



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-570-055)

Carton-Closing Staples from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation

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

DATES: Effective April 20, 2017

FOR FURTHER INFORMATION CONTACT: Irene Gorelik at (202) 482-6905, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petition

On March 31, 2017, the Department of Commerce (the Department) received an antidumping duty (AD) petition concerning imports of carton-closing staples from the People's Republic of China (PRC), filed in proper form on behalf of North American Steel & Wire, Inc./ISM Enterprises (the petitioner).¹ The petitioner is a producer of carton-closing staples.²

On April 4, 2017, the Department requested additional information and clarification of certain areas of the Petition.³ The petitioner filed responses to the request on April 6, 2017.⁴

¹ See Petition for the Imposition of Antidumping Duties, dated March 31, 2017 (the Petition), at Volumes I and II.

² *Id.*, at Volume I.

³ See Letters from the Department to the petitioner entitled, "Petitions for the Imposition of Antidumping Duties on Imports of Carton-Closing Staples from the People's Republic of China: Supplemental Questions," dated April 4, 2017 (Supplemental Questionnaire).

⁴ See Letter from the petitioner to the Department entitled, "Petitioners' Responses to Department's April 4, 2017 Supplemental Questionnaire Regarding the Antidumping Duty Petition," dated April 6, 2017 (Supplemental Response).

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of carton-closing staples from the PRC are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that imports of carton-closing staples from the PRC are materially injuring, or threaten material injury to, the domestic industry producing carton-closing staples in the United States. Also, consistent with section 732(b)(1) of the Act, the Petition is accompanied by information reasonably available to the petitioner supporting its allegations.

The Department finds that the petitioner filed this Petition on behalf of the domestic industry because the petitioner is an interested party as defined in section 771(9)(C) of the Act. The Department also finds that the petitioner demonstrated sufficient industry support with respect to the initiation of the AD investigation that the petitioner is requesting.⁵

Period of Investigation

Because the Petition was filed on March 31, 2017, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) is July 1, 2016 through December 31, 2016.

Scope of the Investigation

The products covered by this investigation are carton-closing staples from the PRC. For a full description of the scope of this investigation, *see* the “Scope of the Investigation,” in Appendix I of this notice.

Comments on Scope of the Investigation

During our review of the Petition, we issued questions to, and received responses from, the petitioner pertaining to the proposed scope to ensure that the scope language in the Petition

⁵ *See* the “Determination of Industry Support for the Petition” section below.

would be an accurate reflection of the products for which the domestic industry is seeking relief.⁶ As a result of the responses submitted by the petitioner, we have revised the original scope.⁷

As discussed in the preamble to the Department's regulations,⁸ we are setting aside a period for interested parties to raise issues regarding product coverage (scope). The Department will consider all comments received from parties and, if necessary, will consult with parties prior to the issuance of the preliminary determination. If scope comments include factual information (*see* 19 CFR 351.102(b)(21)), all such factual information should be limited to public information. In order to facilitate preparation of its questionnaires, the Department requests all interested parties to submit such comments by 5:00 p.m. Eastern Time (ET) on May 10, 2017, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information (also limited to public information), must be filed by 5:00 p.m. ET on Monday, May 22, 2017.

The Department requests that any factual information the parties consider relevant to the scope of the investigation be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigation may be relevant, the party may contact the Department and request permission to submit the additional information.

Filing Requirements

All submissions to the Department must be filed electronically using Enforcement & Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System

⁶ *See* Supplemental Questionnaire; *see also* Supplemental Response and Letter from the petitioner, re: "Petitioner's Scope Clarification," dated April 10, 2017, and Memorandum to the File, from Irene Gorelik, re: "Second Revision to the Scope of the Investigation," dated April 13, 2017.

⁷ *See* Appendix I.

⁸ *See Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997).

(ACCESS).⁹ An electronically filed document must be received successfully in its entirety by the time and date when it is due. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement & Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

Comments on Product Characteristics for AD Questionnaire

The Department requests comments from interested parties regarding the appropriate physical characteristics of carton-closing staples to be reported in response to the Department's AD questionnaire. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors and costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: 1) general product characteristics and 2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe carton-closing staples, it may be that only a select few product characteristics take into account commercially

⁹ See 19 CFR 351.303 (describing general filing requirements); *see also Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011) and *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaire, all comments must be filed by 5:00 P.M. ET on May 10, 2017, which is 20 calendar days from the signature date of this notice. Any rebuttal comments must be filed by 5:00 p.m. ET May 22, 2017. All comments and submissions to the Department must be filed electronically using ACCESS, as explained above, on the record of this less-than-fair-value investigation.

Determination of Industry Support for the Petition

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a

domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product,¹⁰ they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.¹¹

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that carton-closing staples, as defined in the scope, constitute a single domestic like product, and we have analyzed industry support in

¹⁰ See section 771(10) of the Act.

