

DEPARTMENT OF COMMERCE

International Trade Administration

(A-570-983)

Drawn Stainless Steel Sinks From the People's Republic of China: Investigation, Final Determination

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: (insert date of publication in the *Federal Register*).

SUMMARY: On October 4, 2012, the Department of Commerce ("Department") published its preliminary determination of sales at less than fair value ("LTFV") and postponement of final determination in the antidumping ("AD") investigation of drawn stainless steel sinks ("drawn sinks") from the People's Republic of China ("PRC").¹ We invited interested parties to comment on our preliminary determination of sales at LTFV. Based on our analysis of the comments we received, we have made changes to our margin calculations for the mandatory respondents. We determine that drawn sinks from the PRC are being, or are likely to be, sold in the United States at LTFV, as provided in section 735 of the Tariff Act of 1930, as amended ("the Act"). The final dumping margins for this investigation are listed in the "Final Determination Margins" section below.

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¹ See *Drawn Stainless Steel Sinks From the People's Republic of China: Antidumping Duty Investigation*, 77 FR 60673 (October 4, 2012) ("Preliminary Determination").

SUPPLEMENTARY INFORMATION:

Case History

The Department published its *Preliminary Determination* on October 4, 2012. On October 10, 2012, the Department issued post-*Preliminary Determination* supplemental questionnaires in which we requested new factual information regarding double remedies from Dongyuan and Superte/Zhaoshun² and received responses to these supplemental questionnaires on October 17, 2012. From October 22, through November 1, 2012, the Department conducted verifications of Dongyuan and Superte/Zhaoshun and released its verification reports for these companies on November 28, and 29, 2012, respectively.³ Timely requests for a public hearing were filed on October 25, 2012, by Shenzhen Kehuaxing Industrial Ltd. (“Kehuaxing”) and on November 5, 2012, by both Elkay Manufacturing Company (“Petitioner”) and Dongyuan.

On November 15, 2012, in response to a request filed by Dongyuan, the Department extended the deadline for submission of publicly available information to November 26, 2012, and the due date for rebuttal information to December 6, 2012. On November 26, 2012, Petitioner and Dongyuan submitted surrogate value (“SV”) information for the record, and Petitioner, Dongyuan, and Superte submitted rebuttal comments to this information on December 6, 2012. On November 28, 2012, the Department extended the deadline for submission of case briefs to December 10, 2012, and the due date for rebuttals briefs to December 17, 2012. On December 7, 2012, in response to a request filed by Dongyuan, the Department again extended the deadline for submission of case briefs to December 13, 2012, and the due date for rebuttals

² Mandatory respondents are Guangdong Dongyuan Kitchenware Industrial Co., Ltd. (“Dongyuan”) and Zhongshan Superte Kitchenware Co., Ltd. (“Superte”) and its invoicing company Foshan Zhaoshun Trade Co., Ltd. (“Zhaoshun”) (also collectively referred to as “Superte/Zhaoshun”).

³ See the “Verification” section below for additional information.

briefs to December 18, 2012. On December 13, 2012, case briefs were filed by Petitioner, Dongyuan, Superte/Zhaoshun, and Kehuaxing.

On December 18, 2012, Petitioner, Dongyuan, Superte/Zhaoshun and the Government of China (“GOC”), each filed their rebuttal briefs, and on December 19, 2012, in its request to replace its case brief, the GOC submitted a corrected version of its case brief. On December 20, 2012, the Department rejected the GOC’s original case brief and granted the GOC’s request to correct and replace their case brief filed as an attachment to its December 19, 2012, request. We did not receive briefs or rebuttal briefs from any other interested party to the investigation. On January 30, 2013, the Department held a public hearing limited to issues raised in case and rebuttal briefs.

Tolling of Administrative Deadlines

The Department postponed the deadline for the final determination to not later than 135 days after publication of the *Preliminary Determination* (i.e., February 16, 2013).⁴ However, as explained in the memorandum from the Assistant Secretary for Import Administration, the Department exercised its discretion to toll deadlines for two calendar days. Thus, all existing deadlines associated with this investigation were postponed by two days.⁵ However, since February 18, 2013, falls on a Federal Holiday, a non-business day, the revised deadline for this final determination is now February 19, 2013.⁶

⁴ See *Preliminary Determination*, 77 FR at 60675.

