

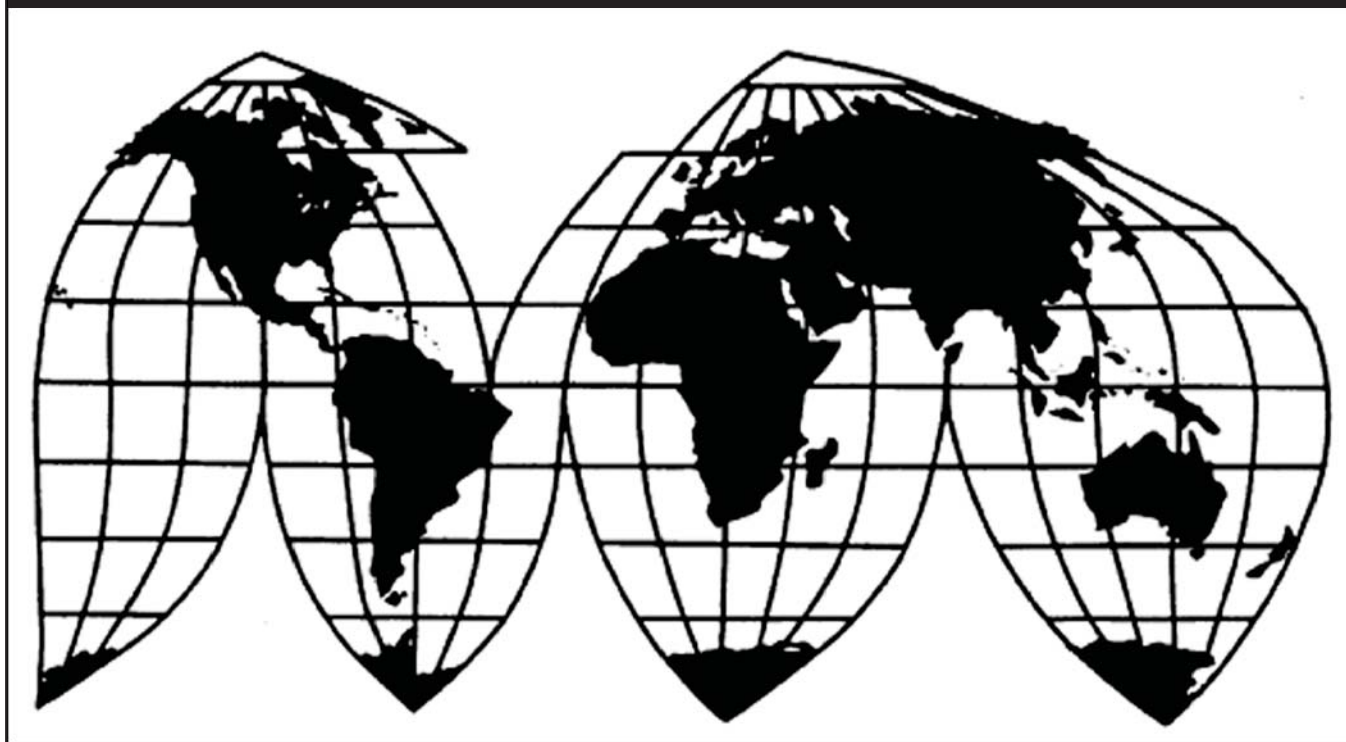
Helical Spring Lock Washers from China and Taiwan

Investigation Nos. 731-TA-624 and 625 (Third Review)

Publication 4277

November 2011

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-624 and 625 (Third Review)

HELICAL SPRING LOCK WASHERS FROM CHINA AND TAIWAN

DETERMINATION

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty orders on helical spring lock washers from China and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted these reviews on June 1, 2011 (76 F.R. 31629) and determined on September 6, 2011, that it would conduct expedited reviews (76 F.R. 57075, September 15, 2011).

¹ The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

² Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissenting with respect to helical spring lock washers from Taiwan.

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (the Act), that revocation of the antidumping duty orders on helical spring lock washers (“HSLWs”) from China and Taiwan is likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.^{1 2}

I. BACKGROUND

On June 21, 1993, the Commission found that a domestic industry was materially injured or threatened with material injury by reason of imports of certain HSLWs from Taiwan.³ On June 28, 1993, the Department of Commerce (“Commerce”) issued an antidumping duty order with respect to imports from Taiwan.⁴ On October 8, 1993, the Commission determined that a domestic industry was materially injured or threatened with material injury by reason of imports of certain HSLWs from China.⁵ On October 19, 1993, Commerce published an antidumping duty order with respect to imports from China.⁶

In January 2001, the Commission completed full reviews of both orders and determined that revocation would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁷

In June 2006, following expedited reviews of the orders, the Commission again determined that revocation would likely lead to continuation or recurrence of material injury.⁸

The Commission instituted the current reviews on June 1, 2011.⁹ The Commission received one response to its notice of institution, which was filed on behalf of Shakeproof Assembly Components Division of Illinois Tool Works, Inc. (“Shakeproof”). Shakeproof is estimated to have accounted for *** percent of domestic production of HSLWs in 2010.¹⁰

¹ Chairman Okun and Commissioner Pearson dissent with respect to imports from Taiwan and do not join section IV.D of the Commission’s Views. See Additional and Dissenting Views of Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson.

² Commissioner Pinkert also reaches affirmative determinations with respect to imports from China and Taiwan. See Separate and Concurring Views of Commissioner Dean A. Pinkert. He joins sections I, II, IIIA, IIIB, IVA, and IVB of the Commission’s Views.

³ Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final), USITC Pub. 2651 (June 1993) (“Taiwan Determination”).

⁴ 58 Fed. Reg. 34567 (June 28, 1993).

⁵ Certain Helical Spring Lock Washers from China, Inv. No. 731-TA-624 (Final), USITC Pub. 2684 (October 1993) (“China Determination”).

⁶ 58 Fed. Reg. 53914 (October 19, 1993).

⁷ Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624-625 (Review), USITC Pub. 3384 (Jan. 2001) (“USITC Pub. 3384”). Vice Chairman Okun and Commissioner Miller dissented with respect to subject imports from Taiwan. See Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Marcia E. Miller, USITC Pub. 3384 at 25.

⁸ Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624-625 (Second Review), USITC Pub. 3858 (June 2006) (“USITC Pub. 3858”). Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissented with respect to subject imports from Taiwan. See Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson, USITC Pub. 3858 at 23.

⁹ 76 Fed. Reg. 31629 (June 1, 2011).

¹⁰ Shakeproof’s Response at 16.

On September 6, 2011, the Commission found Shakeproof's response to be individually adequate, the domestic interested party group response to the notice of institution to be adequate, and the respondent interested party group responses to be inadequate.¹¹ The Commission did not find any circumstances that would warrant conducting full reviews, and therefore determined to conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930, as amended.¹²

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c) of the Act, the Commission defines "the domestic like product" and the "industry."¹³ The Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."¹⁴ The Commission's practice in five-year reviews is to look to the like product definition from the original determination and any completed reviews and consider whether the record indicates any reason to revisit the prior findings.¹⁵

In its expedited final determination in its third five-year reviews, Commerce defined the subject merchandise in these reviews as follows:

The products covered by both antidumping duty orders are HSLWs of carbon steel, of carbon alloy steel, or of stainless steel, heat-treated or non-heat-treated, plated or non-plated, with ends that are off-line. HSLWs are designed to: (1) function as a spring to compensate for developed looseness between the component parts of a fastened assembly; (2) distribute the load over a larger area for screws or bolts; and (3) provide a hardened bearing surface. The scope does not include internal or external tooth washers, nor does it include spring lock washers made of other metals, such as copper. HSLWs subject to the order are currently classifiable under subheading 7318.21.0030 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS

¹¹ See Confidential Report ("CR")/Public Report ("PR") at Appdx. B, Explanation of Commission Determination on Adequacy.

¹² *Id.*

¹³ 19 U.S.C. § 1677(4)(A).

¹⁴ 19 U.S.C. § 1677(10); see, e.g., Cleo, Inc. v. United States, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

¹⁵ See, e.g., Stainless Steel Sheet and Strip from Germany, Italy, Japan, Korea, Mexico, and Taiwan, Inv. Nos. 701-TA-382 and 731-TA-798-803 (Second Review), USITC Pub. 4244 (July 2011) at 6; Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA1921-197 (Second Review), 701-TA-319, 320, 325-27, 348, and 350 (Second Review), and 731-TA-573-74, 576, 578, 582-87, 612, and 614-618 (Second Review), USITC Pub. 3899 (January 2007) at 31, n.117; Internal Combustion Industrial Forklift Trucks from Japan, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 (December 2005) at 8-9; Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 (July 2003) at 4; Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 (February 2003) at 4.

subheading is provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.¹⁶

The scope has not changed from the scope determined by Commerce in the original investigations.

HSLWs are flattened, ring-shaped metal devices whose ends are cut in an off-line manner to provide spring or tension to assembled parts when used as a seat for bolts, nuts, screws, or other fasteners.¹⁷ In addition to preventing movement or loss of tension between assembled parts, HSLWs are used to distribute a load over an area greater than that provided by the fastener alone and to provide a hardened bearing surface that facilitates assembly and disassembly of fastened parts.¹⁸ The split in an HSLW absorbs initial driving torque and visually closes under nominal fastener loading.¹⁹ If tension in the fastener assembly is reduced and loosening occurs, an HSLW offers resistance to the back-off rotation of the fastener.²⁰

Subject HSLWs from China and Taiwan sold in the United States, and the vast majority of domestically produced HSLWs, are made of carbon, carbon alloy, or stainless steel. In addition, U.S. producers manufacture HSLWs from other metals, including copper, aluminum alloy, phosphor bronze, silicon bronze, and monel-nickel.²¹ HSLWs are often referred to as either “standard” or “special” products. Standard HSLWs are typically manufactured from carbon or stainless steel and have inside diameters of 0.112 to 1.5 inches. Standard HSLWs constitute a large portion of the HSLWs produced in the United States and imported from China and Taiwan.²² Special HSLWs are manufactured from metals other than steel, such as bronze or copper, and encompass light, heavy, extra duty, and high collar varieties of HSLWs. Special HSLWs are made in metric sizes or are made to customer specifications.²³

HSLWs are used in all types of fastening applications, such as appliances, toys, and lawn mowers. The largest consumers of these products are original equipment manufacturers (particularly in the automotive industry) that use HSLWs for assembling finished products.²⁴

In the original investigations, the Commission defined the domestic like product as HSLWs of all sizes and metals (despite the scope consisting only of steel HSLWs).²⁵ The Commission found similar channels of distribution, manufacturing facilities, production processes, and end uses for all HSLWs. It noted some differences in physical characteristics and limits on interchangeability among HSLWs because resistance to corrosion differed between stainless and carbon steel HSLWs.²⁶ Nonetheless, “[b]ased upon the overlap in mechanical function and end uses, channels of distribution, common manufacturing facilities, production processes, equipment and employees, and interchangeability of products for some applications,” the Commission defined the domestic like product to be all HSLWs.²⁷

¹⁶ 71 Fed. Reg. 27227 (May 10, 2006).

¹⁷ CR at I-7, PR at I-6.

¹⁸ CR at I-7 to I-8, PR at I-6.

¹⁹ CR at I-8, PR at I-7.

²⁰ CR at I-8, PR at I-7.

²¹ CR at I-8, PR at I-7.

²² CR at I-9, PR at I-7.

²³ CR at I-9, PR at I-7.

²⁴ CR at I-9, PR at I-7.

²⁵ Taiwan Determination at 8; China Determination at 5.

²⁶ Taiwan Determination at 5-8.

²⁷ Taiwan Determination at 8.

In the first and second five-year reviews, the Commission defined the domestic like product as all HSLWs for the reasons relied upon in the original investigations.²⁸ There is no new information obtained during these third reviews that would suggest any reason for revisiting the Commission’s domestic like product definition from the original investigations and prior reviews.²⁹ In its response to the Commission’s notice of institution in these third five-year reviews, Shakeproof states that it does not object to the Commission’s prior like product definition.³⁰ Accordingly, as in the original investigations and prior reviews, we define a single domestic like product consisting of all HSLWs.

B. Domestic Industry and Related Parties

Section 771(4)(A) of the Act defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”³¹

In both the original investigations and first and second five-year reviews, the Commission found a single domestic industry consisting of all domestic producers of HSLWs.³² In these third reviews, Shakeproof does not object to the Commission’s previous domestic industry definition.³³ Given our finding with respect to the domestic like product, and because there is no new information obtained during this third review that would suggest any reason for revisiting the Commission’s domestic industry definition in the original determinations and prior five-year reviews, we again define a single domestic industry consisting of the two known domestic producers of HSLWs, Shakeproof and Wrought Washer.^{34 35}

III. CUMULATION

A. Overview

Section 752(a) of the Act provides as follows:
the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the

²⁸ USITC Pub. 3384 at 5; USITC Pub. 3858 at 5-6.

²⁹ CR at I-6 to I-7, PR at I-5 to I-6.

³⁰ Shakeproof’s Response at 18.

³¹ 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int’l Trade 1994), aff’d, 96 F.3d 1352 (Fed.Cir. 1996).

³² See USITC Pub. 3384 at 9-10; Taiwan Determination at 8; China Determination at 5; USITC Pub. 3858 at 6.

³³ Shakeproof’s Response at 12.

³⁴ Shakeproof is the larger of the two known U.S. producers of HSLWs and the only domestic producer that responded to the notice of institution. Shakeproof states that it accounts for *** percent of U.S. production of HSLWs. CR at I-1 n.4, PR at I-1 n.4.

³⁵ There are no related party issues in these reviews.

subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.³⁶

Thus, cumulation is discretionary in five-year reviews. The Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market.

B. Reasonable Overlap of Competition^{37 38}

In these reviews, the first statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as Commerce initiated the two reviews on June 1, 2011.³⁹ In assessing likely competition, the Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product. These factors are as follows: (1) fungibility; (2) sales or offers in the same geographic markets; (3) common or similar channels of distribution; and (4) simultaneous presence. Only a “reasonable overlap” of competition is required.⁴⁰ In five-year reviews, the relevant inquiry is whether there likely would be competition upon revocation of the orders, even if none currently exists because the subject imports are absent from the U.S. market.

³⁶ 19 U.S.C. § 1675a(a)(7).

³⁷ Chairman Okun and Commissioner Pearson note that while they consider the same issues discussed in this section in determining whether to exercise their discretion to cumulate the subject imports, their analytical framework begins with whether imports from the subject countries are likely to face similar conditions of competition. For those subject imports that are likely to compete under similar conditions of competition, they next proceed to consider whether those imports are likely to compete with each other and with the domestic like product. Finally, if based on that analysis they intend to exercise their discretion to cumulate one or more subject countries, they analyze whether they are precluded from cumulating such imports because the imports from one or more subject countries, assessed individually, are likely to have no discernible adverse impact on the domestic industry. See Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review), USITC Pub. 3933 (July 2007) (Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation).

³⁸ Because we decline to exercise our discretion to cumulate subject imports from China and Taiwan (see discussion *infra*), it is not necessary to determine separately whether subject imports from either China or Taiwan would be likely to have no discernible adverse impact in the event of revocation. Commissioner Pinkert does not join this footnote.

³⁹ 76 Fed. Reg. 31588 (June 1, 2011).

⁴⁰ See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (CIT 1996); Wieland Werke, AG, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); United States Steel Group v. United States, 873 F. Supp. 673, 685 (CIT 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp.2d 1353 (CIT 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

*Fungibility.*⁴¹ In the original investigations and first reviews, virtually all responding importers and producers indicated that subject imports from China and Taiwan were used interchangeably. Purchasers' responses to questionnaires also revealed that HSLWs from China and Taiwan were used in the same applications.⁴² A large portion of HSLWs produced in the United States and imported from China and Taiwan are standard HSLWs and are manufactured from carbon steel or stainless steel. However, we note that, as discussed below, during the original investigations and the first reviews all HSLWs imported from China were carbon steel, while imports from Taiwan were concentrated in stainless steel. As the Commission found in the original investigations, stainless steel and carbon steel HSLWs are not used interchangeably in all applications. Although plating carbon steel washers with zinc lessened the differences in some applications, stainless steel HSLWs are required in applications calling for non-corrosive or non-magnetic properties.⁴³ At the same time, stainless steel HSLWs are generally not substituted for carbon steel HSLWs in certain other noncorrosive applications because the former are more expensive.⁴⁴

Geographic Overlap. In both the original investigations and the prior reviews, the Commission found that both the domestic like product and imports from both countries were distributed either nationally and or in certain U.S. regions. U.S.-produced HSLWs and subject imports from China are sold nationally, while sales of subject imports from Taiwan appear to be concentrated in the Upper Midwest.⁴⁵

Channels of Distribution. As we found in the original investigations and earlier reviews, domestically produced HSLWs and subject imports from both countries were generally sold to distributors. In 1999, the last full year for which data were provided in the first five-year reviews, it was reported that about *** percent of U.S. producers' shipments were sold directly to unrelated distributors.⁴⁶

Simultaneous Presence. In the original investigations and prior reviews, the domestic like product and subject imports from both countries were present throughout the periods examined. In these third reviews, the domestic like product and subject imports also were present throughout the period of review.⁴⁷

Analysis. Although there was limited interchangeability between those Taiwan-origin HSLWs made of stainless steel and Chinese HSLWs made of carbon steel, virtually all market participants in the first reviews perceived the domestic like product and subject imports to be interchangeable in a general sense. Moreover, as we found in the prior reviews, the domestic like product and imports from each country were predominantly sold through the same channels of distribution, were sold in the same geographic markets, and were simultaneously present in the U.S. market.

Based upon the information available, we find that there would be a likely reasonable overlap of competition between the domestic like product and imports from both countries and between imports from each subject country if the orders were revoked.

⁴¹ Commissioner Lane notes that, with respect to fungibility, her analysis does not require such similarity of products that a perfectly symmetrical fungibility is required and that this factor would be better described as an analysis of whether subject imports from each country and the domestic like product could be substituted for each other. See Separate Views of Commissioner Charlotte R. Lane, Certain Lightweight Thermal Paper from China, Germany, and Korea, Inv. Nos. 701-TA-451 and 731-TA-1126-1128 (Preliminary), USITC Pub. 3964 (Nov. 2007).

⁴² USITC Pub. 3384 at 8-9.

⁴³ Taiwan Determination at 7.

⁴⁴ Taiwan Determination at 7, n.15.

⁴⁵ CR at I-19 to I-20, PR at I-14.

⁴⁶ CR at I-20, PR at I-14.

⁴⁷ CR at I-19, PR at I-14.

C. Other Considerations⁴⁸

In determining whether to exercise our discretion to cumulate the subject imports from the two countries, we assess whether the subject imports from China and Taiwan are likely to compete under similar or different conditions in the U.S. market if the orders are revoked. In both prior reviews, the Commission declined to exercise its discretion to cumulate based on such likely differences in how subject imports would compete in the U.S. market upon revocation of the orders.

