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Sunset Review
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August 1, 2023

MEMORANDUM TO: Lisa W. Wang
Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Antidumping Duty Orders on Steel Wire Garment Hangers from Taiwan and the Socialist Republic of Vietnam

I. SUMMARY

We have analyzed the response of a domestic producer of steel wire garment hangers (hangers) in the expedited second sunset review of the antidumping duty (AD) orders on hangers from Taiwan and the Socialist Republic of Vietnam (Vietnam). No respondent interested party submitted a substantive response. Accordingly, we conducted an expedited (120-day) sunset review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.218(e)(1)(ii)(C)(2). We recommend that you approve the positions described in the “Discussion of the Issues” section of this memorandum. Below is the complete list of the issues in this sunset review for which we received a substantive response:

1. Likelihood of Continuation or Recurrence of Dumping
2. Magnitude of the Margins of Dumping Likely to Prevail

II. BACKGROUND

On December 10, 2012, and February 5, 2013, the U.S. Department of Commerce (Commerce) published the AD orders on hangers from Taiwan and Vietnam, respectively.¹ On April 3, 2023, Commerce initiated a sunset review of the *Orders* pursuant to section 751(c) of the Act.² Commerce received a notice of intent to participate from a domestic interested party, M&B

¹ See *Steel Wire Garment Hangers from Taiwan: Antidumping Duty Order*, 77 FR 73424 (December 10, 2012); and *Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Antidumping Duty Order*, 78 FR 8105 (February 5, 2013) (collectively, *Orders*).

² See *Initiation of Five-Year (Sunset) Reviews*, 88 FR 19616 (April 3, 2023).



Metal Products Company, Inc., within the deadline specified in 19 CFR 351.218(d)(1)(i).³ The domestic interested party claimed interested party status under section 771(9)(C) of the Act as a producer of the domestic like product. On April 13, 2023, Commerce received an adequate substantive response from the domestic interested party within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).⁴ Commerce received no responses from respondent interested parties with respect to the *Orders* covered by this sunset review.

On April 24, 2023, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive an adequate substantive response from respondent interested parties.⁵ As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of the *Orders* on hangers from Taiwan and Vietnam.

III. SCOPE OF THE *ORDERS*

The merchandise subject to the *Orders* 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 whether or not fashioned with paper covers or capes (with or without printing) 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 *Orders* are (a) wooden, plastic, and other garment hangers that are not made of steel wire; (b) steel wire garment hangers with swivel hooks; (c) steel wire garment hangers with clips permanently affixed; and (d) chrome plated steel wire garment hangers with a diameter of 3.4 mm or greater.

The products subject to the *Orders* 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.

³ See Domestic Interested Party's Letter, "Notice of Intent to Participate," dated April 11, 2023.

⁴ See Domestic Interested Party's Letter, "Five-Year (Sunset) Review of Steel Wire Garment Hangers from Taiwan-Substantive Response of Domestic Producer to Notice of Initiation," dated April 13, 2023 (Taiwan Substantive Response); see also Domestic Interested Party's Letter, "Five-Year (Sunset) Review of Steel Wire Garment Hangers from Vietnam (AD)-Substantive Response of Domestic Producer to Notice of Initiation," dated April 13, 2023 (Vietnam Substantive Response).

⁵ See Commerce's Letter, "Sunset Reviews Initiated on April 3, 2023," dated April 24, 2023.

IV. HISTORY OF THE *ORDERS*

On October 15 and December 12, 2012, Commerce published the *Final Determinations* in the less-than-fair value (LTFV) investigations with respect to imports of hangers from Taiwan and Vietnam, respectively.⁶ Commerce found the following *ad valorem* estimated weighted-average dumping margins:⁷

Taiwan Exporter or Producer	Weighted-Average Dumping Margin (%)
Golden Canyon Ltd.	69.98
Taiwan Hanger Manufacturing Co., Ltd.	125.43
All Others Rate	69.98

Vietnam Exporter	Weighted-Average Dumping Margin (%)
CTN Limited Company	157.00
Ju Fu Co., Ltd	157.00
Triloan Hangers, Inc	157.00
Vietnam-Wide Entity	220.68

Following the issuance of Commerce's *Final Determinations*, the ITC found that the U.S. industry was materially injured by reason of imports from Taiwan and Vietnam pursuant to section 735(b)(1)(A)(i) of the Act.⁸ Subsequently, Commerce published the *Orders*.