⁵ See Memorandum to the Record from Paul Piquado, Assistant Secretary for Import Administration, regarding “Tolling of Administrative Deadlines As a Result of the Government Closure During Hurricane Sandy,” dated October 31, 2012. Accordingly, the revised deadline for this final determination is February 18, 2013.

⁶ See *Notice of Clarification: Application of “Next Business Day” Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

Period of Investigation

The period of investigation (“POI”) is July 1, 2011, through December 31, 2011. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition, which was March 2012.⁷

Verification

As provided in section 782(i) of the Act, we verified the information submitted by Dongyuan and Superte/Zhaoshun for use in our final determination.⁸ For all verified companies, we used standard verification procedures, including examination of relevant accounting and production records, as well as original source documents provided by respondents.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the “Investigation of Drawn Stainless Steel Sinks from the People’s Republic of China: Issues and Decision Memorandum,” dated concurrently with this notice and hereby adopted by this notice (“Issues and Decision Memorandum”). A list of the issues which parties raised and to which we respond in the Issues and Decision Memorandum is attached to this notice as an Appendix. The Issues and Decision Memorandum is a public document on file in the CRU and accessible on the Web at ia.ita.doc.gov/frn. The paper copy and electronic version of the memorandum are identical in content.

⁷ See 19 CFR 351.204(b)(1).

⁸ See The Department’s verification reports titled, “Verification of the Sales and Factors Responses of Zhongshan Superte Kitchenware Co. Ltd./Foshan Zhaoshun Trade Co., Ltd. in the Investigation of Drawn Stainless Steel Sinks from the People’s Republic of China,” (November 28, 2012) (“Superte/Zhaoshun’s Verification Report”); and “Verification of the Sales and Factors Responses of Guangdong Dongyuan Kitchenware Industrial Co., Ltd. in the Antidumping Investigation of Drawn Stainless Steel Sinks from the People’s Republic of China,” (November 27, 2012) (“Dongyuan’s Verification Report”) on the record of this investigation on file electronically via Import Administration’s Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit (“CRU”), room 7046 of the main Department of Commerce, with respect to these entities.

Changes Since the Preliminary Determination

Changes Applicable to Multiple Companies

- Updated the SV used to value sound deadening pads.⁹
- Valued the labor SV using Thailand 2007 National Statistics Office (“NSO”) data.¹⁰
- Revised the treatment of labor in the financial ratios calculations to accord with the costs captured in the Thailand 2007 NSO data.¹¹
- Revised the SV calculation for stainless steel.¹²

Changes Specific to Superte/Zhaoshun

- Adjusted Superte/Zhaoshun’s electricity consumption to reflect usage during the POI.¹³
- Adjusted Superte/Zhaoshun’s consumption of wooden boxes and polystyrene based on verification findings.¹⁴

Changes Specific to Dongyuan

- Revised the SV used to value Dongyuan’s paint input.¹⁵

For detailed information concerning all of the changes made, including those listed above, *see* the company-specific analysis and SV memoranda.

Scope of the Investigation

The products covered by the scope of this investigation are drawn stainless steel sinks with single or multiple drawn bowls, with or without drain boards, whether finished or unfinished, regardless of type of finish, gauge, or grade of stainless steel. Mounting clips, fasteners, seals, and sound-deadening pads are also covered by the scope of this investigation if

⁹ *See* Issues and Decision Memorandum, at Comment 7.

¹⁰ *See id.*, at Comment 3.

¹¹ *See id.*, at Comment 4.

¹² *See id.*, at Comment 2.

¹³ *See id.*, at Comment 10.

¹⁴ *See id.*, at Comment 11.

¹⁵ *See id.*, at Comment 13.

they are included within the sales price of the drawn stainless steel sinks.¹⁶ For purposes of this scope definition, the term “drawn” refers to a manufacturing process using metal forming technology to produce a smooth basin with seamless, smooth, and rounded corners. Drawn stainless steel sinks are available in various shapes and configurations and may be described in a number of ways including flush mount, top mount, or undermount (to indicate the attachment relative to the countertop). Stainless steel sinks with multiple drawn bowls that are joined through a welding operation to form one unit are covered by the scope of the investigations. Drawn stainless steel sinks are covered by the scope of the investigation whether or not they are sold in conjunction with non-subject accessories such as faucets (whether attached or unattached), strainers, strainer sets, rinsing baskets, bottom grids, or other accessories.

