DEPARTMENT OF COMMERCE
International Trade Administration
[A–401–601]

Final Results of Expedited Sunset Review: Brass Sheet and Strip From Sweden

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

ACTION: Notice of Final Results of Expedited Sunset Review: Brass Sheet and Strip from Sweden.

SUMMARY: On February 1, 1999, the Department of Commerce (“the Department”) initiated a sunset review of the antidumping order on brass sheet and strip from Sweden (64 FR 4840) pursuant to section 751(c) of the Tariff Act of 1930, as amended (the “Act”). On the basis of a notice of intent to participate and adequate substantive response filed on behalf of domestic interested parties and inadequate response (in this case, a waiver) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the “Final Result of Review” section of this notice.

FOR FURTHER INFORMATION CONTACT: Eun W. Cho or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

EFFECTIVE DATE: September 13, 1999.

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752(c) of the Act. The Department’s procedures for the conduct of sunset reviews are set forth in Procedures for Conducting Five-Year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) (“Sunset Regulations”). Guidance on methodological or analytical issues relevant to the Department’s conduct of sunset reviews is set forth in the Department’s Policy Bulletin 98:3—Policies Regarding the Conduct of Five-year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) (“Sunset Policy Bulletin”).

Scope

This order covers shipments of brass sheet and strip, other than leaded and tinned, from Sweden. The chemical composition of the covered products is currently defined in the Copper Development Association (“C.D.A.”) 200 Series or the Unified Numbering System (“U.N.S.”) C2000. This review does not cover products with chemical compositions that are defined by anything other than either the C.D.A. or U.N.S. series. In physical dimensions, the products covered by this review have a solid rectangular cross section over .0006 inches (.15 millimeters) through .1888 inches (4.8 millimeters) in finished thickness or gauge, regardless of width. Coiled, wound-on reels (traverse wound), and cut-to-length products are included. The merchandise is currently classified under Harmonized Tariff Schedule (“HTS”) item numbers 7409.21.00 and 7409.29.00. The HTS numbers are provided for convenience and U.S. Customs purposes. The written description remains dispositive.

History of the Order

The antidumping duty order on brass sheet and strip from Sweden was published in the Federal Register on March 6, 1987 (52 FR 6998). In that order, the Department determined that the weighted-average dumping margin for all entries of brass sheet and strip from Sweden is 9.49 percent. Since that time, the Department has completed several administrative reviews. The order remains in effect for all manufacturers and exporters of the subject merchandise.

Background

On February 1, 1999, the Department initiated a sunset review of the antidumping order on brass sheet and strip from Sweden (64 FR 4840), pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate on behalf of Heyco Metals, Inc. (“Heyco”), Hussey Copper Ltd. (“Hussey”), Olin Corporation-Brass Group (“Olin”), Outokumpu American Brass (“OAB”) (formerly American Brass Company), PMX Industries, Inc. (“PMX”), Revere Copper Products, Inc. (“Revere”), the International Association of Machinists and Aerospace Workers, the United Auto Workers (Local 2367), and the United Steelworkers of America (AFL/CIO) (collectively “the domestic interested parties”) on February 16, 1999, within the deadline specified in section 351.218(d)(3)(i) of the Sunset Regulations. The domestic interested parties claimed interested party status under sections 771(9)(C) and 771(9)(D) of the Act as U.S. brass mills, rollers, and unions whose workers are engaged

1 See Antidumping Duty Order: Brass Sheet and Strip From Sweden, March 6, 1987 (52 FR 6998).
2 However, the order and subsequent reviews dealt with only one Swedish company, Outokumpu (in the original investigation, Outokumpu was doing business under the name Metalverken Nederland B.V., see March 3, 1999, Substantive Response of the domestic interested parties at 27).
4 Outokumpu American Brass is opposing continuation of the antidumping duty order against Sweden. See March 3, 1999 Substantive Response of the domestic interested parties at page 3, footnote 1.
in the production of subject brass sheet and strip in the United States.

