

For a full description of the scope, *see* “Certain Steel Nails from the People’s Republic of China: Issues and Decision Memorandum for the Final Results of the Fourth Antidumping Duty Administrative Review,” dated concurrently with this notice (“Issues and Decision Memorandum”).

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties are addressed in the Issues and Decision Memorandum, which is hereby adopted by this Notice. A list of the issues which parties raised is attached to this notice as an Appendix. The Issues and Decision Memorandum is a public document and is on file in the Central Records Unit (“CRU”), Room 7046 of the main Department of Commerce building, as well as electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (“IA ACCESS”). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the CRU. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://trade.gov/enforcement/frn/index.html>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

### Determination of No Reviewable Transactions

In the *Preliminary Results*, the Department determined that nine companies had no shipments of subject merchandise to the United States during the POR.<sup>7</sup> As we stated in the *Preliminary Results*, based on contrary information from U.S. Customs and Border Protection (“CBP”) regarding CPI’s and Mingguang Abundant’s no shipments claims, we issued supplemental questionnaires to these two companies. CPI responded to our supplemental questionnaire,<sup>8</sup> while Mingguang Abundant did not.<sup>9</sup> The Department continues to find that CPI had no shipments during the POR, and addresses this issue in further detail in Comment 10 of the Issues and Decision Memorandum. Because Mingguang Abundant did not respond to our supplemental questionnaire to address evidence contrary to its no shipments claim, and because it did not submit a separate rate application or certification, we are treating it as part of the PRC-wide entity for the final results of this review, and this issue is addressed in further detail in Comment 11 of the Issues and Decision Memorandum. The Department did not receive any comments or information which indicated that the other seven No Shipment Respondents made sales of subject merchandise to the United States during the POR. Therefore, consistent with the Department’s refinement to its assessment practice in nonmarket economy (“NME”) cases, the Department finds that it is appropriate not to rescind the review in these circumstances, but,

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<sup>7</sup> See *Preliminary Results*, 78 FR at 56861, and accompanying Decision Memorandum at 3-4. These companies are: Besco Machinery Industry (Zhejiang) Co., Ltd.; Certified Products International Inc. (“CPI”); China Staple Enterprise (Tianjin) Co., Ltd. (“China Staple”); Jining Huarong Hardware Products Co., Ltd.; Mingguang Abundant Hardware Products Co., Ltd. (“Mingguang Abundant”); PT Enterprise Inc.; Shanghai Jade Shuttle Hardware Tools Co., Ltd.; Shanghai Tengyu Hardware Tools Co., Ltd.; and Shanxi Yuci Broad Wire Products Co., Ltd., collectively “No Shipment Respondents.”

<sup>8</sup> See CPI’s no shipments supplemental questionnaire response, dated October 18, 2013.

<sup>9</sup> See Memorandum to the File from Javier Barrientos, Senior Case Analyst, “Documentation of Non-Response to No Shipments Supplemental Questionnaire,” dated March 31, 2014.

rather, to complete the review with respect to these seven companies and issue appropriate instructions to CBP based on the final results of the review.<sup>10</sup>

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we made certain revisions to the margin calculations for the individually-reviewed respondents, Stanley<sup>11</sup> and JISCO.<sup>12</sup> For a list of all issues addressed in these final results, please refer to the Appendix accompanying this notice.

Final Results of the Review

The final antidumping duty margins for the POR are as follows:

Exporter	Weighted-Average Margin (Percent)
1) Stanley	3.92
2) JISCO	41.91
3) Cana (Tianjin) Hardware Industrial Co., Ltd.	10.42
4) Chiieh Yung Metal Ind. Corp.	10.42
5) Dezhou Hualude Hardware Products Co., Ltd.	10.42
6) Hebei Cangzhou New Century Foreign Trade Co., Ltd.	10.42
7) Huanghua Jinhai Hardware Products Co., Ltd.	10.42
8) Huanghua Xionghua Hardware Products Co., Ltd.	10.42
9) Nanjing Yuechang Hardware Co., Ltd.	10.42

<sup>10</sup> See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011) (“*NME Antidumping Proceedings*”).

<sup>11</sup> The Stanley Works (Langfang) Fastening Systems Co., Ltd. (“Stanley Langfang”), and Stanley Black & Decker, Inc. (“SBD”) (collectively, “Stanley”).

<sup>12</sup> See Stanley’s Final Analysis Memorandum (“Stanley Final Analysis Memo”) and JISCO’s Final Analysis Memorandum (“JISCO Final Analysis Memo”), both dated concurrently with this notice.

