Helical Spring Lock Washers
From China and Taiwan

Investigation Nos. 731-TA-624 and 625 (Second Review)
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COMPANY GLOSSARY

Beall Manufacturing .............................................................. Beall
Crest Products ................................................................... Crest
Hangzhou Spring Washer Plant ............................................. Hangzhou
Illinois Tool Works, Inc .......................................................... ITW
Likunog Industrial Co., Ltd. .................................................... Likunog
Marvec, Inc. .................................................................... Marvec
Mellowes Company ............................................................. Mellowes
MW Industries ..................................................................... MW
Shakeproof Assembly Components Division of Illinois Tool Works, Inc. . Shakeproof
Wrought Washer Mfg., Inc. .................................................... Wrought Washer
Zhejiang Wanxin Group Co. ................................................... Zhejiang
DETERMINATIONS

On the basis of the record developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty orders on helical spring lock washers from China and Taiwan, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on January 3, 2006 (71 FR 133) and determined on April 10, 2006 that it would conduct expedited reviews (71 FR 23946). Notice of the scheduling of the Commission’s reviews was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register on April 25, 2006 (71 FR 23946).

1 The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR § 207.2(f)).

2 Chairman Stephen Koplan and Commissioners Jennifer A. Hillman, Charlotte R. Lane, and Shara L. Aranoff voted in the affirmative with respect to both countries. Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson voted in the affirmative with respect to China and in the negative with respect to Taiwan.
VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (the Act), that revocation of the antidumping duty orders on helical spring lock washers (“HSLWs”) from China and Taiwan is likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. BACKGROUND

On June 21, 1993, the Commission found that a domestic industry was injured or threatened with injury by imports of carbon steel or stainless steel HSLWs from Taiwan.² On June 28, 1993, the Department of Commerce (“Commerce”) issued an antidumping duty order with respect to imports from Taiwan.³ On October 8, 1993, the Commission determined that a domestic industry was injured or threatened with material injury by imports of carbon steel or stainless steel HSLWs from China.⁴ On October 19, 1993, Commerce published an antidumping duty order with respect to imports from China.⁵

In January 2001, the Commission conducted full reviews of both orders and determined that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁶

The Commission instituted these second reviews on January 3, 2006.⁷ The Commission received only one response to the notice of institution, which was from a domestic producer, Shakeproof Assembly Components Division of Illinois Tool Works, Inc. (“Shakeproof”). Shakeproof estimated that it accounted for approximately *** percent of U.S. production of HSLWs.⁸

On April 10, 2006, the Commission determined that the domestic interested party group response to the notice of institution was adequate, but that the respondent interested party group responses were inadequate.⁹ The Commission did not find any circumstances that would warrant conducting full reviews. Pursuant to 19 U.S.C. § 1675(c)(3)(B), the Commission determined to conduct an expedited review of the two orders. Because the Commission’s current reviews of the two orders have been

¹ Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissent with respect to imports from Taiwan and do not join section IV.D of the Commission’s Views. See Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson.

² Certain Helical Spring Lock Washers from Taiwan, Inv. No.731-TA-625 (Final), USITC Pub. 2651 (June 1993) (“Taiwan Determination”).


⁴ Certain Helical Spring Lock Washers from China, Inv. No.731-TA-624 (Final), USITC Pub. 2684 (October 1993) (“China Determination”).

⁵ 58 Fed. Reg. 53914.


⁹ See Explanation of Commission Determination on Adequacy Helical Spring Lock Washers from China and Taiwan in Confidential Staff Report, INV-DD-067 (May 11, 2006) (“CR”), Public Staff Report (“PR”) at Appendix A.
expedited, much of the information relied upon in these reviews was collected in 2000 and was part of the record of the first reviews of the orders.\(^{10}\) Current information concerning the industries in China and Taiwan is also not available from public sources.\(^{11}\)

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”\(^{12}\) The Act defines the “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”\(^{13}\) The Commission practice in five-year reviews is to look to the like product definitions from the original investigations and any previous reviews and consider whether the record indicates any reason to revisit those definitions.

HSLWs are flattened, ring-shaped metal devices whose ends are cut in an off-line manner to provide spring or tension to assembled parts when used as a seat for bolts, nuts, screws, or other fasteners. In addition to preventing movement or loss of tension between assembled parts, HSLWs are used to distribute a load over an area greater than that provided by the fastener alone and to provide a hardened bearing surface that facilitates assembly and disassembly of fastened parts.\(^{14}\) A split in the lock washer absorbs initial driving torque and visually closes under nominal bolt loading. When tension in the assembly is reduced and loosening occurs, it provides resistance to the back-off rotation of the bolt.\(^{15}\)

The majority of HSLWs are made of carbon, carbon alloy, or stainless steel.\(^{16}\) The finish of a fastener is critical to its function, durability, and quality. Many fasteners also are coated to protect against corrosion or to add qualities to the fastener, such as controlling the amount of torque needed for tightening.\(^{17}\)

HSLWs are used in all types of fastening applications, such as appliances, toys, and lawn mowers.\(^{18}\) The largest consumers of HSLWs are original equipment manufacturers (particularly in...
the automotive industry) that use HSLWs for assembling finished products. 19

In its expedited sunset determination, Commerce defined the subject merchandise in these reviews as:

The products covered by both antidumping duty orders are HSLWs of carbon steel, of carbon alloy steel, or of stainless steel, heat–treated or non–heat–treated, plated or non–plated, with ends that are off–line. HSLWs are designed to: (1) Function as a spring to compensate for developed looseness between the component parts of a fastened assembly; (2) distribute the load over a larger area for screws or bolts; and (3) provide a hardened bearing surface. The scope does not include internal or external tooth washers, nor does it include spring lock washers made of other metals, such as copper. HSLWs subject to the order are currently classifiable under subheading 7318.21.0030 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive. 20

This scope definition is unchanged from Commerce’s original investigations. 21 In the original investigations, the Commission defined the domestic like product to be HSLWs of all sizes and metals (despite the scope only consisting of steel HSLWs). 22 The Commission found similar channels of distribution, manufacturing facilities, production processes, and end uses for HSLWs. It noted some differences in physical characteristics and limits on interchangeability among HSLWs because resistance to corrosion differed between stainless and carbon steel HSLWs. 23 Nonetheless, “[b]ased upon the overlap in mechanical function and end uses, channels of distribution, common manufacturing facilities, production processes, equipment and employees, and interchangeability of products for some applications,” the Commission defined the domestic like product to be all HSLWs. 24

In the first five-year reviews, the Commission found that there had been no significant changes in the products at issue or in the like product factors the Commission generally considers. It also did not find that any other circumstances warranted revisiting the Commission’s original like product determination. Thus, the Commission again defined the domestic like product as all HSLWs for the reasons relied upon in the original investigations. 25

In its response to the Commission’s notice of institution in these second five-year reviews, Shakeproof stated that it does not object to the Commission’s domestic like product definition. 26 Moreover, there is no new information obtained during these second reviews that would suggest any reason for revisiting the Commission’s like product definition in the original investigations and the first

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19 CR at I-11, PR at 1-10.
21 Taiwan Determination at 8; China Determination at I-5.
22 Taiwan Determination at 8; China Determination at I-5.
23 Taiwan Determination at 5-8.
24 Taiwan Determination at 8.
25 USITC Pub. 3384 at 5.
26 Shakeproof’s Response at 12.
five-year reviews. Accordingly, we find a single domestic like product consisting of all HSLWs for purposes of these five-year reviews.

B. Domestic Industry and Related Parties

Section 771(4)(A) of the Act defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”

In both the original investigations and first reviews, the Commission found a single domestic industry, consisting of all domestic producers of HSLWs. In these second reviews, the domestic interested party expressly does not object to the Commission’s previous domestic industry definition. Given our finding with respect to the domestic like product, and because there is no new information obtained during these second reviews that would suggest any reason for revisiting the Commission’s domestic industry definition in the original determinations and first reviews, we find a single domestic industry consisting of the two known domestic producers of HSLWs, Shakeproof and Wrought Washer.

III. CUMULATION

A. Overview

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.

Thus, cumulation is discretionary in five-year reviews. The Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the

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27 See CR at I-8 to I-11, PR at I-8.
28 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captive consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int’l Trade 1994), aff’d, 96 F.3d 1352 (Fed.Cir. 1996).
29 See USITC Pub. 3384 at 9-10; Taiwan Determination at 8; China Determination at I-5.
30 Shakeproof’s Response at 12.
31 There are no related party issues in these reviews. Shakeproof is the larger of the two known U.S. producers of HSLWs and the only domestic producer that responded to the notice of institution. Shakeproof claims to account for percent of U.S. production of HSLWs. There is another small producer of HSLWs, Wrought Washer, which is privately held.
subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry. We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry. With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.

B. Reasonable Overlap of Competition

In these reviews, the first statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as Commerce initiated the two reviews on January 3, 2006. In assessing likely competition, the Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product. Only a "reasonable overlap" of competition is required. In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market. Moreover, because of the prospective nature of five-year reviews, we have

35 For a discussion of the analytical framework of Chairman Koplan and Commissioner Hillman regarding the application of the "no discernible adverse impact" provision, see Malleable Cast Iron Pipe Fittings from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review) USITC Pub. 3274 (Feb. 2000). For a further discussion of Chairman Koplan’s analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review) USITC Pub. 3247 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).
36 Because we decline to exercise our discretion to cumulate subject imports from China and Taiwan (see discussion infra), it is not necessary to determine separately whether subject imports from China and Taiwan, respectively, would be likely to have no discernible adverse impact in the event of revocation.
38 The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (CIT 1999).
39 See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (CIT 1996); Wieland Werke, AG, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); United States Steel Group v. United States, 873 F. Supp. 673, 685 (CIT 1994), aff’d, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), aff’d sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F. Supp.2d 1353 (CIT 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).
examined not only the Commission’s traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are terminated. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.40

In the original investigations, those Commissioners who reached the issue found a reasonable overlap of competition between the subject imports and the domestic like product.41 However, those Commissioners who conducted a threat analysis did not exercise their discretion to cumulate subject imports from China and Taiwan.42 Thus, for its threat analysis, the majority of the Commission did not cumulate subject imports from China and Taiwan. In the first five-year reviews, the Commission concluded that there would likely be a reasonable overlap of competition.43

In these reviews, the available information concerning the likelihood of a reasonable overlap of competition comes from the Commission’s first five-year reviews, which were full reviews. The information collected in the earlier reviews indicated that the subject imports and the domestic product were likely to be fungible.44 Virtually all responding importers and producers indicated that subject imports from China and Taiwan were used interchangeably. Purchasers’ responses to questionnaires also revealed that HSLWs from China and Taiwan were used in the same applications.45

However, information from the first reviews indicated that stainless steel and carbon steel HSLWs were not substitutable for each other in all applications.46 Chinese producers at that time appeared to export only carbon steel HSLWs to the United States while producers in Taiwan were exporting both carbon steel and stainless steel HSLWs, but were concentrating on stainless steel HSLWs.47

Information from the first five-year reviews also demonstrates that imported and domestically produced HSLWs generally are sold throughout the United States through the same channels of distribution.48 Subject imports from both China and Taiwan were simultaneously present in the U.S. market during the original investigations, the first five-year reviews and during this review period.49

40 See, e.g., Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission's determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (CIT 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (CIT 1988).

41 Taiwan Determination at 24, 45 (concurring Views of Commissioner Brunsdale and Dissent of Commissioners Nuzum and Vice Chairman Watson) (Vice Chairman Watson and Commissioner Nuzum, however, cumulated subject imports only for purposes of their present material injury analysis; they did not cumulate subject imports for their threat analysis); China Determination at I-13-14, I-17, I-27 (Views of Commissioner Brunsdale, Crawford and Dissent of Vice Chairman Watson) (Commissioner Crawford did not participate in the Taiwan investigation). Taiwan Determination at 1.

42 See Taiwan Determination at 13-14 (Chairman Newquist and Commissioner Rohr), 45 (Vice Chairman Watson and Commissioner Nuzum); China Determination at I-7 to I-8 (Chairman Newquist and Commissioners Nuzum and Rohr), I-27 (Vice Chairman Watson).

43 USITC Pub. 3384 at 8-9.

44 USITC Pub. 3384 at 8 and II-6.

45 Id.

46 Id.

47 See USITC Pub. 3384 at 8.

48 USITC Pub. 3384 at II-1 and V-1.

49 USITC Pub. 3384 at Table I-2; CR/PR at Table I-6.
Based upon information from the first five year reviews and the limited additional information in the record of these reviews, we find that there would likely be a reasonable overlap of competition if the orders were to be revoked.

D. Other Considerations

In determining whether to exercise our discretion to cumulate the subject imports from the two countries, we assess whether the subject imports from China and Taiwan are likely to compete under similar or different conditions in the U.S. market. Subject imports from China and Taiwan have both maintained their presence in the market. However, subject imports from China have been far larger than those from Taiwan throughout the period of review.\(^{50}\) Available information from the first reviews indicates much greater capacity for production of HSLWs in China than in Taiwan.\(^{51}\) During the original investigations and the first five-year reviews, imports of Chinese HSLWs were exclusively carbon steel.\(^{52}\) While producers in Taiwan produced and exported both carbon steel and stainless steel HSLWs,\(^{53}\) the record from the first reviews indicates that they concentrate on stainless steel HSLWs. As in the first reviews, while producers in Taiwan appeared to be able to produce both types of HSLWs, there is no indication on the record that their exports to the United States will become predominantly carbon steel HSLWs. Shakeproof asserts that subject imports from China are increasingly comprised of stainless steel HSLWs,\(^{54}\) but there is no other evidence on the record to substantiate this claim. Moreover, the very different unit values for imports from the two countries continue to indicate significant differences in product mix and perhaps pricing.\(^{55}\) Based on the record in these reviews, we find that subject imports from China and Taiwan are likely to compete differently in the U.S. market. Accordingly, we decline to exercise our discretion to cumulate the subject imports from China and Taiwan in these reviews.

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDERS ARE REVOKED

A. Legal Standard In A Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping order unless: (1) it makes a determination that dumping is likely to continue or recur, and

\(^{50}\) CR/PR at Table I-6.

\(^{51}\) The primary Chinese exporter, Zhejiang Wanxin Group (“ZWG”), reported capacity of **. INV-X-258 (December 22, 2000) at Table IV-2. Available information suggests that the industry in Taiwan is much smaller than that in China. See INV-X-258 (December 22, 2000) at IV-4; INV-Q-088 (June 4, 1993) at I-49 to I-50.

\(^{52}\) Taiwan Determination, Table 16 (no stainless HSLWs from China); Tr. at 114 (“China does not supply stainless.”).

\(^{53}\) USITC Pub. 3384 at 8; see also CR at IV-6 n.6, PR at IV-4 n.6.

\(^{54}\) See Shakeproof’s Response at 11.

\(^{55}\) See CR/PR at Table I-6. In 2005, the average unit value per pound of subject imports from China was $0.64 versus $1.79 for the subject imports from Taiwan. Id. This suggests a difference in product mix because stainless steel HSLWs sell for a higher price than carbon steel HSLWs. In 1992, the average unit value of U.S. shipments of stainless steel HSLWs from Taiwan was ** per pound. However, the average unit value of U.S. shipments of carbon steel HSLWs from Taiwan was ** per pound and ** for comparable product from China. Similarly, the average unit value of U.S. producers’ U.S. shipments of carbon steel HSLWs in 1992 was **, while that for stainless steel HSLWs was **. INV-Q-088 (June 4, 1993) at Tables C-1, C-2, and C-3.
(2) the Commission makes a determination that revocation of the antidumping order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”

The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.” Thus, the likelihood standard is prospective in nature. The U.S. Court of International Trade has found that “likely,” as used in the sunset review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.” According to the SAA, a “reasonably foreseeable time” will vary from case-to-case, but normally will

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57 SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” SAA at 883.

