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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-060

Fine Denier Polyester Staple Fiber from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (Commerce) determines that fine denier polyester staple fiber (fine denier PSF) from the People's Republic of China (China) is being, or is likely to be, sold in the United States at less-than-fair value. The period of investigation is October 1, 2016, through March 31, 2017.

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

FOR FURTHER INFORMATION CONTACT: Edythe Artman or John McGowan, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3931 or (202) 482-3019, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 5, 2018, Commerce published the *Preliminary Determination* of this antidumping duty investigation, as provided by section 733 of the Tariff Act of 1930, as amended (the Act). Commerce preliminarily found that fine denier PSF from China was sold at

LTFV.¹ A summary of the events that have occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by interested parties for this final determination, may be found in the Issues and Decision Memorandum.² The Issues and Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Commerce has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from January 20 through 22, 2018. The revised deadline for the final determination in this investigation is now May 23, 2018.³

Scope Comments

We provided parties an opportunity to provide comments on all issues regarding product coverage (*i.e.*, scope).⁴ Certain interested parties commented on the scope of the investigation as it appeared in the *Preliminary Determination*.⁵ For a summary of the product coverage comments and rebuttals submitted to the record of this investigation, and our

¹ See *Fine Denier Polyester Staple Fiber from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 83 FR 665 (January 5, 2018) (*Preliminary Determination*) and the accompanying Preliminary Decision Memorandum.

² See Memorandum, "Issues and Decision Memorandum for the Final Determination of the Less-Than-Fair-Value Investigation of Fine Denier Polyester Staple Fiber from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ See Memorandum for The Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by three days.

⁴ See Memorandum, "Due Dates for Case and Rebuttal Briefs Regarding the Scope," dated December 11, 2017.

⁵ See *Preliminary Determination*.

accompanying discussion and analysis of the comments and rebuttals that were timely received, see the Final Scope Decision Memorandum.⁶ Based on parties' comments, we made no changes to the scope of the investigation, as it appeared in the *Preliminary Determination*.⁷ The product covered by this investigation is fine denier PSF from China. For a complete description of the scope of this investigation, see Appendix I.

Verification

As provided in section 782(i) of the Act, we conducted verifications of the sales and factors-of-production information reported by Jiangyin Hailun Chemical Fiber Co., Ltd. (Hailun)⁸ and Jiangyin Huahong Chemical Fiber Co., Ltd. (Huahong).⁹ We used standard verification procedures, including an examination of relevant accounting and production records and original source documents provided by the respondents.

⁶ See Memorandum, "Fine Denier Polyester Staple Fiber from the People's Republic of China, India, Republic of Korea, and Taiwan: Scope Comments Decision Memorandum for the Final Determinations," dated January 16, 2018 (Final Scope Memorandum).

⁷ While we made no changes to the scope based on parties' comments, we discovered that we inadvertently included the phrase "or pre-opened" in the scope in the *Preliminary Determination*. This phrase was not included in the scope in the *Initiation* (see *Fine Denier Polyester Staple Fiber from the People's Republic of China, India, the Republic of Korea, Taiwan, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 29023 (*Initiation*)). We have corrected this error by removing the phrase "or pre-opened" from the scope for this final determination.

⁸ We have determined that Hailun and several affiliates should be collapsed and treated as a single entity for purposes of this investigation. See Memorandum from Commerce, "Less-Than-Fair-Value Investigation of Fine Denier Polyester Staple Fiber from the People's Republic of China: Affiliation and Collapsing Status for Jiangyin Hailun Chemical Fiber Co. Ltd.," dated December 18, 2017. Therefore, any reference to Hailun in this notice refers to the collapsed entity including the following companies: Jiangyin Hailun Chemical Fiber Co., Ltd.; Jiangyin Xinlun Chemical Fiber Co., Ltd.; Jiangyin Yunlun Chemical Fiber Co., Ltd.; Jiangyin Bolun Chemical Fiber Co., Ltd.; Jiangyin Fenghua Synthetic Fiber Co., Ltd.; Jiangyin Huamei Special Fiber Co., Ltd.; Jiangyin Huasheng Polymerization Co., Ltd.; Jiangyin Huayi Polymerization Co., Ltd.; Jiangyin Huaxing Synthetic Co., Ltd.; and Jiangyin Xingsheng Plastic Co., Ltd.