The product mix of imports from the two countries is likely to be different if the orders are revoked. During the original investigations and the first five-year reviews, imports of Chinese HSLWs were exclusively carbon steel.⁴⁹ While producers in Taiwan produced and exported both carbon steel and stainless steel HSLWs,⁵⁰ the record from the first reviews indicates that they concentrated on stainless steel HSLWs, and there is no indication on the record that their exports to the United States would be predominantly carbon steel HSLWs if the orders were revoked. Furthermore, the different unit values for imports from the two countries continue to indicate significant differences in product mix and perhaps pricing.⁵¹

In addition, while subject imports from China and Taiwan have each maintained a presence in the U.S. market, subject imports from China have been far larger in volume than those from Taiwan throughout the period of review.⁵² Available information also indicates much greater capacity for production of HSLWs in China than in Taiwan.⁵³

Based on the record in these reviews, including information collected during the original investigations and prior five-year reviews, we find that subject imports from China and Taiwan are likely to compete differently in the U.S. market if the orders are revoked. Accordingly, we decline to exercise our discretion to cumulate the subject imports from China and Taiwan in these reviews.

⁴⁸ Commissioner Lane explains her analysis of other considerations as follows. Where, in a five-year review, she does not find that the subject imports would be likely to have no discernible adverse impact on the domestic industry if the orders were revoked, and finds that such imports would be likely to compete with each other and with the domestic like product in the U.S. market, she cumulates such imports unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted. Based on the record in these reviews, she finds such a condition with respect to the subject imports, as discussed in the text.

⁴⁹ Taiwan Determination at Table 16 (no stainless HSLWs from China). During the second reviews, Shakeproof asserted that subject imports from China were increasingly comprised of stainless steel. No record evidence was available at that time to substantiate that claim. USITC Pub. 3858 at 10.

⁵⁰ USITC Pub. 3384 at 8.

⁵¹ See CR/PR at Table I-4. In 2010, the average unit value per pound of subject imports from China was \$1.01 versus \$2.02 for the subject imports from Taiwan. *Id.* This suggests a difference in product mix because stainless steel HSLWs sell for a higher price than carbon steel HSLWs. In 1992, the average unit value of U.S. shipments of stainless steel HSLWs from Taiwan was *** per pound. However, the average unit value of U.S. shipments of carbon steel HSLWs from Taiwan was *** per pound and *** for comparable product from China. Similarly, the average unit value of U.S. producers' U.S. shipments of carbon steel HSLWs in 1992 was ***, while that for stainless steel HSLWs was ***. INV-Q-088 (June 4, 1993) at Tables C-1, C-2, and C-3.

⁵² CR/PR at Tables I-6 & I-7.

⁵³ The primary Chinese exporter, Zhejiang Wanxin Group (“ZWG” or “Hangzhou”), reported capacity of ***. CR/PR at Table I-6. Available information suggests that the industry in Taiwan is much smaller than that in China. CR/PR at Table I-7.

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDERS ARE REVOKED

A. Legal Standard In A Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order unless (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁵⁴ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”⁵⁵ Thus, the likelihood standard is prospective in nature.⁵⁶ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.^{57 58 59}

The Act states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁶⁰ According to

⁵⁴ 19 U.S.C. § 1675a(a).

⁵⁵ SAA at 883-84. The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

⁵⁶ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁵⁷ See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), aff’d mem., 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁵⁸ For a complete statement of Chairman Okun’s interpretation of the likely standard, see Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From Argentina, Brazil, Germany, and Italy, Invs. Nos. 701-TA-362 (Review) and 731-TA-707 to 710 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

⁵⁹ Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape From Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade’s interpretation of “likely,” but she will apply the Court’s standard in these reviews and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

⁶⁰ 19 U.S.C. § 1675a(a)(5).

the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁶¹

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁶² It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁶³ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.⁶⁴

In evaluating the likely volume of imports of subject merchandise if the order under review were revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁶⁵ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁶⁶

In evaluating the likely price effects of subject imports if the order under review were revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports in relation to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁶⁷

In evaluating the likely impact of imports of subject merchandise if the order under review were revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth,

⁶¹ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁶² 19 U.S.C. § 1675a(a)(1).

⁶³ 19 U.S.C. § 1675a(a)(1). We note that Commerce made no duty absorption findings.

⁶⁴ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁶⁵ 19 U.S.C. § 1675a(a)(2).

⁶⁶ 19 U.S.C. § 1675a(a)(2)(A-D).

⁶⁷ *See* 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁶⁸ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the order were revoked.⁶⁹

As discussed above, the Commission received a response to its notice of institution from the dominant domestic producer, Shakeproof, and did not receive any respondent interested party response. Accordingly, when appropriate in these reviews, we have relied on the facts otherwise available, which consist of information from the original investigations and the first and second five-year reviews, as well as information obtained in these reviews, including information provided by Shakeproof, and information available from published sources.^{70 71}

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁷²

Overall demand for HSLWs depends in large part upon the demand for bolt and screw fastenings in agricultural, automotive, and industrial assemblies and therefore is dependent upon the overall strength of the U.S. economy.⁷³ HSLWs account for a small portion of the total costs in their intended end uses.⁷⁴ HSLWs face competition from other products, including adhesives, locknuts, tooth washers, and

⁶⁸ 19 U.S.C. § 1675a(a)(4).

⁶⁹ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885, 19 U.S.C. § 1675a(a)(4).

⁷⁰ 19 U.S.C. § 1677e(a) authorizes the Commission to “use the facts otherwise available” in reaching a determination when (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to 19 U.S.C. § 1677m(i). The verification requirements in 19 U.S.C. § 1677m(i) are applicable only to Commerce. See Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750, 765 (Ct. Int’l Trade 2002) (“the ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of Commission investigations.”).

⁷¹ Chairman Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. See 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties’ suggested interpretations of the record evidence. Regardless of the level of participation, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.” SAA at 869.

⁷² 19 U.S.C. § 1675a(a)(4).

⁷³ USITC Pub. 3858 at 13.

⁷⁴ Id.

especially self-locking bolts.⁷⁵ However, substitution for HSLWs occurs slowly over time and is likely to occur only at the design phase of a downstream product.⁷⁶ Shakeproof reports that substitution for HSLWs has reduced overall demand for the product.⁷⁷ Data for apparent U.S. consumption indicates that demand for HSLWs has declined since the original investigations and prior five-year reviews.⁷⁸

Most HSLWs, regardless of their country of origin, are sold on a spot basis to distributors for inventory. The primary concern of these distributors appears to be quality, followed by availability and then price. Purchasers do appear to be sensitive to price, however, even if it is not the single most important aspect of their purchasing decision.⁷⁹

Functionally, the domestic like product and subject imports generally can be used interchangeably.⁸⁰ Stainless steel HSLWs, however, are preferred to carbon steel HSLWs in corrosive environments.⁸¹ Stainless steel HSLWs are not generally substituted for carbon steel HSLWs in non-corrosive environments because the former are more expensive.⁸²

At the time of the original investigations, the Commission observed that the U.S. industry had contracted from seven firms in 1980 to four firms in 1990. Over the period examined in the original investigations, Shakeproof entered the HSLW market by purchasing first the Mellowes Co. (April 1991) and then its two largest competitors, Beall (November 1991) and Crest (July 1992), leaving only Shakeproof and MW Industries, a tiny specialty producer.⁸³ In May 1993 a new firm, Marvec, began production of stainless steel HSLWs. Shakeproof, however, acquired this company in 1996-97.⁸⁴ Although there is at present one other known domestic producer, Wrought Washer,⁸⁵ the domestic industry continues to be highly concentrated, with Shakeproof accounting for approximately *** percent of U.S. production of HSLWs in 2010.⁸⁶

During 1990-1992, total imports supplied *** percent of the U.S. market. During 1998-1999, total imports supplied *** percent of the U.S. market, up from *** percent in 1997.⁸⁷ By 2005, total imports supplied *** percent of the U.S. market.⁸⁸ Total imports have continued to increase during the

⁷⁵ Id.

⁷⁶ Id.

⁷⁷ Id.

⁷⁸ Apparent U.S. consumption was *** pounds in 2010 versus *** pounds in 2005, *** pounds in 1999, and *** pounds in 1992. CR/PR at Table I-5.

⁷⁹ Five of the seven reporting purchasers in the first reviews indicated that their purchasing decisions are “usually” based mainly on price. See USITC Pub. 3384 at II-5.

⁸⁰ In the first reviews, seven purchasers indicated that HSLWs from China, Taiwan, and the United States are used interchangeably, although the quality of Chinese HSLWs may be less consistent. See USITC Pub. 3384 at II-6 and n.14.

⁸¹ USITC Pub. 3858 at 13.

⁸² Id.

⁸³ Id. at 13-14.

⁸⁴ Id. at 14.

⁸⁵ Shakeproof characterized Wrought Washer as a “small, privately held niche producer,” but it may account for as much as *** percent of U.S. production. Second Review CR at I-16.

⁸⁶ CR at I-14, PR at I-10 to I-11.

⁸⁷ Second Review CR/PR at Table I-7.

⁸⁸ CR/PR at Table I-5.

current period of review, supplying *** percent of the U.S. market in 2010.⁸⁹ Nonsubject imports supplied *** percent of the U.S. market in 2010, compared to *** percent in 1992, *** percent in 1999, and *** percent in 2005.⁹⁰

We find that these market conditions for HSLWs are likely to persist in the reasonably foreseeable future and provide us with a reasonable basis on which to assess the effects of revocation of the orders.

C. Revocation of the Order on Subject Imports From China Is Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

1. Likely Volume

In the original investigations, the Commission found that the quantity of U.S. shipments of subject imports from China increased from 5.4 million pounds in 1990 to 6.7 million pounds in 1991 and to 7.1 million pounds in 1992.⁹¹ Chinese HSLWs' market share was *** percent in 1990, *** percent in 1991, and *** percent in 1992.⁹² From 1990 to 1992, capacity in China expanded from 23.6 million pounds to 36.8 million pounds, and production rose by 79.7 percent.⁹³ Inventories of Chinese HSLWs in China were *** in 1990, *** in 1991, and *** in 1992,⁹⁴ while importers' inventories in the United States increased from 2.8 million pounds in 1990 to 2.9 million pounds in 1991 and 3.6 million pounds in 1992.⁹⁵

After the imposition of the order on HSLWs from China, the volume of subject imports from China fell by several million pounds. However, subject imports from China subsequently increased from 1.5 million pounds in 1997 to 2.2 million pounds in 1998 and again to 2.9 million pounds in 1999.⁹⁶ From 1997 to 1999, the market share of Chinese HSLWs more than doubled from *** percent.⁹⁷ In 2005, subject imports from China were 6.5 million pounds and accounted for *** percent of apparent U.S. consumption.⁹⁸

During the current period of review, subject imports from China increased their already significant presence in the U.S. market despite the order. In 2010, subject imports from China were 7.4 million pounds,⁹⁹ accounting for *** percent of apparent U.S. consumption, higher than the level during

⁸⁹ Total imports supplied *** percent of the U.S. market in 2006, *** percent in 2007, *** percent in 2008, *** percent in 2009, and *** percent in 2010. CR/PR at Table I-5.

⁹⁰ Non-subject imports accounted for *** percent of the U.S. market in 2006, *** percent in 2007, *** percent in 2008, and *** percent in 2009. CR/PR at Table I-5.

⁹¹ USITC Pub. 3858 at 14.

⁹² Second Review CR/PR at Table I-7.

⁹³ USITC Pub. 3858 at 14.

⁹⁴ INV-Q-088, June 4, 1993, at Table 14.

⁹⁵ USITC Pub. 3858 at 14.

⁹⁶ *Id.*

⁹⁷ Second Review CR/PR at Table I-7.

⁹⁸ CR/PR at Table I-5; USITC Pub. 3858 at 15.

⁹⁹ CR/PR at Table I-5.

the original investigations and prior five-year reviews.¹⁰⁰ Subject imports' continued and increasing presence in the U.S. market demonstrates that producers in China have the interest and ability to export significant volumes to the United States.

Hangzhou Spring Washer Plant (Hangzhou) was the only Chinese exporter at the time of the first five-year reviews,¹⁰¹ and it provided information to the Commission at that time. It estimated that it accounted for *** percent of Chinese production of HSLWs in 1999.¹⁰² While its capacity had declined since the original investigations, dropping from *** in 1992 to *** in 1999,¹⁰³ this volume is still substantial when compared to apparent U.S. consumption of *** in 2010.¹⁰⁴ Hangzhou was operating at *** percent of capacity in 1999, but it operated at *** percent of capacity in the first half of 2000.¹⁰⁵ This indicates the ability of this producer to *** its production volume and operate ***.

Hangzhou was export-oriented throughout the periods covered in the original investigations and the earlier reviews. In 1992, *** percent of Hangzhou's total shipments were exported and *** percent went to the United States.¹⁰⁶ Data from 1999 indicate that *** percent of Hangzhou's total shipments were exported and *** percent were destined for the United States.¹⁰⁷ It also has demonstrated an ability to shift production of HSLWs destined for other export markets to the United States. For instance, in 1999, its shipments to third countries were *** percent lower than in 1997 while its shipments to the United States were *** percent higher.¹⁰⁸

As in the earlier reviews, additional factors suggest that subject imports from China are likely to increase and capture more market share from the domestic industry if the order were revoked. First, prices for HSLWs in the United States are higher than in other markets, indicating the U.S. market is an attractive market for imports.¹⁰⁹ Second, the relatively smaller size of the U.S. market for HSLWs due to the increasing substitution of other products for HSLWs indicates that even the same quantity of subject imports observed in the original investigation will capture a larger share of the U.S. market.¹¹⁰ Finally, nonsubject imports have a smaller share of the U.S. market than in the original investigations and first reviews, and subject imports from Taiwan increased but remained at volumes well below the Chinese imports, which indicates that additional subject imports from China are more likely to capture market share from the domestic industry than from other subject and nonsubject imports.¹¹¹

We therefore conclude, based on the record in these reviews, including information collected in the original investigation and the first and second five-year reviews, that the volume and market share of subject imports from China would likely be significant within a reasonably foreseeable time if the order were revoked.

¹⁰⁰ Subject imports from China accounted for *** percent of U.S. apparent consumption in 2006, *** percent in 2007, *** percent in 2008, and *** percent in 2009. CR/PR at Table I-5.

¹⁰¹ USITC Pub. 3384 at IV-3.

¹⁰² Second Review CR at I-30.

¹⁰³ Second Review CR/PR at Table I-8. However, during 1990 to 1992, Hangzhou operated at very close to *** capacity. Id.

¹⁰⁴ Second Review CR/PR at Table I-7.

¹⁰⁵ INV-X-258 at Table IV-2.

¹⁰⁶ Second Review CR/PR at Table I-8; INV-Q-088, June 4, 1993, at Table I-8.

¹⁰⁷ Second Review CR/PR at Table I-8.

¹⁰⁸ Id.

¹⁰⁹ See Shakeproof's Response at 7.

¹¹⁰ CR/PR at Table I-5.

¹¹¹ Id.

2. Likely Price Effects

During the original investigations, the Commission found that pricing data provided “mixed guidance” regarding the likelihood of price depression, but somewhat “clearer guidance” regarding the likelihood of price suppression.¹¹² Prices reported by the domestic industry showed no clear trend and fluctuated within a narrow range. Prices for HSLWs from China fluctuated as well, decreasing moderately over the period examined.¹¹³ While subject imports from China were imported at average unit values that were uniformly lower than the domestic industry’s prices for comparable products, distributor sales of HSLWs from China undersold the domestic product in 16 of 48 producer/importer comparisons.¹¹⁴

The record in the first reviews, in which the Commission collected pricing information from purchasers, importers, and the domestic industry, indicated that price remained an important factor in purchasing decisions, although perhaps not as important as quality and availability.¹¹⁵ The record indicated that the domestic like product and HSLWs from China were used interchangeably and were substitutable.¹¹⁶ Thus, the Commission found that Chinese producers were likely to seek to increase their sales volume by offering lower prices.

The domestic industry’s reported prices during the first period of review, January 1997 - June 2000, fluctuated for the most part within a narrow range. Data reported by the domestic industry and by several of the largest HSLW importers in the United States reflected lower domestic producer prices for available comparisons.¹¹⁷ The Commission determined, however, to give limited weight to the pricing comparisons for several reasons.¹¹⁸ In particular, the Commission found (1) that not all of the reported price comparisons were at the same level of trade, (2) pricing data collected from purchasers were inconsistent with the data from the domestic industry and the importers, and (3) these data contained discrepancies in transaction volume and too few observations to be probative of relative pricing of the subject imports and domestic HSLWs. Although the Commission found the pricing data to be inconclusive, it found that given the likelihood of a significant increase in the volume of subject imports from China, revocation of the antidumping duty order on subject imports from China would be likely to lead to underselling by the subject imports of the domestic like product and would be likely to lead to price depression or suppression, within a reasonably foreseeable time.¹¹⁹

Based on the information available in the current reviews, we again find that significant price effects are likely if the order were revoked. Price is one of several important purchasing considerations, and HSLWs from China and HSLWs produced in the United States are considered to be interchangeable. In the absence of the order, HSLWs from China would likely undersell the U.S. product in order to gain additional market share, particularly in light of weak U.S. demand. Given subject imports’ current market share and the likely increase in the volume of subject imports if the order were revoked, Shakeproof will

¹¹² USITC Pub. 3858 at 16.

¹¹³ INV-Q-088, June 4, 1993 at Tables 18-23 and I-65.

¹¹⁴ INV-Q-088, June 4, 1993, at I-75 and 77; Tables 18-23, INV-Q-088, June 4, 1993, at I-65 to I-67. These instances of underselling, however, increased over the period examined.

¹¹⁵ USITC Pub. 3384 at II-5. Shakeproof stated that quality is generally assured, making price a prime factor in purchasing decisions. USITC Pub. 3384 at II-6, n.13.

¹¹⁶ USITC Pub. 3384 at II-5 and II-6.

¹¹⁷ See INV-X-258 at Tables V-1 to V-6. Shakeproof’s carbon steel HSLW prices remained fairly steady over the first period of review, while its stainless steel HSLW prices fell in 1999 as sales volumes increased ***. Id.

¹¹⁸ USITC Pub. 3384 at 17.

¹¹⁹ USITC 3384 at 17.

face increasing pressure to lower prices in order to maintain output and sales volume.¹²⁰ Shakeproof estimates that it currently is operating at just *** percent capacity utilization.¹²¹ Accordingly, it would likely be limited in its ability to sustain its profitability at lower sales volumes if the subject imports were to capture a greater portion of the U.S. market.¹²² Thus, in light of the likely increased volume of imports from China, the domestic industry will face progressively greater incentives to lower its prices or to forego price increases in order to maintain output levels.¹²³

Consequently, on the basis of the record in these third five-year reviews, including information collected in the original investigation and prior reviews, we find that revocation of the antidumping duty order on imports of HSLWs from China would be likely to lead to significant underselling by the subject imports and significant price depression or suppression, within a reasonably foreseeable time.

