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CBI 12-106

December 29, 2011

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2867

Office of the
Secretary
Int'l Trade Commission

PUBLIC VERSION OF A BUSINESS PROPRIETARY DOCUMENT

USDOC Case Nos. A-583-849, A-522-812 and C-522-813
USITC Inv. Nos. 701-TA-_____ and 731-TA-_____ (Preliminary)

VOLUME I — GENERAL ISSUES & INJURY INFORMATION: Petitioners' Business Proprietary Information ("BPI") Has Been Ranged or Deleted from Pages I-6, I-18—I-23 and I-28, as well as throughout Exhibits I-2, I-3, I-17, I-19 and I-20, and BPI Exhibits I-4 and I-21 Have Been Omitted.

VOLUME II — AD (TAIWAN): BPI Has Been Ranged or Deleted throughout Exhibits II-1 and II-3—II-5.

VOLUME III — AD (VIETNAM): BPI Has Been Ranged or Deleted throughout Exhibits III-1 and III-3—III-5.

(BUSINESS PROPRIETARY VERSION MAY BE RELEASED UNDER APO.)

Number of Pages: 995

VIA IA ACCESS

BY HAND

The Honorable John E. Bryson
Secretary
Attention: Import Administration
APO/Dockets Unit, Room 1870
U.S. DEPARTMENT OF COMMERCE
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

The Honorable James Holbein
Secretary
U.S. INTERNATIONAL TRADE COMMISSION
500 E Street, S.W., Room 112-A
Washington, D.C. 20436

Re: *Petitions for the Imposition of Antidumping Duties on Steel Wire Garment Hangers from Taiwan and Antidumping and Countervailing Duties on Steel Wire Garment Hangers from the Socialist Republic of Vietnam*

Dear Secretary Bryson and Secretary Holbein:

On behalf of M&B METAL PRODUCTS COMPANY, INC.; INNOVATIVE FABRICATION LLC / INDY HANGER; and US HANGER COMPANY, LLC ("Petitioners"), we respectfully submit the enclosed petitions seeking the imposition of antidumping duties ("AD") on imports of steel wire garment hangers from Taiwan and the imposition of antidumping and countervailing duties ("CVD") on imports of steel wire garment hangers from the Socialist Republic of Vietnam ("Vietnam").

THE HONORABLE JOHN E. BRYSON
U.S. DEPARTMENT OF COMMERCE
December 29, 2011
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THE HONORABLE JAMES HOLBEIN
U.S. INTERNATIONAL TRADE COMMISSION

Volume I of the petitions covers general issues and injury information and contains Exhibits I-1 through I-21. Volume II covers the antidumping allegations and margin calculations regarding Taiwan and contains Exhibits II-1 through II-5. Volume III covers the antidumping allegations and margin calculations regarding Vietnam and contains Exhibits III-1 through III-5. Volume IV covers the subsidy allegations and information regarding Vietnam and contains Exhibits IV-1 through IV-27.

We are filing with the COMMISSION the original and eight copies of the business proprietary version (“BPI”) and four copies of the public version of these petitions. In addition, we are filing with the COMMISSION the proprietary and public versions of the exhibits to these petitions on CDs. We are filing with the Department electronically — via IA ACCESS — the business proprietary and public versions of the AD petition against Taiwan, the AD petition against Vietnam, and the CVD petition against Vietnam.

Pursuant to sections 351.202(d) and 351.304 of the DEPARTMENT’s regulations and section 201.6 of the COMMISSION’s regulations, we request business proprietary treatment for the information contained in brackets in these petitions. The bracketed information relates to Petitioners’ production, shipments, sales, capacity, financial performance, lost sales and revenues, consumption of production factors, pricing, and the names of customers. This information is not publicly available, and disclosure of this information would cause substantial harm to the competitive position of Petitioners. Disclosure of this information would also impair the ability of the DEPARTMENT and the COMMISSION to obtain similar information in the future.

In particular, we request proprietary treatment for the following information:

VOLUME I:

- Page I-6: U.S. producers’ production and industry support
- Pages I-18–I-23 and I-28: U.S. producers’ shipments, production, capacity, and financial data
- Exhibits I-2 and I-3: U.S. producers’ production data and information regarding industry support
- BPI Exhibit I-4: Industry support information
- Exhibit I-17: U.S. producers’ shipment data
- Exhibit I-19: U.S. producers’ production and capacity data
- Exhibit I-20: U.S. producers’ financial data
- Exhibit I-21: U.S. producers’ lost sales/revenues

VOLUME II (TAIWAN AD):

- Exhibits II-1 and II-3: Information on U.S. producers’ consumption quantities
- Exhibits II-4 and II-5: Information on U.S. producers’ lost sales and cost of freight

THE HONORABLE JOHN E. BRYSON
U.S. DEPARTMENT OF COMMERCE
December 29, 2011
Page 3

THE HONORABLE JAMES HOLBEIN
U.S. INTERNATIONAL TRADE COMMISSION

VOLUME III (VIETNAM AD):

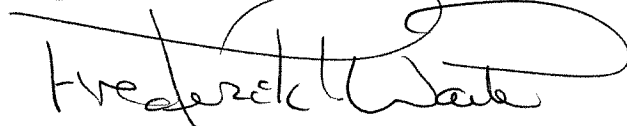
- Exhibits III-1 and III-3: Information on U.S. producers' consumption quantities
- Exhibits III-4 and III-5: Information on U.S. producers' lost sales and cost of freight

All of the information for which proprietary treatment has been requested constitutes the type of information normally treated as business confidential pursuant to sections 351.202(d) and 351.304 of the DEPARTMENT's regulations and section 201.6(a) of the COMMISSION's regulations. Petitioners agree to the release of proprietary information to counsel for other interested parties under an *Administrative Protective Order* ("APO").

The requisite certifications that substantially identical information is not publicly available are included herein as attachments to this letter. The requisite certifications by Petitioners and counsel regarding the completeness and accuracy of the information contained in the petitions are also attached.

Please contact the undersigned with any questions regarding these petitions.

Respectfully submitted,



Frederick P. Waite
Kimberly R. Young
Sutton A. Meagher

Counsel for Petitioners
M&B METAL PRODUCTS COMPANY, INC.;
INNOVATIVE FABRICATION LLC / INDY HANGER; and
US HANGER COMPANY LLC

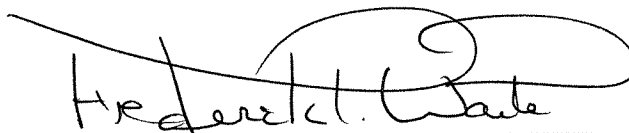
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CERTIFICATION

In accordance with section 201.6(b)(3)(iii) of the rules of the U.S. International Trade Commission (the "Commission") (19 C.F.R. § 201.6(b)(3)(iii)), I, FREDERICK P. WAITE, of Vorys, Sater, Seymour and Pease LLP, counsel to M&B Metal Products Company, Inc.; Innovative Fabrication LLC / Indy Hanger; and US Hanger Company, LLC ("Petitioners"), hereby certify on this 29th day of December, 2011, that I have read the information contained in the Petitions in *Steel Wire Garment Hangers from Taiwan and the Socialist Republic of Vietnam*, and that information substantially identical to that for which proprietary treatment has been requested in these Petitions is not available to the general public.

In accordance with section 207.3(a) of the Commission's rules (19 C.F.R. § 207.3(a)), I further certify that the information contained in these Petitions is accurate and complete to the best of my knowledge.

In accordance with section 207.10(a) of the Commission's rules (19 C.F.R. § 207.10(a)), I hereby certify that the Petitions and all required copies were filed on the same day with the U.S. Department of Commerce and the U.S. International Trade Commission.

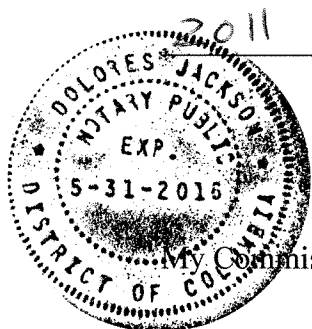

FREDERICK P. WAITE

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Counsel for Petitioners
M&B METAL PRODUCTS COMPANY, INC.;
INNOVATIVE FABRICATION LLC / INDY HANGER;
and US HANGER COMPANY, LLC

DISTRICT OF COLUMBIA) SS:

Sworn to and subscribed before me this 29th day of December,
2011, in the District of Columbia.




(Notary Public)

My Commission Expires: May 31, 2016

DOLORES JACKSON
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires May 31, 2016

CERTIFICATION

In accordance with section 201.6(b)(3)(iii) of the rules of the U.S. International Trade Commission (the "Commission") (19 C.F.R. § 201.6(b)(3)(iii)), I, KIMBERLY R. YOUNG, of Vorys, Sater, Seymour and Pease LLP, counsel to M&B Metal Products Company, Inc.; Innovative Fabrication LLC / Indy Hanger; and US Hanger Company, LLC ("Petitioners"), hereby certify on this 29th day of December, 2011, that I have read the information contained in the Petitions in *Steel Wire Garment Hangers from Taiwan and the Socialist Republic of Vietnam*, and that information substantially identical to that for which proprietary treatment has been requested in these Petitions is not available to the general public.

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Kimberly R Young
KIMBERLY R. YOUNG

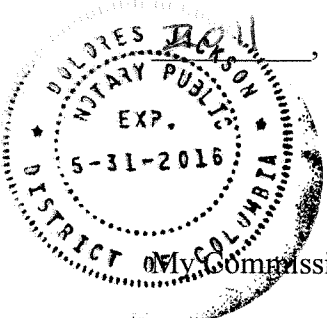
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Counsel for Petitioners
M&B METAL PRODUCTS COMPANY, INC.;
INNOVATIVE FABRICATION LLC / INDY HANGER;
and US HANGER COMPANY, LLC

DISTRICT OF COLUMBIA) SS:

Sworn to and subscribed before me this 29th day of December,

_____ in the District of Columbia.



Dolores Jackson
(Notary Public)

DOLORES JACKSON
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires May 31, 2016

My Commission Expires: May 31, 2016

CERTIFICATION

In accordance with section 201.6(b)(3)(iii) of the rules of the U.S. International Trade Commission (the "Commission") (19 C.F.R. § 201.6(b)(3)(iii)), I, SUTTON A. MEAGHER, of Vorys, Sater, Seymour and Pease LLP, counsel to M&B Metal Products Company, Inc.; Innovative Fabrication LLC / Indy Hanger; and US Hanger Company, LLC ("Petitioners"), hereby certify on this 29th day of December, 2011, that I have read the information contained in the Petitions in *Steel Wire Garment Hangers from Taiwan and the Socialist Republic of Vietnam*, and that information substantially identical to that for which proprietary treatment has been requested in these Petitions is not available to the general public.

