



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-900]

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

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

**SUMMARY:** On November 20, 2020, the Department of Commerce (Commerce) published the initiation and preliminary results of a changed circumstances review (CCR) of the antidumping duty order on diamond sawblades and parts thereof (diamond sawblades) from the People's Republic of China (China). For these final results, Commerce continues to find that Protech Diamond Tools Inc. (Protech) and Gogo International Inc. (Gogo) are affiliated. Additionally, Commerce continues to find that Protech is eligible to participate in a certification process because Protech has demonstrated that it can identify diamond sawblades that it produced in Canada using non-Chinese cores and Chinese segments.

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

**FOR FURTHER INFORMATION CONTACT:** Michael A. Romani, 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) 482-9180.

#### **SUPPLEMENTARY INFORMATION:**

Background:

On February 20, 2020, Commerce found “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.”<sup>1</sup> In the *Final Determination*, Commerce found that 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 was unable “to identify diamond sawblades produced with non-Chinese origin cores and/or non-Chinese origin segments,” Commerce decided not to “implement a certification process for diamond sawblades already suspended,” and required “cash deposits on all entries of diamond sawblades produced and exported by Protech in Canada.”<sup>2</sup> We indicated that Protech could, at some future point request reconsideration of Commerce’s denial of the certification process in, *e.g.*, a CCR.<sup>3</sup>

On August 19, 2020, Protech submitted a request for a CCR, in which Protech claimed that it is able to identify and segregate diamond sawblades made with non-Chinese cores and Chinese segments joined in Canada by Protech and then subsequently exported from Canada by Protech, its affiliate Gogo, or a third party, to the United States.<sup>4</sup> Protech requested that Commerce find it eligible for certification of these diamond sawblades as non-subject merchandise. On August 26, 2020, the Diamond Sawblades Manufacturers’ Coalition (DSMC) submitted a letter supporting the CCR Request.<sup>5</sup> In response to our request for additional information, Protech submitted its supplemental responses on September 15, 2020,<sup>6</sup> and October 1, 2020.<sup>7</sup>

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<sup>1</sup> See *Diamond Sawblades and Parts Thereof from the People’s Republic of China: Final Determination of Anti-Circumvention Inquiry*, 85 FR 9737, 9738 (February 20, 2020) (*Final Determination*); see also *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).

<sup>2</sup> See *Final Determination*, 85 FR at 9739.

<sup>3</sup> *Id.*

<sup>4</sup> See Protech’s Letters, “Request for Changed Circumstances Review,” dated August 19, 2020 (CCR Request) at 1-2; see also “Response of Protech Diamond Tools Inc. to the Department’s September 1, 2020, Supplemental Questionnaire” dated September 15, 2020 (Protech’s First Supplemental Response) at 1.

<sup>5</sup> See DSMC’s Letter, “Comments in Support of Protech’s Request for Changed Circumstances Review,” dated August 26, 2020. DSMC is the petitioner in this proceeding.

<sup>6</sup> See Protech’s First Supplemental Response.

<sup>7</sup> See Protech’s Letter, “Response of Protech Diamond Tools Inc. to the Department’s September 28, 2020, Second Supplemental Questionnaire,” dated October 1, 2020.

Commerce preliminarily determined that Protech is able to track and certify the country of origin of the diamond sawblade cores used in the production of diamond sawblades produced at its facility in Canada. Commerce further determined that diamond sawblades produced in Canada by Protech, using Chinese cores and Chinese segments, and exported by Protech or its affiliate, Gogo, to the United States are subject to the antidumping duty order on diamond sawblades from China.<sup>8</sup>

No party commented on the *Initiation and Preliminary Results* regarding Commerce's analysis of Protech's practices to track the country of origin of the cores it uses to produce diamond sawblades which are exported to the United States, the determination that Protech and Gogo are affiliated, the sufficiency of the certification process, or the certification language.

#### 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.

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<sup>8</sup> See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 85 FR 74315 (November 20, 2020) (*Initiation and Preliminary Results*).

