

significant proportion of exports of the merchandise under consideration, and (3) there are no compelling reasons to deny these requests. Suspension of liquidation will be extended accordingly. The Department is further extending the application of the provisional measures from a four-month period to a six-month period.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

Dated: July 26, 2012.

**Paul Piquado,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-552-812]

#### Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

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

**DATES:** *Effective Date:* August 2, 2012.

**SUMMARY:** We preliminarily determine that steel wire garment hangers from the Socialist Republic of Vietnam (“Vietnam”) are being, or are likely to be, sold in the United States at less than fair value (“LTFV”), as provided in section 733 of the Tariff Act of 1930, as amended (“the Act”). The estimated margins of sales at LTFV are shown in the “Preliminary Determination” section of this notice. Pursuant to a request from an interested party, we are postponing the final determination by 60 days and extending provisional measures from a four-month period to not more than six months. Accordingly, we will make our final determination not later than 135 days after publication of the preliminary determination.

**FOR FURTHER INFORMATION CONTACT:** Irene Gorelik or Bob Palmer, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-6905 or 482-9068, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Initiation

On December 29, 2011, the Department of Commerce (the

“Department”) received an antidumping duty (“AD”) petition concerning imports of steel wire garment hangers from Vietnam filed in proper form on behalf of M&B Metal Products Company, Inc.; Innovative Fabrication LLC/Indy Hanger; and US Hanger Company, LLC (collectively, “Petitioners”).<sup>1</sup> On January 18, 2012, the Department initiated an AD investigation of steel wire garment hangers from Vietnam.<sup>2</sup> Additionally, in the *Initiation Notice*, the Department notified parties of the application process by which exporters and producers may obtain separate-rate status in non-market economy (“NME”) investigations.<sup>3</sup>

On February 13, 2012, the United States International Trade Commission (“ITC”) issued its affirmative preliminary determination that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports from Vietnam of steel wire garment hangers.<sup>4</sup>

##### Period of Investigation

The period of investigation (“POI”) is April 1, 2011, through September 30, 2011. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (December 29, 2011).<sup>5</sup>

##### Scope of the Investigation

The merchandise subject to this investigation 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 investigation 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 investigation 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.

##### Scope Comments

In accordance with the preamble to the Department’s regulations,<sup>6</sup> in our *Initiation Notice* we set aside a period of time for parties to raise issues regarding product coverage, and encouraged all parties to submit comments within 20 calendar days of publication of the *Initiation Notice*.<sup>7</sup> The Department did not receive any scope comments from interested parties.

##### Quantity and Value and Respondent Selection

In the *Initiation Notice*, the Department stated that the quantity and value (“Q&V”) data received from Vietnamese exporters/producers will be used as the basis to select the mandatory respondents.<sup>8</sup> The Department also stated that it requires that the respondents submit a response to both the Q&V questionnaire and the separate rate application by the respective deadlines in order to receive consideration for separate rate status. Of the 44 Q&V questionnaires sent, the Department received seven Q&V responses<sup>9</sup> and two unsolicited Q&V responses.<sup>10</sup> The Department rejected two untimely or improperly filed Q&V responses from Angang Clothes Rack Manufacture Co. (“Angang”) and

<sup>6</sup> See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>7</sup> See *Initiation Notice*, 77 FR at 3732.

<sup>8</sup> See *id.*, 77 FR at 3735.

<sup>9</sup> We received Q&V responses from the following companies to which we issued a Q&V questionnaire: Triloan Hangers, Inc.; Tan Minh Textile Sewing Trading Co., Ltd.; Nam A. Hamico Export Joint Stock; Minh Quang Steel Joint Stock Company; Ju Fu Co. Ltd.; Linh Sa Hamico Company, Ltd.; CTN Limited Company. Additionally, we note that Petitioners provided several addresses for multiple companies, which resulted in the issuance of more than one Q&V questionnaires to the same companies.

<sup>10</sup> We received an unsolicited Q&V response from South East Asia Hamico Export Joint Stock Company (“Hamico”). Further, while we did not issue a Q&V questionnaire to T.J. Co., Ltd. (“TJ”), it filed a Q&V response on behalf of itself and its two claimed affiliates, Infinite Industrial Hanger Co., Ltd. and Tan Dinh Enterprise, both to which we issued a Q&V questionnaire.

<sup>1</sup> See “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,” filed on December 29, 2011 (the “Petition”). A countervailing duty (“CVD”) petition was also filed on steel wire garment hangers from Vietnam.

<sup>2</sup> See *Steel Wire Garment Hangers From the Socialist Republic of Vietnam and Taiwan: Initiation of Antidumping Duty Investigations*, 77 FR 3731 (January 25, 2012) (“*Initiation Notice*”).

<sup>3</sup> See *id.*, 77 FR at 3735-36.

<sup>4</sup> See Investigation Nos. 701-TA-487 and 731-TA-1197-1198 (Preliminary), *Steel Wire Garment Hangers From Taiwan And Vietnam*, 77 FR 9701 (February 17, 2012).

<sup>5</sup> See 19 CFR 351.204(b)(1).

Vietnam Hangers Joint Stock Company.<sup>11</sup> The Department also rejected one other unsolicited Q&V response which was improperly filed.<sup>12</sup> Of the 44 Q&V questionnaires sent, 22 companies were unresponsive and did not provide Q&V responses.<sup>13</sup> Finally, of the 44 Q&V questionnaires sent, 10 were marked as “undeliverable/delivery exception.”<sup>14</sup>

After analyzing the Q&V responses, the Department selected two mandatory respondents for individual examination: Hamico and TJ. These companies accounted for the largest volume of exports of steel wire garment hangers, based on the Q&V responses, to the United States that can be reasonably examined.<sup>15</sup>

<sup>11</sup> See Letter from the Department to Angang, re: Return of Untimely Submission Quantity and Value Questionnaire, dated February 15, 2012. See also Letter from the Department to Vietnam Hangers Joint Stock Company, re: Quantity and Value Questionnaire, dated February 8, 2012. While the Department provided Vietnam Hangers Joint Stock Company with an opportunity to refile complete and proper Q&V responses, the Department did not receive one.

<sup>12</sup> See Letter from the Department to Cty Tnhh Mtv Xnk My Phuoc and/or Cty Tnhh san xuat My Phuoc Long An Factory, re: Improperly Filed Quantity and Value Questionnaire Response, dated February 8, 2012. While the Department provided Cty Tnhh Mtv Xnk My Phuoc and/or Cty Tnhh san xuat My Phuoc Long An Factory with an opportunity to refile a complete and proper Q&V response, the Department did not receive one.

<sup>13</sup> We did not receive Q&V responses from the following companies to which we issued a Q&V questionnaire: Acton Co., Ltd.; Asmara Home Vietnam; B2B Co., Ltd.; Capco Wai Shing Viet Nam Co., Ltd.; Dai Nam Investment Jsc; Dong Nam A Co., Ltd.; Focus Shipping Corp.; Dong Nam A Trading Co.; HCMC General Import and Export Investment Joint Stock Company; Hongxiang Business and Product Co., Ltd.; N-Tech Vina Co., Ltd.; Ocean Star Transport Co., Ltd.; Quoc Ha Production Trading Service; Quyky (Factory); Quyky Group/Quyky Co., Ltd./Quyky-Yanglei International Co., Ltd.; S.I.L.C.; The Xuong Co., Ltd.; Thien Ngon Printing Co., Ltd.; Trung Viet My Joint Stock Company; Viet Anh Imp-Exp Joint Stock Co.; VNS/VN Sourcing/Vietnam Sourcing; and Yen Trang Co., Ltd.

<sup>14</sup> Several of these “undeliverable” Q&V questionnaires were also sent to secondary addresses, which were confirmed delivered, but were ultimately unresponsive to the Department. The Q&V questionnaires were not successfully delivered to: Tan Minh Textile Sewing Trading; NV Hanger Co., Ltd. (both addresses); Thanh Hieu Manufacturing Trading Co.; Est Glory Industrial Ltd.; Top Sharp International Trading; Viet Hanger Investment, LLC; Vietnam Sourcing; Tan Dinh Enterprise; Moc Viet Manufacture Co., Ltd.; Godoxa Viet Nam, Ltd.; Diep Son Hangers One Member Co. See “Memorandum to the File from Robert Palmer, Analyst, re: Quantity & Value Questionnaire Delivery Confirmation,” dated February 9, 2012.

<sup>15</sup> See “Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, from James C. Doyle, Director, Office 9; Antidumping Duty Investigation of Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Respondent Selection,” dated February 16, 2012 (“Respondent Selection Memo”).

## Questionnaires

On February 17, 2012, the Department issued to Hamico and TJ the NME questionnaire. The Department issued supplemental questionnaires to TJ and Hamico between March 2012 and June 2012.

## Surrogate Country Comments

On March 14, 2012, the Department determined that Bangladesh, India, Indonesia, Nicaragua, Pakistan, and the Philippines are countries whose per capita gross national income are comparable to Vietnam in terms of economic development.<sup>16</sup> On March 14, 2012, the Department requested comments from the interested parties regarding the selection of a surrogate country. On May 3, 2012, the Department extended the deadline for the submission of surrogate country and factor valuation comments to May 21, 2012, and May 31, 2012, respectively. On May 21, 2012, Petitioners and TJ submitted surrogate country comments. For a detailed discussion of the selection of the surrogate country, see “Surrogate Country” section below.

