



(BILLING CODE: 3510-DS-P)

DEPARTMENT OF COMMERCE

International Trade Administration

A-570-900

Diamond Sawblades and Parts Thereof from the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review

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

SUMMARY: The Department of Commerce is simultaneously initiating and issuing the preliminary results of a changed circumstances review of the antidumping duty order on diamond sawblades and parts thereof from the People's Republic of China to determine whether Chengdu Huifeng New Material Technology Co., Ltd. is the successor-in-interest to Chengdu Huifeng Diamond Tools Co., Ltd. Based on the information on the record, we preliminarily determine that Chengdu Huifeng New Material Technology Co., Ltd. is the successor-in-interest to Chengdu Huifeng Diamond Tools Co., Ltd. for purposes of determining antidumping duty liability. We invite interested parties to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.]

FOR FURTHER INFORMATION: Yang Jin Chun AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5760.

SUPPLEMENTARY INFORMATION:

Background

The Department published the antidumping duty order on diamond sawblades and parts thereof from the People's Republic of China on November 4, 2009.¹ In its September 20, 2017, request for a changed circumstances review, Chengdu Huifeng New Material Technology Co., Ltd., informed the Department that, effective August 16, 2016, Chengdu Huifeng Diamond Tools Co., Ltd. (1) changed its legal status from a limited liability company to a joint-stock limited company and (2) changed its name to Chengdu Huifeng New Material Technology Co., Ltd.² Chengdu Huifeng Diamond Tools Co., Ltd., is a respondent in the ongoing administrative review of the same order covering the period November 1, 2015, through October 31, 2016.³ Pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216(c) and 19 CFR 351.221(c)(3), Chengdu Huifeng New Material Technology Co., Ltd. requested that the Department initiate an expedited changed circumstances review and determine that Chengdu Huifeng New Material Technology Co., Ltd. is the successor-in-interest to Chengdu Huifeng Diamond Tools Co., Ltd.

Scope of the Order

The products covered by the order are all finished circular sawblades, whether slotted or not, with a working part that is comprised of a diamond segment or segments, and parts thereof, regardless of specification or size, except as specifically excluded below. Within the scope of the order are semifinished diamond sawblades, including diamond sawblade cores and diamond

¹ See *Diamond Sawblades and Parts Thereof from the People's Republic of China and the Republic of Korea: Antidumping Duty Orders*, 74 FR 57145 (November 4, 2009).

² See Chengdu Huifeng New Material Technology Co., Ltd.'s request for a changed circumstances review dated September 20, 2017 (CCR Request).

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 4294 (January 13, 2017) (*Initiation Notice*).

sawblade segments. Diamond sawblade cores are circular steel plates, whether or not attached to non-steel plates, with slots. Diamond sawblade cores are manufactured principally, but not exclusively, from alloy steel. A diamond sawblade segment consists of a mixture of diamonds (whether natural or synthetic, and regardless of the quantity of diamonds) and metal powders (including, but not limited to, iron, cobalt, nickel, tungsten carbide) that are formed together into a solid shape (from generally, but not limited to, a heating and pressing process).

Sawblades with diamonds directly attached to the core with a resin or electroplated bond, which thereby do not contain a diamond segment, are not included within the scope of the order. Diamond sawblades and/or sawblade cores with a thickness of less than 0.025 inches, or with a thickness greater than 1.1 inches, are excluded from the scope of the order. Circular steel plates that have a cutting edge of non-diamond material, such as external teeth that protrude from the outer diameter of the plate, whether or not finished, are excluded from the scope of the order. Diamond sawblade cores with a Rockwell C hardness of less than 25 are excluded from the scope of the order. Diamond sawblades and/or diamond segment(s) with diamonds that predominantly have a mesh size number greater than 240 (such as 250 or 260) are excluded from the scope of the order. Merchandise subject to the order is typically imported under heading 8202.39.00.00 of the Harmonized Tariff Schedule of the United States (HTSUS). When packaged together as a set for retail sale with an item that is separately classified under headings 8202 to 8205 of the HTSUS, diamond sawblades or parts thereof may be imported under heading 8206.00.00.00 of the HTSUS. On October 11, 2011, the Department included the 6804.21.00.00 HTSUS classification number to the customs case reference file, pursuant to a request by U.S.