3. Likely Impact of Subject Imports¹²⁴

In the original investigations, the Commission found that the domestic industry's performance was "mixed."¹²⁵ Production, capacity, shipments, and market share decreased between 1990 and 1992.¹²⁶ The industry, however, remained profitable during the period, as its operating income as a percentage of net sales was *** percent in 1990, *** percent in 1991, and *** percent in 1992.¹²⁷

The condition of the domestic industry improved during the period considered in the first reviews, and the industry earned *** profits in that period.¹²⁸ The market share of the U.S. industry was much higher in 1999 than during the original investigations, though it fell from its peak of *** percent in 1997.¹²⁹ The industry's cost structure improved and the industry was operating at a much higher rate of capacity utilization.¹³⁰ The domestic industry's productivity also improved and was *** percent higher in

¹²⁰ CR/PR at Table I-3 (reflecting domestic industry's declining shipment values between 2006 and 2010).

¹²¹ CR/PR at Table I-3.

¹²² As discussed earlier, subject imports from China accounted for *** percent of the U.S. market in 2010. CR/PR at Table I-5.

¹²³ While current price data were not available, data show the Chinese product at average unit values well below that of the U.S., Taiwan, and nonsubject products. CR/PR at Tables I-3 & I-4.

¹²⁴ Section 752(a)(6) of the Tariff Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce's final determinations in its expedited third reviews were issued in October 2011. In the final results of its expedited reviews, Commerce found the likely margin of dumping to be 69.88 percent for ZWG (now known as Hangzhou Spring Washer) and 128.63 percent for all other producers in China. Fed. Reg. 76 Fed. Reg. 61,343 (Oct. 4, 2011).

¹²⁵ China Determination at I-6.

¹²⁶ China Determination at I-6.

¹²⁷ Second Review CR/PR at Table I-2.

¹²⁸ The industry's ratio of operating income to sales was *** percent in 1997, *** percent in 1998, and *** percent in 1999. Second Review CR/PR at Table I-5.

¹²⁹ Second Review CR/PR at Table I-7. The industry's market share was *** percent in 1998 and *** percent in 1999; during the original investigation, it fell from *** percent in 1990 to *** percent in 1992.

¹³⁰ In 1992, the industry operated at *** percent capacity utilization. CR/PR at Table I-5. Its capacity utilization was *** percent in 1997, *** percent in 1998, and *** percent in 1999. CR/PR at Table I-5 & Appendix C. During the period examined in the earlier reviews, the domestic industry reduced its capacity to levels below those reported in the early 1990s. Second Review CR/PR at Table I-5.

1999 compared with 1992.¹³¹ The Commission found that the improvement in the state of the industry was related to the antidumping duty order and the resulting significant decline in the volume of HSLW imports from China.¹³² Thus, in light of its profitability, the Commission did not find the domestic industry vulnerable even though the domestic industry's capacity, production, capacity utilization, U.S. shipments, total sales, capital expenditures, and employment all declined throughout the period examined.¹³³ Nonetheless, the Commission found that, in light of the likely significant increases in the volume of subject imports at prices that would likely undersell the domestic like product and significantly depress U.S. prices, revocation of the order would likely have a significant adverse impact on the domestic industry.¹³⁴

In the second reviews, the Commission found that it lacked sufficient information to make a finding with respect to the industry's vulnerability. However, it accepted Shakeproof's assessment of its current performance as suggesting that the negative trends reported in the earlier reviews would continue.¹³⁵ The Commission again concluded that, in light of the likely significant increases in the volume of subject imports at prices that would undersell the domestic like product and significantly depress U.S. prices, revocation of the order would likely have a significant adverse impact on the domestic industry.¹³⁶

In the current reviews, Shakeproof contends that several factors render it vulnerable to the effects of the subject imports in the U.S. market. It notes that it continues to lose market share to imports even with the orders in place.¹³⁷ It also reports that its profitability declined over the period of review, that its employment has fallen by *** percent, and that it currently is operating at *** percent capacity utilization.¹³⁸ It also notes that it faces increased costs for steel wire rod (the primary input in HSLW production) and higher energy prices.¹³⁹

For purposes of these reviews, we lack sufficient information to make a finding with respect to vulnerability. However, the information available on the record in these third reviews indicates that the negative trends reported in the earlier reviews are continuing. More specifically, Shakeproof's production, capacity utilization, shipment values, market share, and employment are all lower in 2010 than in 2005.¹⁴⁰

As discussed above, revocation of the order likely would lead to a significant increase in the volume and market share of the subject imports from China. Given the decline in demand and importance of price in purchasing decisions, the significant increase in subject imports from China is likely to cause a significant decline in the volume of the domestic producers' shipments as well as an impact on prices at a

¹³¹ Second Review CR/PR at Table I-2.

¹³² See USITC Pub. 3384 at 18.

¹³³ The domestic industry's capacity was *** in 1997, *** in 1998, and *** in 1999. Production was *** in 1997, *** in 1998, and *** in 1999. Capacity utilization was *** percent in 1997, *** percent in 1998, and *** percent in 1999. U.S. shipments were *** in 1997, *** in 1998, and ***. Total sales were *** in 1997, *** in 1998, and *** in 1999. Second Review CR at Table I-5. Capital expenditures were *** in 1997, *** in 1998, and *** in 1999. INV-X-258 at Table III-7. The number of production and related workers was *** in 1997, *** in 1998, and *** in 1999. Second Review CR/PR at Table I-5.

¹³⁴ USITC Pub. 3384 at 18.

¹³⁵ USITC Pub. 3858 at 18.

¹³⁶ Id.

¹³⁷ See Shakeproof's Final Comments at 9.

¹³⁸ See Shakeproof's Final Comments at 9; CR/PR at Table I-3.

¹³⁹ Shakeproof's Final Comments at 10.

¹⁴⁰ See CR/PR at Tables I-3 and I-5.

time when the industry faces increasing energy and raw material prices.¹⁴¹ We find that this likely would have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. This likely reduction in the industry's production, shipments, sales, market share, and revenues would result in erosion of the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the order will result in additional employment declines for the industry.

We have also considered the role of subject imports from Taiwan and nonsubject imports so as not to attribute injury from such factors to subject imports from China. Subject imports from Taiwan accounted for *** percent, and nonsubject imports accounted for *** percent, of the U.S. market in 2010.¹⁴² Despite HSLWs from Taiwan showing an increase in market share from *** percent in 2005 to *** percent in 2010,¹⁴³ we nevertheless find that a significant portion of the expected increase in subject imports from China would continue to be at the expense of the domestic industry given the likelihood of significant underselling and other adverse price effects of imports from China, and the differing concentration of the product mix from China as compared to that from Taiwan.

D. Revocation of the Order on Subject Imports From Taiwan Is Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time¹⁴⁴

1. Likely Volume of Subject Imports from Taiwan

During the original investigations, the Commission found that the volume and value of subject imports from Taiwan “increased dramatically between 1990 and 1992.”¹⁴⁵ The volume of U.S. shipments of subject imports from Taiwan rose from 388,000 pounds in 1990 to 629,000 pounds in 1991 and 735,000 pounds in 1992.¹⁴⁶ The Commission found sufficient unused capacity in Taiwan to supply the demand satisfied by imports from China before the imposition of the antidumping duty order on those imports.¹⁴⁷ The Commission observed that the largest producer in Taiwan, Likunog, was heavily export-oriented, with the United States being its primary market,¹⁴⁸ that it had the ability to significantly increase exports to the United States, and that it had exhibited a trend towards increased production and exports.¹⁴⁹ The Commission noted that Likunog had rapidly increased its exports to a third country at the same time it increased its exports to the United States.¹⁵⁰ Additionally, the Commission noted that there was

¹⁴¹ Shakeproof reports that, over the review period, the cost of steel wire rod increased by *** percent and its electricity costs rose by *** percent. See Shakeproof’s Final Comments at 13.

¹⁴² CR/PR at Table I-5.

¹⁴³ Id.

¹⁴⁴ Chairman Okun and Commissioner Pearson dissent with respect to imports from Taiwan and do not join section IV.D of the Commission’s Views. See Separate and Dissenting Views of Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson.

¹⁴⁵ Taiwan Determination at 15.

¹⁴⁶ INV-Q-088, June 4, 1993 at Table 2. In terms of quantity, subject imports from Taiwan constituted *** percent of apparent domestic consumption in 1990, *** percent in 1991, and *** percent in 1992. Id.

¹⁴⁷ Taiwan Determination at 15-16.

¹⁴⁸ Taiwan Determination at 16.

¹⁴⁹ Taiwan Determination at 16.

¹⁵⁰ Taiwan Determination at 17.

unreported capacity in Taiwan about which the Commission did not have specific information.¹⁵¹ Consequently, the Commission concluded that it was likely that exporters in Taiwan would increase their shipments to the United States and the Commission found that the domestic industry was threatened with material injury.¹⁵²

During the first period of review, subject imports from Taiwan remained at levels less than half of their absolute level in 1992,¹⁵³ but generally increased over the period and were 31 percent greater in 1999 than 1997.¹⁵⁴ During the second period of review, subject imports from Taiwan rose irregularly to 389,000 pounds in 2005, a level greater than in any year of the first period of review.¹⁵⁵ Over the current period of review, despite the order, subject imports from Taiwan increased irregularly to 1.0 million pounds in 2010, higher than even during the original investigations.¹⁵⁶ Their market share increased irregularly from *** percent in 2006 to *** percent in 2010, a level more than twice the peak in the original investigations.¹⁵⁷

In the first and second reviews, the Commission received no information from the seven companies believed to produce HSLWs in Taiwan, and we have no recent information from any producers in Taiwan in these reviews.

Subject imports' continued and increasing presence in the U.S. market demonstrate that producers in Taiwan have the interest and ability to export significant volumes to the United States. The best information in the record from the original investigations and prior reviews indicates that the HSLW industry in Taiwan has excess capacity and is highly export-oriented.¹⁵⁸ We therefore find it likely that, in the absence of the order, U.S. imports from Taiwan would increase. As we observed in our discussion of subject imports from China, the U.S. market remains attractive by virtue of its higher prices.¹⁵⁹ Further, for several reasons – the U.S. market is shrinking due to the ongoing substitution of other products for HSLWs,¹⁶⁰ subject imports from Taiwan are concentrated in stainless steel HSLWs in contrast to the carbon steel product from China, and nonsubject imports have a smaller share of the U.S. market since the original investigations and first reviews – any increased volume of subject imports will likely take market share from the domestic industry.

Particularly in a market in which demand is declining, such a potential increase in imports would be significant. We therefore conclude, based on the record in these reviews, the earlier reviews, and the original investigations, that the volume of subject imports from Taiwan likely would be significant within a reasonably foreseeable time if the order were revoked.

¹⁵¹ Taiwan Determination at 16.

¹⁵² Taiwan Determination at 16.

¹⁵³ CR/PR at Appendix C.

¹⁵⁴ Subject imports from Taiwan were 289,000 pounds in 1997, 257,000 pounds in 1998, and 378,000 pounds in 1999. CR/PR at Appendix C.

¹⁵⁵ See CR/PR at Table I-5 & Figure I-2.

¹⁵⁶ Subject imports from Taiwan were 406,000 pounds in 2006, 546,000 pounds in 2007, 726,000 pounds in 2008, and 565,000 pounds in 2009. CR/PR at Table I-5.

¹⁵⁷ The U.S. market share of subject imports from Taiwan was *** percent in 2007, *** percent in 2008, and *** percent in 2009. CR/PR at Table I-5.

¹⁵⁸ The Commission's limited data on the industry in Taiwan indicated that it exported *** during 1990-92. CR/PR at Table I-9; INV-Q-088, June 4, 1993, at Table 15. *** of its production was destined for the United States. Id.

¹⁵⁹ See Shakeproof's Response at 7.

¹⁶⁰ CR at I-12, PR at I-9.

2. Likely Price Effects

During the original investigations, the Commission found evidence that subject imports from Taiwan were priced lower than the domestic product.¹⁶¹ However, the Commission did not find clear evidence of price suppression or depression as there were no clear trends in prices.¹⁶² The Commission did not rely on much of the pricing data because the data were limited and individual domestic sales involved much larger volumes than those made by importers.¹⁶³ The Commission found however, based upon the substitutability of the subject imports from Taiwan with domestic HSLWs, that the volume and inventories of the subject imports would likely lead to an adverse impact on domestic prices.¹⁶⁴

As we noted in our determination with respect to China, the record indicates that price is an important factor in purchasing decisions, although perhaps not as important as quality and availability. However, the record indicates that the domestic like product and HSLWs from Taiwan are used interchangeably and considered substitutable.¹⁶⁵ Thus, absent any increase in domestic demand, increases in sales volume by subject imports from Taiwan are likely to be achieved through lower prices.

Pricing information in the earlier reviews indicated that subject imports from Taiwan were primarily stainless steel, and prices for domestic products 3 and 6, the stainless steel HSLWs, fell over the first period of review.¹⁶⁶ The limited price comparisons did largely indicate overselling by the subject imports from Taiwan. However, this occurred with the order, and its price-disciplining effect, in place. Moreover, as we observed in the second five-year reviews, not all of the reported price comparisons are at the same level of trade.¹⁶⁷ Furthermore, importers' sales typically involved smaller individual sale quantities of HSLWs,¹⁶⁸ and pricing data collected from purchasers was inconsistent with the data from Shakeproof and the importers. Consequently, we give limited weight to the price comparison data from the first reviews.¹⁶⁹

Based on the available information, including evidence that average unit values for the Taiwan product are below those of the domestic HSLWs, we again find that significant adverse price effects are likely if the order were revoked. Price is considered to be one of several important purchasing considerations, and HSLWs from Taiwan and HSLWs produced in the United States are considered to be interchangeable. In the absence of the order, HSLWs from Taiwan would likely undersell the U.S. product in order to gain additional market share, particularly in light of weak U.S. demand. Given subject imports' current market share and the likely increase in the volume of subject imports if the order were revoked, Shakeproof will face increasing pressure to adjust price levels in order to maintain output and sales volume. As noted, Shakeproof reports that it is currently operating at *** percent capacity

¹⁶¹ Taiwan Determination at 17.

¹⁶² Taiwan Determination at 17.

¹⁶³ Taiwan Determination at 17.

¹⁶⁴ Taiwan Determination at 17-18.

¹⁶⁵ USITC Pub. 3384 at II-5 and II-6.

¹⁶⁶ INV-X-258 at Figs. V-5, V-8, V-11, and V-14.

¹⁶⁷ See USITC Pub. 3384 at V-4.

¹⁶⁸ USITC Pub. 3384 at V-4 n.8.

¹⁶⁹ The recent information collected in these reviews indicates that the average unit values of the subject imports and Shakeproof's sales have increased since 1999. The average unit value for subject imports from Taiwan was \$1.04 in 1999, \$1.79 in 2005, and \$2.02 in 2010. CR/PR at Table I-4. The average unit value for Shakeproof's sales was *** in 1999, *** in 2005, and *** in 2010. CR/PR at Table I-3; Second Review CR/PR at Table I-4. It is not clear to what extent the increases reflect price increases, increases in raw material costs, or changes in product mix.

utilization.¹⁷⁰ Accordingly, it is limited in its ability to sustain profitability at lower sales volumes if the subject imports capture a greater portion of the U.S. market. Thus, Shakeproof will face progressively greater incentives to lower its prices or to forego price increases in order to maintain output levels.

Consequently, on the basis of the record in these third reviews, including information collected in the original investigation and the first and second reviews, we find that revocation of the antidumping duty order on imports of HSLWs from Taiwan would be likely to lead to increased underselling by the subject imports and significant price depression or suppression, within a reasonably foreseeable time.

3. Likely Impact¹⁷¹

We have already examined in detail in our China determination the domestic industry's mixed performance in the original investigations and prior reviews. Also, as we discussed, we do not have sufficient information in these expedited reviews to determine whether the industry is vulnerable as defined in the statute. However, several negative trends in the domestic industry's indicators suggest that the condition of the industry has worsened over the period of review.

As described above, revocation of the order likely would lead to a significant increase in the volume and market share of the subject imports from Taiwan. Given the decline in demand and importance of price in purchasing decisions, the significant increase in subject imports from Taiwan is likely to cause a significant decline in the volume of the domestic producers' shipments as well as an adverse impact on prices at a time when the industry faces increasing energy and raw material prices. We find that this likely would have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. This likely reduction in the industry's production, shipments, sales, market share, and revenues would result in erosion of the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the order will result in continued employment declines for the industry.

We have also considered the role of subject imports from China and nonsubject imports so as not to attribute injury from such factors to subject imports from Taiwan. Subject imports from China accounted for *** percent, and nonsubject imports accounted for *** percent, of the U.S. market in 2010.¹⁷² Despite HSLWs from China accounting for a significant and increasing share of the U.S. market since 2005, we nevertheless find that a significant portion of the expected increase in subject imports from Taiwan would continue to be at the expense of the domestic industry given the increase in volume seen during the review period, the likelihood of subject import underselling and adverse price effects, and the differing concentration of the product mix from Taiwan compared to China.

¹⁷⁰ CR/PR at Table I-3.

¹⁷¹ Section 752(a)(6) of the Tariff Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce's final determinations in its expedited third reviews were issued in October 2011. In the final results of its expedited reviews, Commerce found the likely margin of dumping to be 31.93 percent for all producers in Taiwan. 76 Fed. Reg. 61343 (Oct. 4, 2011).

¹⁷² CR/PR at Table I-5.

CONCLUSION

For the above-stated reasons, we determine that revocation of the antidumping orders on HSLWs from China and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁷³

¹⁷³ Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissent with respect to subject imports from Taiwan. See Additional and Dissenting Views of Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson.

SEPARATE AND CONCURRING VIEWS OF COMMISSIONER DEAN A. PINKERT

Based on the record in these five-year reviews, I determine under section 751(c) of the Tariff Act of 1930, as amended, that revocation of the antidumping duty orders on helical spring lock washers (HSLWs) from China and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. Unlike the majority, my determinations in these reviews are based upon a cumulative analysis of the likely volume and effects of subject imports from China and Taiwan. Nevertheless, I join the following portions of the majority's views: section I (Background), section II (Domestic Like Product and Industry), section III.A (Cumulation - Overview), section III.B (Cumulation - Reasonable Overlap of Competition), section IV.A (Legal Standard in a Five-Year Review), and section IV.B (Conditions of Competition).

I. CUMULATION

Section 752(b)(7) of the Act, which governs cumulation in five-year reviews, permits the Commission to cumulate imports of the subject merchandise under three conditions: (1) all reviews were initiated on the same day; (2) the imports are not likely to have no discernible adverse impact on the domestic industry; and (3) the imports would be likely to compete with each other and the domestic like product in the U.S. market.¹ As noted above, I join section III.B of the majority's views concluding that the reviews were initiated on the same day and that the subject imports would be likely to compete with each other and with the domestic like product in the U.S. market.

