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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-928]

Uncovered Innerspring Units from the People's Republic of China: Rescission of Antidumping Duty New Shipper Review

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

SUMMARY: On August 4, 2011, the Department of Commerce (the "Department") published the *Preliminary Results* for the new shipper review ("NSR") of uncovered innerspring units ("innersprings") from the People's Republic of China ("PRC") covering the period of review ("POR") February 1, 2010, through July 31, 2010.¹ As discussed below, we preliminarily found that Foshan Nanhai Jiujiang Quan Li Spring Hardware Factory's ("Quan Li") sale was non-*bona fide*, and announced our preliminary intent to rescind Quan Li's NSR. For the final results of this review, we continue to find Quan Li's sale to be non-*bona fide*. Therefore, because there were no other shipments or entries by Quan Li during the POR, we are rescinding this NSR.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Paul Walker, AD/CVD Operations, Office IX, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone- (202) 482-0413.

¹ See *Uncovered Innerspring Units from the People's Republic of China: Preliminary Intent to Rescind New Shipper Review*, 76 FR 47151 (August 4, 2011) ("*Preliminary Results*").

SUPPLEMENTARY INFORMATION:

Background

As noted above, on August 4, 2011, the Department published the *Preliminary Results* of this NSR. Between September 13, 2011 and September 30, 2011, we received case and rebuttal briefs from Leggett and Platt, Incorporated (the “Petitioner”) and Quan Li. Thereafter, the Department extended the time period for issuing the final results to December 23, 2011.²

Analysis of Comments Received

All issues raised in the briefs by parties are addressed in the “Uncovered Innerspring Units from the People’s Republic of China: Issues and Decision Memorandum for the Final Results of New Shipper Review,” which is dated concurrently with this notice (“I&D Memo”). A list of the issues which parties raised, and to which we respond in the I&D Memo, is attached to this notice as an Appendix. The I&D Memo is a public document and is on file in the Central Records Unit (“CRU”), Main Commerce Building, Room 7046, and is accessible on the Department’s website at <http://www.trade.gov/ia>. The paper copy and electronic version of the memorandum are identical in content.

Scope of the Order

The merchandise subject to the order is uncovered innerspring units composed of a series of individual metal springs joined together in sizes corresponding to the sizes of adult mattresses (e.g., twin, twin long, full, full long, queen, California king and king) and units used in smaller constructions, such as crib and youth mattresses. All uncovered innerspring units are included in the scope regardless of width and length. Included within this definition are innersprings

² See *Uncovered Innerspring Units from the People’s Republic of China: Extension of Final Results of Antidumping Duty New Shipper Review*, 76 FR 65695 (October 24, 2011); *Uncovered Innerspring Units from the People’s Republic of China: Second Extension of Final Results of Antidumping Duty New Shipper Review*, 76 FR 73592 (November 29, 2011).

typically ranging from 30.5 inches to 76 inches in width and 68 inches to 84 inches in length. Innersprings for crib mattresses typically range from 25 inches to 27 inches in width and 50 inches to 52 inches in length.

Uncovered innerspring units are suitable for use as the innerspring component in the manufacture of innerspring mattresses, including mattresses that incorporate a foam encasement around the innerspring.

Pocketed and non-pocketed innerspring units are included in this definition. Non-pocketed innersprings are typically joined together with helical wire and border rods. Non-pocketed innersprings are included in this definition regardless of whether they have border rods attached to the perimeter of the innerspring. Pocketed innersprings are individual coils covered by a “pocket” or “sock” of a nonwoven synthetic material or woven material and then glued together in a linear fashion.

Uncovered innersprings are classified under subheading 9404.29.9010, 9404.29.9005 and 9404.29.9011 and have also been classified under subheadings 9404.10.0000, 7326.20.0070, 7320.20.5010, or 7320.90.5010 of the Harmonized Tariff Schedule of the United States (“HTSUS”). The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of the order is dispositive.

Bona Fides Analysis

In conducting an NSR, the Department examines price, quantity, and other circumstances associated with the sale to determine if the sale was based on normal commercial considerations and presents an accurate representation of the company’s normal business practices, and

provides a future indicator of its future selling practice.³ If the Department determines, for example, that the price was not based on normal commercial considerations or is atypical of the respondent's normal business practices, including other sales of comparable merchandise, the sale may be considered not *bona fide*, and, as such, cannot serve as a reasonable or reliable basis for calculating a dumping margin.

For the *Preliminary Results*, the Department analyzed the *bona fides* of Quan Li's sale and preliminarily found its sale to the United States to be non-*bona fide*.⁴ Based on the Department's complete analysis of all the information on the record of this review regarding the *bona fides* of Quan Li's NSR sale, the Department continues to find Quan Li's sale to be non-*bona fide* because (1) Quan Li's sale quantity is low and not typical of other normal innersprings transactions, (2) Quan Li's sale price is high and therefore atypical and not indicative of future sales, (3) the record does not demonstrate that the subject merchandise was consumed or resold, and (4) the record does not demonstrate that the innersprings are an ongoing concern for the importer. The Department's analysis was not based on any one factor but, instead, examined the totality of the evidence on the record of this review to determine that Quan Li's sale was not *bona fide*.

Rescission of New Shipper Review

For the foregoing reasons, the Department finds that the sale of Quan Li is non-*bona fide* and that this sale does not provide a reasonable or reliable basis for calculating a dumping margin. Because a non-*bona fide* sale was the only sale of subject merchandise during the POR,

³ See *Shandong Chenhe Int'l Trading Co. v. United States*, No. 08-00373, Slip Op. 10-129 at 14 (CIT 2010); see also *Tianjin Tiancheng Pharm. Co v. United States*, 366 F. Supp. 2d 1246, 1250 (CIT 2005); and *Hebei New Donghua Amino Acid Co. v. United States*, 374 F. Supp. 2d 1333, 1342 (CIT 2005).

⁴ See Memorandum to James C. Doyle, Director, Office IX, through Scot T. Fullerton, Program Manager, Office IX, from Paul Walker, Case Analyst, Office IX, "First New Shipper Review of Uncovered Innerspring Units from the People's Republic of China: *Bona Fide* Analysis of Foshan Nanhai Jiujiang Quan Li Spring Hardware Factory's New Shipper Sale," date August 4, 2011.

the Department is rescinding this NSR pursuant to section 351.214(f) of the Department's regulations.

Notifications to Importers

The Department will notify U.S. Customs and Border Protection that bonding is no longer permitted to fulfill security requirements for shipments by Quan Li of innersprings from the PRC entered, or withdrawn from warehouse, for consumption in the United States on or after the publication of this rescission notice in the *Federal Register*. Furthermore, because the Department has not completed this review for Quan Li and Quan Li has not otherwise been reviewed by the Department, a cash deposit at the PRC-wide rate of 234.51%⁵ should be collected for all of Quan Li's shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of this notice until further notice.

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This notice is the only reminder to parties subject to the administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under the APO in accordance with section 351.305(a)(3) of the Department's regulations. Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the

⁵ See *Uncovered Innerspring Units from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 79443 (December 29, 2008).

regulations and the terms of an APO is a sanctionable violation.

This NSR and notice are issued and published in accordance with sections 751(a)(2)(B) and 777(i) of the Act and section 351.214(f)(3) of the Department's regulations.

Paul Piquado
Assistant Secretary
for Import Administration

December 15, 2011 _____
Date

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