#### **DEPARTMENT OF COMMERCE**

# International Trade Administration [A-570-949]

Wire Decking From the People's Republic of China: Initiation of Antidumping Duty Investigation

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

DATES: Effective Date: July 2, 2009. FOR FURTHER INFORMATION CONTACT: Charles Riggle or Andrea Staebler Berton, AD/CVD Operations, Office 8, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–0650 and (202) 482–4037, respectively.

# SUPPLEMENTARY INFORMATION:

# The Petition

On June 5, 2009, the Department of Commerce ("the Department") received an antidumping duty ("AD") petition concerning imports of wire decking from the People's Republic of China ("PRC") filed in proper form by AWP Industries, Inc., ITC Manufacturing, Inc., J&L Wire Cloth, Inc., and Nashville Wire Products Mfg. Co., Inc., (collectively, "Petitioners").1 On June 11, 2009, and June 12, 2009, the Department issued requests for additional information and clarification of certain areas of the Petition. Based on the Department's request, Petitioners filed supplements to the Petition on June 16, 2009, and June 17, 2009 (respectively, "Supplement to the AD/ CVD Petitions and Supplement to the AD Petition"). The Department requested further clarifications from Petitioners by supplemental questionnaire and phone on June 18, 2009, regarding scope, export price, and

<sup>&</sup>lt;sup>1</sup> See the Petition for the Imposition of Antidumping and Countervailing Duties Pursuant to Sections 701 and 731 of the Tariff Act of 1930, as amended ("Petition"), filed on June 5, 2009. On June 22, 2009, Petitioners submitted a letter stating that another domestic producer of the like product, Wireway Husky Corporation, had joined the petition.

surrogate values ("SV").<sup>2</sup> On June 19, 2009, Petitioners filed the information requested regarding export price and on June 22, 2009, Petitioners filed the information requested in the additional supplemental questionnaire, including a revised scope (respectively "Second Supplement to the AD Petition, and Second Supplement to the AD/CVD Petitions").

On June 23 and 24, 2009, the Department contacted Petitioners to suggest additional changes to the scope language. On June 24, 2009, Petitioners filed a final version of the scope language.

In accordance with section 732(b) of the Tariff Act of 1930, as amended ("the Act"), Petitioners allege that imports of wire decking from the PRC are being, or are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that such imports materially injure, or threaten material injury to, an industry in the United States.

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because Petitioners are interested parties as defined in section 771(9)(C) of the Act, and they have demonstrated sufficient industry support with respect to the investigation that they are requesting the Department to initiate (see "Determination of Industry Support for the Petition" below).

## Scope of Investigation

The products covered by this investigation are wire decking from the PRC. For a full description of the scope of the investigation, please see the "Scope of Investigation" in Appendix I of this notice.

# **Comments on Scope of Investigation**

During our review of the Petition, we discussed the scope with Petitioners to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (*Antidumping Duties; Countervailing Duties; Final Rule,* 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by July 15, 2009, twenty

calendar days from the signature date of this notice. Comments should be addressed to Import Administration's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

# **Comments on Product Characteristics** for Antidumping Duty Questionnaires

We are requesting comments from interested parties regarding the appropriate physical characteristics of wire decking to be reported in response to the Department's antidumping questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to more accurately report the relevant factors and costs of production, as well as to develop appropriate product comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate listing of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as (1) general product characteristics and (2) the product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, while there may be some physical product characteristics utilized by manufacturers to describe wire decking, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in product matching. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the antidumping duty questionnaires, we must receive comments at the above-referenced address by July 15, 2009. Additionally, rebuttal comments must be received by July 22, 2009.

# **Determination of Industry Support for the Petition**

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A)of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A), or (ii) determine industry support using a statistically valid sampling method to poll the industry.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission ("ITC"), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.3

Section 771(10) of the Act defines the 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 title." Thus, the reference point from which the

<sup>&</sup>lt;sup>2</sup> See Memorandum to the File, "Wire Decking form the People's Republic of China: Phone Call with Petitioners Regarding Antidumping Petition Questions," dated June 19, 2009; see also Memorandum to the File "Petitions for the Imposition of Antidumping Duties and Countervailing Duties on Wire Decking from the People's Republic of China: Suggested Scope Changes," dated June 22, 2009.