## Surrogate Value Comments

On May 31, 2012, Petitioners and TJ submitted surrogate factor valuation comments and data. On June 12, 2012, Petitioners and TJ submitted rebuttal surrogate factor valuation comments.

## Separate Rate Applications

On March 26, 2012, we received properly filed separate rate applications from three companies.<sup>17</sup> See the “Separate Rates” section below for the full discussion of the treatment of the separate rate applicants. Additionally, three other companies attempted to file separate rate applications, which were rejected because these companies either had not also filed Q&V responses, which the Department required in the *Initiation Notice*, or had submitted improperly filed/deficient separate rate applications.<sup>18</sup>

<sup>16</sup> See “Memorandum from Carole Showers, Director, Office of Policy, to Catherine Bertrand, Program Manager, China/NME Group, Office 9: Request for a List of Surrogate Countries for an Antidumping Duty Investigation of Steel Wire Garment Hangers (“Hangers”) From the Socialist Republic of Vietnam (“Vietnam”),” dated March 14, 2012 (“Surrogate Country List”).

<sup>17</sup> The following companies filed separate rate applications: CTN Limited Company; Ju Fu Co., Ltd.; and Trilono Hangers Inc. (collectively, “separate rate applicants”).

<sup>18</sup> The Department rejected separate rate applications filed by the following companies with no Q&V responses on the record: Angang and N-Tech Vina Co., Ltd. See Letter from the Department to Angang, re: Antidumping Duty Investigation of Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Rejection of Separate Rate

## Postponement of Preliminary Determination

On April 27, 2012, Petitioners filed a timely request to postpone the issuance of the preliminary determination by 50 days. On May 14, 2012, the Department published in the **Federal Register** a notice postponing the preliminary AD determination.<sup>19</sup>

Further, on June 25, 2012, TJ requested that, in the event of an affirmative preliminary determination in this investigation, the Department: (1) Postpone its final determination by 60 days, in accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii); and (2) extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2) from a four month period to a six month period. For further discussion, see the “Postponement of Final Determination and Extension of Provisional Measures” section of this notice, below.

## Non-Market-Economy Country

For purposes of initiation, Petitioners submitted LTFV analyses of Vietnam as an NME country.<sup>20</sup> The Department considers Vietnam to be an NME country.<sup>21</sup> In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority.<sup>22</sup> Therefore, we continue to treat Vietnam as an NME country for purposes of this preliminary determination. Accordingly, the Department has calculated the normal value (“NV”) in accordance with section

Application, dated February 22, 2012, and Letter from the Department to N-Tech Vina Co., Ltd. re: Antidumping Duty Investigation of Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Third Rejection of Separate Rate Application, dated April 2, 2012. The Department also rejected a separate rate application repeatedly improperly filed by Tan Minh Textile Sewing Trading Company. See Letter from the Department to Tan Minh Textile Sewing Trading Company, re: Final Opportunity to Properly File a Separate Rate Application, dated April 17, 2012.

<sup>19</sup> See *Steel Wire Garment Hangers From the Socialist Republic of Vietnam and Taiwan: Postponement of Preliminary Determinations of Antidumping Duty Investigations*, 77 FR 28356 (May 14, 2012).

<sup>20</sup> See *Initiation Notice*, 77 FR at 3733.

<sup>21</sup> See, e.g., *Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Final Results and Partial Rescission of the Seventh Antidumping Duty Administrative Review*, 77 FR 15039, 15040 (March 14, 2012).

<sup>22</sup> See *Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 30758, 30760 (June 4, 2007), unchanged in *Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 60632 (October 25, 2007).

773(c) of the Act, which applies to NME countries.

### Surrogate Country

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs it to base NV, in most circumstances, on the NME producer's factors of production ("FOP"), valued in a surrogate market economy ("ME") country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall utilize, to the extent possible, the prices or costs of FOPs in one or more ME countries that are: (1) At a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise.<sup>23</sup> As stated above, the Department determined that Bangladesh, India, Indonesia, Nicaragua, Pakistan, and the Philippines are countries whose per capita gross national income are comparable to Vietnam in terms of economic development. The sources of the surrogate values ("SVs") we have used in this investigation are discussed under the "Normal Value" section below.

Petitioners submit that for purposes of the Department's selection of an appropriate surrogate, based on the export statistics compiled by the World Trade Atlas for the POI, both Indonesia and India reported substantial exports of steel wire products and, therefore, should be considered significant producers of comparable merchandise.<sup>24</sup> Petitioners propose India and Indonesia as appropriate candidates for the primary surrogate country in this investigation. Petitioners assert that Indonesia has a large number of companies that manufacture various steel wire products and several that produce steel wire garment hangers. TJ proposes that the Department should select India as the surrogate country in this investigation because it satisfies the surrogate selection criteria under section 773(c)(4) of the Act. Further, citing to the second administrative review of steel wire garment hangers from the People's Republic of China, TJ notes that the Department selected India as the primary surrogate country after determining that India is a significant producer of comparable merchandise.<sup>25</sup>

<sup>23</sup> See Import Administration Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) ("*Policy Bulletin*").

<sup>24</sup> See Petitioners' Surrogate Country comments dated May 21, 2012, at 4.

<sup>25</sup> See TJ's Surrogate Country comments dated May 21, 2012, at 3.

TJ suggests that India is an appropriate surrogate country for Vietnam in this investigation as it is an ME country at a comparable level of economic development to that of Vietnam, it is a significant producer of comparable merchandise, and because it provides available and reliable surrogate data.

### Economic Comparability

As explained in our Surrogate Country List, the Department considers Bangladesh, India, Indonesia, Nicaragua, Pakistan, and the Philippines all comparable to Vietnam in terms of economic development.<sup>26</sup> Therefore, we consider all six countries as having met this prong of the surrogate country selection criteria.

### Significant Producers of Comparable Merchandise

Section 773(c)(4)(B) of the Act requires the Department to value FOPs in a surrogate country that is a significant producer of comparable merchandise. Neither the statute nor the Department's regulations provide further guidance on what may be considered comparable merchandise. Given the absence of any definition in the statute or regulations, the Department looks to other sources such as the *Policy Bulletin* for guidance on defining comparable merchandise. The *Policy Bulletin* states that "the terms 'comparable level of economic development,' 'comparable merchandise,' and 'significant producer' are not defined in the statute."<sup>27</sup> The *Policy Bulletin* further states that "in all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise."<sup>28</sup> Conversely, if identical merchandise is not produced, then a country producing comparable merchandise is sufficient in selecting a surrogate country.<sup>29</sup> Further, when selecting a surrogate country, the statute requires the Department to consider the comparability of the merchandise, not the comparability of the industry.<sup>30</sup> "In

<sup>26</sup> See Surrogate Country List.

<sup>27</sup> See *Policy Bulletin*.

<sup>28</sup> See *id.*

<sup>29</sup> The *Policy Bulletin* also states that "if considering a producer of identical merchandise leads to data difficulties, the operations team may consider countries that produce a broader category of reasonably comparable merchandise." See *id.*, at note 6.

<sup>30</sup> See *Sebacic Acid from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 65674 (December 15, 1997) and accompanying Issues and Decision Memorandum at Comment 1 (to impose a requirement that merchandise must be produced by the same process and share the same end uses to be considered comparable would be contrary to the intent of the statute).

cases where the identical merchandise is not produced, the team must determine if other merchandise that is comparable is produced. How the team does this depends on the subject merchandise."<sup>31</sup>

In this regard, the Department recognizes that any analysis of comparable merchandise must be done on a case-by-case basis:

In other cases, however, where there are major inputs, *i.e.*, inputs that are specialized or dedicated or used intensively, in the production of the subject merchandise, *e.g.*, processed agricultural, aquatic and mineral products, comparable merchandise should be identified narrowly, on the basis of a comparison of the major inputs, including energy, where appropriate.<sup>32</sup>

Moreover, while the legislative history provides that the term "significant producer" includes any country that is a significant "net exporter,"<sup>33</sup> it does not preclude reliance on additional or alternative metrics. In this case, because production data of identical or comparable merchandise was not available, we analyzed which of the six countries are exporters of identical or comparable merchandise, as a proxy for production data. We obtained export data using the Global Trade Atlas ("GTA") for Harmonized Tariff Schedule ("HTS") 7326.20: "Other Articles of Iron/Steel Wire," which the Department has previously found to be comparable merchandise.<sup>34</sup> The Department found that, of the six countries provided in the Surrogate Country List, only four countries (India, Indonesia, Nicaragua, and the Philippines) were exporters of comparable merchandise. Thus, India, Indonesia, Nicaragua, and the Philippines are considered as having met this prong of the surrogate country selection criteria because each exported comparable merchandise.

### Data Availability

When evaluating SV data, the Department considers several factors including whether the SV is publicly available, contemporaneous with the POI, represents a broad-market average, from an approved surrogate country, tax

<sup>31</sup> See *Policy Bulletin*, at 2.

<sup>32</sup> See *id.*, at 3.

<sup>33</sup> See Conference Report to the 1988 Omnibus Trade & Competitiveness Act, H.R. Rep. No. 100-576, at 590 (1988).