Excluded from the scope of the investigation are stainless steel sinks with fabricated bowls. Fabricated bowls do not have seamless corners, but rather are made by notching and bending the stainless steel, and then welding and finishing the vertical corners to form the bowls. Stainless steel sinks with fabricated bowls may sometimes be referred to as “zero radius” or “near zero radius” sinks.

The products covered by this investigation are currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under statistical reporting number 7324.10.0000 and 7324.10.00.10. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

Nonmarket Economy Country

The Department considers the PRC to be a nonmarket economy (“NME”) country. In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an

¹⁶ Mounting clips, fasteners, seals, and sound-deadening pads are not covered by the scope of these investigations if they are not included within the sales price of the drawn stainless steel sinks, regardless of whether they are shipped with or entered with drawn stainless steel sinks.

NME country shall remain in effect until revoked by the administering authority. The Department continues to treat the PRC as an NME for purposes of this final determination.

Surrogate Country

In the *Preliminary Determination*, we stated that we had selected Thailand as the appropriate surrogate country to use in this investigation for the following reasons: (1) it is a significant producer of comparable merchandise; (2) it is at a level of economic development comparable to that of the PRC, pursuant to section 773(c)(4) of the Act; and (3) we have reliable data from Thailand that we can use to value the factors of production (“FOPs”).¹⁷ For the final determination, we received no comments on surrogate country selection and made no changes to our findings with respect to the selection of a surrogate country.

Separate Rate Companies

In proceedings involving NME countries, the Department holds a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assessed a single antidumping duty rate. It is the Department’s policy to assign all exporters of the subject merchandise in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate.

In the *Preliminary Determination*, we found 19 companies and the mandatory respondents (“Separate Rate Applicants”) demonstrated their eligibility for separate rate status.¹⁸ Additionally, the Department did not grant a separate rate to Jiangmen Liantai Kitchen Equipment Co., Ltd.’s (“Liantai”), Xinhe Stainless Steel Products Co., Ltd.’s (“Xinhe”), Kele Kitchenware Co., Ltd.’s (“Kele Kitchenware”), Capstone International Development Corporation (“Capstone”), FoShan Fancome Trading Co., Ltd. (“Fancome”) and Kehuaxing. Kehuaxing

¹⁷ See *Preliminary Determination*, and accompanying Decision Memorandum at Surrogate Country 5-7.

¹⁸ See *id.*, at Separate Rates 8-12.

submitted comments in its case brief regarding its separate rate status. After considering Kehuaxing's comments, the Department has not changed its position from the *Preliminary Determination* with respect to Kehuaxing's separate rate status. For a complete discussion of the issue, *see* the Issues and Decision Memorandum at Comment 14.

The Department continues to find that the evidence placed on the record of this investigation by the Separate Rate Applicants that were granted separate rate status in the *Preliminary Determination* demonstrates both *de jure* and *de facto* absence of government control with respect to each company's respective exports of the merchandise under investigation. Further, the Department has continued to deny Liantai, Xinhe, Kele Kitchenware, Capstone, Fancome, and Kehuaxing separate rate status as was the case in the *Preliminary Determination*.

The separate rate is normally determined based on the weighted-average of the estimated AD margins established for exporters and producers individually investigated, excluding zero and *de minimis* margins or margins based entirely on adverse facts available ("AFA").¹⁹ In this investigation, both Dongyuan and Superte/Zhaoshun have estimated weighted-average AD margins which are above *de minimis* and which are not based on total AFA. Because there are only two relevant weighted-average AD margins for this final determination, using a weighted-average of these two margins risks disclosure of business proprietary information ("BPI") data. Therefore, the Department has calculated a simple average of the two final AD margins calculated for the mandatory respondents.