<sup>&</sup>lt;sup>3</sup> See USEC, Inc. v. United States, 132 F. Supp. 2d 1, 8 (CIT 2001), citing Algoma Steel Corp. Ltd. v. United States, 688 F. Supp. 639, 644 (CIT 1988), aff d 865 F.2d 240 (Fed. Cir. 1989), cert. denied 492

domestic like product analysis begins is "the article subject to an investigation," (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petition).

With regard to the domestic like product, Petitioners do not offer a definition of domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that wire decking constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product.<sup>4</sup>

In determining whether Petitioners have standing under section 732(c)(4)(A), we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the "Scope of Investigation" section above. To establish industry support, Petitioners provided their 2008 production of the domestic like product, as well as the 2008 production of the domestic like product for four non-petitioning companies who are supporters of the Petition, and compared this to total production of the domestic like product for the entire domestic industry. See Volume I of the Petition, at 4, and Exhibit General-1, and Supplement to the AD/CVD Petitions, dated June 16, 2009, at 10, and Attachment 3, and Second Supplement to the AD/CVD Petitions, dated June 22, 2009, at 3, and Attachment 1, and Petitioners Submission, dated June 22, 2009. Petitioners calculated total domestic production based on their own production plus data provided by the four non-petitioning companies that produce the domestic like product in the United States, who are supporters of the Petition. See Volume I of the Petition, at Exhibit General-1, and Supplement to the AD/CVD Petitions, dated June 16, 2009, at Attachment 3, and Second Supplement to the AD/CVD Petitions, dated June 22, 2009, at 3, and Attachment 1; see also Initiation Checklist as Attachment II, Industry Support. In addition, Petitioners identified one other company as a producer of the domestic like product and were able to obtain its 2008 production of the domestic like product in order to calculate total domestic

production of the domestic like product.<sup>5</sup>

Our review of the data provided in the Petition, supplemental submissions, and other information readily available to the Department indicates that Petitioners have established industry support. First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (e.g., polling).6 Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(Å)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product. Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition. Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.8

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the antidumping investigation that they are requesting the Department initiate.<sup>9</sup>

# Allegations and Evidence of Material Injury and Causation

Petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than NV. In addition, Petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.

Petitioners contend that the industry's injured condition is illustrated by reduced market share, increased import

penetration, underselling and price depressing and suppressing effects, lost sales and revenue, reduced production, shipments, capacity, and capacity utilization, reduced employment, and an overall decline in financial performance. We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. <sup>10</sup>

### **Period of Investigation**

In accordance with 19 CFR 351.204(b)(1), because this Petition was filed on June 5, 2009, the anticipated period of investigation ("POI") is October 1, 2008, through March 31, 2009.

# Allegations of Sales at Less than Fair Value

The following is a description of the allegations of sales at less than fair value upon which the Department has based its decision to initiate an investigation with respect to the PRC. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in the Initiation Checklist. Should the need arise to use any of this information as facts available under section 776 of the Act, we may reexamine the information and revise the margin calculations, if appropriate.

### **Export Price**

Petitioners calculated export prices ("EPs") for wire decking based on three purchase orders and the corresponding invoices. <sup>11</sup> The Department has not made any adjustments to U.S. EP.

# **Normal Value**

Petitioners state that in every previous less-than-fair value investigation involving merchandise from the PRC, the Department has concluded that the PRC is a non-market economy country ("NME") and, as the Department has not revoked this determination, its NME status remains in effect today. 12 The Department has previously examined the PRC's market status and determined that NME status should continue for the PRC. 13 In addition, in recent

<sup>&</sup>lt;sup>4</sup>For a discussion of the domestic like product analysis in this case, *see* Antidumping Duty Investigation Initiation Checklist: Wire Decking from the PRC ("Initiation Checklist") at Attachment II ("Industry Support"), dated concurrently with this notice and on file in the Central Records Unit ("CRU"), Room 1117 of the main Department of Commerce building.