¹¹ See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

terms of that domestic like product.¹²

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the “Scope of the Investigation,” in Appendix I of this notice. To establish industry support, the petitioner provided its 2016 production of the domestic like product.¹³ The petitioner states that it is the only known producer of carton-closing staples in the United States; therefore, the Petition is supported by 100 percent of the U.S. industry.¹⁴

Our review of the data provided in the Petition, the Supplemental Response, and other information readily available to the Department indicates that the petitioner has established U.S. industry support.¹⁵ First, the Petition established support from U.S. domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling).¹⁶ Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product.¹⁷ Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of

¹² For a discussion of the domestic like product analysis in this case, *see* “AD Investigation Initiation Checklist: Carton-Closing Staples from the People’s Republic of China (PRC AD Initiation Checklist), at Attachment II, Determination of Industry Support for the Antidumping Duty Petition Covering Carton-Closing Staples from the People’s Republic of China. This checklist is dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

¹³ *See* Volume I of the Petition, at I-7 and Exhibit I-1.

¹⁴ *Id.*, at I-2, I-7 and Exhibits I-1 and I-2.

¹⁵ *See* PRC AD Initiation Checklist, at Attachment II.

¹⁶ *See* section 732(c)(4)(D) of the Act; *see also* PRC AD Initiation Checklist, at Attachment II.

¹⁷ *See* PRC AD Initiation Checklist, at Attachment II.

the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition.¹⁸ Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

The Department finds that the petitioner filed the Petition on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act and it has demonstrated sufficient industry support with respect to the AD investigation that it is requesting the Department initiate.¹⁹

Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁰ The petitioner contends that the industry's injured condition is illustrated by the impact on the domestic industry's market share; underselling and price depression or suppression; lost sales and revenues; decline in wages, hours, and employment; decline in shipments; low capacity utilization rates; and decline in profitability.²¹ We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence, and meet the

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *See* Volume I of the Petition, at I-16, I-17 and Exhibit I-14.

²¹ *Id.*, at I-11 through I-28 and Exhibits I-10, I-11 and I-13 through I-20; *see also* Supplemental Response, at 11-14 and Exhibit I-SQ-8.

statutory requirements for initiation.²²

Allegation of Sales at Less Than Fair Value

The following is a description of the allegation of sales at less than fair value upon which the Department based its decision to initiate an investigation of imports of carton-closing staples from the PRC. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the initiation checklist.

Export Price

The petitioner based export prices (EP) on price quotations for the sale of carton-closing staples to U.S. customers, obtained from an on-line marketplace, as well as on a price quote from a PRC producer of carton-closing staples.²³ The petitioner made deductions from U.S. price, as appropriate and consistent with the sale and delivery terms, for foreign inland freight, foreign brokerage and handling, and unrebated value-added tax, where applicable.²⁴

Normal Value

The petitioner stated that the Department has identified the PRC as a non-market economy (NME) country as recently as the week before the petitioner filed the petition, and the Department has not since that time published any determination concluding that the PRC is a market economy.²⁵ In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for

²² See PRC AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping Duty Petition Covering Carton-Closing Staples from the People's Republic of China.

²³ See Volume II of the Petition, at 5-6 and Exhibits II-4(A), II-4(B), II-4(C); see also Supplemental Response at, Exhibit II-SQ-2, 4.

²⁴ See Volume II of the Petition, at 6-7, 9 and Exhibits II-4(A), II-4(B), II-4(C) and II-6(A-E); see also Supplemental Response, at 16 and Exhibits II-SQ-2, 4.

²⁵ See Volume II of the Petition, at 1.

purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production (FOPs) valued in a surrogate market economy country, in accordance with section 773(c) of the Act.

The petitioner claims that Thailand is an appropriate surrogate country because it is a market economy country that is at a level of economic development comparable to that of the PRC, it is a significant producer of comparable merchandise, and public information from Thailand is available to value all material input factors.²⁶ Based on the information provided by the petitioner, we determine that it is appropriate to use Thailand as a surrogate country for initiation purposes. Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

Factors of Production

The petitioner based the FOPs for materials and energy on its own consumption rates in the production of carton-closing staples in the United States.²⁷ The petitioner asserts that the production process for carton-closing staples is similar regardless of whether the product is produced in the United States or in the PRC.²⁸ The petitioner valued the estimated factors of production using surrogate values from Thailand, as discussed below.²⁹

Valuation of Raw Materials

The petitioner valued the FOPs for certain raw materials (*i.e.*, steel wire, steel wire rod,

²⁶ See Volume II of the Petition, at 2.

²⁷ See Volume II of the Petition, at 9-10 and Exhibits II-7(A), II-9(C), II-7(H).

²⁸ See Volume II of the Petition, at 9-10.

