



Billing Code: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-923]

Raw Flexible Magnets from the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order

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

SUMMARY: As a result of this second sunset review, the Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on raw flexible magnets from the People's Republic of China (China) would be likely to lead to the continuation or recurrence of a countervailable subsidy at the levels indicated in the "Final Results of Review" section of this notice.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Kristen Johnson, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4793.

SUPPLEMENTARY INFORMATION:

Background

On September 17, 2008, Commerce published in the *Federal Register* the *Order* on raw flexible magnets from China.¹ On February 5, 2019, Commerce initiated the second sunset

¹ See *Raw Flexible Magnets from the People's Republic of China: Countervailing Duty Order*, 73 FR 53849 (September 17, 2008) (*Order*).

review of the *Order* pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).²

On February 8, 2019, Commerce received a notice of intent to participate from Magnum Magnetics Corporation, hereinafter referred to as Magnum or the petitioner, within the deadline specified in 19 CFR 351.218(d)(1)(i).³ Magnum, a domestic producer of the subject merchandise, claimed interested party status under section 771(9)(C) of the Act.⁴

On March 7, 2019, Commerce received an adequate substantive response from Magnum within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).⁵ Commerce did not receive a substantive response from the Government of China or a respondent interested party to this proceeding. On March 20, 2019, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive an adequate substantive response from respondent interested parties.⁶ As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of the *Order*.

Scope of the Order

The products covered by this order are certain flexible magnets regardless of shape,⁷ color, or packaging.⁸ Subject flexible magnets are bonded magnets composed (not necessarily exclusively) of (i) any one or combination of various flexible binders (such as polymers or co-polymers, or rubber) and (ii) a magnetic element, which may consist of a ferrite permanent magnet material (commonly, strontium or barium ferrite, or a combination of the two), a metal alloy (such as NdFeB or Alnico), any combination of the foregoing with each other or any other

² See *Initiation of Five-Year (Sunset) Reviews*, 84 FR 1705 (February 5, 2019).

³ See Letter from Magnum, “Notice of Intent to Participate,” dated February 8, 2019.

⁴ *Id.* at 2.

⁵ See Letter from Magnum, “Domestic Industry Substantive Response,” dated March 7, 2019.

⁶ See Letter from Commerce to ITC, “Sunset Review Initiated on February 5, 2019 Applicable to January 2019,” dated March 20, 2019 (50-day Letter).

⁷ The term “shape” includes, but is not limited to profiles, which are flexible magnets with a non-rectangular cross-section.

⁸ Packaging includes retail or specialty packaging such as digital printer cartridges.

material, or any other material capable of being permanently magnetized. Subject flexible magnets may be in either magnetized or unmagnetized (including demagnetized) condition, and may or may not be fully or partially laminated or fully or partially bonded with paper, plastic, or other material, of any composition and/or color. Subject flexible magnets may be uncoated or may be coated with an adhesive or any other coating or combination of coatings.

Specifically excluded from the scope of this order are printed flexible magnets, defined as flexible magnets (including individual magnets) that are laminated or bonded with paper, plastic, or other material if such paper, plastic, or other material bears printed text and/or images, including but not limited to business cards, calendars, poetry, sports event schedules, business promotions, decorative motifs, and the like. This exclusion does not apply to such printed flexible magnets if the printing concerned consists of only the following: a trade mark or trade name; country of origin; border, stripes, or lines; any printing that is removed in the course of cutting and/or printing magnets for retail sale or other disposition from the flexible magnet; manufacturing or use instructions (*e.g.*, “print this side up,” “this side up,” “lamine here”); printing on adhesive backing (that is, material to be removed in order to expose adhesive for use such as application of laminate) or on any other covering that is removed from the flexible magnet prior or subsequent to final printing and before use; non-permanent printing (that is, printing in a medium that facilitates easy removal, permitting the flexible magnet to be re-printed); printing on the back (magnetic) side; or any combination of the above.

All products meeting the physical description of subject merchandise that are not specifically excluded are within the scope of this order. The products subject to the order are currently classifiable principally under subheadings 8505.19.10 and 8505.19.20 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are

provided only for convenience and customs purposes; the written description of the scope of the order is dispositive. A full description of the scope of the order is contained in the Issues and Decision Memorandum.⁹

Analysis of Comments Received

All issues raised in this review, specifically the likelihood of continuation or recurrence of a countervailable subsidy and the net countervailable subsidy likely to prevail if the *Order* was to be revoked, are addressed in the Issues and Decision Memorandum. The Issues and 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 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 Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>.

Final Results of Review

Pursuant to sections 751(c)(1) and 752(b) of the Act, Commerce determines that revocation of the *Order* on raw flexible magnets from China would be likely to lead to continuation or recurrence of a net countervailable subsidy at the following rates:¹⁰

Manufacturer/Producer/Exporter	Net Countervailable Subsidy <i>Ad Valorem</i> Rate
China Ningbo Cixi Import Export Corporation	109.95%
Polyflex Magnets Ltd.	109.95%
All Others	109.95%

⁹ See Memorandum, “Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of Raw Flexible Magnets from the People’s Republic of China,” dated concurrently with and adopted by this notice (Issues and Decision Memorandum).

¹⁰ *Id.*

Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of the destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act and 19 CFR 351.218.

Dated: May 31, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

[FR Doc. 2019-11866 Filed: 6/5/2019 8:45 am; Publication Date: 6/6/2019]