⁹ We have determined that Huahong and two affiliates should be collapsed and treated as a single entity for purposes of this investigation. See Memorandum from Commerce, "Less-Than-Fair-Value Investigation of Fine Denier Polyester Staple Fiber from the People's Republic of China: Affiliation and Collapsing Memorandum for Jiangyin Huahong Chemical Fiber Co., Ltd., Jiangyin Huakai Polyester Co., Ltd., and Jiangyin Hongkai Chemical Fiber Co., Ltd.," dated December 18, 2017. Therefore, any reference to Huahong in this notice refers to the collapsed entity including the following companies: Jiangyin Huahong Chemical Fiber Co., Ltd., Jiangyin Huakai Polyester Co., Ltd., and Jiangyin Hongkai Chemical Fiber Co., Ltd.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of these issues is attached to this notice as Appendix II.

Changes to the Dumping Margin Since the Preliminary Determination

Based on Commerce's analysis of the comments received and findings at verification, we made certain changes to our dumping margin calculations. For further discussion, *see* the Issues and Decision Memorandum.

China-Wide Entity

For the reasons explained in the *Preliminary Determination*, we are continuing to find that the use of adverse facts available (AFA), pursuant to sections 776(a) and (b) of the Act, is appropriate and are applying a rate based entirely on AFA to the China-wide entity. Commerce did not receive timely responses to its quantity and value (Q&V) questionnaire, separate rate applications, or separate rate supplemental questionnaires from certain exporters and/or producers of subject merchandise that were named in the petition and to which Commerce issued Q&V questionnaires.¹⁰ As these non-responsive China companies did not demonstrate that they are eligible for separate rate status, Commerce continues to consider them to be a part of the China-wide entity. Consequently, we continue to find that the China-wide entity withheld requested information, significantly impeded the proceeding, and failed to cooperate to the best of their abilities, and thus we are continuing to base the China-wide entity's rate on AFA.

¹⁰ *See* Preliminary Decision Memorandum at Separate Rate Section.

China-Wide Rate

In selecting the AFA rate for the China-wide entity, Commerce's practice is to select a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated.¹¹ Specifically, it is Commerce's practice to select, as an AFA rate, the higher of: (a) the highest dumping margin alleged in the petition; or, (b) the highest calculated dumping margin of any respondent in the investigation.¹² As AFA, Commerce has assigned to the China-wide entity the rate of 103.06 percent, which is the highest dumping margin alleged in the petition.¹³

Combination Rates

In the *Initiation Notice*, Commerce stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation.¹⁴ Accordingly, we have assigned combination rates to Hailun and Huahong, along with 14 other companies receiving a separate rate, as provided in the "Final Determination" section below.¹⁵

¹¹ See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Purified Carboxymethyl cellulose from Finland*, 69 FR 77216 (December 27, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Purified Carboxymethyl cellulose from Finland*, 70 FR 28279 (May 17, 2005).

¹² See, e.g., *Certain Stilbenic Optical Brightening Agents from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 77 FR 17436, 17438 (March 26, 2012); *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products from the People's Republic of China*, 65 FR 34660 (May 31, 2000), and accompanying Issues and Decision Memorandum.

¹³ See Issues and Decision Memorandum at 4-5 for additional information.

¹⁴ See *Fine Denier Polyester Staple Fiber from the People's Republic of China, India, the Republic of Korea, Taiwan, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 29023, 29028 (June 27, 2017) (*Initiation Notice*); see also Enforcement and Compliance Policy Bulletin No. 05.1 "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005), available on Commerce's Website at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

¹⁵ The dumping margin for the separate rate companies is based on a simple average of the rates from both mandatory respondents, offset by the export subsidy adjustment for the all-others' rate in the companion countervailing duty case. See the Issues and Decision Memorandum at 7 for additional information.