I further find that, if the antidumping duty orders on HSLWs from China and Taiwan were revoked, imports of the subject merchandise from each of those countries would not be likely to have no discernible adverse impact on the domestic industry. Imports from both countries have maintained a significant presence in the U.S. market despite the orders. In 2005, subject imports from China were nearly 6.5 million pounds; they declined to 4.0 million pounds in 2009, but then increased to 7.3 million pounds in 2010. The market share of imports from China increased from *** percent in 2005 to *** percent in 2010.² The available information from the original investigations and the first five-year reviews indicates that the Chinese industry was export-oriented,³ and there is no new information in these reviews to indicate otherwise. Subject imports from Taiwan increased from 389,000 pounds in 2005 to over one million pounds in 2010, and their market share increased from *** percent to *** percent over the same period.⁴ Available information from the original investigations indicates that the industry in Taiwan was export oriented at that time,⁵ and there is no new information in these reviews to suggest otherwise.

Finally, where, in a five-year review, I do not find that imports of the subject merchandise would be likely to have no discernible adverse impact on the domestic industry in the event of revocation and find that such imports would be likely to compete with each other and with the domestic like product in the U.S. market, I cumulate them unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted. In this case, I find no evidence of such a condition or propensity. The record indicates that subject imports from China and Taiwan are substitutable in terms of uses and

¹ 19 U.S.C. § 1675a(a)(7).

² CR/PR at Table I-5.

³ CR at I-25 to I-28, PR at I-18 to I-20; CR/PR at Table I-6.

⁴ CR/PR at Table I-5.

⁵ CR at I-30 to I-32, PR at I-20 to I-21; CR/PR at Table I-7.

compete in the United States in the same geographic markets and channels of distribution.⁶ I note that standard HSLWs, which constitute a large proportion of the products that are manufactured in the United States or imported from China and Taiwan, are produced from both carbon steel and stainless steel.⁷ Information from the original investigation indicates that *** percent of U.S. imports from China and *** percent of U.S. imports from Taiwan were of carbon steel, with the remainder of imports from Taiwan being of stainless steel.⁸ Given this overlap in product types and markets among imports of the subject merchandise from China and Taiwan and the domestic like product, I find it appropriate to cumulate all such imports.

II. REVOCATION OF THE ORDERS ON HELICAL SPRING LOCK WASHERS FROM CHINA AND TAIWAN WOULD LIKELY LEAD TO THE CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

I generally concur with my colleagues' views with respect to the likelihood of injury to the domestic industry as a result of imports of HSLWs from China and Taiwan considered separately, but as noted above have made my determinations in these reviews on the basis of the likely cumulated impact of imports from both countries.

Cumulated imports of the subject merchandise have maintained a large and growing share of the U.S. market even with the orders in place. They increased slightly from 8.23 million pounds in 2006 to 8.29 million pounds in 2010 and, in a period of decreased U.S. consumption, increased their share of the U.S. market from *** percent in 2006 to *** percent in 2010.⁹ As noted above, the available information indicates that the industries in China and Taiwan are export oriented. Under these circumstances, the volume and market share of cumulated imports would likely be significant within a reasonably foreseeable time if the orders were revoked.

Pricing information from the original investigations and prior reviews was mixed and was given limited weight by the Commission.¹⁰ Nevertheless, as the Commission found, price is an important factor in purchasing decisions, and the domestic like product and imports from China and Taiwan are used interchangeably and considered substitutable. As a result, imports of the subject merchandise would likely undersell the domestic like product in order to achieve any gain in U.S. market share. In turn, this would put pressure on the domestic industry to reduce prices in order to maintain output and sales volume.¹¹ There is no new evidence in these third five-year reviews to contradict these findings, and I therefore conclude that revocation of the antidumping orders on HSLWs from China and Taiwan would be likely to lead to underselling by imports of the subject merchandise and significant price depression or suppression in the reasonably foreseeable future.

As discussed above, the volume and market share of imports of the subject merchandise would likely be significant in the event of revocation of the orders, and the domestic industry would likely be under pressure to lower its prices, leading to likely significant price depression and suppression.

⁶ CR at I-18 to I-20, PR at I-12 to I-14.

⁷ CR at I-18 to I-19, PR at I-12 to I-13.

⁸ CR at I-18 to I-19, PR at I-12 to I-13.

⁹ CR/PR at Table I-5.

¹⁰ USITC Pub. 3384 at 16-17 and 21-22; USITC Pub. 3858 at 15-17 and 20-22.

¹¹ USITC Pub. 3384 at 16-18 and 21-22; USITC Pub. 3858 at 16-17 and 20-22.

Moreover, the industry's performance has declined substantially during 2006-2010,¹² and Shakeproof, the principal U.S. producer, reports that it is facing increasing raw material and energy costs.¹³ As a result, I find the domestic industry to be vulnerable to material injury if the orders were revoked.

In sum, I find that imports of the subject merchandise from China and Taiwan would, in the event of revocation, likely have a significant negative impact on this vulnerable domestic industry in terms of output, sales, market share, profits, productivity, return on investments, utilization of capacity, cash flow, inventories, employment, wage growth, ability to raise capital, investment, and the industry's development and production efforts. Consequently, I determine that, if the antidumping duty orders were revoked, such imports would be likely to lead to the continuation or recurrence of material injury to the domestic HSLW industry within a reasonably foreseeable time.

¹² Although the industry's operating income margin as of 2010 ***, its operating income of *** than in 2006, the beginning of the period examined, when it was ***. CR/PR at Table I-3. Over the same 2006-2010 period, the industry's production fell from *** pounds to *** pounds, its capacity utilization fell from *** percent to *** percent, and its U.S. shipments fell from *** pounds to *** pounds.

¹³ Shakeproof's Final Comments at 11.

ADDITIONAL AND DISSENTING VIEWS OF CHAIRMAN DEANNA TANNER OKUN AND COMMISSIONER DANIEL R. PEARSON

Section 751(d)(2) of the Tariff Act of 1930, as amended (“the Act”), requires that the U.S. Department of Commerce (“Commerce”) revoke a countervailing duty or an antidumping duty order in a five-year (“sunset”) review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission (“Commission”) determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.¹ Based on the record in these third five-year reviews, we determine that revocation of the antidumping duty order covering imports of helical spring lock washers (“HSLWs”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We determine, however, that material injury is not likely to continue or recur within a reasonably foreseeable time if the antidumping duty order on HSLWs from Taiwan is revoked.

We join our colleagues’ discussion regarding background, legal standards, like product, the domestic industry, cumulation, conditions of competition, and whether revocation of the order on HSLWs from China would be likely to lead to continuation or recurrence of material injury to the domestic HSLWs industry within a reasonably foreseeable time. We write separately to explain why revocation of the antidumping duty order covering imports of HSLWs from Taiwan would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

I. REVOCATION OF THE ANTIDUMPING DUTY ORDER ON HSLWS FROM TAIWAN IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Information Available in the Expedited Review

As an initial matter, we note that in this expedited third review of an order that is 18 years old, we are basing our decision on a very limited record. The Commission received a response to its notice of institution from the dominant domestic producer, Shakeproof, and did not receive a response from any respondent interested party. Thus, there is little new information on the domestic industry and little information specific to the HSLW industry in Taiwan to inform the Commission’s determinations. Accordingly, we have relied on the facts available in this review, which consist primarily of the staff report and views in the original investigations, information collected by the Commission since the institution of these five-year reviews, and information submitted by Shakeproof in these reviews.² Inasmuch as the second five-year reviews were also expedited, our analysis is based heavily on the record from the original investigations and first five-year reviews.

¹ 19 U.S.C. § 1675(d)(2).

² Chairman Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. *See* 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties’ suggested interpretations of the record evidence. Regardless of the level of participation, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.” SAA at 869.

B. Likely Volume of Subject Imports from Taiwan

In evaluating the likely volume of imports of subject merchandise if the antidumping duty order is revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.³ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁴

In the original investigations, the quantity of U.S. shipments of imports of HSLWs from Taiwan rose from 388,000 pounds in 1990 to 629,000 pounds in 1991, and again to 735,000 pounds in 1992.⁵ In 1992, HSLWs from Taiwan accounted for only *** percent of apparent U.S. consumption, an increase of only *** percentage points over the 1990 level.⁶ U.S. importers held 104,000 pounds of HSLWs from Taiwan in inventory in 1990, 182,000 pounds in 1991, and 222,000 pounds in 1992.⁷

In the first five-year reviews, the quantity of HSLW imports from Taiwan was at a level about half of that during the original investigation and increased from 289,000 pounds in 1997 to 378,000 pounds in 1999.⁸ The Commission found that given the export orientation of the industry in Taiwan, it was likely that in the absence of the order, U.S. shipments of subject imports from Taiwan would return to significant levels.⁹ In a dissenting opinion, then-Vice Chairman Okun noted that the record indicated that the industry in Taiwan had declined from seven firms in the early 1980s to possibly a single firm at the end of 1992, which reported higher levels of capacity utilization as the industry shrank.¹⁰ She also observed that during the period of review, the U.S. market share of HSLWs from Taiwan ranged from *** percent to *** percent, making Taiwan a marginal source of supply to the U.S. market.

During the period examined in the second five-year reviews, the U.S. market share of HSLWs from Taiwan was *** percent in 2005, lower than the *** percent of the market held by HSLWs from Taiwan in 1992 during the original investigation. In our dissenting views with respect to Taiwan, we acknowledged that the order appeared to have had some restraining effect on the volume of subject imports from Taiwan.¹¹ We noted, however, that even were the volume to return to pre-order levels, the

³ 19 U.S.C. § 1675a(a)(2).

⁴ 19 U.S.C. § 1675a(a)(2)(A-D).

⁵ Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final), USITC Pub. 2651 (June 1993)(“Original Taiwan Determination”), at table 2.

⁶ Id.

⁷ Table 13, Memorandum INV-Q-088 (June 4, 1993) at I-44.

⁸ Certain Helical Spring Lock Washers from the People’s Republic of China and Taiwan, Invs. Nos. 731-TA-624 & 625 (Review), USITC Pub. 3384 (Jan. 2001) (“First Five-Year Reviews”) at Table C-1.

⁹ First Five-Year Reviews at 21.

¹⁰ First Five-Year Reviews at 26-27 (Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Marcia E. Miller). It was unclear during the first review period whether additional companies actually manufactured subject merchandise in Taiwan as Asian trading companies often preferred to present themselves as manufacturers.

¹¹ Helical Spring Lock Washers from the People’s Republic of China and Taiwan, Invs. Nos. 731-TA-624 & 625 (Second Review), USITC Pub. 3858 (June 2006) (“Second Five-Year Reviews”) at 26 (Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson).

quantity of HSLWs from Taiwan was likely to remain relatively small. Available evidence indicated that Taiwan continued to be a marginal source of supply to the U.S. market, especially for the large master distributors that competed with Shakeproof for high-volume sales of carbon steel HSLWs. Moreover, given the significant growth in the volume of imports from China, the U.S. market share held by those imports, and the growing differential between AUVs of imports from China and Taiwan, we found that subject imports from Taiwan would not likely be at significant levels absent an order.¹² Finally, the record did not indicate that HSLWs from Taiwan faced any barriers to trade in countries other than the United States or that product shifting was likely.

In the current review, we recognize that the volume of subject imports from Taiwan has increased in recent years, but other considerations lead us to conclude that the likely volume of subject imports from Taiwan would not be significant if the order were revoked.¹³ In particular, there is no information on this record suggesting that the industry in Taiwan has changed in composition or capacity since the last reviews. In fact, Shakeproof identified the same three firms in Taiwan as foreign producers/exporters of HSLWs in the second and third five-year reviews: Par Excellence Industrial Co., Ltd. (“Par Excellence”), Ray-Fu Enterprise Co. Ltd. (“Ray-Fu”), and Spring Lake Enterprise Co., Ltd. (“Spring Lake”). These companies were all in existence at the time of the first five-year reviews.¹⁴

With regard to the potential for product shifting, we recognize that the three firms identified in these reviews as foreign producers/exporters of HSLWs in Taiwan produce washers, nuts, bolts, and related products.¹⁵ As noted above, however, the Commission previously found that the record in the second reviews did not indicate that product shifting was likely.¹⁶ Further, there are no known barriers to the importation of subject HSLWs from Taiwan into countries other than the United States.¹⁷ Moreover, given the significant volume of imports from China, the U.S. market share held by those imports, and the consistently large differentials between AUVs for imports from China and Taiwan, we continue to view

¹² Imports from China increased from 2.9 million pounds in 1999 to 7.5 million pounds in 2004 before declining to 6.5 million pounds in 2005. Second Five-Year Reviews at Table I-6. The market share held by imports from China increased from *** percent in 1999 to *** percent in 2005. Second Five-Year Reviews at Table I-7. The differential between AUVs for imports from China and Taiwan increased by 125 percent from 1999 to 2005. Second Five-Year Reviews at Table I-6.

¹³ The quantity of U.S. imports from Taiwan was 404,000 pounds in 2006, 546,000 pounds in 2007, 726,000 pounds in 2008, 565,000 pounds in 2009, and 1.0 million pounds in 2010. The value of subject imports from Taiwan was \$705,000 in 2006, \$1.0 million in 2007, \$1.6 million in 2008, \$987,000 in 2009, and \$2.0 million in 2010. The share of the U.S. market held by subject imports from Taiwan was *** percent in 2006, *** percent in 2007, *** percent in 2008, *** percent in 2009, and *** percent in 2010. CR/PR at Table I-5.

¹⁴ Spring Lake was established in 1980, Par Excellence was established in 1982, and Ray-Fu was founded in 1999. CR at I-31-I-32, PR at I-19-I-20.

¹⁵ CR at I-31-I-32, PR at I-19-I-20.

¹⁶ For example, Shakeproof reported that ***. First Five-Year Reviews at II-3-4. See also First Five-Year Reviews at 27, n.11 (Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Marcia E. Miller).

¹⁷ CR at I-25, PR at I-18.

Taiwan as a marginal source of supply to the U.S. market and find that subject imports from Taiwan would not likely be at significant levels absent an order.^{18 19 20}

Accordingly, based on the record in these reviews and the record in the original investigations and prior five-year reviews, we find that the likely volume of subject imports from Taiwan would not be significant if the order were revoked, either in absolute terms or relative to production or consumption in the United States.

C. Likely Price Effects of Subject Imports from Taiwan

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission considers whether there is likely to be significant underselling by the subject imports as compared to the domestic like product, and if the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.²¹

In performing our analysis, we have taken into account the Commission's previous findings regarding price effects in the original investigations and first five-year reviews, and our findings in the second five-year reviews. The Commission did not collect specific pricing data in these expedited reviews, nor did domestic interested parties provide such data. In the original investigations, however, the Commission found little clear evidence of price effects by the subject imports from Taiwan.²² In particular, the Commission found that, while subject imports from Taiwan were imported at average unit values lower than the domestic industry's prices for comparable products, distributor sales of HSLWs from Taiwan undersold the domestic product in only a minority of producer/importer comparisons.²³ In the first reviews, the Commission found that price was an important factor in purchasing decisions, and that the domestic like product and HSLWs from Taiwan were substitutable. Nevertheless, the Commission found that the evidence as to whether subject imports from Taiwan were underselling the domestic like product was inconclusive, primarily because many of the available price comparisons were not made at the same level of trade.²⁴ In the second five-year reviews we found that there would not likely be significant underselling by imports from Taiwan if the order were revoked.²⁵ In addition, we found that subject imports from Taiwan would not be likely to enter the United States at prices that would have a significant depressing or suppressing effect on the price of the domestic like product. We based this finding on the fact that the record of the second reviews did not indicate conclusively the degree of any likely price effects, particularly as the U.S. industry had demonstrated that it would cede market share to subject imports rather than lower its prices.

¹⁸ Subject imports from China totaled 7.8 million pounds in 2006, 7.1 million pounds in 2007, 6.6 million pounds in 2008, 4.0 million pounds in 2009 and 7.3 million pounds in 2010. This volume was considerably larger than the volume from Taiwan in all years of the period of review. CR/PR at Table I-5.

¹⁹ Subject imports from China supplied more than *** percent of the U.S. HSLW market in each year between 2006 and 2010. CR/PR at Table I-5.

²⁰ The average unit value of imports from Taiwan exceeded the average unit value of imports from China in every year of the current review period and by as much as \$1.35 per pound in 2008. The differential between AUVs for imports from China and Taiwan was lowest in 2009 at \$0.68 per pound but was \$1.01 per pound in 2010. CR/PR at Table I-4.

²¹ 19 U.S.C. § 1675(a)(3).

²² Original Taiwan Determination at 17-18, 33 n.31, and 47-51.

²³ Memorandum INV-Q-088 (June 4, 1993) at I-65-67, I-77-78 & Tables 18-23.

²⁴ First Five-Year Reviews at 22.

²⁵ Second Five-Year Reviews at 28.

In these third five-year reviews, there is no information on the record that would compel us to alter the conclusions we reached in the last five-year reviews regarding likely price effects. In fact, the only new information we have concerning pricing of HSLWs from Taiwan reinforces those conclusions. Specifically, average unit values of imports from Taiwan during 2006-2010 were very close to, and sometimes exceeded, the unit value of domestic shipments.²⁶ This evidence suggests that imports from Taiwan were not underselling significantly the domestic like product during the period of review. We are mindful that the pricing behavior of imports from Taiwan under the order does not necessarily predict their pricing behavior if the order is revoked. In light, however, of the fact that record information indicates that exporters in Taiwan concentrate on producing and selling higher-priced stainless steel HSLWs (as demonstrated by the relatively high unit value of imports from Taiwan), we find that imports from Taiwan would not be likely to have adverse price effects in the U.S. market, a market in which lower-priced carbon steel HSLWs are more frequently sold.²⁷ Moreover, inasmuch as we have found that the volume of subject imports from Taiwan would not likely be significant if the order is revoked, that volume would likely be too small to affect domestic prices significantly.

Accordingly, on the basis of the record in these reviews, we find that revocation of the antidumping duty order on imports of HSLWs from Taiwan would not be likely to lead to significant underselling by the subject imports from Taiwan of the domestic like product, or have a significant depressing or suppressing effect on the price of the domestic like product, within a reasonably foreseeable time.

D. Likely Impact of Subject Imports from Taiwan

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order is revoked, the Commission considers all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including, but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.²⁸

During the original investigations, the Commission found that the overall performance of the HSLW industry was mixed, with fluctuating production and shipments, declining market share, and stagnant operating margins.²⁹ In the first reviews, the Commission found that the condition of the industry had improved, particularly with regard to capacity utilization and profitability, and attributed this improvement to the antidumping order on imports of HSLWs from China and the resulting significant decline in the volume of imports from China.³⁰ In her dissenting opinion, however, then-Vice Chairman Okun found that the imposition of the antidumping duty order on the significantly smaller volume of higher-priced HSLWs from Taiwan had contributed little to the improvement in the state of the domestic

²⁶ CR/PR at Tables I-3 & I-4. The unit value per pound of imports of HSLWs from Taiwan was \$1.75 in 2006, \$1.84 in 2007, \$2.26 in 2008, \$1.75 in 2009, and \$2.02 in 2010. The unit value per pound of U.S. shipments of HSLWs was \$*** in 2006, \$*** in 2007, \$*** in 2008, \$*** in 2009, and \$*** in 2010. Thus, the unit value of subject imports from Taiwan exceeded the unit value of U.S. shipments in two of the five years of the period.

²⁷ Second Five-Year Reviews at 9; First Five-Year Reviews at 25 (Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Marcia E. Miller).