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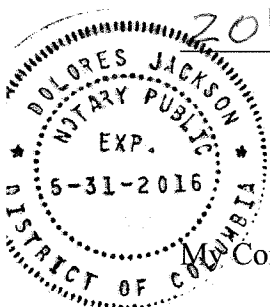
SUTTON A. MEAGHER

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Counsel for Petitioners
M&B METAL PRODUCTS COMPANY, INC.;
INNOVATIVE FABRICATION LLC / INDY HANGER;
and US HANGER COMPANY, LLC

DISTRICT OF COLUMBIA) SS:

Sworn to and subscribed before me this 29th day of December, 2011, in the District of Columbia.

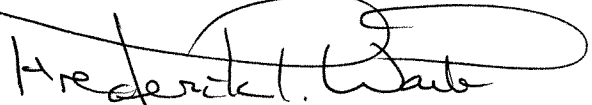

(Notary Public)

DOLORES JACKSON
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires May 31, 2016

Commission Expires: May 31, 2016

REPRESENTATIVE CERTIFICATION

I, FREDERICK P. WAITE, with VORYS SATER SEYMOUR AND PEASE LLP, counsel or representative to Petitioners, certify that I have read the attached submission of Antidumping and Countervailing Duty Petitions filed on December 29, 2011, requesting Antidumping and Countervailing Duty Investigations of Steel Wire Garment Hangers from Taiwan and Vietnam. In my capacity as an adviser, counsel, preparer or reviewer of this submission, I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.



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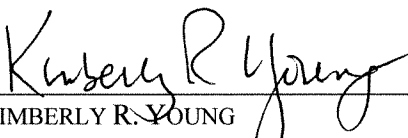
Counsel for Petitioners
M&B METAL PRODUCTS COMPANY, INC.;
INNOVATIVE FABRICATION LLC/INDY HANGER; and
US HANGER COMPANY LLC

28 December 2011

(Date)

REPRESENTATIVE CERTIFICATION

I, KIMBERLY R. YOUNG, with VORYS SATER SEYMOUR AND PEASE LLP, counsel or representative to Petitioners, certify that I have read the attached submission of Antidumping and Countervailing Duty Petitions filed on December 29, 2011, requesting Antidumping and Countervailing Duty Investigations of Steel Wire Garment Hangers from Taiwan and Vietnam. In my capacity as an adviser, counsel, preparer or reviewer of this submission, I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.

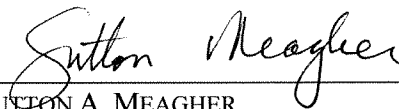

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Counsel for Petitioners
M&B METAL PRODUCTS COMPANY, INC.;
INNOVATIVE FABRICATION LLC/ INDY HANGER; and
US HANGER COMPANY LLC

12/28/2011
(Date)

REPRESENTATIVE CERTIFICATION

I, SUTTON A. MEAGHER, with VORYS SATER SEYMOUR AND PEASE LLP, counsel or representative to Petitioners, certify that I have read the attached submission of Antidumping and Countervailing Duty Petitions filed on December 29, 2011, requesting Antidumping and Countervailing Duty Investigations of Steel Wire Garment Hangers from Taiwan and Vietnam. In my capacity as an adviser, counsel, preparer or reviewer of this submission, I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.



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Counsel for Petitioners
M&B METAL PRODUCTS COMPANY, INC.;
INNOVATIVE FABRICATION LLC/ INDY HANGER; and
US HANGER COMPANY LLC

12.28.2011

(Date)

COMPANY CERTIFICATION

I, **MILTON M. MAGNUS, III**, President of **M&B METAL PRODUCTS COMPANY, INC.**, certify that I prepared or otherwise supervised the preparation of the attached submission of *Antidumping and Countervailing Duty Petitions filed on December 29, 2011, requesting Antidumping and Countervailing Duty Investigations of Steel Wire Garment Hangers from Taiwan and Vietnam*. I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that the information contained in this submission may be subject to verification or corroboration (as appropriate) by the U.S. Department of Commerce. I am also aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.


(Signature)

MILTON M. MAGNUS, III
President
M&B METAL PRODUCTS COMPANY, INC.

12 22 2011
(Date)

COMPANY CERTIFICATION

I, **GENE LIVSHIN**, Managing Member of **US HANGER COMPANY, LLC**, certify that I prepared or otherwise supervised the preparation of the attached submission of *Antidumping and Countervailing Duty Petitions filed on December 29, 2011, requesting Antidumping and Countervailing Duty Investigations of Steel Wire Garment Hangers from Taiwan and Vietnam*. I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that the information contained in this submission may be subject to verification or corroboration (as appropriate) by the U.S. Department of Commerce. I am also aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.



(Signature)

GENE LIVSHIN
Managing Member
US HANGER COMPANY, LLC

12/22/2011

(Date)

USDOC Case Nos. A-583-849, A-522-812, and C-522-813
USITC Inv. Nos. 701-TA-___ and 731-TA-___—___ (Preliminary)

Total Number of Pages: 289

Original Investigation

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Business Proprietary Version May Be Released under APO.

PUBLIC VERSION OF A BUSINESS PROPRIETARY DOCUMENT

BEFORE
THE UNITED STATES DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
AND
THE UNITED STATES INTERNATIONAL TRADE COMMISSION

**PETITIONS FOR THE IMPOSITION OF ANTIDUMPING DUTIES
ON
STEEL WIRE GARMENT HANGERS FROM TAIWAN
AND THE SOCIALIST REPUBLIC OF VIETNAM ("VIETNAM")
AND
THE IMPOSITION OF COUNTERVAILING DUTIES ON STEEL WIRE GARMENT
HANGERS FROM VIETNAM**

VOLUME I: GENERAL ISSUES AND INJURY INFORMATION

**PETITIONERS: M&B METAL PRODUCTS COMPANY, INC.; INNOVATIVE FABRICATION LLC / INDY
HANGER; AND US HANGER COMPANY, LLC**

ECONOMIC CONSULTANTS:

DR. PATRICK MAGRATH
MAGRATH & OTIS, LLC

ERIK WARGA

KRISTAL ALLEY
ALLEY GLOBAL ADVANTAGE

COUNSEL:

FREDERICK P. WAITE
KIMBERLY R. YOUNG
SUTTON A. MEAGHER
VORYS, SATER, SEYMOUR AND PEASE LLP
1909 K Street, NW, Ninth Floor
Washington, DC 20006-1152

1-(202) 467-8852 / 467-8881 / 467-8842

Dated: December 29, 2011

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EXHIBIT LIST

EXHIBIT I-1	U.S. INDUSTRY WEBSITES AND PRESS ARTICLES	Public Exhibit
EXHIBIT I-2	DECLARATION OF MILTON M. MAGNUS III, M&B METAL PRODUCTS CO.	Business Proprietary Information (“BPI”) and Public Versions
EXHIBIT I-3	INDUSTRY SUPPORT TABLE	BPI and Public Versions
EXHIBIT I-4	LETTERS OF SUPPORT FROM U.S. PRODUCERS	BPI Exhibit
EXHIBIT I-5	EXCERPTS FROM THE <i>HARMONIZED TARIFF SCHEDULE</i> (“HTS”)	Public Exhibit
EXHIBIT I-6	PRODUCERS AND EXPORTERS FROM TAIWAN	Public Exhibit
EXHIBIT I-7	EXCERPTS FROM WEBSITES REGARDING HANGERS FROM TAIWAN	Public Exhibit
EXHIBIT I-8	PRODUCERS AND EXPORTERS FROM VIETNAM	Public Exhibit
EXHIBIT I-9	EXCERPTS FROM WEBSITES REGARDING HANGERS FROM VIETNAM	Public Exhibit
EXHIBIT I-10	IMPORT VOLUME AND SHARES	Public Exhibit
EXHIBIT I-11	IMPORT AVERAGE UNIT VALUES (“AUVs”)	Public Exhibit
EXHIBIT I-12	U.S. IMPORTERS OF HANGERS FROM TAIWAN	Public Exhibit
EXHIBIT I-13	U.S. IMPORTERS OF HANGERS FROM VIETNAM	Public Exhibit
EXHIBIT I-14	IM-145 IMPORT DATA BY PORT (2008—2010 AND JAN.—SEPT. 2011)	Public Exhibit
EXHIBIT I-15	SUBJECT IMPORTS BY MONTH (JAN. 2007—OCT. 2011)	Public Exhibit
EXHIBIT I-16	NEGLIGIBILITY TABLE	Public Exhibit
EXHIBIT I-17	APPARENT DOMESTIC CONSUMPTION	BPI and Public Versions
EXHIBIT I-18	TABLE OF OPENINGS AND CLOSURES OF DOMESTIC PRODUCTIVE FACILITIES	Public Exhibit
EXHIBIT I-19	SELECTED TRADE INDICATORS	BPI and Public Versions
EXHIBIT I-20	SUMMARY OF PROFIT-AND-LOSS DATA	BPI and Public Versions
EXHIBIT I-21	LOST SALES AND LOST REVENUES	BPI Exhibit

BEFORE
THE UNITED STATES DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
AND
THE UNITED STATES INTERNATIONAL TRADE COMMISSION

**PETITIONS FOR THE IMPOSITION OF ANTIDUMPING DUTIES
ON
STEEL WIRE GARMENT HANGERS FROM TAIWAN
AND THE SOCIALIST REPUBLIC OF VIETNAM (“VIETNAM”)
AND
THE IMPOSITION OF COUNTERVAILING DUTIES ON STEEL WIRE GARMENT
HANGERS FROM VIETNAM**

VOLUME I: GENERAL ISSUES AND INJURY INFORMATION

**PETITIONERS: M&B METAL PRODUCTS COMPANY, INC.;
INNOVATIVE FABRICATION LLC / INDY HANGER;
AND US HANGER COMPANY, LLC**

I. INTRODUCTION

These petitions are filed by M&B Metal Products Company, Inc. (“M&B”), Innovative Fabrication LLC/ Indy Hanger (“Indy Hanger”), and US Hanger Company, LLC (“US Hanger”) (collectively “Petitioners”) on behalf of the domestic industry producing steel wire garment hangers.

