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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-928

Uncovered Innerspring Units from the People's Republic of China: Preliminary Results and Rescission, in Part, of the Antidumping Duty Administrative Review; 2016-2017

AGENCY: Enforcement and Compliance, International Trade Administration,
Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on uncovered innerspring units (innerspring units) from the People's Republic of China (PRC). The period of review (POR) is February 1, 2016, through January 31, 2017. The Department preliminarily determines that PT Sunhere Buana International (PT Sunhere) failed to cooperate to the best of its ability and is, therefore, basing its margin on facts otherwise available with an adverse inference (AFA). The Department is also rescinding the administrative review with respect to Jietai Machinery Ltd. (HK) (Jietai Machinery). Interested parties are invited to comment on these preliminary results.

FOR FURTHER INFORMATION CONTACT: Kenneth Hawkins, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6491.

SUPPLEMENTARY INFORMATION:

Background

On February 19, 2009, the Department published an antidumping duty order on innerspring units from the PRC (the *Order*).¹ On February 28, 2017, Leggett & Platt, Inc. (the petitioner) submitted a request for the Department to conduct an administrative review of the *Order* that examines Jietai Machinery and PT Sunhere's exports of subject merchandise made during the POR.² On April 10, 2016, the Department published in the *Federal Register* a notice of initiation of this administrative review of the *Order* concerning Jietai Machinery and PT Sunhere's POR exports of subject merchandise.^{3, 4} On May 1, 2017 the Department issued its questionnaire to Jietai Machinery and PT Sunhere.⁵ The Department's questionnaire to Jietai Machinery was returned as undeliverable.⁶ The Department confirmed delivery of its questionnaire to PT Sunhere.⁷ On September 6, 2017, based on guidance from U.S. Customs and Border Protection (CBP), we added harmonized tariff schedule (HTS) number 7326.20.0090 to the Scope of the Order.⁸

¹ See *Uncovered Innerspring Units from the People's Republic of China: Notice of Antidumping Duty Order*, 74 FR 7661 (February 19, 2009).

² See *Uncovered Innerspring Units from the People's Republic of China: Request for Antidumping Administrative Review*, dated February 28, 2017.

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 17188 (April 10, 2017) (Initiation Notice).

⁴ PT Sunhere is located in Indonesia, a market economy country. The Department is examining PT Sunhere's exports of subject merchandise for this administrative review.

⁵ See the Department's Letter to Jietai Machinery, dated May 1, 2017; see also, the Department's Letter to PT Sunhere, dated May 1, 2017 (*Questionnaires*).

⁶ See Memorandum to the File, re: "Antidumping Duty Administrative Questionnaire Not Delivered," dated August 2, 2017.

⁷ See Memorandum to the File, re: 2016-2017 Administrative Review of Uncovered Innerspring Units from the People's Republic of China: Delivery Notification of Antidumping Duty Questionnaire to PT Sunhere Buana International, dated August 15, 2017.

⁸ See Memorandum to the File, through Paul Walker, Program Manager, Antidumping and Countervailing Duty Operations, Office V, from Kenneth Hawkins, Case Analyst, Antidumping and Countervailing Duty Operations, Office V, re: "Uncovered Innersprings from the People's Republic of China (A-570-928) and South Africa (A-791-821)," dated September 6, 2017 (Additional HTS Memo).

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. The product is currently classified under subheading 9404.29.9010 and has also been classified under subheadings 9404.10.0000, 9404.29.9005, 9404.29.9011, 7326.20.0070, 7326.20.0090, 7320.20.5010, 7320.90.5010, or 7326.20.0071 of the Harmonized Tariff Schedule of the United States (HTSUS).⁹ The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of the order is dispositive.¹⁰

Methodology

The Department is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). With respect to PT Sunhere, we relied on facts available and, because PT Sunhere did not act to the best of its ability to respond to the Department's requests for information, we drew an adverse inference in selecting from among the facts otherwise available.¹¹

For a full description of the methodology underlying our conclusions, please see the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to

⁹ On September 6, 2107, the Department added HTS 7326.20.0090 to the scope based on a request from CBP. *See* Additional HTS Memo.

¹⁰ For a full description of the scope of the order, see the Department Memorandum, "Decision Memorandum for Preliminary Results of 2016-2017 Antidumping Duty Administrative Review: Uncovered Innerspring Units from the People's Republic of China," dated concurrently with and hereby adopted by this notice (Preliminary Decision Memorandum).

¹¹ *See* sections 776(a) and (b) of the Act.

registered users at <http://access.trade.gov> and in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Partial Rescission of Administrative Review

The Department issued its questionnaire to Jietai Machinery but the questionnaire was returned as undeliverable. Despite our request to the petitioner, we received no alternative addresses for Jietai Machinery. Accordingly, consistent with the Department's practice in similar circumstances,¹² the Department is rescinding the administrative review with respect to Jietai Machinery.

Preliminary Results of Review

The Department preliminarily determines that a dumping margin of 234.51 percent exists for PT Sunhere for the period February 1, 2016, through January 31, 2017.

Public Comment¹³

Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice in the *Federal Register*. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹⁴ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of

¹² See, e.g., *Certain Frozen Warmwater Shrimp from Thailand; Partial Rescission of Antidumping Duty Administrative Review*, 72 FR 50931 (September 5, 2007).

¹³ Normally, the Department discloses to interested parties the calculations performed in connection with the preliminary results of review within five days of the date of publication of the notice of preliminary results in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, because PT Sunhere did not participate and its rate is based solely on AFA, there are no calculations to disclose.

¹⁴ See 19 CFR 351.309(d)(1).

the argument; and (3) a table of authorities.¹⁵ Case and rebuttal briefs should be filed using ACCESS.¹⁶

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹⁷ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Unless extended, the Department intends to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

As noted above, we are rescinding the review with respect to Jietai Machinery. As such, the Department intends to issue appropriate assessment instructions to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of this notice for Jietai Machinery.

Antidumping duties shall be assessed at rates equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption in accordance with 19 CFR 351.212(c)(1)(i).

¹⁵ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁶ See 19 CFR 351.303.

¹⁷ See 19 CFR 351.310(d).

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.¹⁸ The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any assessment rate calculated in the final results of this review is above *de minimis*. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable. Assessment of duties resulting from the final results of this review will pertain only to entries of subject merchandise (*i.e.*, innerspring units from the PRC).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date of this notice, as provided by section 751(a)(2)(C) of the Act: (1) for PT Sunhere, the cash deposit rate will be that established in the final results of this review (except, if the rate is zero or *de minimis*, then zero cash deposit will be required) and the Department will collect cash deposits only on PT Sunhere's PRC-origin merchandise; (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate published for the most recently completed period; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 234.51 percent; and (4) for all non-PRC exporters of subject merchandise which have not

¹⁸ See 19 CFR 351.212(b)(1).

received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary 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 Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Dated: October 31, 2017

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

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