58 While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.


60 Vice Chairman Okun notes that, consistent with her dissenting views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” to mean “probable.” See Usinor Industeel, S.A. et al v. United States, No. 01-00006, Slip Op. 02-39 at 13 (Ct. Int’l Trade April 29, 2002). However, she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue. Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 731-TA-707-709 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

61 Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” but she will apply the Court’s standard in these reviews and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue.

exceed the ‘imminent’ timeframe applicable in a threat of injury analysis [in antidumping investigations].”63 64

Although the standard in a five-year review is not the same as the standard applied in an original antidumping investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”65 It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).66

Section 751(c)(3) of the Act and the Commission’s regulations provide that in an expedited five-year review, the Commission may issue a final determination “based on the facts available, in accordance with section 776 of the Act.” We have relied upon the facts available in these reviews, which consist primarily of information from the original investigations and first reviews, information submitted by the domestic interested party, and official Commerce statistics.67

63 SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” SAA at 887.

64 In analyzing what constitutes a reasonably foreseeable time, Chairman Koplan examines all the current and likely conditions of competition in the relevant industry. He defines “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation or termination. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

65 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

66 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the orders under review. CR/PR at I-6.

67 Vice Chairman Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. 19 U.S.C. § 1675(e). She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties’ suggested interpretations of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.” SAA at 869.
In evaluating the likely volume of imports of subject merchandise if the antidumping duty orders are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.\(^\text{68}\) In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.\(^\text{69}\)

In evaluating the likely price effects of cumulated subject imports if the antidumping duty orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.\(^\text{70}\)

In evaluating the likely impact of the subject merchandise if the antidumping orders are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.\(^\text{71}\) All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.\(^\text{72}\) As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the orders are revoked.\(^\text{73}\)

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\(^\text{68}\) 19 U.S.C. § 1675a(a)(2).


\(^\text{70}\) 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

\(^\text{71}\) 19 U.S.C. § 1675a(a)(4).

\(^\text{72}\) 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887.

Commerce’s final determinations in its expedited second reviews were issued after the record closed in these reviews. In the final results of its expedited first reviews, Commerce found the likely margin of dumping to be 69.88 percent for ZWG (now known as Hangzhou Spring Washer) and 128.63 percent for all other producers in China. For producers in Taiwan, Commerce found the likely margins of dumping to be 31.93 percent for all producers. 65 Fed. Reg. 35605, 35606 (June 5, 2000).

\(^\text{73}\) The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at
B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”

Overall demand for HSLWs depends in large part upon the demand for bolt and screw fastenings in agricultural, automotive, and industrial assemblies, and therefore is dependent upon the overall strength of the U.S. economy. HSLWs account for a small portion of the total costs in their intended end uses. HSLWs face competition from other products, including adhesives, locknuts, tooth washers, and especially self-locking bolts. However, substitution for HSLWs occurs slowly over time and is only likely to occur at the design phase of a downstream product. Shakeproof reports that this substitution for HSLWs has reduced overall demand for the product. Indeed, data for apparent U.S. consumption indicate that the market for HSLWs is smaller than it was at the time of the original investigations or the first reviews.

Most HSLWs, regardless of their country of origin, are sold on a spot basis to distributors for inventory. The primary concern of these distributors appears to be quality, followed by availability and then price. Purchasers do appear to be sensitive to price, however, even if it is not the single most important aspect of their purchasing decision.

Functionally, the domestic like product and imports of the subject merchandise generally can be used interchangeably. Stainless steel HSLWs, however, are preferred to carbon steel HSLWs in corrosive environments. Stainless steel HSLWs are not generally substituted for carbon steel HSLWs in certain other non-corrosive environments because the former are more expensive.

At the time of the original investigations, the Commission observed that the U.S. industry had contracted from seven firms in 1980 to four firms in 1990. Over the period examined in the original investigations, Shakeproof entered the HSLW market by purchasing first the Mellowes Co. (April 1991) and then its two largest competitors, Beall (November 1991) and Crest (July 1992), leaving only

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75 USITC Pub. 3384 at II-4.
76 Id.
77 Id.
78 CR at I-14 to I-15, PR at 1-12.
79 Shakeproof’s Response at 5.
80 CR/PR at Table I-7 (indicating apparent consumption of *** million pounds in 2005 versus *** million pounds in 1999 and *** million pounds in 1992).
81 Five of the seven reporting purchasers in the first reviews indicated that their purchasing decisions are “usually” based mainly on price. See USITC Pub. 3384 at II-5.
82 In the first reviews, seven purchasers indicated that the HSLWs from China, Taiwan, and the United States are used interchangeably, although the quality of Chinese HSLWs may be less consistent. See USITC Pub. 3384 at II-6 and n.14.
83 See CR at I-11, PR at I-12.
84 See Taiwan Determination, at 7, n.15.
Shakeproof and MW Industries, a tiny specialty producer.\textsuperscript{85} Subsequently, in May 1993, a new firm, Marvec, began production of stainless steel HSLWs. Shakeproof, however, acquired this company in 1996/97.\textsuperscript{86} While there is at present at least one other domestic producer besides Shakeproof (Wrought Washer of Milwaukee),\textsuperscript{87} the domestic industry is highly concentrated, with Shakeproof accounting for approximately *** percent of U.S. production of HSLWs.\textsuperscript{88}

During 1990-92, total imports supplied *** percent of the U.S. market. During 1998-1999, total imports supplied *** percent of the U.S. market, up from *** percent in 1997.\textsuperscript{89} Total imports have continued to increase during the current period of review, supplying *** percent of the U.S. market in 2005.\textsuperscript{90} However, nonsubject imports supplied only *** percent of the U.S. market in 2005, while they had accounted for over *** percent in 1992 and *** percent in 1999.\textsuperscript{91}

We find that these conditions in the market for HSLWs are likely to persist in the reasonably foreseeable future and provide us with a reasonable basis on which to assess the effects of revocation of the orders.

C. Revocation of the Order on Subject Imports From China Is Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

1. Likely Volume of Subject Imports from China

In the original investigations, the Commission found that the quantity of U.S. shipments of subject imports from China increased from 5.4 million pounds in 1990 to 6.7 million pounds in 1991 and to 7.1 million pounds in 1992.\textsuperscript{92} Market penetration of the Chinese HSLWs was *** percent in 1990, *** percent in 1991, and *** percent in 1992.\textsuperscript{93} From 1990 to 1992, capacity in China expanded from 23.6 million pounds to 36.8 million pounds; production rose by 79.7 percent.\textsuperscript{94} Inventories of Chinese HSLWs in China were *** in 1990, *** in 1991, and *** in 1992,\textsuperscript{95} while importers’ inventories in the United States increased from 2.8 million pounds in 1990 to 2.9 million pounds in 1991 and to 3.6 million pounds in 1992.\textsuperscript{96}

After the imposition of the order on HSLWs from China, the volume of subject imports from China fell by several million pounds. However, subject imports from China subsequently increased from

\textsuperscript{85} Taiwan Determination, at I-12-13.
\textsuperscript{86} Taiwan Determination at I-14 and USITC Pub. 3384 at I-8 and n.10.
\textsuperscript{87} Wrought Washer is characterized by Shakeproof as a “small niche producer” but may account for as much as *** percent of U.S. production. CR at I-16, PR at I-13; USITC Pub. 3384 at I-8 n.9, and III-1.
\textsuperscript{88} CR at I-16, PR at I-13.
\textsuperscript{89} CR/PR at Table I-7.
\textsuperscript{90} Id.
\textsuperscript{91} Id.
\textsuperscript{92} China Determination at I-10.
\textsuperscript{93} CR/PR at Table I-7.
\textsuperscript{94} China Determination at I-9.
\textsuperscript{95} INV-Q-088 (June 4, 1993) at Table 14.
\textsuperscript{96} Taiwan Determination, at Table 13.
1.5 million pounds in 1997 to 2.2 million pounds in 1998 and 2.9 million pounds in 1999. From 1997 to 1999, the market share of Chinese HSLWs more than doubled from *** percent. During the current period of review, the volume of subject imports from China continued to be large and was substantially higher in 2005 than 2003. In 1999, subject imports from China were 2.9 million pounds, and in 2005, they totaled 6.5 million pounds. In 2005, subject imports from China accounted for *** percent of U.S. apparent consumption, near their peak level since the original investigations.

Hangzhou Spring Washer Plant (Hangzhou) was the only Chinese exporter at the time of the first five-year reviews, and it provided information to the Commission at that time. It estimated that it accounted for *** percent of Chinese production of HSLWs in 1999. While its capacity had declined since the original investigations, dropping from *** in 1992 to *** in 1999, this still is substantial capacity compared to U.S. apparent consumption of *** in 2005. Although Hangzhou was operating at *** percent capacity in 1999, it operated at *** percent capacity in the first half of 2000. This indicates the ability of this producer to *** its level of production and operate ***.

Hangzhou remained export-oriented at the time of the earlier reviews. In 1992, *** percent of Hangzhou’s total shipments were exported and *** percent went to the United States. Data from 1999 indicate that *** percent of Hangzhou’s total shipments were exported and *** percent were destined for the United States. It also has demonstrated an ability to shift production of HSLWs destined for other export markets to the United States. For instance, in 1999, its shipments to third countries were *** percent lower than in 1997 while its shipments to the United States were *** percent higher.

In these second reviews, additional factors suggest that subject imports from China are likely to increase and capture more market share from the domestic industry if the order were revoked. First, prices for HSLWs in the United States may be higher than in other markets, indicating the U.S. market is an attractive market for imports. Second, the relatively smaller size of the U.S. market for HSLWs due to the increasing substitution of other products for HSLWs indicates that even the same quantity of subject imports observed in the original investigation will capture a relatively larger share of the U.S.

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97 CR/PR at Table I-6.
98 CR/PR at Table I-7.
99 CR/PR at Table I-6.
100 CR/PR at Table I-7. In 2004, subject imports from China accounted for *** percent of U.S. apparent consumption. See CR/PR at Table I-6, CR at I-20, and PR at I-14.
101 USITC Pub. 3384 at IV-3.
102 CR at I-30, PR at I-23.
103 See CR/PR at Table I-8. However, during 1990 to 1992, it operated at very close to *** capacity. Id.
104 CR/PR at Table I-7.
105 INV-X-258 (December 22, 2000) at Table IV-2.
106 If Hangzhou’s unused capacity in 1999 resulted in additional production shipped to the United States in 2005, it would constitute over *** percent of U.S. consumption. See CR/PR at Tables I-7 and I-8.
107 CR/PR at Table I-8; INV-Q-088 (June 4, 1993) at Table 14.
108 CR/PR at Table I-8.
109 See CR/PR Table I-8.
110 See Shakeproof’s Response at 7.
Finally, nonsubject imports have a smaller share of the U.S. market than in the first reviews, which indicates that additional subject imports are more likely to capture market share from the domestic industry than nonsubject imports, whose share is shrinking.\textsuperscript{112} We therefore conclude, based on the record in these reviews, that the volume and market share of subject imports from China would likely be significant within a reasonably foreseeable time if the order were revoked.

2. Likely Price Effects

During the original investigations, the Commission found that pricing data provided “mixed guidance” regarding the likelihood of price depression, but somewhat “clearer guidance” regarding the likelihood of price suppression, by the subject imports from China.\textsuperscript{113} Prices reported by the domestic industry showed no clear trend and fluctuated within a narrow range. Prices for HSLWs from China fluctuated as well, decreasing moderately over the period examined in the original investigations (1990-92).\textsuperscript{114} While subject imports from China were imported at average unit values that were uniformly lower than the domestic industry’s prices for comparable products, distributor sales of HSLWs from China undersold the domestic product in *** of 48 producer/importer comparisons.\textsuperscript{115}

The record in the earlier reviews in which the Commission collected pricing information from purchasers, importers and the domestic industry, indicates that price is an important factor in purchasing decisions, although perhaps not as important as quality and availability.\textsuperscript{116} The record indicates that the domestic like product and HSLWs from China are used interchangeably and are substitutable.\textsuperscript{117} Thus, the Chinese producers are likely to seek to increase their sales volume by offering lower prices.

The domestic industry’s reported prices during the first period of review, January 1997 - June 2000, fluctuated for the most part within a narrow range. Data reported by the domestic industry and by several of the largest HSLW importers in the United States reflected lower domestic producer prices for available comparisons.\textsuperscript{118} The Commission determined in the first reviews to give limited weight to the pricing comparisons for several reasons.\textsuperscript{119}

\textsuperscript{111} See CR/PR at Table I-7.
\textsuperscript{112} See CR/PR at Table I-7.
\textsuperscript{113} See China Determination at I-10.
\textsuperscript{114} INV-Q-088 (June 4, 1993) at Tables 18-23 and I-65 to I-67.
\textsuperscript{115} INV-Q-088 (June 4, 1993) at I-75 and 77, Tables 18-23, INV-Q-088 (June 4, 1993) at I-65 to I-67. These instances of underselling, however, increased over the period examined.
\textsuperscript{116} USITC Pub. 3384 at II-5. Shakeproof stated that quality is pretty much assured, making price a prime factor in purchasing decisions. USITC Pub. 3384 at II-6, n.13.
\textsuperscript{117} USITC Pub. 3384 at II-5 and II-6.
\textsuperscript{118} See INV-X-258 (December 22, 2000) at Tables V-1 to V-6. Shakeproof’s carbon steel HSLW prices remained fairly steady over the first period of review, while its stainless steel HSLW prices fell in 1999 as sales volumes increased ***. Id.
\textsuperscript{119} See USITC Pub 3384 at 17. First, a portion of Shakeproof’s reported sales were to master distributors, which also import HSLWs directly. A master distributor buys HSLWs in very large quantities for re-sale to smaller distributors. See USITC Pub. 3384 at II-1. Thus, not all of the reported price comparisons were at the same level of trade. See USITC Pub. 3384 at V-4. Furthermore, importers’ sales typically involved smaller individual sale quantities of HSLWs which could result in relatively higher unit sales values. USITC Pub. 3384 at V-4 n.8. Also, pricing data collected from purchasers were inconsistent with the data from the domestic industry and the importers. The data from the purchasers indicated underselling by the subject imports from China. These data, however,
Although the available price comparisons from the earlier review are of limited utility in assessing the effects of the subject imports in the U.S. market, we find that significant price effects are nonetheless likely if the order is revoked. First, price is considered to be one of several important purchasing considerations, and HSLWs from China and HSLWs produced in the United States are considered to be interchangeable. Given their current market share and the likely increase in the volume of subject imports from China if the order were revoked, Shakeproof will face increasing pressure to adjust price levels in order to maintain output and sales volume.\textsuperscript{120} Shakeproof states that it currently is operating at \textsuperscript{121} percent capacity utilization.\textsuperscript{121} Accordingly, it likely is limited in its ability to sustain its profitability at lower sales volumes if the subject imports capture a greater portion of the U.S. market.\textsuperscript{122} Thus, in light of the volume of imports from China, the domestic industry will face progressively greater incentives to lower its prices or to forego price increases in order to maintain output levels.

Consequently, on the basis of the record in this review, including information collected in the original investigation and the earlier review, we find that revocation of the antidumping duty order on imports of HSLWs from China would be likely to lead to increased underselling by the subject imports and significant price depression or suppression, within a reasonably foreseeable time.

3. Likely Impact

In the original investigations, the Commission found that the domestic industry’s performance was “mixed.”\textsuperscript{123} Production and capacity decreased between 1990 and 1992.\textsuperscript{124} The industry’s shipments and market share also declined from 1990 to 1992.\textsuperscript{125} Yet, the industry remained profitable during the period; its operating income as a percentage of net sales was \textsuperscript{126} percent in 1990, \textsuperscript{127} percent in 1991, and \textsuperscript{128} percent in 1992.

The condition of the domestic industry had improved during the period considered in the first reviews, and the industry earned \textsuperscript{129} profits in that period.\textsuperscript{130} The market share of the U.S. industry was much higher in 1997 than during the original investigations, though it then fell from its peak of \textsuperscript{131}.