²⁸ 19 U.S.C. § 1675(a)(4).

²⁹ Original Taiwan Determination at 10-11.

³⁰ First Five-Year Reviews at 18.

industry.³¹ The Commission did not find the domestic industry vulnerable in light of its profitability, although the domestic industry's capacity, production, U.S. shipments, total sales, capacity utilization, and employment all declined over the earlier period of review.³²

In our dissenting opinion in the second reviews we observed that the industry continued to experience declines in production, capacity utilization, sales, market share, and employment.³³ In light, however, of the fact that the continued low level of imports from Taiwan continued to be predominantly stainless steel HSLWs and the fact that, to the extent the industry lost market share during the period of review, it did so to imports from China (not Taiwan), we concluded that imports from Taiwan would not likely have any significant adverse impact on the domestic industry if the order were revoked.

In these reviews, because the Commission elected not to conduct full reviews, we have limited new information on the current condition of the domestic industry.³⁴ We recognize that volume-based trade performance indicators declined overall from 2006 to 2010. On the other hand, value-based trade performance indicators and most financial performance indicators have improved. In particular, the unit value of U.S. shipments increased by *** percent between 2006 and 2010, and the industry was *** over the period.³⁵ Therefore, the current performance of the domestic industry appears to be mixed. The limited evidence in these expedited reviews, however, is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

Nevertheless, because we conclude that the likely volume of subject imports and their likely effect on U.S. prices would not be significant, such imports would not be likely to have a significant impact on domestic HSLW producers' cash flow, inventories, employment, wages, growth, ability to raise capital, or investment within a reasonably foreseeable time in the event the order is revoked. We therefore find that revocation of the order on HSLWs from Taiwan is not likely to lead to the continuation or recurrence of material injury to the domestic HSLW industry within a reasonably foreseeable time.

II. CONCLUSION

Based on the record in these reviews, we conclude that revocation of the antidumping duty order on Taiwan is not likely to lead to continuation or recurrence of material injury to the U.S. helical spring lock washer industry within a reasonably foreseeable time.

³¹ First Five-Year Reviews at 29 (Dissenting views of Vice Chairman Deanna Tanner Okun and Commissioner Marcia E. Miller).

³² First Five-Year Reviews at 18-19.

³³ Second Five-Year Reviews at 29-30.

³⁴ While Shakeproof provided data on some performance indicators (e.g., capacity, production, volume and value of U.S. and export shipments, net sales, cost of goods sold, SG&A expenses, and operating income), it did not provide data on employment in the industry. CR/PR at table I-3.

³⁵ Production was *** pounds in 2006, *** pounds in 2007, *** pounds in 2008, *** pounds in 2009, and *** pounds in 2010. Capacity utilization was *** percent in 2006, *** percent in 2007, *** percent in 2008, *** percent in 2009, and *** percent in 2010. The volume of U.S. domestic shipments declined irregularly over the period of review from *** pounds in 2006 to *** pounds in 2010. The volume of U.S. export shipments declined likewise from *** pounds in 2006 to *** pounds in 2010. The per-pound unit value of domestic shipments was \$*** in 2006, \$*** in 2007, \$*** in 2008, \$*** in 2009, and \$*** in 2010. The ratio of operating income to sales was *** percent in 2006, *** percent in 2007, *** percent in 2008, *** percent in 2009, and *** percent in 2010. CR/PR at table I-3.

INFORMATION OBTAINED IN THE REVIEWS

INTRODUCTION

Background

On June 1, 2011, in accordance with section 751(c) of the Tariff Act of 1930 (the Act),¹ as amended, the U.S. International Trade Commission (“Commission”) gave notice that it had instituted five-year reviews to determine whether revocation of the antidumping duty orders on helical spring lock washers (“HSLWs”) from China and Taiwan would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.^{2 3} On September 6, 2011, the Commission determined that the domestic interested party group response to its notice of institution was adequate⁴ and that the respondent interested party group response was inadequate. The Commission found no other circumstances that would warrant conducting full reviews.⁵ Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.⁶ Information relating to the background and scheduling of the reviews is presented in the following tabulation.

Effective date	Action	<i>Federal Register</i> citation
June 1, 2011	Commission’s institution of third five-year reviews	76 FR 31629
June 1, 2011	Commerce’s initiation of five-year reviews	76 FR 31588
September 6, 2011	Commission’s determination to conduct expedited third five-year reviews	76 FR 57075
October 4, 2011	Commerce’s final determinations in its expedited five-year reviews	76 FR 61343
November 4, 2011	Commission’s vote	Not applicable
November 18, 2011	Commission’s determinations transmitted to Commerce	Not applicable

Source: Cited *Federal Register* notices.

¹ 19 U.S.C. §1675(c).

² All interested parties were requested to respond to the notice by submitting information requested by the Commission. Copies of the Commission’s *Federal Register* notices are presented in app. A.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of the five-year reviews of the subject antidumping duty orders concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 76 FR 31588, June 1, 2011.

⁴ The Commission received one submission in response to its notice of institution for the subject reviews. It was filed on behalf of Shakeproof Assembly Components Division of Illinois Tool Works, Inc. (“Shakeproof”), a major U.S. producer of HSLWs. Shakeproof is believed to have accounted for approximately *** percent of U.S. HSLW production in 2010. Domestic interested party, Shakeproof’s, June 30, 2011, response to the notice of institution (“domestic interested party’s response”), p. 16.

⁵ A copy of the *Explanation of Commission Determination on Adequacy* is presented in app. A.

⁶ 19 U.S.C. § 1675(c)(3). See the Commission’s web site (<http://www.usitc.gov>) for Commissioner votes on whether to conduct expedited or full reviews.

The Original Investigations and Subsequent Five-Year Reviews

The Commission completed its original investigations⁷ in 1993, determining that an industry in the United States was materially injured or threatened with material injury by reason of imports from China and Taiwan of HSLWs found by Commerce to be sold at less than fair value (“LTFV”).⁸ The Commission found the domestic like product in the original investigations to be HSLWs of all sizes and metals although the scope of Commerce’s investigations consisted only of steel HSLWs.⁹ The Commission found the relevant domestic industry to consist of “all domestic producers of HSLWs.”¹⁰ After receipt of the Commission’s affirmative determinations, Commerce issued antidumping duty orders on June 28, 1993, on HSLWs from Taiwan and on October 19, 1993, on HSLWs from China.¹¹

On November 2, 1999, the Commission instituted five-year reviews of the antidumping duty orders on HSLWs from China and Taiwan pursuant to section 751(c) of the Act, to determine whether revocation of the antidumping duty orders on imports of HSLWs from China and Taiwan would likely lead to a continuation or recurrence of material injury.¹² On January 25, 2001, following full reviews, the Commission determined that revocation of the antidumping duty orders on HSLWs from China and Taiwan would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.¹³ Effective February 23, 2001, Commerce issued a continuation of the antidumping duty orders on imports of HSLWs from China and Taiwan.¹⁴

On January 3, 2006, the Commission instituted second five-year reviews of the antidumping duty orders on HSLWs from China and Taiwan pursuant to section 751(c) of the Act, to determine whether revocation of the antidumping duty orders on imports of HSLWs from China and Taiwan would likely lead to a continuation or recurrence of material injury.¹⁵ On June 15, 2006, following expedited reviews, the Commission determined that revocation of the antidumping duty orders on HSLWs from China and Taiwan would be likely to lead to a continuation or recurrence of material injury within a reasonably

⁷ The investigations resulted from a petition filed on September 8, 1992, on behalf of Shakeproof, Milwaukee, WI, alleging that an industry in the United States was materially injured by reason of imports from China and Taiwan of HSLWs.

⁸ The Commission completed the investigation on Taiwan in June 1993 and the investigation on China in October 1993. *Certain Helical Spring Lock Washers from Taiwan; Import Investigation, Inv. No. 731-TA-625 (Final)*, 58 FR 34590, June 28, 1993. See also *Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, June 1993. *Certain Helical Spring Lock Washers from the People’s Republic of China, Inv. No. 731-TA-624 (Final)*, 58 FR 53747, October 18, 1993. See also *Certain Helical Spring Lock Washers from The People’s Republic of China, Inv. No. 731-TA-624 (Final)*, USITC Publication 2684, October 1993.

⁹ *Certain Helical Spring Lock Washers from The People’s Republic of China, Inv. No. 731-TA-624 (Final)*, USITC Publication 2684, October 1993, p. I-5. *Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, June 1993, p. 8.

¹⁰ *Ibid.*

¹¹ *Antidumping Duty Order: Certain Helical Spring Lock Washers from Taiwan*, 58 FR 34567, June 28, 1993. *Antidumping Duty Order: Certain Helical Spring Lock Washers from The People’s Republic of China*, 58 FR 53914, October 19, 1993.

¹² *Helical Spring Lock Washers from China and Taiwan*, 64 FR 59204, November 2, 1999.

¹³ *Helical Spring Lock Washers from China and Taiwan*, 66 FR 8424, January 31, 2001.

¹⁴ *Continuation of Antidumping Duty Orders on Helical Spring Lock Washers from China and Taiwan*, 66 FR 11255, February 23, 2001.

¹⁵ *Helical Spring Lock Washers from China and Taiwan*, 71 FR 133, January 3, 2006.

foreseeable time.¹⁶ Effective July 3, 2006, Commerce issued a continuation of the antidumping duty orders on imports of HSLWs from China and Taiwan.¹⁷

Commerce's Administrative and Five-Year Reviews

As shown in the staff report in the second reviews, between 1993, when the antidumping duty order on China was issued, and April 2006, Commerce had completed 11 administrative reviews with respect to imports of HSLWs from China. A twelfth administrative review was rescinded.¹⁸

Since the completion of the second reviews, Commerce has completed two additional administrative reviews, and rescinded two. Antidumping duty margins promulgated in Commerce's antidumping duty order on HSLWs from China and subsequent five-year reviews are presented in table I-1, as are the results of most recent administrative reviews that resulted in a change in the antidumping duty margins for the principal Chinese manufacturer and exporter, Hangzhou Spring Washer Plant ("Hangzhou").

Table I-1
HSLWs: Commerce's antidumping duty margins from the original order and from administrative and five-year reviews for China

Action	Date of action	Federal Register citation	Period of review	Antidumping duty margins	
				Hangzhou	All others
<i>Percent ad valorem</i>					
Final determination	09/20/93	58 FR 48833	04/01/92-09/30/92	77.47	128.63
Order (A-570-822)	10/19/93	58 FR 53914	(¹)	77.47	128.63
Amended final determination and order	11/23/93	58 FR 61859	(¹)	69.88	128.63
Five-year review	06/05/00		(¹)	69.88	128.63
Second five-year review	05/10/06	71 FR 27227	(¹)	69.88	128.63
Administrative review	01/24/08	73 FR 4175	10/01/05-09/30/06	0.00	128.63
Administrative review	05/27/10	75 FR 29721	10/01/07-09/30/08	6.96	128.63
Third five-year review	10/04/11	76 FR 61343	(¹)	69.88	128.63
¹ Not applicable.					
Source: Cited <i>Federal Register</i> notices.					

Commerce has not conducted any administrative reviews of the antidumping duty order on HSLWs from Taiwan since the imposition of the order in June 1993. Antidumping duty margins

¹⁶ *Helical Spring Lock Washers from China and Taiwan*, 71 FR 35449, June 20, 2006.

¹⁷ *Continuation of Antidumping Duty Orders on Helical Spring Lock Washers from China and Taiwan*, 71 FR 37904, July 3, 2006.

¹⁸ *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, USITC Publication 3858, June 2006, table I-4.

promulgated in Commerce's antidumping duty order and subsequent five-year reviews on Taiwan are presented in table I-2.

Table I-2
HSLWs: Commerce's antidumping duty margins from the original order and the subsequent five-year reviews for Taiwan

Action	Date of action	Federal Register citation	Period of review	Antidumping duty margins	
				Firm-specific	All others
				<i>Percent ad valorem</i>	
Final determination	05/11/93	58 FR 27709	04/01/92-09/30/92	Spring Lake Enterprise Co. . . 31.93 Ceimiko Industrial Co. 31.93 Par Excellence Industrial Co. 31.93	31.93
Order (A-583-820)	06/28/93	58 FR 34567	(¹)	Spring Lake Enterprise Co. . . 31.93 Ceimiko Industrial Co. 31.93 Par Excellence Industrial Co. 31.93	31.93
Five-year review	06/05/00	65 FR 35605	(¹)	Spring Lake Enterprise Co. . . 31.93 Ceimiko Industrial Co. 31.93 Par Excellence Industrial Co. 31.93	31.93
Continuation of order	02/23/01	66 FR 11255	(¹)	Spring Lake Enterprise Co. . . 31.93 Ceimiko Industrial Co. 31.93 Par Excellence Industrial Co. 31.93	31.93
Second five-year review	05/10/06	71 FR 27227	(¹)	Spring Lake Enterprise Co. . . 31.93 Ceimiko Industrial Co. 31.93 Par Excellence Industrial Co. 31.93	31.93
Continuation of order	07/03/06	71 FR 37904	(¹)	Spring Lake Enterprise Co. . . 31.93 Ceimiko Industrial Co. 31.93 Par Excellence Industrial Co. 31.93	31.93
Third five-year review	10/04/11	76 FR 61343	(¹)	Spring Lake Enterprise Co. . . 31.93 Ceimiko Industrial Co. 31.93 Par Excellence Industrial Co. 31.93	31.93
¹ Not applicable. Source: Cited <i>Federal Register</i> notices.					

THE PRODUCT

Scope and Tariff Treatment

Commerce has defined the imports covered by the antidumping duty orders as follows:¹⁹ *HSLWs of carbon steel, of carbon alloy steel, or of stainless steel, heat-treated or non-heat-treated, plated or non-plated, with ends that are off-line. HSLWs are designed to: (1) function as a spring to compensate for developed looseness between the component parts of a fastened assembly; (2) distribute the load over a larger area for screws or bolts; and (3) provide a hardened bearing surface. The scope does not include internal or external tooth washers, nor does it include spring lock washers made of other metals, such as copper.*

Subject HSLWs are covered by subheading 7318.21.00 (statistical reporting number 7318.21.0030) of the Harmonized Tariff Schedule of the United States (“HTS”)²⁰ and are subject to a U.S. column 1-general duty rate, applicable to China and Taiwan, of 5.8 percent *ad valorem*.

Domestic Like Product and Domestic Industry

In its original 1993 determinations, the Commission defined the domestic like product as HSLWs of all sizes and metals although the scope of Commerce’s investigations consisted only of steel HSLWs. The Commission found similar channels of distribution, manufacturing facilities, production processes, and end uses for HSLWs, but noted some differences in physical characteristics and limits on interchangeability among HSLWs because resistance to corrosion differed between stainless and carbon steel HSLWs.²¹ Nonetheless, “based upon the overlap in mechanical function and end uses, channels of distribution, common manufacturing facilities, production processes, equipment and employees, and interchangeability of products for some applications,” the Commission defined the domestic like product as all HSLWs.²² In the original investigations the Commission determined that the domestic industry consisted of all producers of HSLWs.²³

In the first five-year reviews, the Commission, “for the reasons relied upon in the original investigations,” defined the domestic like product again as “all HSLWs” and the domestic industry as all domestic producers of HSLWs.²⁴ The record in these reviews indicates that neither significant changes in the product at issue or in the factors the Commission considers in its determination, nor any other appropriate circumstance warranting revisiting the Commission’s original like product determination.²⁵

¹⁹ *Certain Helical Spring Lock Washers from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 75 FR 29720, May 27, 2010, *Certain Helical Spring Lock Washers from the People's Republic of China: Continuation of Antidumping Duty Orders on Helical Spring Lock Washers from China and Taiwan*, 71 FR 37904, July 3, 2006.

²⁰ The written description provided above is dispositive as to the scope of the product coverage. The HTS classification is provided for convenience and for Customs purposes only.

²¹ *Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, June 1993, p. 8.

²² *Ibid.*

²³ *Ibid.*

²⁴ *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, USITC Publication 3384, January 2001, pp. 4-5.

²⁵ *Ibid.*

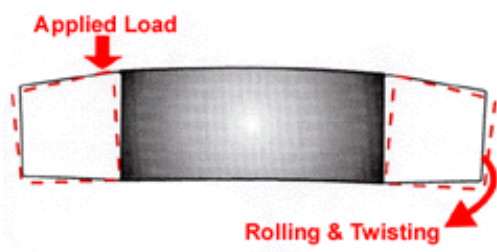
In the second five-year reviews, the Commission noted that Shakeproof “does not object to the Commission’s domestic like product definition.” Moreover, the Commission found that “there is no new information obtained during these second reviews that would suggest any reason for revisiting the Commission’s like product definition in the original investigations and the first five-year reviews.” Accordingly, the Commission found “a single domestic like product consisting of all HSLWs for purposes of these five-years reviews.”²⁶

In these five-year reviews, Shakeproof states that it “does not object to the Commission’s domestic like product definition set forth in the notice of institution.”²⁷

Description and Uses

HSLWs are flattened, ring-shaped metal devices whose ends are cut in an off-line manner to provide spring or tension to assembled parts when used as a seat for bolts, nuts, screws, and similar fasteners. In addition to preventing movement or loss of tension between assembled parts, HSLWs are used to distribute a load over an area greater than that provided by the fastener and to provide a hardened bearing surface that facilitates assembly and disassembly of fastened parts.²⁸ Figure 1-1 below depicts the mechanical function of a HSLW by which the trapezoidal section twists so that the face of the washer lays flat, which results in a slight increase in the inside diameter thickness of the washer.²⁹

Figure I-1
HSLWs: Mechanical function of HSLWs



Source: Shakeproof company website at www.shakeproof.com.

The split in a HSLW absorbs initial driving torque and visually closes under nominal fastener loading. If tension in the fastener assembly is reduced and loosening occurs, a HSLW offers resistance to the back-off rotation of the fastener.³⁰

²⁶ *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, USITC Publication 3858, June 2006, p. 5.

²⁷ Domestic interested party’s response, p. 18.

²⁸ *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, USITC Publication 3858, June 2006, pp. I-9-11.

²⁹ *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, USITC Publication 3858, June 2006, Figure I-1.

³⁰ *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, USITC Publication 3858, June 2006, p. I-9.

The vast majority of HSLWs are manufactured from carbon (or carbon alloy) steel or stainless steel, which are the imported HSLWs subject to these reviews. In addition, other varieties include those made from copper, aluminum alloy, phosphor bronze, silicon bronze, and monel-nickel.³¹

The finish of a fastener is critical to its function, durability, and quality. Many fasteners are coated to protect against corrosion or to add qualities to the fastener, such as controlling the amount of torque needed to tighten it. The most common HSLW finishes include: mechanical zinc, electro zinc, mechanical galvanized, hot dip galvanized, phosphate coating, and black oxide.³²

HSLWs are generally recognized in the washer industry as being either light, regular, heavy, extra-duty, or high-collar types, largely depending on the thickness or diameter of the wire used during manufacture and the intended application of the washer. For example, heavy, extra-duty, and high-collar type HSLWs are manufactured from relatively heavy-gauge wire and used primarily with bolts and nuts to secure more rigid fastening assemblies.³³

More generally, HSLWs are often referred to in the lock washer industry as either “standard” or “special” products. “Standard” types generally encompass regular HSLWs having inside diameters of 0.112 to 1.5 inches and constitute a large portion of the HSLWs produced in the United States and imported from China and Taiwan. These lock washers are manufactured from carbon steel and stainless steel. “Special” HSLWs, on the other hand, include light, heavy, extra-duty, and high-collar varieties. In addition, HSLWs in metric sizes or those made to unique customer specifications, or manufactured from materials such as bronze, brass, copper, and aluminum, are considered to be “special” products. Finally, HSLWs from preassembled bolt/lock washer or screw/lock washer combinations (“sems”) are considered “special.”