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 (CBP).<sup>9</sup> Pursuant to requests by 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.<sup>10</sup>

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

#### Final Results of Changed Circumstances Review

Commerce is conducting this CCR in accordance with sections 751(b)(1) and 777(i) of the Act and 19 CFR 351.216. For the reasons stated in the *Initiation and Preliminary Results*, and because we received no comments from interested parties, Commerce continues to find that,

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<sup>9</sup> See *Diamond Sawblades and Parts Thereof from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review*, 76 FR 76128 (December 6, 2011).

<sup>10</sup> 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.

since the publication of the *Final Determination*, Protech has demonstrated in its CCR request and supplemental responses that it is able to identify and segregate diamond sawblades produced in Canada by Protech, using non-Chinese cores and Chinese segments and exported to the United States. Based on information provided by Protech, we also continue to find that Protech and Gogo are affiliated, in accordance with section 771(33)(F) of the Act and 19 CFR 351.102(b)(3).<sup>11</sup> Therefore, we continue to find that diamond sawblades produced in Canada by Protech using Chinese cores and Chinese segments and exported by Gogo to the United States are subject to the antidumping duty order on diamond sawblades from China.

Accordingly, effective on the publication date of these final results, Protech, Gogo and their importers will be eligible, where appropriate, to certify that the diamond sawblades produced in Canada by Protech and exported by either Protech or Gogo were produced using non-Chinese cores and Chinese segments. Attached as an appendix to this notice is the final certification language. Commerce also determines, based on the request in this CCR, that no other exporters are eligible for this certification process.<sup>12</sup>

#### Suspension of Liquidation and Certification Requirements

In accordance with 19 CFR 351.225(l)(3), the suspension of liquidation instructions will remain in effect until further notice. 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

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<sup>11</sup> See Memorandum, “Diamond Sawblades and Parts Thereof from the People’s Republic of China: Affiliation of Protech Diamond Tools Inc. and Gogo International Inc.” dated November 17, 2020, for details containing Protech’s business proprietary information.

<sup>12</sup> The circumvention determination covered diamond sawblades produced in Canada by Protech with Chinese cores and Chinese segments and exported by Protech. See *Final Determination*, 85 FR at 9738. Other exporters are not covered by the circumvention determination.

Canada and exported by Gogo that were entered, or withdrawn from warehouse, for consumption on or after November 20, 2020, the date of initiation of the CCR.<sup>13</sup>

Diamond sawblades produced by Protech in Canada using non-Chinese cores and Chinese segments and exported from Canada by either Protech or Gogo are not subject to the antidumping duty order on diamond sawblades from China. However, imports of such merchandise are subject to certification requirements, and cash deposits may be required if the certification requirements are not satisfied. Accordingly, if an importer imports finished diamond sawblades produced in Canada by Protech and exported from Canada by either Protech or Gogo and claims that the finished diamond sawblades were produced from non-Chinese cores and Chinese segments, in order not to be subject to cash deposit requirements, the importer and exporter are required to meet the certification and documentation requirements described herein and in the certifications contained in the appendix to this notice. Where no certification is provided for an entry of diamond sawblades produced by Protech in Canada and exported by Protech or Gogo to the United States, and the antidumping duty order on diamond sawblades from China potentially applies to that entry, Commerce intends to instruct CBP to suspend the entry and collect cash deposits at the China-wide rate of 82.05 percent of the entered value of the merchandise.<sup>14</sup> For shipments and/or entry summaries made on or after the date of publication of the initiation of the CCR through 30 days after the date of publication of the final results of CCR for which certifications are required, importers and exporters should complete the required certification within 30 days after the publication of the final results of this CCR in the *Federal Register*. Accordingly, where appropriate, the relevant bullet in the certification should be edited to reflect that the certification was completed within the time frame specified above. For such entries/shipments, importers and exporters each have the option to complete a blanket certification covering multiple entries/shipments, individual certifications for each

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<sup>13</sup> See *Final Determination*, 85 FR at 9739.

<sup>14</sup> 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).

entry/shipment, or a combination thereof. For shipments and/or entries made on or after 31 days after the date of publication of the final results of this CCR in the *Federal Register*, for which certifications are required, importers should complete the required certification at or prior to the date of entry summary, and exporters should complete the required certification and provide it to the importer at or prior to the date of shipment.