<sup>34</sup> See, *e.g.*, *Preliminary Determination of Sales at Less Than Fair Value: Steel Wire Garment Hangers from the People's Republic of China*, 73 FR 15726, 15728 (March 25, 2008) ("*PRC Hangers LTFV Prelim*"), unchanged in *Steel Wire Garment Hangers from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 47587 (August 14, 2008) ("*PRC Hangers LTFV Final*").

and duty-exclusive, and specific to the input. There is no hierarchy among these criteria. It is the Department's practice to carefully consider the available evidence in light of the particular facts of each industry when undertaking its analysis.<sup>35</sup> In this case, because surrogate financial statements for Nicaragua or the Philippines are unavailable, these countries will not be considered for surrogate country selection purposes at this time. With respect to Indonesia, SVs are available for the FOPs. However, we find that the three financial statements<sup>36</sup> submitted by interested parties are not useable because the companies produce merchandise which is not comparable to steel wire garment hangers and, thus, do not adequately reflect the production experience of the mandatory respondents.<sup>37</sup>

Consequently, this leaves India as the remaining surrogate country that fulfills the surrogate country selection criteria. While there is no evidence on the record that India is a producer of identical

merchandise, the Department has previously relied on Indian producers of comparable merchandise such as nails, fasteners, or screws, because these steel products are produced downstream from steel wire rod or steel wire.<sup>38</sup> Because the Department has information for every FOP available from India as well as useable and complete Indian financial statements on the record from producers of comparable merchandise, we have preliminarily determined that India is the appropriate surrogate country from which to obtain SVs and surrogate financial ratios to calculate an NV. A detailed explanation of the financial statements and SVs used is provided below in the "Normal Value" section of this notice.

#### Affiliation and Single Entity Determinations

Section 771(33) of the Act provides that:

The following persons shall be considered to be 'affiliated' or 'affiliated persons':

(A) Members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants;

(B) Any officer or director of an organization and such organization;

(C) Partners;

(D) Employer and employee;

(E) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization and such organization;

(F) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person;

(G) Any person who controls any other person and such other person.

Additionally, section 771(33) of the Act stipulates that: "For purposes of this paragraph, a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person."

Finally, according to 19 CFR 351.401(f)(1) and (2), two or more companies may be treated as a single entity for antidumping duty purposes if: (1) The producers are affiliated, (2) the producers have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities, and (3) there is a significant potential for manipulation of price or production.<sup>39</sup>

<sup>38</sup> See, e.g., *PRC Hangers AR1 Final*, and accompanying Issues and Decision Memorandum at Comment 2; *PRC Hangers LTFV Prelim*, unchanged in *PRC Hangers LTFV Final*.

<sup>39</sup> See 19 CFR 351.401(f)(1) and (2).

#### The TJ Group

As stated above, the Department selected TJ as a mandatory respondent in this investigation because it was one of two companies accounting for the largest volume of exports of steel wire garment hangers, based on the Q&V responses, to the United States.<sup>40</sup> In its Q&V response, TJ stated that it exported steel wire garment hangers from Vietnam produced by Infinite Industrial Hanger Limited ("Infinite") and Tan Dinh Enterprise ("Tan Dinh").<sup>41</sup> It was later corrected in TJ's questionnaire responses that H2I2 Dry Cleaning Supply, Inc. ("H2I2"), a U.S. company, owns Infinite and that H2I2 purchased the hanger manufacturing assets of Tan Dinh prior to the POI.<sup>42</sup> H2I2 planned to create a company called Supreme Hanger Co., Limited which would operate using the hanger manufacturing assets that were purchased from Tan Dinh. However, while hangers were produced on these manufacturing assets during the POI the planned company did not yet have a company registration or a business license, and as such Supreme Hanger Co., Limited only came into existence when it received its business license on May 4, 2012, which is after the POI. For purposes of this determination, we will refer to the entity operating, during the POI, the manufacturing assets that were formerly owned by Tan Dinh as "the Pre-Supreme Entity."

Based on the information presented in TJ's questionnaire responses, we preliminarily find that H2I2, Infinite, the Pre-Supreme Entity, and TJ are affiliated pursuant to sections 771(33)(B), (E), (F), and (G) of the Act based on ownership and common control. Due to the business proprietary nature of this issue and for a detailed discussion, see the "TJ Group Affiliation Memo."<sup>43</sup> Evidence of this affiliation was provided by TJ's questionnaire responses, ownership/affiliation chart, organization chart, business licenses, and purchase agreements.<sup>44</sup>

<sup>40</sup> See Respondent Selection Memo at 4.

<sup>41</sup> See TJ's Q&V Response, dated February 8, 2012, at 2.

<sup>42</sup> See TJ's Supplemental Section A Questionnaire Response, dated April 23, 2012, at 24.

<sup>43</sup> See Memorandum to the File, through Catherine Bertrand, Program Manager, from Robert Palmer, Analyst, re: "Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Preliminary Affiliation and Single Entity Determination," dated concurrently with this notice ("TJ Group Affiliation Memo").

<sup>44</sup> See, e.g., TJ's Section A Questionnaire Response, dated March 16, 2012, at Exhibit A-5; TJ's Supplemental Section A Questionnaire Response, dated April 23, 2012, at 22-24 and Exhibit 22.

<sup>35</sup> See *Policy Bulletin*.

<sup>36</sup> See Petitioners' Surrogate Value Submission, dated May 31, 2012, at Exhibit 2; see also TJ Rebuttal Surrogate Value Information, dated June 12, 2012, at Exhibits 3 and 4.

<sup>37</sup> See *id.* Petitioners placed financial statements for one Indonesian company on the record: PT Lion Metal Works TBK, which produces safes and office equipment. However, we have previously found that products that require significantly more sophisticated production processes than the simpler fabrication of cutting and shaping wire into steel wire garment hangers are not suitably representative of steel wire garment hanger producers. See, e.g., *PRC Hangers LTFV Prelim*, 73 FR at 15734, unchanged in *PRC Hangers LTFV Final*, and accompanying Issues and Decision Memorandum at Comment 3. Further, TJ placed financial statements for two Indonesian companies on the record PT Lionmesh Prima TBK ("Lionmesh") and KMI Wire and Cable ("KMI"). Lionmesh produces wire mesh products using a welding process and KMI produces telecom cables from copper or aluminum. The Department has previously rejected financial statements of producers of copper wire products because copper is not comparable to the steel wire used to produce steel wire garment hangers. See *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 FR 27994 (May 13, 2011) and accompanying Issues and Decision Memorandum at Comment 2 ("*PRC Hangers AR1 Final*"). Therefore, we find that KMI's financial statements are not suitable here because this company produces cables manufactured from metals other than steel wire which we find not to be comparable merchandise. The Department has also previously determined that, even for hangers, "the nature of the welding process \* \* \* results in a product that is distinct in form and shape (and use) from the hangers covered by the scope \* \* \*". See "Steel Wire Garment Hangers from the People's Republic of China: Final Scope Ruling on Target's Accessory Hanger," dated May 12, 2010. Therefore, we find that Lionmesh's financial statements are not suitable here because this company produces products that require welding processes and we do not find these products to be comparable to steel wire garment hangers.

Furthermore, we find that Infinite, the Pre-Supreme Entity, and TJ (collectively, the “TJ Group”) should be considered as a single entity for purposes of this investigation.<sup>45</sup> In addition to being affiliated, the TJ Group has production facilities for similar or identical products that would not require substantial retooling and there is a significant potential for manipulation of production based on the level of common ownership and control, shared management, and an intertwining of business operations.<sup>46</sup> Further it has yet to be determined that Supreme Hanger Co., Limited is the successor-in-interest to the Pre-Supreme Entity. Accordingly, Supreme Hanger Co., Limited is also not eligible to use the rate of the TJ Group.<sup>47</sup>

### Separate Rates

In the *Initiation Notice*, the Department notified parties of the application process by which exporters and producers may obtain separate rate status in NME investigations.<sup>48</sup> The process requires exporters and producers to submit a separate rate status application.<sup>49</sup> In proceedings involving NME countries, the Department has a rebuttable presumption that all companies within the country are subject to government control and thus should be assessed a single AD rate. It is the Department’s policy to assign all exporters of merchandise subject to investigation in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be

<sup>45</sup> See TJ Group Affiliation Memo.

<sup>46</sup> See 19 CFR 351.401(f)(1) and (2). For a detailed discussion of this issue, see TJ Group Affiliation Memo.

<sup>47</sup> Furthermore, Tan Dinh is also not eligible to use the rate of the TJ Group.

<sup>48</sup> See *Initiation Notice*, 77 FR at 3731, 3735.

<sup>49</sup> See also *Policy Bulletin 05.1: Separate Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries* (April 5, 2005) (“*Policy Bulletin 05.1*”) available at <http://ia.ita.doc.gov>. *Policy Bulletin 05.1* states: “[w]hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied steel wire garment hangers to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of “combination rates” because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.” See *Policy Bulletin 05.1* at 6.

entitled to a separate rate. Exporters can demonstrate this independence through the absence of both *de jure* and *de facto* governmental control over export activities.