HSLWs are used in all types of fastening applications, such as appliances, toys, and lawnmowers. The largest consumers of these products are original equipment manufacturers (particularly in the automotive industry) that use HSLWs for assembling finished products.

Manufacturing Process³⁴

The manufacture of virtually all HSLWs, regardless of metal content, begins with either “green” (raw, unfinished, or unprocessed) rod or processed wire, which is then shaped into a trapezoidal form by a series of rollers. The wire proceeds to a machine that coils it around a long metal shaft, or “arbor,” then cuts it. The wire can be cut in either of two ways. ***. After the cutting operation, unfinished carbon steel lock washers are placed in a furnace, heated to 1,600 degrees Fahrenheit, then quenched, washed, and further tempered. These processes harden and strengthen the lock washers, imparting spring properties that enable them to maintain tension when under load in a fastened assembly. Next, the lock washers may be treated with a rust inhibitor, plated with zinc, or both, and are then packed for shipment.

³¹ Products manufactured from metals other than carbon steel or stainless steel are not within the scope of the antidumping duty orders; however, as discussed above, the Commission determined in the original investigations and in the subsequent five-year reviews that such products would be included in its definition of the domestic like product.

³² *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, USITC Publication 3858, June 2006, p. I-10.

³³ App. B contains images and descriptions of the most common types of HSLWs.

³⁴ The content of this section is largely drawn from the reports issued in the first and second reviews. *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, USITC Publication 3384, January 2001, p. I-8, and *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, USITC Publication 3858, June 2006, pp. I-10-11.

The products are tested and inspected at various stages during the manufacturing process, largely to ensure the exactness of inside and outside diameters.^{35 36}

A small portion of the HSLWs produced in the United States are manufactured from metal sheets, plates, or round bars. One method of manufacture involves punching the washer from a metal sheet or plate using made-to-order dies. The second method requires cutting off the ends of round bars to the customer's specified thickness, then drilling a hole through each plate. In either case, the resulting washer is then split and formed, again according to customer specifications.

Raw Materials

As reported during the second reviews, the main input costs in the production of HSLWs are steel wire rod and energy.³⁷ In its response to the notice of institution in these reviews, Shakeproof reported that it had experienced sharply increasing energy costs as well as significant increases in prices for its main raw material input.³⁸

Interchangeability

In the original investigations and in the subsequent five-year reviews, it was noted that other types of washers are potential substitutes for HSLWs.³⁹ Other washers that are commonly used with fasteners are external and internal tooth lock washers.⁴⁰ Unlike HSLWs, tooth lock washers have bent teeth on the external or internal surface of the washer. The teeth bite into the adjacent bearing work surface to prevent the bolt, nut, or screw from loosening or turning. Because tooth lock washers generally provide more friction than HSLWs, they are widely used in electronic equipment and appliances. They are also used in hidden applications or when their jagged appearance is not a concern to the user.

Large consumers, such as original equipment manufacturers, design products to use a specific kind of lock washer and reportedly do not consider HSLWs and other types of lock washers to be interchangeable. In the original investigations Shakeproof stated that substitution of these products would occur only at the design stages, when manufacturers must decide which type of lock washer to use. Once designed into a "downstream" product, manufacturers would not substitute tooth lock washers, for example, for HSLWs. For this reason it was reported in the first five-year reviews that while alternative products threaten HSLW demand, substitutions will occur slowly over many years, as HSLWs are still

³⁵ The manufacturing technology used to produce HSLWs from wire in China and Taiwan is widely available and essentially the same as that used in the United States. In China, however, wire coiling and wire cutting are performed by different pieces of machinery at separate stages in the production process.

³⁶ In addition, there are types of non-helical spring lock washers, such as conical lock washers, Belleville washers, and disc and wave washers that are used primarily in automotive applications. Their production differs from the vast majority of subject HSLWs in that they are stamped from steel sheet rather than cut from lengths of wire. See *Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, pp. I-7-I-8.

³⁷ *Helical Spring Lock Washers From China and Taiwan, Inv. No. 731-TA-24 and 625 (Second Review)*, confidential staff report, pp. I-13-14.

³⁸ Domestic interested party's response, p. 13.

³⁹ *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, USITC Publication 3858, June 2006, pp. I-11 and I-12.

⁴⁰ Although they serve a similar purpose to that of HSLWs, the production process for manufacturing non-helical spring lock washers and tooth lock washers differs from that generally employed in the manufacture of HSLWs. *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, USITC Publication 3858, June 2006, pp. I-11 and I-12.

required for many “legacy designs.” As designs are replaced or modernized, newer fasteners are sometimes incorporated into the updated assemblies.⁴¹ However, in response to the notice of institution in these reviews, the domestic interested party, Shakeproof, stated that it believes that HSLW demand has been adversely affected by competition with substitute products.⁴²

Finally, plain or flat washers have no locking capabilities. These hardened circular steel washers are used largely to impart space, to protect a part from damage, to distribute a load more widely, to improve appearance, and to bridge oversize clearance holes. In some applications, plain or flat washers are used in combination with locking-type washers to prevent the fastener from loosening under vibration.⁴³

Channels of Distribution

As reported during the final phase of the original investigations and in the first reviews, in the U.S. market, both domestic and imported HSLWs are generally sold to distributors. Available data for 1999 indicate that about *** percent of U.S. producers' shipments of HSLWs and all shipments of subject imports were sold directly to unrelated distributors. While producers sometimes sell directly to end users, master distributors have become the dominant first-line purchasers of HSLWs. End users increasingly desire special packaging or the operational efficiencies of managed inventories, thus lower-level distributors typically need smaller minimum quantities and/or immediate product availability which are more easily handled by large-volume distributors than by producers. Master distributors typically sell many types of fasteners and related hardware from many sources, and are often the importer of record.⁴⁴

Pricing

As reported during the second reviews and stated earlier, the principal input costs in the production of HSLWs are steel wire rod and energy.⁴⁵ In its response to the notice of institution in these reviews, Shakeproof reported that it had experienced sharply increasing energy costs as well as significant increases in prices for its main raw material input. Unit costs for this input increased by *** from 2006 to 2010. Likewise, from 2006 to 2009, Shakeproof's principal energy cost, electricity, rose by *** per pound of output. This cost declined in 2010 but still remained *** above its 2006 level.⁴⁶ As shown in table I-3, unit values of HSLWs also increased, rising from *** per pound in 2006 to *** per pound in 2010. Overall, Shakeproof's U.S. shipment average unit values increased by *** between 2006 and 2010.

⁴¹ *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, USITC Publication 3858, June 2006, pp. I-11 and I-12.

⁴² Domestic interested party's response, p. 6.

⁴³ *Helical Spring Lock Washers From China and Taiwan, Inv. No. 731-TA-624 and 625 (Second Review)*, confidential staff report, pp. I-11 and I-12.

⁴⁴ *Certain Helical Spring Lock Washers From China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Final)*, confidential staff report, pp. I-21-22, and *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, confidential staff report, p. II-1.

⁴⁵ *Helical Spring Lock Washers From China and Taiwan, Inv. No. 731-TA-624 and 625 (Second Review)*, confidential staff report, pp. I-13-14.

⁴⁶ Domestic interested party's response, p. 13.

THE INDUSTRY IN THE UNITED STATES

U.S. Producers

Shakeproof was the sole petitioner in the original 1992 investigations. According to the petition, in the 1980s there were seven U.S. producers of HSLWs. By 1990, the domestic industry had contracted to four firms: Mellowes Company (“Mellowes”); Beall Manufacturing (“Beall”); Crest Products (“Crest”); and MW Industries (“MW”). During 1990-92, the domestic industry continued to become increasingly concentrated, as the petitioner began HSLW production with its purchase of the assets of Mellowes in April 1991, Beall in November 1991, and Crest in July 1992. By the end of 1992 only Shakeproof and MW were producing HSLWs, with Shakeproof accounting for *** percent of reported U.S. sales of domestically produced HSLWs.⁴⁷ In addition, Marvec, Inc. (“Marvec”) was identified as a HSLW producer that began production of regular section stainless steel HSLWs in May 1993.⁴⁸

During the first five-year reviews in 2001, two domestic HSLW producers were identified; Shakeproof and Wrought Washer Mfg., Inc. (“Wrought Washer”), both of Milwaukee, WI. Marvec had been acquired by Shakeproof in 1996-97.⁴⁹ Only Shakeproof provided the Commission with data; Wrought Washer did not respond. At the hearing held in connection with the first five-year reviews, a Shakeproof business manager described Wrought Washer as a small niche producer, incapable of competing across the entire breadth of HSLWs.⁵⁰

In its response to the Commission’s notice of institution in the second five-year reviews, Shakeproof again described itself as the major U.S. HSLW producer, accounting for approximately *** percent of U.S. production of HSLWs. According to Shakeproof, the only other operating U.S. producer of the domestic like product is Wrought Washer, described again as a “small, privately held niche producer.”⁵¹ On its company website, Wrought Washer described itself as “one of the world’s leading contract manufacturers of special washers.” In addition, the company advertises regular, heavy, and high collar lock washers made from carbon steel.⁵²

In its response to the Commission’s notice of institution in these third five-year reviews, Shakeproof again stressed that it is the major U.S. HSLW producer, accounting for approximately *** percent of U.S. production of HSLWs.⁵³ According to Shakeproof, the only other currently operating U.S. producer of the domestic like product is Wrought Washer, described by Shakeproof again as a “small, privately held niche producer.”⁵⁴ On its company website, Wrought Washer describes itself as

⁴⁷ *Certain Helical Spring Lock Washers From Taiwan, Inv. No. 731-TA-625 (Final)*, confidential staff report, INV-Q-088, June 4, 1993, p. I-14.

⁴⁸ *Certain Helical Spring Lock Washers From Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, June 1993, p. I-14.

⁴⁹ Shakeproof acquired Marvec by asset purchase. Marvec’s inventories were added to Shakeproof’s and the customers were then serviced out of Shakeproof’s existing production operation. *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, USITC Publication 3384, January 2001, p. I-8.

⁵⁰ *Ibid.*

⁵¹ *Helical Spring Lock Washers From China and Taiwan, Inv. No. 731-TA-624 and 625 (Second Review)*, confidential staff report, p. I-16.

⁵² Wrought Washer company website, *Special Washers and Related Stampings*, found at <http://www.wroughtwasher.com/prod02.htm>, retrieved April 24, 2006.

⁵³ Domestic interested party’s response, p. 16.

⁵⁴ Domestic interested party’s response, p. 14.

“one of the world’s leading contract manufacturers of standard and special washers.” In addition, the company advertises other types of washers made from carbon steel.⁵⁵

Shakeproof is one of over 840 businesses that Illinois Tool Works, Inc. (“ITW”) operates in 57 countries. ITW had a 2010 operating income of nearly \$2.4 billion, generated from the design and manufacture of a wide variety of industrial products ranging from fasteners to equipment systems.⁵⁶ ITW began operations in 1912 in Chicago, manufacturing metal-cutting equipment and gear assemblies. The tooth lock washer, developed in 1923, was ITW’s first major product innovation; the Shakeproof division, established first in Chicago and later in Elgin, IL, dates from that time. HSLWs did not become part of Shakeproof’s product line until April 1991, when Shakeproof bought the Mellowes Company of Milwaukee, WI. During the original investigations and the first five-year reviews, HSLWs represented *** part of Shakeproof’s range of products.⁵⁷

U.S. Producers’ Trade, Employment, and Financial Data

Select data reported by U.S. producers in the Commission’s original investigations, subsequent five-year reviews, and in response to the notice of institution of these reviews, are presented in table I-3. Data from 1992 represent the responses of four U.S. producers of HSLWs: Beall, Crest, MW, and Shakeproof, with the exception of financial data which were only provided by Beall and Shakeproof. For the remaining periods the data are entirely those of Shakeproof.⁵⁸

As presented in table I-3, U.S. production of HSLWs in 1999 was slightly higher than in 1992. By 2005, however, production levels were markedly lower, and continued to fall between 2006 and 2009, before recovering slightly in 2010. U.S. HSLW production in 2010 was only approximately *** of the level of U.S. production in 1992 and 1999. Capacity utilization levels in 2006 were approximately *** those in 1992 and 1999, and continued to fall though 2009, before recovering slightly in 2010. U.S. producers’ shipments followed similar trends, and even an increase in average unit values could not prevent a net reduction in the value of U.S. shipments between 2006 and 2010. Export shipments, measured by quantity and by value, moved downward between 2006 and 2010 as well; indeed, by 2010 the quantity of exports of HSLWs was only *** percent of the level in 1992.

Employment Data

During the third five-year review period, Shakeproof’s HSLW operations “have witnessed a decline in employment of *** percent. As a result of these job losses, Shakeproof is operating its plant producing HSLWs at only *** percent capacity in 2010.”⁵⁹

⁵⁵ Wrought Washer company website, *About Us*, found at <http://wroughtwasher.com>, retrieved September 2, 2011.

⁵⁶ ITW 2005 Annual Report and 2010 Annual Report, found at <http://www.itw.com>, retrieved September 2, 2011.

⁵⁷ *Certain Helical Spring Lockwashers from Taiwan*, Inv. No. 731-TA-625 (Final), USITC Publication 2651, June 1993, p. I-13, *Certain Helical Spring Lockwashers from China and Taiwan*, Inv. Nos. 731-TA-624 and 625 (Final), confidential staff report, June 1993, p. I-18, and *Helical Spring Lock Washers From China and Taiwan*, Inv. Nos. 731-TA-624 and 625 (Review), confidential staff report, INV-X-258, December 22, 2000, p. I-14.

⁵⁸ Additional historical data appear in app. C.

⁵⁹ Domestic interested party’s response, p. 13.

Financial Data

Shakeproof's operating income ***,⁶⁰

Table I-3

HSLWs: U.S. producers' trade, employment, and financial data, 1992, 1999, 2005, and 2006-10

* * * * *

Related Party Issues

To the best of Shakeproof's knowledge, aside from Shakeproof the only currently operating U.S. producer of the domestic like product is Wrought Washer, a small, privately held niche producer. Shakeproof has indicated that there are no known related parties.⁶¹

U.S. IMPORTS AND APPARENT U.S. CONSUMPTION

Cumulation

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) the degree of fungibility, including specific customer requirements and other quality-related questions; (2) presence of sales or offers to sell in the same geographic markets; (3) common channels of distribution; and (4) simultaneous presence in the market. Available information concerning these factors is presented below.

Fungibility

There is very limited data about HSLWs with regard to fungibility. Over *** percent of Shakeproof's shipments in 1992 and 1999 were composed of ***.⁶² In the original investigations respondents asserted that imports of subject HSLWs from China are all carbon steel, while those from Taiwan are "mainly" or "exclusively" stainless steel.⁶³ By 1992, *** percent of U.S. imports of all HSLWs from Taiwan were of stainless steel, while *** percent were of carbon steel. In contrast, *** percent of

⁶⁰ Domestic interested party's response, p. 13.

⁶¹ Domestic interested party's response, p. 14.

⁶² *Certain Helical Spring Lock Washers from China and Taiwan, Inv. No. 731-TA-624 and 625 (Final)*, confidential report, tables C-1, 2, 3, 5 (stainless steel HSLWs were only *** percent in 1992), and *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, USITC Publication 3384, January 2001, p. 8. See also *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, confidential report, p. I-14.

⁶³ *Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, June 1993, p. 23.

U.S. imports of HSLWs from China were of carbon steel.⁶⁴ U.S. imports by product and by source in 1990-92 are presented in the following tabulation.

Item	1990	1991	1992
Quantity (1,000 pounds)			
Carbon steel:			
China	***	***	***
Taiwan	***	***	***
Stainless			
China	***	***	***
Taiwan	***	***	***
Unit value (per pound)			
Carbon steel:			
China	\$***	\$***	\$***
Taiwan	***	***	***
Stainless			
China	***	***	***
Taiwan	***	***	***
¹ Not applicable. Source: <i>Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)</i> , table 16, page I-52.			

Presence in the Market

With respect to simultaneous presence in the market, imports of HSLWs from both China and Taiwan entered the United States in each of the 66 months between January 2006 and June 2011.⁶⁵

Geographic Markets

With respect to geographic markets, US. imports of HSLWs from China entered the United States through the following primary Customs districts: Los Angeles, Chicago, Cleveland, Savannah, Seattle, New York, and Dallas, while US. imports of HSLWs from Taiwan primarily entered the United States through: Chicago and Cleveland.⁶⁶

⁶⁴ *Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, June 1993, p. 24.

⁶⁵ Department of Commerce's official statistics (HTS 7318.21.0030).

⁶⁶ Department of Commerce's official statistics (HTS 7318.21.0030).

Channels of Distribution

As reported during the final phase of the original investigations and in the first reviews, in the U.S. market, both domestic and imported HSLWs are generally sold to distributors. Available data for 1999 indicate that about *** percent of U.S. producers' shipments of HSLWs and all shipments of subject imports were sold directly to unrelated distributors.⁶⁷

U.S. Imports

During the original investigations, the Commission identified 90 importers of HSLWs from China and Taiwan that accounted for 97 and 93 percent of imports, respectively. In the first five-year reviews, the Commission indicated that four responding firms were responsible for *** percent of total imports of HSLWs in 1999.^{68 69} No further information is available regarding current U.S. importers of HSLWs.

Import data for HSLWs are presented in table I-4. The total level of imports into the United States of HSLWs from all sources in 1992, prior to the imposition of the antidumping duty orders under review, was 9,874,000 pounds, and total imports from China and Taiwan were 8,782,000 pounds. After the imposition of the antidumping duty orders on Taiwan (June 1993) and China (October 1993), the quantity of imports from subject sources declined by 62.8 percent from 1992 to 1999. By 2005, however, subject import levels were nearly 80 percent of the levels recorded in 1992, and for much of the 2006-10 period remained in the 7.3 million - 8.3 million pound range. The unit values of HSLWs from China and Taiwan were higher in 2005 than in either 1999 or 1992, and continued to move higher during the 2006-10 period. Nevertheless, the average unit values of HSLWs from China remained noticeably lower than those for Taiwan or for nonsubject sources.

⁶⁷ *Certain Helical Spring Lock Washers From China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Final)*, confidential staff report, pp. I-21 and I-22, and *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)*, confidential staff report, p. II-1.

⁶⁸ *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, confidential staff report, INV-X-258, December 22, 2000, p. I-15.

