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Sunset Reviews
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MEMORANDUM TO: David M. Spooner
Assistant Secretary
for Import Administration

FROM: Stephen J. Claeys
Deputy Assistant Secretary
for Import Administration

SUBJECT: Issues and Decision Memorandum for the Expedited Sunset Reviews
of the Antidumping Duty Orders on Steel Concrete Reinforcing Bars
from Moldova, the People's Republic of China, South Korea,
Indonesia, Poland, and Belarus; Final Results

Summary

We have analyzed the responses of the interested parties in the sunset reviews of the antidumping duty orders covering steel concrete reinforcing bars from Moldova, the People's Republic of China ("PRC"), South Korea, Indonesia, Poland, and Belarus. We recommend that you approve the positions described in the Discussion of the Issues section of this memorandum. Below is the complete list of the issues in these sunset reviews for which we received substantive responses:

1. Likelihood of continuation or recurrence of dumping
2. Magnitude of the margin likely to prevail

History of the Orders

On April 11, 2001, the Department of Commerce (“the Department”) published its final determinations in the investigations of steel concrete reinforcing bars from Poland and Indonesia. For Poland, the Department found antidumping duty margins of 52.07 percent for Stalexport and 47.13 percent for the all others rate. For Indonesia, the Department found the following antidumping duty margins:

PT Gunung Gahapi Sakti	71.01
PT Bhirma Steel	71.01
Krakatau Wajatama	71.01
PT Jakarta Steel Perdana Industri	71.01
PT Hanil Jaya Metal Works	71.01
PT Pulogadung Steel	71.01
PT Jakarta Cakra Tunggal	71.01
PT The Master Steel Manufacturing Co.	71.01
All Others Rate	60.46

See Notice of Final Determinations of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Indonesia, Poland and Ukraine, 66 FR 18752 (April 11, 2001).

On June 22, 2001, the Department published its final determinations in the investigations of steel concrete reinforcing bars from Moldova, the PRC, South Korea, and Belarus. For the PRC, the Department found antidumping duty margins of 133.00 percent for Laiwu Steel Group and 133.00 percent for the PRC-wide rate. For Moldova, the Department found an antidumping duty margin of 232.86 percent for the Moldova-wide rate. For Belarus, the Department found an antidumping duty margin of 114.53 percent. For South Korea, the Department found the following antidumping duty margins:

Dongkuk Steel Mill Co., Ltd./	
Korea Iron & Steel Co., Ltd.	22.89
Hanbo Iron & Steel Co., Ltd.	102.28
All Others Rate	22.89

See Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Moldova, 66 FR 33525 (June 22, 2001); Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars From the People’s Republic of China, 66 FR 33522 (June 22, 2001); Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars From the Republic of Korea, 66 FR 33526 (June 22, 2001); and Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars From Belarus, 66 FR 33528 (June 22, 2001).

On September 7, 2001, the Department published antidumping duty orders on steel concrete

reinforcing bars from Belarus, Indonesia, Moldova, the PRC, Poland, and the Republic of Korea. See Antidumping Duty Orders: Steel Concrete Reinforcing Bars From Belarus, Indonesia, Latvia, Moldova, People’s Republic of China, Poland, Republic of Korea and Ukraine, 66 FR 46777 (September 7, 2001).

Since the issuance of the antidumping duty orders, the Department has conducted two administrative reviews with respect to steel concrete reinforcing bars from South Korea, and is in the process of a third and fourth administrative review.¹ The Department has conducted no administrative reviews with respect to imports of steel concrete reinforcing bars from Belarus, Poland, Indonesia, the PRC, and Moldova.

There have been no changed circumstances determinations, no duty absorption findings, and no scope clarifications or rulings concerning the steel concrete reinforcing bars antidumping duty orders. Several Harmonized Tariff Schedule categories have been added to the scope, but the scope description itself has not changed. The orders remain in effect for all manufacturers, producers, and exporters of the subject merchandise.

On August 1, 2006, the Department published the notice of initiation of the sunset reviews of the antidumping duty orders on steel concrete reinforcing bars from Moldova, the PRC, South Korea, Indonesia, Poland, and Belarus, pursuant to section 751(c) of the Tariff Act of 1930, as amended, (“the Act”). See Initiation of Five-Year (“Sunset”) Reviews, 71 FR 43443 (August 1, 2006) (“Notice of Initiation”). The Department received a notice of intent to participate from the following domestic parties: the Rebar Trade Action Coalition and its individual producer members, Nucor Corporation, CMC Steel Group, and Gerdau Ameristeel, as well as domestic producers TAMCO Steel and Schnitzer Steel Industries, Inc. (“Schnitzer”) (collectively “domestic interested parties”), within the deadline specified in 19 CFR 351.218(d)(1)(i). The companies claimed interested party status under section 771(9)(C) of the Act, as manufacturers of a domestic-like product in the United States.