The Department analyzes each entity exporting steel wire garment hangers under a test arising from *Sparklers*,<sup>50</sup> as further developed in *Silicon Carbide*.<sup>51</sup> However, if the Department determines that a company is wholly foreign-owned or located in an ME, then a separate rate analysis is not necessary to determine whether it is independent from government control.

### A. Separate Rate Recipients

#### Wholly Foreign-Owned

All the companies of the TJ Group are wholly ME foreign-owned.<sup>52</sup> Therefore, because it is wholly ME foreign-owned, and we have no evidence indicating that its export activities are under the control of Vietnam, a further separate rate analysis is not necessary to determine whether this company is independent from government control.<sup>53</sup> Thus, we have preliminarily granted separate rate status to the TJ Group.

Another of the separate rate applicants, Triloan Hangers Inc. (“Triloan”), reported that it is wholly ME foreign-owned.<sup>54</sup> Therefore, because it is wholly ME foreign-owned, and we have no evidence indicating that its export activities are under the control of Vietnam, a further separate rate analysis is not necessary to determine whether this company is independent from government control.<sup>55</sup> Thus, we have preliminarily granted separate rate status to Triloan.

#### Wholly NME-Owned Companies

The remaining separate rate applicants, Ju Fu Co., Ltd. (“Ju Fu”) and

<sup>50</sup> See *Final Determination of Sales at Less Than Fair Value: Sparklers From the People’s Republic of China*, 56 FR 20588 (May 6, 1991) (“*Sparklers*”).

<sup>51</sup> *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People’s Republic of China*, 59 FR 22585 (May 2, 1994) (“*Silicon Carbide*”).

<sup>52</sup> See TJ Section A Questionnaire Response, dated March 16, 2012, at 14–15; see also TJ’s Supplemental Section A Questionnaire Response, dated April 23, 2012, at 24–25.

<sup>53</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Creatine Monohydrate From the People’s Republic of China*, 64 FR 71104, 71104–71105 (December 20, 1999) (where the respondent was wholly foreign-owned, and thus, qualified for a separate rate).

<sup>54</sup> See Separate Rate Application filed by Triloan Hangers, Inc., dated March 26, 2012, at 10.

<sup>55</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Creatine Monohydrate From the People’s Republic of China*, 64 FR 71104–71105 (December 20, 1999) (where the respondent was wholly foreign-owned and, thus, qualified for a separate rate).

CTN Limited Company (“CTN”), are wholly NME-owned companies.<sup>56</sup> Therefore, the Department analyzed whether these companies demonstrated the absence of both *de jure* and *de facto* governmental control over export activities.

### a. Absence of *de Jure* Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) An absence of restrictive stipulations associated with an individual exporter’s business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) other formal measures by the government decentralizing control of companies.<sup>57</sup>

The evidence provided by Ju Fu and CTN supports a preliminary finding of *de jure* absence of governmental control based on the following: (1) An absence of restrictive stipulations associated with the individual exporters’ business and export licenses; (2) there are applicable legislative enactments decentralizing control of the companies; and (3) and there are formal measures by the government decentralizing control of companies. With respect to Ju Fu and CTN,<sup>58</sup> we find that there is sufficient evidence on the record to preliminarily determine that it is free of *de jure* government control.

### b. Absence of *de Facto* Control

Typically the Department considers four factors in evaluating whether each respondent is subject to *de facto* governmental control of its export functions: (1) Whether the export prices (“EP”) are set by or are subject to the approval of a governmental agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.<sup>59</sup> The Department has determined that an analysis of *de facto* control is critical in determining

<sup>56</sup> See Separate Rate Applications filed by Ju Fu and CTN, both dated March 26, 2012.

<sup>57</sup> See *Sparklers*, 56 FR at 20589.

<sup>58</sup> See Separate Rate Application for CTN, dated March 26, 2012, at 11–14 and Appendix C; see also Separate Rate Application for Ju Fu, dated March 26, 2012, at 8–18, and Exhibits 1–10.

<sup>59</sup> See *Silicon Carbide*, 59 FR at 22587; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People’s Republic of China*, 60 FR 22544, 22545 and n.3 (May 8, 1995).

whether respondents are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates. The evidence provided by CTN and Ju Fu supports a preliminary finding of an absence of *de facto* governmental control based on the following: (1) The EP is not set by or subject to the approval of a governmental agency; (2) the respondent has authority to negotiate and sign contracts and other agreements; (3) the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.<sup>60</sup>

#### Companies Receiving a Separate Rate

The Department has preliminarily determined that the TJ Group is eligible for a separate rate.<sup>61</sup> In addition, we have granted separate rate status to Triloan, CTN, and Ju Fu, which were not selected for individual examination because they are wholly ME foreign-owned or and have demonstrated an absence of government control both in law and in fact.

The evidence placed on the record of this investigation by the separate rate applicants demonstrates an absence of *de jure* and *de facto* government control with respect to each of the exporters' exports of steel wire garment hangers, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*.

#### B. Companies Not Receiving a Separate Rate

The Department is not granting a separate rate to Tan Minh Textile Sewing Trading Company ("Tan Minh Textile") because, after providing Tan Minh Textile several opportunities to correct deficiencies in its separate rate application,<sup>62</sup> the Department informed Tan Minh Textile that it had still not complied with the Department's regulations regarding the filing of its separate rate application and that we will not consider its separate rate application for this investigation.<sup>63</sup> In addition, the companies that were not responsive to the Department's Q&V

<sup>60</sup> See Separate Rate Application for CTN, dated March 26, 2012 at 17–22 and Appendix K. See also Separate Rate Application for Ju Fu, dated March 26, 2012, at 8–18, and Exhibits 1–10.

<sup>61</sup> As noted above, neither Tan Dinh nor Supreme Hangers Co., Limited is entitled to use the rate of the TJ Group.

<sup>62</sup> See, e.g., Letters from the Department to Tan Minh Textile, dated March 28, April 5, and April 12, 2012.

<sup>63</sup> See Letter from the Department to Tan Minh Textile, dated April 17, 2012.

questionnaire, submitted late Q&V responses, or did not submit separate rate applications are also ineligible for a separate rate because they did not provide any evidence demonstrating an absence of government control both in law and in fact.<sup>64</sup>

The Department has also made a preliminary determination with respect to Hamico, a mandatory respondent, based on the facts available on the record. A detailed discussion of this determination is provided below in the "The Vietnam-Wide Entity, Vietnam-Wide Rate and Application of Adverse Facts Available" section. Based on the below determination, the Department has not granted separate rate status to Hamico.

#### Calculation of Separate Rate

The statute and our regulations do not address directly how we should establish a rate to apply to imports from companies which we did not select for individual examination in accordance with section 777A(c)(2) of the Act in an administrative review. Generally, we have used section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, as guidance when we establish the rate for respondents not examined individually in an administrative review.<sup>65</sup> Section 735(c)(5)(A) of the Act provides that "the estimated all-others rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for

<sup>64</sup> These companies are: Acton Co., Ltd.; Angang Clothes Rack Manufacture Co.; Asmara Home Vietnam; B2B Co., Ltd.; Capco Wai Shing Viet Nam Co., Ltd.; Dai Nam Investment JSC; Diep Son Hangers One Member Co. Ltd.; Dong Nam A Co., Ltd.; Dong Nam A Trading Co.; EST Glory Industrial Ltd.; Focus Shipping Corp.; Godoxa Viet Nam Ltd.; HCMC General Import And Export Investment JSC; Hongxiang Business And Product Co., Ltd.; Linh Sa Hamico Company, Ltd.; Minh Quang Steel Joint Stock Company; Moc Viet Manufacture Co., Ltd.; Nam A Hamico Export Joint Stock; N-Tech Vina Co., Ltd.; NV Hanger Co., Ltd. (A/K/A Nguyen Hoang Vu Co., Ltd.); Ocean Star Transport Co., Ltd.; Quoc Ha Production Trading Service; Quyk (Factory); Quyk Group/Quyk Co., Ltd./Quyk-Yanglei International Co., Ltd.; S.I.I.C.; Tan Minh Textile Sewing Trading Co., Ltd.; Thanh Hieu Manufacturing Trading Co. Ltd.; The Xuong Co., Ltd.; Thien Ngon Printing Co., Ltd.; Top Sharp International Trading Limited; Trung Viet My Joint Stock Company; Viet Anh Imp-Exp Joint Stock Co.; Viet Hanger Investment, LLC/Viet Hanger; Vietnam Hangers Joint Stock Company; VNS/VN Sourcing/Vietnam Sourcing; Yen Trang Co., Ltd.; and South East Asia Hamico Export Joint Stock Company.

<sup>65</sup> See *Notice of Final Results and Partial Rescission Antidumping Duty Administrative Review: Certain Frozen Warmwater Shrimp from the People's Republic of China*, 75 FR 49460 (August 13, 2010); *Certain Pasta from Italy: Notice of Final Results of the Twelfth Administrative Review*, 75 FR 6352 (February 9, 2010), and accompanying Issues and Decision Memorandum at Comment 2.

exporters and producers individually investigated, \* \* \*."

Hamico has not qualified for a separate rate, as explained above, and accordingly it will not receive an individually calculated margin. In this investigation, the TJ Group has an estimated weight-average dumping margin which is above *de minimis* and which is not based on total adverse facts available ("AFA"). Therefore, because there is only one relevant weighted-average dumping margin for this preliminary determination, we will use the weighted-average of the TJ Group's calculated AD margin, which is 135.81 percent.

