

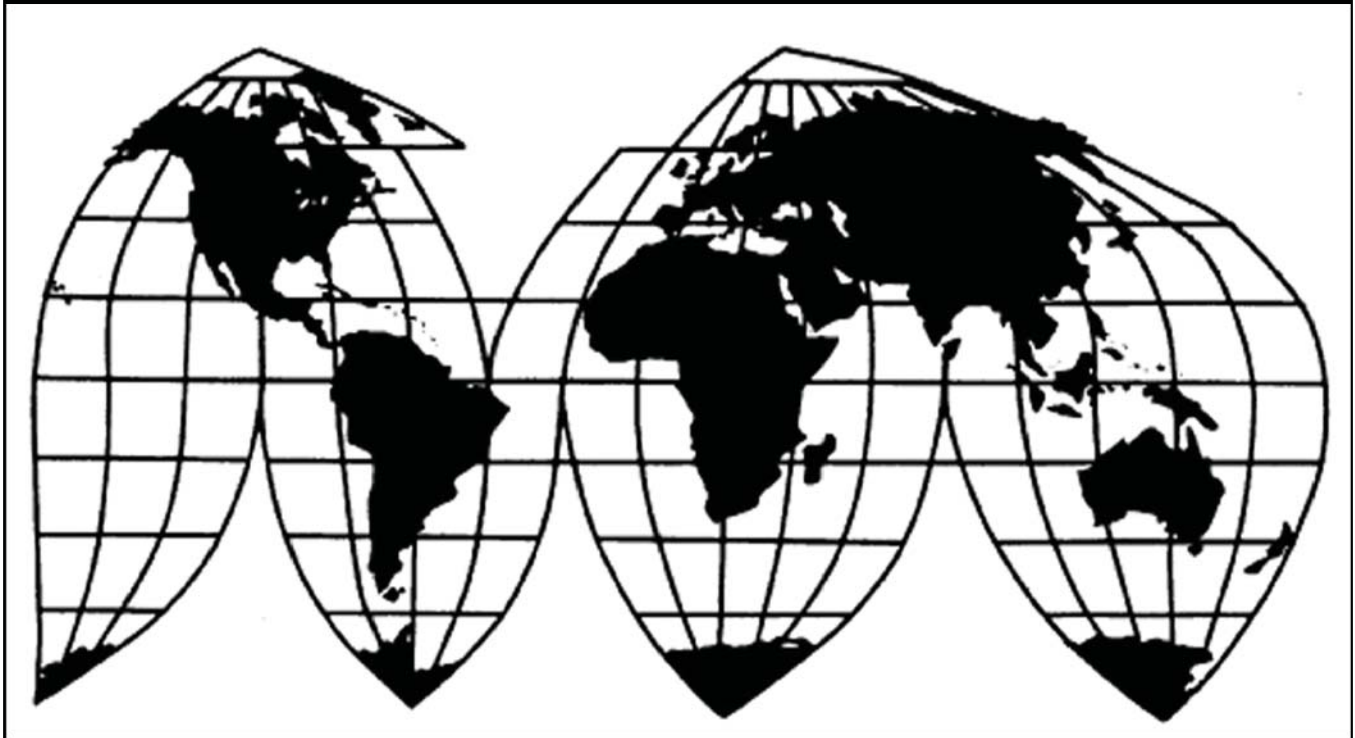
Polyester Staple Fiber from Korea and Taiwan

Investigation Nos. 731-TA-825 and 826 (Third Review)

Publication 4668

January 2017

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-825-826 (Third Review)

Polyester Staple Fiber from Korea and Taiwan

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty orders on polyester staple fiber from Korea 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, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted these reviews on August 1, 2016 (81 F.R. 50544) and determined on November 4, 2016 that it would conduct expedited reviews (81 F.R. 87587, December 5, 2016).

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

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 Tariff Act”), that revocation of the antidumping duty orders on certain polyester staple fiber (“certain PSF”) from Korea 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.