The Department received a complete substantive response to the notice of initiation from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). In this response, Cascade Steel Rolling Mills, Inc. (“Cascade”) was substituted for Schnitzer as a domestic interested party. Cascade is a wholly owned subsidiary of Schnitzer. Also, Steel Dynamics, Inc. (“SDI”) was added as a domestic producer. Because SDI did not file a notice of intent to participate in this review, it is not eligible to file a substantive response. See 19 CFR 351.218(d)(iii)(A). Therefore, the domestic interested parties are now the Rebar Trade Action

¹ See Steel Concrete Reinforcing Bar From The Republic of Korea: Final Results of Antidumping Duty Administrative Review, 69 FR 19399 (April 13, 2004); Steel Concrete Reinforcing Bars From the Republic of Korea: Notice of Final Results and Final Partial Rescission of Antidumping Duty Administrative Review, 69 FR 54642 (September 9, 2004); Steel Concrete Reinforcing Bar From The Republic of Korea: Notice of Preliminary Results and Preliminary Rescission, in Part, of Antidumping Duty Administrative Review, 71 FR 59440 (October 10, 2006); and Initiation of Antidumping and Countervailing Duty Administrative Reviews, 71 FR 63752 (October 31, 2006).

Coalition and its individual producer members, Nucor Corporation, CMC Steel Group, and Gerdau Ameristeel, as well as TAMCO Steel, and Cascade.

We received no responses from respondent interested parties with respect to any of the orders covered by these sunset reviews except for Moldova. The Department received a substantive response from respondent interested party, JSCC Moldova Steel Works (“Moldova Steel Works”), within the deadline specified in 19 CFR 351.218(d)(3)(i). On September 20, 2006, the Department determined that Moldova Steel Works did not account for more than 50 percent of exports by volume of the subject merchandise, because it reported that it had no exports during the 2001-2005 sunset review period. Therefore, the Department found that Moldova Steel Works did not submit an adequate response to the Department’s Notice of Initiation. See Memorandum to Susan H. Kuhbach entitled, “Adequacy Determination in Antidumping Duty Sunset Review of Steel Concrete Reinforcing Bars from Moldova,” (September 20, 2006).

As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2), the Department is conducting expedited (120-day) sunset reviews of the antidumping duty orders for Moldova, the PRC, South Korea, Indonesia, Poland, and Belarus.

Discussion of the Issues

In accordance with section 751(c)(1) of the Act, the Department conducted these sunset reviews to determine whether revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making these determinations, the Department shall consider both the weighted-average dumping margins determined in the investigations and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty orders. In addition, section 752(c)(3) of the Act provides that the Department shall provide to the International Trade Commission (“ITC”) the magnitude of the margins of dumping likely to prevail if the orders were revoked. Below we address the comments of the interested parties.

1. Likelihood of Continuation or Recurrence of Dumping

Interested Party Comments

Domestic interested parties believe that revocation of these antidumping duty orders would likely lead to a continuation or recurrence of dumping by the manufacturers, producers, and exporters of the subject merchandise. See domestic interested parties’ substantive responses for Moldova, the PRC, South Korea, Indonesia, Poland, and Belarus (August 31, 2006).

Moldova: Domestic interested parties state that all imports of subject merchandise ceased after the imposition of the order and there have been no imports during the sunset review period. Also, domestic interested parties state that antidumping margins remain at 232.86 percent because there have been no administrative reviews. Thus, domestic interested parties conclude

that the substantial antidumping duty margins and the cessation of all imports following the issuance of the antidumping duty order demonstrate that revocation of the order will certainly lead to a continuation of dumping. See domestic interested parties' Substantive Response for Moldova, at 4-6 (August 31, 2006).

