Assessment Rates

Pursuant to section 751(a)(2)(A) of the Tariff Act of 1930, as amended (the “Act”), and 19 CFR 351.212(b), the Department has determined, and U.S. Customs and Border Protection (“CBP”) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. The Department intends to issue appropriate assessment instructions directly to CBP 15 days after publication of the final results of this administrative review.

Where the respondent reported reliable entered values, we calculated importer (or customer)-specific ad valorem rates by aggregating the dumping margins calculated for all U.S. sales to each importer (or customer) and dividing this amount by the total entered value of the sales to each importer (or customer). Where the Department calculated a weighted-average dumping margin by dividing the total amount of dumping for reviewed sales to that party by the total sales quantity associated with those transactions, the Department will direct CBP to assess importer-specific assessment rates based on the resulting per-unit rates. Where an importer- (or customer-) specific ad valorem or per-unit rate is greater than de minimis, the Department will instruct CBP to collect the appropriate duties at the time of liquidation. Where an importer- (or customer-) specific ad valorem or per-unit rate is zero or de minimis, the Department will instruct CBP to liquidate appropriate entries without regard to antidumping duties.

Pursuant to the Department’s assessment practice, for entries that were not reported in the U.S. sales databases submitted by companies individually examined during this review, the Department will instruct CBP to liquidate such entries at the PRC-wide entity rate. Additionally, if the Department determines that an exporter had no shipments of the subject merchandise, any suspended transactions could result in the Department’s presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) For the exporters listed above, the cash deposit rate will be the rate established in the final results of review (except, if the rate is zero or de minimis, i.e., less than 0.5 percent, a zero cash deposit rate will be required for that company); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-Wide rate of 206 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporters that supplied that non-PRC exporter. The deposit requirements shall remain in effect until further notice.

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).

Notification to Importers

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in the Department’s presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

Administrative Protective Orders

This notice also serves as a reminder to parties subject to administrative protective order (“APO”) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing these final results of administrative review in accordance with sections 751(a)(1) and 777(i) of the Act.

Dated: November 14, 2016.

Paul Piquado,
Assistant Secretary for Enforcement and Compliance.

Appendix I—Issues and Decision Memorandum

I. Summary
II. Scope
III. Background
IV. Discussion of the Issues
Comment 1: Selection of Surrogate Country
Comment 2: Bulgarian Financial Ratios
Comment 3: Treatment of Irrecoverable VAT
Comment 4: Proposed Changes to the Calculation Methodology for New Oriental’s CIF Sales
VI. Conclusion
[FR Doc. 2016–28109 Filed 11–21–16; 8:45 am]
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DEPARTMENT OF COMMERCE
International Trade Administration

[45–470–298]

Uncovered Innerspring Units From the People’s Republic of China: Initiation of Anti–circumvention Inquiry on Antidumping Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on available information, the Department of Commerce (Department) is self-initiating an anticircumvention inquiry to determine whether certain imports are circumventing the antidumping duty order on uncovered innerspring units (innerspring units) from the People’s Republic of China (PRC).

DATES: Effective November 22, 2016.


SUPPLEMENTARY INFORMATION:

Background

On December 31, 2007, Petitioner filed a petition seeking imposition of antidumping duties on imports of uncovered innerspring units from, 8


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among other countries, the PRC.\footnote{The petition also included imports of uncovered innerspring units from South Africa and the Socialist Republic of Vietnam. \textit{See Uncovered Innerspring Units From the People’s Republic of China, South Africa, and the Socialist Republic of Vietnam: Initiation of Antidumping Duty Investigations}, 73 FR 4817 (January 28, 2008).}