I. Background

The Original Investigations and Prior Reviews. The Commission instituted the original investigations of PSF from Korea and Taiwan in response to petitions filed on April 2, 1999 by U.S. producers of PSF.¹ In May 2000, the Commission determined that a domestic industry was materially injured by reason of cumulated subject imports of certain PSF from Korea and Mexico.² The U.S. Department of Commerce (“Commerce”) issued antidumping duty orders on imports of certain PSF from Korea and Taiwan on May 25, 2000.³

On March 31, 2005, the Commission instituted its first five-year reviews of the antidumping duty orders on certain PSF from Korea and Taiwan.⁴ In March 2006, following full reviews, the Commission determined that revocation of the antidumping duty orders on certain PSF from Korea and Taiwan would be likely to lead to the recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁵ Commerce issued notice of continuation of the orders on April 3, 2006.⁶

¹ Confidential Report (“CR”), at I-12, Public Report (“PR”) at I-9. Domestic producers initially filing the petitions included E.I. DuPont de Nemours (“DuPont”), Intercontinental Polymers, Inc., Arveva Specialties S.a.r.l. d/b/a KoSa, Nan Ya Plastics Corp. America (“Nan Ya America”), and Wellman Inc. (“Wellman”). Nan Ya America did not join the petition with respect to Taiwan and later withdrew its support for the petition on Korea. DuPont later withdrew its support for the petition against Korea.

² The Commission found two domestic like products in the original investigations: (i) low-melt fiber and (ii) conventional PSF. It made negative determinations with respect to the low-melt fiber domestic like product and affirmative determinations with respect to the conventional PSF domestic like product. *Polyester Staple Fiber from Korea and Taiwan*, Inv. Nos. 731-TA-825 and 826 (Final), USITC Pub. 3300 at 5 (May 2000) (“Original Determinations”). Accordingly, for the purposes of these reviews, “certain PSF” refers to the conventional PSF domestic like product from the original determinations.

While respondent interested parties challenged certain aspects of the Commission’s determinations, the Commission’s determinations were sustained on appeal. *Far Eastern Textile Ltd. v. United States International Trade Commission*, 25 CIT 999 (2001).

³ 65 Fed. Reg. 33807 (May 25, 2000).

⁴ 70 Fed. Reg. 16522 (March 31, 2005).

⁵ *Certain Polyester Staple Fiber from Korea and Taiwan*, Inv. Nos. 731-TA-825 and 826 (Review), USITC Pub. 3843 (March 2006) (“First Reviews”) at 16-23. During the course of these reviews, respondent interested parties provided evidence that domestic producers had engaged in a price-fixing conspiracy during the original investigations and period under review, and they requested that the Commission reconsider its original determinations in light of this information. The Commission declined (Continued...)

On March 1, 2011, the Commission instituted its second five-year reviews of the antidumping duty orders on certain PSF from Korea and Taiwan.⁷ The Commission, following expedited reviews, determined that revocation of the antidumping duty orders on certain PSF from Korea and Taiwan would be likely to lead to the recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁸ Commerce issued notice of continuation of the orders on September 30, 2011.⁹

The Current Reviews. The Commission instituted the current third five-year reviews on August 1, 2016.¹⁰ The Commission received a single joint response to the notice of institution from Auriga Polymers Inc. (“Auriga”), DAK Americas, LLC (“DAK”), and Nan Ya America (collectively, the “domestic interested parties”), each of which is a domestic producer of certain PSF.¹¹ No respondent interested party filed a response. On November 4, 2016, the Commission found that the domestic interested party group response was adequate but that the respondent interested party group response was inadequate.¹² In the absence of other circumstances warranting full reviews, the Commission unanimously determined to conduct these expedited reviews.¹³

