

DEPARTMENT OF COMMERCE**International Trade Administration**

(C-570-953)

Narrow Woven Ribbons with Woven Selvedge from the People's Republic of China: Final Affirmative Countervailing Duty Determination

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

SUMMARY: The Department of Commerce (the "Department") has determined that countervailable subsidies are being provided to producers and exporters of narrow woven ribbons with woven selvedge from the People's Republic of China ("PRC"). For information on the estimated countervailing duty rates, please see the "Suspension of Liquidation" section, below.

EFFECTIVE DATE: July 19, 2010.

FOR FURTHER INFORMATION CONTACT: Scott Holland and Anna Flaaten, 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) 482-1279 and (202) 482-5156, respectively.

SUPPLEMENTARY INFORMATION:**Period of Investigation**

The period for which we are measuring subsidies, or period of investigation, is January 1, 2008, through December 31, 2008.

Case History

The following events have occurred since the publication of the preliminary determination in the **Federal Register** on December 14, 2009. See *Narrow Woven Ribbons with Woven Selvedge from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 74 FR 66090 (December 14, 2009) ("Preliminary Determination").

On December 16, 2009, the Department issued a supplemental questionnaire to the Government of China ("GOC") which responded on January 6, 2010. From January 18, 2010, to January 20, 2010, the Department conducted verification of the questionnaire responses submitted by the GOC and mandatory respondent Yama Ribbons and Bows Co., Ltd. ("Yama"). See Memoranda from Scott Holland and Anna Flaaten, International Trade Analysts, to Susan H. Kuhbach,

Office Director, AD/CVD Operations, Office 1, "Verification Report of the Xiamen Municipal Government of the People's Republic of China" (March 17, 2010) and "Verification Report: Yama Ribbons and Bows Co., Ltd." (March 17, 2010). On January 20, 2010, the Department issued a post-preliminary analysis regarding additional subsidy programs. See Memorandum from Scott Holland and Anna Flaaten, International Trade Analysts, to Ronald Lorentzen, Deputy Assistant Secretary for Import Administration, "Post-Preliminary Findings for Additional Subsidy Programs" (January 20, 2010). On February 18, 2010, the Department extended the due date for the final determination by 60 days in accordance with its alignment of the final countervailing duty (CVD) determination with the final determination in the companion antidumping duty investigation of narrow woven ribbon with woven selvage from the PRC. See *Preliminary Determination*, 74 FR at 66092; *Narrow Woven Ribbons with Woven Selvage from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 75 FR 7244, 7245-46 (February 18, 2010).

As explained in the memorandum from the Deputy Assistant Secretary for Import Administration, the Department exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from February 5, 2010, through February 12, 2010. Thus, all deadlines in this segment of the proceeding were extended by seven days. The revised deadline for the final determination of this investigation was thus extended to July 10, 2010. See Memorandum to the Record from Ronald Lorentzen, DAS for Import Administration, regarding "Tolling of Administrative Deadlines As a Result of the Government Closure During the Recent Snowstorms," dated February 12, 2010. However, July 10, 2010, falls on a Saturday, and it is the Department's long-standing practice to issue a determination the next business day when the statutory deadline falls on a weekend, federal holiday, or any other day when the Department is closed. See *Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005). Accordingly, the deadline for completion of the final determination became July 12, 2010.

On March 18, 2010, the Department postponed the briefing schedule as described in the *Preliminary*

Determination until further notice to allow the Department to consider an issue which may have required a post-preliminary analysis. On May 17, 2010, the Department set the Briefing and Hearing Schedule and invited interested parties to comment on the denominator used in the Department's calculation in the *Preliminary Determination* of this case.

The Department received case briefs from the GOC, Yama, and Bestpak Gifts & Crafts Co. Ltd., a Chinese producer and exporter of the subject merchandise, on June 1, 2010, and a rebuttal brief from the petitioner, Berwick Offray, LLC and its wholly-owned subsidiary Lion Ribbons Company, Inc. (collectively, "Petitioner"), on June 7, 2010. A public hearing was held on June 14, 2010, where the same parties presented their arguments.