#### The Vietnam-Wide Entity, Vietnam-Wide Rate and Application of Adverse Facts Available

Information on the record of this investigation indicates that there were more exporters of steel wire garment hangers from Vietnam than those indicated in the response to our request for Q&V information during the POI.<sup>66</sup> As stated above, we issued our request for Q&V information to 44 potential Vietnamese producers/exporters of steel wire garment hangers. While information on the record of this investigation indicates that there are other producers/exporters of steel wire garment hangers in Vietnam, we received only seven timely-filed solicited Q&V responses and two timely-filed unsolicited Q&V responses, which we considered for respondent selection purposes. Although all producers/exporters were given an opportunity to provide Q&V information, not all producers/exporters provided a response to the Department's Q&V letter.<sup>67</sup>

Additionally, as stated above, the Department selected Hamico as a mandatory respondent in this investigation.<sup>68</sup> Between March 27, 2012 and April 24, 2012, Hamico attempted to submit its responses to the Departments original NME questionnaire and supplemental

<sup>66</sup> See Respondent Selection Memo.

<sup>67</sup> The following companies were not responsive to the Department's request for Q&V information: Acton Co., Ltd.; Asmara Home Vietnam; B2B Co., Ltd.; Capco Wai Shing Viet Nam Co., Ltd.; Dai Nam Investment JSC; Dong Nam A Co., Ltd.; Focus Shipping Corp.; Dong Nam A Trading Co.; HCMC General Import And Export Investment Joint Stock Company; Hongxiang Business And Product Co., Ltd.; N-Tech Vina Co., Ltd.; Ocean Star Transport Co., Ltd.; Quoc Ha Production Trading Service; Quyk (Factory); Quyk Group/Quyk Co., Ltd./Quyk-Yanglei International Co., Ltd.; S.I.I.C.; The Xuong Co., Ltd.; Thien Ngon Printing Co., Ltd.; Trung Viet My Joint Stock Company; Viet Anh Imp-Exp Joint Stock Co.; VNS/VN Sourcing/Vietnam Sourcing; and Yen Trang Co., Ltd.

<sup>68</sup> See Respondent Selection Memo at 4.

questionnaires.<sup>69</sup> However, the Department found that Hamico's responses were consistently and repeatedly non-responsive and incomplete. Further, Hamico attempted to postpone submitting entire sections of its questionnaire responses upon the expectation that it would be accorded an opportunity to submit the data at a time of its own choosing.<sup>70</sup> The Department provided Hamico with numerous opportunities to re-file its untimely and incomplete responses, and indicated that failure to provide a timely and complete response may result in the use of AFA.<sup>71</sup> On May 3, 2012, the Department informed Hamico that, because the Department has provided numerous opportunities for Hamico to: (1) Comply with repeated requests for information; (2) correct the data that was unusable for purposes of calculating an accurate dumping margin; and (3) submit complete information by the established deadlines, the Department would rely on facts otherwise available, which may include adverse inferences.<sup>72</sup>

In its communications with Hamico, the Department notified Hamico of its pervasive non-compliance with the filing regulations, non-responsiveness to the questions asked, and incompleteness of the responses. The Department also established, on the record, that Hamico has repeatedly failed to provide information directly requested by the Department within: (1) The original questionnaire dated February 17, 2012; (2) supplemental questionnaires; and (3) the deficiency letters. Furthermore, as the Department informed Hamico, a respondent does not have the right to postpone submitting entire sections of any questionnaire responses, or parts thereof, upon the expectation that they will be accorded an opportunity to submit the data at a time of its own choosing.<sup>73</sup>

The record reflects that the Department has consistently provided Hamico with multiple opportunities to re-file non-compliant and incomplete

questionnaire responses.<sup>74</sup> The Department has also issued exhaustive supplemental questionnaires to Hamico, in which the Department provided Hamico with an opportunity to address the critical items which Hamico repeatedly omitted from its previous responses.<sup>75</sup> Additionally, as discussed above, the Department has determined that Hamico has provided non-compliant and deficient responses to our requests for information, and thus will not receive a separate rate because the Department cannot determine whether Hamico is free of *de jure* and *de facto* control from the government of Vietnam. Consequently, we preliminarily determine that, because Hamico has not qualified for a separate rate, it is now part of the Vietnam-wide entity.

The Department preliminarily determines that there were Vietnamese producers/exporters of steel wire garment hangers during the POI that: (1) Did not respond to the Department's request for information, and (2) did not provide compliant or complete information in a timely manner. Therefore, we are treating these Vietnamese producers/exporters as part of the Vietnam-wide entity because they did not qualify for a separate rate.<sup>76</sup>

Section 776(a)(2) of the Act provides that, if an interested party (A) withholds information that has been requested by the Department, (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act, (C) significantly impedes a proceeding under the antidumping statute, or (D) provides such information but the

<sup>74</sup> See, e.g., Letter to Hamico re; rejection and removal from the record of Section D Questionnaire Response, dated April 17, 2012; see also Letter to Hamico re; rejection and removal from the record of the Supplemental Section A Questionnaire Response, dated April 23, 2012.

<sup>75</sup> See the Department's Supplemental Section A Questionnaire dated March 27, 2012, and the Department's Supplemental Section C Questionnaire dated April 16, 2012.

<sup>76</sup> See, e.g., *Prestressed Concrete Steel Wire Strand From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 74 FR 68232, 68236 (December 23, 2009) ("*PC Strand Prelim*"), unchanged in *Prestressed Concrete Steel Wire Strand From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 75 FR 28560 (May 21, 2010); see also *Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Preliminary Partial Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof From the People's Republic of China*, 70 FR 77121, 77128 (December 29, 2005), unchanged in *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof From the People's Republic of China*, 71 FR 29303 (May 22, 2006).

information cannot be verified, the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

Information on the record of this investigation indicates that the Vietnam-wide entity, including Hamico, was unresponsive to the Department's requests for information. Certain companies: (1) Did not respond to our questionnaires requesting either Q&V information; or (2) provided pervasively non-compliant, incomplete, and untimely information requested by the Department. As a result, pursuant to section 776(a)(2)(A) of the Act, we find that the use of facts available ("FA") is appropriate to determine the Vietnam-wide rate.<sup>77</sup>

Section 776(b) of the Act provides that, in selecting from among the facts otherwise available, the Department may employ an adverse inference if an interested party fails to cooperate by not acting to the best of its ability to comply with requests for information.<sup>78</sup> We find that, because the Vietnam-wide entity did not respond to our requests for information and did not provide complete, compliant and timely information requested by the Department, it has failed to cooperate to the best of its ability. Therefore, the Department preliminarily finds that, in selecting from among the facts available, an adverse inference is appropriate.

When employing an adverse inference, section 776 of the Act indicates that the Department may rely upon information derived from the petition, the final determination from the LTFV investigation, a previous administrative review, or any other information placed on the record. In selecting a rate for AFA, the Department selects a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated. It is the Department's practice to select, as AFA, the higher of the (a) highest margin alleged in the petition, or (b) the highest calculated rate of any respondent in the investigation.<sup>79</sup>

<sup>77</sup> See *PC Strand Prelim*, 74 FR at 68236.

<sup>78</sup> See *Statement of Administrative Action*, accompanying the Uruguay Round Agreements Act ("URAA"), H.R. Rep. No. 103-316, 870 (1994) ("SAA"); see also *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from the Russian Federation*, 65 FR 5510, 5518 (February 4, 2000).

<sup>79</sup> See *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Quality Steel Products from the People's Republic of China*, 65 FR 34660 (May 21, 2000) and accompanying Issues and Decision Memorandum at Comment 1.

<sup>69</sup> See Letter from the Department to South East Asia Hamico Export Joint Stock Corporation, re: "Steel Wire Garment Hangers from the Socialist Republic of Vietnam ("Vietnam"): Final Deficiency Letter regarding Inadequacy of Prior Responses," dated May 3, 2012 ("Hamico Final Deficiency Letter") at 1-4.

<sup>70</sup> See Hamico Final Deficiency Letter at 4, footnote 12; see also, e.g., Hamico's Supplemental Section C Questionnaire Response dated April 24, 2012, at 22.

<sup>71</sup> See, e.g., Letter from the Department to Hamico, re: "Rejection and Removal from the record of Section D Questionnaire Response," dated April 17, 2012.

<sup>72</sup> See Hamico Final Deficiency Letter at 7.

<sup>73</sup> See *id.*

To determine the appropriate AFA margin, the Department first examined whether the highest petition margin was less than or equal to the highest calculated margin. In this case, we compared 220.68 percent from the petition to 187.51 percent from the respondent's calculated margins. As 187.51 is less than 220.68 percent, we could not directly corroborate 220.68 percent.

We then examined whether the component analysis was appropriate in this case to corroborate the highest margin. In this case, it is not clear which control numbers ("CONNUMs") are appropriate to use for this purpose. Therefore, the component analysis would not be appropriate because it is unknown which CONNUM-specific margin to use for this analysis. Consequently, since we cannot use the component analysis here, we will use the highest calculated margin of 187.51 percent as the Vietnam-wide entity rate.