Data/Response Coverage. U.S. industry data for these reviews are based on the information provided by the domestic interested parties in their response to the notice of institution, responses to staff questionnaires from two U.S. purchasers of PSF, and information from the original investigations, first reviews, and second reviews.¹⁴ The domestic interested parties accounted for *** percent of U.S. production of PSF during 2015.¹⁵ No U.S. importer participated in these reviews. U.S. import data and related information are based on official import statistics.¹⁶ No foreign producer or exporter of PSF participated in these reviews. Foreign industry data and related information are based on information submitted in the

(...Continued)

to reconsider its original determinations because record evidence indicated that any price-fixing conspiracy related to products outside the domestic like product and did not impact the Commission’s original determinations. Respondent interested parties appealed the Commission’s refusal to reconsider its original investigation determinations, and the Commission was sustained on appeal.

Consolidated Fibers, Inc. v. United States, 32 CIT 24 (2008).

⁶ 71 Fed. Reg. 16558 (Apr. 3, 2006).

⁷ 76 Fed. Reg. 11268 (March 1, 2011).

⁸ *Certain Polyester Staple Fiber from Korea and Taiwan*, Inv. Nos. 731-TA-825 and 826 (Second Review), USITC Pub. 4257 (September 2011)(“Second Reviews”). No party appealed the Commission’s determinations in the second reviews.

⁹ 76 Fed. Reg. 60802 (Sept. 30, 2011).

¹⁰ 81 Fed. Reg. 50544 (Aug. 1, 2016).

¹¹ CR at I-2; PR at I-1-2.

¹² Explanation of Commission Determination on Adequacy, EDIS Doc. 594652 (Nov. 8, 2016).

¹³ 81 Fed. Reg. 87587 (Dec. 5, 2016).

¹⁴ CR/PR at Table I-2.

¹⁵ CR/PR at Table I-1.

¹⁶ CR/PR at Table I-3.

original investigations, the full first reviews,¹⁷ and information submitted by the domestic interested parties in the second reviews and these current reviews, as well as publicly available information concerning global exports.¹⁸

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”¹⁹ The Tariff Act defines “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.”²⁰ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigations and consider whether the record indicates any reason to revisit the prior findings.²¹

1. The Subject Merchandise

Commerce has defined the scope of the antidumping duty orders in these five-year reviews as follows:

The product covered by the orders is polyester staple fiber (PSF). PSF is defined as synthetic staple fibers, not carded, combed or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut to lengths varying from one inch (25 mm) to five inches (127 mm). The merchandise subject to the orders may be coated, usually with a silicon or other finish, or not coated. PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Merchandise of less than 3.3 decitex (less than 3 denier), currently classifiable in the Harmonized Tariff Schedule of

¹⁷ In the first reviews, four foreign producers, two from each of Korea and Taiwan, provided completed questionnaire responses to the Commission. CR at I-26-28; PR at I-20-21.

¹⁸ CR at I-26-28; PR at I-20-21.

¹⁹ 19 U.S.C. § 1677(4)(A).

²⁰ 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

²¹ *See, e.g., Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

the United States (HTSUS) at subheading 5503.20.00.25 is specifically excluded from the orders. Also specifically excluded from the orders are PSFs of 10 to 18 denier that are cut to lengths of 6 to 8 inches (fibers used to manufacture carpet). In addition, low-melt PSF is excluded from the orders. Low-melt PSF is defined as bi-component fiber with an outer sheath that melts at significantly lower temperature than its inner core.²²

PSF is a man-made fiber that is similar in appearance to cotton or wool fiber when baled. Raw materials used to produce certain PSF may vary. Staple fiber can be made by reacting ethylene glycol with either terephthalic acid or methyl ester, from recycled polyester using consumer or industrial waste, or a blend of these types of staple fiber.²³