\textsuperscript{120} See CR at I-20, PR at I-14 (reflecting domestic industry’s declining sales from 2000 to 2005).
\textsuperscript{121} CR at I-21, PR at I-15.
\textsuperscript{122} As discussed earlier, the volume of subject imports from China accounted for \textsuperscript{132} percent of the U.S. market in 2005. CR/PR at Table I-7.
\textsuperscript{123} China Determination at I-6.
\textsuperscript{124} Id.; CR/PR at Table I-2.
\textsuperscript{125} China Determination at I-6.
\textsuperscript{126} CR/PR at Table I-2.
\textsuperscript{127} The industry’s ratio of operating income to sales was \textsuperscript{133} percent in 1997, \textsuperscript{134} percent in 1998 and \textsuperscript{135} percent in 1999. CR/PR at Table I-5.
percent in 1997. The industry’s cost structure also had improved and the industry was operating at a much higher rate of capacity utilization. The domestic industry’s productivity also improved and was higher in 1999 in comparison to 1992. The Commission found that the improvement in the state of the industry was related to the antidumping duty order and the resulting significant decline in the volume of HSLW imports from China. Thus, in light of its profitability, the Commission did not find the domestic industry vulnerable even though the domestic industry’s capacity, production, U.S. shipments, total sales, capacity utilization, capital expenditures and employment all declined throughout the earlier period of review.

Shakeproof contends in the instant reviews that several factors render it vulnerable to the effects of the subject imports in the U.S. market. It notes that it continues to lose market share to imports even with the orders in place. It also reports that its profitability declined over the period of review, that its employment has fallen by percent, and that it currently is operating at percent capacity utilization. The industry also states that increasing raw material costs due to increased steel wire rod costs (the primary input) and higher energy prices are factors that render the industry vulnerable to the effects of subject imports.

While the Commission lacks sufficient information to find the industry to be vulnerable as defined in the statute, absent contrary evidence, we accept Shakeproof’s assessment of its current performance as suggesting that the negative trends reported in the earlier reviews continue. More specifically, Shakeproof’s production, capacity utilization, sales, market share, and employment are all lower in 2005 than they were in 1999. While the unit values of Shakeproof’s U.S. shipments are considerably higher in 2005 than 1999, Shakeproof states that it is. Even then, however, Shakeproof states that it generally has been able to “maintain” overall profitability.

As discussed above, revocation of the order likely would lead to a significant increase in the volume and market share of the subject imports from China. Given the decline in demand and importance of price in purchasing decisions, the significant increase in subject imports from China is likely to cause a significant decline in the volume of the domestic producers’ shipments as well as an

128 See CR/PR at Table I-7. The industry’s market share was percent in 1998 and percent in 1999; during the original investigation, it fell from percent in 1990 to percent in 1992.
129 In 1992, the industry operated at percent capacity utilization. CR/PR at Table I-5. Its capacity utilization was percent in 1997, percent in 1998, and percent in 1999. Id. During the period examined in the earlier reviews, the domestic industry reduced its capacity to levels below those reported in the early 1990s. Id.
130 See CR/PR at Table I-2.
131 See USITC Pub. 3384 at 18.
132 The domestic industry’s capacity was percent in 1997, percent in 1998 and percent. CR/PR at Table I-5. Production was percent in 1997, percent in 1998, and percent in 1999. Id. U.S. shipments were percent in 1997, percent in 1998, and percent. Id. Total sales were percent in 1997, percent in 1998, and percent in 1999. Id. Capacity utilization was percent utilization in 1997, percent in 1998, and percent in 1999. Id. Capital expenditures were percent in 1997, percent in 1998 and percent in 1999. INV-X-258 (December 22, 2000) at Table III-7. The number of production and related workers fell from percent in 1997 to percent in 1998 and percent in 1999. Id.
133 See Shakeproof’s Response at 9 and Appendix A.
134 Shakeproof’s Response at 9-10.
135 Shakeproof’s Response at 10.
136 See CR/PR at Tables I-5 and I-7; CR at I-20 and I-21, PR at I-14 and I-15.
137 See CR/PR at Table I-5 (*** in 2005 versus *** in 1999).
138 Shakeproof’s Response at 9-10.
impact on prices at a time when the industry faces increasing energy and raw material prices.\textsuperscript{139} We find that this likely would have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. This likely reduction in the industry's production, shipments, sales, market share, and revenues would result in erosion of the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the order will result in additional employment declines for the industry.

\section{D. Revocation of the Order on Subject Imports From Taiwan Is Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time\textsuperscript{140}}

\subsection{1. Likely Volume of Subject Imports from Taiwan}

During the original investigations, the Commission found that the volume and value of subject imports from Taiwan “increased dramatically between 1990 and 1992.”\textsuperscript{141} The volume of U.S. shipments of subject imports from Taiwan rose from 388,000 pounds in 1990 to 629,000 pounds in 1991 and 735,000 pounds in 1992.\textsuperscript{142} The Commission found sufficient unused capacity in Taiwan to supply the demand satisfied by imports from China before the imposition of the antidumping duty order on those imports.\textsuperscript{143} The Commission observed that the largest producer in Taiwan, Likunog, was heavily export-oriented with the U.S. market being its primary market,\textsuperscript{144} that it had the ability to significantly increase exports to the United States, and that it had exhibited a trend towards increased production and exports.\textsuperscript{145} The Commission noted that Likunog had rapidly increased its exports to a third country at the same time it increased its exports to the United States.\textsuperscript{146} Additionally, the Commission noted that there was unreported capacity in Taiwan about which the Commission did not have specific information.\textsuperscript{147} Consequently, the Commission concluded that it was likely that exporters in Taiwan would increase their shipments to the United States and the Commission found that the domestic industry was threatened with material injury.\textsuperscript{148}

\textsuperscript{139} Shakeproof reports that the cost of steel wire rod increased *** percent over the review period. It also states that its natural gas and electricity costs rose *** and *** percent, respectively, from 2001 to 2005, placing further cost pressure on its operations. Shakeproof’s Comments (May 18, 2006) at 7; Shakeproof’s Response at 10.

\textsuperscript{140} Vice Chairman Okun and Commissioner Pearson dissent with respect to imports from Taiwan and do not join section IV.D of the Commission’s Views. See Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson.

\textsuperscript{141} Taiwan Determination at 15.

\textsuperscript{142} INV-Q-088 (June 4, 1993) at Table 2. In terms of quantity, subject imports from Taiwan constituted *** percent of apparent domestic consumption in 1990, *** percent in 1991, and *** percent in 1992. CR/PR at Table I-7.

\textsuperscript{143} Taiwan Determination at 15-16.

\textsuperscript{144} Taiwan Determination at 16.

\textsuperscript{145} Id.

\textsuperscript{146} Taiwan Determination at 17.

\textsuperscript{147} Taiwan Determination at 16. Likunog accounted for *** percent of the carbon steel HSLWs exported to the United States from Taiwan in 1992 and *** percent in 1990. INV-Q-088 (June 4, 1993) at I-50 n.83. Thus, there clearly were other producers in Taiwan exporting to the United States.

\textsuperscript{148} Taiwan Determination at 16.
During the first period of review, subject imports from Taiwan remained at levels less than half of their absolute level in 1992.\textsuperscript{149} Subject imports from Taiwan generally increased over the first review period and were 31 percent greater in 1999 than 1997 in terms of quantity.\textsuperscript{150} Over the current period of review, subject imports from Taiwan rose irregularly to 389,000 pounds in 2005, a level of subject imports greater than in any year of the first period of review.\textsuperscript{151}

In the first reviews, the Commission received no information from the seven companies believed to produce HSLWs in Taiwan, and we have no recent information from these companies in these reviews. Because the best information in the record from the original investigations, indicates that the HSLW industry in Taiwan is export-oriented, we find it likely that, in the absence of the order, U.S. imports from Taiwan would increase.\textsuperscript{152} As we observed in our discussion of subject imports from China, the U.S. market remains attractive by virtue of its higher prices.\textsuperscript{153} Further, because the U.S. market is shrinking due to the ongoing substitution of other products for HSLWs\textsuperscript{154} and because nonsubject imports have a smaller share of the market, any increased volume of subject imports will likely take market share from the domestic industry. While we acknowledge that information obtained from the American Institute in Taiwan in the first five-year reviews suggested that the market for HSLWs in Taiwan was also shrinking,\textsuperscript{155} this is not a basis for concluding that producers in Taiwan would not increase their exports to the United States in the absence of the order. Instead, it suggests that producers in Taiwan will become even more reliant on export sales. Indeed, subject imports from Taiwan are increasing even with the order in place, and producers in Taiwan demonstrated the ability to quickly increase exports to the United States during 1990-92.\textsuperscript{156}

Particularly in a market in which demand is declining, such a potential increase in imports would be significant. We therefore conclude, based on the record in these reviews, the earlier reviews, and the original investigations, that the volume of subject imports from Taiwan likely would be significant within a reasonably foreseeable time if the order were revoked.

\section*{2. Likely Price Effects}

During the original investigations, the Commission found evidence that indicated that subject imports from Taiwan were priced lower than the domestic product.\textsuperscript{157} However, the Commission did not find clear evidence of price suppression or depression as there were no clear trends in prices.\textsuperscript{158} The Commission did not rely on much of the pricing data because the data were limited and individual

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\begin{enumerate}
\item See CR/PR at Table I-5.
\item See CR/PR at Table I-5. Subject imports from Taiwan were 289,000 pounds in 1997, 257,000 pounds in 1998, and 378,000 pounds in 1999. Id.
\item See CR/PR at Table I-6.
\item The Commission’s limited data on the industry in Taiwan indicated that it exported *** during 1990-92. CR/PR at Table I-9; INV-Q-088 (June 4, 1993) at Table 15. *** of its production was destined for the United States. Id.
\item See Shakeproof’s Response at 7.
\item CR at I-14, PR at I-12.
\item CR at I-32, PR at I-24.
\item CR/PR at Table I-6.
\item Taiwan Determination at 17.
\item Id.
\end{enumerate}
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domestic sales involved much larger volumes than those made by importers.  The Commission found however, based upon the substitutability of the subject imports from Taiwan with domestic HSLWs, that the volume and inventories of the subject imports would likely lead to an adverse impact on domestic prices.

As we noted in our determination with respect to China, the record indicates that price is an important factor in purchasing decisions, although perhaps not as important as quality and availability. However, the record indicates that the domestic like product and HSLWs from Taiwan are used interchangeably and considered substitutable. Thus, absent any increase in domestic demand, increases in sales volume by subject imports from Taiwan are likely to be achieved through lower prices.

Pricing information in the earlier reviews indicated that subject imports from Taiwan are primarily stainless steel, and prices for domestic products 3 and 6, the stainless steel HSLWs, fell over the first period of review. The limited price comparisons did largely indicate overselling by the subject imports from Taiwan. However, as we observed in our discussion with respect to subject imports from China, not all of the reported price comparisons are at the same level of trade. Furthermore, importers’ sales typically involved smaller individual sale quantities of HSLWs, and pricing data collected from purchasers were inconsistent with the data from Shakeproof and the importers. Consequently, we give limited weight to the price comparison data from the first reviews.

Given the likely significant volume of subject imports, the high level of substitutability between the subject imports and domestic like product, evidence in the original investigations of underselling, the importance of price in purchasing decisions, and the weak U.S. demand discussed above, we find that in the absence of the order, HSLWs from Taiwan would likely undersell the U.S. product in order to gain additional market share.

Although the price comparisons from the earlier reviews are of limited utility, we find other evidence that there are likely to be significant price effects if the order is revoked. First, price is considered to be one of several important purchasing considerations, and HSLWs from Taiwan and HSLWs produced in the United States are considered to be interchangeable. Given the likely increase in the volume of subject imports from Taiwan if the order were revoked, Shakeproof will face increasing pressure to adjust price levels in order to maintain output and sales volume. As noted, Shakeproof reports that it is currently operating at *** percent capacity utilization. Accordingly, it is limited in its ability to sustain profitability at lower sales volumes if the subject imports capture a greater portion of

159 Id.
160 Taiwan Determination at 17-18.
161 USITC Pub. 3384 at II-5. Shakeproof stated that quality is pretty much assured, making price a prime factor in purchasing decisions. USITC Pub. 3384 at II-5, n.13.
162 USITC Pub. 3384 at II-5 and II-6.
163 INV-X-258 (December 22, 2000) at Figures V-5, V-8, V-11, and V-14.
164 See USITC Pub. 3384 at V-4.
165 USITC Pub. 3384 at V-4 n.8.
166 The recent information collected in these reviews indicates that the average unit values of the subject imports and Shakeproof’s sales have increased since 1999. See CR/PR at Tables I-5 and I-6. The average unit value for subject imports from Taiwan was $1.79 in 2005 versus $1.04 in 1999 and the average unit value for Shakeproof’s sales increased from *** in 1999 to *** in 2005. CR/PR at Table I-5. It is not clear to what extent the increases reflect price increases, increases in raw material costs, or changes in product mix.
167 See CR at I-20, PR at I-14 (reflecting Shakeproof’s declining sales from 2000 to 2005).
168 CR at I-21, PR at I-15.
Thus, Shakeproof will face progressively greater incentives to lower its prices or to forego price increases in order to maintain output levels.

Consequently, on the basis of the record in these reviews, including information collected in the original investigations and the earlier reviews, we find that revocation of the antidumping duty order on imports of HSLWs from Taiwan would be likely to lead to increased underselling by the subject imports and significant price depression or suppression, within a reasonably foreseeable time.

3. Likely Impact

We have already examined in detail in our China determination the domestic industry’s mixed performance in the original investigations and in the period of the first review. Also, as we discussed, we do not have sufficient information in these expedited reviews to determine whether the industry is vulnerable as defined in the statute. However, several negative trends in the domestic industry’s indicators suggest that the condition of the industry has worsened over the period of review.

As described above, revocation of the order likely would lead to a significant increase in the volume and market share of the subject imports from Taiwan. Given the decline in demand and importance of price in purchasing decisions, the significant increase in subject imports from Taiwan is likely to cause a significant decline in the volume of the domestic producers’ shipments as well as an impact on prices at a time when the industry faces increasing energy and raw material prices. We find that this likely would have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. This likely reduction in the industry's production, shipments, sales, market share, and revenues would result in erosion of the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the order will result in continued employment declines for the industry.

CONCLUSION

For the above-stated reasons, we determine that revocation of the antidumping orders on HSLWs from China and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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169 As discussed earlier, Shakeproof’s market share has fallen to *** percent in 2005. CR/PR at Table I-7.
170 Shakeproof reports that the cost of steel wire rod increased *** percent over the review period. It also states that its natural gas and electricity costs rose *** and *** percent, respectively, from 2001 to 2005, placing further cost pressure on its operations. Shakeproof’s Comments (May 18, 2006) at 7; Shakeproof’s Response at 10.
171 Vice Chairman Okun and Commissioner Pearson dissent with respect to imports from Taiwan.
I. INTRODUCTION

Section 751(d)(2) of the Tariff Act of 1930, as amended ("the Act"), requires that the U.S. Department of Commerce ("Commerce") revoke a countervailing duty or an antidumping duty order or terminate a suspended investigation in a five-year review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission ("Commission") determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time. Based on the record in these second five-year reviews, we determine that revocation of the antidumping duty order covering imports of helical spring lock washers ("HSLWs") from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We determine, however, that revocation of the antidumping duty order covering imports of HSLWs from Taiwan would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

We join our colleagues’ discussion regarding background, legal standards, like product, the domestic industry, cumulation, conditions of competition, and imports of the subject merchandise from China. We write separately to explain why revocation of the antidumping duty order covering imports of HSLWs from Taiwan would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

II. SUMMARY

In these reviews, the Commission has declined to exercise its discretion to cumulate the likely volume and effect of subject imports from China and Taiwan, finding that the industries in China and Taiwan are differently situated and that HSLW imports from these two sources face different competitive conditions in the U.S. market. Accordingly, at the outset, we emphasize factors that particularly influence our affirmative determination with respect to the subject imports from China and our negative determination with respect to the subject imports from Taiwan. First, the HSLW market in the United States requires carbon and carbon alloy, stainless steel, and other metal HSLWs for specific applications, but demand is heavily weighted toward carbon and carbon alloy steel HSLWs. China’s HSLW exports are principally of carbon steel, while Taiwan’s exports are chiefly stainless steel. Second, the volume of


2 Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624-625 (Review) USITC Pub. 3384 at IV-4 n.6 (Jan. 2001) ("First Five-Year Reviews"); First Five-Year Reviews Staff Report, INV-X-258 (December 22, 2000) at CR at I-14, PR at I-8 (over *** percent of Shakeproof’s shipments in 1999 were of carbon/alloy steel); First Five-Year Reviews CR at IV-7, PR at IV-5 (*** of ZWG’s production of HSLWs in 1999 was of carbon/alloy steel); and Confidential Report ("CR") at I-33, Public Report ("PR") at I-24. (During the time of the Commission’s original investigations, the major Taiwanese producer’s output reportedly accounted for *** percent of the production of stainless steel HSLWs and *** percent of the production of carbon steel HSLWs in Taiwan). As noted in the Commission’s cumulation discussion, Shakeproof now asserts that increasing quantities of imports from China include stainless steel HSLWs. Shakeproof’s Response to the Notice of Institution, February 22, 2006, ("Shakeproof’s Response"), at 11. However, the very different unit values for imports from China and Taiwan indicate significant differences in product mix remain.
subject imports from Taiwan is currently and was prior to the imposition of the order, of a completely different order of magnitude than the volume of subject imports from China. Third, the pricing practices leading to the sale of HSLWs from China and Taiwan are markedly different.