Therefore, as AFA, we have preliminarily assigned a rate of 187.51 percent to the Vietnam-wide entity, the highest transaction-specific rate calculated for the TJ Group.<sup>80</sup> In this instance, we believe that it is a reasonable exercise of the Department's discretion to select an AFA rate based on data in the investigation, instead of relying on secondary information. Accordingly, we found that the rate of 187.51 percent is the most appropriate antidumping rate for the Vietnam-wide entity. The Vietnam-wide entity rate applies to all entries of steel wire garment hangers except for entries from the TJ Group and the three exporters receiving a separate rate, as stated above.

#### Date of Sale

19 CFR 351.401(i) states that, "in identifying the date of sale of the merchandise under consideration or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter or producer's records kept in the normal course of business." However, the Secretary may use a date other than the date of invoice if the Secretary is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.<sup>81</sup> The date of sale is generally the date on

which the parties agree upon all substantive terms of the sale. This normally includes the price, quantity, delivery terms and payment terms.<sup>82</sup> In order to simplify the determination of date of sale for both the respondents and the Department, and in accordance with 19 CFR 351.401(i), the date of sale will normally be the date of the invoice, as recorded in the exporter's or producer's records kept in the ordinary course of business, unless the Department is satisfied that the exporter or producer establishes the material terms of sale on some other date.<sup>83</sup>

In *Allied Tube*, the Court of International Trade ("CIT") found that a "party seeking to establish a date of sale other than invoice date bears the burden of producing sufficient evidence to 'satisfy' the Department that a different date better reflects the date on which the exporter or producer establishes the material terms of sale."<sup>84</sup> After examining the questionnaire responses and the sales documentation that the respondents placed on the record, we preliminarily determine that the invoice date is the most appropriate date of sale for H2I2, the TJ Group's U.S. affiliate.<sup>85</sup>

#### Fair Value Comparisons

To determine whether sales of steel wire garment hangers to the United States by the TJ Group were made at LTFV, we compared the constructed export price ("CEP") to NV, as described in the "U.S. Price," and "Normal Value" sections of this notice. We compared NV to weighted-average CEPs in accordance with section 777A(d)(1) of the Act.

#### U.S. Price

##### CEP

In accordance with section 772(b) of the Act, we based the U.S. price for the TJ Group's sales on CEP because the first sale to an unaffiliated customer was made by H2I2. Specifically, H2I2 reports that it retained title to the steel wire garment hangers throughout the

<sup>82</sup> See *Preliminary Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 71 FR 77373, 77377 (December 26, 2006), unchanged in *Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 19690 (April 19, 2007).

<sup>83</sup> For instance, in *Notice of Final Determination of Sales at Less Than Fair Value: Polyvinyl Alcohol From Taiwan*, 61 FR 14064, 14067–14068 (March 29, 1996), the Department used the date of the purchase order as the date of sale because the terms of sale were established at that point.

<sup>84</sup> See *Allied Tube*, 132 F. Supp. 2d at 1092.

<sup>85</sup> See TJ's Section A Questionnaire Response, dated March 16, 2012, and Section C Questionnaire Response dated April 9, 2012.

production process as it purchased all raw materials and paid its producers' operating expenses. Further, H2I2 reports that it performed all sales functions such as sales negotiations, issuance of invoices, and receipt of payment from the U.S. customers for all steel wire garment hangers produced by the producers in Vietnam for H2I2.<sup>86</sup> In accordance with section 772(c)(2)(A) of the Act, we calculated CEP by deducting, where applicable, the following expenses from the gross unit price charged to the first unaffiliated customer in the United States: Foreign movement expenses, international freight, and U.S. movement expenses, including brokerage and handling. Further, in accordance with section 772(d)(1) of the Act and 19 CFR 351.402(b), where appropriate, we deducted from the starting price the following selling expenses associated with economic activities occurring in the United States: Credit expenses and indirect selling expenses. In addition, pursuant to section 772(d)(3) of the Act, we made an adjustment to the starting price for CEP profit. Where foreign movement expenses, international movement expenses, or U.S. movement expenses were provided by Vietnamese service providers or paid for in Vietnamese Dong, we valued these services using SVs. For those expenses that were provided by an ME provider and paid for in an ME currency, we used the reported expense.<sup>87</sup>

#### Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the NV using an FOP methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a)

<sup>86</sup> See TJ's Supplemental Section A Questionnaire Response, dated April 23, 2012, at 32. See *Glycine From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Rescission*, in Part, 72 FR 18457 (April 12, 2007), unchanged in *Glycine from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Rescission*, in Part, 72 FR 58809 (October 17, 2007) and accompanying Issues and Decision Memorandum (where the Department stated that "we based U.S. price for certain sales on CEP in accordance with section 772(b) of the Act, because sales were made by Nantong Donchang's U.S. affiliate, Wavort, Inc. {"Wavort"} to unaffiliated purchasers."); *AK Steel Corp., et al. v. United States*, 226 F.3d 1361 (Fed. Cir. 2000).

<sup>87</sup> For details regarding our CEP calculations, see "Memorandum to the File, through Catherine Bertrand, Program Manager, from Robert Palmer, Analyst, re: Analysis Memorandum for the Preliminary Determination of the Investigation of Steel Wire Garment Hangers from the Socialist Republic of Vietnam: TJ Co., Ltd." dated concurrently with this notice.

<sup>80</sup> See *Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan: Final Results and Final Rescission in Part of Antidumping Duty Administrative Review*, 74 FR 66620 (December 16, 2009), and accompanying Issues and Decision Memorandum at Comment 1.

<sup>81</sup> See 19 CFR 351.401(i); see also *Allied Tube & Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090–1092 (CIT 2001) ("*Allied Tube*").



of the Act. The Department bases NV on the FOP because the presence of government controls on various aspects of NMEs renders price comparisons and the calculation of production costs invalid under the Department's normal methodologies.<sup>88</sup>

### Factor Valuation Methodology

In accordance with section 773(c) of the Act, we calculated NV based on FOP data reported by the TJ Group for the POI. To calculate NV, we multiplied the reported per-unit factor-consumption rates by publicly available SVs (except as discussed below). In selecting the SVs, among other criteria, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices by including freight costs to make them delivered prices. Specifically, we added to Indian import SVs a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory where appropriate. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp. v. United States*, 117 F.3d 1401, 1407–08 (Fed. Cir. 1997).<sup>89</sup>

For this preliminary determination, in accordance with the Department's practice, we used Indian GTA import statistics to calculate SVs for the mandatory respondent's FOPs (direct materials, including steel wire, certain energy FOPs, and packing materials). In selecting the best available information for valuing FOPs in accordance with section 773(c)(1) of the Act, the Department's practice is to select, to the extent practicable, SVs which are non-export average values, most contemporaneous with the POI, product-specific, and tax-exclusive.<sup>90</sup>

<sup>88</sup> See, e.g., *Preliminary Determination of Sales at Less Than Fair Value, Affirmative Critical Circumstances, In Part, and Postponement of Final Determination: Certain Lined Paper Products from the People's Republic of China*, 71 FR 19695 (April 17, 2006), unchanged in *Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, in Part: Certain Lined Paper Products From the People's Republic of China*, 71 FR 53079 (September 8, 2006).

<sup>89</sup> See "Memorandum to the File, through Catherine Bertrand, Program Manager, Office 9, from Irene Gorelik, Senior Analyst, Office 9, re: Investigation of Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Surrogate Values for the Preliminary Determination," dated concurrently with this notice ("Prelim SV Memo") for a detailed description of all SVs used.

<sup>90</sup> See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004),

The record shows that data in the Indian Import Statistics, as well as that from the other Indian sources, represent data that are contemporaneous with the POI, product-specific, and tax-exclusive.<sup>91</sup>

Furthermore, with regard to the Indian import-based SVs, we have disregarded import prices that we have reason to believe or suspect may be subsidized. We have reason to believe or suspect that prices of inputs from Indonesia, South Korea, and Thailand may have been subsidized because we have found in other proceedings that these countries maintain broadly available, non-industry-specific export subsidies.<sup>92</sup> Therefore, it is reasonable to infer that all exports to all markets from these countries may be subsidized.<sup>93</sup> Further, guided by the legislative history, it is the Department's practice not to conduct a formal investigation to ensure that such prices are not subsidized.<sup>94</sup> Rather, the Department bases its decision on information that is available to it at the time it makes its determination. Additionally, consistent with our practice, we disregarded prices from NME countries and excluded imports labeled as originating from an "unspecified" country from the average value, because the Department could not be certain that they were not from either an NME country or a country with general export subsidies.<sup>95</sup>

unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004).

<sup>91</sup> See Prelim SV Memo.

<sup>92</sup> See, e.g., *Expedited Sunset Review of the Countervailing Duty Order on Certain Cut-to-Length Carbon Quality Steel Plate from Indonesia*, 70 FR 45692 (August 8, 2005), and accompanying Issues and Decision Memorandum at 4; *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 74 FR 2512 (January 15, 2009), and accompanying Issues and Decision Memorandum at 17, 19–20; *Final Results of Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from Thailand*, 66 FR 50410 (October 3, 2001), and accompanying Issues and Decision Memorandum at 23.