Determination to Apply an Alternative Method

The statute does not preclude adopting a uniform application of the average-to-transaction method ("A-to-T") under the following circumstances: (1) There is a pattern of

¹⁹ *See* section 735(c)(5)(A) of the Act.

export prices that differ significantly among purchasers, regions, or periods of time; and (2) the Department explains why such differences cannot be taken into account using the average-to-average (“A-to-A”) method or transaction-to-transaction (“T-to-T”) method.²⁰

In the *Preliminary Determination*, in accordance with section 777A(d)(1)(B)(i) of the Act and our practice, as discussed in *Steel Nails*²¹ and as modified in *Wood Flooring*²², we determined that for Superte there is a pattern of prices for U.S. sales of comparable merchandise that differ significantly among certain purchasers, but not by regions or time periods, and for Dongyuan, a pattern of prices for U.S. sales of comparable merchandise that differ significantly among certain purchasers and regions, but not by time periods. However, we determined that the criteria established in 777A(d)(1)(B)(ii) of the Act had not been met, because the A-to-A method does not mask differences in the patterns of prices between the targeted and non-targeted groups and the alternative A-to-T method yields a difference in the margin that is not meaningful relative to the size of the resulting margin.²³

For the final determination, for Superte, we have found that there is a pattern of prices for U.S. sales of comparable merchandise that differ significantly among purchasers, regions, and time periods. With respect to Dongyuan, we find that a pattern of export prices (or constructed export prices) for comparable merchandise that differ significantly among purchasers, regions, or time periods does not exist. As in the *Preliminary Determination*, however, for both respondents, the criteria established in 777A(d)(1)(B)(ii) of the Act have not

²⁰ See section 777A(d)(1)(B) of the Act.

²¹ See *Certain Steel Nails from the United Arab Emirates: Notice of Final Determination of Sales at Not Less Than Fair Value*, 73 FR 33985 (June 16, 2008) (“*Steel Nails*”).

²² See *Multilayered Wood Flooring from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 76 FR 64318 (October 18, 2011) (“*Wood Flooring*”), and accompanying Issues and Decision Memorandum at Comment 4.

²³ See also Memorandum to Paul Piquado from Christian Marsh, entitled, “Decision Memorandum for Preliminary Determination for the Antidumping Duty Investigation of Drawn Stainless Steel Sinks from the People’s Republic of China,” dated September 27, 2011.

been met, thus, we continue to apply the A-to-A method for both Dongyuan and Superte in the final determination of this investigation.²⁴

Adjustment Under Section 777A(f) of the Act

In our *Preliminary Determination*, the Department made adjustments to the AD cash deposit rate found for the respondents in this investigation, pursuant to section 777A(f) of the Act.²⁵ To make these adjustments, we used information for individually examined respondents in the countervailing duty (“CVD”) investigation to derive program-specific rates for subsidized inputs for each respondent in the AD investigation.²⁶ In making these adjustments, the Department stated that it had not concluded that concurrent application of NME ADs and CVDs necessarily and automatically results in overlapping remedies.²⁷ Rather, a finding that there is an overlap in remedies, and any resulting adjustment, is based on a case-by-case analysis of the totality of facts on the administrative record in the relevant segment of the proceeding, as required by the statute.²⁸ We also stated that because of the timelines in an LTFV investigation, and the fact that this is only the second time that the Department applied section 777A(f) of the Act,²⁹ it may be necessary to continue to refine our practice, based on record evidence, in applying this statutory provision.³⁰

After verifying Dongyuan’s and Superte’s sales and costs, we continue to find that electricity and stainless steel coil subsidies impacted both Superte’s and Dongyuan’s cost of

²⁴ See Issues and Decision Memorandum, at Comment 8.

²⁵ See *Preliminary Determination*, and accompanying Decision Memorandum at 21-23.

²⁶ The mandatory respondents in the CVD investigation are Superte and Guangdong Yingao Kitchen Utensils Co., Ltd. See *Drawn Stainless Steel Sinks From the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 77 FR 46717 (August 6, 2012).

²⁷ See *Preliminary Determination*, and accompanying Decision Memorandum at 21-23.

²⁸ See *id.*

²⁹ See *Implementation of Determinations Under Section 129 of the Uruguay Round Agreements Act: Certain New Pneumatic Off-the-Road Tires; Circular Welded Carbon Quality Steel Pipe; Laminated Woven Sacks; and Light-Walled Rectangular Pipe and Tube From the People’s Republic of China*, 77 FR 52683, 52686 (August 30, 2012).