Since the issuance of the *Orders*, Commerce has completed one sunset review in these proceedings.⁹ In the first sunset review, Commerce found that revocation of the *Orders* would likely lead to continuation or recurrence of dumping and the ITC found that that revocation of the *Orders* on hangers from Taiwan and Vietnam would likely lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁰ The most recent continuation notice published on May 31, 2018.¹¹ Since the last sunset

⁶ See *Steel Wire Garment Hangers from Taiwan: Final Determination of Sales at Less Than Fair Value*, 77 FR 62492 (October 15, 2012) (*Taiwan Final Determination*); see also *Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 77 FR 75980 (December 26, 2012) (*Vietnam Final Determination*) (collectively, *Final Determinations*).

⁷ See *Taiwan Final Determination*, 77 FR at 62492; and *Vietnam Final Determination*, 77 FR at 75983.

⁸ See *Steel Wire Garment Hangers from Taiwan*, 77 FR 72884 (December 6, 2012); and *Steel Wire Garment Hangers from Vietnam; Determination*, 78 FR 7452 (February 1, 2013).

⁹ See *Steel Wire Garment Hangers from Taiwan and Vietnam: Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders*, 83 FR 10433 (March 9, 2018).

¹⁰ See *Steel Wire Garment Hangers from Taiwan and Vietnam*, 83 FR 23723 (May 22, 2018).

¹¹ See *Steel Wire Garment Hangers from Taiwan and Vietnam: Continuation of Antidumping Duty Orders*, 83 FR 24972 (May 31, 2018).

review, there have been no administrative reviews, circumvention inquiries, new shipper reviews, or scope inquiries.

The *Orders* remain in effect for all exporters and producers of hangers from Taiwan and Vietnam.

V. LEGAL FRAMEWORK

In accordance with section 751(c)(1) of the Act, Commerce is conducting these sunset reviews to determine whether revocation of the *Orders* would be likely to lead to a continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making these determinations, Commerce shall consider both the weighted-average dumping margins determined in the investigations and subsequent reviews, and the volume of imports of the subject merchandise for the periods before and after the issuance of the *Orders*.

In accordance with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the SAA,¹² the House Report,¹³ and the Senate Report,¹⁴ Commerce's determinations of likelihood will be made on an order-wide, rather than company-specific, basis.¹⁵ In addition, Commerce normally determines that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping when, among other scenarios: (a) dumping continued at any level above *de minimis* after the issuance of the order; (b) imports of the subject merchandise ceased after issuance of the order; or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly.¹⁶

In addition, as a base period of import volume comparison, it is Commerce's practice to use the one-year period immediately preceding the initiation of the investigation, rather than the level of pre-order import volumes, as the initiation of an investigation may dampen import volumes and, thus, distort the comparison.¹⁷

Further, section 752(c)(3) of the Act states that Commerce shall provide to the ITC the magnitude of the margin of dumping likely to prevail if the order were revoked. Generally, Commerce selects the estimated weighted-average dumping margins from the final determination in the LTFV investigation, as these rates are the only calculated rates that reflect the behavior of exporters or producers without the discipline of an order in place.¹⁸ However, in certain circumstances, a more recently calculated rate may be more appropriate (*e.g.*, "if

¹² See Statement of Administrative Action, H.R. Doc. 103-316, vol. 1 (1994), reprinted in 1994 U.S.C.C.A.N. 4040, 4178 (SAA).

¹³ See H. Rep. No. 103-826, pt. 1 (1994) (House Report), reprinted in 1994 U.S.C.C.A.N. 3773 (1994).

¹⁴ See S. Rep. No. 103-412 (1994) (Senate Report).

¹⁵ See SAA at 879 and House Report at 56.

¹⁶ See SAA at 889-90, House Report at 63-64, and Senate Report at 52.

¹⁷ See, *e.g.*, *Stainless Steel Bar from Germany; Final Results of the Sunset Review of the Antidumping Duty Order*, 72 FR 56985 (October 5, 2007), and accompanying Issues and Decision Memorandum (IDM) at Comment 1.