These petitions seek the imposition of antidumping duties on U.S. imports of hangers from Taiwan and antidumping and countervailing duties on U.S. imports of hangers from Vietnam. The petitions present information reasonably available to Petitioners that imports from Taiwan and Vietnam are being sold, or are likely to be sold, in the United States at less than

fair value within the meaning of Section 731 of the *Tariff Act of 1930, as amended* (the “Act”)¹ and that imports from Vietnam are being subsidized within the meaning of Section 701 of the *Act*. These petitions further demonstrate that the domestic industry producing steel wire garment hangers is being materially injured, or threatened with material injury, by reason of the less than fair value imports from Taiwan and Vietnam and the subsidized imports from Vietnam.

These petitions are being filed in conformity with the requirements of section 351.202 of the regulations of the U.S. Department of Commerce (the “Department”)² and section 207.11 of the regulations of the U.S. International Trade Commission (the “Commission”).³

II. DESCRIPTION OF THE DOMESTIC INDUSTRY AND INDUSTRY SUPPORT

A. PETITIONERS

M&B was established in 1943 and has been producing hangers at its facility in Leeds, Alabama since 1963.⁴

M&B METAL PRODUCTS COMPANY, INC.
8575 Parkway Drive
Leeds, Alabama 35094
Telephone: 1-(205) 699-2171
Telefax: 1-(205) 699-6194
Contact: Milton M. Magnus, III, President
Website: <http://www.mbhangers.com>.

¹ 19 U.S.C. § 1673.
² 19 C.F.R. § 351.202.
³ 19 C.F.R. § 207.11.
⁴ See Exhibit I-1.

M&B also owns and operates a steel wire garment hanger facility in Mexico. This facility has been in operation since 1999.

M&B HANGERS DE MEXICO, S. DE RL DE CV
Carretera 57 y Boulevard Republica S/N
Piedras Negras, Coahuila, MEXICO
Telephone: 011-52 (878) 783-9000

Indy Hanger manufactures galvanized hangers at its facility in Indianapolis, Indiana. It began producing hangers in 2008 after the owners of Innovative Fabrication — a precision sheet metal manufacturer — decided to form the company.⁵

INNOVATIVE FABRICATION LLC/ INDY HANGER
801 South Emerson Avenue
Indianapolis, Indiana 46203
Telephone: 1-(317) 431-9231
Telefax: 1-(317) 377-1277
Contact: Roger Crowder, President
Website: <http://www.indyhanger.com>

US Hanger produces steel wire garment hangers at its facility in Gardena, California.⁶ The company started manufacturing hangers in early 2009.⁷

US HANGER COMPANY, LLC
17501 South Denver Avenue
Gardena, California 90248
Telephone: 1-(310) 323-8030
Telefax: 1-(310) 323-8031
Contact: Gene Livshin, Managing Member
Website: <http://www.ushangercompany.com>

⁵ *Id.*

⁶ Prior to 2004, there was another company known as U.S. Hanger producing steel wire garment hangers in the United States, but that company ceased operations in 2004. *See Steel Wire Garment Hangers from China*, Inv. No. 731-TA-1123 (Final), USITC Pub. 4034 (September 2008) (hereinafter “USITC Pub. 4034”) at III-3. There is no relationship between the two companies other than sharing a common name.

⁷ US Hanger acquired the hanger machinery of former hanger producer East West Enterprises of Carson, California. East West had already ceased production by the time that the hanger petition against China was filed in 2007. *See* USITC Pub. 4034 at III-1. *See also* Exhibit I-1.

US Hanger has an exclusive arrangement with United Fabricare Supply Inc. — a U.S. distributor of hangers — whereby United Fabricare is the exclusive distributor to customers in California of hangers produced by US Hanger.⁸

B. OTHER CURRENT AND FORMER U.S. PRODUCERS

There are currently three additional producers of steel wire garment hangers in the United States, one of which is a new manufacturer in Texas and the other two were part of the U.S. industry during the previous antidumping investigation of China:

EAGLE HANGERS, INC.

8101 Fite Road

Pearland, Texas 77584

Telephone: 1-(281) 485-3023

Telefax: 1-(281) 817-7502

Contact: Sonny Ha, President

Website: www.eaglehangers.com

GANCHOS N.V.

Villa Blanca Industrial Park

Caguas, Puerto Rico 00725

Telephone: 1-(787) 746-5424

Telefax: 1-(787) 743-8182

Contact: Alexander O. Nogues, President/CEO

METRO SUPPLY COMPANY

1534 Date Street

Montebello, California 90690

Telephone: 1-(323) 728-8214

Telefax: 1-(323) 728-8219

Contact: Kal Patel, President

Website: www.metrohangers.com

Eagle Hangers bought the hanger production equipment of former hanger manufacturer Navisa Inc., which closed its facility in Brenham, Texas in April 2007.⁹ Eagle began production in Pearland, Texas in 2009. According to Eagle Hangers' website, the company is "committed to

⁸ *Id.*

⁹ *See* USITC Pub. 4034 at III-3. *See also* Exhibit I-1.

helping to revive American Manufacturing.”¹⁰ However, the website also indicates that Eagle Hangers is a U.S. distributor of caped, suit, shirt, and strut hangers made in Vietnam.¹¹

The following list contains the names and last known contact information for former domestic producers of steel wire garment hangers:

GREAT PLAINS HANGER COMPANY, LLC
2215 Leavenworth Street
Omaha, Nebraska 68102-3009
Telephone: 1-(402) 968-5777

PLATINUM HANGER LLC
230 Executive Drive
Newark, Delaware 19702
Telephone: 1-(302) 266-6790

SHANTI INDUSTRIES, INC.
6 Via Jaquima
Rancho Santa Margarita, California 92688

Great Plains began production of steel wire garment hangers in February 2010.¹² According to industry sources, the company ceased production in early 2011. However, the machinery and equipment have not been sold, and the company may be planning to restart production.

Platinum Hanger began production sometime after the antidumping investigation of hangers from China.¹³ However, according to industry sources, the company shut down in 2009, citing low priced imports, and its hanger equipment was sold via auction.¹⁴

Shanti Industries, Inc. (“Shanti”) purchased the Monticello, Wisconsin facility of former hanger producer Laidlaw Corporation and began production in 2007. Shanti also opened a hanger plant in Mayfield, Kentucky, as well as producing hangers in Foothill Ranch,

10 *Id.*

11 *Id.*

12 *Id.*

13 Platinum Hanger was not identified as a U.S. producer during the course of the antidumping investigation of hangers from China. *See* USITC Pub. 4034 at III-2.

14 *See* Exhibit I-2.

California.¹⁵ However, the company was forced to file for bankruptcy in January 2010 and closed its hanger production facilities in January 2011.¹⁶

C. INDUSTRY SUPPORT

Section 732(c)(4)(A) of the *Tariff Act of 1930, as amended*, requires that “the domestic producers or workers who support the petitions account for at least 25 percent of the total production of the domestic like product.” The law also requires that “the domestic producers or workers who support the petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for or opposition to the petition.” According to the Department’s regulations, the Secretary “normally will measure production over a twelve-month period specified by the Secretary.”¹⁷ In the current case, reviewing data from the last full calendar year — 2010 — is appropriate and will provide an accurate snapshot of the industry. During 2010, Petitioners M&B, Indy Hanger and US Hanger collectively accounted for [] percent of total U.S. hanger production.¹⁸ Moreover, the petitions are supported by [

].¹⁹ Thus, the required statutory thresholds have been met.

PUBLIC VERSION

¹⁵ See Exhibit I-1.

¹⁶ *Id.*

¹⁷ 19 C.F.R. § 351.203(e)(1).

¹⁸ See Exhibit I-3.

¹⁹ See Exhibit I-4.

III. OTHER INVESTIGATIONS CONCERNING STEEL WIRE GARMENT HANGERS

On November 27, 2002, three domestic producers of steel wire garment hangers, CHC Industries, Inc.; M&B Metal Products Company, Inc.; and United Wire Hanger Corporation filed a petition pursuant to Section 421 of the *Trade Act of 1974* (19 U.S.C. § 2451) alleging that certain steel wire garment hangers from China were being imported into the United States in such increased quantities or under such conditions as to cause or threaten to cause market disruption to the domestic garment hanger industry. On January 27, 2003, the Commission voted unanimously that Chinese imports were causing market disruption and that rapidly increasing imports from China were a significant cause of material injury to the domestic industry.²⁰ Accordingly, on February 5, 2003, the Commission voted to propose to the President a remedy consisting of additional duties on imports of garment hangers from China for a three-year period. On April 25, 2003, however, the President rejected the Commission's proposed remedy and granted only expedited consideration for trade adjustment assistance claims by U.S. workers displaced by foreign competition.²¹

On July 31, 2007, M&B — the last remaining national producer of steel wire garment hangers — filed an antidumping petition against imports of steel wire garment hangers from China, pursuant to Section 731 of the *Tariff Act of 1930, as amended*. On September 11, 2008, the Commission, by a unanimous vote, determined that the U.S. steel wire garment hanger industry was materially injured by reason of imports of steel wire garment hangers from China.²²

²⁰ See *Certain Steel Wire Garment Hangers from China*, Inv. No. TA-421-2, USITC Pub. 3575 (February 2003).

²¹ *Presidential Determination on Wire Hanger Imports from the People's Republic of China*, April 25, 2003.

²² See USITC Pub. 4034.

The Department then issued an antidumping duty order on Chinese imports of steel wire garment hangers in October 2008.²³

No other trade actions requesting relief from imports of steel wire garment hangers have been filed.

IV. DESCRIPTION OF THE MERCHANDISE

A. PRODUCT DESCRIPTION AND USES

Steel wire garment hangers are produced primarily for use by the drycleaning, industrial laundry, textile, and uniform rental industries. Customers in these markets purchase the product directly from the manufacturer, as well as from local, regional, and national distributors of the product. Some of the more common types of garment hangers are represented in Exhibit I-1.