³⁰ See *Preliminary Determination*, and accompanying Decision Memorandum at 21.

manufacturing (“COM”), and that the other subsidy programs under investigation (*e.g.*, grant programs, tax programs, policy lending, *etc.*) did not.³¹ We also confirmed that Superte and Dongyuan only adjust prices in response to certain changes in stainless steel coil cost, but not to changes in other subsidized costs that impact COM.³² Additionally, at Dongyuan’s verification, we confirmed that Dongyuan’s cost-to-price linkage was applicable to all of its POI sales to the United States.³³ However, Superte explicitly stated at verification that it did not change price in response to reductions in stainless steel costs, only increases, and only on a limited number of sales.³⁴ Therefore, we find that Dongyuan demonstrated the cost-to-price linkage for its products, but that Superte did not. Accordingly, we find that both respondents provided sufficient information to demonstrate the first link between certain subsidies and COM, but that only one company, Dongyuan, demonstrated the second link -- changes in cost that were linked to changes in prices. As such, we have determined that an estimated domestic subsidy pass-through adjustment is warranted for Dongyuan but not for Superte.

The Department has determined that record evidence does not support the calculation of a company-specific pass-through rate for Dongyuan. Although Dongyuan’s calculation of an estimated pass-through rate provides probative evidence that some pass-through occurred, the estimate is based only on certain sales³⁵ and is not consistent across the sales the Department verified. Therefore, the Department has determined to continue to apply a documented ratio of

³¹ See Superte/Zhaoshun’s Verification Report and Dongyuan’s Verification Report.

³² See *id.*

³³ See Dongyuan’s Verification Report.

³⁴ See Superte/Zhaoshun’s Verification Report.

³⁵ See Dongyuan’s submission regarding: Drawn Stainless Steel Sinks from the People’s Republic of China: Double Remedies Questionnaire Response, dated October 17, 2012, at 6-9; see also Dongyuan’s submission regarding: Drawn Stainless Steel Sinks from the People’s Republic of China: Double Remedies Questionnaire Response, dated September 17, 2012, at 2.

cost-price changes for the Chinese manufacturing sector as a whole, 61.01 percent³⁶ as the estimate of the extent of subsidy pass-through for Dongyuan.

By-Product Offset

The Department has determined to continue to grant Dongyuan's and Superte's claimed scrap offset in the final determination. It is the Department's practice to allow respondents an offset to the reported FOPs for scrap generated during the production of the merchandise under consideration if evidence is provided that such scrap has commercial value.³⁷ In its questionnaire responses and at verification, however, Superte explained that it does not track scrap generation in its books and records and, therefore, based its scrap offset on the ratio of the total weight of stainless steel grades 304 and 201 scrap sold during the POI divided by the total POI consumption of stainless steel grades 304 and 201.³⁸ We determined, in the instant case, the record evidence supports that Superte's claimed scrap offsets were related to the production of the merchandise under consideration (*i.e.*, the quantity claimed was reasonably tied to the production of stainless steel sinks during the POI) and that the scrap claimed as an offset has commercial value. However, in the event we issue a final antidumping duty order, in future proceedings we would expect Superte to modify its accounting and recordkeeping system in order to accurately record scrap materials generated during production of the subject merchandise.

³⁶ See Final Determination Analysis Memorandum for Zhongshan Superte Kitchenware Co., Ltd.; *see also* Final Determination Analysis Memorandum for Guangdong Dongyuan Kitchenware Industrial Co.

³⁷ See, e.g., *Wood Flooring/China*, and accompanying Issues and Decision Memorandum at Comment 23; *see also Narrow Woven Ribbons With Woven Selvedge From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 75 FR 41808 (July 19, 2010), and accompanying Issues and Decision Memorandum at Comment 2; *see also Frontseating Service Valves From the People's Republic of China; 2010-2011 Antidumping Duty Administrative Review; Final Results*, 77 FR 67334 (November 9, 2012), and accompanying Issues and Decision Memorandum at Comment 7.

³⁸ See Superte/Zhaoshun's submission regarding: Drawn Stainless Steel Sinks from China: First Supplemental Section D Questionnaire Response, dated August 20, 2012 ("Superte/Zhaoshun's SDQR"), at 24 and Exhibit SQ1-9.