III. REVOCATION OF THE ORDER ON SUBJECT IMPORTS FROM TAIWAN IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Likely Volume of Subject Imports from Taiwan

In the original investigations, the quantity of U.S. imports of HSLWs from Taiwan was 407,000 pounds in 1990, 710,000 pounds in 1991, and 780,000 pounds in 1992, while the quantity of U.S. shipments of HSLWs from Taiwan was 388,000 pounds in 1990, 629,000 pounds in 1991, and 735,000 pounds in 1992. In 1992, HSLWs from Taiwan accounted for *** percent of apparent U.S. consumption, an increase of *** percentage points since 1990. There were no reported inventories of HSLWs held in Taiwan, and U.S. importers held inventories of 104,000 pounds in 1990, 182,000 pounds in 1991, and 222,000 pounds in 1992.

In the first five-year reviews, the quantity of HSLWs imports from Taiwan had increased over the period of review from 289,000 pounds in 1997 to 257,000 pounds in 1998 and to 378,000 pounds in 1999. The volume in the first-half of 2000 was 121,000 pounds compared to 279,000 pounds in the first-half of 1999. The U.S. market share of HSLWs from Taiwan was *** percent in 1997, *** percent in 1998, and *** percent in 1999. Based on information obtained in the original investigations, the Commission found that given the export orientation of the Taiwanese industry, it was likely that in the absence of the order, U.S. shipments of subject imports from Taiwan would rebound to significant levels.

The dissent in the first five-year reviews found that, absent the order, U.S. shipments of imports from Taiwan likely would not be significant. The dissent noted that the record indicated that the industry

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3 In 1992, subject import volume from China exceeded *** million pounds; subject import volume from Taiwan was less than *** of that level. Table 16, INV-Q-088 (June 4, 1993) at I-52. In 1999, subject import volume from China was more than 2.8 million pounds; subject import volume from Taiwan was less than one-seventh of that level. CR/PR at Table I. In 2005, subject import volume from China was more than 6.4 million pounds; subject import volume from Taiwan was less than one-sixteenth of that level. CR/PR at Table I-7.

4 See n.55 of the Views of the Commission comparing the average unit values of HSLWs from Taiwan with those from China; note the greater frequency of underselling by HSLWs from China compared to HSLWs from Taiwan in the original investigations and first five-year reviews (Tables 18-23, INV-Q-088 (June 4, 1993) at I-71-73; INV-X-258 (December 22, 2000) at Tables V-1-6; CR at V-8-13, PR at V-5).

5 Table 16, INV-Q-088 (June 4, 1993) at I-52; Table 2, INV-Q-088 (June 4, 1993) at I-15.

6 Table 17, INV-Q-088 (June 4, 1993) at I-56.

7 Table 15 and Table 13, INV-Q-088 (June 4, 1993) at I-50 and I-44.

8 First Five-Year Reviews at Table C-1.

9 First Five-Year Reviews at Table I-2.

10 First Five-Year Reviews at 21.
in Taiwan had declined from seven firms in the early 1980s to possibly a single firm at the end of 1992, which reported higher levels of capacity utilization as the industry shrank. While it was unclear during the first review period whether additional companies actually manufactured subject merchandise in Taiwan as Asian trading companies often preferred to present themselves as manufacturers, the U.S. market share of HSLWs from Taiwan ranged from *** percent to *** percent, making Taiwan a marginal source of supply to the U.S. market.11

In these second reviews, information concerning the industry in Taiwan and the domestic industry is scarce because these are expedited reviews without the benefit of questionnaire responses. As noted in the Commission’s opinion, no respondent interested party responded to the Commission’s notice of institution. Accordingly, we rely on the facts available in these reviews, which consist primarily of the record in the Commission’s original investigations, the record in the Commission’s first five-year reviews, and the limited information collected by the Commission since the institution of these reviews. Thus, our analysis is based heavily on the record from the record of the last reviews.

According to information provided by the American Institute in Taiwan (“AIT”) at the time of the original investigations, the HSLW industry in Taiwan peaked during 1985-86, with seven firms producing more than 500 metric tons per month. However, foreign buyers subsequently shifted import orders to China, which reportedly undersold HSLWs from Taiwan by 20 percent to 30 percent. By the early 1990s, only four firms reportedly manufactured HSLWs in Taiwan, three of which reportedly stopped producing in the second half of 1992. The remaining firm, Likunog, reportedly accounted for virtually all of the manufacture and export of stainless steel HSLWs and a small and declining share of the manufacture and export of carbon steel HSLWs in Taiwan. Likunog’s total capacity remained stable throughout the period 1990-92, at a level of *** pounds, while its capacity utilization increased from *** percent in 1990 to *** percent in 1991 and to *** percent in 1992. Available capacity to manufacture HSLWs in Taiwan tended to be directed toward export markets, of which the United States was the primary market until 1992, when it was surpassed by Nigeria.12

During the first five-year reviews a spokesman for the Taiwan Screws Industry Association reported that there were “few” companies that produced or exported spring washers, the market for which had been small and declining.13 This characterization was consistent with the information developed in the original investigations. In the first five-year reviews, parties disputed the precise size of the HSLW industry in Taiwan. Shakeproof identified a multitude of companies in Taiwan that appeared to be active in the HSLW trade, although the experiences of other market participants called into question whether these companies actually manufactured HSLWs in Taiwan, or were instead trading companies or manufacturers of other fastener products. Secondary sources were unclear on this matter, noting that traders located in Asia often preferred to present themselves as manufacturers.14

During the period examined in the current reviews, the U.S. market share of HSLWs from Taiwan was *** percent in 2005, moderately lower than the *** percent to *** percent of the market held by HSLWs from Taiwan during 1990-92 and slightly higher than the market share during the first

11 First Five-Year Reviews at 26-27 (Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Marcia E. Miller).
12 Data and information from the original HSLW investigations are drawn from INV-Q-088 (June 4, 1993) at I-49-51.
13 First Five-Year Reviews at IV-3-4.
14 First Five-Year Reviews at IV-3-4 and n.3. See also First Five-Year Reviews at 26-27 (Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Marcia E. Miller).

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fifteen five-year reviews (*** percent to *** percent).15 We have no primary data regarding the available HSLW capacity in Taiwan or current inventory levels in Taiwan. Accordingly, we rely on information collected in the original investigations with respect to production capacity, notwithstanding the previously noted suggestion that the industry in Taiwan may be smaller than in the early 1990s. The record does not indicate that HSLWs from Taiwan face any barriers to trade in countries other than the United States. Finally, the record also does not indicate that product shifting is likely.16

While the order appears to have had some restraining effect on the volume of subject imports from Taiwan, even were the volume to return to pre-order levels, the quantity of HSLWs from Taiwan is likely to remain relatively small. Available evidence indicates that Taiwan was and is a marginal source of supply to the U.S. market, especially for the large master distributors that compete with Shakeproof for high-volume sales of carbon steel HSLWs. Moreover, given the significant growth in the volume of imports from China, the U.S. market share held by those imports, and the growing differential between AUVs for imports from China and Taiwan,17 we do not find it likely that imports from Taiwan would increase significantly absent an order. Accordingly, based on the record in these reviews and the record in the original investigations and first five-year reviews, we find that the likely volume of subject imports from Taiwan would not be significant if the order were revoked, either in absolute terms or relative to production or consumption in the United States.

B. Likely Price Effects of the Subject Imports

During the original investigations, the Commission found little clear evidence of price effects by the subject imports from Taiwan.18 Prices for HSLWs from Taiwan fluctuated, increasing moderately over the period examined in the original investigations. Prices reported by the domestic industry showed no clear trend, but tended to fluctuate within a narrow range.19 The Commission found that, while subject imports from Taiwan were imported at average unit values lower than the domestic industry’s prices for comparable products, distributor sales of HSLWs from Taiwan undersold the domestic product in only *** of 49 producer/importer comparisons.20

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15 CR/PR at Table I-7.
16 For example, Shakeproof reported that ***. First Five-Year Reviews at II-3-4. See also First Five-Year Reviews at 27 n.11 (Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Marcia E. Miller).
17 Imports from China increased from 2.9 million pounds in 1999 to 7.5 million pounds in 2004 before declining to 6.5 million pounds in 2005. CR/PR at Table I-6. The market share held by imports from China increased from *** percent in 1999 to *** percent in 2005. CR/PR at Table I-7. The differential between AUVs for imports from China and Taiwan increased by 125 percent from 1999 to 2000. CR/PR at Table I-6.
18 See Views of Chairman Newquist and Commissioner Rohr at 17-18 (pricing data provide mixed guidance); Additional Views of Anne E. Brunsdale at 33 n.31 (structure of the industry complicates analysis; difficult to determine whether the effect of cumulated imports would be primarily in terms of quantity or in terms of price); and Dissenting Views of Vice Chairman Peter S. Watson and Commissioner Janet A. Nuzum at 47-51 (analysis of underselling is complicated by differing levels of trade; there is a preponderance of overselling by imports from Taiwan; lower ex-dock prices do not significantly affect domestic producers’ prices; no evidence that the prices of HSLWs from Taiwan prevented domestic price increases, which otherwise would have occurred, to a significant degree).
20 INV-Q-088 (June 4, 1993) at I-77-78; Tables 18-23, INV-Q-088 (June 4, 1993) at I-65-67.
The record in the first five-year reviews in which the Commission collected pricing information from purchasers, importers and the domestic industry, indicated that price was an important factor in purchasing decisions, although perhaps not as important as quality and availability. The record indicated that the domestic like product and HSLWs from Taiwan were used interchangeably and were substitutable. Thus, the Commission found that producers were likely to seek to increase their sales volume by offering lower prices. While the limited pricing data indicated that subject imports from Taiwan oversold comparable domestic industry prices, the Commission placed limited weight on the price comparison data because not all of the reported price comparisons were at the same level of trade and sales quantities differed. The Commission, however, found that the negative effects from the revocation of the order on Taiwan were more likely to be volume-related than price-related. Thus, the Commission found that the domestic industry would have to lower prices in order to compete with the volume of imports from Taiwan.

The dissent in the first five-year reviews concurred with the majority on the importance of price in purchasing decisions, on interchangeability and substitutability, and that the pricing data were inconclusive as to underselling. The dissent, however, found that the record in the original investigations and in the first reviews did not indicate that there was likely to be significant underselling. Instead, the record indicated that the domestic industry would “walk away” from sales rather than lower its prices to maintain market share. Moreover, the dissent concluded that as the likely volume of subject imports from Taiwan would not be significant, such imports would be too small to affect domestic prices significantly.

In the current reviews, the only new information on the record concerns updated AUVs. As noted above, we rely on the facts available in these reviews, the record in the Commission’s original investigations, and the record in the Commission’s first five-year reviews. Thus, our analysis is based heavily on the record from the record of the last reviews.

We find for purposes of these second five-year reviews that price is an important factor in purchasing decisions, although perhaps not as important as quality and availability. The domestic like product and HSLWs from Taiwan are used interchangeably and are considered to be substitutable. Thus, for any individual source of supply, increases in sales volume are likely to be achieved through lower prices.

In the first five-year reviews, all Commissioners found that the evidence as to whether subject imports from Taiwan were underselling the domestic like product to be inconclusive. The domestic industry’s reported prices during that period, January 1997-June 2000, fluctuated for the most part within a narrow range, while the comparative price data reported by the domestic industry and by several of the largest HSLW importers in the United States reflected lower domestic producer prices for all five

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21 First Five-Year Reviews at II-5.
22 First Five-Year Reviews at II-6.
23 See First Five-Year Reviews at Figures V-5, V-8, V-11, and V-14.
24 First Five-Year Reviews at 22.
25 Id.
26 First Five-Year Reviews at II-5. Shakeproof contends that quality is typically addressed in the manufacturing process and generally is assured, making price a prime factor in purchasing decisions. Id. at II-5 n.13.
27 First Five-Year Reviews at II-5-6.
comparisons. However, a portion of the domestic industry’s sales volume was to master distributors, who also imported HSLWs directly. Thus, not all of the reported price comparisons were at the same level of trade. Furthermore, the domestic industry’s sales typically involved larger individual sale quantities of HSLWs sold at a volume discount. In contrast, pricing data collected from purchasers indicated some underselling by the subject imports from Taiwan. These data, however, were based on a limited number of observations (five) and reflected marked differences in transaction volumes. Based on the record in the original investigations and in the first reviews, we do not find that there is likely to be significant underselling by imports from Taiwan if the order is revoked.

We also have considered whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the price of the domestic like product. We do not find that the record supports such a finding. While price is considered to be one of several important purchasing considerations, and HSLWs from Taiwan and HSLWs produced in the United States are considered to be interchangeable, the record remains inconclusive as to the degree of any likely price effects. In the first reviews, Shakeproof demonstrated that it would “walk away” from sales rather than lower its prices to maintain market share. Moreover, it has ceded market share to growing imports from China during the current reviews as AUVs for the domestic industry and imports have risen. Thus, we find that the volume of subject imports from Taiwan likely would not be significant if the order is revoked, and therefore likely would be too small to affect domestic prices significantly.

Consequently, on the basis of the record in these reviews, we find that revocation of the antidumping duty order on imports of HSLWs from Taiwan would not be likely to lead to significant underselling by the subject imports from Taiwan of the domestic like product, or have a significant depressing or suppressing effect on the price of the domestic like product, within a reasonably foreseeable time.

C. Likely Impact of Subject Imports from Taiwan

During the period examined in the original investigations, the overall performance of the industry was mixed. Between 1990 and 1991, domestic shipment volumes decreased, both in quantity and value. However, between 1991 and 1992, the industry recovered much, though not all, of its lost volume. Overall, shipment quantities and values fell, while average unit values fluctuated within a narrow range. Production also fluctuated, although the domestic industry’s capacity declined between 1990 and 1992, resulting in *** capacity utilization. Overall, the domestic industry maintained operating income margins of *** percent in 1990, *** percent in 1991, and *** percent in 1992, even though its share of the U.S. market fell from *** percent in 1990 to *** percent in 1991 and to *** percent in 1992.

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28 First Five-Year Reviews at Table V-1-6. Shakeproof’s carbon steel HSLW prices remained fairly steady over the first review period, while its stainless steel HSLW prices fell in 1999 as sales volumes increased ***. Id.

29 First Five-Year Reviews at V-4. A master distributor purchases HSLWs in very large quantities for re-sale to smaller distributors. Id. at 23.