In the sixth administrative review of the Order,\footnote{See AR6 Factual Information Memo at Attachment 1, at page 6.} Petitioner requested that the Department review Macao Commercial and Industrial Spring Mattress Manufacturer (Macao Commercial) and East Grace Corporation. The Department initiated the review on April 3, 2015,\footnote{Id.} and sent questionnaires to the named respondents, including Macao Commercial. During the course of the sixth administrative review, and in response to the Department’s original and supplemental questionnaires, Macao Commercial acknowledged that it imports innerspring unit components from the PRC for use in the production of innerspring units in Macau.\footnote{See, e.g., Memorandum to the File “Factual Information from the Sixth Administrative Review,” dated concurrently with this initiation notice [AR6 Factual Information Memo], at Attachment 1. In the AR6 Final Results, we found that “Macao Commercial submitted this inventory report in two different exhibits within its July 21, 2016 QR response and that within Exhibit 5 is an invoice for not just raw materials but PRC-origin innerspring components from Company X.” \textit{See Uncovered Innerspring Units From the People’s Republic of China: Final Results of Antidumping Duty Administrative Review}, 2014–2015. 81 FR 62729 (September 12, 2016) [AR6 Final Results] and accompanying issues and Decision Memorandum at Comment 1.} In the final results, the Department found that Macao Commercial failed to demonstrate that it had no shipments of PRC-origin innersprings, and assigned a rate to Macao Commercial using adverse facts available. The Department stated that this determination applied only with respect to Macao Commercial’s PRC-origin subject merchandise, but explained that it intended to evaluate whether self-initiation of a circumvention inquiry would be warranted based upon information submitted during the review and in light of the Department’s prior circumvention findings in this proceeding.\footnote{See AR6 Factual Information Memo at Attachment 2, page 6.}

\section*{Scope of the Order}

The merchandise subject to the Order is uncovered innerspring units composed of a series of individual metal springs joined together in sizes corresponding to the sizes of adult mattresses (e.g., twin, twin long, full, full long, queen, California king, and king) and units used in smaller constructions, such as crib and youth mattresses. All uncovered innerspring units are included in the scope regardless of width and length. Included within this definition are innersprings typically ranging from 30.5 inches to 76 inches in width and 68 inches to 84 inches in length. Innersprings for crib mattresses typically range from 25 inches to 27 inches in width and 50 inches to 52 inches in length. Uncovered innerspring units are suitable for use as the innerspring component in the manufacture of innerspring mattresses, including mattresses that incorporate a foam encasement around the innerspring. Pocketed and non-pocketed innerspring units are included in this definition. Non-pocketed innersprings are typically joined together with helical wire and border rods. Non-pocketed innersprings are included in this definition regardless of whether they have border rods attached to the perimeter of the innerspring. Pocketed innersprings are individual coils covered by a “pocket” or “sock” of a nonwoven synthetic material or woven material and then glued together in a linear fashion.

Uncovered innersprings are classified under subheading 9404.29.9010 and have also been classified under subheadings 9404.10.0000, 7326.20.0070, 7320.20.5010, or 7320.90.5010 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of the Order is dispositive.

\section*{Initiation of Circumvention Proceeding}

Section 781(b)(1) of the Tariff Act of 1930, as amended (the Act) provides that the Department may find circumvention of an antidumping duty order when merchandise of the same class or kind subject to the order is completed or assembled in a foreign country other than the country to which the order applies. In conducting anticircumvention inquiries, under section 781(b)(1) of the Act, the Department will also evaluate whether: (1) The process of assembly or completion in the other foreign country is minor or insignificant; (2) the value of the merchandise produced in the foreign country to which the antidumping duty order applies is a significant portion of the total value of the merchandise exported to the United States; and (3) action is appropriate to prevent evasion of such an order or finding.

\subsection*{A. Merchandise of the Same Class or Kind}

Available information shows that the innerspring units that Macao Commercial completes or assembles in Macau and subsequently ships to the United States are of the same class or kind as that subject to the Order.\footnote{8 The United States International Trade Commission also noted that innerspring coils and border rods are major components of an innerspring unit. \textit{See Uncovered Innerspring Units from South Africa and Vietnam}, USITC Pub. 4051, Inv. Nos. 731–TA–1141–1142 at 1–11 (December 2008) (hereinafter, “USITC Uncovered Innersprings Report”). In its final determination regarding imports of uncovered innersprings from the PRC, the Commission adopted the findings and analyses in its determinations and views regarding subject imports from South Africa and Vietnam with respect to the domestic like product, the domestic industry, cumulative, and material injury. \textit{Uncovered Innerspring Units from China}, USITC Pub. 4061, Inv. No. 731–TA–1140 at 3 and I–1 (February 2009). See AR6 Factual Information Memo at Attachment 2, pages 6–8 and Exhibit 1, and Attachment 1, at page 10; see also AR6 Final Results, and accompanying Issues and Decision Memorandum at 6–9.}