Customs and Border Protection (CBP).⁴ The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of the order is dispositive.

Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Act and 19 CFR 351.216(d), the Department will conduct a changed circumstances review upon receipt of a request from an interested party or receipt of information concerning an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order. In the past, the Department has used changed circumstances reviews to address the applicability of cash deposit rates after there have been changes in the name or structure of a respondent, such as a merger or spinoff (“successor-in-interest,” or “successorship,” determinations).⁵ Based on the request from Chengdu Huifeng New Material Technology Co., Ltd., and in accordance with section 751(b)(1) of Act and 19 CFR 351.216(b), we are initiating a changed circumstances review to determine whether Chengdu Huifeng New Material Technology Co., Ltd. is the successor-in-interest to Chengdu Huifeng Diamond Tools Co., Ltd. for purposes of antidumping duty liability.

Preliminary Results of Changed Circumstances Review

If we conclude that an expedited action is warranted, we may combine the notices of initiation and preliminary results of a changed circumstances review under 19 CFR 351.221(c)(3)(ii). The Department has combined the notice of initiation and preliminary results in successor-in-interest cases when sufficient documentation has been provided supporting the request to make a preliminary determination.⁶ In this instance, we have on the record the

⁴ See *Diamond Sawblades and Parts Thereof from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review*, 76 FR 76128, 76130 (December 6, 2011).

⁵ See, e.g., *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Final Results of Changed Circumstances Review*, 81 FR 91909 (December 19, 2016).

⁶ See, e.g., *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China*, 81 FR 76561 (November 3, 2016).

information necessary to make a preliminary finding. Thus, we find that expedited action is warranted and have combined the notices of initiation and preliminary results pursuant to 19 CFR 351.221(c)(3)(ii).

In making a successor-in-interest determination for purposes of antidumping duty liability, the Department examines several factors including, but not limited to, changes in management, production facilities, supplier relationships, and customer base.⁷ While no single factor or combination of these factors will necessarily provide a dispositive indication of a successor-in-interest relationship, the Department will generally consider the new company to be the successor to the previous company if the new company's operations are not materially dissimilar to those of its predecessor.⁸ Thus, if the evidence demonstrates that, with respect to the production and sales of the subject merchandise, the new company operates as essentially the same business entity as the former company, the Department will accord the new company the same antidumping treatment as its predecessor.⁹

In its CCR Request and Supplemental Response,¹⁰ Chengdu Huifeng New Material Technology Co., Ltd. has provided evidence for us to preliminarily determine that it is the successor-in-interest to Chengdu Huifeng Diamond Tools Co., Ltd. Chengdu Huifeng New Material Technology Co., Ltd. states that its management, production facilities, and customer/supplier relationships have not changed as a result of changes to the legal status and

⁷ See, e.g., *Pressure Sensitive Plastic Tape from Italy: Preliminary Results of Antidumping Duty Changed Circumstances Review*, 75 FR 8925 (February 26, 2010), unchanged in *Pressure Sensitive Plastic Tape from Italy: Final Results of Antidumping Duty Changed Circumstances Review*, 75 FR 27706 (May 18, 2010); and *Brake Rotors from the People's Republic of China: Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 70 FR 69941 (November 18, 2005) (*Brake Rotors*), citing *Brass Sheet and Strip from Canada: Final Results of Antidumping Duty Administrative Review*, 57 FR 20460 (May 13, 1992).

⁸ See, e.g., *Brake Rotors*.

⁹ *Id.* See also, e.g., *Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 64953 (October 24, 2012), unchanged in *Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 73619 (December 11, 2012).