<sup>93</sup> See *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers From the People's Republic of China*, 69 FR 20594 (April 16, 2004) and accompanying Issues and Decision Memorandum at Comment 7.

<sup>94</sup> See Omnibus Trade and Competitiveness Act of 1988, Conference Report to accompany H.R. Rep. 100–576 at 590 (1988) reprinted in 1988 U.S.C.C.A.N. 1547, 1623–24; see also *Preliminary Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 30758 (June 4, 2007), unchanged in *Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 60632, October 25, 2007.

<sup>95</sup> See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Chlorinated Isocyanurates*

Therefore, we have not used prices from these countries either in calculating the Indian import-based SVs or in calculating ME input values.<sup>96</sup> The Department used Indian Import Statistics from the GTA to value the raw material, certain energy inputs and packing material inputs that the TJ Group used to produce steel wire garment hangers during the POI, except where listed below.

On June 21, 2011, the Department revised its methodology for valuing the labor input in NME AD proceedings.<sup>97</sup> In *Labor Methodologies*, the Department determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country. Additionally, the Department determined that the best data source for industry-specific labor rates is Chapter 6A: Labor Cost in Manufacturing, from the International Labor Organization (ILO) Yearbook of Labor Statistics ("Yearbook").

For this preliminary determination, the Department calculated the labor input using the wage method described in *Labor Methodologies*. To value the respondent's labor input, the Department relied on data reported by India to the ILO in Chapter 6A of the Yearbook. The Department further finds the two-digit description under Division 28 (Manufacture of Fabricated Metal Products, Except Machinery and Equipment) of the ISIC-Revision 3 to be the best available information on the record because it is specific to the industry being examined, and is, therefore, derived from industries that produce comparable merchandise. Accordingly, relying on Chapter 6A of the Yearbook, the Department calculated the labor input using labor data reported by India to the ILO under Division 28 of ISIC-Revision 3 standard, in accordance with Section 773(c)(4) of the Act. A more detailed description of the wage rate calculation methodology is provided in the Prelim SV Memo.

As stated above, the Department used Indian ILO data reported under Chapter 6A of the ILO Yearbook, which reflects

*From the People's Republic of China*, 69 FR 75294, 75300 (December 16, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates From the People's Republic of China*, 70 FR 24502 (May 10, 2005).

<sup>96</sup> See *id.*, 69 FR at 75300.

<sup>97</sup> See *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) ("Labor Methodologies"). This notice followed the Federal Circuit decision in *Dorbest Ltd. v. United States*, 604 F.3d 1363, 1372 (Fed. Cir. 2010), which found that the regression-based method for calculating wage rates as stipulated by 19 CFR 351.408(c)(3) uses data not permitted by the statutory requirements laid out in section 773 of the Act (*i.e.*, 19 U.S.C. 1677b(c)).

all costs related to labor, including wages, benefits, housing, training, etc. Pursuant to *Labor Methodologies*, the Department's practice is to consider whether financial ratios reflect labor expenses that are included in other elements of the respondent's FOPs (e.g., general and administrative expenses).<sup>98</sup> Additionally, where the financial statements used to calculate the surrogate financial ratios include itemized detail of labor costs, the Department made adjustments to certain labor costs in the surrogate financial ratios.<sup>99</sup>

The Department valued truck freight expenses using an Indian per-unit average rate calculated from publicly available data on the following Web site: <http://www.infobanc.com/logistics/logtruck.htm>. The logistics section of this Web site contains inland freight truck rates between many large Indian cities. We did not inflate this rate as it is contemporaneous with the POI.<sup>100</sup>

To value brokerage and handling, the Department used a price list of export procedures necessary to export a standardized cargo of goods in India. The price list is publicly available and compiled based on a survey case study of the procedural requirements for trading a standard shipment of goods by ocean transport in India as published in *Doing Business 2011: India* (published by the World Bank).

To value factory overhead, selling, general, and administrative ("SG&A") expenses, and profit, the Department is using the 2010–2011 audited financial statement of Sterling Tools Ltd.

("Sterling"), an Indian fastener manufacturer<sup>101</sup> and the 2010–2011 audited financial statement of Nasco Steels Private Limited ("Nasco"),<sup>102</sup> an Indian manufacturer of steel hinges and nails. The Department has previously relied on Sterling's and Nasco's financial statements in *Steel Wire Garment Hangers From the People's Republic of China: Final Results and Final Partial Rescission of Second Antidumping Duty Administrative Review*, 77 FR 12553 (March 1, 2012) and accompanying Issues and Decision Memorandum at Comment 4 ("*PRC Hangers AR2 Final*"), where we determined these two companies' financial statements were suitable because they are producers of comparable merchandise.

While TJ provided additional Indian financial statements for Deccan Wires & Welding Products PVT Ltd. ("Deccan") and Balaji Galvanising Industries Limited ("Balaji"),<sup>103</sup> we have determined not to rely on either company's financial statements. Specifically, Balaji's financial statements indicate that Balaji is a producer of galvanized wire with no further production of downstream products from wire.<sup>104</sup> Additionally, as Deccan<sup>105</sup> is a producer of various types of wire and only produces nails as an ancillary product, we find that Deccan's financial statements do not adequately reflect the production experience of the respondent, a company wholly devoted to the production of merchandise produced downstream from steel wire. The Department has frequently

determined that "various fasteners produced by the surrogate companies are comparable to steel wire garment hangers, the merchandise subject to this investigation, because fasteners, like steel wire garment hangers, are a downstream product of wire requiring additional manufacturing processes."<sup>106</sup>

**Currency Conversion**

We made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

**Verification**

As provided in section 782(i)(1) of the Act, we intend to verify the information upon which we will rely in making our final determination.

**Combination Rates**

In the *Initiation Notice*, the Department stated that it would calculate combination rates for certain respondents that are eligible for a separate rate in this investigation.<sup>107</sup> Additionally, because we preliminarily find that Infinite, the Pre-Supreme Entity, and TJ, known as the TJ Group, to be a single entity, we are preliminarily assigning the combination rate to the TJ Group as the exporter and producer.<sup>108</sup>

**Preliminary Determination**

The weighted-average dumping margins are as follows:

Exporter	Producer	Weighted-average margin (percent)
TJ Group <sup>109</sup> .....	TJ Group .....	135.81
CTN Limited Company .....	CTN Limited Company .....	135.81
Ju Fu Co., Ltd. ....	Ju Fu Co., Ltd. ....	135.81
Triloan Hangers, Inc. ....	Triloan Hangers, Inc. ....	135.81
Vietnam-Wide Rate <sup>110</sup> .....	.....	187.51

**Disclosure**

We will disclose the calculations performed within five days of the date

of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

<sup>98</sup> See *Labor Methodologies*, 76 FR at 36093–94.

<sup>99</sup> See *id.*, 76 FR at 36093.

<sup>100</sup> See Prelim SV Memo.

<sup>101</sup> See Petition at Volume III and Exhibit III–2.

<sup>102</sup> See TJ's Surrogate Value Comments dated May 31, 2012, at Exhibit 7.

<sup>103</sup> See *id.*, at Exhibits 8 and 9, respectively.

<sup>104</sup> See *id.*, at Exhibit 9.

<sup>105</sup> See *id.*, at Exhibit 8.

<sup>106</sup> See *PRC Hangers AR2 Final* and accompanying Issues and Decision Memorandum at Comment 4; see also *PRC Hangers AR1 Final* and accompanying Issues and Decision Memorandum at

Comment 2 and *PRC Hangers LTFV Prelim*, unchanged in *PRC Hangers LTFV Final*.

<sup>107</sup> See *Initiation Notice*, 77 FR at 3535. and *Policy Bulletin 05.1*.

<sup>108</sup> As noted above, neither Supreme Hangers Co., Limited nor Tan Dinh are entitled to use the rate of the TJ Group.

<sup>109</sup> The only companies entitled to use the rate of the TJ Group are: The Pre-Supreme Entity, Infinite Industrial Hanger Limited, and TJ Co., Ltd. As noted above, neither the Supreme Hangers Co., Limited nor Tan Dinh are entitled to use the rate of the TJ Group.

<sup>110</sup> The Vietnam-Wide entity includes: Acton Co., Ltd.; Angang Clothes Rack Manufacture Co.; Asmara Home Vietnam; B2B Co., Ltd.; Capco Wai Shing Viet Nam Co., Ltd.; Dai Nam Investment JSC; Diep Son Hangers One Member Co. Ltd.; Dong Nam A Co., Ltd.; Dong Nam A Trading Co.; EST Glory Industrial Ltd.; Focus Shipping Corp.; Godoxa Viet Nam Ltd.; HCMC General Import And Export Investment JSC; Hongxiang Business And Product Co., Ltd.; Linh Sa Hamico Company, Ltd.; Minh Quang Steel Joint Stock Company; Moc Viet Manufacture Co., Ltd.; Nam A Hamico Export Joint Stock; N–Tech Vina Co., Ltd.; NV Hanger Co., Ltd.