Notification to Interested Parties

We are issuing and publishing these final results and notice in accordance with sections 751(b)(1) and 777(i) of the Act, and 19 CFR 351.216 and 351.222.

Dated: December 28, 2020.

**Jeffrey I. Kessler,**

*Assistant Secretary*

*for Enforcement and Compliance.*

## Appendix

### EXPORTER CERTIFICATION

Special Instructions: The party that made the sale to the United States should fill out the exporter certification. Only Protech Diamond Tools Inc., and Gogo International Inc., are eligible for this certification process.

I hereby certify that:

A) My name is {COMPANY OFFICIAL'S NAME} and I am an official of {NAME OF EXPORTING COMPANY}, located at {ADDRESS};

B) I have direct personal knowledge of the facts regarding the production and exportation of the finished diamond sawblades identified below. "Direct personal knowledge" refers to facts the certifying party is expected to have in its own books and records. For example, an exporter should have direct personal knowledge of the producer's identity and location.

C) Finished diamond sawblades produced in Canada and covered by this certification were not manufactured using cores produced in China.

D) This certification applies to the following sales to {NAME OF U.S. CUSTOMER}, located at {ADDRESS OF U.S. CUSTOMER}. (repeat this block as many times as necessary):

Foreign Seller's Invoice # to U.S. Customer:

Foreign Seller's Invoice to U.S. Customer Line item #:

Producer Name: Protech Diamond Tools Inc.

Producer's Address: Unit 105, 1626 -115 Avenue NE, Calgary, Alberta, Canada T3K 2E4

Producer's Invoice # to Foreign Seller: (If the foreign seller and the producer are the same party, put NA here.)

E) The finished diamond sawblades covered by this certification were shipped to {NAME OF U.S. PARTY TO WHOM MERCHANDISE WAS SHIPPED}, located at {U.S. ADDRESS TO WHICH MERCHANDISE WAS SHIPPED}.

F) I understand that {NAME OF EXPORTING COMPANY} is required to maintain a copy of this certification and sufficient documentation supporting this certification (*i.e.*, documents maintained in the normal course of business, or documents obtained by the certifying party, for example, mill certificates, production records, invoices, *etc.*) for the later of (1) a period of five years from the date of entry or (2) a period of three years after the conclusion of any litigation in the United States courts regarding such entries.

G) I understand that {NAME OF EXPORTING COMPANY} must provide a copy of this Exporter Certification to the U.S. importer by the date of shipment.

H) I understand that {NAME OF EXPORTING COMPANY} is required to provide a copy of this certification and supporting records, upon request, to U.S. Customs and Border Protection (CBP) and/or the Department of Commerce (Commerce).

I) I understand that the claims made herein, and the substantiating documentation are subject to verification by CBP and/or Commerce.

J) I understand that failure to maintain the required certification and/or failure to substantiate the claims made herein, and/or failure to allow CBP and/or Commerce to verify the claims made herein, may result in a *de facto* determination that all sales to which this certification applies are within the scope of the antidumping duty order on diamond sawblades and parts thereof from the People's Republic of China. I understand that such finding will result in:

i) suspension of all unliquidated entries (and entries for which liquidation has not become final) for which these requirements were not met; and

ii) the requirement that the importer post applicable antidumping duty cash deposits (as appropriate) equal to the rates as determined by Commerce; and

iii) the revocation of {NAME OF EXPORTING COMPANY}'s privilege to certify future exports of finished diamond sawblades from Canada as not manufactured using cores from China.

K) This certification was completed at or prior to the date of shipment;

L) I am aware that U.S. law (including, but not limited to, 18 U.S.C. section 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. government.

Signature

NAME OF COMPANY OFFICIAL

TITLE

DATE

IMPORTER CERTIFICATION

I hereby certify that:

A) My name is {IMPORTING COMPANY OFFICIAL'S NAME} and I am an official of {NAME OF IMPORTING COMPANY}, located at {ADDRESS OF IMPORTING COMPANY}.

