

DEPARTMENT OF COMMERCE**International Trade Administration****A-583-844****Notice of Final Determination of Sales at Less Than Fair Value: Narrow Woven Ribbons with Woven Selvedge from Taiwan**

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

SUMMARY: We determine that imports of narrow woven ribbons with woven selvedge (NWR) from Taiwan are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act).

Based on our analysis of the comments received, we have made changes in the margin calculations. Therefore, the final determination differs from the preliminary determination. The final weighted-average dumping margins for the investigated companies are listed below in the section entitled "Final Determination Margins."

EFFECTIVE DATE: July 19, 2010.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:**Background**

On February 18, 2010, the Department published in the **Federal Register** the preliminary determination of sales at LTFV in the antidumping duty investigation of NWR from Taiwan. *See Narrow Woven Ribbons with Woven Selvedge from Taiwan: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 75 FR 7236 (Feb. 18, 2010) (*Preliminary Determination*). Since the preliminary determination, the following events have occurred.

In February 2010, the Department selected certain unaffiliated companies which supplied ribbon to Dear Year Brothers Mfg. Co., Ltd. (Dear Year) and Shienq Houg Group (*i.e.*, Hsien Chan Enterprise Co., Ltd., Novelty Handicrafts Co., Ltd., and Shienq Huong Enterprise Co., Ltd. (collectively "Shienq Huong")), and we requested that these unaffiliated suppliers respond to section D of the questionnaire (*i.e.*, the section relating to cost of production (COP) and

constructed value) with respect to the merchandise supplied to Dear Year and Shienq Huong. In February and March 2010, Dear Year's unaffiliated supplier informed the Department that it did not produce NWR but merely purchased and resold it, while Shienq Huong's unaffiliated ribbon suppliers provided responses to section D of the questionnaire.

In March 2010, we verified the questionnaire responses of three respondents in this case, Dear Year, Rong Shu Industry Corporation (Rong Shu), and Shienq Huong, in accordance with section 782(i) of the Act. Also in this month, we received additional comments on the scope of this investigation from the petitioner.¹ Finally in March 2010, we issued supplemental questionnaires to Shienq Huong's unaffiliated suppliers, and we received responses to these supplemental questionnaires in April 2010.

Also in April 2010, Dear Year, Rong Shu, and the petitioner submitted their main case briefs (*i.e.*, related to all issues except those associated with the responses received from the unaffiliated suppliers noted above). We also received rebuttal briefs in April 2010 from the petitioner and the three respondents. In April 2010, we issued additional supplemental questionnaires to Shienq Huong's unaffiliated suppliers. We received responses to these supplemental questionnaires in April and May 2010.

In May and June 2010, the petitioner, Dear Year, and Shienq Huong submitted supplemental case and rebuttal briefs specifically raising issues with regards Dear Year's and Shienq Huong's unaffiliated suppliers of NWR.

In June 2010, the petitioner provided revised scope exclusion language relating to NWR included in kits. For further discussion, see the "Scope Comments" section, below. Also in June 2010, the Department held a public hearing at the request of the petitioner, Dear Year, and Shienq Huong.

Period of Investigation

The period of investigation (POI) is July 1, 2008, through June 30, 2009.

Scope of Investigation

The merchandise subject to the investigation is narrow woven ribbons with woven selvedge, in any length, but with a width (measured at the narrowest span of the ribbon) less than or equal to 12 centimeters, composed of, in whole

or in part, man-made fibers (whether artificial or synthetic, including but not limited to nylon, polyester, rayon, polypropylene, and polyethylene terephthalate), metal threads and/or metalized yarns, or any combination thereof. Narrow woven ribbons subject to the investigation may:

- also include natural or other non-man-made fibers;
- be of any color, style, pattern, or weave construction, including but not limited to single-faced satin, double-faced satin, grosgrain, sheer, taffeta, twill, jacquard, or a combination of two or more colors, styles, patterns, and/or weave constructions;
- have been subjected to, or composed of materials that have been subjected to, various treatments, including but not limited to dyeing, printing, foil stamping, embossing, flocking, coating, and/or sizing;
- have embellishments, including but not limited to appliqué, fringes, embroidery, buttons, glitter, sequins, laminates, and/or adhesive backing;
- have wire and/or monofilament in, on, or along the longitudinal edges of the ribbon;
- have ends of any shape or dimension, including but not limited to straight ends that are perpendicular to the longitudinal edges of the ribbon, tapered ends, flared ends or shaped ends, and the ends of such woven ribbons may or may not be hemmed;
- have longitudinal edges that are straight or of any shape, and the longitudinal edges of such woven ribbon may or may not be parallel to each other;
- consist of such ribbons affixed to like ribbon and/or cut-edge woven ribbon, a configuration also known as an "ornamental trimming;"
- be wound on spools; attached to a card; hanked (*i.e.*, coiled or bundled); packaged in boxes, trays or bags; or configured as skeins, balls, bateaus or folds; and/or
- be included within a kit or set such as when packaged with other products, including but not limited to gift bags, gift boxes and/or other types of ribbon.