Moldova Steel Works claims that it is the only producer of steel concrete reinforcing bars in Moldova. It claims that its "exports of steel concrete reinforcing bars from Moldova in recent years have been steady at zero level further reflecting that MSW does not need to dump to sell steel concrete reinforcing bars to the United States." Moldova Steel Works continues by stating that it "is currently producing steel concrete reinforcing bars in Moldova virtually at its production capacity and has no intention of shifting sales to export additional steel concrete reinforcing bars to the United States." See Moldova Steel Work's Substantive Response, at 3 (August 31, 2006).

In the domestic interested parties' rebuttal comments, they reiterate that cessation of imports after the imposition of an order is a clear indication that the producers cannot sell to the United States market at a non-dumped price, and that dumping will likely resume if the order is revoked. See domestic interested parties' Rebuttal, at 2 (September 5, 2006).

PRC: Domestic interested parties state that imports of subject merchandise have decreased by almost 100 percent since the imposition of the order. Also, domestic interested parties state that antidumping margins remain at 133.00 percent because there have been no administrative reviews. Thus, the domestic interested parties argue that the substantial antidumping duty margins and the dramatic decrease of imports following the issuance of the antidumping duty order demonstrate that revocation of the order will certainly lead to a continuation of dumping. See domestic interested parties' Substantive Response for the PRC, at 4-6 (August 31, 2006).

South Korea: Domestic interested parties state that the volume of imports subject to this order declined significantly after the imposition of the order and the import volume has not recovered to pre-order levels. Also, domestic interested parties state that antidumping duty margins have remained at a level above *de minimis* for each subsequent administrative review. Thus, domestic interested parties argue that the substantial antidumping duty margins and significant decline in the volume of imports following the issuance of the antidumping duty order demonstrate that revocation of the order will certainly lead to a continuation of dumping. See domestic interested parties' Substantive Response for South Korea, at 4-8 (August 31, 2006).

Indonesia: Domestic interested parties state that all imports of subject merchandise ceased after the imposition of the order. Also, the domestic interested parties state that antidumping duty margins remain at 71.01 percent for respondents and at 60.46 percent for the all others rate because there have been no administrative reviews. Thus, domestic interested parties argue that the substantial antidumping duty margins and the cessation of all imports following the issuance of the antidumping duty order demonstrate that revocation of the order will certainly lead to a continuation of dumping. See domestic interested parties' Substantive Response for Indonesia,

at 4-6 (August 31, 2006).

Poland: Domestic interested parties state that imports of subject merchandise decreased drastically after the imposition of the order. Also, domestic interested parties state that antidumping margins remain at 52.07 percent for one respondent and at 47.13 percent for the all others rate because there have been no administrative reviews. Thus, the domestic interested parties argue that the substantial antidumping duty margins and the dramatic decrease of imports following the issuance of the antidumping duty order demonstrate that revocation of the order will certainly lead to a continuation of dumping. See domestic interested parties' Substantive Response for Poland, at 4-6 (August 31, 2006).

Belarus: Domestic interested parties state that imports of subject merchandise decreased drastically after the imposition of the order. Also, the domestic interested parties state that the Belarus-wide antidumping margin remains at 114.53 percent because there have been no administrative reviews. Thus, the domestic interested parties argue that the substantial antidumping duty margin and the dramatic decrease of imports following the issuance of the antidumping duty order demonstrate that revocation of the order will certainly lead to a continuation of dumping. See domestic interested parties' Substantive Response for Belarus, at 4-6 (August 31, 2006).

Department's Position

Consistent with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, the Department's determinations of likelihood will be made on an order-wide basis. In addition, the Department normally will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly. In addition, pursuant to 752(c)(1)(B) of the Act, the Department considers the volume of imports of the subject merchandise for the period before and after the issuance of the antidumping duty order.

Moldova: Census Bureau data provided by the domestic interested parties and Moldova Steel Works' own data show that imports of steel concrete reinforcing bars from Moldova ceased after the imposition of the order. See domestic interested parties' Substantive Response, at Exhibit 2 (August 31, 2006); and Moldova Steel Works' Substantive Response, at 4 (August 31, 2006). While Moldova Steel Works claims that it would not shift exports to the United States from other export markets, the fact that it has not shipped any subject merchandise to the United States since the issuance of the order suggests that the order has had a restraining effect on Moldova Steel Work's exports to the United States and that the removal of the order would lead to a continuation or recurrence of dumped shipments. Therefore, the Department determines that dumping is likely to continue or recur if the order were revoked.