 $<sup>^{5}\,</sup>See$  Supplement to the AD/CVD Petitions, dated June 16, 2009, at 9.

 $<sup>^6</sup>$  See Section 732(c)(4)(D) of the Act, and Initiation Checklist at Attachment II.

<sup>&</sup>lt;sup>7</sup> See Initiation Checklist at Attachment II.

<sup>8</sup> See id

<sup>9</sup> See id.

<sup>&</sup>lt;sup>10</sup> See Initiation Checklist at Attachment III.

 $<sup>^{\</sup>scriptscriptstyle{11}} See$  Initiation Checklist for further discussion.

<sup>12</sup> See Volume II of the Petition, at 2.

<sup>&</sup>lt;sup>13</sup> See Memorandum from the Office of Policy to David M. Spooner, Assistant Secretary for Import Administration, regarding The People's Republic of China Status as a Non-Market Economy, dated May 15, 2006. This document is available online at http://ia.ita.doc.gov/download/ prc-nme-status/prc-nme-status-memo.pdf.

investigations, the Department has continued to determine that the PRC is an NME country. 14

In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the normal value ("NV") of the product is appropriately based on factors of production valued in a surrogate market economy country, in accordance with section 773(c) of the Act. In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

Petitioners argue that India is the appropriate surrogate country for the PRC because it is at a comparable level of economic development and it is a significant producer of wire decking products.<sup>15</sup> Petitioners state that the Department has determined in previous investigations and administrative reviews that India is at a level of development comparable to the PRC.<sup>16</sup> Petitioners identified a major producer of wire decking in India, Mekins Agro Products Ltd. ("Mekins"), and assert that Mekins has the capacity to supply up to 500 metric tons of wire mesh products per month, indicating that India is a significant producer of wire decking products.17

Based on the information provided by Petitioners, the Department believes that the use of India as a surrogate country is appropriate for purposes of initiation. However, after initiation of the investigation, interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value factors of production within 40 days after the date of publication of the preliminary determination.

Petitioners provided dumping margin calculations using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. Petitioners calculated NVs for four wire decking products.

Petitioners valued the factors of production using reasonably available, public surrogate country data, including India import data from the Monthly Statistics of the Foreign Trade of India ("MSFTI") from the period July 2008 through December 2008.<sup>18</sup>

Petitioners state that they valued drawing powder, wire, hot-rolled sheet, coating powder, steel scrap, metal scrap, and pallet using Indian import data from the MSFTI, under the following Indian HTS numbers: 7217.90.99 and 7217.10.10 for wire; 7208.27.30, 7208.39.30, 7208.54.30, 7211.19.10, 7211.19.50, and 7211.19.90 for hot-rolled sheet, 3907.91.20 for coating powder, 7204.41.00 for steel scrap, 7208.39 for metal scrap, and 4415.20.00 for pallet. 19

Petitioners valued drawing powder using Indian import data from the MSFTI, under Indian HTS number 3403.99.01 for the period April 2002 through March 2003, because no contemporaneous data was readily available. <sup>20</sup> Accordingly, the Department inflated April 2002 through March 2003 value to make it contemporaneous for our period.

Petitioners valued carbon steel wire rod based on Indian domestic price statistics reported by the Joint Plant Committee ("JPC"). They adjusted these reported prices for excise and VAT taxes.<sup>21</sup>

Petitioners valued electricity, water and natural gas based on SVs used in a previous preliminary determination. <sup>22</sup> In using the previous preliminary determination, Petitioners valued electricity using a rate from India's Central Electricity Authority ("CEA") from 2006 which was inflated. <sup>23</sup> However, the Department has determined that because the rates listed in this source became effective on a variety of different dates, the average rate should not be adjusted for

inflation.<sup>24</sup> Therefore, the electricity value for this initiation is based on the reported 2006 CEA rate without any inflation.

