



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-918, A-552-812, C-552-813]

Steel Wire Garment Hangers from the People's Republic of China and the Socialist Republic of Vietnam: Initiation of Circumvention Inquiries of the Antidumping and Countervailing Duty Orders

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

SUMMARY: In response to a request from a domestic interested party, M&B Metal Products Co., Inc. (the requester), the U.S. Department of Commerce (Commerce) is initiating country-wide circumvention inquiries to determine whether imports of steel wire garment hangers (hangers) completed in Cambodia using components manufactured in the People's Republic of China (China) or the Socialist Republic of Vietnam (Vietnam) are circumventing the antidumping duty (AD) order on hangers from China, or the AD and countervailing duty (CVD) orders on hangers from Vietnam.

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

FOR FURTHER INFORMATION CONTACT: Samuel Frost, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: 202-482-8180.

SUPPLEMENTARY INFORMATION:

Background

On June 17, 2024, pursuant to section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.226(i), the requester filed circumvention inquiry requests alleging that hangers completed in Cambodia using: (1) steel wire and/or (2) steel wire and paper accessories, produced in China or Vietnam are circumventing the AD order on hangers from China or the AD

and CVD orders on steel hangers from Vietnam,¹ and accordingly, should be covered by the scope of the *China Order* and the scope of the *Vietnam Orders*.² On July 17, 2024, Commerce extended the deadline to initiate this circumvention inquiry by 15 days in accordance with 19 CFR 351.226(d)(1).³

On August 1, 2024, January 10, 2025, and February 19, 2025 Commerce issued supplemental questionnaires to the requester.⁴ On December 10, 2024, January 23, 2025, and July 7, 2025, the requester responded to Commerce's supplemental requests for information, respectively.⁵ Pursuant to 19 CFR 351.226(d)(1), the 30-day time period for Commerce to determine whether to accept or reject the request and whether to initiate or not initiate a circumvention inquiry began on July 7, 2025. We received no comments on these requests.

Scope of the Orders

The merchandise covered by the scope of the *China Order* and the *Vietnam Orders* is hangers from China and Vietnam, respectively. For a complete description of the scope of the *China Order* and the *Vietnam Orders*, see the Circumvention Initiation Checklists.⁶

Merchandise Subject to the Circumvention Inquiries

These circumvention inquiries cover hangers completed in Cambodia using: (1) steel wire and/or (2) steel wire and paper accessories produced in China or Vietnam that are then subsequently exported from Cambodia to the United States.

¹ See Requester's Letter, "Circumvention Inquiry Request," dated June 17, 2024 (Circumvention Request).

² See *Notice of Antidumping Duty Order: Steel Wire Garment Hangers from the People's Republic of China*, 73 FR 58111 (October 6, 2008) (*China Order*); see also *Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Antidumping Duty Order*, 78 FR 8105 (February 5, 2013); and *Certain Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Countervailing Duty Order*, 78 FR 8107 (February 5, 2013) (collectively, *Vietnam Orders*).

³ See Memorandum, "Extension of Time to Determine Whether to Initiate Circumvention Inquiry," dated July 17, 2024.

⁴ See Commerce's Letters, "Supplemental Questionnaire," dated August 1, 2024, "Second Supplemental Questionnaire," dated January 10, 2025, and "Third Supplemental Questionnaire," dated February 19, 2025.

⁵ See Requester's Letters, "Response to Supplemental Questionnaire," dated December 10, 2024, "Response to Second Supplemental Questionnaire," dated January 23, 2025, and "Response to Third Supplemental Questionnaire," dated July 7, 2025.

⁶ See Checklists, "Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Circumvention Initiation Checklist" and "Steel Wire Garment Hangers from the People's Republic of China: Circumvention Initiation Checklist," dated concurrently with, and hereby adopted by, this notice (collectively, Circumvention Initiation Checklists).

Initiation of Circumvention Inquiries

Section 351.226(d) of Commerce's regulations states that if Commerce determines that a request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c), then Commerce "will accept the request and initiate a circumvention inquiry." Section 351.226(c)(1) of Commerce's regulations, in turn, requires that each circumvention inquiry request allege "that the elements necessary for a circumvention determination under section 781 of the Act exist" and be "accompanied by information reasonably available to the interested party supporting these allegations." The requester alleged circumvention pursuant to section 781(b) of the Act, which pertains to merchandise completed or assembled in other foreign countries.