Certain PSF is referred to as “fiber for fill,” because its primary use is for stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture, although PSF can be used on a more limited basis for other products. The physical characteristics that distinguish certain PSF from other polyester staple fibers include the denier, length, finish, and “crimp” of the fiber. Because certain PSF is principally used as fiberfill and is not seen by the end user, its appearance is considered less important than its performance. Certain PSF can be produced in many variations to enhance its quality, such as using crimped or conjugate fiber to “loft” for stuffing purposes, or to be coated with a finish to make the fiber smoother to the touch. Certain PSF may vary in shape and be hollow or solid.²⁴

2. The Original Investigations and Prior Reviews

In the original investigations, the Commission found two domestic like products: (i) low-melt fiber and (ii) conventional PSF (all subject PSF other than low-melt fiber).²⁵ As previously discussed, the Commission made negative determinations with respect to the low-melt fiber domestic like product.²⁶

In the first five-year reviews, the Commission found that the record contained no information suggesting that it would be appropriate to reconsider the prior domestic like product definition, and no party objected to that definition. Accordingly, the Commission defined the domestic like product as certain PSF, coextensive with the scope of the orders

²² 81 Fed. Reg. 92783 (Dec. 20, 2016) (Commerce results of third sunset reviews of PSF orders). Commerce’s scope definitions have not changed since the original investigations.

²³ CR at I-7-8; PR at I-6.

²⁴ CR at I-7; PR at I-6.

²⁵ Original Determinations, USITC Pub. 3300 at 4-5. The Commission defined low-melt fiber as a bicomponent fiber comprised of polyester core and a sheath of copolymer polyester, which is typically used to thermal bond other polyester staple fiber in the manufacture of batting for bulk applications such as furniture stuffing and insulation. When heated, the outer copolymer sheath melts at a lower temperature than its core, and the melted sheath acts as a glue to hold the polyester staple fibers together.

²⁶ Original Determinations, USITC Pub. 3300 at 9.

under review.²⁷ In the expedited second five-year reviews, the Commission again found that no new information on record suggested that the definition should be revisited, and the domestic interested parties agreed with the domestic like product definition adopted in the first five-year reviews. Accordingly, the Commission continued to define the domestic like product as certain PSF.²⁸

3. The Current Reviews

In these expedited reviews, there is no new information on the record suggesting that the domestic like product definition should be revisited,²⁹ and the domestic interested parties agree with the domestic like product definition adopted in the Commission's prior reviews.³⁰ We consequently define the domestic like product as certain PSF, coextensive with Commerce's scope.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "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."³¹ 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, captively consumed, or sold in the domestic merchant market.

In the original investigations, the Commission defined two domestic industries: (i) all domestic producers of low-melt fiber and (ii) all domestic producers of conventional PSF.³² However, the Commission made affirmative determinations only with respect to the conventional PSF industry. In the first five-year reviews, the Commission found a single domestic industry, comprised of all domestic producers of certain PSF.³³ In the second five-year

²⁷ First Reviews, USITC Pub. 3843 at 5-6.

²⁸ Second Reviews, USITC Pub. 4257 at 4-5.

²⁹ See *generally* CR at I-6-12; PR at I-5-9.

³⁰ Domestic Interested Parties Responses to the Notice of Institution (Aug. 31, 2016) ("Response") at 21.

³¹ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

³² Original Determinations, USITC Pub. 3300, at 9-10. The Commission also considered whether to exclude Nan Ya America and *** as a related party under section 771(4)(B) of the Act, but found that appropriate circumstances did not exist to do so. Original Determinations, USITC Pub. 3300, at 9-10.