We received a complete substantive response from the domestic interested party, Outokumpu, to this proceeding, (see Outokumpu’s March 3, 1999 Statement of Waiver). In that response, Outokumpu made several comments that it no longer produces the subject merchandise in Sweden, and that it dismantled and removed the machinery required to produce the subject merchandise from Swedish plants. As a result of Outokumpu’s filing of waiver, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day, review of this order.6

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order—an order which was in effect on January 1, 1995, see section 751(c)(6)(C) of the Act. The Department determined that the sunset review of the antidumping duty order on brass sheet and strip from Sweden is extraordinarily complicated. Therefore, on June 7, 1999, the Department extended the time limit for completion of the preliminary results of this review until not later than August 30, 1999, in accordance with section 751(c)(5)(B) of the Act.7

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping order, and shall provide to the International Trade Commission (“the Commission”) the magnitude of the margin of dumping likely to prevail if the order is revoked. The Department’s determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, the domestic interested parties’ comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act (“URAA”), specifically the Statement of Administrative Action (“the SAA”), H.R. Doc. No. 103–316, vol. 1 (1994), the House Report, H.R. Rep. No. 103–826, pt.1 (1994), and the Senate Report, S. Rep. No. 103–412 (1994), the Department issued its Sunset Policy Bulletin providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its Sunset Policy Bulletin, the Department indicated that determinations of likelihood will be made on an order-wide basis (see section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above de minimis after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department received a statement of waiver from the only respondent interested party, Outokumpu.

In their substantive response, the domestic interested parties propose that revocation of the order will likely lead to continuation or recurrence of dumping of brass sheet and strip from Sweden (see March 3, 1999 Substantive Response of the domestic interested parties at 44–45). To illustrate their contention, the domestic interested parties point out a drastic decline of import volumes of the subject merchandise since the issuance of the order. Also, the domestic interested parties indicate that, since the imposition of the order, dumping of the subject merchandise has continued and is presently persisting above the de minimis level. Id. 39–40. As a result, the domestic interested parties conclude, dumping of the subject merchandise will continue if the order were revoked.

With respect to the import volumes of the subject merchandise, the domestic interested parties note that the post-order import volume in 1987 was a mere 35.4 percent of the pre-order import volume in 1985. Id.8 In addition, the domestic interested parties state that imports of the subject merchandise continue to decline: just 189,000

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To support this, Outokumpu submitted two unsolicited affidavits, each attesting to the fact that Outokumpu no longer produces the subject merchandise in Sweden: one from Programme Director of Trade Policy for the Federation of Swedish Industries and the other from Division for the Americas Desk Officer at the Swedish Ministry for Foreign Affairs. Nonetheless, as per section 351.218(d)(2)(i) of the Sunset Regulation, the Department did not consider the unsolicited comments made by Outokumpu in making its determination.

The domestic interested parties filed comments, pertaining to the Department’s decision to conduct a expedited (120-day) sunset review for the present review, in which the domestic party concurred with the Department’s decision, see May 12, 1999 the domestic interested parties’ comments on the Adequacy of Responses and the Appropriateness of Expedited Sunset Review at 2.

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See Porcelain-on-Steel Cooking Ware From the People’s Republic of China, Porcelain-on-Steel Cooking Ware From Taiwan, Top-of-the-Stove Stainless Steel Cooking Ware From Korea (South) (AD & CVD), Top-of-the-Stove Stainless Steel Cooking Ware From Taiwan (AD & CVD), Stainless Steel Cooking Ware From Russia (AD & CVD), Standard Carnations From China (AD & CVD), Fresh Cut Flowers From Mexico, Fresh Cut Flowers From Ecuador, Brass Sheet and Strip From Brazil (AD & CVD), Brass Sheet and Strip From Korea (South), Brass Sheet and Strip From France (AD & CVD), Brass Sheet and Strip From Germany, Brass Sheet and Strip From Italy, Brass Sheet and Strip From Sweden, Brass Sheet and Strip From Japan, Pompon Chrysanthemums From Peru: Extension of Time Limit for Final Results of Five-Year Reviews, 64 FR 30305 (June 7, 1999).