Final Determination

Commerce determines that the following estimated weighted-average dumping margins

exist:

Producer	Exporter	Weighted-Average Margin	Cash Deposit Adjusted for Subsidy Offset
Jiangyin Hailun Chemical Fiber Co. Ltd./ Jiangyin Xinlun Chemical Fiber Co., Ltd./ Jiangyin Yunlun Chemical Fiber Co., Ltd./ Jiangyin Bolun Chemical Fiber Co., Ltd./Jiangyin Fenghua Synthetic Fiber Co., Ltd./Jiangyin Huamei Special Fiber Co., Ltd./ Jiangyin Huasheng Polymerization Co., Ltd./ Jiangyin Huayi Polymerization Co., Ltd./ Jiangyin Huaxing Synthetic Co., Ltd./ Jiangyin Xingsheng Plastic Co., Ltd.	Jiangyin Hailun Chemical Fiber Co. Ltd.	72.22 percent	72.22 percent
Jiangyin Huahong Chemical Fiber Co., Ltd./ Jiangyin Huakai Polyester Co., Ltd./Jiangyin Hongkai Chemical Fiber Co., Ltd.	Jiangyin Huahong Chemical Fiber Co., Ltd.	65.17 percent	65.11 percent
Hangzhou Best Chemical Fiber Co., Ltd.	Hangzhou Best Chemical Fiber Co., Ltd.	68.70 percent	68.64 percent
Cixi Jiangnan Chemical Fiber Co. Ltd.	Cixi Jiangnan Chemical Fiber Co. Ltd.	68.70 percent	68.64 percent
Jiangsu Xinsu Chemical Fiber Co., Ltd.	Jiangsu Xinsu Chemical Fiber Co., Ltd.	68.70 percent	68.64 percent
Jiangyin Jinyan Chemical Fiber Co., Ltd./Jiangsu Xiang He Tai Fiber Technology Co., Ltd.	Jiangyin Jinyan Chemical Fiber Co., Ltd.	68.70 percent	68.64 percent

Jiangsu Hengze Composite Materials Technology Co., Ltd./Chuzhou Prosperity Environmental Protection Color Fiber Co., Ltd./Jiangsu Xiang He Tai Fiber Technology Co., Ltd./Jiangyin Hengfeng Chemical Fiber Co., Ltd./Jiangyin Shunze Chemical Fiber Co., Ltd.	Jiangyin Yangxi International Trade Co., Ltd.	68.70 percent	68.64 percent
Zhejiang Jinfuchun Industrial Co., Ltd.	Zhejiang Jinfuchun Industrial Co., Ltd.	68.70 percent	68.64 percent
Nanyang Textile Co., Ltd.	Nanyang Textile Co., Ltd.	68.70 percent	68.64 percent
Ningbo Dafa Chemical Fiber Co. Ltd.	Ningbo Dafa Chemical Fiber Co. Ltd.	68.70 percent	68.64 percent
Zhaoqing Tifo New Fibre Co., Ltd.	Zhaoqing Tifo New Fibre Co., Ltd.	68.70 percent	68.64 percent
Jiangyin Yueda Chemical Fiber Limited Company/Hangzhou BenMa Chemical and Spinning Company Ltd./Yizheng Chemical Fiber Limited Liability Company	Unifi Textiles (Suzhou) Co., Ltd.	68.70 percent	68.64 percent
Yuyao Dafa Chemical Fiber Co., Ltd.	Yuyao Dafa Chemical Fiber Co., Ltd.	68.70 percent	68.64 percent
Jiangyin Jindun Chemical Fiber Co., Ltd.	Zhangjiagang City Hongtuo Chemical Fiber Co., Ltd.	68.70 percent	68.64 percent
Zhejiang Huashun Technology Co., Ltd.	Zhejiang Linan Foreign Trade Co., Ltd.	68.70 percent	68.64 percent
Suzhou Zhengbang Chemical Fiber Co., Ltd.	Suzhou Zhengbang Chemical Fiber Co., Ltd.	68.70 percent	68.64 percent
CHINA-WIDE ENTITY		103.06 percent	103.00 percent

Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of fine denier PSF from China as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after January 5, 2018, the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*.