³³ First Reviews, USITC Pub. 3843 at 6. The Commission considered whether to exclude three domestic producers as related parties (Nan Ya America, Formed Fiber Technologies ("FFT"), and United Synthetics), but found that appropriate circumstances did not exist to exclude any of these parties from the domestic industry. *Id.*

reviews, the Commission again found a single domestic industry, comprised of all domestic producers of certain PSF.³⁴

In these reviews, we must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.³⁵ Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.³⁶

Domestic interested parties argue against the exclusion of any related parties in these reviews.³⁷

Domestic producers Nan Ya America and United Synthetics may qualify as related parties because each is a wholly owned subsidiary of a producer of PSF in Korea or Taiwan.³⁸ Assuming *arguendo* that these firms are related parties, we find that appropriate circumstances do not exist to exclude them. Nan Ya America was the *** reporting producer in 2015, accounting for *** percent of reported domestic production.³⁹ It supports continuation of

³⁴ Second Reviews, USITC Pub. 4257 at 6. The Commission found that appropriate circumstances did not exist to exclude Nan Ya America or United Synthetics as a related party.

³⁵ See *Torrington Co v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

³⁶ The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);
- (3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;
- (4) the ratio of import shipments to U.S. production for the imported product; and
- (5) whether the primary interest of the importing producer lies in domestic production or importation.

Changzhou Trina Solar Energy Co. v. USITC, 100 F. Supp.3d 1314, 1326-31(Ct. Int'l. Trade 2015); see also *Torrington Co. v. United States*, 790 F. Supp. at 1168.

³⁷ Response at 21.

³⁸ Response at 18. Nan Ya America is a wholly owned subsidiary of Nan Ya Plastics Corp., which produces PSF in Taiwan, and United Synthetics is a wholly owned subsidiary of Korean PSF producer Korea Synthetic Fibers. The record of these reviews, however, does not contain data to confirm whether Nan Ya Plastics Corp. or Korea Synthetic Fibers exported subject merchandise to the United States during the period of review, and thus does not contain data to confirm that these companies are related parties.

³⁹ CR/PR at Appendix B.

duties and did not itself import subject merchandise during the period of review.⁴⁰ The available information in the record indicates that its principal interest is in domestic production. United Synthetics did not respond to the notice of institution, and there is accordingly no data concerning its domestic operations in the record to exclude. Consequently, we define a single domestic industry consisting of all producers of certain PSF.

III. Cumulation

A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows:

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.⁴¹

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.⁴² The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

⁴⁰ CR at I-18; PR at I-13.

⁴¹ 19 U.S.C. § 1675a(a)(7).

⁴² 19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

B. The Original Investigations and Prior Reviews

In the original investigations, the Commission cumulated subject imports from Korea and Taiwan. It found a reasonable overlap of competition between subject imports from both countries and between subject imports and the domestic like product.⁴³ In the full first five-year reviews and expedited second five-year reviews, the Commission did not find that subject imports from either Korea or Taiwan would be likely to have no discernible adverse impact on the domestic industry in the event of revocation.⁴⁴ The Commission further found a likely reasonable overlap of competition between subject imports from Korea and Taiwan and did not find likely significant differences in the conditions of competition between imports from different subject sources.⁴⁵ On that basis, the Commission cumulated subject imports from Korea and Taiwan in both prior reviews.⁴⁶

C. Analysis

In these reviews, the statutory threshold for cumulation is satisfied because both reviews were initiated on the same day, August 1, 2016. In addition, we consider the following issues in deciding whether to exercise our discretion to cumulate subject imports: (1) whether imports from either of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among subject imports from the subject countries and the domestic like product; and (3) whether subject imports are likely to compete in the U.S. market under different conditions of competition.

1. Likelihood of No Discernible Adverse Impact

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.⁴⁷ 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.⁴⁸ With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

⁴³ Original Determinations, USITC Pub. 3300 at 13-14.

⁴⁴ First Reviews, USITC Pub. 3843 at 9-10; Second Reviews, USITC Pub. 4257 at 8-9.

⁴⁵ First Reviews, USITC Pub. 3843 at 10-11; Second Reviews, USITC Pub. 4257 at 9-10.

⁴⁶ First Reviews, USITC Pub. 3843 at 11; Second Reviews, USITC Pub. 4257 at 10.

⁴⁷ 19 U.S.C. § 1675a(a)(7).