Narrow woven ribbons subject to the investigation include all narrow woven fabrics, tapes, and labels that fall within this written description of the scope of this investigation.

Excluded from the scope of the investigation are the following:

- (1) formed bows composed of narrow woven ribbons with woven selvedge;

- (2) "pull-bows" (*i.e.*, an assemblage of ribbons connected to one another, folded flat and equipped with a means to form such ribbons into the shape of a bow by pulling on a length of material affixed to such assemblage) composed of narrow woven ribbons;

- (3) narrow woven ribbons comprised at least 20 percent by weight of elastomeric yarn (*i.e.*, filament yarn, including monofilament, of synthetic textile material, other than textured yarn, which does not break on being extended to three times its original length and which returns, after being extended to twice its original length, within a period of five minutes, to a length not greater than one and a half times its original length as defined in the Harmonized Tariff Schedule of the United States (HTSUS), Section XI, Note 13) or rubber thread;

- (4) narrow woven ribbons of a kind used for the manufacture of typewriter or printer ribbons;

- (5) narrow woven labels and apparel tapes, cut-to-length or cut-to-shape, having a length (when measured across the longest edge-to-edge span) not exceeding 8 centimeters;

- (6) narrow woven ribbons with woven selvedge attached to and forming the handle of a gift bag;

- (7) cut-edge narrow woven ribbons formed by cutting broad woven fabric into strips of ribbon, with or without treatments to prevent the longitudinal edges of the ribbon from fraying (such as by merrrowing, lamination, sono-bonding, fusing, gumming or waxing), and with or without wire running lengthwise along the longitudinal edges of the ribbon;

- (8) narrow woven ribbons comprised at least 85 percent by weight of threads having a denier of 225 or higher;

- (9) narrow woven ribbons constructed from pile fabrics (*i.e.*, fabrics with a surface effect formed by tufts or loops of yarn that stand up from the body of the fabric);

- (10) narrow woven ribbon affixed (including by tying) as a decorative detail to non-subject merchandise, such as a gift bag, gift box, gift tin, greeting card or plush toy, or affixed (including by tying) as a decorative detail to packaging containing non-subject merchandise;

- (11) narrow woven ribbon that is (a) affixed to non-subject merchandise as a working component of such

¹ The petitioner in this investigation is Berwick Offray LLC and its wholly-owned subsidiary Lion Ribbon Company, Inc.

non-subject merchandise, such as where narrow woven ribbon comprises an apparel trimming, book marker, bag cinch, or part of an identity card holder, or (b) affixed (including by tying) to non-subject merchandise as a working component that holds or packages such non-subject merchandise or attaches packaging or labeling to such non-subject merchandise, such as a "belly band" around a pair of pajamas, a pair of socks or a blanket;

- (12) narrow woven ribbon(s) comprising a belt attached to and imported with an item of wearing apparel, whether or not such belt is removable from such item of wearing apparel; and
- (13) narrow woven ribbon(s) included with non-subject merchandise in kits, such as a holiday ornament craft kit or a scrapbook kit, in which the individual lengths of narrow woven ribbon(s) included in the kit are each no greater than eight inches, the aggregate amount of narrow woven ribbon(s) included in the kit does not exceed 48 linear inches, none of the narrow woven ribbon(s) included in the kit is on a spool, and the narrow woven ribbon(s) is only one of multiple items included in the kit.

The merchandise subject to this investigation is classifiable under the HTSUS statistical categories 5806.32.1020; 5806.32.1030; 5806.32.1050 and 5806.32.1060. Subject merchandise also may enter under subheadings 5806.31.00; 5806.32.20; 5806.39.20; 5806.39.30; 5808.90.00; 5810.91.00; 5810.99.90; 5903.90.10; 5903.90.25; 5907.00.60; and 5907.00.80 and under statistical categories 5806.32.1080; 5810.92.9080; 5903.90.3090; and 6307.90.9889. The HTSUS statistical categories and subheadings are provided for convenience and customs purposes; however, the written description of the merchandise under investigation is dispositive.