Use of Facts Available and Adverse Facts Available

Section 776(a) of the Act provides that the Department shall apply facts available (“FA”) if (1) necessary information is not on the record, or (2) an interested party or any other person (A) withholds information that has been requested, (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act, (C) significantly impedes a proceeding, or (D) provides information that cannot be verified as provided by section 782(i) of the Act.

Section 776(b) of the Act further provides that the Department may use an adverse inference in applying FA when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information. Such an adverse inference may include reliance on information derived from the petition, the final determination, a previous administrative review, or other information placed on the record.

PRC-Wide Entity

In the *Preliminary Determination*, the Department determined that, during the POI, in addition to Capstone, Fancome, and Kehuaxing, there are other PRC exporters and/or producers of the merchandise under consideration that failed to timely respond to the Department’s requests for information and did not establish that they were separate from the PRC-wide entity. Thus, the Department has found that these PRC exporters and/or producers are part of the PRC-wide entity and the PRC-wide entity has not responded to our requests for information. Because the PRC-wide entity did not provide the Department with requested information, pursuant to section 776(a)(2)(A) of the Act, the Department continues to find it appropriate to base the PRC-wide rate on FA.

The Department determines that, because the PRC-wide entity did not respond to our request for information, the PRC-wide entity has failed to cooperate to the best of its ability. Therefore, pursuant to section 776(b) of the Act, the Department finds that, in selecting from among the FA, an adverse inference is appropriate for the PRC-wide entity. Because the Department begins with the presumption that all companies within an NME country are subject to government control, and because only the mandatory respondents and certain Separate Rate Applicants have overcome that presumption, the Department is applying a single AD rate to all other exporters of subject merchandise from the PRC. Such companies have not demonstrated entitlement to a separate rate.³⁹

Selection of the Adverse Facts Available Rate for the PRC-Wide Entity

In determining a rate for AFA, the Department's practice is to select a rate that is sufficiently adverse "as to effectuate the purpose of the adverse facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner."⁴⁰ Further, it is the Department's practice to select a rate that ensures "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully."⁴¹ Thus, the Department's practice is to select, as an AFA rate, the higher of: (1) the highest AD margin alleged in the petition, or (2) the highest calculated AD margin of any respondent in the investigation.⁴² In this investigation, the highest petition AD margin is 76.53 percent.⁴³ This

³⁹ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Market Value: Synthetic Indigo From the People's Republic of China*, 65 FR 25706, 25707 (May 2, 2000).

⁴⁰ See *Notice of Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors From Taiwan*, 63 FR 8909, 8932 (February 23, 1998).

⁴¹ See *Brake Rotors from the People's Republic of China: Final Results and Partial Rescission of the Seventh Administrative Review; Final Results of the Eleventh New Shipper Review*, 70 FR 69937, 69939 (November 18, 2005) (quoting the Statement of Administrative Action accompanying the Uruguay Round Agreements Act ("SAA"), H. Doc. No. 316, 103d Cong., 2d Session at 870 (1994)).

⁴² See *Certain Stilbenic Optical Brightening Agents From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 77 FR 17436, 17438 (March 26, 2012).

rate is higher than any of the weighted-average AD margins calculated for the companies individually examined.

Corroboration of Information

Section 776(c) of the Act requires the Department to corroborate, to the extent practicable, secondary information used as facts available. Secondary information is defined as “information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.”⁴⁴

The SAA clarifies that “corroborate” means that the Department will satisfy itself that the secondary information to be used has probative value.⁴⁵ The SAA also states that independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation.⁴⁶ To corroborate secondary information, the Department will, to the extent practicable, determine whether the information used has probative value by examining the reliability and relevance of the information.

In order to determine the probative value of the margins in the petition for use as AFA for purposes of this preliminary determination, we compared the petition margins to the margins we calculated for the individually examined respondents. We determined that the petition margin of 76.53 percent is reliable and relevant because it is within the range of the control number specific

⁴³ See *Drawn Stainless Steel Sinks from the People’s Republic of China: Initiation of Antidumping Duty Investigation*, 77 FR 18207, 18210 (March 27, 2012) (“Initiation Notice”).