Further, pursuant to 19 CFR 351.210(d), upon the publication of this notice, Commerce will instruct CBP to require a cash deposit equal to the weighted-average amount by which the normal value exceeds U.S. price as follows: (1) The cash deposit rate for the exporter/producer combinations listed in the table above will be the rate identified in the table; (2) for all combinations of Chinese exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the China-wide entity; and (3) for all non-Chinese exporters of merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the Chinese exporter/producer combination that supplied that non-Chinese exporter. These suspension of liquidation instructions will remain in effect until further notice.

Consistent with our practice, where the product under investigation is also subject to a concurrent countervailing duty investigation, we will instruct CBP to require a cash deposit equal to the estimated amount by which the normal value exceeds the export price or constructed export price, adjusted where appropriate for export subsidies.¹⁶ Accordingly, as discussed in

¹⁶ See section 772(c)(1)(C) of the Act. Unlike in administrative reviews, Commerce makes an adjustment for export

further detail in the Issues and Decision Memorandum, we have adjusted the cash deposit rates for Huahong, non-selected separate rate respondents, and the China-wide entity by 0.06 percent.¹⁷ These adjustments are reflected in the final column of the rate chart, above.

Furthermore, we are not adjusting the final determination for estimated domestic subsidy pass-through because the respondents failed to substantiate a subsidies-to-cost link and a cost-to-price-link.¹⁸ Because a companion countervailing duty order has been issued,¹⁹ and suspension of liquidation on fine denier PSF from China continues pursuant to that order, Commerce will continue to instruct CBP to require cash deposits adjusted by the amount of export subsidies, as appropriate.

Disclosure

We will disclose to interested parties the calculations performed in this proceeding within five days of the date of announcement of this determination in accordance with 19 CFR 351.224(b).

International Trade Commission Notification

In accordance with section 735(d) of the Act, Commerce will notify the International Trade Commission (ITC) of its final affirmative determination. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2)(B) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of fine denier PSF

subsidies in an LTFV investigation not in the calculation of the weighted-average dumping margin, but in the cash deposit instructions issued to U.S. Customs and Border Protection. *See Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006), and accompanying Issues and Decision Memorandum at Comment 1.

¹⁷ See Issues and Decision Memorandum at pages 6-8.

¹⁸ *Id.* at Comment 2.

¹⁹ *See Fine Denier Polyester Staple Fiber from the People's Republic of China and India: Amended Final Affirmative Countervailing Duty Determination for the People's Republic of China and Countervailing Duty Orders for the People's Republic of China and India*, 83 FR 11681 (March 16, 2018).

from China no later than 45 days after Commerce's final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on appropriate imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification to Interested Parties

This notice serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely 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 the terms of an APO is a violation subject to sanction.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

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

May 23, 2018

Date

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is fine denier polyester staple fiber (fine denier PSF), not carded or combed, measuring less than 3.3 decitex (3 denier) in diameter. The scope covers all fine denier PSF, whether coated or uncoated. The following products are excluded from the scope:

(1) PSF equal to or greater than 3.3 decitex (more than 3 denier, inclusive) currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 5503.20.0045 and 5503.20.0065.

(2) Low-melt PSF defined as a bi-component polyester fiber having a polyester fiber component that melts at a lower temperature than the other polyester fiber component, which is currently classifiable under HTSUS subheading 5503.20.0015.

Fine denier PSF is classifiable under the HTSUS subheading 5503.20.0025. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. List of Issues
- III. Background
- IV. Scope of the Investigation
- V. Selection and Corroboration of the Adverse Facts Available Rate Applied to the China-Wide Entity
- VI. Adjustments to Cash Deposit Rates
- VII. Discussion of the Issues
 - Comment 1: Surrogate Country and Surrogate Value Selections for PTA
 - Comment 2: Hailun and Huahong's Double Remedy Adjustments
 - Comment 3: Calculations for Hailun's Purchased and Consigned PET Melt
- VIII. Recommendation

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