Steel wire garment hangers are generally recognizable based on the physical configuration of the product, the form of which permits clothing and other textiles to be draped and/or suspended from the product. The four most recognizable categories of drycleaning hangers are caped hangers, shirt hangers, suit hangers, and strut hangers.²⁴ Each of these general categories includes a range of hangers in varying sizes and finishes, but the basic characteristics of the hanger are obvious. For example, caped hangers are so designated because the hanger has a paper “cape” or cover, normally white and oftentimes with commercial or custom printing. Strut hangers are characterized by the cardboard tube that runs along the length of the bottom of the hanger. This tube, or “strut,” is often coated with a nonslip material to prevent the garment from falling off the hanger. The most ubiquitous hanger is the basic shirt hanger. This hanger is

²³ See *Notice of Antidumping Duty Order: Steel Wire Garment Hangers from the People’s Republic of China*, 73 Fed. Reg. 58,111 (October 6, 2008).

²⁴ See USITC Pub. 4034 at I-6 and I-7.

produced using a lighter gauge wire, so it is a thinner hanger, and it is produced in a variety of colors. Despite some obvious differences in finishes and paper accessories, however, all of these hangers share the same basic configuration, characteristics, and end use.

Steel wire hangers are also produced for use in industrial laundries and for the uniform rental market.²⁵ These hangers are known as textile or uniform rental hangers or as industrial hangers. These hangers are normally produced using a 13-gauge wire in order to support the weight of newly washed textiles and uniforms. These hangers are sometimes made out of galvanized wire. The demanding, high-speed process used by industrial laundries and uniform rental companies requires a more substantial gauge hanger in a consistent shape to fit the processing equipment. Some of these hangers are coated with a latex or other coating to prevent slippage during the steaming and pressing operations. Although referred to by a separate name in the industry, these hangers are produced using the same equipment and workers as the various types of drycleaning hangers described above. In addition, there are no significant differences in the production processes or uses for industrial hangers and drycleaning hangers.

B. PRODUCTION PROCESS

The manufacturing process to produce steel wire garment hangers consists largely of cutting low-carbon steel wire to length and fabricating the hangers. After the wire is straightened and cut to length, the hangers are formed and painted. In some production lines, the hangers are formed and then painted, but in other lines, the cut wire is first painted and then transferred to the machines which form the hangers. Some producers employ a process wherein each of these steps is separate and discrete. For other producers, the process is based on a continuous feed of wire to the hanger machines. The machine straightens, cuts, and forms all in one process.

²⁵ *Id.*

In either case, the forming machines are dedicated to the production of hangers; they are not used and cannot be used to produce other products (*e.g.*, plastic hangers or wooden hangers). In addition to forming and painting, there are also some hangers that require the addition of a paper covering or “cape” which can be plain or printed with custom or stock messages for drycleaner customers. Strut hangers receive a tube or “strut” along the bottom bar which drycleaners use to hang pants.

The production of galvanized steel wire hangers follows a similar production process, but it begins with a spool of galvanized (*i.e.*, zinc-coated) wire. The production equipment straightens the wire, cuts it, and forms the hanger in one continuous process. Because these hangers are used in the industrial hanger market, they also are dipped in latex and heat dried. The latex coating on the surface of the wire prevents slippage during the laundering process and during delivery to customers.

C. U.S. TARIFF CLASSIFICATION

The products subject to these petitions are currently classified in subheading 7326.20.00 of the *HTSUS* and reported under statistical reporting number 7326.20.0020, at a general rate of duty of 3.9 percent *ad valorem*.²⁶ This statistical reporting number was created specifically for steel wire garment hangers at the request of the U.S. industry and has been in place since January 1, 2002.²⁷

²⁶ See Exhibit I-5 (excerpt from the *Harmonized Tariff Schedule of the United States*).

²⁷ Garment hangers are made from other materials beside carbon steel, but those garment hangers are classified differently under the HTS. For example, plastic hangers are classified under HTS numbers 3923.90.9880, 3926.90.9980, and 3924.90.5600. Wooden garment hangers are classified under HTS number 4421.10.0000, and wooden hangers covered in fabric are classified under HTS number 6307.90.9889. There may also be hangers made from metals besides steel, such as aluminum hangers, but such hangers would not be classified under HTS subheading 7326.20.00. None of these “other” garment hangers are the subject of this petition which deals only with carbon steel wire garment hangers.

However, during the antidumping investigation of hangers from China, it was discovered that some hanger imports were being classified under an alternate HTS subheading which provided for “*other household articles of iron or steel; other; other; not coated or plated with precious metal; other; other; other.*”²⁸ Accordingly, the scope language was revised to include this subheading.

D. REQUESTED SCOPE OF INVESTIGATION

Petitioners submit the following product definition for purposes of this petition:

The merchandise that is subject to the investigations is steel wire garment hangers, fabricated from carbon steel wire, whether or not galvanized or painted, whether or not coated with latex or epoxy or similar gripping materials, and/or whether or not fashioned with paper covers or capes (with or without printing) and/or nonslip features such as saddles or tubes. These products may also be referred to by a commercial designation, such as shirt, suit, strut, caped, or latex (industrial) hangers.

Specifically excluded from the scope of the investigations are: (a) wooden, plastic, and other garment hangers that are not made of steel wire; and (b) steel wire garment hangers with swivel hooks and/or clips permanently affixed to the lower bar.

The products subject to the investigations are currently classified under *U.S. Harmonized Tariff Schedule* (“HTSUS”) subheadings 7326.20.0020 and 7323.99.9080. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

V. COUNTRIES OF EXPORTATION

The steel wire garment hangers that are the subject of these petitions are produced in and exported from Taiwan and Vietnam.

²⁸ The HTS was subsequently revised, and subheading 7323.99.9060 was renumbered 7323.99.9080. See Exhibit I-5. Both of these HTS subheadings appear in the current scope of the antidumping order on hangers from China.

VI. TAIWANESE AND VIETNAMESE PRODUCERS AND EXPORTERS OF STEEL WIRE GARMENT HANGERS**A. TAIWAN**

A list of known and reported producers and exporters of steel wire garment hangers from Taiwan is included in Exhibit I-6. Excerpts from the websites of some of these Taiwanese companies are attached at Exhibit I-7.

B. VIETNAM

A list of known and reported producers and exporters of steel wire garment hangers from Vietnam is included in Exhibit I-8. Excerpts from the websites of some of these Vietnamese companies are attached at Exhibit I-9.

VII. VOLUME AND VALUE OF IMPORTS

The volume of imports of steel wire garment hangers from Taiwan and Vietnam has increased dramatically over the past three years — from 118 million in 2008 to 758 million in 2009 and further to 1.2 billion hangers during calendar year 2010.²⁹ In the interim period of January—September 2011, the volume of hanger imports from Taiwan and Vietnam was 787 million hangers compared with 885 million hangers in the corresponding interim period in 2010.³⁰ At the current rate of importation, imports from these countries will exceed one billion hangers again in 2011.

Based on official import statistics from the U.S. Department of Commerce, the unit values of garment hangers from Taiwan and Vietnam declined significantly between 2008 and

²⁹ See Exhibit I-10.

³⁰ *Id.*

2010. In 2008, the unit value of a hanger from Taiwan was \$0.065.³¹ By 2010, the unit value of a Taiwanese hanger had dropped to \$0.034 — a decline of nearly 50 percent. Similarly, the unit value of a hanger from Vietnam in 2008 was \$0.042, but by 2010, the unit value of a Vietnamese hanger had fallen to \$0.031 — a decline of 25 percent.³² Unit values improved slightly in the interim period of January—September 2011 to \$0.038 per hanger from Taiwan and \$0.034 per hanger from Vietnam.³³

VIII. NAMES AND ADDRESSES OF IMPORTERS

Steel wire garment hangers from Taiwan and Vietnam are imported by several trading companies and distributors who market to customers in the United States. A list of known and suspected importers of steel wire garment hangers from Taiwan and Vietnam are included in Exhibits I-12 and I-13, respectively.

IX. IMPORTS OF STEEL WIRE GARMENT HANGERS FROM TAIWAN AND VIETNAM ARE CAUSING MATERIAL INJURY TO THE DOMESTIC INDUSTRY

A. THE DOMESTIC LIKE PRODUCT IS ALL STEEL WIRE GARMENT HANGERS CORRESPONDING TO THE SCOPE OF THE PETITION

The statute defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . .”³⁴ The Commission considers a number of factors in defining the like product, including physical characteristics and uses, interchangeability, channels of distribution,

³¹ See Exhibits I-10 and I-11.

³² *Id.*

³³ *Id.*

³⁴ 19 U.S.C. § 1677(10).

customer and producer perceptions, common manufacturing facilities, production processes and employees, and where appropriate, price.

Here, there is one domestic like product consisting of various types of steel wire garment hangers that are like the imported steel wire garment hangers described in the proposed scope. The like product does not include other kinds of hangers, such as hangers made of wood, plastic or aluminum. In the antidumping investigation of garment hangers from China, the Commission concluded that the domestically produced hangers were like the imported hangers covered by the scope of the investigation, stating that it found “a single domestic like product comprised of all SWG hangers, co-extensive with the scope.”³⁵

Based on the Commission’s traditional “like product” factors, domestically produced garment hangers are like the imported garment hangers from Taiwan and Vietnam. In the antidumping investigation of *Garment Hangers from China*, the Commission also reached this conclusion:

Although there may be some differences in terms of specific uses and physical characteristics among the various SWG hangers, all SWG hangers otherwise share the same general physical characteristics and uses and are generally sold through the same channels of distribution, *i.e.*, to dry cleaners or industrial laundries, frequently through distributors. They are all made from the same raw materials using the same production processes and equipment for all but the final finishing step and are priced along a continuum. There are some limitations in interchangeability among various types of SWG hangers, but as the Commission has indicated in other investigations where the domestic like product and the scope encompassed a variety of types of products, some lack of interchangeability among the types of products comprising a continuum is expected.³⁶

³⁵ See USITC Pub. 4034 at 6.

³⁶ *Id.*

The Commission's like product analysis from the investigation of China and its conclusions about the interchangeability of domestic hangers and imported garment hangers apply equally to hangers imported from Taiwan and Vietnam.

B. U.S. PRODUCERS OF STEEL WIRE GARMENT HANGERS CONSTITUTE THE DOMESTIC INDUSTRY

The statute defines the domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitute a major proportion of the total domestic production of the product.”³⁷ The Commission has previously determined that the domestic industry here is composed of all U.S. producers of steel wire garment hangers.³⁸ Therefore, the domestic industry in this investigation consists of all U.S. producers of steel wire garment hangers. Currently, there are six companies producing hangers in the United States.