30 First Five-Year Reviews at 28 and n.19.

31 First Five-Year Reviews at V-6.

32 First Five-Year Reviews at 17 and 114.

33 CR/PR at Table I-5, Table I-7.
The condition of the domestic industry was improved in the period considered in the first reviews, and the industry earned *** profits in that period. The market share of the U.S. industry also improved from the original investigations to the first reviews. However, the U.S. industry’s market share declined throughout the period of the first reviews from *** percent in 1997 to *** percent in 1999. The industry’s cost structure also had improved and the industry was operating at a much higher rate of capacity utilization. The industry also had improved its efficiency as evidenced by its productivity being *** percent higher in 1999 in comparison to 1992. The Commission found that the improvement in the state of the industry was related to the antidumping order and the resulting significant decline in the volume of HSLW imports from China. The dissent, however, found that the imposition of the antidumping duty order on the significantly smaller volume of higher-priced HSLWs from Taiwan had contributed little to the improvement in the state of the domestic industry. The Commission did not find the domestic industry vulnerable in light of its profitability, although the domestic industry’s capacity, production, U.S. shipments, total sales, capacity utilization, and employment all declined over the earlier period of review.

In the current reviews, the domestic industry contends that several factors render it vulnerable to the effects of the subject imports in the U.S. market. It notes that it continues to lose market share to imports even with the orders in place. It also asserts that its profitability declined over the period of reviews, that its employment has fallen by *** percent and that it currently is operating at *** percent capacity utilization. The industry also states that increasing raw material costs due to increased steel wire rod costs (the primary input) and higher energy prices are factors that render the industry vulnerable to the effects of subject imports.

We lack sufficient information to find the industry to be vulnerable as defined in the statute. The record and the industry’s statements in these reviews, however, suggest that the negative trends reported in the earlier reviews continue. More specifically, Shakeproof’s production, capacity utilization, sales, market share, and employment are all lower in 2005 than in 1999. While the unit value of Shakeproof’s

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34 The industry’s ratio of operating income to sales was *** percent in 1997, *** percent in 1998 and *** percent in 1999. CR/PR at Table I-5.
35 CR/PR at Table I-7.
36 In 1992, the industry operated at *** percent capacity utilization. Its capacity utilization improved to *** percent in 1999. During the period examined in the earlier reviews, the domestic industry reduced its capacity to levels below those reported in the early 1990s. CR/PR at Table I-5.
37 CR/PR at Table I-5.
38 First Five-Year Reviews at 18.
39 First Five-Year Reviews at 29.
41 See Shakeproof’s Response, at 9 and Appendix A.
42 Shakeproof’s Response at 9-10.
43 Shakeproof’s Response at 10.
44 See CR/PR at Tables I-5 and I-7; CR at I-20-21, PR at I-14-15.
U.S. shipments are considerably higher in 2005 than 1999.\textsuperscript{45} Shakeproof asserts that it is ***. Even then, however, it states that it generally has been able to “maintain” overall profitability.\textsuperscript{46}

As noted previously, imports from Taiwan are primarily stainless steel HSLWs, which represent only a small portion of the U.S. HSLW market, as opposed to carbon steel HSLWs, which constitute most of the market. Even in the face of increased demand for stainless steel HSLWs in the first period of review, imports from Taiwan remained at low levels, as they have throughout the current period examined.\textsuperscript{47} Finally, while the domestic industry argues that it has lost market share to imports even with the orders in place, we attribute this loss to the growing volume of imports from China, not to Taiwan. This trend is unlikely to change in the reasonably foreseeable future.

We therefore find that, in the absence of significant volume or price effects, the likely impact on the domestic HSLW industry of subject imports from Taiwan will not be significant if the order is revoked.

IV. CONCLUSION

Based on the record in these reviews, we conclude that revocation of the antidumping duty order on Taiwan is not likely to lead to continuation or recurrence of material injury to the U.S. helical spring lock washer industry within a reasonably foreseeable time.

\textsuperscript{45} See CR/PR at Table I-5 (** in 2005 versus *** in 1999).
\textsuperscript{46} Shakeproof’s Response at 9-10.
\textsuperscript{47} First Five-Year Reviews at 29 and n.26.
INFORMATION OBTAINED IN THE REVIEWS

INTRODUCTION

Background

On January 3, 2006, in accordance with section 751(c) of the Tariff Act of 1930 (the Act), as amended, the U.S. International Trade Commission (“Commission”) gave notice that it had instituted five-year reviews to determine whether revocation of the antidumping duty orders on helical spring lock washers (“HSLWs”) from China and Taiwan would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time. On April 10, 2006, the Commission determined that the domestic interested party group response to its notice of institution was adequate; the Commission also determined that the respondent interested party group response was inadequate (in fact, nonexistent). The Commission found no other circumstances that would warrant conducting full reviews. Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act. The Commission voted on those reviews on June 1, 2006, and notified Commerce of its determinations on June 15, 2006. Information relating to the background of the reviews is presented in the tabulation below.

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3 19 U.S.C. §1675(c).
4 All interested parties were requested to respond to the notice by submitting information requested by the Commission. Copies of the Commission’s Federal Register notices are presented in app. A.
5 In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of the five-year reviews of the subject antidumping duty orders concurrently with the Commission’s notice of institution. 71 FR 91, January 3, 2006.
6 The Commission received one submission in response to its notice of institution for the subject reviews. It was filed on behalf of Shakeproof Assembly Components Division of Illinois Tool Works, Inc. (“Shakeproof”), a major U.S. producer of HSLWs. Shakeproof is believed to have accounted for approximately *** percent of U.S. HSLW production in 2005. Domestic interested party, Shakeproof’s, February 22, 2006 response to the notice of institution (“domestic interested party’s response”), p. 11. See also Commission’s memorandum of March 29, 2006, INV-DD-037, Helical Spring Lock Washers from China and Taiwan: Inv. Nos. 731-TA-624 and 625 (Second Review)- Recommendation on Adequacy of Responses to Notice of Institution.
7 A copy of the Explanation of Commission Determination on Adequacy is presented in app. A.
8 19 U.S.C. § 1675(c)(3). See the Commission’s web site (http://www.usitc.gov) for Commissioner votes on whether to conduct expedited or full reviews.
The investigations resulted from a petition filed on September 8, 1992 on behalf of Shakeproof, Milwaukee, WI, alleging that an industry in the United States was materially injured by reason of imports from China and Taiwan of HSLWs.


The Commission found the domestic like product in the original investigations to be HSLWs of all sizes and metals although the scope of Commerce’s investigations consisted only of steel HSLWs. The Commission found the relevant domestic industry to consist of “all domestic producers of HSLWs.” After receipt of the Commission’s affirmative determinations, Commerce issued antidumping duty orders on October 19, 1993 on HSLWs from China and on June 28, 1993 on HSLWs from Taiwan.

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<td>June 28, 1993</td>
<td>Commerce’s antidumping duty order on Taiwan</td>
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<td>Commerce’s antidumping duty order on China</td>
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<td></td>
<td>first five-year reviews</td>
<td></td>
</tr>
<tr>
<td>January 3, 2006</td>
<td>Commerce’s initiation and Commission’s institution of</td>
<td>71 FR 91</td>
</tr>
<tr>
<td></td>
<td>second five-year reviews</td>
<td>71 FR 133</td>
</tr>
<tr>
<td>April 10, 2006</td>
<td>Commission’s determination to conduct expedited second</td>
<td>71 FR 23946</td>
</tr>
<tr>
<td></td>
<td>five-year reviews</td>
<td></td>
</tr>
<tr>
<td>May 10, 2006</td>
<td>Commerce’s final results of expedited reviews</td>
<td>71 FR 27227</td>
</tr>
<tr>
<td>June 1, 2006</td>
<td>Commission’s votes</td>
<td>Not applicable</td>
</tr>
<tr>
<td>June 15, 2006</td>
<td>Commission’s determinations transmitted to Commerce</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

Source: Cited Federal Register notices.

The Original Investigations and First Five-Year Reviews

The Commission completed its original investigations in 1993, determining that an industry in the United States was materially injured by reason of imports from China and Taiwan of HSLWs found by Commerce to be sold at less than fair value (“LTFV”). The Commission found the relevant domestic industry to consist of “all domestic producers of HSLWs.” After receipt of the Commission’s affirmative determinations, Commerce issued antidumping duty orders on October 19, 1993 on HSLWs from China and on June 28, 1993 on HSLWs from Taiwan.

9 The investigations resulted from a petition filed on September 8, 1992 on behalf of Shakeproof, Milwaukee, WI, alleging that an industry in the United States was materially injured by reason of imports from China and Taiwan of HSLWs.


12 Ibid.

On November 2, 1999, the Commission instituted five-year reviews of the antidumping duty orders on HSLWs from China and Taiwan pursuant to section 751(c) of the Act, to determine whether revocation of the antidumping duty orders on imports of HSLWs from China and Taiwan would likely lead to a continuation or recurrence of material injury.\(^\text{14}\) On January 12, 2001, following full reviews, the Commission determined that revocation of the antidumping duty orders on HSLWs from China and Taiwan would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.\(^\text{15}\) Effective February 23, 2001, Commerce issued a continuation of the antidumping duty orders on imports of HSLWs from China and Taiwan.\(^\text{16}\)

**Commerce’s Administrative and Five-Year Reviews**

Between 1993, when the antidumping duty order on China was imposed, and April 2006, Commerce has completed 11 administrative reviews with respect to imports of HSLWs from China; a 12th review was rescinded. Antidumping duty margins promulgated in Commerce’s antidumping duty order are presented in table I-1, as are the results of administrative reviews that resulted in a change in the antidumping duty margins for the single known Chinese manufacturer and exporter, Hangzhou Spring Washer Plant (“Hangzhou”).

Commerce has not conducted any administrative reviews of the antidumping duty order on HSLWs from Taiwan since the imposition of the order in June 1993. Antidumping duty margins promulgated in Commerce’s antidumping duty order on Taiwan are presented in table I-2.

---

\(^\text{14}\) *Helical Spring Lock Washers from China and Taiwan*, 64 FR 59204, November 2, 1999.


\(^\text{16}\) *Continuation of Antidumping Duty Orders on Helical Spring Lock Washers from China and Taiwan*, 66 FR 11255, February 23, 2001.
Table I-1
HSLWs: Commerce’s antidumping duty margins from the original order and from administrative and five-year reviews for China

<table>
<thead>
<tr>
<th>Action</th>
<th>Date of action</th>
<th>Federal Register citation</th>
<th>Period of review</th>
<th>Antidumping duty margins</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Percent ad valorem</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Hangzhou</td>
</tr>
<tr>
<td>Final determination</td>
<td>09/20/93</td>
<td>58 FR 48833</td>
<td>04/01/92-09/30/92</td>
<td>77.47</td>
</tr>
<tr>
<td>Order (A-570-822)</td>
<td>10/19/93</td>
<td>58 FR 53914</td>
<td>(1)</td>
<td>77.47</td>
</tr>
<tr>
<td>Amended final determination and order</td>
<td>11/23/93</td>
<td>58 FR 61859</td>
<td>(1)</td>
<td>69.88</td>
</tr>
<tr>
<td>Administrative review</td>
<td>08/13/96</td>
<td>61 FR 41994</td>
<td>10/15/93-09/30/94</td>
<td>26.08</td>
</tr>
<tr>
<td>Administrative review</td>
<td>12/17/96</td>
<td>61 FR 66255</td>
<td>10/01/94-09/30/95</td>
<td>38.27</td>
</tr>
<tr>
<td>Administrative review</td>
<td>11/19/97</td>
<td>62 FR 61794</td>
<td>10/01/95-09/30/96</td>
<td>14.15</td>
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<td>03/18/99</td>
<td>64 FR 13401</td>
<td>10/01/96-09/30/97</td>
<td>3.85</td>
</tr>
<tr>
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<td>05/16/00</td>
<td>65 FR 31143</td>
<td>10/01/97-09/30/98</td>
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<tr>
<td>Five-year review</td>
<td>06/05/00</td>
<td>65 FR 35605</td>
<td>(1)</td>
<td>69.88</td>
</tr>
<tr>
<td>Administrative review</td>
<td>01/05/01</td>
<td>66 FR 1078</td>
<td>10/01/98-09/30/99</td>
<td>2.76</td>
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<tr>
<td>Continuation of order</td>
<td>02/23/01</td>
<td>66 FR 11255</td>
<td>(1)</td>
<td>69.88</td>
</tr>
<tr>
<td>Administrative review</td>
<td>02/25/02</td>
<td>67 FR 8520</td>
<td>10/01/99-09/30/00</td>
<td>0.01 de minimis</td>
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<td>67 FR 69717</td>
<td>10/01/00-09/30/01</td>
<td>0.13 de minimis</td>
</tr>
<tr>
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<td>68 FR 63060</td>
<td>10/01/01-09/30/02</td>
<td>29.03</td>
</tr>
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<td>03/15/04</td>
<td>69 FR 12119</td>
<td>10/01/01-09/30/02</td>
<td>28.59</td>
</tr>
<tr>
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<td>03/09/05</td>
<td>70 FR 11614</td>
<td>10/01/03-09/30/04</td>
<td>(2)</td>
</tr>
<tr>
<td>Administrative review</td>
<td>05/17/05</td>
<td>70 FR 28274</td>
<td>10/01/02-09/30/03</td>
<td>0.00³</td>
</tr>
<tr>
<td>Second five-year review</td>
<td>05/10/06</td>
<td>71 FR 27227</td>
<td>(1)</td>
<td>69.88</td>
</tr>
</tbody>
</table>

1 Not applicable.
2 This antidumping duty administrative review was rescinded because Shakeproof withdrew its request for review.
3 This most recently calculated antidumping duty margin for Hangzhou has been the subject of a lawsuit filed on behalf of Shakeproof by McDermott Will & Emery LLP challenging the calculation made by Commerce. The case was remanded by the Court of International Trade (CIT) and as of May 8, 2006 had not been resolved. Commerce is due to transmit its results to the CIT in June 2006. Staff telephone interview with David Levine, legal counsel to Shakeproof, McDermott Will & Emery LLP, April 25, and May 8, 2006.

Source: Cited Federal Register notices.
Table I-2
HSLWs: Commerce’s antidumping duty margins from the original order and the first five-year review for Taiwan

<table>
<thead>
<tr>
<th>Action</th>
<th>Date of action</th>
<th>Federal Register citation</th>
<th>Period of review</th>
<th>Antidumping duty margins</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Firm-specific</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final determination</td>
<td>05/11/93</td>
<td>58 FR 27709</td>
<td>04/01/92-09/30/92</td>
<td>Spring Lake Enterprise Co. . . . . 31.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ceimiko Industrial Co. . . . . 31.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Par Excellence Industrial Co. . . 31.93</td>
</tr>
<tr>
<td>Order (A-583-820)</td>
<td>06/28/93</td>
<td>58 FR 34567</td>
<td>(')</td>
<td>Spring Lake Enterprise Co. . . . . 31.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ceimiko Industrial Co. . . . . 31.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Par Excellence Industrial Co. . . 31.93</td>
</tr>
<tr>
<td>Five-year review</td>
<td>06/05/00</td>
<td>65 FR 35605</td>
<td>(')</td>
<td>Spring Lake Enterprise Co. . . . . 31.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ceimiko Industrial Co. . . . . 31.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Par Excellence Industrial Co. . . 31.93</td>
</tr>
<tr>
<td>Continuation of order</td>
<td>02/23/01</td>
<td>66 FR 11255</td>
<td>(')</td>
<td>Spring Lake Enterprise Co. . . . . 31.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ceimiko Industrial Co. . . . . 31.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Par Excellence Industrial Co. . . 31.93</td>
</tr>
<tr>
<td>Second five-year review</td>
<td>05/10/06</td>
<td>71 FR 27227</td>
<td>(')</td>
<td>Spring Lake Enterprise Co. . . . . 31.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ceimiko Industrial Co. . . . . 31.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Par Excellence Industrial Co. . . 31.93</td>
</tr>
</tbody>
</table>

1 Not applicable.

Source: Cited Federal Register notices.