⁴⁴ See SAA, H. Doc. No. 316, 103d Cong., 2d Session at 870 (1994).

⁴⁵ See *id.*

⁴⁶ See *id.*

margins on the record for one of the individually examined exporters of subject merchandise.⁴⁷

Thus, the highest petition margin has probative value. Accordingly, we have corroborated the petition margin to the extent practicable within the meaning of section 776(c) of the Act.⁴⁸

Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for respondents that are eligible for a separate rate in this investigation. This practice is described in Policy Bulletin 05.1, available at <http://www.trade.gov/ia/>.

Final Determination Margins

The Department determines that the following weighted-average dumping margins exist for the period July 1, 2011, through December 31, 2011.

| <u>Exporter</u> | <u>Producer</u> | <u>Percent Margin</u> |
|---|---|-----------------------|
| Zhongshan Superte Kitchenware Co., Ltd. / Zhongshan Superte Kitchenware Co., Ltd. invoiced as Foshan Zhaoshun Trade Co., Ltd. | Zhongshan Superte Kitchenware Co., Ltd. | 39.87% |
| Guangdong Dongyuan Kitchenware Industrial Co., Ltd. | Guangdong Dongyuan Kitchenware Industrial Co., Ltd. | 27.14% |
| B&R Industries Limited | Xinhe Stainless Steel Products Co., Ltd. and Jiamen XHHL Stainless Steel Manufacturing Co., Ltd. | 33.51% |
| Elkay (China) Kitchen Solutions, Co., Ltd. | Elkay (China) Kitchen Solutions, Co., Ltd. | 33.51% |
| Feidong Import and Export Co., Ltd. | Jiangmen Liantai Kitchen Equipment Co.; Jiangmen Xinhe Stainless Steel Product Co., Ltd. | 33.51% |
| Foshan Shunde MingHao Kitchen Utensils Co., Ltd. | Foshan Shunde MingHao Kitchen Utensils Co., Ltd. | 33.51% |

⁴⁷ See the Department's Memorandum titled, "LTFV Investigation of Drawn Stainless Steel Sinks from the People's Republic of China: Superte/Zhaoshun's Preliminary Analysis Memorandum," (September 27, 2012) at Attachment 1, SAS Margin Output.

⁴⁸ See section 776(c) of the Act and 19 CFR 351.308(c) and (d); *Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, in Part: Light-Walled Rectangular Pipe and Tube from the People's Republic of China*, 73 FR 35652, 35653 (June 24, 2008), and accompanying Issues and Decision Memorandum at Comment 1.

| <u>Exporter</u> | <u>Producer</u> | <u>Percent Margin</u> |
|--|--|-----------------------|
| Franke Asia Sourcing Ltd. | Guangdong YingAo Kitchen Utensils Co., Ltd.; Franke (China) Kitchen System Co., Ltd. | 33.51% |
| Grand Hill Work Company | Zhongshan Xintian Hardware Co., Ltd. | 33.51% |
| Guangdong G-Top Import and Export Co., Ltd. | Jiangmen Jin Ke Ying Stainless Steel Wares Co., Ltd. | 33.51% |
| Guangdong Yingao Kitchen Utensils Co., Ltd. | Guangdong Yingao Kitchen Utensils Co., Ltd. | 33.51% |
| Hangzhou Heng's Industries Co., Ltd. | Hangzhou Heng's Industries Co., Ltd. | 33.51% |
| J&C Industries Enterprise Limited | Zhongshan Superte Kitchenware Co., Ltd. | 33.51% |
| Jiangmen Hongmao Trading Co., Ltd. | Xinhe Stainless Steel Products Co., Ltd. | 33.51% |
| Jiangmen New Star Hi-Tech Enterprise Ltd. | Jiangmen New Star Hi-Tech Enterprise Ltd. | 33.51% |
| Jiangmen Pioneer Import & Export Co., Ltd. | Jiangmen Ouert Kitchen Appliance Manufacturing Co., Ltd.; Jiangmen XHHL Stainless Steel Manufacturing Co., Ltd. | 33.51% |
| Jiangxi Zoje Kitchen & Bath Industry Co., Ltd. | Jiangxi Offidun Industry Co. Ltd. | 33.51% |
| Ningbo Oulin Kitchen Utensils Co., Ltd. | Ningbo Oulin Kitchen Utensils Co., Ltd. | 33.51% |
| Primy Cooperation Limited | Primy Cooperation Limited | 33.51% |
| Shunde Foodstuffs Import & Export Company Limited of Guangdong | Bonke Kitchen & Sanitary Industrial Co., Ltd. | 33.51% |
| Zhongshan Newecan Enterprise Development Corporation | Zhongshan Xintian Hardware Co., Ltd. | 33.51% |
| Zhuhai Kohler Kitchen & Bathroom Products Co., Ltd. | Zhuhai Kohler Kitchen & Bathroom Products Co., Ltd. | 33.51% |
| PRC-Wide Rate* | | 76.53% |