¹⁰ See CCR Request and Chengdu Huifeng New Material Technology Co., Ltd.'s supplemental response dated October 10, 2017 (Supplemental Response).

name of the company.¹¹ Chengdu Huifeng New Material Technology Co., Ltd., provided documents showing changes to the legal status and name of the company.¹² Further, Chengdu Huifeng New Material Technology Co., Ltd., provided documents demonstrating that its production facilities and their location and domestic and overseas customers and suppliers were the same before and after the changes to the company's legal status and name.¹³ Chengdu Huifeng New Material Technology Co., Ltd. also provided a list of members of the management team and supporting documentation indicating that Chengdu Huifeng Diamond Tools Co., Ltd.'s managers hold the same positions in Chengdu Huifeng New Material Technology Co., Ltd., as well as documentation showing nominal changes to the members of the board of directors made as a result of internal shifts among existing management and board members.¹⁴

Based on record evidence, we preliminarily determine that Chengdu Huifeng New Material Technology Co., Ltd. is the successor-in-interest to Chengdu Huifeng Diamond Tools Co., Ltd. for purposes of antidumping duty liability because the changes to the legal status and name of the company resulted in no significant changes to management, production facilities, supplier relationships, or customers. As a result, we preliminarily determine that Chengdu Huifeng New Material Technology Co., Ltd. operates as essentially the same business entity as Chengdu Huifeng Diamond Tools Co., Ltd. Thus, we preliminarily determine that Chengdu Huifeng New Material Technology Co., Ltd. should receive the same antidumping duty cash deposit rate with respect to the subject merchandise as Chengdu Huifeng Diamond Tools Co., Ltd., its predecessor company.

¹¹ *Id.*

¹² *See, e.g.*, CCR Request at Exhibits 1, 2, 8, and 9.

¹³ *See* CCR Request at Exhibits 1 through 6, and Supplemental Response at 1 and Exhibits S1-1, S1-2, S1-3, and S1-5.

¹⁴ *See* CCR Request at Exhibit 3, 7, and 8, and Supplemental Response at Exhibit S1-4.

If these preliminary results are adopted in our final results of this changed circumstances review, effective on the publication date of our final results, we will instruct CBP to suspend liquidation of entries of subject merchandise exported by Chengdu Huifeng New Material Technology Co., Ltd. at Chengdu Huifeng Diamond Tools Co., Ltd.'s cash deposit rate.

Public Comment

Interested parties may submit case briefs no later than 14 days after the publication of this notice.¹⁵ Rebuttal briefs, which must be limited to issues raised in case briefs, may be filed not later than five days after the deadline for filing case briefs.¹⁶ Parties who submit case briefs or rebuttal briefs in this changed circumstance review are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Interested parties that wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS, within 14 days of publication of this notice.¹⁷ The hearing request should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230 in a room to be determined. Parties will be notified of the time and date of any hearing, if requested.¹⁸

¹⁵ See 19 CFR 351.309(c)(1)(ii). (“Any interested party may submit a ‘case brief’ within ... 30 days after the date of publication of the preliminary results of {a changed circumstances } review, *unless the Secretary alters the time limit....*”) (Emphasis added).

¹⁶ See 19 CFR 351.309(d).

¹⁷ See 19 CFR 351.310(c) (“Any interested party may request that the Secretary hold a public hearing on arguments to be raised in case or rebuttal briefs within 30 days after the date of publication of the ... preliminary results of review, *unless the Secretary alters this time limit....*”) (Emphasis added). See also 19 CFR 351.303 for general filing requirements.

¹⁸ See 19 CFR 351.310.

All submissions, with limited exceptions, must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. An electronically-filed document must be received successfully in its entirety by no later than 5:00 p.m. Eastern Time on the date the document is due.

Notifications to Interested Parties

Consistent with 19 CFR 351.216(e), we intend to issue the final results of this changed circumstances review no later than 270 days after the date on which this review was initiated, or within 45 days after the publication of the preliminary results if all parties in this review agree to our preliminary results. The final results will include the Department's analysis of issues raised in any written comments.

We are issuing and publishing this initiation and preliminary results notice in accordance with sections 751(b)(1) and 777(i)(1) of the Act, 19 CFR 351.216(b) and (d), and 19 CFR 351.221(c)(3).

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

Dated: November 1, 2017
[FR Doc. 2017-24183 Filed: 11/6/2017 8:45 am; Publication Date: 11/7/2017]