In conclusion, the domestic interested parties urge that the Department should find that dumping would be likely to continue if the order is revoked because dumping margins for the subject merchandise have existed significantly above the de minimis level over the life of the order, because the imports of the subject merchandise immediately and substantially declined after the issuance of the order, and because the imports of the subject merchandise have become nearly non-existent since 1992. The aforementioned circumstances, according to the domestic interested parties, provide a clear indication that the Swedish brass industry is unable to sell in the United States without dumping.

As indicated in Section II.A.3 of the Sunset Policy Bulletin, the SAA at 890, and House Report at 63-64, the Department considered whether dumping continued at any level above de minimis after the issuance of the order. If companies continue dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue were the discipline removed. After examining the published findings with respect to weighted-average dumping margins in previous administrative reviews, the Department agrees with the domestic interested parties that weighted-average dumping margins at a level above de minimis have persisted over the life of the order and currently remain in place for all Swedish producers and exporters of brass sheet and strip.\(^7\)

Consistent with section 752(c) of the Act, the Department also considered the volume of imports before and after the issuance of the order. The data supplied by the domestic interested parties and those of the United States Census Bureau IM146s and the United States International Trade Commission indicate that, since the imposition of the order, import volumes of the subject merchandise have declined substantially. Namely, the import volumes of the subject merchandise declined substantially immediately following the imposition of the order. Moreover, for the period 1994-1998, Census Bureau IM 146 data do not reflect any annual imports of the subject merchandise.\(^8\)

Therefore, the Department determines that the import volumes of the subject merchandise decreased significantly after the issuance of the order.

Given that dumping has continued over the life of the order; that import volumes of the subject merchandise decreased significantly after the issuance of the order; that respondent interested parties have waived their right to participate in this review; and that there are no arguments and/or evidence to the contrary, the Department agrees with the domestic interested parties' contention that the Swedish brass industry is incapable of selling the subject merchandise in the United States at fair value. Consequently, the Department determines that dumping is likely to continue if the order is revoked.

**Magnitude of the Margin**

In the Sunset Policy Bulletin, the Department stated that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. (See section II.B.1 of the Sunset Policy Bulletin.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3 of the Sunset Policy Bulletin.)

The Department, in its final determination of sales at less-than-fair-value, published a weighted-average dumping margin for Outokumpu and "all others": 9.49 percent (52 FR 819, January 9, 1987).\(^9\) We note that, to date, the Department has not issued any duty absorption findings in this case.

In its substantive response, citing the SAA at 890 and the Sunset Policy Bulletin, the domestic interested parties state that the Department normally will provide the Commission with the dumping margins from the investigation because those are the only calculated margins that reflect the behavior of exporters without the discipline of the order in place. (See the March 3, 1999 Substantive Response of the domestic interested parties at 45-46.) Therefore, the domestic interested parties urge the Department should abide by its practice, as set forth in the regulations, and should provide to the Commission the margin set forth in the original investigation.

The Department agrees with the domestic interested parties' suggestion pertaining to the margin that is likely to prevail if the order were revoked. Because the original 9.49 percent margin accurately reflects the behavior of Swedish producers and exporters without the discipline of an order in place, the Department will provide to the Commission that margin found in the original investigation. A dissenting argument and evidence to the contrary, the Department sees no reason to change its usual practice of selecting the rate from the original investigation. We will report to the Commission the company-specific and all others rates contained in the Final Results of Review section of this notice.

**Final Results of Review**

As a result of this review, the Department finds that revocation of the antidumping order would likely lead to continuation or recurrence of dumping at the margins listed below:

<table>
<thead>
<tr>
<th>Manufacturer/exporter</th>
<th>Margin (percent)</th>
</tr>
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<tbody>
<tr>
<td>Outokumpu (formerly Metallverken AB)</td>
<td>9.49</td>
</tr>
<tr>
<td>All Others</td>
<td>9.49</td>
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</table>

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

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 30, 1999.

Robert S. LaRussa,
Assistant Secretary for Import Administration.

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