Scope Comments

Prior to the preliminary determination in this case, we received a request from certain retailers of NWR that the Department modify the scope of the investigation to exclude NWR included in kits or sets in "*de minimis*" amounts. Because of concerns over whether the proposed scope exclusion language would be administrable, we declined to modify the scope in the *Preliminary Determination*, and we did not use the language suggested by these retailers or the alternative language proposed by the

petitioner. See *Preliminary Determination*, 75 FR at 7240.

Following the preliminary determination, on March 24, 2010, and June 3, 2010, the petitioner submitted additional language for this scope exclusion. Having determined that the language contained in the petitioner's June 3, 2010, submission is administrable, we have incorporated this language in exclusion 13. See the "Scope of Investigation" section, above.

Unaffiliated Supplier Costs

In our *Preliminary Determination*, we determined that the companies weaving the ribbon are the producers of the NWR subject to this investigation. See *Preliminary Determination*, 75 FR at 7242. After analyzing the information on the record with respect to this issue, as well as the comments received from interested parties, we continue to find that the weaver is the producer of NWR. See the "Issues and Decision Memorandum" (Decision Memorandum) from Edward C. Yang, Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, Import Administration, to Ronald K. Lorentzen, Deputy Secretary for Import Administration, dated July 12, 2010, at Comments 19 and 20 for further discussion regarding this determination.

As noted above, from February through May 2010, we received responses to our requests for cost information from certain of Dear Year and Shienq Huong's unaffiliated suppliers of purchased ribbon. With respect to Dear Year, the response from Dear Year's supplier revealed that the supplier did not weave the merchandise under consideration, but rather it merely purchased the ribbon from another company and then resold it to Dear Year. Because insufficient time existed to request additional information from the upstream supplier prior to the final determination, as facts available for purposes of the final determination, we are relying on Dear Year's costs of acquisition for the purchased NWR in lieu of actual production costs from the weavers as such information is not contained in the record of this proceeding. For further discussion, see Comment 19 in the Decision Memorandum.

With respect to Shienq Huong's unaffiliated suppliers, these companies provided certain cost information but informed the Department that they did not maintain records at a sufficient level of detail to provide POI product-specific costs. Because the submitted costs are not POI product-specific costs, we are unable to use them in our analysis for the final determination.

Therefore, as with Dear Year, as facts available for purposes of the final determination, we are relying on Shienq Huong's costs of acquisition for the purchased NWR ribbon costs in lieu of actual costs of production from the weaver, as the weaver is unable to provide such costs on a sufficiently specific basis for use in the Department's calculations. For further discussion, see Comment 20 in the Decision Memorandum.

Section 776(a) of the Act provides that the Department shall apply "facts otherwise available" if (1) necessary information is not on the record, or (2) an interested party or any other person (A) withholds information that has been requested, (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act, (C) significantly impedes a proceeding, or (D) provides information that cannot be verified as provided by section 782(i) of the Act. Here, we lack information necessary to determine the unaffiliated suppliers' actual costs and must, therefore, rely upon facts available. Although we appropriately requested the unaffiliated suppliers' costs, the suppliers did not maintain records at a sufficient level of detail to provide such costs in a manner sufficiently detailed for use in the Department's margin calculations; therefore, we are relying on the acquisition prices for purchased ribbon as facts available because they are product-specific and constitute the only useable data available with respect to purchased ribbon. However, if an antidumping duty order is issued in this proceeding, we will require product-specific costs from unaffiliated suppliers, if requested. This constitutes notice to the weavers of NWR that information must be maintained to allow the reporting of costs on a product-specific basis.

Cost of Production

As discussed in the preliminary determination, we conducted an investigation to determine whether the respondents made comparison market sales of the foreign like product during the POI at prices below their COP within the meaning of section 773(b) of the Act. See *Preliminary Determination*, 75 FR 7236 (Feb. 18, 2010). For this final determination, we performed the cost test following the same methodology as in the *Preliminary Determination*.

We found that 20 percent or more of each respondent's sales of a given product during the POI were at prices

less than the weighted-average COP for this period. Thus, we determined that these below-cost sales were made in "substantial quantities" within an extended period of time and at prices which did not permit the recovery of all costs within a reasonable period of time in the normal course of trade. See sections 773(b)(1)-(2) of the Act.