Section 781(b)(1) of the Act provides that Commerce may find circumvention of an AD or CVD order when merchandise of the same class or kind subject to the order is completed or assembled in a foreign country other than the country to which the order applies. In conducting a circumvention inquiry under section 781(b)(1) of the Act, Commerce relies on the following criteria: (A) merchandise imported into the United States is of the same class or kind as any merchandise produced in a foreign country that is the subject of an AD or CVD order; (B) before importation into the United States, such imported merchandise is completed or assembled in another foreign country from merchandise which is subject to the order or is produced in the foreign country that is subject to the order; (C) the process of assembly or completion in the foreign country referred to in section (B) is minor or insignificant; (D) the value of the merchandise produced in the foreign country to which the AD or CVD order applies is a significant portion of the total value of the merchandise exported to the United States; and (E) the administering authority determines that action is appropriate to prevent evasion of such order.

In determining whether the process of assembly or completion in a foreign country is minor or insignificant under section 781(b)(1)(C) of the Act, section 781(b)(2) of the Act directs Commerce to consider: (A) the level of investment in the foreign country; (B) the level of research and development in the foreign country; (C) the nature of the production process in the

foreign country; (D) the extent of production facilities in the foreign country and (E) whether or not the value of processing performed in the foreign country represents a small proportion of the value of the merchandise imported into the United States. However, no single factor, by itself, controls Commerce's determination of whether the process of assembly or completion in a third country is minor or insignificant.⁷ Accordingly, Commerce will evaluate each of these five factors, depending on the totality of the circumstances of the particular circumvention inquiry.⁸

In addition, section 781(b)(3) of the Act sets forth additional factors to consider in determining whether to include merchandise assembled or completed in a foreign country within the scope of an AD or CVD order. Specifically, Commerce shall take into account such factors as: (A) the pattern of trade, including sourcing patterns; (B) whether the manufacturer or exporter of the merchandise that was shipped to the foreign country is affiliated with the person who, in the foreign country, uses the merchandise to complete or assemble the merchandise which is subsequently imported into the United States; and (C) whether imports of the merchandise into the foreign country have increased after the initiation of the investigation that resulted in the issuance of such order.

Analysis

Based on our analysis of the requester's circumvention inquiry requests and supplemental questionnaire responses, we determine that the requester has satisfied the criteria under 19 CFR 351.226(c) to warrant the initiation of these circumvention inquiries. Therefore, pursuant to 19 CFR 351.226(d)(1)(iii), we are initiating the requested circumvention inquiries. For a full discussion of the basis for our decision to initiate these circumvention inquiries, *see the*

⁷ See Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103-316, Vol. 1 (1994), at 893.

⁸ See, e.g., *Uncovered Innerspring Units from the People's Republic of China: Final Affirmative Determination of Circumvention of the Antidumping Duty Order*, 83 FR 65626 (December 21, 2018), and accompanying Issues and Decision Memorandum at 4; see also, e.g., *Certain Corrosion-Resistant Steel Products from the Republic of Korea and Taiwan: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders*, 83 FR 37785 (August 2, 2018); *Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China: Initiation of Anti-Circumvention Inquiry on the Antidumping Duty Order*, 82 FR 40556, 40560 (August 25, 2017); and *Certain Corrosion-Resistant Steel Products from the People's Republic of China: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders*, 81 FR 79454, 79458 (November 14, 2016).

Circumvention Initiation Checklists. As confirmed in the Circumvention Initiation Checklists, Commerce found that the information provided by the requester warrants initiating the circumvention inquiries on a country-wide basis. Commerce has taken this approach in prior circumvention inquiries, where the facts warranted initiation on a country-wide basis.⁹

Consistent with the approach in the prior circumvention inquiries that we initiated on a country-wide basis, Commerce intends to issue questionnaires to solicit information from producers and exporters in Cambodia concerning their shipments of hangers made from Chinese-origin or Vietnamese-origin steel wire and paper accessories to the United States

Respondent Selection

Commerce intends to begin its respondent selection process using U.S. Customs and Border Protection (CBP) data. Commerce intends to place the CBP data on each record¹⁰ within five days of publication of this initiation notice, which will be available on Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. Comments regarding the CBP data and respondent selection should be submitted within seven days after placement of the CBP data on the record of the inquiry. Contingent upon comments received, Commerce intends to issue quantity and value questionnaires (Q&V) to the largest exporters in the CBP data requesting the Q&V of hangers produced using Chinese or Vietnamese steel wire and paper accessories that were exported to the United States.