PRC: Census Bureau data provided by the domestic interested parties shows that imports of steel concrete reinforcing bars from the PRC dropped significantly after the imposition of the order when compared to pre-order import levels. In 2000, prior to issuance of the order, imports of subject merchandise were 163,124 tons. For 2001, imports were 47 tons; for 2002, imports were 21 tons; for 2003, imports were zero; for 2004, imports were 169 tons; and for 2005, imports were 60 tons. See domestic interested parties' Substantive Response for the PRC at Exhibit 2 (August 31, 2006). Given that there have been no reviews since the investigation, dumping continues at above *de minimis* levels, and imports are below pre-order levels, the Department determines that dumping is likely to continue or recur if the order were revoked.

South Korea: Census Bureau data provided by the domestic interested parties shows that imports of steel concrete reinforcing bars from South Korea dropped significantly after the imposition of the order when compared to pre-order import levels. In 1998, 1999, and 2000, prior to issuance of the order, imports of subject merchandise were 527,080 net tons, 423,893 net tons, and 263,601 net tons, respectively. For 2001, imports were 118,469 net tons; for 2002-04, imports were zero; and for the first six months of 2005, imports were 5,516 net tons. See domestic interested parties' Substantive Response for South Korea at Exhibit 2 (August 31, 2006). Given that dumping continues at above *de minimis* levels, and imports are below pre-order levels, the Department determines that dumping is likely to continue or recur if the order were revoked.

Indonesia: Census Bureau data provided by the domestic interested parties shows that imports of steel concrete reinforcing bars from Indonesia ceased after the imposition of the order. See domestic interested parties' Substantive Response for Indonesia at Exhibit 2 (August 31, 2006). Given that there have been no reviews since the investigation, this suggests that the Indonesian producers cannot sell subject merchandise at non-dumped prices. Therefore, the Department determines that dumping is likely to continue or recur if the order were revoked.

Poland: Census Bureau data provided by the domestic interested parties shows that imports of steel concrete reinforcing bars from Poland dropped significantly after the imposition of the order when compared to pre-order import levels. In 2000, prior to issuance of the order, imports of subject merchandise were 69,292 net tons. For 2001, imports were 26,884 net tons; for 2002-03, imports were zero; for 2004, imports were 7,303 net tons; and for 2005, imports were zero. See domestic interested parties' Substantive Response for Poland at Exhibit 2 (August 31, 2006). Given that there have been no reviews since the investigation, dumping continues at above *de minimis* levels, and imports are below pre-order levels, the Department determines that dumping is likely to continue or recur if the order were revoked.

Belarus: Census Bureau data provided by the domestic interested parties shows that imports of steel concrete reinforcing bars from Belarus dropped significantly after the imposition of the order when compared to pre-order import levels. In 2000, prior to issuance of the order, imports of subject merchandise were 24,614 net tons. For 2001, imports were zero; for 2002, imports were 2,820 net tons; and, for 2003-05, imports were zero. See domestic interested parties' Substantive Response for Belarus at Exhibit 2 (August 31, 2006). Given that there have been no

reviews since the investigation, dumping continues at above *de minimis* levels, and imports are below pre-order levels, the Department determines that dumping is likely to continue or recur if the order were revoked.

2. Magnitude of the Margin Likely to Prevail

Interested Party Comments

Moldova: Domestic interested parties request that the Department report to the ITC the antidumping duty margin that was determined in the investigation. See domestic interested parties' Substantive Response for Moldova, at 6-7 (August 31, 2006). Thus, the domestic interested parties recommend a Moldova-wide rate of 232.86 percent. Moldova Steel Works states that the dumping margin likely to prevail is zero based on its arguments cited above. See Moldova Steel Work's Substantive Response, at 3.

PRC: Domestic interested parties request that the Department report to the ITC the antidumping duty margins that were determined in the investigation. See domestic interested parties' Substantive Response for the PRC, at 7 (August 31, 2006). The domestic interested parties recommend the following antidumping duty margins: for Laiwu Steel Group, 133.00 percent and for the PRC-wide rate, 133.00 percent.

South Korea: Domestic interested parties request that the Department report to the ITC the antidumping duty margins that were determined in the investigation. See domestic interested parties' Substantive Response for South Korea, at 8-9 (August 31, 2006). The domestic interested parties recommend the following antidumping duty margins: Dongkuk Steel Mill Co., Ltd./Korea Iron & Steel Co., Ltd., 22.89 percent; Hanbo Iron & Steel Co., Ltd., 102.28 percent; and for the all others rate, 22.89 percent.

