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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-900]

Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Determination of Anti-Circumvention Inquiry

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

SUMMARY: The Department of Commerce (Commerce) determines that Protech Diamond Tools Inc. (Protech) is circumventing the antidumping duty order on diamond sawblades and parts thereof (diamond sawblades) from the People's Republic of China (China).

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

FOR FURTHER INFORMATION CONTACT: 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

On October 30, 2019, Commerce published the preliminary affirmative determination of circumvention of the antidumping duty order on diamond sawblades from China.¹ We received no case or rebuttal briefs with respect to the *Preliminary Determination*. On November 29, 2019, in response to the *Preliminary Determination*, Protech filed a letter which contained untimely filed new factual information. On December 17, 2019, we rejected Protech's letter in

¹ See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Preliminary Affirmative Determination of Circumvention*, 84 FR 58130 (October 30, 2019) (*Preliminary Determination*).

response to the *Preliminary Determination* because it contained untimely filed new factual information, and we provided Protech an opportunity to re-submit its letter with the redaction of untimely filed new factual information.² On December 18, 2019, Protech submitted two letters in response to the *Preliminary Determination*, which still contained untimely filed new factual information that we had identified in our earlier December 17, 2019 rejection letter. On December 26, 2019, we rejected Protech's two letters because they contained untimely filed new factual information, and we provided Protech with another opportunity to re-submit its letter in response to the *Preliminary Determination* after the redaction of all untimely filed new factual information.³ Protech did not re-submit its response to the *Preliminary Determination* by the established deadline.⁴ Protech also requested a hearing.⁵ Because a hearing is limited to arguments raised in case and rebuttal briefs under 19 CFR 351.310(c) and we do not have case briefs on the record, we did not hold a hearing.⁶

We conducted this anti-circumvention inquiry in accordance with section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.225(h). The current deadline for the final determination is February 24, 2020.

² See Commerce's Letter, "Rejection of Response to Preliminary Determination" dated December 17, 2019, which explains Commerce's reasons for rejecting Protech's letter in response to the *Preliminary Determination*.

³ See Commerce's Letter, "Rejection of Response to Preliminary Determination" dated December 26, 2019, which explains Commerce's reasons for rejecting Protech's redacted letters in response to the *Preliminary Determination*.

⁴ In response to Protech's letters in response to the *Preliminary Determination* dated December 18, 2019, Diamond Sawblades Manufacturers' Coalition (DSMC), the petitioner in this proceeding, submitted its rebuttal brief on December 23, 2019. On December 26, 2019, we rejected DSMC's rebuttal brief because it contained untimely filed new factual information that we had rejected from Protech's letters in response to the *Preliminary Determination*. See Commerce's Letter, "Rejection of Rebuttal Brief," dated December 26, 2019. In the December 26, 2019 letter, we stated that DSMC was allowed to resubmit its redacted rebuttal brief if Protech resubmitted its redacted response to *Preliminary Determination* in a timely manner. Protech did not resubmit its response to the *Preliminary Determination*.

⁵ See Protech's Letter, "Request for Hearing, Pursuant to 19 CFR 351.310(c)," dated November 29, 2019.

⁶ See Memorandum, "Diamond Sawblades and Parts Thereof from the People's Republic of China: Hearing Request Declined," dated February 3, 2020.

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 semi-finished diamond sawblades, including diamond sawblade cores and diamond 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, Commerce 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.⁷ Pursuant to requests by U.S. Customs and Border Protection (CBP), Commerce included to the customs case reference file the following HTSUS classification numbers: 8202.39.0040 and 8202.39.0070 on January 22, 2015, and 6804.21.0010 and 6804.21.0080 on January 26, 2015.⁸

The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of the order is dispositive.

Scope of the Anti-Circumvention Inquiry

The products covered by this anti-circumvention inquiry are diamond sawblades produced in Canada by Protech with cores and segments produced in China and subsequently exported from Canada by Protech to the United States.⁹

Final Affirmative Determination

Consistent with the *Preliminary Determination*, we determine, on the basis of facts available with an adverse inference, that diamond sawblades made with Chinese cores and Chinese segments joined in Canada by Protech and then subsequently exported from Canada to the United States are circumventing the antidumping duty order on diamond sawblades from China, pursuant to section 781(b) of the Act. Because, as indicated above, we do not have any

⁷ See *Diamond Sawblades and Parts Thereof from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review*, 76 FR 76128 (December 6, 2011).

⁸ See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 64331 (December 14, 2018) and accompanying Issues and Decision Memorandum at 3.

⁹ See *Preliminary Determination*, 84 FR at 58130.

additional information or comments on the record regarding our *Preliminary Determination*, our final determination remains unchanged from our *Preliminary Determination*. Therefore, we determine that it is appropriate to include this merchandise within the scope of the antidumping duty order and to instruct CBP to continue to suspend any entries of diamond sawblades produced in Canada by Protech with Chinese cores and Chinese segments and then subsequently exported from Canada to the United States.

Continued Suspension of Liquidation

In accordance with 19 CFR 351.225(1)(3), based on this final determination in this anti-circumvention inquiry, Commerce will direct CBP to suspend liquidation and to require a cash deposit of estimated duties on unliquidated entries of diamond sawblades produced (*i.e.*, assembled or completed) using Chinese cores and Chinese segments by Protech in Canada that were entered, or withdrawn from warehouse, for consumption on or after April 29, 2019, the date of initiation of this anti-circumvention inquiry. The suspension of liquidation instructions will remain in effect until further notice. As we explained in the *Preliminary Determination*,¹⁰ Commerce will instruct CBP to require antidumping duty cash deposits equal to the rate established for the China-wide entity, *i.e.*, 82.05 percent,¹¹ for entries of such merchandise produced and exported by Protech.

Diamond sawblades assembled or completed in Canada using non-Chinese origin cores and/or non-Chinese origin segments are not subject to this anti-circumvention inquiry. However, because Protech failed to cooperate with Commerce's request for information, Commerce preliminarily found that Protech is not currently able to identify diamond sawblades produced

¹⁰ *Id.*, 84 at 58131.

¹¹ See, e.g., *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 64331, 64332 (December 14, 2018).

with non-Chinese origin cores and/or non-Chinese origin segments. Therefore, in the *Preliminary Determination*, Commerce decided not to implement a certification process at the preliminary stage and Commerce required cash deposits on all entries of diamond sawblades produced and exported by Protech in Canada.¹² We invited parties to comment on this issue in their case briefs. No interested parties submitted case briefs. Therefore, for the final determination, we continue to determine that we will not implement a certification process for diamond sawblades already suspended, and will require cash deposits on all entries of diamond sawblades produced and exported by Protech in Canada, consistent with the *Preliminary Determination*. However, Protech may request reconsideration of our denial of the certification process in a future segment of the proceeding, *i.e.*, a changed circumstances review or administrative review.¹³

Administrative Protective Order

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.

¹² See *Preliminary Determination*, 84 FR at 58131.

¹³ See, *e.g.*, *Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China: Final Affirmative Determination of Circumvention of the Antidumping Duty Order*, 84 FR 29164 (June 21, 2019), and accompanying Issues and Decision Memorandum at 22; see also *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Determination of Anti-Circumvention Inquiry*, 84 FR 33920, 33921 (July 16, 2019); *Preliminary Determination*, 84 FR at 58131.

Notification to Interested Parties

This determination is issued and published in accordance with section 781(b) of the Act and 19 CFR 351.225(f).

Dated: February 12, 2020.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.
[FR Doc. 2020-03362 Filed: 2/19/2020 8:45 am; Publication Date: 2/20/2020]