Commerce intends to establish a schedule for questionnaire responses after respondent selection. A company's failure to completely respond to Commerce's requests for information may result in the application of facts available, pursuant to section 776(a) of the Act, which may include adverse inferences, pursuant to section 776(b) of the Act.

⁹ See, e.g., *Hydrofluorocarbon Blends from the People's Republic of China: Initiation of Circumvention Inquiry on the Antidumping Duty Order*, 88 FR 74150 (October 30, 2023).

¹⁰ Pursuant to 19 CFR 351.226(m)(2), "{Commerce} will initiate and conduct a single inquiry with respect to the product at issue for both {the AD and CVD} orders only on the record of the antidumping duty proceeding." Accordingly, with respect to the *Vietnam Orders*, all ACCESS filings shall be only placed on the AD record.

Suspension of Liquidation

Pursuant to 19 CFR 351.226(l)(1), Commerce will notify CBP of these initiations and direct CBP to continue the suspension of liquidation of entries of products subject to the circumvention inquiries that were already subject to the suspension of liquidation under the *China Order* and the *Vietnam Orders*, and to apply the cash deposit rates that would be applicable if the products were determined to be covered by the scope of the *China Order* and the *Vietnam Orders*.

Should Commerce issue affirmative preliminary or final circumvention determinations, Commerce will follow the suspension of liquidation rules under 19 CFR 351.226(l)(2)–(4). In the event that Commerce issues affirmative preliminary or final circumvention determinations that the inquiry merchandise is circumventing either the *China Order* or the *Vietnam Orders*, Commerce will instruct CBP to continue the suspension of liquidation of previously suspended entries and to collect the applicable cash deposit for estimated AD and/or CVD duties. Commerce will also instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, on or after the date of publication of the notice of initiation of the circumvention inquiries pursuant to paragraphs (l)(2)(ii) and (l)(3)(ii). In addition, pursuant to paragraphs (l)(2)(iii)(A) and (l)(3)(iii)(A), Commerce may instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, prior to the date of initiation of the circumvention inquiries, but not for such entries prior to November 4, 2021, the effective date of these provisions in the *Final Rule*.¹¹ These rules will not affect CBP’s authority to take any additional action with respect to the suspension of liquidation or related measures for these entries, as stated in 19 CFR 351.226(l)(5).

¹¹ See *Regulations to Improve Administration and Enforcement of Antidumping and Countervailing Duty Laws*, 86 FR 52300, 52345 (September 20, 2021) (*Final Rule*).

Notification to Interested Parties

In accordance with 19 CFR 351.226(d) and section 781(b) of the Act, Commerce determines that the request for circumvention inquiries satisfies the requirements of 19 CFR 351.226(c). Accordingly, Commerce is notifying all interested parties of the initiation of these circumvention inquiries to determine whether hangers completed in Cambodia using (1) steel wire and/or (2) steel wire and paper accessories from China or Vietnam, and exported from Cambodia are circumventing the *China Order* or the *Vietnam Orders*. In addition, we have included a description of the products that are subject to these inquiries and an explanation of Commerce's decision to initiate the inquiries as provided in the accompanying Circumvention Initiation Checklists.¹²

In accordance with 19 CFR 351.226(e)(1), unless the circumvention inquiries are rescinded, in whole or in part, or extended, Commerce intends to issue its preliminary circumvention determinations no later than 150 days from the date of publication of this notice of initiation of these circumvention inquiries in the *Federal Register*. Furthermore, in accordance with section 781(f) of the Act and 19 CFR 351.226(e)(2), unless the circumvention inquiries are rescinded, in whole or in part, or extended, Commerce intends to issue its final determinations within 300 days from the date of publication of this notice of initiation of the circumvention inquiries in the *Federal Register*.

This notice is published in accordance with section 781(b) of the Act and 19 CFR 351.226(d)(1)(ii).

Dated: August 6, 2025.

Abdelali Elouaradia,
Deputy Assistant Secretary
for Enforcement and Compliance.

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¹² See Circumvention Initiation Checklists.