### Suspension of Liquidation

In accordance with section 733(d) of the Act, we will instruct the U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of steel wire garment hangers from Vietnam as described in the “Scope of Investigation” section, entered, or withdrawn from warehouse, for consumption from the TJ Group, the non-selected companies receiving a separate rate, and the Vietnam-wide entity on or after the date of publication of this notice in the **Federal Register**. Additionally, we will instruct CBP to require an AD duty cash deposit for each entry equal to the weight-averaged amount by which the NV exceeds U.S. price, as indicated above.<sup>111</sup>

Additionally, the Department has determined in its concurrent CVD investigation of steel wire garment hangers from Vietnam that subject merchandise exported by Infinite and Hamico benefitted from export subsidies.<sup>112</sup> With respect to the TJ Group, we will instruct CBP to require an AD cash deposit equal to the amount by which the NV exceeds the U.S. price, as indicated above, reduced by the export subsidy determined for the TJ Group’s in the companion CVD investigation.

However, as noted above, we have determined that Hamico is part of the Vietnam-wide entity in this proceeding. With respect to the Vietnam-wide entity, we have applied, as AFA, the highest transaction-specific rate calculated for a mandatory respondent, the TJ Group. Therefore, pursuant to our practice we will not instruct CBP to deduct any export subsidy from the Vietnam-wide entity’s cash deposit rate.<sup>113</sup>

(A/K/A Nguyen Hoang Vu Co., Ltd.); Ocean Star Transport Co., Ltd.; Quoc Ha Production Trading Service; Quyky (Factory); Quyky Group/Quyky Co., Ltd./Quyky-Yanglei International Co., Ltd.; S.I.L.C.; Tan Minh Textile Sewing Trading Co., Ltd.; Thanh Hieu Manufacturing Trading Co. Ltd.; The Xuong Co., Ltd.; Thien Ngon Printing Co., Ltd.; Top Sharp International Trading Limited; Trung Viet My Joint Stock Company; Viet Anh Imp-Exp Joint Stock Co.; Viet Hanger Investment, LLC/Viet Hanger; Vietnam Hangers Joint Stock Company; VNS/VN Sourcing/Vietnam Sourcing; Yen Trang Co., Ltd.; and South East Asia Hamico Export Joint Stock Company.

<sup>111</sup> See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 From India*, 69 FR 67306, 67307 (November 17, 2007).

<sup>112</sup> See *Certain Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 77 FR 32930 (June 4, 2012).

<sup>113</sup> See, e.g., *Galvanized Steel Wire From the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 77 FR 17430, 17435 (March 26, 2012).

For the separate rate recipients in this case, who are receiving the All-Others rate in the CVD investigation, we will instruct CBP to require an AD cash deposit equal to the amount by which the NV exceeds the U.S. price, as indicated above, reduced by the lesser of the average of the export subsidy rates determined in the CVD investigation or the average of the CVD export subsidy rates applicable to the TJ Group, on which the separate rate dumping margins are based.

For all other entries of steel wire garment hangers from Vietnam, the following cash deposit instructions apply: (1) The rate for the firms listed in the chart above will be the rate we have determined in this preliminary determination; (2) for all non-Vietnamese exporters of steel wire garment hangers which have not received their own rate, the cash-deposit rate will be the rate applicable to the Vietnamese exporter in the combination listed above, that supplied that non-Vietnamese exporter. These suspension-of-liquidation instructions will remain in effect until further notice.

### International Trade Commission Notification

In accordance with section 733(f) of the Act, we will notify the ITC of our preliminary affirmative determination of sales at LTFV. Section 735(b)(2) of the Act requires the ITC to make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of steel wire garment hangers, or sales (or the likelihood of sales) for importation, of the steel wire garment hangers within 45 days of our final determination.

### Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Import Administration no later than seven days after the date the final verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in case briefs, no later than five days after the deadline for submitting case briefs.<sup>114</sup> A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. This summary should be limited to five pages total, including footnotes.

In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. If a

request for a hearing is made, we intend to hold the hearing three days after the deadline of submission of rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Ave. NW., Washington, DC 20230, at a time and location to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Any interested party may request a hearing within 30 days of publication of this notice.<sup>115</sup> Hearing requests should contain the following information: (1) The party’s name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.<sup>116</sup>

### Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters, who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. The Department’s regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

As noted above, on June 25, 2012, the TJ Group requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days and extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four month period to a six month period. In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) Our preliminary determination is affirmative; (2) the requesting producers/exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, we are granting this request and are postponing the final determination until no later than 135 days after the publication of this notice in the **Federal**

<sup>114</sup> See 19 CFR 351.309(c)(1)(i) and 19 CFR 351.309(d)(1).

<sup>115</sup> See 19 CFR 351.310(c).

<sup>116</sup> See 19 CFR 351.310(d).

**Register.** Suspension of liquidation will be extended accordingly. We are also granting the request to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2) from a four month period to a six month period.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

Dated: July 26, 2012.

**Paul Piquado,**

*Assistant Secretary for Import Administration.*

[FR Doc. 2012-18905 Filed 8-1-12; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-583-849]

#### Steel Wire Garment Hangers From Taiwan: Preliminary Determination of Sales at Less Than Fair Value

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

**SUMMARY:** The U.S. Department of Commerce (the "Department") preliminarily determines that steel wire garment hangers ("hangers") from Taiwan are being, or are likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733(b) of the Tariff Act of 1930, as amended (the "Act"). The estimated margins of sales at LTFV are listed in the "Preliminary Determination" section of this notice. Interested parties are invited to comment on this preliminary determination.

**DATES:** *Effective Date:* August 2, 2012

**FOR FURTHER INFORMATION CONTACT:** Scot Fullerton at (202) 482-1386, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### Background

On December 29, 2011, the Department received an antidumping duty ("AD") petition concerning imports of steel wire garment hangers from Taiwan filed in proper form on behalf of M&B Metal Products Company, Inc.; Innovative Fabrication LLC/Indy Hanger; and US Hanger Company, LLC (collectively, the

"Petitioners").<sup>1</sup> On January 25, 2012, the Department initiated an AD investigation on hangers from Taiwan.<sup>2</sup>

The Department set aside a period of time for parties to raise issues regarding product coverage and encouraged all parties to submit comments within 20 calendar days of the date of publication of the *Initiation Notice*.<sup>3</sup> We received no comments from interested parties concerning product coverage. The Department also set aside a period of time for parties to comment on product characteristics for use in the AD questionnaire.<sup>4</sup> We received no comments from interested parties concerning product characteristics.

On February 21, 2012, the International Trade Commission ("ITC") published its affirmative preliminary determination that there is a reasonable indication that imports of hangers from Taiwan are materially injuring the U.S. industry, and the ITC notified the Department of its findings.<sup>5</sup>

On March 9, 2012, we selected Golden Canyon Ltd. ("Golden Canyon") and Taiwan Hanger Manufacturing Co., Ltd. ("Taiwan Hanger") as mandatory respondents in this investigation. See the "Selection of Respondents" section of this notice, below. On March 14, 2012, we issued the AD questionnaire to Golden Canyon and Taiwan Hanger. On April 9, 2012, we again issued the AD questionnaire to Golden Canyon and Taiwan Hanger. We did not receive questionnaire responses from Golden Canyon or Taiwan Hanger.<sup>6</sup> Golden Canyon's questionnaires were returned due to incorrect addresses.<sup>7</sup> Taiwan Hanger did not respond to the questionnaires.<sup>8</sup> On April 27, 2012, Petitioners requested that the preliminary determination be postponed. On May 14, 2012, we

postponed our preliminary determination by 50 days.<sup>9</sup>

#### Period of Investigation

The period of investigation ("POI") is October 1, 2010, through September 30, 2011.<sup>10</sup>

#### Scope of Investigation

The merchandise subject to this investigation 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 investigation 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 investigation 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.

#### Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. Section 777A(c)(2) of the Act gives the Department discretion, when faced with a large number of exporters or producers, to limit its examination to a reasonable number of such companies if it is not practicable to examine all companies. The data on the record indicates that there are 22 potential producers or exporters of hangers from Taiwan that exported the subject merchandise to the United States during the POI.<sup>11</sup> In the *Initiation Notice* we stated that we intended to select respondents based on U.S. Customs and Border Protection ("CBP")

<sup>1</sup> See "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," filed on December 29, 2011 (the "Petition").

<sup>2</sup> See *Steel Wire Garment Hangers from the Socialist Republic of Vietnam and Taiwan: Initiation of Antidumping Duty Investigations*, 77 FR 3731 (January 25, 2012) ("*Initiation Notice*").

<sup>3</sup> See *Initiation Notice*.

<sup>4</sup> *Id.*

<sup>5</sup> See *Steel Wire Garment Hangers from Taiwan and Vietnam*, Investigation Nos. 701-TA-487 and 731-TA 1197-1198 (Preliminary).

<sup>6</sup> See Memorandum to the File, "Steel Wire Hangers from Taiwan: Questionnaire Delivery Attempts," dated concurrently with this notice ("Questionnaire Delivery Memo") which details our attempts to deliver the questionnaires to Golden Canyon and Taiwan Hanger.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> See *Steel Wire Garment Hangers from the Socialist Republic of Vietnam and Taiwan: Postponement of Preliminary Determinations of Antidumping Duty Investigations*, 77 FR 28356 (May 14, 2012).

<sup>10</sup> See section 351.204(b)(1) of the Department's regulations.

<sup>11</sup> See the Petition at Exhibit 6.