

MEMORANDUM TO: James J. Jochum  
Assistant Secretary  
for Import Administration

FROM: Ronald K. Lorentzen  
Acting Director  
Office of Policy

SUBJECT: Issues and Decision Memorandum for the Expedited Review Sunset  
Review of the Antidumping Duty Order on Stainless Steel Wire Rod from  
Italy; Final Results

Summary

We have analyzed the substantive response of the interested party in the expedited sunset review of the antidumping duty order covering stainless steel wire rod (“SSWR”) from Italy. We recommend that you approve the positions we have developed in the *Discussion of the Issues* section of this memorandum. Below is the complete list of the issues in this expedited sunset review for which we received a substantive response by a domestic interested party:

1. Likelihood of continuation or recurrence of dumping
  - A. Weighted-average dumping margin
  - B. Volume of imports
2. Magnitude of the margin likely to prevail

Margins from investigation

## History of the Order

On July 29, 1998, the Department of Commerce (“the Department”) published its final affirmative determination of sales at less than fair value (“LTFV”) in the *Federal Register* with respect to imports of SSWR from Italy. *See Notice of Antidumping Duty Order: Stainless Steel Wire Rod From Italy*; 63 FR 40422 (July 29, 1998). On September 15, 1998, the Department published the antidumping duty order (“Order”). *See Notice of Antidumping Duty Order: Stainless Steel Wire Rod from Italy*; 63 FR 49327 (September 15, 1998). In the final determination of the underlying AD Order, the Department found the weighted-average dumping margin of 12.73 percent for Cogne Acciai Speciali S.r.l., and 12.73 percent for all other producers, manufacturers, and exporters of SSWR from Italy not specifically listed below. *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod from Italy*; 63 FR 6685 (February 13, 2002). The Department has published notices of pending scope inquiries. *See Notice of Scope Rulings and Anticircumvention Inquiries*, 68 FR 7772 (February 18, 2003) and *Notice of Scope Rulings and Anticircumvention Determinations*, 68 FR 36770 (June 19, 2003). The final scope ruling of the scope inquiries is pending. There have been no administrative reviews of this order. The Department has not issued any duty absorption findings in this case.

## Background

On August 1, 2003, the Department published the notice of initiation of the sunset review of the antidumping duty order on SSWR from Italy. *See Initiation of Five-Year (Sunset) Reviews*, 68 FR 45219 (August 1, 2003). The Department received a Notice of Intent to Participate on behalf of a domestic interested party, Carpenter Technology Corporation (“Carpenter Technology”), within the

deadline specified in section 351.218(d)(1)(I) of the *Sunset Regulations*. The domestic interested party claimed interested party status under section 771(9)(C) of the Act, as U.S. producers of SSWR.

We received a complete substantive response, from the domestic interested party on September 2, 2003, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(I). In their substantive response, Carpenter Technology Corporation states that they have been involved in this proceeding since their inception and remain committed to full participation in this sunset review.

We did not receive a substantive response from any respondent interested party to this proceeding. As a result, pursuant to 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C) of the *Sunset Regulations*, the Department determined to conduct an expedited, 120 day, review of this order.

The order on SSWR from Italy remains in effect for all manufacturers, producers, and exporters of the subject merchandise except for Acciaierie Valbruna and Accierie di Bolazano SpA. who received a *de minimis* rate in the investigation and as a result were excluded from the order. *See Notice of Antidumping Duty Order: Stainless Steel Wire Rod from Italy*, 63 FR 49327.

#### Discussion of the Issues

In accordance with section 751(c)(1) of the Act, the Department conducted this sunset review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the

period after the issuance of the antidumping duty order. In addition, section 752(c)(3) of the Act provides that the Department shall provide to the International Trade Commission (“the Commission”) the magnitude of the margin of dumping likely to prevail if the order is revoked. Below we address the comments of the interested party.

## **Likelihood of Continuation or Recurrence of Dumping**

### Interested Party Comments

Carpenter Technology Corporation asserts that revocation of the antidumping duty order of SSWR would likely lead to continuation or recurrence of dumping by Italian manufacturers and exporters. *See Substantive Response of the Domestic Interested Party*, September 2, 2003 at p.21.

With respect to weighted-average dumping margins, Carpenter Technology Corporation notes that in the investigation the Department established a 12.73 percent dumping margin rate for Cogne Acciai Speciali S.r.l., and an “All Others” rate of 12.73 percent.

With respect to volume of imports, the domestic interested party asserts that the imposition of the order has had a dramatic impact on the volume of imports of SSWR from Italian producers and exporters. *See, Substantive Response of the Domestic Interested Party* p. 23 Carpenter Technology Corporation points to the record history to demonstrate that the discipline of the order has forced subject producers either to increase their prices to low dumping levels or to significantly reduce their volume to the United States. Id.

Citing to the Department’s *Policy Bulletin*, Carpenter Technology Corporation concludes that the Department should determine that revocation of an antidumping duty order is inappropriate where

dumping continued at any level above *de minimis* after the issuance of the order.

In sum, Carpenter Technology Corporation argues the record in this case strongly supports the conclusion that dumping of SSWR by Italian producers, manufacturers, and exporters would be likely to lead to continue or recur if the order were to be revoked. Id.

#### Department's Position

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act (“URAA”), specifically the Statement of Administrative Action (“SAA”), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. The Department clarified that determinations of likelihood will be made on an order-wide basis. *See section II.A.2 of the Sunset Policy Bulletin.* In addition, the Department indicated that it will normally determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly. *See Section II.A.3.*

Section 751(c)(4)(B) of the Act provides that, in addition to considering the guidance on likelihood cited above, the Department shall determine that revocation of the order would be likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In this sunset review, the Department did not receive a substantive

response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

As indicated above, the Department will normally determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where dumping continued at any level above *de minimis* after the issuance of the order. In this proceeding, the Department finds that dumping margins continued at levels above *de minimis* after the issuance of the order. Based on this fact, and the waiver of respondent responses, the Department finds that the existence of dumping margins above *de minimis* levels are highly probative of the likelihood of continuation or recurrence of dumping. For these reasons, the Department determines that dumping is likely to continue or recur if the order on SSWR from Italy were revoked.

#### **Magnitude of the Margin Likely to Prevail:**

##### Interested Party Comments

In their substantive response, the domestic interested party recommends that, consistent with the *Sunset Policy Bulletin*, the Department provide to the Commission the company-specific and “All Others” rates from the original investigation.

##### Department’s Position

In the *Sunset Policy Bulletin*, the Department stated that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the “All Others” rate from the investigation. *See section II.B.1 of the Sunset Policy Bulletin.* Exceptions to this policy

include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. *See sections II.B.2 and 3 of the Sunset Policy Bulletin.*

The Department agrees with the domestic interested party that the margins from the original investigation are probative of the behavior of Italy manufacturers and exporters if the order were revoked because they are the only calculated rates which reflect the behavior of exporters without the discipline of the order in place. Consistent with the *Sunset Policy Bulletin*, the Department will report to the Commission the company-specific and “All Others” rates from the original investigation as contained in the *Final Results of Reviews* section of this decision memo. Therefore, we will report to the Commission the company-specific and “all others” rate from the investigation.

Final Results of Reviews

We determine that revocation of the antidumping duty order on SSWR from Italy would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

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Manufacturers/Exporters/Producers	Weighted Average Margin (percent)
Cogne Acciai Speciali S.r.l. (“CAS”)	12.73
All Others	12.73

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Recommendation

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

AGREE \_\_\_\_\_

DISAGREE\_\_\_\_\_

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James J. Jochum  
Assistant Secretary  
for Import Administration

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(Date)