Petitioners submitted two values for electrogalvanization, a tolling process, one from JPC data and the other from Galrebars.<sup>25</sup> The Department relied only on the value from Galrebars for electrogalvanization as this value was used previously by the Department in another proceeding.<sup>26</sup>

Petitioners valued labor using the wage rate data published on the Department's Web site, at http://ia.ita.doc.gov/wages/05wages/05wages-051608.html.<sup>27</sup>

Where Petitioners were unable to find input prices contemporaneous with the POI, Petitioners adjusted for inflation using the wholesale price index for India, as published in "International Financial Statistics" by the International Monetary Fund.<sup>28</sup> Petitioners used exchange rates, as provided on the Department's Web site, to convert Indian Rupees to U.S. Dollars.<sup>29</sup>

Petitioners based factory overhead, selling, general and administrative expenses ("SG&A"), and profit, on the financial ratios of Mekins, an Indian producer of wire decking.<sup>30</sup>

#### **Fair-Value Comparisons**

Based on the data provided by Petitioners, there is reason to believe that imports of wire decking from the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on the comparison of EP to NV, as noted above, the estimated dumping margins for the PRC range from 143 percent to 316 percent.

#### **Initiation of Antidumping Investigation**

Based upon the examination of the Petition concerning wire decking from the PRC and other information reasonably available to the Department, the Department finds that this Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether imports of wire decking from the PRC are being, or are

<sup>14</sup> See Certain Circular Welded Carbon Quality
Steel Line Pipe from the People's Republic of China:
Final Determination of Sales at Less Than Fair
Value, 74 FR 14514 (March 31, 2009); Frontseating
Service Valves from the People's Republic of China:
Final Determination of Sales at Less Than Fair
Value and Final Negative Determination of Critical
Circumstances, 74 FR 10886 (March 13, 2009); 1Hydroxyethylidene-1, 1-Diphosphonic Acid From
the People's Republic of China: Final Determination
of Sales at Less Than Fair Value, 74 FR 10545
(March 11, 2009).

<sup>15</sup> See Volume II of the Petition, at 3.

<sup>16</sup> See id.

<sup>17</sup> See id.

 $<sup>^{18}\,</sup>See\;id.$  at 6.

<sup>&</sup>lt;sup>19</sup> See Volume II of the Petition, at 6–12, and Exhibit AD–3. See also Supplement to the AD Petition, dated June 17, 2009, at 5–8, and Attachments 6 and 7.

 $<sup>^{20}</sup>$  See Volume II of the Petition, at 8, and Exhibit AD–3. See also Supplement to the AD Petition, dated June 17, 2009, at 8, and Attachments 6 and 7. For further discussions see Initiation Checklist.

<sup>&</sup>lt;sup>21</sup> See Volume II of the Petition, at 7–8, and Exhibit AD–3.

 $<sup>^{22}\,</sup>See$  Volume II of the Petition, at 10–11, and Exhibit AD–3.

<sup>&</sup>lt;sup>23</sup> See Initiation Checklist for further discussion.

<sup>&</sup>lt;sup>24</sup> See id.

 $<sup>^{25}\,</sup>See$  Initiation Checklist for further discussion, and Supplement to the AD Petition, dated June 17, 2009, at 5–6, and Attachment 4.

<sup>&</sup>lt;sup>26</sup> See id.

 $<sup>^{\</sup>it 27}\,See$  Volume II of the Petition, at 10.

<sup>&</sup>lt;sup>28</sup> See id. at 6–12, and Exhibit AD–3. See also Supplement to the AD Petition, dated June 17, 2009, at 5–10, and Attachment 6. For further discussion see Initiation Checklist.