C. SUBJECT IMPORTS FROM TAIWAN AND VIETNAM SHOULD BE CUMULATED

Petitioners submit that, for purposes of its material injury and threat of injury analysis, the Commission should cumulate unfairly traded imports from Taiwan and Vietnam. The statute establishes the following criteria to determine whether to cumulate unfairly traded imports from multiple sources: (1) the petitions must be filed on the same day; and (2) the imports must compete with each other and with the domestic like product in the U.S. market.³⁹ Both of these criteria are met in this case.

³⁷ 19 U.S.C. § 1677(4)(A).

³⁸ See USITC Pub. 4034 at 8. At the time that the Commission made its final determination in the antidumping investigation of China, there were only four companies producing hangers in the United States: M&B, Ganchos, Metro, and Shanti. See *id.* at III-2. Since then, Shanti has filed for bankruptcy and shut down operations, but three new companies have begun producing hangers in the United States: Eagle Hanger, Indy Hanger, and US Hanger.

³⁹ 19 U.S.C. § 1677(7)(G)(i).

First, the petitions regarding steel wire garment hangers from Taiwan and Vietnam are being filed on the same day.

Second, in determining whether the subject imports compete with each other and with domestic hangers, the Commission normally considers: (i) the degree of fungibility of the products; (ii) the presence of overlapping geographic markets; (iii) common channels of distribution; and (iv) simultaneous market presence.⁴⁰ These factors are not exhaustive, and no single factor is determinative. Further, the evidence taken as a whole need only demonstrate a reasonable overlap in competition.

In this case, subject imports compete directly with each other and with the domestic like product in the U.S. market. Steel wire garment hangers are used in the United States by the dry cleaning, industrial laundry, and textile and uniform rental industries. Although there are some differences between the various types of hangers (*e.g.*, wire gauge, surface coatings, paper accessories, etc.), the Commission previously found that “all of these hangers share the same basic configuration, characteristics and end use”; “all are made from steel wire and most are used by drycleaners for garments, or by uniform rental companies for newly-washed textiles or uniforms.”⁴¹ These findings continue to be true and apply equally to the subject imports as well as the domestic like product.

Moreover, subject imports and U.S.-produced hangers are primarily sold through distributors who supply the hangers to end-use customers. Further, both subject imports and the domestic like product are marketed and sold nationwide. During the POI, hangers from

⁴⁰ See *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278 to 280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F Supp. 898 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

⁴¹ See USITC Pub. 4034 at 5—6.

Taiwan and Vietnam entered the United States in every region of the country, although the largest volumes were imported in the Northeast and on the West Coast.⁴² Finally, with only limited exceptions, hangers from the subject countries were imported into the United States in every month of the POI.⁴³ Thus, subject imports compete with each other and with the domestic like product for the same customers and in the same geographic markets.

D. THE VOLUME OF IMPORTS OF STEEL WIRE GARMENT HANGERS FROM TAIWAN AND VIETNAM IS SIGNIFICANT AND INCREASING

Imports of garment hangers from Taiwan and Vietnam increased rapidly and dramatically in each year of the period to be examined, from 118 million hangers in 2008, to 758 million hangers in 2009, and 1.2 billion hangers in 2010 and 788 million hangers in interim 2011.⁴⁴ Between 2008 and 2010, subject imports increased by more than 879 percent.⁴⁵

Section 771(24)(A)(i) of the *Act* states that “imports from a country are ‘negligible’ if such imports account for less than three percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which the data are available ...”⁴⁶ In the 12-month period from November 2010 to October 2011, imports from Vietnam accounted for 46.88 percent of total imports.⁴⁷ During the same period, imports from Taiwan accounted for 4.59 percent of all hanger imports. Accordingly, imports from Taiwan and Vietnam exceed the statutory threshold for negligibility.

42 See Exhibit I-14.

43 See Exhibit I-15.

44 See Exhibit I-10.

45 *Id.*

46 19 U.S.C. § 1677(24)(A)(i).

47 See Exhibit I-16.

At the beginning of the period, Taiwan and Vietnam accounted for only 4.5 percent of all U.S. imports of steel wire garment hangers. But by 2009, imports from Taiwan and Vietnam had surged to 36.8 percent of all imports, and by 2010, hangers from Taiwan and Vietnam accounted for over 60 percent of total hanger imports.⁴⁸ In the interim period, imports from Taiwan and Vietnam were more than 50 percent of all garment hangers imported into the United States.⁴⁹

In 2008, China accounted for 78 percent — the overwhelming majority — of all U.S. imports of garment hangers. But China's import share dropped following the imposition of the antidumping order in October 2008.⁵⁰ By 2009, China accounted for 36 percent of all imports — half the level in 2008 — and by 2010, China's import share had shrunk to only 12 percent.⁵¹

The only other significant import source during this period was Mexico, but the share of hanger imports from Mexico has been steady for most of the POI — in the range of 19 to 22 percent.⁵² All other import sources cumulatively amounted to only 1.1 percent in 2008, 5.5 percent in 2009, 8.1 percent in 2010, and 5.5 percent in interim 2011.⁵³

The ratio of hanger imports from Taiwan and Vietnam to domestic hanger production increased in each year, from [] percent in 2008, to [] percent in 2009, and [] percent

48 See Exhibit I-10.

49 *Id.*

50 *Id.*

51 In the interim period, China has increased to 25 percent of all imports. *Id.*

52 *Id.*

53 *Id.*

in 2010.⁵⁴ In the interim period from January—September 2011, the ratio of subject imports to domestic production was [] percent.⁵⁵ Similarly, the ratio of hanger imports from Taiwan and Vietnam to apparent U.S. consumption of hangers also increased each year, from [] percent in 2008, to [] percent in 2009, and to [] percent in 2010. The ratio in interim 2011 was [] percent.⁵⁶

E. IMPORTS FROM TAIWAN AND VIETNAM HAVE UNDERSOLD DOMESTIC INDUSTRY PRICES AND HAVE DEPRESSED AND SUPPRESSED U.S. PRICES

Subject import prices declined over the POI and consistently undersold domestic industry prices by significant margins. As a result, the U.S. industry lost numerous sales to unfairly-traded imports from Taiwan and Vietnam. Average unit value (“AUV”) data demonstrate the magnitude of underselling by imports from Taiwan and Vietnam.

In 2008, the average unit value of imported hangers from Taiwan was \$0.065 per hanger.⁵⁷ However, the AUVs for Taiwanese hangers was just \$0.031 in 2009 and \$0.034 in 2010.⁵⁸ Thus, between 2008 and 2010, unit values from Taiwan dropped by 48 percent. The average unit value for domestic shipments over the period of investigation was [] per hanger.⁵⁹ Based on average unit values during the POI, Taiwanese imports were on average [] below the unit value of domestic shipments — an underselling margin of more than 35 percent.

PUBLIC VERSION

⁵⁴ See Exhibits I-3 and I-10.

⁵⁵ *Id.*

⁵⁶ See Exhibit I-17.

⁵⁷ See Exhibit I-11.

⁵⁸ *Id.*

⁵⁹ *Id.*

In 2008, the average unit value of imported hangers from Vietnam was \$0.042 per hanger; it fell to \$0.037 in 2009 and further to \$0.031 in 2010.⁶⁰ Thus, between 2008 and 2010, unit values from Vietnam dropped by 27 percent. The average unit value for domestic shipments over the period of investigation was [] per hanger.⁶¹ Based on average unit values during the POI, Vietnamese imports were on average [] below the value of domestic shipments — an underselling margin of more than 35 percent.

In order for the Commission to analyze the extent to which hanger imports from Taiwan and Vietnam are underselling domestic prices, Petitioners recommend that the Commission collect pricing data on the following types of steel wire garment hangers:⁶²

- Product 1: 18-inch shirt hangers
- Product 2: 13 gauge / 16-inch plain caped hangers
- Product 3: 13 gauge / 16-inch stock print caped hangers
- Product 4: 16-inch strut hangers
- Product 5: 13 gauge / 16-inch latex hangers (long neck)

F. IMPORTS FROM TAIWAN AND VIETNAM HAVE HAD AND CONTINUE TO HAVE A SIGNIFICANT ADVERSE IMPACT ON THE DOMESTIC INDUSTRY

The statute requires the Commission to evaluate all relevant economic factors which have a bearing on the state of the domestic industry, including but not limited to the following:

- Actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity;
- Factors affecting domestic prices; and

PUBLIC VERSION

60 *Id.*

61 *Id.*

62 Petitioners have selected essentially the same pricing products used by the Commission in the investigation of hangers from China, except that Petitioners have eliminated the two 14 ½ gauge caped hanger products because the pricing trends for these products should be comparable to the trends for the two 13 gauge caped hanger products — Products 2 and 3 above. *See* USITC Pub. 4034 at 19.

- Actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment.⁶³

These factors demonstrate the significant adverse impact that subject imports are having on the U.S. industry producing steel wire garment hangers.

1. *Closure of Productive Facilities and Anemic Domestic Capacity Utilization Rates*

During the POI, five new companies began producing hangers in the United States: Indy Hanger and Platinum Hanger in 2008; US Hanger and Eagle Hanger in 2009; and Great Plains Hanger in 2010.⁶⁴ This resurgence in domestic hanger manufacturing is directly attributable to the beneficial effects of the 2008 antidumping order on imported hangers from China. However, with China under order, the volume of imports from Taiwan and Vietnam increased rapidly between 2008 and 2010, and prices of subject imports declined dramatically. As a direct result of this increasing volume of unfairly traded imports, three U.S. hanger companies ceased production during the POI: Platinum Hanger in 2009; and Great Plains and Shanti in 2011.⁶⁵ Additional domestic facilities are likely to close if imported hangers from Taiwan and Vietnam continue to be sold at less than fair value in the United States.

The impact of the subject imports is clearly shown in the domestic capacity utilization rates during the POI. Throughout the period, the U.S. industry suffered from anemic utilization rates in the range of [] percent.⁶⁶ By contrast, the domestic industry's capacity

⁶³ 19 U.S.C. § 1677(7)(C)(iii).

⁶⁴ See Exhibit I-18. See also Exhibit I-2.