⁶⁹ The American Association of Fastener Importers ("AAFI"), the majority of whose members had been U.S. importers of HSLWs from China, provided information to the Commission in response to the notice of institution of the first five-year reviews; the four responding firms to the Commission's importer questionnaire were all members of AAFI. *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, USITC Publication 3384, January 2001, p. I-9.

Table I-4
HSLWs: U.S. imports, by sources, 1992, 1999, 2005, and 2006-10

Source	Calendar years							
	1992	1999	2005	2006	2007	2008	2009	2010
Quantity (1,000 pounds)								
China	8,002	2,885	6,495	7,830	7,118	6,573	4,026	7,286
Taiwan	780	378	389	404	546	726	565	1,004
Subtotal	8,782	3,263	6,884	8,233	7,664	7,299	4,592	8,290
All other	1,092	1,981	509	614	784	769	383	623
Total	9,874	5,243	7,394	8,847	8,449	8,069	4,975	8,913
Value¹ (\$1,000)								
China	3,370	1,525	4,187	5,295	5,353	5,980	4,293	7,363
Taiwan	1,195	392	696	705	1,002	1,641	987	2,031
Subtotal	4,565	1,917	4,883	6,000	6,355	7,621	5,280	9,395
All other	1,264	2,117	3,043	2,049	2,870	3,537	1,845	2,764
Total	5,829	4,034	7,926	8,050	9,225	11,158	7,125	12,159
Unit value (per pound)								
China	\$0.42	\$0.53	\$0.64	\$0.68	\$0.75	\$0.91	\$1.07	\$1.01
Taiwan	1.53	1.04	1.79	1.75	1.84	2.26	1.75	2.02
Average	0.52	0.59	0.71	0.73	0.83	1.04	1.15	1.13
All other	1.15	1.07	5.97	3.34	3.66	4.60	4.82	4.44
Average	0.59	0.77	1.07	0.91	1.09	1.38	1.43	1.36
¹ Landed, duty-paid. Note.- - Because of rounding, figures may not add to the totals shown; unit values are calculated from the unrounded figures. Source: <i>Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)</i> , confidential staff report, table I-6. Data for 2006-10 are compiled from official Commerce statistics.								

Ratio of Imports to U.S. Production

Imports of HSLWs from China and Taiwan were equivalent to *** percent and *** percent of reported U.S. production in 2010, respectively. On a cumulated basis, subject imports from China and Taiwan were equivalent to *** percent of reported U.S. production. The ratio of imports of HSLWs from nonsubject countries to domestic production was *** percent in 2010.

Apparent U.S. Consumption and Market Shares

Data on apparent U.S. consumption of HSLWs in 1992, 1999, 2005 and 2006-10 are presented in table I-5. Figure I-2 presents apparent U.S. consumption for 1990-2010, exclusive of 1993-96 (a period for which data are not available). Overall, apparent U.S. consumption has been declining over the past decade, with particularly steep reductions in 2001-03 and 2007-09. Despite an initial increase in market share following the imposition of the subject orders, by 2005 the market share of the domestic industry was comparable to that in 1992. The domestic industry's market share continued to decline in each successive year of the 2006-10 period.

Table I-5
HSLWs: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 1992, 1999,
2005, and 2006-10

Item	1992 ¹	1999	2005	2006	2007	2008	2009	2010
Quantity (1,000 pounds)								
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from-- China:	7,091	2,885	6,495	7,830	7,118	6,573	4,026	7,286
Taiwan	735	378	389	404	546	726	565	1,004
Subtotal	7,826	3,263	6,884	8,233	7,664	7,299	4,592	8,290
Other sources	1,094	1,981	509	614	784	769	383	623
All sources	8,920	5,243	7,394	8,847	8,449	8,069	4,975	8,913
Apparent U.S. consumption	***	***	***	***	***	***	***	***
Value (\$1,000)								
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from-- China:	4,272	1,525	4,187	5,295	5,353	5,980	4,293	7,363
Taiwan	1,465	392	696	705	1,002	1,641	987	2,031
Subtotal	5,737	1,917	4,883	6,000	6,355	7,621	5,280	9,395
Other sources	1,444	2,117	3,043	2,049	2,870	3,537	1,845	2,764
All sources	7,181	4,034	7,926	8,050	9,225	11,158	7,125	12,159
Apparent U.S. consumption	***	***	***	***	***	***	***	***
Share of apparent U.S. consumption based on quantity (percent)								
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from-- China:	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***
¹ Data for 1992 represent U.S. shipments of imports from <i>Certain Helical Spring Lock Washers from China and Taiwan Inv. Nos. 731-TA-624 and 625 (Final)</i> , confidential staff report, table 2. Accordingly, the 1992 data presented above differ from 1992 import data presented in table I-4.								
Source: <i>Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Second Review)</i> , confidential staff report, table I-7, official Commerce statistics, and domestic interested party's response, Appendix E.								

Figure I-2

HSLWs: U.S. shipments/sales and U.S. imports, by source, 1990-92, 1997-99, 2000-05, and 2006-10

* * * * *

ANTIDUMPING ACTIONS OUTSIDE THE UNITED STATES

There are no known antidumping duty actions in place outside the United States.

THE SUBJECT INDUSTRY IN CHINA

In the original 1993 investigations the only complete information on the industry in China provided was for Hangzhou of Zhejiang, China. During the time of the Commission's original investigations, Hangzhou reported that its capacity to produce HSLWs in China was *** pounds per year. This company's output reportedly accounted for *** percent of production and more than *** percent of U.S. imports of the subject merchandise from China.⁷⁰ The Commission also identified ten additional mainland China HSLW potential producers and one with a Hong Kong address but did not receive responses directly from these potential producers.⁷¹ However, the Ministry of Foreign Trade and Economic Cooperation provided limited data for seven HSLW producers in China.⁷²

In the first five-year reviews the Commission received a questionnaire response from the only firm believed to be exporting HSLWs from China to the United States during the period of the reviews, Hangzhou.⁷³ The U.S. embassy in Beijing confirmed that Hangzhou was the only Chinese producer of HSLWs that exported to the United States and identified the following three firms as producers of HSLWs that did not export to the United States during the first review period: Shanghai Xiongliang Industrial and Trading Co. Ltd.; Jiangsu Jiangyin Hengteli Spring Washer Co., Ltd.; and Shanghai Spring Washer Factory.⁷⁴ Hangzhou reportedly accounted for *** percent of China's production of HSLWs in 1999.

In response to the Commission's request in its notice of institution in the second reviews for a list of all known and currently operating producers of the subject merchandise in the subject countries that currently export or have exported subject merchandise to the United States or other countries after 1999, Shakeproof

⁷⁰ *Certain Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Final)*, confidential staff report, INV-Q-088, June 4, 1993, pp. I-47-I-48.

⁷¹ *Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, June 1993, pp. I-26-I-27.

⁷² *Certain Helical Spring Lock Washers from China, Inv. No. 731-TA-624 (Final)*, USITC Publication 2684, October 1993, pp. II-4 through II-6. Among the eight HSLW producers for which data were available, capacity increased by 56.1 percent between 1990 and 1992, while production increased by 79.7 percent. Capacity in 1992 reached 36.8 million pounds and production reached 32.9 million pounds, with projections for continued growth in 1993 and 1994. Capacity utilization in 1992 stood at 89.4 percent. Ibid.

⁷³ In June 1999, former Zhejiang Wanxin Group's ("ZWG") name was changed to Hangzhou Spring Lock Washer Co., Ltd., as it changed from a collectively owned company to a privately owned company. While Hangzhou and ZWG are synonymous, for clarity the company will be referred to as Hangzhou throughout this report. *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, USITC Publication 3384, January 2001, p. IV-4.

⁷⁴ At the time of the first five-year reviews, Shanghai Spring Washer had a production capacity of 20 million tons and exported its products through the Shanghai Standard Products Import and Export Company. The firm did not export to the United States because of the antidumping duty order but did export to Europe and to southeast Asia. *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, USITC Publication 3384, January 2001, p. IV-3.

identified four foreign producers/exporters in China.⁷⁵ The potential production capability of these firms was not submitted by the domestic interested party and is not available from public sources.

HSLW manufacturing technology in China has reportedly not changed since the original investigations. At that time, in 1993, Hangzhou reportedly used a lock washer production process, utilizing equipment developed by Hangzhou itself, that was similar to that employed by Shakeproof, except that ***.⁷⁶ According to information provided during the first five-year reviews, the company has not had any significant changes in production technology since 1993 and explained that its major production inputs are ***. Hangzhou reported ***.

In response to the Commission's request in its notice of institution in these reviews for a list of all known and currently operating producers of the subject merchandise in the subject countries that currently export or have exported subject merchandise to the United States or other countries after 2005, Shakeproof identified the same four foreign producers/exporters in China as in the second reviews.⁷⁷ The potential production capability of these firms was not submitted by the domestic interested party and is not available from public sources.

All of the Chinese spring washer producers identified by Shakeproof are located in or near Shanghai, China's leading commercial and industrial center.

Hangzhou Spring Washer Co., Ltd. (Hangzhou), located in Zhejiang province (southwest of Shanghai), claims to be one of the largest and most well-established makers of spring washers in the world. Founded in 1972, the company serves domestic and overseas markets including North America, Europe, and Japan. Since 1990, two Japanese companies, namely, Tokuhatsu Corporation and Nissei Seiko Co., Ltd., have assisted Hangzhou in the adoption of modern technology in the production of spring washers and related products.⁷⁸

Goaling Auto Parts (Goaling) is a private producer of spring washers, fasteners and related products. Established in 1988, Goaling serves the domestic automotive industry and overseas markets including the United States, Europe, Turkey, South East Asia, and South Africa. The company employs about 100 workers with annual revenues between \$2 and \$5 million. Goaling is located in Xiaoshan (Zhejiang province), approximately 120 miles southwest of Shanghai.⁷⁹

Shanghai Delta Metal Products (Shanghai Delta) was founded in 1994. Annually, Shanghai Delta exports approximately 2,400 short tons of washers and related products to the United States, the EU, Australia and Singapore. The company employs approximately 90 people with annual revenues between \$8 and \$9 million.⁸⁰

Shanghai Tianbao Fastener Manufacturing Co. Ltd. (Shanghai Tianbao) was established in 2001 in the Baoshan Luonan Economic Development Zone. Shanghai Tianbao manufactures a wide variety of fastener products for use in the automotive, energy, telecommunications, electronics, electrical appliances,

⁷⁵ Foreign producers/exporters in China identified by Shakeproof were: Goaling Auto-Parts Co., Ltd.; Hangzhou Spring Washer Co., Ltd.; Shanghai Delta Metal Products Co., Ltd.; and Shanghai Tianbao Fastener Manufacturing Co., Ltd. Domestic interested party's response to the notice of institution, app. D.

⁷⁶ *Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, June 1993, p. I-27.

⁷⁷ Foreign producers/exporters in China identified by Shakeproof were: Goaling Auto-Parts Co., Ltd.; Hangzhou Spring Washer Co., Ltd.; Shanghai Delta Metal Products Co., Ltd.; and Shanghai Tianbao Fastener Manufacturing Co., Ltd. Domestic interested party's response to the notice of institution, app. D.

⁷⁸ Hangzhou is located in the eastern seaboard of China, approximately 120 miles southwest of Shanghai. Data found at <http://www.hangtan.com/english/qyjj.asp>, retrieved September 5, 2011.

⁷⁹ Information found at company's website <http://www.tradesourcing.com/manufacturers/561240/goalingauto-partscoltd.htm>, retrieved September 5, 2011.

⁸⁰ Information found at <http://www.shanghai-delta.com/deltaweb/gsol/GeneralManager7935.html>, retrieved September 5, 2011.

and other related industries. The company produces about 33,000 short tons (or approximately 7 billion pieces) of fasteners per year. Approximately 70 percent of production is exported to the United States, the EU, Australia, and Africa. Shanghai Tianbao has received ISO9001 certification for its management system.⁸¹

Table I-6 presents trade data for the principal Chinese producer, Hangzhou, during the original investigations, 1990-92, and the first five-year reviews, 1997-99. ***.⁸² *** along with the United States, have traditionally been the main export markets for Hangzhou, with some increases in home market shipments after the antidumping duty orders were imposed in 1993.⁸³

Table I-6
HSLWs: Hangzhou’s production capacity, production, shipments, and inventories, 1990-92 and 1997-99

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THE SUBJECT INDUSTRY IN TAIWAN

In the original 1993 investigation concerning Taiwan, the Commission found that HSLWs were produced by four producers. However, three of these producers allegedly stopped producing HSLWs in the second half of 1992 and were never identified. The fourth, Likunog Industrial Co., Ltd., (“Likunog”), was identified by the Commission as the major producer of stainless steel HSLWs in Taiwan.⁸⁴ During the time of the Commission’s original investigations, Likunog reported that its capacity to produce HSLWs in Taiwan was *** pounds per year. This company’s output reportedly accounted for *** percent of the production of stainless steel HSLWs and *** percent of the production of carbon steel HSLWs in Taiwan.⁸⁵ At the time of the original investigations, exports of HSLWs from Taiwan were not affected by nontariff barriers, such as antidumping findings, in countries other than the United States.⁸⁶

Likunog is located in Keelung City, a suburb of Taipei, in the northeast of Taiwan. Likunog's current products include high carbon steel and stainless steel 304, 316 HSLWs. To serve global markets, Likunog also produces washers in compliance with international standards.⁸⁷

In the first five-year reviews the Commission sent foreign producer questionnaires to six firms in Taiwan. Through the American Institute in Taiwan (“AIT”) and the Taiwan Screws Industry Association, the Commission was informed that “spring washers have normally been just accessories to the screws, and few companies in Taiwan produce or export spring washers. This market is very small and shrinking since the antidumping duties were enacted.” The six firms contacted by the AIT responded that they do not produce or

⁸¹ Information found at <http://www.tbfastener.com/about.asp>, retrieved September 5, 2011.

⁸² *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, confidential staff report, INV-X-258, December 22, 2000, pp. IV-6-IV-7.

⁸³ *Ibid.*, p. IV-7.

⁸⁴ *Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, June 1993, p. I-28.

⁸⁵ *Certain Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Final)*, confidential staff report, June 1993, p. I-50.

⁸⁶ *Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, June 1993, p. I-28.

⁸⁷ Information found at http://www.fastener-world.com.tw/new/company_page.php?id=836&ln=, retrieved September 2, 2011.

export the subject product. Therefore the Commission did not obtain any company data for 1997-99. At the hearing, witnesses for Shakeproof testified that there are over a dozen firms in Taiwan that produce HSLWs.⁸⁸

In the response to the Commission's request in its notice of institution in the second reviews for a list of all known and currently operating producers of the subject merchandise in the subject countries that currently export or have exported subject merchandise to the United States or other countries after 1999, Shakeproof identified three foreign producers/exporters in Taiwan.⁸⁹

In the response to the Commission's request in its notice of institution in these reviews for a list of all known and currently operating producers of the subject merchandise in the subject countries that currently export or have exported subject merchandise to the United States or other countries after 1999, Shakeproof identified three foreign producers/exporters in Taiwan, as follows:⁹⁰

Par Excellence Industrial Co., Ltd. (PE) established in 1982, is located in Taipei. Its products include spring lock washers, nuts and bolts in a variety of metals including steel, stainless steel, brass, and aluminum. PE has a capital value of \$2.6 million and employs 5 people.⁹¹

Ray-Fu Enterprise Co. Ltd. (Ray-Fu) was founded in 1999 and is based in Kaosiung, in southern Taiwan. It is a privately-owned affiliate of Chen-Nan Iron Wire Co. Ltd. that produces 53,000 short tons of steel wire annually. Ray-Fu's products include washers, nuts, bolts, and related products. Its overseas markets include the United States, the EU, Australia, New Zealand, Japan and the Middle East.⁹²

Spring Lake Enterprise Co., Ltd. (Spring Lake) was established in 1980 and is located in Neipu, in southern Taiwan. Spring Lake is a manufacturer and exporter of washers, nuts, bolts, and related fasteners with foreign markets in North and South America, Eastern Europe, and the Middle East. Spring Lake employs between 10 and 50 people with a capitalization value between \$2.5 and \$5 million.⁹³

Table I-7 presents trade data for Taiwan producer, Likunog, during the original investigations, 1990-92.

Table I-7

HSLWs: Likunog's production capacity, production, shipments, and inventories, 1990-92

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⁸⁸ *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, USITC Publication 3384, January 2001, pp. IV-3-IV-4.

⁸⁹ Foreign producers/exporters in Taiwan identified by Shakeproof were: Par Excellence Industrial Co., Ltd.; Ray-Fu Enterprise Co., Ltd.; and Spring Lake Enterprise Co., Ltd.

⁹⁰ As in the second reviews, the foreign producers/exporters in Taiwan identified by Shakeproof were: Par Excellence Industrial Co., Ltd.; Ray-Fu Enterprise Co., Ltd.; and Spring Lake Enterprise Co., Ltd. Domestic interested party, Shakeproof's, response to the notice of institution, app. D.

⁹¹ Company's website, found at <http://www.allproducts.com/twfastener/chinese/members/tifi91066>, retrieved September 5, 2011.

⁹² Company's website, found at <http://www.ray-fu.com/profile.html>, retrieved September 2, 2011.

⁹³ Company's website, found at <http://www.springla.com.tw/>, retrieved September 2, 2011.

THE GLOBAL MARKET

Data for helical spring lock washer markets outside the United States are limited. The World Steel Association (WSA)⁹⁴ collects and publishes data on wire rod, the raw material used for making HSLWs.⁹⁵ According to the WSA, China is currently the world's largest producer of wire rod; China's annual production of wire rod increased from 33.3 million short tons in 2001 to 106.6 million short tons in 2009 or by 220 percent. By comparison, U.S. production decreased from 3.3 million short tons in 2001 to 1.6 million short tons in 2009. During the period of 2001-05, Taiwan's production of wire rod was slightly below that of the United States. However, since 2005, Taiwan's wire rod production has been higher than the United States', reaching 2.4 million short tons in 2009.

According to Global Trade Atlas,⁹⁶ China was the world's largest exporter of spring or lock washers (washers) in 2010,⁹⁷ exporting over 67.1 million pounds, followed by Taiwan at 8.8 million pounds. The United States was the third largest exporter of washers, exporting 3.9 million pounds, followed by Japan and Russia.

According to Global Trade Atlas, China's leading export markets for washers in 2010 included, in descending order, the United States (19.0 million pounds), Japan (11.8 million pounds), India (3.6 million pounds), and South Korea (3.3 million pounds). Taiwan's leading export destinations were the United States (4.5 million pounds), Japan (1.1 million pounds), and China (0.7 million pounds).

⁹⁴ The World Steel Association (Worldsteel) represents approximately 170 steel producers (including 18 of the world's 20 largest steel companies), national and regional steel industry associations, and steel research institutes. Worldsteel members produce around 85 percent of the world's steel.

⁹⁵ As such, wire rod is also used as raw material in the production of products other than helical spring lock washers.

⁹⁶ Columbia, SC-based Global Trade Atlas is a supplier of international merchandise trade data on the Internet.