10) Qingdao D&L Group Ltd.	10.42
11) SDC International Australia Pty., Ltd	10.42
12) Shandong Dinglong Import & Export Co., Ltd.	10.42
13) Shandong Oriental Cherry Hardware Group Co., Ltd.	10.42
14) Shandong Oriental Cherry Hardware Import and Export Co., Ltd.	10.42
15) Shanghai Curvet Hardware Products Co., Ltd.	10.42
16) Shanghai Yueda Nails Industry Co., Ltd.	10.42
17) Shanxi Hairui Trade Co., Ltd.	10.42
18) Shanxi Pioneer Hardware Industrial Co., Ltd.	10.42
19) Shanxi Tianli Industries Co., Ltd.	10.42
20) S-Mart (Tianjin) Technology Development Co., Ltd.	10.42
21) Suntec Industries Co., Ltd.	10.42
22) Suzhou Xingya Nail Co., Ltd.	10.42
23) Tianjin Jinchi Metal Products Co., Ltd.	10.42
24) Tianjin Jinghai County Hongli Industry & Business Co., Ltd.	10.42
25) Tianjin Lianda Group Co., Ltd.	10.42
26) Tianjin Universal Machinery Imp & Exp Corporation	10.42
27) Tianjin Zhonglian Metals Ware Co., Ltd.	10.42
28) Xi'an Metals & Minerals Import and Export Co., Ltd.	10.42
29) Zhejiang Gem-Chun Hardware Accessory Co., Ltd.	10.42

PRC-Wide Rate <sup>13</sup>	118.04
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Assessment Rates

The Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. The Department intends to issue assessment instructions to CBP 15 days after the publication date of these final results of this review. In accordance with 19 CFR 351.212(b)(1), we are calculating importer- (or customer-) specific assessment rates for the merchandise subject to this review. For any individually examined respondent whose weighted-average dumping margin is above *de minimis* (i.e., 0.50 percent), the Department will calculate importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for the importer’s examined sales and the total entered value of sales.<sup>14</sup> We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate is above *de minimis*. Where either the respondent’s weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

For the 27 separate rate companies that were not selected for individual review, we will assign an assessment rate based on the rate we calculated for the mandatory respondents whose rates were not *de minimis*, as discussed above. We intend to instruct CBP to liquidate entries containing subject merchandise exported by the PRC-wide entity at the PRC-wide rate.

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<sup>13</sup> See Appendix to the Issues and Decision Memorandum accompanying this notice for a list of the companies receiving the PRC-wide rate.

<sup>14</sup> See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

The Department recently announced a refinement to its assessment practice in NME cases.<sup>15</sup> Pursuant to this refinement in practice, for entries that were not reported in the U.S. sales databases submitted by companies individually examined during this review, the Department will instruct CBP to liquidate such entries at the NME-wide rate. In addition, if the Department determines that an exporter under review had no shipments of the subject merchandise, any suspended entries that entered under that exporter's case number (*i.e.*, at that exporter's rate) will be liquidated at the NME-wide rate. For a full discussion of this practice, *see NME Antidumping Proceedings*.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Tariff Act of 1930, as amended (“Act”): (1) For Stanley, JISCO, and the 27 separate rate companies, the cash deposit rate will be that established in the final results of this review; (2) for previously investigated or reviewed PRC and non-PRC exporters that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be that for the PRC-wide entity; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

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<sup>15</sup> *See NME Antidumping Proceedings*.

## Disclosure

We intend to disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

## Notification to Importers Regarding the Reimbursement of Duties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

## Administrative Protective Order

This notice also serves as a reminder to parties subject to Administrative Protective Order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this administrative review and notice in accordance with sections 751(a)(1) and 777(i) of the Act.

Dated: March 31, 2014.

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Paul Piquado,  
Assistant Secretary  
for Enforcement and Compliance.

## Appendix – Issues and Decision Memorandum

### General Issues

- Comment 1: SV for Steel Wire Rod
- Comment 2: Surrogate Financial Ratios
  - A. Selection of Surrogate Financial Companies
  - B. Adjustments to Ratios
- Comment 3: SV for Welding Wire
- Comment 4: Withdrawal of the Regulatory Provisions Governing Targeted Dumping in Less-Than-Fair-Value Investigations
- Comment 5: Consideration of an Alternative Comparison Method in Administrative Reviews
- Comment 6: The Average-to-Transaction Method and the Denial of Offsets for Non-Dumped Sales
- Comment 7: Differential Pricing Analysis
- Comment 8: Whether the Department Properly Rejected Certain Information in Stanley's Rebuttal SV Submission

### Company-Specific Issues

- Comment 9: Whether the Department Properly Accepted Certain Information in One of Stanley's Supplemental Section C Responses
- Comment 10: Correction of Errors in Stanley's Margin Calculation
  - A. VAT Tax Deduction
  - B. Movement Expenses
- Comment 11: SV for Stanley's Plastic Beads
- Comment 12: Whether to Include Certain of JISCO's Sales in the Margin Calculation
- Comment 13: Treatment of Entries Misattributed to CPI That Entered under One of CPI's CBP Case Numbers
- Comment 14: Treatment of Mingguang Abundant as Part of the PRC-Wide Entity
- Comment 15: Treatment of China Staple as a No Shipments Company Rather than a Separate Rate Company

[FR Doc. 2014-07829 Filed 04/07/2014 at 8:45 am; Publication Date: 04/08/2014]