¹⁸ See SAA at 890; see also *Persulfates from the People's Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order*, 73 FR 11868 (March 5, 2008) (*Persulfates Second Sunset Review*), and accompanying IDM at Comment 2.

dumping margins have declined over the life of an order and imports have remained steady or increased, {Commerce} may conclude that exporters are likely to continue dumping at the lower rates found in a more recent review”).¹⁹

In February 2012, Commerce announced it was modifying its practice in sunset reviews such that it will not rely on weighted-average dumping margins that were calculated using the methodology found to be WTO-inconsistent (*i.e.*, zeroing/the denial of offsets).²⁰ In the *Final Modification for Reviews*, Commerce stated that “only in the most extraordinary circumstances” would it rely on margins other than those calculated and published in prior determinations.²¹ Commerce further stated that apart from the “most extraordinary circumstances,” it would “limit its reliance to margins determined or applied during the five-year sunset period that were not determined in a manner found to be WTO-inconsistent” and that it “may also rely on past dumping margins that were not affected by the WTO-inconsistent methodology, such as dumping margins recalculated pursuant to Section 129 proceedings, dumping margins determined based on the use of total adverse facts available, and dumping margins where no offsets were denied because all comparison results were positive.”²²

Pursuant to section 752(c)(4)(A) of the Act, a weighted-average dumping margin of zero or *de minimis* shall not by itself require Commerce to determine that revocation of an AD order would not be likely to lead to a continuation or recurrence of sales at LTFV.²³

VI. DISCUSSION OF THE ISSUES

1. Likelihood of Continuation or Recurrence of Dumping

Domestic Interested Party Comments²⁴

- Revocation of the *Orders* would lead to a continuation or recurrence of sales of hangers from Taiwan and Vietnam at LTFV.
- Since the issuance of the *Orders*, exports from Taiwan and Vietnam and to the United States of hangers have virtually ceased. The SAA provides that “if imports cease after the order is issued, it is reasonable to assume that the exporters could not sell in the United States without dumping, and that, to reenter the U.S. market, they would have to resume dumping.”²⁵
- The continued existence of dumping margins on hangers from Taiwan and Vietnam as the result of the LTFV investigations demonstrate that Taiwanese and Vietnamese

¹⁹ See SAA at 890-91.

²⁰ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101, 8103 (February 14, 2012) (*Final Modification for Reviews*).

²¹ *Id.*

²² *Id.*

²³ See, e.g., *Folding Gift Boxes from the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 72 FR 16765 (April 5, 2007), and accompanying IDM at Comment 1.

²⁴ See Taiwan Substantive Response at 4-9; see also Vietnam Substantive Response at 5-10.

²⁵ See Taiwan Substantive Response at 5 (citing SAA at 18872); see also Vietnam Substantive Response at 6 (citing SAA at 18872).

producers and exporters are not able to sell garment hangers in the United States at fairly-traded prices.

Commerce's Position

As explained in the Legal Framework section, above, when determining whether revocation of the AD order would be likely to lead to the continuation or recurrence of dumping, sections 752(c)(1)(A) and (B) of the Act instruct Commerce to consider: (1) the weighted-average dumping margins determined in the investigation and subsequent reviews; and (2) the volume of imports of the subject merchandise for the period before and after the issuance of the AD order. According to the SAA, existence of dumping margins after the order “is highly probative of the likelihood of continuation or recurrence of dumping. If companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the discipline were removed. If imports cease after the order is issued, it is reasonable to assume that the exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping.”²⁶ In addition, “declining import volumes accompanied by the continued existence of dumping margins after the issuance of the order may provide a strong indication that, absent an order, dumping would be likely to continue, because the evidence would indicate that the exporter needs to dump to sell at pre-order volumes.”²⁷

Alternatively, the legislative history provides that declining (or no) dumping margins accompanied by steady or increasing imports may indicate that foreign companies do not have to dump to maintain market share in the United States and that dumping is less likely to continue or recur if the order were revoked.²⁸

Taiwan

We examined the import statistics for the relevant period, which show that U.S. imports of hangers from Taiwan remain well below pre-initiation levels.²⁹ Specifically, U.S. imports of hangers declined dramatically from 54,898,686 hangers in 2011 to 1,395,075 hangers in 2012, after Commerce initiated the LTFV investigation in the beginning of 2012. Hanger imports from Taiwan continued to decline from pre-initiation levels, with a volume of 1,996 imported in 2022. The estimated weighted-average dumping margins determined in the underlying investigation remain in effect for all companies. Further, these rates were calculated after Commerce's *Final Modification for Investigations*,³⁰ such that these estimated weighted-average dumping margins did not rely on a WTO-inconsistent methodology pursuant to the *Final Modification for Reviews*. We further find that these estimated weighted-average dumping margins are reflective of the level of dumping without the discipline of an order in place. Accordingly, pursuant to section 752(c)(1) of the Act, Commerce determines that dumping is likely to continue or recur if the

²⁶ See SAA at 890.