Indonesia: Domestic interested parties request that the Department report to the ITC the antidumping duty margins that were determined in the investigation. See domestic interested parties' Substantive Response for Indonesia, at 7 (August 31, 2006). The domestic interested parties recommend the following antidumping duty margins: for PT Gunung Gahapi Sakti, 71.01 percent; PT Bhirma Steel, 71.01 percent; Krakatau Wajatama, 71.01 percent; PT Jakarta Steel Perdana Industri, 71.01 percent; PT Hanil Jaya Metal Works, 71.01 percent; PT Pulogadung Steel, 71.01 percent; PT Jakarta Cakra Tunggal, 71.01 percent; PT The Master Steel Manufacturing Co., 71.01 percent; and for the all others rate, 60.46 percent.

Poland: Domestic interested parties request that the Department report to the ITC the antidumping duty margins that were determined in the investigation. See domestic interested parties' Substantive Response for Poland, at 7 (August 31, 2006). The domestic interested parties recommend the following antidumping duty margins: for Stalexport, 52.07 percent and for the all others rate, 47.13 percent.

Belarus: Domestic interested parties request that the Department report to the ITC the antidumping duty margin that was determined in the investigation. See domestic interested parties' Substantive Response for Belarus, at 6-7 (August 31, 2006). The domestic interested parties recommend the Belarus-wide rate of 114.53 percent for all companies.

Department's Position

Normally the Department will provide to the ITC the company-specific margin from the investigation for each company. For companies not investigated specifically, or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. The Department's preference for selecting a margin from the investigation is based on the fact that it is the only calculated rate that reflects the behavior of manufacturers, producers, and exporters without the discipline of an order or suspension agreement in place. Under certain circumstances, however, the Department may select a more recently calculated margin to report to the ITC.

Since the order, the Department has conducted no administrative reviews for steel concrete reinforcing bars from Belarus, Poland, Indonesia, and the PRC. Also, for Belarus, Poland, and the PRC, exports to the United States are significantly lower when compared to the pre-order export levels. For Indonesia and Moldova, there have been no exports to the United States since the imposition of the order. Therefore, the Department finds that it is appropriate to provide the ITC with the antidumping duty rates from the investigation because these are the only calculated antidumping duty rates that reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place.

For Moldova, Moldova Steel Works asserts that its rate should be zero. However, as there have been no administrative reviews and Moldova Steel Works has stopped exporting to the United States since the imposition of the order, the investigation rate provides the only indication of how the company would behave without the discipline of an order. Therefore, the Department finds that it is appropriate to provide the ITC with the rate from the investigation.

With respect to steel concrete reinforcing bars from South Korea, the Department has completed two administrative reviews that resulted in antidumping duty rates of between 11.74 and 102.28 percent. In this sunset review, the domestic interested parties request that the Department continue to use the investigation rates. Again, the Department finds that it is appropriate to provide the ITC with the rates from the investigation because these are the only calculated rates that reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place.

Final Results of Reviews

We determine that revocation of the antidumping duty orders on steel concrete reinforcing bars from Moldova, the PRC, South Korea, Indonesia, Poland, and Belarus would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted-Average Margin (percent)
<u>Moldova</u>	
Moldova-Wide Rate	232.86
<u>PRC</u>	
Laiwu Steel Group	133.00
PRC-Wide Rate	133.00
<u>South Korea</u>	
Dongkuk Steel Mill Co., Ltd./ Korea Iron & Steel Co., Ltd.	22.89
Hanbo Iron & Steel Co., Ltd.	102.28
All Others Rate	22.89
<u>Indonesia</u>	
PT Gunung Gahapi Sakti	71.01
PT Bhirma Steel	71.01
Krakatau Wajatama	71.01
PT Jakarta Steel Perdana Industri	71.01
PT Hanil Jaya Metal Works	71.01
PT Pulogadung Steel	71.01
PT Jakarta Cakra Tunggal	71.01
PT The Master Steel Manufacturing Co.	71.01
All Others Rate	60.46
<u>Poland</u>	
Stalexport	52.07
All Others Rate	47.13
<u>Belarus</u>	
Belarus-Wide Rate	114.53

Recommendation

Based on our analysis of the responses received, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish these final results of reviews in the Federal Register.

AGREE _____

DISAGREE _____

David M. Spooner
Assistant Secretary
for Import Administration

(Date) _____