Commerce’s Final Results of Expedited Second Five-Year Reviews

Commerce conducted expedited second five-year reviews with respect to HSLWs from China and Taiwan and issued the final results of its reviews based on the facts available on May 10, 2006. Commerce determined that revocation of the antidumping duty orders on HSLWs from China would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

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Commerce further determined that revocation of the antidumping duty orders on HSLWs from Taiwan would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

<table>
<thead>
<tr>
<th>Firm</th>
<th>Weighted-average margin (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hangzhou</td>
<td>69.88</td>
</tr>
<tr>
<td>PRC-wide rate</td>
<td>128.63</td>
</tr>
</tbody>
</table>


Commerce has not issued duty absorption determinations with respect to these orders.

**Distribution of Continued Dumping and Subsidy Offset Act Funds to Affected Domestic Producers**

Since 2001, qualified U.S. producers of HSLWs have been eligible to receive disbursements from the U.S. Bureau of Customs and Border Protection (“Customs”) under the Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”), also known as the Byrd Amendment. One firm, Shakeproof, received such funds and was allocated 100 percent of all duties collected on HSLWs from China and Taiwan. Table I-3 presents CDSOA claims and disbursements for Federal fiscal years 2001-04. No funds related to these orders were disbursed during Federal fiscal year 2005.
### Table I-3
HSLWs: Shakeproof’s CDSOA claims and disbursements, Federal fiscal years 2001-04

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount of claim filed</th>
<th>Amount disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dollars</td>
<td></td>
</tr>
<tr>
<td>FY 2001:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>92,977,570</td>
<td>1,024</td>
</tr>
<tr>
<td>Taiwan</td>
<td>98,228,651</td>
<td>75,085</td>
</tr>
<tr>
<td>Total</td>
<td>(2)</td>
<td>76,109</td>
</tr>
<tr>
<td>FY 2002:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>99,532,716</td>
<td>218,898</td>
</tr>
<tr>
<td>Taiwan</td>
<td>104,709,737</td>
<td>27,353</td>
</tr>
<tr>
<td>Total</td>
<td>(2)</td>
<td>246,251</td>
</tr>
<tr>
<td>FY 2003:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>102,732,536</td>
<td>259,485</td>
</tr>
<tr>
<td>Taiwan</td>
<td>112,229,871</td>
<td>68,515</td>
</tr>
<tr>
<td>Total</td>
<td>(2)</td>
<td>328,000</td>
</tr>
<tr>
<td>FY 2004:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>114,143,104</td>
<td>104,012</td>
</tr>
<tr>
<td>Taiwan</td>
<td>120,020,498</td>
<td>30,687</td>
</tr>
<tr>
<td>Total</td>
<td>(2)</td>
<td>134,699</td>
</tr>
</tbody>
</table>

1 Qualifying expenditures incurred by domestic producers since the issuance of an order, as presented in Section 1 of the CDSOA Annual Reports.
2 Not applicable.


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THE PRODUCT

**Scope and Tariff Treatment**

Commerce has defined the imports covered by the antidumping duty orders as follows:

_HSLWs of carbon steel, of carbon alloy steel, or of stainless steel, heat-treated or non-heat-treated, plated or non-plated, with ends that are off-line. HSLWs are designed to: (1) function as a spring to compensate for developed looseness between the component parts of a fastened assembly; (2) distribute the load over a larger area for screws or bolts; and (3) provide a hardened bearing surface. The scope does not include internal_
or external tooth washers, nor does it include spring lock washers made of other metals, such as copper.20

Subject HSLWs are covered by statistical reporting number 7318.21.00 (subheading 7318.21.0030) of the Harmonized Tariff Schedule of the United States (“HTS”)21 and enter the United States at a column 1-general duty rate, applicable to China and Taiwan, of 5.8 percent ad valorem, free under special tariff treatment programs,22 or at a column-2 rate of 35 percent ad valorem.23

**Domestic Like Product and Domestic Industry**

In its original 1993 determinations, the Commission defined the domestic like product as HSLWs of all sizes and metals although the scope of Commerce’s investigations consisted only of steel HSLWs. The Commission found similar channels of distribution, manufacturing facilities, production processes, and end uses for HSLWs, but noted some differences in physical characteristics and limits on interchangeability among HSLWs because resistance to corrosion differed between stainless and carbon steel HSLWs.24 Nonetheless, “[b]ased upon the overlap in mechanical function and end uses, channels of distribution, common manufacturing facilities, production processes, equipment and employees, and interchangeability of products for some applications,” the Commission defined the domestic like product as all HSLWs.25 In the original investigations the Commission determined that the domestic industry consisted of all producers of HSLWs.26

In the first five-year reviews, the Commission, “for the reasons relied upon in the original investigations,” defined the domestic like product again as “all HSLWs” and the domestic industry as all domestic producers of HSLWs.27 In its response to the Commission’s notice of institution in these second five-year reviews, Shakeproof stated that it does not object to the Commission’s domestic like product definition.28

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21 The written description provided above is dispositive as to the scope of the product coverage. The HTS classification is provided for convenience and for Customs purposes only.

22 Eligible imports under the following special tariff treatment programs can enter free of duty: imports under Generalized System of Preferences (“GSP”); and imports under free trade agreements from Australia, Canada, Chile, Israel, Jordan, Morocco, and Mexico. Duty-free entry also applies to imports from countries eligible for preferential treatment pursuant to the Andean Trade Preference Act, the Automotive Products Trade Act, and the Caribbean Basin Economic Recovery Act. Eligible imports under the United States-Singapore Free Trade Agreement enter under a rate of 1.4 percent ad valorem; the rate will be reduced in stages to free.

23 Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.

24 * Certain Helical Spring Lock Washers from Taiwan: Inv. No. 731-TA-625 (Final), USITC Publication 2651, June 1993, p. 8.

25 Ibid.

26 Ibid.


28 Domestic interested party’s response, p. 12.
Description and Uses

HSLWs are flattened, ring-shaped metal devices whose ends are cut in an off-line manner to provide spring or tension to assembled parts when used as a seat for bolts, nuts, screws, and similar fasteners. In addition to preventing movement or loss of tension between assembled parts, HSLWs are used to distribute a load over an area greater than that provided by the fastener and to provide a hardened bearing surface that facilitates assembly and disassembly of fastened parts. Figure 1-1 below depicts the mechanical function of a HSLW by which the trapezoidal section twists so that the face of the washer lays flat, which results in a slight increase in the inside diameter thickness of the washer.

Figure I-1
HSLWs: Mechanical function of HSLWs

The split in a HSLW absorbs initial driving torque and visually closes under nominal fastener loading. If tension in the fastener assembly is reduced and loosening occurs, a HSLW offers resistance to the back-off rotation of the fastener.

The vast majority of HSLWs are manufactured from carbon (or carbon alloy) steel or stainless steel, which are the imported HSLWs subject to these reviews. In addition, other varieties include those made from copper, aluminum alloy, phosphor bronze, silicon bronze, and monel-nickel.
The finish of a fastener is critical to its function, durability, and quality. Many fasteners are coated to protect against corrosion or to add qualities to the fastener, such as controlling the amount of torque needed to tighten it. The most common HSLW finishes include: mechanical zinc, electro zinc, mechanical galvanized, hot dip galvanized, phosphate coating, and black oxide.

HSLWs are generally recognized in the washer industry as being either light, regular, heavy, extra-duty, or high-collar types, largely depending on the thickness or diameter of the wire used during manufacture and the intended application of the washer. For example, heavy, extra-duty, and high-collar type HSLWs are manufactured from relatively heavy-gauge wire and used primarily with bolts and nuts to secure more rigid fastening assemblies.

More generally, HSLWs are often referred to in the lock washer industry as either “standard” or “special” products. “Standard” types generally encompass regular HSLWs having inside diameters of 0.112 to 1.5 inches and constitute a large portion of the HSLWs produced in the United States and imported from China and Taiwan. These lock washers are manufactured from carbon steel and stainless steel. “Special” HSLWs, on the other hand, include light, heavy, extra-duty, and high-collar varieties. In addition, HSLWs in metric sizes or those made to unique customer specifications, or manufactured from materials such as bronze, brass, copper, and aluminum, are considered to be “special” products. Finally, HSLWs from preassembled bolt/lock washer or screw/lock washer combinations (“sems”) are considered “special.”

HSLWs are used in all types of fastening applications, such as appliances, toys, and lawnmowers. The largest consumers of these products are original equipment manufacturers (particularly in the automotive industry) that use HSLWs for assembling finished products.

Manufacturing Process

The manufacture of virtually all HSLWs, regardless of metal content, begins with either “green” (raw, unfinished, or unprocessed) rod or processed wire, which is then shaped into a trapezoidal form by a series of rollers. The wire proceeds to a machine that coils it around a long metal shaft, or “arbor,” then cuts it. The wire can be cut in either of two ways. After the cutting operation, unfinished carbon steel lock washers are placed in a furnace, heated to 1,600 degrees Fahrenheit, then quenched, washed, and further tempered. These processes harden and strengthen the lock washers, imparting spring properties that enable them to maintain tension when under load in a fastened assembly. Next, the lock washers may be treated with a rust inhibitor, plated with zinc, or both, and are then packed for shipment. The products are tested and inspected at various stages during the manufacturing process, largely to ensure the exactness of inside and outside diameters.

A portion (less than 1 percent) of the HSLWs produced in the United States are manufactured from metal sheets, plates, or round bars. One method of manufacture involves punching the washer from a metal sheet or plate using made-to-order dies. The second method requires cutting off the ends of

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35 App. B contains images and descriptions of the most common types of HSLWs.


37 In addition, there are types of non-helical spring lock washers, such as conical lock washers, Belleville washers, and disc and wave washers that are used primarily in automotive applications, and their production differs from the vast majority of subject HSLWs in that they are stamped from steel sheet rather than cut from lengths of wire. See Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final), USITC Publication 2651, pp. I-
round bars to the customer’s specified thickness, then drilling a hole through each plate. In either case, the resulting washer is then split and formed, again according to customer specifications. The manufacturing technology used to produce HSLWs from wire in China and Taiwan is widely available and essentially the same as that used in the United States. In China, however, wire coiling and wire cutting are performed by different pieces of machinery at separate stages in the production process.

Raw Materials

Table I-4 presents Shakeproof’s raw material costs for the periods of the original investigations and the first five-year reviews. The main raw material costs in the production of HSLWs are steel wire rod and energy.38 Raw materials as a percentage of the total cost of goods sold fluctuated from *** percent in 1990 to *** percent in 1992. During the period of the first five-year reviews the cost of raw materials as a percentage of the total cost of goods sold declined from *** percent in 1997 to *** percent in 1999.39

Table I-4
HSLWs: Shakeproof’s cost of goods sold, 1990-92 and 1997-99

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

In its response to the notice of institution of these reviews, Shakeproof reported that it has recently experienced significant increases in prices for steel wire rod. According to Shakeproof, unit costs for this input rose *** percent from 2000 to the beginning of 2005, representing an increase in the annual average price from *** per pound in 2000 to *** in 2005.40 Shakeproof also reported having experienced sharply increasing energy costs.41

Interchangeability42

In the original investigations and in the first five-year reviews, it was noted that other types of washers are potential substitutes for HSLWs. In response to the notice of institution of these reviews, the domestic interested party, Shakeproof, stated that it believes that HSLW demand has been adversely

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38 Domestic interested party’s response, p. 10. Presently, the United States has antidumping duties on stainless steel wire rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan that were continued in 2004 following five-year reviews in Inv. Nos. 731-TA-770-775. In addition, the United States has antidumping duty orders on stainless steel wire rod from Brazil, France, and India. The Commission is scheduled to issue its determinations in the second five-year reviews of Stainless Steel Wire Rod from Brazil, France, and India, Inv. Nos. 731-TA-636-638 (Second Review), on July 13, 2006. In 2004 the countervailing duty order on imports of stainless steel wire rod from Italy was terminated, Inv. No. 701-TA-373. Also, effective March 1, 2000 the President imposed a safeguard action on imports of certain steel wire rod that terminated on March 1, 2003. See 68 FR 19578, April 21, 2003.


40 Domestic interested party’s response, p. 10 and app. B.

41 Ibid. p. 10.

42 Discussion from the original investigations, Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final), USITC Publication 2651, June 1993, pp. 1-7-I-8.
affected by competition with substitute products. Other washers that are commonly used with fasteners are external and internal tooth lock washers. Unlike HSLWs, tooth lock washers have bent teeth on the external or internal surface of the washer. The teeth bite into the adjacent bearing work surface to prevent the bolt, nut, or screw from loosening or turning. Because tooth lock washers generally provide more friction than HSLWs, they are widely used in electronic equipment and appliances. They are also used in hidden applications or when their jagged appearance is not a concern to the user.

Although they serve a similar purpose to that of HSLWs, the production process for manufacturing non-helical spring lock washers and tooth lock washers differs from that generally employed in the manufacture of HSLWs. Large consumers, such as original equipment manufacturers, design products to use a specific kind of lock washer and reportedly do not consider HSLWs and other types of lock washers to be interchangeable. In the original investigations Shakeproof stated that substitution of these products would occur only at the design stages, when manufacturers must decide which type of lock washer to use. Once designed into a “downstream” product, manufacturers would not substitute tooth lock washers, for example, for HSLWs. For this reason it was reported in the first five-year reviews that while alternative products threaten HSLW demand, substitutions will occur slowly over many years, as HSLWs are still required for many “legacy designs.” As designs are replaced or modernized, newer fasteners are sometimes incorporated into the updated assemblies.

Finally, plain or flat washers have no locking capabilities. These hardened circular steel washers are used largely to impart space, to protect a part from damage, to distribute a load more widely, to improve appearance, and to bridge oversize clearance holes. In some applications, plain or flat washers are used in combination with locking-type washers to prevent the fastener from loosening under vibration.

THE INDUSTRY IN THE UNITED STATES

U.S. Producers

Shakeproof was the sole petitioner in the original 1992 investigations. According to the petition, in the 1980s there were seven U.S. producers of HSLWs. By 1990, the domestic industry had contracted to four firms: Mellowes Company (“Mellowes”); Beall Manufacturing (“Beall”); Crest Products (“Crest”); and MW Industries (“MW”). During 1990-92, the domestic industry continued to become increasingly concentrated, as the petitioner began HSLW production with its purchase of the assets of Mellowes in April 1991, Beall in November 1991, and Crest in July 1992. By the end of 1992 only Shakeproof and MW were producing HSLWs, with Shakeproof accounting for *** percent of reported U.S. sales of domestically produced HSLWs. In addition, Marvec, Inc. (“Marvec”) was identified as a HSLW producer that began production of regular section stainless steel HSLWs in May 1993.

43 Domestic interested party’s response, p. 5.
46 Certain Helical Spring Lock Washers From Taiwan, Inv. No. 731-TA-625 (Final), USITC Publication 2651, June 1993, p. I-14.
During the first five-year reviews in 2001, two domestic HSLW producers were identified; Shakeproof and Wrought Washer Mfg., Inc. (“Wrought Washer”), both of Milwaukee, WI. Marvec had been acquired by Shakeproof in 1996-97. Only Shakeproof provided the Commission with data; Wrought Washer did not respond. At the hearing held in connection with the first five-year reviews, a Shakeproof business manager described Wrought Washer as a small niche producer, incapable of competing across the entire breadth of HSLWs.

In its response to the Commission’s notice of institution in these second five-year reviews, Shakeproof again described itself as the major U.S. HSLW producer, accounting for approximately *** percent of U.S. production of HSLWs. According to Shakeproof, the only other currently operating U.S. producer of the domestic like product is Wrought Washer, described again as a “small, privately held niche producer.” On its company website, Wrought Washer describes itself as “one of the world’s leading contract manufacturers of special washers.” In addition, the company advertises regular, heavy, and high collar lock washers made from carbon steel.