⁴⁸ SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

Based on the record in these reviews, we do not find that imports from either subject country would likely have no discernible adverse impact on the domestic industry in the event of revocation, for the reasons detailed below.

Korea. Subject imports from Korea have maintained a presence in the U.S. market from the original investigations up to the current period of review. In 1999 during the original investigations, subject imports from Korea totaled *** pounds and accounted for *** percent of apparent U.S. consumption.⁴⁹ Subject imports from Korea were 209.9 million pounds, accounting for 19.8 percent of apparent U.S. consumption, in 2004, and 140.3 million pounds, accounting for *** percent of apparent U.S. consumption, in 2010.⁵⁰ During the current period of review, subject imports from Korea have remained present in the U.S. market albeit at lower volumes than in prior proceedings, ranging from a low of *** pounds in 2011 to a high of *** pounds in 2015.⁵¹ In 2015, subject imports from Korea accounted for *** percent of apparent U.S. consumption.⁵²

Domestic interested parties have identified 16 firms they believe to be producers of PSF in Korea.⁵³ In the prior reviews, the Commission has found that the PSF industry in Korea is export oriented, has substantial unused capacity, and faces numerous trade barriers in third country markets.⁵⁴ According to *World Polyester – Trend in Demand and Supply 2015*, production capacity in Korea for PSF increased from *** pounds in 2010 to *** pounds in 2015, and *** production was exported.⁵⁵ The capacity utilization for Korean producers of PSF in 2014 was *** percent.⁵⁶ Data from the *Global Trade Atlas* for HTS subheading 5503.20, which encompasses staple fibers including certain PSF as well as out-of-scope merchandise, indicate that Korean exports of staple fibers increased 25.4 percent from 2011 (592.1 million pounds) to 2015 (742.6 million pounds), and that the United States was Korea’s largest export market during each year of the period of review.⁵⁷ Additionally, Korea was either the largest or the second-largest world exporter of staple fibers for each year from 2011 to 2015.⁵⁸ In light of the foregoing, we do not find that subject imports from Korea would likely have no discernible adverse impact on the domestic industry if the pertinent order were revoked.

Taiwan. Subject imports from Taiwan have remained in the U.S. market from the original investigations up to the present reviews, albeit at reduced levels from the original

⁴⁹ CR/PR at Table I-4.

⁵⁰ CR/PR at Table I-4 and Table I-5.

⁵¹ CR/PR at Table I-3.

⁵² CR/PR at Table I-4.

⁵³ Response at Exh. 8; CR at I-27; PR at I-20.

⁵⁴ First Reviews, USITC Pub. 3843 at 24-27; Second Reviews, USITC Pub. 4257 at 15-17.

⁵⁵ Response at Exh. 2. It is likely that data in this source include products other than conventional PSF and may consequently overstate to some extent production and capacity data pertaining to the subject merchandise.

⁵⁶ Response at Exh. 2.

⁵⁷ Response at Exh. 4.

⁵⁸ CR/PR at Table I-6, showing that Korea and China were the largest exporters of staple fibers each year during the period of review.

investigations. In 1999, during the original investigations, there were *** pounds of subject imports from Taiwan, accounting for *** percent of apparent U.S. consumption.⁵⁹ There were 72.4 million pounds of subject imports from Taiwan, accounting for 6.8 percent of apparent U.S. consumption, in 2004, and 26.1 million pounds of subject imports from Taiwan, accounting for *** percent of apparent U.S. consumption, in 2010.⁶⁰ During the current period of review, subject imports from Taiwan have remained present in the U.S. market at lower levels than in prior reviews, declining from 16.2 million pounds in 2011 to 7.7 million pounds in 2015.⁶¹ In 2015, subject imports from Taiwan accounted for *** percent of apparent U.S. consumption.⁶²