 $<sup>^{29}</sup>$  See Volume II of the Petition, at 7 and Exhibit AD-2

<sup>&</sup>lt;sup>30</sup> See Volume II of the Petition, at 12, and Exhibit AD–3. See also Supplement to the AD Petition, dated June 17, 2009, at 9.

likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act, unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

## **Targeted-Dumping Allegations**

On December 10, 2008, the Department issued an interim final rule for the purpose of withdrawing 19 CFR 351.414(f) and (g), the regulatory provisions governing the targeteddumping analysis in antidumping duty investigations, and the corresponding regulation governing the deadline for targeted-dumping allegations, 19 CFR 351.301(d)(5).31 The Department stated that "{w}ithdrawal will allow the Department to exercise the discretion intended by the statute and, thereby, develop a practice that will allow interested parties to pursue all statutory avenues of relief in this area." 32

In order to accomplish this objective, if any interested party wishes to make a targeted-dumping allegation in any of these investigations pursuant to section 777A(d)(1)(B) of the Act, such allegations are due no later than 45 days before the scheduled date of the preliminary determination.

#### Respondent Selection

For the PRC, the Department will request quantity and value information from all known exporters and producers identified, with complete contact information, in the Petition. The quantity and value data received from NME exporters/producers will be used as the basis to select the mandatory respondents.

The Department requires that the respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status.<sup>33</sup> Appendix II of this notice contains the quantity and value questionnaire that must be submitted by all NME exporters/producers no later than July 16, 2009. In addition, the Department will post the quantity and value questionnaire along with the filing instructions on the Import Administration Web site, at http://

ia.ita.doc.gov/ia-highlights-andnews.html. The Department will send the quantity and value questionnaire to those PRC companies identified in the Petition, Volume I, at Exhibit General-4.

#### **Separate Rates**

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate status application.<sup>34</sup> The specific requirements for submitting the separate-rate application in this investigation are outlined in detail in the application itself, available on the Department's Web site at http:// ia.ita.doc.gov/ia-highlights-andnews.html on the date of publication of this initiation notice in the Federal **Register.** The separate-rate application will be due sixty (60) days from the date of publication of this initiation notice in the Federal Register.

# Use of Combination Rates in an NME Investigation

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. The Separate Rates/Combination Rates Bulletin 35 states: {w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the POI. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of combination rates because such rates apply to specific combinations of exporters and one or more producers. The cashdeposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and

produced by a firm that supplied the exporter during the POI.<sup>36</sup>

### **Distribution of Copies of the Petition**

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petition has been provided to the representatives of the Government of the PRC. Because of the particularly large number of producers/exporters identified in the Petition, the Department considers the service of the public version of the Petition to the foreign producers/exporters satisfied by the delivery of the public version to the Government of the PRC, consistent with 19 CFR 351.203(c)(2).

#### **ITC Notification**

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

# Preliminary Determination by the ITC

The ITC will preliminarily determine, no later than July 20, 2009, whether there is a reasonable indication that imports of wire decking from the PRC materially injure, or threaten material injury to, a U.S. industry. A negative ITC determination covering all classes or kinds of merchandise covered by the Petition would result in the investigation being terminated. Otherwise, this investigation will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: June 25, 2009.

#### Ronald K. Lorentzen,

Acting Assistant Secretary for Import Administration.

# Appendix I—Scope of the Investigation

The scope of the investigation covers welded-wire rack decking, which is also known as, among other things, "pallet rack decking," "wire rack decking," "wire mesh decking," "bulk storage shelving," or "welded-wire decking." Wire decking consists of wire mesh that is reinforced with structural supports and designed to be load bearing. The structural supports include sheet metal support channels, or other structural supports, that reinforce the wire mesh and that are welded or otherwise affixed to the wire mesh, regardless of whether the wire mesh and supports are assembled or unassembled and whether shipped as a kit or packaged separately. Wire decking is produced from carbon or alloy steel wire that has been welded into a mesh pattern. The wire may be galvanized or

<sup>&</sup>lt;sup>31</sup> See Withdrawal of the Regulatory Provisions Governing Targeted Dumping in Antidumping Duty Investigations, 73 FR 74930 (December 10, 2008).

<sup>32</sup> See id. at 74931.

<sup>&</sup>lt;sup>33</sup> See Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Initiation of Antidumping Duty Investigation, 73 FR 10221, 10225 (February 26, 2008); and Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People's Republic of China, 70 FR 21996, 21999 (April 28, 2005).