Shakeproof is one of over 600 businesses that Illinois Tool Works, Inc. (“ITW”) operates in 45 countries. ITW had a 2005 operating income of nearly $2.3 billion, generated from the design and manufacture of a wide variety of industrial products ranging from fasteners to equipment systems. ITW began operations in 1912 in Chicago, manufacturing metal-cutting equipment and gear assemblies. The tooth lock washer, developed in 1923, was ITW’s first major product innovation; the Shakeproof division, established first in Chicago and later in Elgin, IL, dates from that time. HSLWs did not become part of Shakeproof’s product line until April 1991, when Shakeproof bought the Mellowes Company of Milwaukee, WI. During the original investigations and the first five-year reviews, HSLWs represented *** part of Shakeproof’s range of products.

U.S. Producers’ Trade, Employment, and Financial Data

Data reported by U.S. producers in the Commission’s original investigations, first five-year reviews and in response to the notice of institution of these reviews, are presented in table I-5. For the period of the original investigations, 1990-92, the data represent the responses of four U.S. producers of HSLWs: Beall, Crest, MW, and Shakeproof, with the exception of 1990-92 financial data which were only provided by Beall and Shakeproof. For the period of the first five-year reviews, 1997-99 and for 2005, the data are entirely those of Shakeproof.

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47 Marvec was a very small failing business that was acquired by asset purchase. Marvec’s inventories were added to Shakeproof’s and the customers were then serviced out of Shakeproof’s existing production operation. *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review),* USITC Publication 3384, p. 1-8.

48 Ibid.

49 Domestic interested party’s response, p. 10.


53 The historical discussion is generally taken from the confidential staff reports in the original investigations, *Inv. Nos. 731-TA-624 and 625 (Final)* and the first five-year reviews, *Inv. Nos. 731-TA-624 and 625 (Review).*
U.S. production of HSLWs as reported in table I-5 below, declined between 1990 and 1991, but recovered partially in 1992. Domestic capacity to produce HSLWs declined throughout 1990-92. Two companies closed their divisions producing HSLWs during this period. Shakeproof purchased the productive assets of both lock washer divisions and ***. The trend in production noted above caused capacity utilization to fall from *** percent in 1990 to *** percent in 1991. This indicator reversed direction in 1992, rising to ***. U.S. producers’ U.S. shipments experienced an overall decline in quantity and fluctuating unit values during 1990-92. In the original investigations it was reported that ***.

Table I-5

<table>
<thead>
<tr>
<th>Quantity (1,000 pounds)</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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</thead>
<tbody>
<tr>
<td>Sales</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
</tbody>
</table>

Source: Domestic interested party’s response, app. A.

Employment Data

During the period of the original investigations, the average number of production and related workers (“PRWs”) producing HSLWs declined by *** percent between 1990 and 1992, falling from ***. It was reported that Shakeproof’s work force was *** because lock washer manufacture is capital intensive. According to the company, production employees were ***.57 Hours worked declined

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55 Domestic interested party’s response to the Commission’s request for additional information, March 3, 2006, p. 1.

56 Domestic interested party’s response, p. 7.

between 1990 and 1991 before partially recovering in 1992. Hourly wages remained stable between 1990 and 1991, then increased in 1992 **. Productivity rose irregularly throughout the three years for which data were collected in the original investigations, increasing by *** percent during the period. Unit labor costs fell during 1990-92, declining by an overall *** percent. During the period of the first five-year reviews, the number of PRWs and their hours worked decreased by *** percent. Productivity decreased by *** percent during 1997-99 while unit labor costs increased by *** percent.

During the second five-year review period, Shakeproof’s HSLW operations “have witnessed a decline in employment of *** percent. As a result of these job losses, Shakeproof is operating its plant producing HSLWs at only *** percent capacity.”

Financial Data

During the period of the original investigations, net sales quantities of HSLWs decreased by *** percent from *** in 1990 to *** in 1991, and increased by *** percent to *** in 1992. During the period of the first five-year reviews, net sales quantities decreased by *** percent between 1997 and 1999. According to Shakeproof, it experienced a “*** decline in its operating profitability from 2002 to 2004, before recovering somewhat in 2005. Despite this improvement, Shakeproof’s profitability was lower in 2005 than it was at the beginning of the period of review.”

U.S. IMPORTS AND APPARENT U.S. CONSUMPTION

U.S. Importers and Imports

During the original investigations, the Commission identified 90 importers of HSLWs from China and Taiwan that accounted for 97 and 93 percent of imports, respectively. In the first five-year reviews, the Commission indicated that four responding firms were responsible for *** percent of total imports of HSLWs in 1999. The American Association of Fastener Importers (“AAFI”), the majority of whose members have been U.S. importers of HSLWs from China, provided information to the Commission in response to the notice of institution of the first five-year reviews, and the four responding firms to the Commission’s importer questionnaire were all members of AAFI. In response to the Commission’s request in its notice of institution in these reviews for a list of all known and currently operating U.S. importers of the subject merchandise and producers of the subject merchandise in the subject countries that currently export or have exported subject merchandise to the United States or other countries after 1999, Shakeproof listed no importers but identified four foreign producers/exporters in China and three in Taiwan. A search of international fastener suppliers uncovered 143 suppliers in

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58 Domestic interested party’s response, p. 9.
59 Ibid. p. 10.
62 Foreign producers/exporters in China identified by Shakeproof were: Goaling Auto-Parts Co., Ltd.; Hangzhou Spring Washer Co., Ltd.; Shanghai Delta Metal Products Co., Ltd.; and Shanghai Tinabao Fastener Manufacturing Co., Ltd. Domestic interested party’s response, app. D.
63 Foreign producers/exporters in Taiwan identified by Shakeproof were: Par Excellence Industrial Co., Ltd.; Ray-Fu Enterprise Co., Ltd.; and Spring Lake Enterprise Co., Ltd. Domestic interested party’s response, app. D.
Taiwan that specialize in fastener sales versus only five suppliers in China that share the same specialty. This could indicate that firms in Taiwan are the predominant exporters of HSLWs produced in China.64

Import data for HSLWs are presented in table I-6. Prior to the imposition of the antidumping duty orders under review, the total level of imports into the United States of HSLWs from all sources grew rapidly in terms of volume and value between 1990 and 1992. Data show that after the imposition of the antidumping duty orders on Taiwan (June 1993) and China (October 1993), the quantity of imports from subject sources declined by 79.3 percent from 1992 to 1997, while the value fell by 74.6 percent. Imports from subject sources then increased by 79.9 percent between 1997 and 1999, while the quantity of nonsubject imports increased irregularly by 32.1 percent.65 Between 2000 and 2005, the quantity of HSLWs imports from China increased overall by 44.0 percent, the value by 75.3 percent. Over the same period, the quantity of subject imports from Taiwan increased overall by 107.6 percent, the value by an even greater 190.8 percent. From 2000 through 2005, HSLWs imports from nonsubject sources decreased by 84.8 percent in quantity and by 7.4 percent in value.

The unit value for HSLWs from China was lowest in 1991 prior to the imposition of the antidumping duty order on China, and highest in 2005. From 1997 to 1999, the unit value for HSLWs imported from China increased by 8.4 percent. The unit value for HSLWs from Taiwan has been consistently higher than for China, in some years more than double. The unit value for HSLWs from Taiwan was lowest in 2002 and highest in 2005. The unit value for HSLWs from all other sources was higher than that for China in every year for which data were collected and higher than that for Taiwan from 2001-05 and January-February 2006.66

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65 Russia accounted for the largest share of imports from nonsubject countries during the period of review. Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review), USITC Publication 3384, January 2001, p. IV-1, fn. 1.

66 Some differences in unit values by source country may be attributed to differences in the product mix.
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<td></td>
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<td>7,451</td>
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<td>710</td>
<td>780</td>
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<td>257</td>
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<td>187</td>
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<td>155</td>
<td>255</td>
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<td>1,752</td>
<td>1,613</td>
<td>1,281</td>
<td>456</td>
<td>509</td>
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</tr>
<tr>
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<td>3,370</td>
<td>744</td>
<td>1,078</td>
<td>1,525</td>
<td>2,389</td>
<td>2,060</td>
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<td>392</td>
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<td>161</td>
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<td>2,416</td>
<td>2,198</td>
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<td>5,829</td>
<td>3,290</td>
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Table I-6--Continued


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<td>China</td>
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<td>81.3</td>
<td>81.0</td>
<td>46.0</td>
<td>41.9</td>
<td>55.0</td>
<td>56.1</td>
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<td>8.4</td>
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<td>3.1</td>
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<tr>
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<td>89.7</td>
<td>88.9</td>
<td>54.7</td>
<td>46.9</td>
<td>62.2</td>
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<td>70.5</td>
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<td>100.0</td>
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<td>100.0</td>
</tr>
</tbody>
</table>

1 Landed, duty-paid.

Note: Because of rounding, figures may not add to the totals shown; unit values and shares are calculated from the unbounded figures.

Source: Data for 1990-92 are compiled from data submitted in response to the Commission’s importer questionnaires in the original investigations as reported in Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final), USITC Publication 2651, June 1993, table 16. Data for 1997-February 2006 are compiled from official Commerce statistics.
Figure I-2 depicts the separate contributions of imports from China and Taiwan to total subject imports for the periods of the original investigations, first five-year reviews, 2000-05, and the interim periods of January-February 2005 and 2006. As illustrated below, while imports from Taiwan remained sizeable during the original investigations and the first five-year review periods, from 2000 forward subject imports have been overwhelmingly of Chinese origin.

**Figure I-2**

![Graph showing imports from China and Taiwan from 1990 to 2005](image)

Source: Table I-6.

Figure I-3 depicts the relative size of HSLW imports from the largest subject and nonsubject import sources in 2000 and 2005. In 2000 and 2005, China was the major source of HSLW imports into the United States. In 2000, Russia was the second largest source of imported HSLWs but imports from Russia steadily declined from 2001-03 and were nonexistent in 2004 and 2005. Other major sources of HSLW imports in 2000, that exceeded imports from Taiwan, included, in order of quantity, Korea, Germany, and Japan. However, by 2005, Taiwan had become the second largest source of imported HSLWs, second only to China. As depicted in figure I-3, the share of total imports accounted for by China increased dramatically between 2000 and 2005 and displaced nonsubject imports to a large extent. However, Japan remained among the largest nonsubject sources of imported HSLWs in 2005.
Figure I-3
HSLWs: The largest import sources of HSLWs in 2000 and 2005

Source: Official Commerce statistics.

Apparent U.S. Consumption and Market Shares

Data on apparent U.S. consumption of HSLWs in 1990-92, 1997-99, and 2005 are presented in table I-7. During the original investigation period, 1990-92, the quantity of apparent U.S. consumption of HSLWs increased by *** percent while the value of that consumption increased by *** percent. Over the same period, the U.S. industry’s share of apparent U.S. consumption decreased by *** percentage points from *** percent in 1990 to *** percent in 1992. During 1990-92 the share of apparent U.S. consumption of subject imports from China climbed from *** percent to *** percent and the share of apparent U.S. consumption of subject imports from Taiwan increased slightly from *** percent to *** percent. At the same time the share of apparent consumption accounted for by imports of HSLWs from countries other than China and Taiwan also increased, by *** percentage points.
<table>
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<tr>
<th>Item</th>
<th>1990(^1)</th>
<th>1991(^1)</th>
<th>1992(^1)</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2005</th>
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<tbody>
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<td></td>
<td></td>
</tr>
<tr>
<td>U.S. producers' U.S. shipments</td>
<td>***</td>
<td>***</td>
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<td>1,500</td>
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<td>***</td>
<td>***</td>
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<td><strong>Value ($1,000)</strong></td>
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<td>***</td>
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Table I-7—Continued

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1 U.S. import data for 1990-92 reflect U.S. shipments of imports. For those years, U.S. shipments of HSLWs imported from China and Taiwan include only shipments of subject lock washers; those of U.S. producers and importers of HSLWS from other sources include shipments of all HSLWs. *Certain Helical Spring Lockwashers from Taiwan, Inv. No. 731-TA-625 (Final)*, Publication 2651, June 1993, table 2.

Source: Data for 1990-92 are from *Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final)*, USITC Publication 2651, June 1993, table 2, with the exception of confidential data for that period which were obtained from the confidential staff report, INV-Q-088, June 4, 1993, table 2. Data for 1997-98 are from *Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review)*, USITC Publication 3384, January 2001, table 1-4, with the exception of confidential data which were obtained from the confidential staff report, INV-X-258, December 22, 2000, table I-5.

The quantity of apparent U.S. consumption of HSLWs decreased by *** percent from 1997 to 1999 while the value of that consumption decreased by *** percent. Over the same period, the U.S. industry’s share of apparent U.S. consumption declined from *** percent in 1997 to *** percent in 1999 while the share of apparent U.S. consumption of subject imports from China climbed from *** percent in 1997 to *** percent in 1999 and the share of apparent U.S. consumption of subject imports from Taiwan increased slightly from *** percent in 1997 to *** percent in 1999. At the same time the share of apparent consumption accounted for by imports of HSLWs from countries other than China and Taiwan also increased, by *** percentage points.
THE INDUSTRY IN CHINA

In the original 1993 investigations the only information on the industry in China provided was for Hangzhou of Zhejiang, China. During the time of the Commission’s original investigations, Hangzhou reported that its capacity to produce HSLWs in China was *** pounds per year. This company’s output reportedly accounted for *** percent of production and more than *** percent of U.S. imports of the subject merchandise from China.67 The Commission also identified ten additional mainland China HSLWS potential producers and one with a Hong Kong address but did not receive responses from these potential producers.68 In the first five-year reviews the Commission received a questionnaire response from the only firm believed to be exporting HSLWs from China to the United States during the period of the reviews, Hangzhou.69 The U.S. embassy in Beijing confirmed that Hangzhou was the only Chinese producer of HSLWs that exported to the United States and identified the following three firms as producers of HSLWs that did not export to the United States during the first review period: Shanghai Xiongliang Industrial and Trading Co. Ltd.; Jiangsu Jiangyin Hengteli Spring Washer Co., Ltd.; and Shanghai Spring Washer Factory.70 Hangzhou reportedly accounted for *** percent of China’s production of HSLWs in 1999.

In response to the Commission’s request in its notice of institution in these reviews for a list of all known and currently operating producers of the subject merchandise in the subject countries that currently export or have exported subject merchandise to the United States or other countries after 1999, Shakeproof identified four foreign producers/exporters in China.71 The potential production capability of these firms was not submitted by the domestic interested party and is not available from public sources.

HSLW manufacturing technology in China has reportedly not changed since the original investigations. At that time, in 1993, Hangzhou reportedly used a lock washer production process, utilizing equipment developed by Hangzhou itself, that was similar to that employed by Shakeproof, except that ***.72 According to information provided during the first five-year reviews, the company has not had any significant changes in production technology since 1993 and explained that its major production inputs are ***. Hangzhou reported ***.

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68 Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final), USITC Publication 2651, June 1993, pp. I-26-I-27.
69 In June 1999, former Zhejiang Wanxin Group’s (“ZWG”) name was changed to Hangzhou Spring Lock Washer Co., Ltd., as it changed from a collectively owned company to a privately owned company. While Hangzhou and ZWG are synonymous, for clarity the company will be referred to as Hangzhou throughout this report. Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review), USITC Publication 3384, January 2001, p. IV-4.
70 At the time of the first five-year reviews, Shanghai Spring Washer had a production capacity of 20 million tons and exported its products through the Shanghai Standard Products Import and Export Company. The firm did not export to the United States because of the antidumping duty order but did export to Europe and to southeast Asia. Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Review), USITC Publication 3384, January 2001, p. IV-3, fn. 4.
71 Foreign producers/exporters in China identified by Shakeproof were: Goaling Auto-Parts Co., Ltd.; Hangzhou Spring Washer Co., Ltd.; Shanghai Delta Metal Products Co., Ltd.; and Shanghai Tinabao Fastener Manufacturing Co., Ltd. Domestic interested party’s response, app. D.
72 Certain Helical Spring Lock Washers from Taiwan, Inv. No. 731-TA-625 (Final), USITC Publication 2651, June 1993, p. I-27.
Table I-8 presents trade data for Chinese producer, Hangzhou during the original investigations, 1990-92, and the first five-year reviews, 1997-99. ***, ***, along with the United States, have traditionally been the main export markets for Hangzhou, with some increases in home market shipments after the antidumping duty orders were imposed in 1993. ** There are no known antidumping duties on HSLWs from China in any countries other than the United States.