⁶⁵ Shanti filed for bankruptcy in January 2010 but continued to produce and sell hangers for the remainder of the year. However, the company's assets were liquidated in January 2011. See Exhibits I-1 and I-2.

⁶⁶ See Exhibit I-19. Although this exhibit shows increases in domestic capacity and production over the period because new U.S. hanger producers entered the market, the capacity utilization rate is stagnant.

utilization rate was 68.9 percent in 2005 at the beginning of the POI in the investigation of China — a rate that is [] that of the industry during the current POI.⁶⁷ The dramatic increase in subject imports from Taiwan and Vietnam has prevented the U.S. industry from recovering to pre-China levels of capacity utilization.

2. Declines in Domestic Shipment Values and Net Sales Values

Subject imports also have had a negative impact on the values of domestic shipments and net sales during the POI. In 2008, the average unit value of total U.S. shipments was [], but AUVs declined to [] in 2009 and further to [] in 2010.⁶⁸ In interim 2011, the AUVs of domestic sales returned to the 2009 level of [] per hanger. This 20-percent decline in domestic shipment values over the POI is the direct result of the surge of unfairly priced imports from Taiwan and Vietnam into the U.S. market. During the POI, the average unit value of subject imports dropped from \$0.047 to \$0.032 — a decline of 32 percent.⁶⁹

3. Poor Financial Performance

Given the U.S. industry's meager capacity utilization rates and the declining unit values of its sales, it is no surprise that domestic hanger producers recorded significant financial losses during the POI. In fact, the industry was in the red throughout the POI and experienced increased negative operating incomes over the period.⁷⁰ Operating losses were [] in 2008, [] in 2009, and [] in 2010. In addition, the industry reported a negative operating income of [] in the 2011 interim period. Thus, the industry's

⁶⁷ See USITC Pub. 4034 at C-3.

⁶⁸ See Exhibit I-11.

⁶⁹ *Id.*

⁷⁰ See Exhibit I-20.

net operating profit to sales ratio was deeply negative in each year, ranging between minus [] in 2011 to a minus [] percent in 2009.⁷¹ Increasing volumes of low-priced subject imports from Taiwan and Vietnam were the cause of the domestic industry's operating losses throughout this period.

4. *Lost Sales and Revenues*

The existence of a causal link between the high and increasing levels of subject imports and the declining prices and negative profits of the domestic industry is confirmed by specific instances of lost sales and lost revenues submitted by U.S. producers. These examples of lost sales and lost revenues are detailed in Exhibit I-21, and they provide specific, real-world evidence of the direct and injurious volume and price effects of unfair imports from the subject countries.

X. **THE DOMESTIC INDUSTRY IS THREATENED WITH MATERIAL INJURY BY REASON OF DUMPED IMPORTS OF STEEL WIRE GARMENT HANGERS FROM TAIWAN AND VIETNAM**

A. RELEVANT ECONOMIC FACTORS

In determining whether a domestic industry is threatened with material injury by reason of imports of the subject merchandise, the statute requires the Commission to consider certain economic factors relevant to “whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued.”⁷²

Specifically, the Commission is directed to consider such relevant factors as the following:

. . . any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of

⁷¹ *Id.*

⁷² 19 U.S.C. § 1677(7)(F)(ii).

the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports;

a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports; and

whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports.⁷³

In this case, the domestic hanger industry also is threatened with material injury by reason of dumped and subsidized imports from Vietnam and dumped imports from Taiwan. Imports from these countries increased rapidly following the imposition of the antidumping order on imports from China in 2008 as producers in Vietnam and Taiwan developed substantial capacity to make and export hangers to the United States. This increasing capacity poses a direct threat to U.S. hanger producers. Further, garment hangers from Vietnam and Taiwan are sold in the United States at prices which significantly undersell the hangers produced by the U.S. industry. As a consequence, imports from these two countries have depressed and suppressed domestic prices throughout the POI and will continue to do so in the future. Petitioners believe that the total capacity of hanger companies in Vietnam and Taiwan is very large and increasing, given the growing number of hanger suppliers in these countries. Based on this evidence — which is discussed in detail below — additional increases of hanger imports from Vietnam and Taiwan at unfairly low prices are likely.

⁷³ 19 U.S.C. § 1677(7)(F)(i).

B. THE VIETNAMESE INDUSTRY PRODUCING GARMENT HANGERS BENEFITS FROM COUNTERAVAILABLE SUBSIDIES.

According to information developed for this Petition, the Government of Vietnam has underwritten the growth of production and exports of garment hangers through a number of countervailable subsidies and state aid programs. Some of the programs that result in the greatest threat to the U.S. hanger industry are the following:

- Government provision of goods and services at less than adequate remuneration, including wire rod, the basic material input for steel wire garment hangers.
- Preferential loans provided to the Vietnamese garment hanger industry, including export loans.
- Land rent reduction or exemption and income tax preferences for foreign invested enterprises.
- Export promotion programs.
- Income tax and import duty preferences for enterprises that export, are located in industrial zones, and/or are foreign invested companies.

These programs are detailed in Volume IV of these petitions.

C. THE GARMENT HANGER PRODUCERS IN VIETNAM AND TAIWAN HAVE LARGE PRODUCTIVE CAPACITY, POSSESS SIGNIFICANT UNUSED CAPACITY, AND HAVE SUBSTANTIALLY INCREASED CAPACITY

In the space of only three years, the hanger industries in both Vietnam and Taiwan have developed substantial capacities to produce garment hangers, and their production is targeted primarily at the United States.

Exhibits I-6 and I-8 list the numerous hanger producers that have been established in these two countries. Petitioners have found over 40 Vietnamese companies and more than 20 Taiwanese companies that shipped subject merchandise to the United States during the POI.

The surge of hanger imports from Vietnam and Taiwan during the POI reflects the rapid and continuing expansion of the hanger industries in these countries. Imports from Vietnam increased from fewer than 100 million hangers in 2008 to 427 million in 2009, 824 million in 2010, and an annualized 977 million in 2011.⁷⁴ Similarly, imports from Taiwan grew from 24 million hangers in 2008 to 332 million in 2009 and 334 million in 2010.⁷⁵

While it has not been possible to obtain capacity figures from producers in Vietnam and Taiwan, conservative estimates may be extrapolated from the official statistics on hanger imports. During the POI, the highest monthly import figure for Vietnam was 105,875,623 hangers in June 2011.⁷⁶ If this import figure is taken as the highest monthly production rate for the Vietnamese hanger companies, annual capacity must be at least 1.27 billion hangers. This means that the Vietnamese industry has substantial unused capacity, given its actual import levels of 824 million hangers in 2010 and annualized 977 million hangers in 2011.

Applying the same methodology to Taiwan, the highest number of hangers was imported in August 2010 — 40,450,452 hangers.⁷⁷ This figure converts to annual capacity of 485 million hangers. Thus, like Vietnam, Taiwan has substantial unused capacity to make and ship hangers to the United States.

⁷⁴ See Exhibit I-10.

⁷⁵ See *id.*

⁷⁶ See Exhibit I-15.

⁷⁷ *Id.*

D. THE UNITED STATES IS THE LARGEST EXPORT MARKET FOR BOTH VIETNAMESE AND TAIWANESE PRODUCERS OF HANGERS

The United States remains by far the world's largest market for garment hangers, including hangers produced and exported from Vietnam and Taiwan. One of the Vietnamese producers brags that "Vietnam is the biggest wire hangers supply for the US market now."⁷⁸ Given the huge increase in subject imports since 2008, there can be no doubt that the hanger industries in Vietnam and Taiwan have targeted the United States market with their unfairly-priced products.

E. INCREASES IN IMPORT VOLUMES AND MARKET PENETRATION DURING THE PERIOD OF INVESTIGATION DEMONSTRATE THAT THE THREAT POSED BY IMPORTED GARMENT HANGERS FROM VIETNAM AND TAIWAN IS REAL AND IMMINENT

The volume of U.S. imports from both Vietnam and Taiwan increased very rapidly, starting in 2008. This surge of imports — both individually and cumulatively — demonstrates the ability and willingness of Vietnamese and Taiwanese hanger producers to flood the U.S. market with unfairly traded imports.

In 2007 — before the Department issued the dumping order on China — U.S. hanger imports from Vietnam were exactly zero.⁷⁹ Yet within one year, imports from Vietnam surged to 94 million hangers and within three years to the staggering total of 824 million hangers — which represented 43.2 percent of total imports from all sources.⁸⁰ By 2010, Vietnam was

⁷⁸ See Exhibit I-9 at "VNS — Vietnam Sourcing." See also Volume IV at IV-11 and IV-17, fn. 55.

⁷⁹ See Exhibit I-15.

⁸⁰ See Exhibit I-10.

the largest foreign supplier of hangers to the U.S. market, a position which it retained during interim 2011 with 47.1 percent of total imports.⁸¹

Imports from Taiwan followed a similar upward trajectory. In 2007, U.S. hanger imports from Taiwan amounted to only 500,000 hangers.⁸² However, this figure increased to 24 million in 2008 and to over 330 million in each of 2009 and 2010.⁸³ Taiwan's share of total imports grew from less than one percent in 2008 to 16.1 percent in 2009 and 17.5 percent in 2010.⁸⁴

These increases in subject import shares translated into significant increases in market penetration during the POI. Vietnam captured [] percent of apparent domestic consumption in 2008, a figure which exploded to [] percent in 2009 and [] percent in 2010.⁸⁵ During interim 2011, Vietnam's share of the U.S hanger market was [] percent — the highest of the POI.⁸⁶ From 2008 through 2010, Taiwan likewise rapidly expanded its share of apparent domestic consumption — from [] percent in 2008 to [] percent in 2009 and [] percent in 2010.⁸⁷

During interim 2011, Taiwan's shipments of hangers have slowed. Petitioners believe that this is the result of a shift of exports from Taiwan to China as the result of a one-time reduction in the dumping duty deposit rate on hangers from China. In 2011, as the result of the first administrative review of the antidumping order on hangers from China, the Department

81 *Id.*

82 *See* Exhibit I-15.

83 *See* Exhibit I-10.

84 *Id.* Imports from Taiwan have declined temporarily in interim 2011 for reasons discussed below.

85 *See* Exhibit I-17.

