



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-928

Uncovered Innerspring Units from the People's Republic of China: Final Affirmative Determination of Circumvention of the Antidumping Duty Order

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

SUMMARY: The Department of Commerce (Commerce) determines that certain imports of uncovered innerspring units (innersprings) exported from Macau, using materials and/or components sourced from the People's Republic of China (China), are circumventing the antidumping duty (AD) order on innersprings from China.

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

FOR FURTHER INFORMATION CONTACT: Matthew Renkey, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-2312.

SUPPLEMENTARY INFORMATION:

Background

On August 21, 2018, Commerce published the *Preliminary Determination*¹ of circumvention of the *Order*.² A summary of the events that occurred since Commerce published

¹ See *Uncovered Innerspring Units from the People's Republic of China: Preliminary Affirmative Determination of Circumvention of the Antidumping Duty Order*, 83 FR 42254 (August 21, 2018) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum and Preliminary Analysis Memorandum.

² See *Uncovered Innerspring Units from the People's Republic of China: Notice of Antidumping Duty Order*, 74 FR 7661 (February 19, 2009) (*Order*).

the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.³ 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 <http://access.trade.gov>, and it is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Scope of the Order

The products covered by the *Order* are uncovered innerspring units. For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.

Scope of the Anti-Circumvention Inquiry

The products covered by this inquiry are innersprings that are manufactured in Macau by the Macao Commercial Group⁴ with Chinese-origin components and materials and are then subsequently exported from Macau to the United States.

Methodology

Commerce is conducting this anti-circumvention inquiry in accordance with section 781(b) of the Tariff Act of 1930, as amended (the Act). For a full description of the

³ See Memorandum, "Issues and Decision Memorandum for the Anti-Circumvention Inquiry of the Antidumping Duty Order on Uncovered Innerspring Units from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁴ The Macao Commercial Group is comprised of the following companies: Macao Commercial, Tai Wa Commercial (a Macao trading company), Tai Wa Machinery (a Macao trading company), Wa Cheong Hong (a Macao trading company), and Heshan Tai Hua Jian Ye Machinery Co., Ltd. (Heshan Tai Hua) (a Chinese manufacturer). In the *Preliminary Determination*, we determined that these companies are affiliated and should be treated as a single entity. See PDM at 6-9. No party commented on this determination. We continue to treat the Macao Commercial Group as a single entity in this final determination.

methodology underlying the Commerce's final determination, *see* the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this inquiry are addressed in the Issues and Decision Memorandum. A list of the issues raised is attached to this notice as an Appendix. Based on our analysis of the comments received, we made no changes to the *Preliminary Determination*.

Final Affirmative Determination of Circumvention

As detailed in the Issues and Decision Memorandum, we determine that innersprings exported from Macau to the United States, which were assembled or completed in Macau by Macao Commercial and Industrial Spring Mattress Manufacturer (Macao Commercial) and the other companies that are part of the Macao Commercial Group, used materials and/or components from China and are circumventing the *Order*. Therefore, we determine that it is appropriate to include this merchandise within the *Order* and to instruct U.S. Customs and Border Protection (CBP) to continue to suspend any entries of innersprings from Macau, which were manufactured in Macao by the Macao Commercial Group.

Continuation of Suspension of Liquidation

In accordance with 19 CFR 351.225(l)(3), Commerce will direct CBP to continue to suspend liquidation and to require a cash deposit of estimated duties on unliquidated entries innersprings assembled or completed by the Macao Commercial Group in Macau from Chinese-origin components and/or materials that were entered, or withdrawn from warehouse, for consumption on or after November 22, 2016, the date of initiation of the anti-circumvention inquiry.

The suspension of liquidation instructions will remain in effect until further notice. Commerce will instruct CBP to require AD cash deposits equal to the China-wide rate of 234.51 percent, unless the importer/exporter can demonstrate to CBP that the Chinese-origin innersprings assembled or completed in Macau by the Macao Commercial Group were supplied by a Chinese manufacturer with a separate rate. In that instance, the cash deposit rate will be the rate of the Chinese innersprings manufacturer that has its own rate.⁵

Notification Regarding Administrative Protective Orders

This notice will serve as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction or 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 sanctionable violation.

⁵ See *Glycine from the People's Republic of China: Preliminary Partial Affirmative Determination of Circumvention of the Antidumping Duty Order and Initiation of Scope Inquiry*, 77 FR 21532, 21535 (April 10, 2012), unchanged in *Glycine from the People's Republic of China: Final Partial Affirmative Determination of Circumvention of the Antidumping Duty Order*, 77 FR 73426 (December 10, 2012).

Notification to Interested Parties

These determinations are issued and published in accordance with section 781(b) of the Act and 19 CFR 351.225(f).

Dated: December 14, 2018

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

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Scope of the Anti-circumvention Inquiry
- V. Changes Since the Preliminary Determination
- VI. Statutory Framework
- VII. Statutory Analysis
- VIII. Discussion of the Issues

Comment 1: Whether the Application of Partial Adverse Facts Available Is Appropriate

Comment 2: Whether the Nature of the Production Process and the Extent of the Production Facilities in Macau Are Substantial

Comment 3: Whether Macao Commercial's Level of Research and Development in Macau Is Substantial

Comment 4: Whether Increased U.S. Imports of Innersprings from Macao and Increased Macanese Imports of Steel Wire from China Are Indicative of Circumvention

Comment 5: Macao Commercial's Use of Non-Chinese Origin Steel Wire

- IX. Recommendation