²⁹ *Id.*, at 9-13 and Exhibits II-7(A), II-9(C), II-7(H); see also Supplemental Response, at 17-19 and Exhibits II-SQ-3, II-SQ-7 and 8.

etc.) and packing materials using public import data for Thailand obtained from the Global Trade Atlas (GTA) applicable for the POI.³⁰ The petitioner excluded all import values from countries previously determined by the Department to maintain broadly available, non-industry-specific export subsidies and from countries previously determined by the Department to be NME countries.³¹ In addition, in accordance with the Department's practice, the petitioner excluded imports that were labeled as originating from an unidentified country.³² The Department determines that the surrogate values used by the petitioner are reasonably available and, thus, are acceptable for purposes of initiation.

Valuation of Labor

The petitioner has not included FOPs for direct or indirect labor in its NV calculations, as noted in Volume I of the Petition,³³ where the petitioner stated that its labor figures for the POI may not be representative of carton-closing staple production under normal conditions.³⁴ The petitioner notes that the exclusion of labor FOPs from the NV calculation is a conservative approach, as PRC producers incur labor costs which would, normally, raise the NV.³⁵

Valuation of Energy

The petitioner valued electricity, natural gas, and water to calculate the NV of integrated production of carton-closing staples (drawing wire rod into wire).³⁶ The petitioner used GTA data during the POI to value natural gas using the average unit value of imports of natural gas into Thailand.³⁷ The petitioner applied that rate to its usage rates.³⁸ The petitioner valued

³⁰ See Volume II of the Petition, at Exhibit II-7 and Supplemental Response, at Exhibit II-SQ-7 and 8.

³¹ See Volume II of the Petition, at 10 and Exhibit II-7(C).

³² *Id.*

³³ *Id.*, at 11; see also Volume I of the Petition, at 22-23.

³⁴ See Volume I of the Petition, at 22-23.

³⁵ See Volume II of the Petition, at 11.

³⁶ See Volume II of the Petition, at 11-12.

³⁷ See Volume II of the Petition, at 12 and Exhibits II-7(C,D); see also Supplemental Response at Exhibit II-SQ-7.

electricity and water using publicly available data from the Thai Investment Board and Thai Provincial Electrical Authority, respectively, for May 2015, which the petitioner inflated for the POI.³⁹

Valuation of Factory Overhead, Selling, General and Administrative Expenses, and Profit

The petitioner calculated ratios for factory overhead, selling, general and administrative expenses based on the 2015 consolidated financial statements of L.S. Industry Co., Ltd., a Thai producer of steel nails, which the petitioner asserts is merchandise comparable to carton-closing staples because steel nails are also produced from steel wire rod or steel wire.⁴⁰ The petitioner calculated a profit rate for L.S. Industry Co., Ltd. by adding its other gains and losses to its operating profit, and dividing the result by the sum of cost of sales and SG&A expenses. The petitioner calculated profit values for each product covered by the sales offers/quotes by multiplying the profit rate by the calculated cost of production (COP) of each of the 15 product types. The resulting profit values were added to the COP values for the 15 product types to arrive at total COP plus profit for each product.⁴¹

Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of carton-closing staples from the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV, in accordance with section 773(c) of the Act, the estimated dumping margins for carton-closing staples from the PRC range from 13.76 percent to 263.43 percent.⁴²

³⁸ See Volume II of the Petition, at 11-12 and Exhibit II-7(C,D,E) and II-8(B).

³⁹ See Volume II of the Petition, at 12 and Exhibit II-7(E).

⁴⁰ See Volume II of the Petition, at 4-5, 12-13 and Exhibit II-7(F).

⁴¹ See Volume II of the Petition, at Exhibit II-7(F).

⁴² See Supplemental Response, at 19 and Exhibit II-SQ-9.

Initiation of Less-than-Fair-Value Investigation

Based upon the examination of the Petition, we find that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an AD investigation to determine whether imports of carton-closing staples from the PRC are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we intend to make our preliminary determination no later than 140 days after the date of this initiation.

Under the Trade Preferences Extension Act of 2015, numerous amendments to the AD and CVD laws were made.⁴³ The 2015 law does not specify dates of application for those amendments. On August 6, 2015, the Department published an interpretative rule, in which it announced the applicability dates for each amendment to the Act, except for amendments contained in section 771(7) of the Act, which relate to determinations of material injury by the ITC.⁴⁴ The amendments to sections 771(15), 773, 776, and 782 of the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to this AD investigation.⁴⁵

Respondent Selection

In accordance with our standard practice for respondent selection in AD cases involving NME countries, we intend to issue quantity and value (Q&V) questionnaires to producers/exporters of merchandise subject to the investigation and, if necessary, base respondent selection on the responses received. For this investigation, the Department will request Q&V information from known exporters and producers identified, with complete contact

⁴³ See Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

⁴⁴ See *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793 (August 6, 2015) (*Applicability Notice*).