Domestic interested parties have identified seven firms they believe to be producers of PSF in Taiwan.⁶³ In the prior reviews, the Commission found that the PSF industry in Taiwan was export oriented and retained significant unused capacity.⁶⁴ According to data in *World Polyester – Trend in Demand and Supply 2015*, production capacity for PSF in Taiwan increased *** percent from 2010 (*** pounds) to 2015 (*** pounds), and *** percent of this production was exported.⁶⁵ The capacity utilization for Taiwanese producers of PSF in 2014 was *** percent.⁶⁶ Finally, data from the *Global Trade Atlas* for HTS subheading 5503.20, staple fibers, which includes certain PSF as well as out of scope merchandise, indicates that exports of staple fibers from Taiwan have increased from 2011 (818.1 million pounds) to 2015 (867.0 million pounds), and that the United States was Taiwan’s second-largest export market during each year of the period of review.⁶⁷ Additionally, Taiwan was the third-largest world exporter of staple fibers each year during the period of review, behind only Korea and China.⁶⁸ In light of this information, we do not find that subject imports from Taiwan would likely have no discernible adverse impact on the domestic industry if the pertinent order were revoked.

2. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.⁶⁹ Only a “reasonable overlap” of competition is required.⁷⁰ In five-year reviews, the

⁵⁹ CR/PR at Table I-4.

⁶⁰ CR/PR at Table I-4.

⁶¹ CR/PR at Table I-3.

⁶² CR/PR at Table I-4.

⁶³ Response at Exh. 8; CR at I-28; PR at I-21.

⁶⁴ First Reviews, USITC Pub. 3843 at 24-27; Second Reviews, USITC Pub. 4257 at 15-17.

⁶⁵ Response at Exh. 2. It is likely that data in this source include products other than conventional PSF and may consequently overstate to some extent production and capacity data pertaining to the subject merchandise.

⁶⁶ Response at Exh. 2.

⁶⁷ Response at Exh. 4.

⁶⁸ CR/PR at Table I-6.

⁶⁹ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility (Continued...)

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.⁷¹

Fungibility. The Commission found in the original investigations and subsequent reviews that subject imports from Korea and Taiwan were fungible with both the domestic like product and with each other.⁷² In the first reviews, the most recent proceeding on which the Commission collected data pertinent to this issue, it found that most market participants reported that the domestic like product was always or frequently interchangeable with subject imports from Korea, and all domestic producers and about half of all purchasers and importers reported that the domestic like product was always or frequently interchangeable with subject imports from Taiwan. Moreover, purchasers reported that subject imports from both Korea and Taiwan were comparable to the domestic like product with respect to a wide range of factors relevant to purchasing decisions.⁷³ There is no new information in these reviews to indicate that this has changed.⁷⁴

Channels of Distribution. In the original investigations and subsequent reviews, the Commission found that subject imports from Korea and Taiwan and the domestic like product were sold in similar channels of distribution (most to end users, with the balance to distributors).⁷⁵ There is no new information in these reviews to indicate that this has changed.

(...Continued)

between subject imports from different countries and between subject 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 subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

⁷⁰ See *Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); *Wieland Werke*, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int'l Trade 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 and 731-TA-812-13 (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 (Ct. Int'l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

⁷¹ See generally, *Cheflene Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

⁷² Original Determinations, USITC Pub. 3300 at 13-14; First Reviews, USITC Pub. 3843 at 10; Second Reviews, USITC Pub. 4257 at 10.

⁷³ First Reviews, USITC Pub. 3843 at 10.

⁷⁴ The responses of two purchasers to Commission questionnaires in these reviews contained no information that would indicate prior Commission findings on the fungibility of subject imports from Korea and Taiwan, with each other and with the domestic like product, are no longer valid. CR/PR at App. D.

⁷⁵ Original Determinations, USITC Pub. 3300 at 13; First Reviews, USITC Pub. 3843 at 11; Second Reviews, USITC Pub. 4257 at 10.