\subsection*{B. Completion of Merchandise in a Foreign Country}

The Order indicates that innerspring units are assembled from three key components: Steel wire coils, helical wires, and in certain cases border rods.\footnote{9 Information from the sixth administrative review indicates that Macao Commercial sources components used in the production of innerspring units from the PRC, the country with respect to which the Order applies, and that Macao Commercial then sells innerspring units to the United States.\footnote{10 Petitioner requested that the Department review Macao Commercial and Industrial Spring Mattress Manufacturer (Macao Commercial) and East Grace Corporation. The Department initiated the review on April 3, 2015, and sent questionnaires to the named respondents, including Macao Commercial. During the course of the sixth administrative review, and in response to the Department’s original and supplemental questionnaires, Macao Commercial acknowledged that it imports innerspring unit components from the PRC for use in the production of innerspring units in Macau. In the final results, the Department found that Macao Commercial failed to demonstrate that it had no shipments of PRC-origin innersprings, and assigned a rate to Macao Commercial using adverse facts available. The Department stated that this determination applied only with respect to Macao Commercial’s PRC-origin subject merchandise, but explained that it intended to evaluate whether self-initiation of a circumvention inquiry would be warranted based upon information submitted during the review and in light of the Department’s prior circumvention findings in this proceeding.} Information from the sixth administrative review indicates that Macao Commercial’s PRC-origin subject merchandise, but explained that it intended to evaluate whether self-initiation of a circumvention inquiry would be warranted based upon information submitted during the review and in light of the Department’s prior circumvention findings in this proceeding.\footnote{See AR6 Factual Information Memo at Attachment 2, page 6.}
等因素来确定组装或生产这类商品的某国外国家是否更小或不显著。对这些因素的分析表明，在一定范围内，Macao Commercial的生产过程和完成的内衬弹簧单位在Macau可能是不显著的。（1）Macau的投入

组装内衬弹簧组件至内衬弹簧单位可能受到限制。在发起先前的反规避调查时，我们引证了Petitioner关于在组装内衬弹簧组件至内衬弹簧单位过程所使用的技术和成本低廉的证据。Petitioner解释说，组装内衬弹簧组件至内衬弹簧单位过程所需的投入和劳动力非常有限，且仅需有限的资金投入。Petitioner提供了证据证明，在最简单的情况中，即可手动操作，轴线是木制或钢制的夹具，内衬弹簧组件是简单地装入一个用木头或钢制成的夹具中，即夹具的（连续或宝兰）轴是手戴，然后与钢线相连，并在施力于夹具的夹子上。14 Petitioner估计，制作这样一个新的木制（或钢制）夹具大约要花费200–400美元。15 从提供的信息来看，这种生产步骤并不是复杂且不需要花费显著的劳动成本。16

（2）在Macau的研究和开发进程

在第六次行政审查中，没有证据表明Macao Commercial在进行任何研究和开发活动，包括与内衬弹簧单位组装有关的研究和开发活动。我们本来也不会预料Macao Commercial会花费显著的研究和开发费用。另一方面，由于在发起先前的反规避调查过程中，我们不认为内衬弹簧单位是“成熟”产品，因此其研究和开发活动受到限制，其结果也很可能不会在最后的裁定中得到体现。18

在第六次行政审查中，Macao Commercial表示其生产过程比Macau相似的生产过程复杂，这表明在Macau的生产设施相似。Macao Commercial表示其只有一个相对规模较小的生产设施，涉及内衬弹簧单位的装配，涉及由六到七名工人组成的生产设施。Macao Commercial在执行任何研究和开发活动方面没有预期其会花费显著的费用。20

（4）在Macau的生产设施

在发起先前的反规避调查时，我们引用了公司关于在公司就某一问题的生产设施中使用了六至七名工人参与内衬弹簧组件的组装过程，与其他内衬弹簧单位相比，这一过程并不显著。16

（5）相比未发现的内衬弹簧单位从中国进口的内衬弹簧单位

我们没有找到表明在未发现的内衬弹簧单位中从事内衬弹簧组件的生产过程在Macau的内衬弹簧单位中所生产的产品所占比例小的证据。24 我们发现此信息是相关的。此信息表明相似的生产过程在Macau很可能会代表不显著的部分。整体价值。