⁴⁵ *Id.*, at 46794-95. The 2015 amendments may be found at <https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl>.

information, in the Petition. In addition, the Department will post the Q&V questionnaire along with filing instructions on the Enforcement and Compliance website at <http://www.trade.gov/enforcement/news.asp>.

Producers/exporters of carton-closing staples from the PRC that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy from the Enforcement & Compliance website. The Q&V response must be submitted by the relevant PRC exporters/producers no later than 5:00 p.m. ET on May 5, 2017. All Q&V responses must be filed electronically via ACCESS.

Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.⁴⁶ The specific requirements for submitting a separate-rate application in the PRC investigation are outlined in detail in the application itself, which is available on the Department's web site at <http://enforcement.trade.gov/nme/nme-sep-rate.html>. The separate-rate application will be due 30 days after publication of this initiation notice.⁴⁷ Exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will be eligible for consideration for separate-rate status only if they respond to all parts of the Department's AD questionnaire as mandatory respondents. The Department requires that companies from the PRC submit a response to both the Q&V questionnaire and the separate-rate application by the respective deadlines in order to receive

⁴⁶ See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005), available at <http://enforcement.trade.gov/policy/bull05-1.pdf> (Policy Bulletin 05.1).

⁴⁷ Although in past investigations this deadline was 60 days, consistent with 19 CFR 351.301(a), which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

consideration for separate-rate status. Companies not filing a timely Q&V response will not receive separate rate consideration.

Use of Combination Rates

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of “combination rates” because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.⁴⁸

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petition has been provided to the government of the PRC via ACCESS. Because of the particularly large number of producers/exporters identified in the Petition, the Department considers the service of the public version of the Petition to the foreign producers/exporters satisfied by delivery of the public version to the government of the PRC, consistent with 19 CFR 351.203(c)(2).

ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

⁴⁸ See Policy Bulletin 05.1 at 6 (emphasis added).

Preliminary Determination by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petition was filed, whether there is a reasonable indication that imports of carton-closing staples from the PRC are materially injuring or threatening material injury to a U.S. industry.⁴⁹ A negative ITC determination will result in the investigation being terminated;⁵⁰ otherwise, this investigation will proceed according to statutory and regulatory time limits.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). Any party, when submitting factual information, must specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted⁵¹ and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.⁵² Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in this investigation.

⁴⁹ See section 733(a) of the Act.

⁵⁰ *Id.*

⁵¹ See 19 CFR 351.301(b).

⁵² See 19 CFR 351.301(b)(2).

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in this investigation.

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.⁵³ Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their representatives. Investigations initiated on the basis of petition filed on or after August 16, 2013, and other segments of any AD or CVD proceedings initiated on or after August 16, 2013, should

⁵³ See section 782(b) of the Act.

use the formats for the revised certifications provided at the end of the *Final Rule*.⁵⁴ The Department intends to reject factual submissions if the submitting party does not comply with applicable revised certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under administrative protective order (APO) in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008).

Parties wishing to participate in this investigation should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed in 19 CFR 351.103(d)).

This notice is issued and published pursuant to section 777(i) of the Act and 19 CFR 351.203(c).

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

Dated: April 20, 2017

⁵⁴ See *Certification of Factual Information to Import Administration during Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*); see also frequently asked questions regarding the *Final Rule*, available at http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.

Appendix I

Scope of the Investigation

The scope of this investigation is carton-closing staples. Carton-closing staples may be manufactured from carbon, alloy, or stainless steel wire, and are included in the scope of the investigation regardless of whether they are uncoated or coated, regardless of the type of coating.

Carton-closing staples are generally made to American Society for Testing and Materials (ASTM) specification ASTM D1974/D1974M- 16, but can also be made to other specifications. Regardless of specification, however, all carton-closing staples meeting the scope description are included in the scope. Carton-closing staples include stick staple products, often referred to as staple strips, and roll staple products, often referred to as coils. Stick staples are lightly cemented or lacquered together to facilitate handling and loading into stapling machines. Roll staples are taped together along their crowns. Carton-closing staples are covered regardless of whether they are imported in stick form or roll form.

Carton-closing staples vary by the size of the wire, the width of the crown, and the length of the leg. The nominal leg length ranges from 0.4095 inch to 1.375 inches and the nominal crown width ranges from 1.125 inches to 1.375 inches. The size of the wire used in the production of carton-closing staples varies from 0.029 to 0.064 inch (nominal thickness) by 0.064 to 0.100 inch (nominal width).

Carton-closing staples subject to this investigation are currently classifiable under subheadings 8305.20.00.00 and 7317.00.65.60 of the Harmonized Tariff Schedule of the United States (“HTSUS”). While the HTSUS subheadings and ASTM specification are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.

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