* This rate also applies to Jiangmen Liantai Kitchen Equipment Co., Jiangmen Xinhe Stainless Steel Product Co., Ltd., Kele Kitchenware Co., Ltd., Capstone International Development Corporation, FoShan Fancome Trading Co., Ltd., and Shenzen Kehuaxing Industrial Ltd.

Disclosure

We intend to disclose to parties the calculations performed in this proceeding within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (“CBP”) to continue to suspend liquidation of all appropriate entries of drawn sinks from the PRC as described in the “Scope of the Investigation” section, entered, or withdrawn from warehouse, for consumption on or after October 4, 2012, the date of publication of the *Preliminary Determination* in the *Federal Register*. Further, the Department will instruct CBP to require a cash deposit equal to the weighted-average amount by which the normal value exceeds U.S. price, adjusted where appropriate for export subsidies and estimated domestic subsidy pass-through,⁴⁹ as follows: (1) the separate rate margin for the exporter/producer combinations listed in the table above will be the rate the Department has determined in this final determination; (2) for all combinations of PRC exporters/producers of merchandise under consideration which have not received their own separate rate AD margin above, the cash-deposit rate will be the cash-deposit rate established for the PRC-wide entity; and (3) for all non-PRC exporters of merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash-deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (“ITC”) of the final affirmative determination of sales at LTFV. As the Department’s final determination is affirmative, in accordance with section 735(b)(2) of the Act,

⁴⁹ See sections 772(c)(1)(C) and 777A(f) of the Act, respectively. Unlike in administrative reviews, the Department calculates the adjustment for export subsidies and estimated domestic subsidy pass-through in investigations not in the margin calculation program, but in the cash deposit instructions issued to CBP. See the *Preliminary Determination*, and accompanying Decision Memorandum, for treatment of estimated domestic subsidy pass-through; see *Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006), and accompanying Issues and Decision Memorandum at Comment 1 for discussion of our treatment of export subsidies in investigations.

the ITC will determine, within 45 days, whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of subject merchandise, or sales (or the likelihood of sales) for importation, of the subject merchandise. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding APO

This notice also serves as a reminder to the parties subject to administrative protective order (“APO”) of their responsibility concerning the disposition of BPI disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.



Paul Piquado
Assistant Secretary
for Import Administration

19 February 2013
Date

Appendix - Issues for Final Determination

- Issue 1: Adjustment Under Section 777A(f) of the Act
- Issue 2: Valuation of Stainless Steel
- Issue 3: Surrogate Value for Labor
- Issue 4: Whether the Department Applied the Correct Treatment to Labor Line items in Its Financial Ratio Calculations
- Issue 5: Valuation of Brokerage and Handling
- Issue 6: Financial Statements
- Issue 7: Surrogate Value for Sound Deadening Pad Input
- Issue 8: Whether the Department Correctly Applied Targeted Dumping Methodology
- Issue 9: Whether Superte/Zhaoshun's Scrap Offset Should be Rejected
- Issue 10: Whether Superte/Zhaoshun Reported Accurate Electricity Consumption
- Issue 11: Whether Superte/Zhaoshun Reported Accurate Consumption for Wooden Boxes and Polystyrene Foam
- Issue 12: Whether an Invoicing Company Fees Superte Paid to Zhaoshun is an Adjustment to its U.S. Price
- Issue 13: Whether Dongyuan's Reported Paint Input is Soluble in Water
- Issue 14: Whether the Department Properly Rejected Kehuaxing's Quantity and Value Questionnaire and Separate Rate Application