⁹⁷ Spring or lock washers (HTSUS 7318.21) include helical spring lock washers and other types of lock washers. The latter are not subject products in these reviews.

APPENDIX A
***FEDERAL REGISTER* NOTICES AND THE COMMISSION'S STATEMENT**
ON ADEQUACY

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731-TA-624 and 625 (Third Review)]

Helical Spring Lock Washers From China and Taiwan; Institution of Five-Year Reviews Concerning the Antidumping Duty Orders on Helical Spring Lock Washers From China and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on helical spring lock washers from China and Taiwan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is July 1, 2011. Comments on the adequacy of responses may be filed with the Commission by August 15, 2011. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as most recently amended at 74 FR 2847 (January 16, 2009).

DATES: *Effective Date:* June 1, 2011.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting

¹No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 11-5-246, expiration date June 30, 2011. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On June 28, 1993, the Department of Commerce ("Commerce") issued an antidumping duty order on imports of helical spring lock washers from Taiwan (58 FR 34567). On October 19, 1993, Commerce issued an antidumping duty order on imports of helical spring lock washers from China (58 FR 53914). Following first five-year reviews by Commerce and the Commission, effective February 23, 2001, Commerce issued a continuation of the antidumping duty orders on imports of helical spring lock washers from China and Taiwan (66 FR 11255). Following second five-year reviews by Commerce and the Commission, effective July 3, 2006, Commerce issued a continuation of the antidumping duty orders on imports of helical spring lock washers from China and Taiwan (71 FR 37904). The Commission is now conducting third reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are China and Taiwan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original determinations, its full first five-year review determinations, and its

expedited second five-year review determinations, the Commission defined the Domestic Like Product as helical spring lock washers of all sizes and metals.

(4) The *Domestic Industry* is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original determinations, its full first five-year review determinations, and its expedited second five-year review determinations, the Commission defined the Domestic Industry as all domestic producers of helical spring lock washers.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

Participation in the reviews and public service list.—Persons, including industrial users of the Subject Merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation. The Commission's designated agency ethics official has advised that a five-year review is not considered the "same particular matter" as the corresponding underlying original investigation for purposes of 18 U.S.C. 207, the post employment statute for Federal employees, and Commission rule 201.15(b)(19 CFR 201.15(b)), 73 FR 24609 (May 5, 2008). This advice was developed in consultation with the Office of Government Ethics. Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter,

contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions.—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is July 1, 2011. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is August 15, 2011. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67

FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to provide requested information.—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information to be Provided In Response to This Notice Of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export Subject Merchandise from more than one Subject Country; or produce Subject Merchandise in more than one Subject Country, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent Subject Country. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Product, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders on the Domestic Industry in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Product. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in each Subject Country that currently export or have exported Subject Merchandise to the United States or other countries after 2005.

(7) A list of 3–5 leading purchasers in the U.S. market for the Domestic Like Product and the Subject Merchandise (including street address, World Wide Web address, and the name, telephone number, fax number, and E-mail address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the Domestic Like Product or the Subject Merchandise in the U.S. or other markets.

(9) If you are a U.S. producer of the Domestic Like Product, provide the following information on your firm's operations on that product during calendar year 2010, except as noted (report quantity data in pounds and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic Like Product accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the Domestic Like Product (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of the Domestic Like Product produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of the Domestic Like Product produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the Domestic Like Product produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Country(ies), provide the following information on your firm's(s') operations on that product during calendar year 2010 (report quantity data in pounds and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from each Subject Country accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of Subject Merchandise imported from each Subject Country; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of Subject Merchandise imported from each Subject Country.

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Country(ies), provide the following information on your firm's(s') operations on that product during calendar year 2010 (report quantity data in pounds and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise

in each Subject Country accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the Subject Merchandise in each Subject Country (*i.e.*, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from each Subject Country accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Country(ies) after 2005, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Country(ies), and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: May 25, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011-13445 Filed 5-31-11; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION**

[Investigation Nos. 731-TA-624-625; Third Review]

**Helical Spring Lock Washers From
China and Taiwan**

Scheduling of expedited five-year reviews concerning the antidumping duty orders on helical spring lock washers from China and Taiwan.

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty orders on helical spring lock washers from China and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* September 6, 2011.

FOR FURTHER INFORMATION CONTACT: Stefania Pozzi Porter (202-205-3177), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background. On September 6, 2011, the Commission determined that the domestic interested party group response to its notice of institution (76 FR 31629, June 1, 2011) of the subject five-year reviews was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant

conducting full reviews.¹ Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.

Staff report. A staff report containing information concerning the subject matter of the reviews will be placed in the nonpublic record on September 29, 2011, and made available to persons on the Administrative Protective Order service list for these reviews. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

Written submissions. As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the reviews and that have provided individually adequate responses to the notice of institution,² and any party other than an interested party to the reviews may file written comments with the Secretary on what determination the Commission should reach in the reviews. Comments are due on or before October 4, 2011 and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the reviews by October 4, 2011. However, should the Department of Commerce extend the time limit for its completion of the final results of its reviews, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the rules, each document

filed by a party to the review must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determination. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. §1675(c)(5)(B).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: September 12, 2011.

By order of the Commission.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011-23690 Filed 9-14-11; 8:45 am]

BILLING CODE 7020-02-P

¹ A record of the Commission's votes, the Commission's statement on adequacy, and any individual Commission's statements will be available from the Office of the Secretary and at the Commission's Web site.

² The Commission has found the responses submitted by Shakeproof Assembly Components Division of Illinois Tool Works, Inc. to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

DEPARTMENT OF COMMERCE

International Trade Administration

**Initiation of Five-Year (“Sunset”)
Review**

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

SUMMARY: In accordance with section 751(c) of the Tariff Act of 1930, as amended (“the Act”), the Department of Commerce (“the Department”) is automatically initiating a five-year review (“Sunset Review”) of the antidumping duty orders listed below. The International Trade Commission (“the Commission”) is publishing concurrently with this notice its notice of *Institution of Five-Year Review* which covers the same orders.

DATES: *Effective Date:* June 1, 2011.

FOR FURTHER INFORMATION CONTACT: The Department official identified in the *Initiation of Review* section below at

AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205–3193.

SUPPLEMENTARY INFORMATION:

Background

The Department’s procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-Year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders*, 63 FR

13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department’s conduct of Sunset Reviews is set forth in the Department’s Policy Bulletin 98.3 — *Policies Regarding the Conduct of Five-Year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders: Policy Bulletin*, 63 FR 18871 (April 16, 1998).

Initiation of Review

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping duty orders:

DOC case no.	ITC case no.	Country	Product	Department contact
A-588-854	731-TA-860	Japan	Tin Mill Products (2nd Review)	Dana Mermelstein (202) 482-1391.
A-570-832	731-TA-696	PRC	Pure Magnesium (Ingot) (3rd Review)	Julia Hancock (202) 482-1394.
A-570-822	731-TA-624	PRC	Helical Spring Lock Washers (3rd Review)	David Goldberger (202) 482-4136.
A-583-820	731-TA-625	Taiwan	Helical Spring Lock Washers (3rd Review)	David Goldberger (202) 482-4136.

Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the pertinent statute and Department’s regulations, the Department schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on the Department’s Internet Web site at the following address: “<http://ia.ita.doc.gov/sunset/>.” All submissions in these Sunset Reviews must be filed in accordance with the Department’s regulations regarding format, translation, and service of documents. These rules can be found at 19 CFR 351.303.

This notice serves as a reminder that any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information. See section 782(b) of the Act. Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives in all AD/CVD investigations or proceedings initiated on or after March 14, 2011. See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Interim Final Rule*, 76 FR 7491 (February 10, 2011) (*Interim Final Rule*) amending 19 CFR 351.303(g)(1) and (2). The formats for the revised certifications are provided at the end of the *Interim Final Rule*. The Department intends to reject factual submissions in investigations/proceedings initiated on or after March 14, 2011 if the submitting

party does not comply with the revised certification requirements.

Pursuant to 19 CFR 351.103(d), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 10 days of the publication of the Notice of Initiation.

Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order (“APO”) immediately following publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The Department’s regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304–306.

Information Required From Interested Parties

Domestic interested parties defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b) wishing to participate in a Sunset Review must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department’s regulations, if we do not receive a notice of intent to participate from at least one domestic

interested party by the 15-day deadline, the Department will automatically revoke the order without further review. See 19 CFR 351.218(d)(1)(iii).

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department’s regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department’s information requirements are distinct from the Commission’s information requirements. Please consult the Department’s regulations for information regarding the Department’s conduct of Sunset Reviews.¹ Please consult the Department’s regulations at 19 CFR part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

¹ In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests to extend that five-day deadline based upon a showing of good cause.

Dated: May 23, 2011.

Christian Marsh,

*Deputy Assistant Secretary for Antidumping
and Countervailing Duty Operations.*

[FR Doc. 2011-13556 Filed 5-31-11; 8:45 am]

BILLING CODE 3510-DS-P

FOR FURTHER INFORMATION CONTACT:
Joshua Morris, AD/CVD Operations,
Office 1, Import Administration,
International Trade Administration,
U.S. Department of Commerce, 14th
Street and Constitution Avenue, NW.,
Washington, DC 20230; telephone (202)
482-1779.

SUPPLEMENTARY INFORMATION:

Background

On June 1, 2011, the Department published the notice of initiation of the third sunset review of the antidumping duty orders on lock washers from Taiwan and the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). See *Initiation of Five-Year (“Sunset”) Review*, 76 FR 31588 (June 1, 2011). On June 13, 2011, the Department received a notice of intent to participate in both of these reviews from Shakeproof Assembly Components Division of Illinois Tool Works Inc. (“Shakeproof”), within the deadline specified in 19 CFR 351.218(d)(1)(i). Shakeproof, Petitioner in these proceedings, claimed interested party status for both of these reviews under section 771(9)(C) of the Act, as a producer of the domestic like product.

On June 30, 2011, the Department received a complete substantive response from Petitioner for both reviews within the deadline specified in 19 CFR 351.218(d)(3)(i). We received no substantive responses from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted expedited sunset reviews of these antidumping duty orders.

Scope of the Orders

The products covered by the orders are lock washers of carbon steel, of carbon alloy steel, or of stainless steel, heat-treated or non-heat-treated, plated or non-plated, with ends that are off-line. Lock washers are designed to: (1) Function as a spring to compensate for developed looseness between the component parts of a fastened assembly; (2) distribute the load over a larger area

for screws or bolts; and (3) provide a hardened bearing surface. The scope does not include internal or external tooth washers, nor does it include spring lock washers made of other metals, such as copper.

Lock washers subject to the orders are currently classifiable under subheadings 7318.21.0000 and 7318.21.0030 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.¹

Analysis of Comments Received

All issues raised in these reviews are addressed in the Issues and Decision Memorandum (“Decision Memorandum”) from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration, dated concurrently with this notice, which is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the orders were revoked. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit in room 7046 of the main Department building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at <http://www.ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

Pursuant to sections 752(c)(1) and (3) of the Act, we determine that revocation of the antidumping duty orders on lock washers from Taiwan and the PRC would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

DEPARTMENT OF COMMERCE

International Trade Administration

[A-583-820, A-570-822]

Certain Helical Spring Lock Washers From Taiwan and the People’s Republic of China: Final Results of the Expedited Third Five-Year Sunset Reviews of the Antidumping Duty Orders

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

DATES: *Effective Date:* October 4, 2011.

SUMMARY: On June 1, 2011, the Department of Commerce (“Department”) initiated the third sunset reviews of the antidumping duty orders on certain helical spring lock washers (“lock washers”) from Taiwan and the People’s Republic of China (“PRC”). The Department has conducted expedited sunset reviews of these orders. As a result of these reviews, the Department finds that revocation of the antidumping duty orders would likely lead to a continuation or recurrence of dumping at the margins identified in the “Final Results of Review” section of this notice.

Manufacturers/producers/exporters	Margin (percent)
Lock Washers From Taiwan	
Spring Lake Enterprises Co., Ltd	31.93
Ceimiko Industrial Co., Ltd	31.93
Par Excellence Industrial Co., Ltd	31.93
All-Others	31.93

¹ On September 30, 1997, the Department determined that lock washers which are imported

into the United States in an uncut, coil form are

within the scope of the orders. See *Notice of Scope Rulings*, 62 FR 62288 (November 21, 1997).

Exporters	Margin (percent)
Lock Washers from the PRC	
Hangzhou Spring Washer Co., Ltd. a/k/a Zhejiang Wanxin Group Co., Ltd. Co., Ltd. a/k/a Hangzhou Spring Washer Plant ("HSWP")	69.88
HSWP via IFI Morgan Limited	69.88
HSWP via Carway Development Ltd	69.88
HSWP via Midway Fasteners Ltd	69.88
HSWP via Linkwell Industry Co., Ltd	69.88
HSWP via Fastwell Industry Co., Ltd	69.88
HSWP via Sunfast International Corp	69.88
HSWP via Winner Standard Parts Co., Ltd	69.88
PRC-wide	128.63

This notice also serves as the only 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. Timely notification of the return or destruction of APO materials or conversion to judicial protective orders 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 the final results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: September 27, 2011.

Ronald K. Lorentzen

Deputy Assistant Secretary for Import Administration.

[FR Doc. 2011-25594 Filed 10-3-11; 8:45 am]

BILLING CODE 3510-DS-P

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Helical Spring Lock Washers from China and Taiwan,
Inv. Nos. 731-TA-624-625 (Third Review)

On September 6, 2011, the Commission determined that it should proceed to expedited reviews in the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

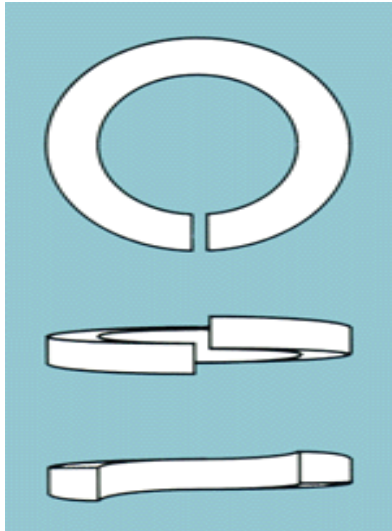
The Commission received one response to the notice of institution. The submission was on behalf of Shakeproof Assembly Components Division of Illinois Tool Works, Inc., a domestic producer of helical spring lock washers. The Commission found the individual response to be adequate, and determined that because the responding producer accounted for a substantial percentage of U.S. production, the domestic interested party group response was adequate.

The Commission received no response from any respondent interested party, and therefore determined that the respondent interested party group response was inadequate in both reviews. In the absence of an adequate respondent interested party group response or any other circumstances warranting full reviews, the Commission determined to conduct expedited reviews.

A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (www.usitc.gov).

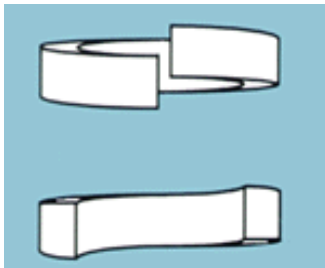
APPENDIX B
STANDARD LOCK WASHER TYPES

Figure B-1
HSLWs: Helical spring lock washer



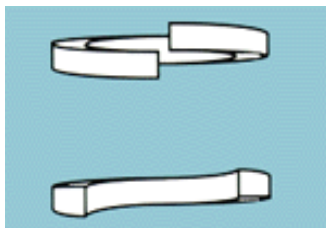
- Torque absorption and tension sustaining characteristics meet the needs of most commercial assembly applications.
- Increasing outside diameter thickness and bearing area improves performance in heavy-duty applications involving higher tightening torques.
- Manufactured from alloy steel by Shakeproof.

Figure B-2
HSLWs: Hi-collar lock washer



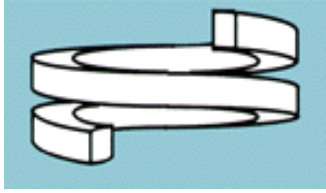
- Ideal for smaller head screws, such as socket head cap screws, where clearance may be a problem. Greater thickness compensates for smaller outside diameter allowing performance similar to a regular section.

Figure B-3
HSLWs: Light lock washer



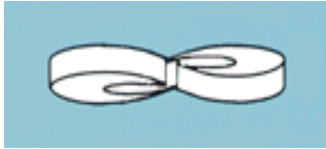
- Reduced thickness and outside diameter perform better with the lower torques and lighter loads used with thin and fragile materials.

Figure B-4
HSLWs: Double coil lock washer



- Used in soft joints, typically wooden, where considerable travel is required to maintain effective clamping force. Commonly used with wooden pole hardware.

Figure B-5
HSLWs: Spak lock washer



- Unique design combines a split lock washer with a spring wave washer to sustain tension and provide compensating spring action under heavy loads.

Source: ITW Shakeproof company website, *Helical Lockwashers*, found at <http://www.shakeproof.com/content/default.aspx?CID=78>, retrieved April 25, 2006.

APPENDIX C

HISTORICAL DATA

Excerpted from:

*Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624
and 625 (Review), WUK/E/Rwd/dec/qp"55: 6, Lcpwct { "4223*

Table I-2

HSLWs: Summary data from the original investigations and current reviews, 1990-92, 1997-99, January-June 1999, and January-June 2000
(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound)

Item	Calendar year						January-June	
	1990	1991	1992	1997	1998	1999	1999	2000
	*	*	*	*	*	*	*	*
U.S. imports from-- China:								
Quantity	5,404	6,701	7,091	1,525	2,156	2,885	1,385	1,927
Value	3,779	4,118	4,272	744	1,078	1,525	727	986
Unit value	\$0.70	\$0.61	\$0.60	\$0.49	\$0.50	\$0.53	\$0.52	\$0.51
Taiwan:								
Quantity	388	629	735	289	257	378	279	121
Value	482	1,056	1,465	417	267	392	309	128
Unit value	\$1.24	\$1.68	\$1.99	\$1.44	\$1.04	\$1.04	\$1.10	\$1.05
All other sources:								
Quantity	677	849	1,094	1,500	2,735	1,981	461	1,676
Value	1,160	1,351	1,444	2,129	3,043	2,117	811	1,488
Unit value	\$1.71	\$1.59	\$1.32	\$1.42	\$1.11	\$1.07	\$1.76	\$0.89
All sources:								
Quantity	6,469	8,179	8,920	3,314	5,149	5,243	2,126	3,725
Value	5,421	6,525	7,181	3,290	4,388	4,034	1,846	2,602
Unit value	\$0.84	\$0.80	\$0.81	\$0.99	\$0.85	\$0.77	\$0.87	\$0.70
	*	*	*	*	*	*	*	*

Note: Because of rounding, figures may not add to the totals shown. Import values are landed, duty-paid values.

Source: Imports compiled from official Commerce statistics; U.S. producers' data for 1990-92 from the confidential staff report to the Commission of June 4, 1993, on HSLWs from China and Taiwan; U.S. producers' data for 1997-99, January-June 1999, and January-June 2000 compiled from data submitted in response to Commission questionnaires.