B) I have direct personal knowledge of the facts regarding the importation into the Customs territory of the United States of finished diamond sawblades produced in Canada that entered under entry summary number(s) identified below and are covered by this certification. "Direct personal knowledge" refers to facts the certifying party is expected to have in its own records.

For example, the importer should have direct personal knowledge of the importation of the product (e.g., the name of the exporter) in its records.

C) If the importer is acting on behalf of the first U.S. customer, complete this paragraph, if not put “NA” at the end of this paragraph: finished diamond sawblades covered by this certification were imported by {NAME OF IMPORTING COMPANY} on behalf of {NAME OF U.S. CUSTOMER}, located at {ADDRESS OF U.S. CUSTOMER}.

D) Finished diamond sawblades covered by this certification were shipped to {NAME OF PARTY TO WHOM MERCHANDISE WAS FIRST SHIPPED IN THE UNITED STATES}, located at {ADDRESS OF SHIPMENT}.

E) I have personal knowledge of the facts regarding the production of the finished diamond sawblades identified below. “Personal knowledge” includes facts obtained from another party, (e.g., correspondence received by the importer (or exporter) from the producer regarding the country of manufacture of the imported products).

F) Finished diamond sawblades covered by this certification were not manufactured using cores produced in China.

G) This certification applies to the following entries (repeat this block as many times as necessary):

Entry Summary #:

Entry Summary Line Item #:

Foreign Seller:

Foreign Seller’s Address:

Foreign Seller’s Invoice #:

Foreign Seller’s Invoice Line Item #:

Producer: Protech Diamond Tools Inc.

Producer’s Address: Unit 105, 1626 -115 Avenue NE, Calgary, Alberta, Canada T3K 2E4

H) I understand that {NAME OF IMPORTING COMPANY} is required to maintain a copy of this certification and sufficient documentation supporting this certification (*i.e.*, documents maintained in the normal course of business, or documents obtained by the certifying party, for example, mill certificates, production records, invoices, *etc.*) for the later of (1) a period of five years from the date of entry, or (2) a period of three years after the conclusion of any litigation in the United States courts regarding such entries.

I) I understand that {NAME OF IMPORTING COMPANY} is required to provide this certification and supporting records to U.S. Customs and Border Protection (CBP) and/or the Department of Commerce (Commerce), upon request by the respective agency.

J) I understand that {NAME OF IMPORTING COMPANY} is required to maintain a copy of the exporter’s certification (attesting to the production and/or export of the imported merchandise

identified above), and any supporting records provided by the exporter to the importer, for the later of (1) a period of five years from the date of entry or (2) a period of three years after the conclusion of any litigation in United States courts regarding such entries.

K) I understand that {NAME OF IMPORTING COMPANY} is required, upon request, to provide a copy of the exporter's certification and any supporting records provided by the exporter to the importer, to CBP and/or Commerce.

L) I understand that the claims made herein, and the substantiating documentation, are subject to verification by CBP and/or Commerce.

M) I understand that failure to maintain the required certifications, and/or failure to substantiate the claims made herein, and/or failure to allow CBP and/or Commerce to verify the claims made herein, may result in a *de facto* determination that all entries to which this certification applies are within the scope of the antidumping duty order on diamond sawblades and parts thereof from the People's Republic of China. I understand that such finding will result in:

i) suspension of liquidation of all unliquidated entries (and entries for which liquidation has not become final) for which these requirements were not met;

ii) the requirement that the importer post applicable antidumping duty cash deposits (as appropriate) equal to the rates determined by Commerce; and

iii) the revocation of {NAME OF IMPORTING COMPANY}'s privilege to certify future imports of diamond sawblades from Canada as not manufactured using cores from China.

N) I understand that agents of the importer, such as brokers, are not permitted to make this certification. Where a broker or other party was used to facilitate the entry process, {NAME OF IMPORTING COMPANY} obtained the entry summary number and date of entry summary from that party.

O) This certification was completed at or prior to the date of entry summary.

P) I am aware that U.S. law (including, but not limited to, 18 U.S.C. section 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. government.

Signature

NAME OF COMPANY OFFICIAL

TITLE

DATE

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