86 *Id.*

87 *Id.*

changed the deposit rates to 0.00 percent for the largest Chinese producer and to 1.71 percent for 16 other significant Chinese producers.⁸⁸ Consequently, imports of hangers from China increased from 184 million hangers in interim 2010 to more than 450 million in interim 2011.⁸⁹ It appears that Chinese hanger companies — many of which are related to those in Taiwan — shifted their production and export sales back to China.

However, this shift to China will most likely be short-lived. In the second administrative review of the antidumping order on China, the Department has issued its preliminary results, which will constrain imports from the largest Chinese producer and will almost certainly eliminate imports from several of the large Chinese producers which had received a dumping duty deposit rate of 1.71 percent as the result of the first review. Specifically, Shanghai Wells — the largest Chinese producer — was assigned a preliminary dumping margin of 16.64 percent in the second review, while six of the other major Chinese producers were assigned preliminary dumping margins of 187.25 percent.⁹⁰ If these preliminary results are confirmed in the Department's final results, then it can be expected that hanger imports from China will sharply decline again, and Taiwan — which has shown its ability to unleash its large capacity on the United States — will reenter the U.S. market very rapidly and in huge numbers.

Thus, the hanger industries in both countries have demonstrated their ability to seize market share, even during the worldwide economic collapse in 2009. In fact, the number of

⁸⁸ *First Administrative Review of Steel Wire Garment Hangers From the People's Republic of China: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 76 Fed. Reg. 27,995, 27,997 (May 13, 2011).

⁸⁹ See Exhibit I-10.

⁹⁰ *Steel Wire Garment Hangers From the People's Republic of China: Preliminary Results and Preliminary Rescission, in Part, of the Second Antidumping Duty Administrative Review*, 76 Fed. Reg. 66,903, 66,911 (October 28, 2011).

hangers imported from Vietnam and Taiwan increased dramatically in 2009 from 2008 levels — by 354 percent for Vietnam and by 1,262 percent for Taiwan.⁹¹ This unrelenting push of hangers into the U.S. market has resulted in substantial gains in market share by unfairly traded imports from Vietnam and Taiwan, and it demonstrates that dumped and subsidized imports from the subject countries can and will capture an increasing share of domestic consumption, threatening U.S. hanger producers with further injury in the future.

F. IMPORTS OF GARMENT HANGERS FROM VIETNAM AND TAIWAN ARE LIKELY TO HAVE A FURTHER DEPRESSING AND SUPPRESSING EFFECT ON U.S. PRODUCER PRICES.

As discussed in Section IX(E), *supra*, imports of hangers from Vietnam and Taiwan have had a sharply negative effect on domestic prices and will continue to do so as long as these imported hangers are unfairly traded. During the POI, the average unit values (“AUVs”) of imports from Vietnam and Taiwan fell by 19.0 and 41.5 percent, respectively.⁹² U.S. producers had no choice but to try to meet these prices or lose market share. This pattern of underselling and declining prices from Taiwanese and Vietnamese producers is a direct threat to the domestic industry producing steel wire garment hangers.

XI. CONCLUSION

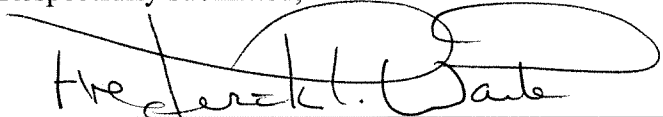
As shown in these petitions, imports of steel wire garment hangers from Taiwan and Vietnam are being sold in the United States at less than fair value, causing material injury to the U.S. garment hanger industry. Furthermore, imports of steel wire garment hangers from Vietnam are being subsidized by the Government of Vietnam. Petitioners request that the Department initiate antidumping investigations of imports of steel wire garment hangers from

⁹¹ See Exhibit I-10.

⁹² See Exhibit I-11.

Taiwan and Vietnam, as well as a countervailing duty investigation of imports from Vietnam, and make affirmative determinations of dumping and subsidization. Petitioners respectfully request that the Commission make an affirmative determination of material injury or threat of material injury by reason of unfairly traded imports from Taiwan and Vietnam.

Respectfully submitted,



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Dated: December 29, 2011

USDOC Case No. A-583-849

USITC Inv. Nos. 701-TA-__ and 731-TA-__—__ (Preliminary)

Total Number of Pages: 53

Original Investigation

Business Proprietary Information Has Been Ranged or Deleted
throughout Exhibits II-1 and II-3—II-5.

BPI Version May Be Released under APO.

PUBLIC VERSION OF A BUSINESS PROPRIETARY DOCUMENT

BEFORE
THE UNITED STATES DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
AND
THE UNITED STATES INTERNATIONAL TRADE COMMISSION

VOLUME II

**PETITION
FOR THE IMPOSITION OF ANTIDUMPING DUTIES
ON STEEL WIRE GARMENT HANGERS FROM TAIWAN**

**PETITIONERS: M&B METAL PRODUCTS COMPANY, INC.;
INNOVATIVE FABRICATION LLC / INDY HANGER;
AND US HANGER COMPANY, LLC**

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Dated: December 29, 2011

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BEFORE
THE UNITED STATES DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
AND
THE UNITED STATES INTERNATIONAL TRADE COMMISSION

VOLUME II

**PETITION
FOR THE IMPOSITION OF ANTIDUMPING DUTIES
ON STEEL WIRE GARMENT HANGERS
FROM TAIWAN**

**STEEL WIRE GARMENT HANGERS FROM TAIWAN
ARE BEING SOLD OR OFFERED FOR SALE
IN THE UNITED STATES AT LESS THAN FAIR VALUE**

**PETITIONERS: M&B METAL PRODUCTS COMPANY, INC.;
INNOVATIVE FABRICATION LLC / INDY HANGER;
AND US HANGER COMPANY, LLC**

I. INTRODUCTION

Petitioners submit the following information and analysis which show that steel wire garment hangers, as defined in Volume I of these petitions, from Taiwan are being sold or offered for sale in the United States at less than fair value. Accordingly, Petitioners respectfully request that the U.S. Department of Commerce (“Department”) initiate and conduct an antidumping investigation of steel wire garment hangers (also “garment hangers” or “hangers”) from Taiwan and impose antidumping duties on imports of such products from Taiwan.

II. NORMAL VALUE

A. HOME MARKET PRICING

Petitioners were unable to obtain information about home market prices for steel wire garment hangers in Taiwan. To the best of Petitioners' knowledge, there is little or no demand for garment hangers in Taiwan, and it is highly likely that manufacturers in Taiwan export all of their production and, further, that all such exports are destined for the United States. Even if there were some sales in Taiwan, Petitioners believe that volumes would be very small and would fall well below the five-percent threshold for viability as a comparison market.

B. THIRD-COUNTRY PRICING

Petitioners believe that most steel wire garment hangers manufactured in Taiwan are sold in the United States market. While Canada also consumes garment hangers, Petitioners reviewed import data and found no information indicating any exports of garment hangers from Taiwan to Canada. Thus, Petitioners believe that it is unlikely that any third country market for Taiwan-origin hangers would meet the viability threshold.

C. CONSTRUCTED VALUE

In the absence of information on home market or third country pricing, Petitioners were required to resort to constructed value to estimate normal value. In accordance with section 773(e)(1) of the *Act*,¹ Petitioners based constructed value on actual consumption of direct materials, direct labor, energy, overhead, and general expenses, plus amounts for profit and packing, for several major types of steel wire garment hangers.²

¹ 19 U.S.C. § 1677b(e)(1).

² See Exhibit II-1.

To the best of Petitioners' knowledge, the consumption experience of domestic producers is very similar, if not identical, to consumption in production operations in Taiwan. The basic input materials and quantities should be the same in both markets for a product such as steel wire garment hangers. Although labor consumption in Taiwan may be greater than in Petitioners' production, Petitioners conservatively did not make an upward adjustment in the consumption of this production input. Petitioners believe that packing experience should be similar in the two markets, and also notes that this cost is a relatively minor component overall. Petitioners used the best available estimates for overhead, general expenses, and profit because actual data for these normal value components are not reasonably available to Petitioners.³

Specifically, for each hanger product, Petitioners estimated costs in Taiwan for most direct materials and packaging materials based on import values corresponding to these inputs as derived from official Taiwan Government import statistics and recorded in the *World Trade Atlas*.⁴ Petitioners assumed a cost of labor based on publicly available sources.⁵

The amounts for factory overhead, selling, general and administrative ("SG&A") expenses, and profit were derived from the publicly available financial ratios of a Taiwanese

³ To the best of Petitioners' knowledge, producers in Taiwan are privately held companies for which financial statements are not publicly available.

⁴ See Exhibit II-2. Petitioners excluded values from countries previously determined by the Department to be nonmarket economy ("NME") countries as well as values from Indonesia, the Republic of Korea, and Thailand because the Department has found that these countries maintain broadly-available, non-industry specific export subsidies. This policy usually applies only in NME proceedings, but it also is appropriate in this instance because some costs are being estimated using import data.

⁵ See Exhibit II-2.

manufacturer of comparable merchandise.⁶ Petitioners believe that these ratios are a reasonable surrogate for purposes of this petition.

These estimated costs are based on reasonably available, public information as to such values in Taiwan during the period of investigation (“POI”). To calculate constructed value, Petitioners multiplied the estimated consumption quantities by the estimated costs for selected hanger products.⁷

III. EXPORT PRICES

Petitioners were able to obtain Taiwan export prices based on lost U.S. sales and offers for sale for major types of steel wire garment hangers for delivery to the U.S. customer during the POI.⁸ Based on the stated sales and delivery terms, Petitioners deducted from these prices the adjustments, charges, and expenses associated with exporting and delivering the product to the U.S. customer, including ocean freight and insurance, U.S. duties and U.S. inland freight charges, and distributor mark-up, where appropriate.⁹

IV. CALCULATION OF DUMPING MARGINS

Based upon a comparison of normal values calculated as described above and export prices based on actual sales or offers for sale in the United States during the POI, the estimated

⁶ See Exhibit II-2.

⁷ Exhibit II-3.

⁸ See Exhibit II-4.

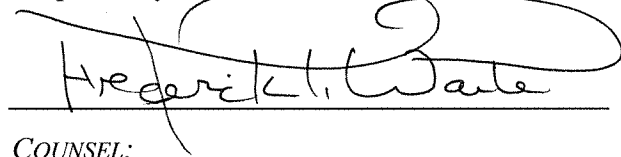
⁹ See Exhibits II-4 and II-5.

calculated dumping margins on steel wire garment hangers from Taiwan range from 57.01 percent to 166.19 percent.¹⁰

V. CONCLUSION

Petitioners respectfully request that antidumping duties be imposed on imports of steel wire garment hangers from Taiwan in an amount sufficient to offset the unfair pricing shown above.