Therefore, for purposes of this final determination, we found that each respondent made below-cost sales not in the ordinary course of trade. Consequently, we disregarded these sales and used the remaining sales as the basis for determining normal value for each respondent pursuant to section 773(b)(1) of the Act.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Decision Memorandum, which is adopted by this notice. Parties can find a complete discussion of the issues raised in this investigation and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit, room 1117 of the main Department building.

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

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we have made certain changes to the margin calculations. For a discussion of these changes, see the "Margin Calculations" section of the Decision Memorandum.

Verification

As provided in section 782(i) of the Act, we verified the sales and cost information submitted by the respondents for use in our final determination. We used standard verification procedures including an examination of relevant accounting and production records, and original source documents provided by the respondents.

Continuation of Suspension of Liquidation

Pursuant to 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of subject merchandise from Taiwan, entered, or withdrawn from warehouse, for

consumption on or after February 18, 2010, the date of publication of the preliminary determination in the **Federal Register**. CBP shall require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. These instructions suspending liquidation will remain in effect until further notice. For Dear Year and Shienq Huong, because their estimated weighted-average final dumping margins are zero, we are not directing CBP to suspend liquidation of entries of NWR produced and exported by these companies.

Finally, we note that neither Dear Year nor Shienq Huong has disclosed for the public record the names of their unaffiliated suppliers. Therefore, upon public disclosure of this information to the Department, we will notify CBP that Dear Year's and Shienq Huong's exports of merchandise produced by these unaffiliated suppliers have LTFV investigation margins of zero and thus are excluded from any order resulting from this investigation. Until and unless such public disclosure is made, we will notify CBP that all entries of merchandise produced by Dear Year's and Shienq Huong's unaffiliated suppliers will be subject to the "all others" rate established in this proceeding.

Final Determination Margins

The weighted-average dumping margins are as follows:

Manufacturer/Exporter	Weighted-Average Margin (percent)
Dear Year Brothers Mfg. Co., Ltd.	0.00
Roung Shu Industry Corporation	4.37
Shienq Huong Enterprise Co., Ltd./Hsien Chan Enterprise Co., Ltd./Novelty Handicrafts Co., Ltd.	0.00
All Others	4.37

"All Others" Rate

In accordance with section 735(c)(5)(A) of the Act, we have based the "All Others" rate on the weighted average of the dumping margins calculated for the exporters/manufacturers investigated in this proceeding. The "All Others" rate is calculated exclusive of all de minimis margins and margins based entirely on AFA.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in

this proceeding in accordance with 19 CFR 351.224(b).

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our final determination. As our final determination is affirmative, the ITC will determine within 45 days whether imports of the subject merchandise are causing material injury, or threat of material injury, to an industry in the United States. If the ITC determines that material injury or threat of injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Return or Destruction of Proprietary Information

This notice will serve as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this determination and notice in accordance with sections 735(d) and 777(i) of the Act.

Dated: July 12, 2010.

Ronald K. Lorentzen,
Deputy Assistant Secretary for Import Administration.

Appendix Issues in Decision Memorandum

General Issues

1. Targeted Dumping
2. The Appropriate Unit of Measure On Which to Base Sales and Cost Data
3. How to Define the Product Characteristic "Color"
4. Display Unit Costs

Company-Specific Issues

5. Date of Shipment for Dear Year
6. Dear Year's Sales of Traded Goods
7. The Treatment of a Relabeling Billing Adjustment for Dear Year
8. The Treatment of Dear Year's "Combination" Ribbons

9. Clerical Error in Dear Year's Preliminary Dumping Margin
10. Dear Year's Sample Sales
11. Reallocation of Variable Overhead for Dear Year
12. Variables Names in Dear Year's Cost Database
13. The Treatment of the Product Characteristic "Width" for Rong Shu
14. Warranty Expenses for Rong Shu
15. Rong Shu's Reporting of the Costs Associated with Different Colors of NWR

16. Financial Expenses for Rong Shu
17. Financial Expenses for Shienq Huong

18. Depreciation Expense for Shienq Huong

Issues Related to Unaffiliated Suppliers

19. Dear Year's Unaffiliated Suppliers' Cost of Production (COP)
20. Shienq Huong's Unaffiliated Suppliers' COP
21. Assigning Combination Rates to Dear Year and Shienq Huong

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