D. 从中国商品价值

在发起先前的反规避调查时，我们引用了关于在发起时，我们引用了公司关于在某问题的生产设施中使用了六至七名工人参与内衬弹簧组件的组装过程，与其他内衬弹簧单位相比，这一过程并不显著。16

21 See AR6 Factual Information Memo at Attachment 2, Exhibit 1.
22 See AR6 Factual Information Memo at Attachment 1, Exhibit 3 (Macao Commercial's production information indicates that similar assembly operations in Macau would likely represent an insignificant portion of the total value of the inner spring units imported into the United States. Nonetheless, in initiating a prior circumvention inquiry under this Order, we cited evidence provided by the Petitioner that the value of assembly processing performed in another third country (Malaysia) likely represented a small portion of the total value of the inner spring units imported into the United States. We find that this information is relevant here. This information indicates that similar assembly operations in Macau would likely represent an insignificant portion of the total value.

23 See AR6 Factual Information Memo at Attachment 2, Exhibit 1.
24 See AR6 Factual Information Memo at Attachment 1, Exhibit 3.
25 See AR6 Factual Information Memo at Attachment 2, Exhibit 1.
26 See AR6 Factual Information Memo at Attachment 1, Exhibit 3.
27 See AR6 Factual Information Memo at Attachment 2, Exhibit 1.
28 See AR6 Factual Information Memo at Attachment 1, Exhibit 3.
29 See AR6 Factual Information Memo at Attachment 2, Exhibit 1.
30 See AR6 Factual Information Memo at Attachment 1, Exhibit 3.
innerspring units models at its own facility in Guangzhou, PRC. Petitioner believed that its operation (and costs) in the PRC are representative of the operations (and costs) of other PRC innerspring unit producers/exporters, as it is the largest producer of innersprings in the PRC. According to Petitioner’s analysis of its own production costs in the PRC, the total value of these innerspring components compose a significant portion of the total value of an innerspring unit.\(^{29}\) Similarly, based on the limited information available from the sixth administrative review, we find that the value of production in the PRC appears to comprise a significant portion of the value of Macao Commercial’s innersprings units.\(^{29}\)

**E. Additional Factors for Consideration**

Section 781(b)(3) of the Act directs the Department to consider additional factors in determining whether to include merchandise assembled or completed in a foreign country within the scope of the Order.

(1) Pattern of Trade

Macao Commercial stated that it expressly set up the flow of trade of innerspring components from the PRC in order to make Macau the country of origin for shipment to countries with antidumping duty orders.\(^{30}\) Additionally, data from the United States International Trade Commission DataWeb show a significant increase of U.S. imports of innersprings units from Macau since the imposition of the Order.\(^{31}\)

(2) Affiliation

Macao Commercial is affiliated with a producer of subject merchandise in the PRC and is also affiliated with other Macanese companies involved in the innersprings industry.\(^{32}\) Generally, the Department considers circumvention to be more likely to occur when the manufacturer of the PRC-origin merchandise is related to the third country assembler and is a critical element in our evaluation of circumvention.\(^{33}\)

\(^{27}\) Id. at 14–15 and Exhibit 6.

\(^{28}\) Id.

\(^{29}\) See AR6 Factual Information Memo at Attachment 1, Exhibit 3.

\(^{30}\) See AR6 Factual Information Memo at Attachment 1, page 3.

\(^{31}\) See Memorandum to the File “Innerspring Units Import Data,” dated concurrently with this initiation notice.

\(^{32}\) See AR6 Factual Information Memo at Attachments 1 and 2.

\(^{33}\) See Golden Prelim, and accompanying Preliminary Decision Memorandum at “Affiliation.”

\(^{34}\) See AR6 Factual Information Memo at Attachment 3, page 2.

\(^{35}\) See, e.g., Golden Initiation.

\(^{29}\) See AR6 Factual Information Memo at Attachment 3, page 2.

\(^{30}\) See AR6 Factual Information Memo at Attachment 3, page 2.

\(^{31}\) See AR6 Factual Information Memo at Attachment 3, page 2.

\(^{32}\) See AR6 Factual Information Memo at Attachment 3, page 2.

\(^{33}\) See AR6 Factual Information Memo at Attachment 3, page 2.

\(^{34}\) See AR6 Factual Information Memo at Attachment 3, page 2.

\(^{35}\) See AR6 Factual Information Memo at Attachment 3, page 2.