²⁷ *Id.* at 889; see also House Report at 63, and Senate Report at 52.

²⁸ *Id.*

²⁹ See Taiwan Substantive Response at 7.

³⁰ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin During an Antidumping Investigation; Final Modification*, 71 FR 77722 (December 27, 2006) (*Final Modification for Investigations*).

order were revoked.

Vietnam

We examined the import statistics for the relevant period, which show that U.S. imports of hangers from Vietnam remain well below pre-initiation levels.³¹ Specifically, U.S. imports of hangers declined dramatically, from 912,417,166 hangers in 2011, to 3,365,000 hangers when the order was issued in early 2013. Hanger imports from Vietnam continued to decline from pre-initiation levels, with a volume of 3,180,896 imported in 2022. The estimated weighted-average dumping margins determined in the underlying investigation remain in effect for all companies. Further, these rates were determined after Commerce's *Final Modification for Investigations*, such that these estimated weighted-average dumping margins did not rely on a WTO-inconsistent methodology pursuant to the *Final Modification for Reviews*. We further find that these weighted-average dumping margins are reflective of the level of dumping without the discipline of an order in place. Accordingly, pursuant to section 752(c)(1) of the Act, Commerce determines that dumping is likely to continue or recur if the order were revoked.

2. Magnitude of the Margins of Dumping Likely to Prevail

Interested Party Comments³²

- Consistent with the SAA, Commerce should find that the margins of dumping likely to prevail if the *Orders* were revoked are the estimated weighted-average dumping margins determined in the LTFV investigations.

Commerce's Position

Pursuant to section 752(c)(3) of the Act, the administering authority shall provide to the ITC the magnitude of the margin of dumping that is likely to prevail if an order were revoked. Normally, Commerce will select an estimated weighted-average dumping margin from the investigation to report to the ITC.³³ Commerce's preference is to select an estimated weighted-average dumping margin from the LTFV investigation because it is the only calculated rate that reflects the behavior of the producers and exporters without the discipline of an order or suspension agreement in place.³⁴ Finally, as explained above, in accordance with the *Final Modification for Reviews*, Commerce will not rely on a weighted-average dumping margin that was calculated using a methodology found to be WTO-inconsistent.³⁵

Because dumping continued following the issuance of the *Orders* and given the absence of argument and evidence to the contrary, Commerce finds that the estimated weighted-average dumping margins determined in the LTFV investigations are probative of the behavior of producers and exporters of subject merchandise from Taiwan and Vietnam if these *Orders* were

³¹ See Vietnam Substantive Response at 7-8.

³² See Taiwan Substantive Response at 9-11; see also Vietnam Substantive Response at 10-11.

³³ See SAA at 890; see also, e.g., *Persulfates Second Sunset Review*, 73 FR at 11868, and accompanying IDM at Comment 2.

³⁴ See *Eveready Battery Company v. United States*, 77 F. Supp. 2d 1327, 1333 (CIT 1999); see also SAA at 890.

³⁵ See *Final Modification for Reviews*, 77 FR at 8103.

revoked. Consistent with section 752(c) of the Act, Commerce will report to the ITC the margin of dumping up to the highest rate from each of the *Final Determinations* concerning subject merchandise from Taiwan and Vietnam as indicated in the “Final Results of Reviews” section of this memorandum.

VII. FINAL RESULTS OF SUNSET REVIEW

Commerce determines that revocation of the *Orders* would be likely to lead to continuation or recurrence of dumping. Commerce also determines that the magnitude of the margins of dumping likely to prevail would be up to 125.43 percent for Taiwan and up to 220.68 percent for Vietnam.

VIII. RECOMMENDATION

Based on our analysis of the substantive response, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish the final results of this sunset review in the *Federal Register* and notify the ITC of our determination.

Agree

Disagree

8/1/2023

X



Signed by: LISA WANG
Lisa W. Wang
Assistant Secretary
for Enforcement and Compliance