Respectfully submitted,



A handwritten signature in black ink, appearing to read "Frederick P. Waite", is written over a horizontal line. The signature is stylized and somewhat cursive.

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December 29, 2011

¹⁰ See Exhibit II-5.

USDOC Case Nos. A-552-812
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Original Investigation

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BEFORE
THE UNITED STATES DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
AND
THE UNITED STATES INTERNATIONAL TRADE COMMISSION

VOLUME III

**PETITION
FOR THE IMPOSITION OF ANTIDUMPING DUTIES
ON STEEL WIRE GARMENT HANGERS
FROM THE SOCIALIST REPUBLIC OF VIETNAM**

PETITIONERS: M&B METAL PRODUCTS COMPANY, INC.;
INNOVATIVE FABRICATION LLC / INDY HANGER;
AND US HANGER COMPANY, LLC

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Dated: December 29, 2011

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EXHIBIT III-4	U.S. PRICE: SUPPORTING DOCUMENTATION	BPI and Public Versions
EXHIBIT III-5	MARGIN CALCULATIONS	BPI and Public Versions

BEFORE
THE UNITED STATES DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
AND
THE UNITED STATES INTERNATIONAL TRADE COMMISSION

VOLUME III

**PETITION
FOR THE IMPOSITION OF ANTIDUMPING DUTIES
ON STEEL WIRE GARMENT HANGERS
FROM THE SOCIALIST REPUBLIC OF VIETNAM (“VIETNAM”)**

**STEEL WIRE GARMENT HANGERS FROM VIETNAM
ARE BEING SOLD OR OFFERED FOR SALE
IN THE UNITED STATES AT LESS THAN FAIR VALUE**

I. INTRODUCTION

Petitioners submit the following information and analysis which show that steel wire garment hangers, as defined in Volume I of these petitions, from Vietnam are being sold or offered for sale in the United States at less than fair value. Accordingly, Petitioners respectfully request that the U.S. Department of Commerce (“Department”) initiate and conduct an antidumping investigation of steel wire garment hangers (also “garment hangers” or “hangers”) from Vietnam and impose antidumping duties on imports of such products from Vietnam.

II. VIETNAM IS A NONMARKET ECONOMY (“NME”) COUNTRY, AND INDIA IS THE APPROPRIATE SURROGATE

The Department treats Vietnam as a nonmarket economy (“NME”) for purposes of the U.S. antidumping law. The *Tariff Act of 1930, as amended* (the “Act”) provides that the

presumption of NME status remains in effect until revoked by the Department,¹ and no such determination concerning Vietnam has been made by the Department to date.² Rather, the Department has reaffirmed Vietnam’s NME status in recent antidumping duty proceedings.³ Accordingly, Petitioners have calculated estimated dumping margins using the Department’s NME methodology as required by the Department’s regulations.⁴

Normal value for NME producers is appropriately based on factors of production valued in a surrogate market-economy country.⁵ India is the appropriate surrogate for Vietnam because it is a market-economy country that is at a comparable level of economic development⁶ and because surrogate data from India are available and reliable. For these reasons, the Department

¹ 19 U.S.C. § 1677(18)(C)(i).

² See, e.g., *Circular Welded Carbon-Quality Steel Pipe From India, the Sultanate of Oman, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Antidumping Duty Investigations*, 76 Fed. Reg. 72,164, 72,167 (November 22, 2011) (hereinafter “*Steel Pipe Initiations*”).

³ See, e.g., *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 76 Fed. Reg. 56,158, 56,160 (September 12, 2011). *Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Final Results of the Sixth Antidumping Duty Administrative Review and Sixth New Shipper Review*, 76 Fed. Reg. 15,941, 15,943 (March 22, 2011).

⁴ 19 C.F.R. § 351.202(b)(7)(i)(C) and 19 C.F.R. § 351.408.

⁵ See 19 C.F.R. § 351.408(a).

⁶ See, e.g., *Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Preliminary Results of the New Shipper Review*, 76 Fed. Reg. 77,485, 77,486 (December 13, 2011) (“*Frozen Fish Fillets*”) (“{A}s explained in our list of surrogate countries, the Department considers Bangladesh, the Philippines, Indonesia, India, Sri Lanka, and Pakistan all comparable to Vietnam in terms of economic development.”); *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Preliminary Results of Antidumping Duty New Shipper Review*, 76 Fed. Reg. 20,627, 20,629 (April 13, 2011) (“Pursuant to its practice, the Department received a list of potential surrogate countries from Import Administration’s Office of Policy (“OP”). The OP determined that Bangladesh, Pakistan, India, Sri Lanka, the Philippines and Indonesia were at a comparable level of economic development to Vietnam.”) (footnotes omitted).

has selected India in most recent antidumping investigations and administrative reviews involving Vietnam.⁷ Petitioners believe that India is a very significant producer of related steel wire products, such as steel wire fasteners and nails which, like steel wire garment hangers, are produced from steel wire.⁸ Further, among other potential surrogate countries — such as Bangladesh, the Philippines, Indonesia, Sri Lanka, and Pakistan⁹ — Petitioners are not aware of significant production of steel wire garment hangers, and these countries do not produce the quantities or range of steel wire products that India produces. Petitioners also believe that surrogate data from these countries are not as readily available or reliable as data from India.

III. NORMAL VALUE

Petitioners calculated normal values for several major types of steel wire garment hangers based on consumption rates experienced by U.S. producers. Specifically, Petitioners used the consumption experience of domestic producers which, to the best of Petitioners' knowledge,

⁷ See, e.g., *Steel Pipe Initiations* at 72,167; *Uncovered Innerspring Units From the People's Republic of China, South Africa, and the Socialist Republic of Vietnam: Initiation of Antidumping Duty Investigations*, 73 Fed. Reg. 4,820—4,821 (January 28, 2008); *Polyethylene Retail Carrier Bags From the Socialist Republic of Vietnam: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 74 Fed. Reg. 56,813, 56,814 (November 3, 2009).

⁸ The Department has often selected as surrogates market-economy countries which do not produce the product under investigation but a “comparable product.” See, e.g. *Certain Magnesia Carbon Bricks From the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Critical Circumstances*, 75 Fed. Reg. 45,468, 45,469 (August 2, 2010) (India selected as surrogate because it produced comparable merchandise); *Preliminary Determination of Sales at Less Than Fair Value and Postponement of the Final Determination: Magnesium Metal From the People's Republic of China*, 69 Fed. Reg. 59,187, 59,191 (October 4, 2004).

⁹ See, e.g. *Frozen Fish Fillets*, 76 Fed. Reg. at 77,486.

is very similar, if not identical, to the consumption of Vietnamese producers.¹⁰ The basic input materials and quantities should be the same in both markets for a product such as steel wire garment hangers. In accordance with section 773(c)(4) of the *Act*,¹¹ Petitioners valued the factors of production, where possible, on reasonably available, public surrogate country data.¹² To value certain factors of production, Petitioners used official Indian Government import statistics, excluding those values from countries previously determined by the Department to be NME countries and excluding imports into India from Indonesia, the Republic of Korea, and Thailand because the Department has found that these countries maintain broadly-available, non-industry specific export subsidies.¹³ For valuing other factors of production, Petitioners used sources selected by the Department in recent proceedings involving Vietnam.¹⁴

Petitioners made currency conversions, where necessary, based on average exchange rates for the period of investigation (“POI”), as reported on the Department’s website.¹⁵

The amounts for factory overhead, selling, general and administrative (“SG&A”) expenses, and profit were derived from the publicly available financial ratios of

¹⁰ See Exhibit III-1.

¹¹ 19 U.S.C. § 1677b(c)(4).

¹² See Exhibit III-2.

¹³ See, e.g., *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People’s Republic of China: Final Results of 1999—2000 Administrative Review, Partial Rescission of Review, and Determination Not to Revoke Order in Part*, 66 Fed. Reg. 57,420, 57,423 (November 15, 2001), and accompanying *Issues and Decision Memo for the 1999—2000 Administrative Review of Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People’s Republic of China: Final Results* (undated) at Comment 1.

¹⁴ See Exhibit III-2

¹⁵ See <http://www.ia.ita.doc.gov/exchange/index.html>.

an Indian manufacturer of comparable merchandise.¹⁶ Petitioners believe that these ratios are a reasonable surrogate for purposes of this petition.

To calculate normal value, Petitioners multiplied the estimated consumption quantities by the estimated costs for selected hanger products.¹⁷

IV. EXPORT PRICES

Petitioners were able to obtain Vietnamese export prices based on lost U.S. sales and offers for sale for major types of steel wire garment hangers for delivery to the U.S. customer during the POI.¹⁸ Based on the stated sales and delivery terms, Petitioners deducted from these prices the adjustments, charges and expenses associated with exporting and delivering the product to the U.S. customer, including ocean freight and insurance, U.S. duties and U.S. inland freight charges, and distributor mark-up, where appropriate.¹⁹

V. CALCULATION OF DUMPING MARGINS

Based upon a comparison of normal values calculated using the Department's NME methodology and export prices based on actual sales or offers for sale in the United States during the POI, the estimated calculated dumping margins on steel wire garment hangers from Vietnam range from 82.87 percent to 159.20 percent.²⁰

¹⁶ See Exhibit III-2.

¹⁷ See Exhibit III-3.

¹⁸ See Exhibit III-4.

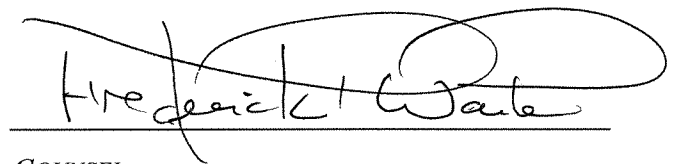
¹⁹ See Exhibits III-4 and III-5.

²⁰ See Exhibit III-5.

VI. CONCLUSION

Petitioners respectfully request that antidumping duties be imposed on imports of steel wire garment hangers from Vietnam in an amount sufficient to offset the unfair pricing shown above.

Respectfully submitted,



A handwritten signature in black ink, appearing to read "Frederick P. Waite", is written over a horizontal line.

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