Scope of the Investigation

The merchandise subject to the investigation is narrow woven ribbons with woven selvage, 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 selvage;
- (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 eight centimeters;
- (6) narrow woven ribbons with woven selvage 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 merrowing, 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 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 narrow woven ribbons that the Department modify the scope of the investigation to exclude narrow woven ribbons 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 companion antidumping duty preliminary determinations, and we did not use the language suggested by these retailers or the alternative language proposed by Petitioner. 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, 7240 (February 18, 2010) and *Narrow Woven Ribbons with Woven Selvedge from the People’s Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 75 FR 7244, 7246 (February 18, 2010).

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

Injury Test

Because the PRC is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Tariff Act of 1930, as amended (the “Act”), section 701(a)(2) of the Act applies to this investigation. Accordingly, the U.S. International Trade Commission (“ITC”) must determine whether imports of the subject merchandise from the PRC materially injure, or threaten material injury to a U.S. industry. On September 8, 2009, the ITC issued its affirmative

preliminary determination that there is a reasonable indication that an industry in the United States is materially injured by reason of allegedly subsidized imports of narrow woven ribbons with woven selvedge from the PRC. See *Narrow Woven Ribbons With Woven Selvedge From China and Taiwan*, 74 FR 46224 (September 8, 2009) and *Narrow Woven Ribbons with Woven Selvedge from China and Taiwan*, Investigation Nos. 701–TA–467 and 731–TA–1165, USITC Pub. 4099 (August 2009).

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Memorandum from Edward C. Yang, Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration, entitled “Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Narrow Woven Ribbons With Woven Selvedge from the People’s Republic of China” (July 12, 2010) (hereafter “Decision Memorandum”), which is hereby adopted by this notice. Attached to this notice as an Appendix is a list of the issues that parties have raised and to which we have responded in the Decision Memorandum. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit, room 1117 in the main building of the Commerce Department. In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at <http://ia.ita.doc.gov/frn/>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Use of Adverse Facts Available

For purposes of this final determination, we have continued to rely on facts available and have continued to use adverse inferences in accordance with sections 776(a) and (b) of the Act to determine the countervailable subsidy rates for Changtai Rongshu Co., Ltd. (“Changtai Rongshu”), which is one of the two companies selected to respond to our questionnaires. In addition, consistent with our findings in the post-preliminary analysis regarding additional subsidy programs, we have continued to rely on facts available and have continued to use adverse inferences in accordance with sections

776(a) and (b) of the Act to find a grant to Yama under the Xiamen Municipal Science and Technology Program to be specific under section 771(5A)(D)(iii) of the Act. A full discussion of our decision to apply adverse facts available is presented in the Decision Memorandum in the section “Use of Facts Otherwise Available and Adverse Facts Available.”

Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we have calculated individual rates for Yama and Changtai Rongshu. Section 705(c)(5)(A)(i) of the Act states that for companies not investigated, we will determine an “all others” rate equal to the weighted-average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and de minimis countervailable subsidy rates, and any rates determined entirely under section 776 of the Act. In this case, the all others rate is based on Yama’s calculated rate.

Exporter/manufacturer	Net subsidy rate
Yama Ribbons and Bows Co., Ltd.	1.56
Changtai Rongshu Textile Co., Ltd.	117.95
All Others	1.56

Also, in accordance with section 703(d) of the Act, we instructed U.S. Customs and Border Protection to discontinue the suspension of liquidation for countervailing duty purposes for subject merchandise entered on or after April 13, 2010, but to continue the suspension of liquidation of entries made from December 14, 2010, through April 12, 2010.

We will issue a countervailing duty order if the ITC issues a final affirmative injury determination, and will require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated deposits or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our final determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all

privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an Administrative Protective Order (“APO”), without the written consent of the Assistant Secretary for Import Administration.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an 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 the return/ destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: July 12, 2010.

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

APPENDIX

List of Comments and Issues in the Decision Memorandum

General Issues

Comment 1: Double Counting/ Overlapping Remedies

Company-Specific Issues

Comment 2: Xiamen Municipal Science and Technology Grant Program - Specificity

Comment 3: International Market Developing Fund Grants for SMEs - Specificity

Comment 4: Calculation of Yama’s Sales Denominator

AFA

Comment 5: Inclusion of Terminated Programs in the AFA Rate Calculation

All-Others Rate

Comment 6: All-Others Rate Calculation

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