<sup>&</sup>lt;sup>34</sup> See Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea and the People's Republic of China: Initiation of Antidumping Duty Investigations, 73 FR 23188, 23193 (April 29, 2008) (Certain Circular Welded Carbon Quality Steel Line Pipe from the PRC).

<sup>&</sup>lt;sup>35</sup> See Import Administration Policy Bulletin, Number: 05.1, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," dated April 5, 2005, available on the Department's Web site at http://ia.ita.doc.gov/ policy/bull05-1.pdf.

<sup>&</sup>lt;sup>36</sup> See also Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea and the People's Republic of China: Initiation of Antidumping Duty Investigations, 73 FR 23188, 23193 (April 29, 2008).

plated (e.g., chrome, zinc or nickel coated), coated (e.g., with paint, epoxy, or plastic), or uncoated ("raw"). The wire may be drawn or rolled and may have a round, square or other profile. Wire decking is sold in a variety of wire gauges. The wire diameters used in the decking mesh are 0.105 inches or greater for round wire. For wire other than round wire, the distance between any two points on a cross-section of the wire is 0.105 inches or greater. Wire decking reinforced with structural supports is designed generally for industrial and other commercial storage rack systems.

Wire decking is produced to various profiles, including, but not limited to, a flat ("flush") profile, an upward curved back edge profile ("backstop") or downward curved edge profile ("waterfalls"), depending on the rack storage system. The wire decking may or may not be anchored to the rack

storage system. The scope does not cover the metal rack storage system, comprised of metal uprights and cross beams, on which the wire decking is ultimately installed. Also excluded from the scope is wire mesh shelving that is not reinforced with structural supports and is designed for use without structural supports.

Wire decking enters the United States through several basket categories in the Harmonized Tariff Schedule of the United States ("HTSUS"). U.S. Customs and Border Protection has issued a ruling (NY F84777) that wire decking is to be classified under HTSUS 9403.90.8040. Wire decking has also been entered under HTSUS 7217.10, 7217.20, 7326.20, 7326.90, 9403.20.0020 and 9403.20.0030. While HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of the investigations is dispositive.

# Appendix II

Where it is not practicable to examine all known exporters/producers of subject merchandise, section 777A(c)(2) of the Tariff Act of 1930, as amended, permits us to investigate (1) a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or (2) exporters and producers accounting for the largest volume of the subject merchandise that can reasonably be examined.

In the chart below, please provide the total quantity and total value of all your sales of merchandise covered by the scope of this investigation (see "Scope of Investigation" section of this notice), produced in the PRC, and exported/shipped to the United States during the period October 1, 2008, through March 31, 2009.

Market	Total quantity in metric tons	Terms of sale	Total value
United States:  1. Export Price Sales 2. a. Exporter Name b. Address c. Contact d. Phone No. e. Fax No. 3. Constructed Export Price Sales 4. Further Manufactured			
Total Sales			

#### **Total Quantity**

• Please report quantity on a metric ton basis. If any conversions were used, please provide the conversion formula and source.

#### **Terms of Sales**

• Please report all sales on the same terms (e.g., free on board at port of export).

#### **Total Value**

 All sales values should be reported in U.S. dollars. Please indicate any exchange rates used and their respective dates and sources.

# **Export Price Sales**

- Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated customer occurs before importation into the United States.
- Please include any sales exported by your company directly to the United States.
- Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.
- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please do not include any sales of subject merchandise manufactured in Hong Kong in your figures.

#### **Constructed Export Price Sales**

- Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated customer occurs after importation. However, if the first sale to the unaffiliated customer is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation.
- Please include any sales exported by your company directly to the United States;
- Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.
- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please do not include any sales of subject merchandise manufactured in Hong Kong in your figures.

#### **Further Manufactured**

- Sales of further manufactured or assembled (including re-packaged) merchandise is merchandise that undergoes further manufacture or assembly in the United States before being sold to the first unaffiliated customer.
- Further manufacture or assembly costs include amounts incurred for direct materials, labor and overhead, plus amounts for general and administrative expense, interest expense, and additional packing

expense incurred in the country of further manufacture, as well as all costs involved in moving the product from the U.S. port of entry to the further manufacturer.

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