Table I-8
HSLWs: Hangzhou’s production capacity, production, shipments, and inventories, 1990-92 and 1997-99

* * * * * * * * *

THE INDUSTRY IN TAIWAN

In the original 1993 investigation concerning Taiwan, the Commission found that HSLWs were produced during the period of investigation by four producers. However, three of these producers allegedly stopped producing HSLWs in the second half of 1992 and were never identified. The fourth, Likunog Industrial Co., Ltd., (“Likunog”), was identified by the Commission as the major producer of stainless steel HSLWs in Taiwan. ** During the time of the Commission’s original investigations, Likunog reported that its capacity to produce HSLWs in Taiwan was *** pounds per year. This company’s output reportedly accounted for *** percent of the production of stainless steel HSLWs and *** percent of the production of carbon steel HSLWs in Taiwan. ** At the time of the original investigations, exports of HSLWs from Taiwan were not affected by nontariff barriers, such as antidumping findings, in countries other than the United States.

In the first five-year reviews the Commission sent foreign producer questionnaires to six firms in Taiwan. Through the American Institute in Taiwan (“AIT”) and the Taiwan Screws Industry Association, the Commission was informed that “spring washers have normally been just accessories to the screws, and few companies in Taiwan produce or export spring washers. This market is very small and shrinking since the antidumping duties were enacted.” The six firms contacted by the AIT responded that they do not produce or export the subject product. Therefore the Commission did not obtain any company data for 1997-99. At the hearing, witnesses for Shakeproof testified that there were over a dozen firms in Taiwan that produce HSLWs.

In the response to the Commission’s request in its notice of institution in these reviews for a list of all known and currently operating producers of the subject merchandise in the subject countries that

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74 Ibid. p. IV-7.
Foreign producers/exporters in Taiwan identified by Shakeproof were: Par Excellence Industrial Co., Ltd.; Ray-Fu Enterprise Co., Ltd.; and Spring Lake Enterprise Co., Ltd. Domestic interested party, Shakeproof’s, response, app. D.

Table I-9 presents trade data for Taiwan producer, Likunog, during the original investigations, 1990-92.

Table I-9
HSLWs: Likunog's production capacity, production, shipments, and inventories, 1990-92

* * * * * * * *
APPENDIX A

FEDERAL REGISTER NOTICES AND THE COMMISSION’S STATEMENT ON ADEQUACY
on helical spring lock washers from China and Taiwan.

**SUMMARY:** The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on helical spring lock washers from China and Taiwan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission: 1 to be assured of consideration, the deadline for responses is February 22, 2006. Comments on the adequacy of responses may be filed with the Commission by March 20, 2006. For further information concerning the conduct of these reviews and rules of general application, consult the Commission’s Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**DATES:** Effective Date: January 3, 2006.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission’s TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov). The public record for these reviews may be viewed on the Commission’s electronic docket (EDIS) at http://edis.usitc.gov.

**SUPPLEMENTARY INFORMATION:**

**Background.** On June 28, 1993, the Department of Commerce (“Commerce”) issued an antidumping duty order on imports of helical spring lock washers from Taiwan (58 FR 34567). On October 19, 1993, Commerce issued an antidumping duty order on imports of helical spring lock washers from China (58 FR 53914). Following five-year reviews by Commerce and the Commission, effective February 23, 2001, Commerce issued a continuation of the antidumping duty orders on imports of helical spring lock washers from China and Taiwan (66 FR 11255). The Commission is now conducting second reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission’s determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

**Definitions.** The following definitions apply to these reviews:

1. **Subject Merchandise** is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

2. **The Subject Countries** in these reviews are China and Taiwan.

3. **The Domestic Like Product** is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the **Subject Merchandise**. In its original determinations and its full five-year review determinations, the Commission defined the Domestic Like Product as helical spring lock washers of all sizes and metals.

4. **The Domestic Industry** is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original determinations and its full five-year review determinations, the Commission defined the Domestic Industry as all domestic producers of helical spring lock washers.

5. **An Importer** is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the **Subject Merchandise** into the United States from a foreign manufacturer or through its selling agent.

**Participation in the reviews and public service list.** Persons, including industrial users of the **Subject Merchandise** and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties...
must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission’s rules, no later than 21 days after publication of this notice in the Federal Register. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission is seeking guidance as to whether a second transition five-year review is the “same particular matter” as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee’s participation was “personal and substantial.” However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list. Pursuant to section 207.7(a) of the Commission’s rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the Federal Register. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification. Pursuant to section 207.3 of the Commission’s rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter’s knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions. Pursuant to section 207.61 of the Commission’s rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is February 22, 2006. Pursuant to section 207.62(b) of the Commission’s rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is March 20, 2006. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission’s rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission’s rules. The Commission’s rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission’s rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission’s rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as previously identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to provide requested information. Pursuant to section 207.61(c) of the Commission’s rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information to Be Provided in Response to This Notice of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export Subject Merchandise from more than one Subject Country; or produce Subject Merchandise in more than one Subject Country, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent Subject Country. As used below, the term “firm” includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and e-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Product, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders on the Domestic Industry in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. § 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Product. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in each Subject Country that currently export or have exported Subject Merchandise to the United States or other countries after 1999.

(7) If you are a U.S. producer of the Domestic Like Product, provide the following information on your firm’s operations on that product during calendar year 2005 (report quantity data in pounds and value data in U.S. dollars, f.o.b. plant). If you are a union/
worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic Like Product accounted for by your firm’s(s’) production;

(b) The quantity and value of U.S. commercial shipments of the Domestic Like Product produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Countries, provide the following information on your firm’s(s’) operations on that product during calendar year 2005 (report quantity data in pounds and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from each Subject Country accounted for by your firm’s(s’) imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of Subject Merchandise imported from each Subject Country; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of Subject Merchandise imported from each Subject Country.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Countries, provide the following information on your firm’s(s’) operations on that product during calendar year 2005 (report quantity data in pounds and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in each Subject Country accounted for by your firm’s(s’) production; and

(b) The quantity and value of your firm’s(s’) exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from each Subject Country accounted for by your firm’s(s’) exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in each Subject Country after 1999, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in each Subject Country, and such merchandise from other countries.

(11) (Optional) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission’s rules.

Issued: December 22, 2005.

By order of the Commission.

Marilyn R. Abbott,
Secretary to the Commission.

[FR Doc. 05–24584 Filed 12–30–05; 8:45 am]
INTERNATIONAL TRADE COMMISSION
[Investigation Nos. 731–TA–624 and 625 (Second Review)]

Helical Spring Lock Washers From China and Taiwan


ACTION: Scheduling of expedited five-year reviews concerning the antidumping duty orders on helical spring lock washers from China and Taiwan.

SUMMARY: The Commission hereby gives notice of the scheduling of expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty orders on helical spring lock washers from China and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews and rules of general application, consult the Commission’s Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).


assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (http://www.usitc.gov). The public record for these reviews may be viewed on the Commission’s electronic docket (EDIS) at http://edis.usitc.gov.

SUPPLEMENTARY INFORMATION:

Background. On April 10, 2006, the Commission determined that the domestic interested party group response to its notice of institution, 71 FR 133 (January 3, 2006), of the subject five-year reviews was adequate and that the respondent interested party group responses were inadequate. The Commission did not find any other circumstances that would warrant conducting full reviews.1 Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.

Staff report. A staff report containing information concerning the subject matter of the reviews will be placed in the nonpublic record on May 11, 2006, and made available to persons on the Administrative Protective Order service list for these reviews. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission’s rules.

Written submissions. As provided in section 207.62(d) of the Commission’s rules, interested parties that are parties to these reviews and that have provided individually adequate responses to the notice of institution,2 and any party other than an interested party to the reviews may file written comments with the Secretary on what determinations the Commission should reach in the reviews. Comments are due on or before May 18, 2006 and may not contain new factual information. Any person that is neither a party to the five-year reviews nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the reviews by May 18, 2006. However, should the Department of Commerce extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce’s final results is three business days after the issuance of Commerce’s results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission’s rules. The Commission’s rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission’s rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II(C) of the Commission’s Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determination. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission’s rules.

Issued: April 19, 2006.

By order of the Commission.

Marilyn R. Abbott,
Secretary to the Commission.
[FR Doc. E6–6201 Filed 4–24–06; 8:45 am]
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1 A record of the Commissioners’ votes, the Commission’s statement on adequacy, and any individual Commissioner’s statements will be available from the Office of the Secretary and at the Commission’s Web site.

2 The Commission has found the response submitted by Shakeproof Assembly Components Division of Illinois Tool Works Inc. to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).
DEPARTMENT OF COMMERCE
International Trade Administration
[A–570–822, A–583–820]

Certain Helical Spring Lock Washers from the People’s Republic of China and Taiwan: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders

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

SUMMARY: On January 3, 2006, the Department of Commerce (“the Department”) initiated sunset reviews of the antidumping duty orders on certain helical spring lock washers from the People’s Republic of China (“PRC”) and Taiwan, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”); On the basis of the notice of intent to participate and adequate substantive responses filed on behalf of the domestic interested parties, and inadequate responses from respondent interested parties, the Department conducted expedited sunset reviews. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the levels listed below in the section entitled “Final Results of Reviews.”


FOR FURTHER INFORMATION CONTACT: Jim Nunno, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC, 20230; telephone: (202) 482-0783.

SUPPLEMENTARY INFORMATION:

Background

On January 3, 2006, the Department initiated sunset reviews of the antidumping duty orders on certain helical spring lock washers (“HSLWs”) from the PRC and Taiwan pursuant to section 751(c) of the Act. See Initiation of Five-year (“Sunset”) Reviews, 70 FR 91 (January 3, 2006). The Department received notices of intent to participate from a domestic interested party, Shakeproof Assembly Components Division of Illinois Tool Works Inc. (“Shakeproof”), within the deadline specified in section 351.218(d)(1)(i) of the Department’s regulations. Shakeproof claimed interested party status pursuant to section 771(9)(C) of the Act as a U.S. producer of the domestic like product. We received a submission from the domestic interested party within the 30-day deadline specified in section 351.218(d)(3)(i) of the Department’s regulations. However, we did not receive submissions from any respondent interested parties. As a result, pursuant to section 771(9)(C)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department’s regulations, the Department conducted expedited sunset reviews of these orders.

Scope of the Orders

The products covered by both antidumping duty orders are HSLWs of carbon steel, of carbon alloy steel, or of stainless steel, heat-treated or non–heat-treated, plated or non–plated, with ends that are off–line. HSLWs are designed to: (1) Function as a spring to compensate for developed looseness between the component parts of a fastened assembly; (2) distribute the load over a larger area for screws or bolts; and (3) provide a hardened bearing surface. The scope does not include internal or external tooth washers, nor does it include spring lock washers made of other metals, such as copper.

HSLWs subject to the order are currently classifiable under subheading 7318.21.0030 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

On September 30, 1997, the Department determined that HSLWs which are imported into the United States in an uncut, coil form are within the scope of the orders. See Notice of Scope Rulings, 62 FR 62288 (November 21, 1997).

Analysis of Comments Received

All issues raised in these cases are addressed in the “Issues and Decision Memorandum” from Stephen J. Claey, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated May 3, 2006 (“Decision Memorandum”), which is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the orders were revoked. Parties can find a complete discussion of all issues raised in these sunset reviews and the corresponding recommendations in this public memorandum, which is on file in room B–099 of the main Department of Commerce building.

In addition, a complete version of the Decision Memorandum can be accessed directly on our Web site at http://ia.ita.doc.gov/. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Reviews

We determine that revocation of the antidumping duty orders on HSLWs from the PRC and Taiwan would likely lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

<table>
<thead>
<tr>
<th>Manufacturers/Exporters/Producers</th>
<th>Weighted–Average Margin (Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRC.</td>
<td>69.88</td>
</tr>
<tr>
<td>Zhejiang Waxon Group Co., Ltd./a/ Hangzhou Spring Washer Plant (“HSWP”)</td>
<td>69.88</td>
</tr>
<tr>
<td>HSWP via IFi Morgan Limited</td>
<td>69.88</td>
</tr>
<tr>
<td>HSWP via Carway Development Ltd.</td>
<td>69.88</td>
</tr>
<tr>
<td>HSWP via Midway Fasteners Ltd.</td>
<td>69.88</td>
</tr>
<tr>
<td>HSWP via Linkwell Industry Co., Ltd.</td>
<td>69.88</td>
</tr>
<tr>
<td>HSWP via Fastwell Industry Co., Ltd.</td>
<td>69.88</td>
</tr>
<tr>
<td>HSWP via Sunfast International Corp.</td>
<td>69.88</td>
</tr>
<tr>
<td>HSWP via Winner Standard Parts Co., Ltd.</td>
<td>69.88</td>
</tr>
<tr>
<td>PRC–wide Rate</td>
<td>128.63</td>
</tr>
<tr>
<td>Taiwan.</td>
<td></td>
</tr>
<tr>
<td>Spring Lake Enterprises Co., Ltd.</td>
<td>31.93</td>
</tr>
<tr>
<td>Ceimiko Industrial Co., Ltd.</td>
<td>31.93</td>
</tr>
<tr>
<td>Par Excellence Industrial Co., Ltd.</td>
<td>31.93</td>
</tr>
<tr>
<td>All Others Rate</td>
<td></td>
</tr>
</tbody>
</table>
This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.305 of the Department’s regulations. Timely notification of the return or 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.

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


David M. Spooner,
Assistant Secretary for Import Administration.

[FR Doc. E6–7131 Filed 5–9–06; 8:45 am]

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On April 10, 2006, the Commission unanimously determined that it should proceed to expedited reviews in the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

The Commission determined that the domestic interested party group response to the notice of institution was adequate. The Commission received a response to the notice of institution from one domestic producer, Shakeproof Assembly Components Division of Illinois Tool Works, Inc. Because the Commission received an adequate response from the producer representing the great majority of domestic production, the Commission determined that the domestic interested party group response was adequate.

The Commission did not receive a response from any respondent interested party, and therefore determined that the respondent interested party group response to the notice of institution was inadequate in both reviews. In the absence of an adequate respondent interested party group response, and any other circumstances that it deemed warranted proceeding to full reviews, the Commission determined to conduct expedited reviews. A record of the Commissioners’ votes is available from the Office of the Secretary and the Commission’s web site (http://www.usitc.gov).
APPENDIX B

STANDARD LOCK WASHER TYPES
Figure B-1
HSLWs: Helical spring lock washer

- Torque absorption and tension sustaining characteristics meet the needs of most commercial assembly applications.
- Increasing outside diameter thickness and bearing area improves performance in heavy-duty applications involving higher tightening torques.
- Manufactured from alloy steel by Shakeproof.

Figure B-2
HSLWs: Hi-collar lock washer

- Ideal for smaller head screws, such as socket head cap screws, where clearance may be a problem. Greater thickness compensates for smaller outside diameter allowing performance similar to a regular section.

Figure B-3
HSLWs: Light lock washer

- Reduced thickness and outside diameter perform better with the lower torques and lighter loads used with thin and fragile materials.
Figure B-4
HSLWs: Double coil lock washer

- Used in soft joints, typically wooden, where considerable travel is required to maintain effective clamping force. Commonly used with wooden pole hardware.

Figure B-5
HSLWs: Spak lock washer

- Unique design combines a split lock washer with a spring wave washer to sustain tension and provide compensating spring action under heavy loads.