Geographic Overlap. In the original investigations and the prior reviews, the Commission found overlapping geographical markets for subject imports and the domestic like product.⁷⁶ There is no new information in these reviews to indicate that this has changed.⁷⁷

Simultaneous Presence in Market. In the original investigations and subsequent reviews, the Commission found that subject imports from Korea and Taiwan and the domestic like product were all present in the U.S. market throughout the relevant periods.⁷⁸ Subject imports from Korea and Taiwan have been present in the U.S. market in each month from January 2011 to December 2015.⁷⁹

Analysis. The record of these expedited reviews contains limited information concerning the characteristics of subject imports in the U.S. market during the period of review. The record contains no information suggesting that the reasonable overlap of competition found in the original investigations and prior reviews would not exist upon revocation. In light of this, and the absence of any contrary arguments, we find a likely reasonable overlap of competition between subject imports from Korea and Taiwan and between imports from each subject country and the domestic like product.

3. Other Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether subject imports from the subject countries would compete under similar or different conditions in the U.S. market if the orders under review were revoked. The record in these reviews does not indicate that there would likely be any significant difference in the conditions of competition among subject imports upon revocation. Accordingly, we exercise our discretion to cumulate subject imports from Korea and Taiwan.

IV. Revocation of the Antidumping Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that

⁷⁶ Original Determinations, USITC Pub. 3300 at 13; First Reviews, USITC Pub. 3843 at 11; Second Reviews, USITC Pub. 4257 at 10.

⁷⁷ CR at I-26; PR at I-20 (noting that official Commerce statistics indicate subject imports continue to be dispersed geographically throughout the United States, as is the domestic like product).

⁷⁸ Original Determinations, USITC Pub. 3300 at 13; First Reviews, USITC Pub. 3843 at 11; Second Reviews, USITC Pub. 4257 at 10.

⁷⁹ CR/PR at Table I-3 (showing yearly import volumes for period of review); CR at I-26 and PR at I-20 (noting that subject imports were present in the U.S. market every month from 2011 to 2015).

dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁸⁰ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual 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.”⁸¹ Thus, the likelihood standard is prospective in nature.⁸² The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.⁸³

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.”⁸⁴ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁸⁵

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute

⁸⁰ 19 U.S.C. § 1675a(a).

⁸¹ SAA at 883-84. 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.” *Id.* at 883.

⁸² 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 {sic} 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.

⁸³ See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁸⁴ 19 U.S.C. § 1675a(a)(5).

⁸⁵ 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.” *Id.*

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.”⁸⁶ 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 an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁸⁷ 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.⁸⁸

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, 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.⁸⁹ 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.⁹⁰

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product 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 the domestic like product.⁹¹

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, 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 the following: (1) likely declines in

⁸⁶ 19 U.S.C. § 1675a(a)(1).

⁸⁷ 19 U.S.C. § 1675a(a)(1). Commerce has made no duty absorption findings with respect to the orders under review. 81 Fed. Reg. 92783 (Dec. 20, 2016)(Commerce’s final results of expedited sunset review).

⁸⁸ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁸⁹ 19 U.S.C. § 1675a(a)(2).

⁹⁰ 19 U.S.C. § 1675a(a)(2)(A-D).

⁹¹ See 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.

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.⁹² 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. 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 orders under review and whether the industry is vulnerable to material injury upon revocation.⁹³

As stated above, no respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the PSF industries in Korea and Taiwan. There also is limited information concerning the market for certain PSF in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations, full first reviews, expedited second reviews, data submitted in the response to the notice of institution, and other public data.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, 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.”⁹⁴ The following conditions of competition inform our determinations.

Demand Conditions. In the original investigations, the Commission found that certain PSF was primarily used in the production of home-related products, such as furniture, bedding, and insulation and filtration products. As a result, demand for certain PSF was largely driven by demand for downstream products in the housing market.⁹⁵ In subsequent reviews, the Commission continued to find that demand for certain PSF was driven by the housing market and demand for downstream products (accounting for increased demand for PSF in the first reviews and decreased demand in the second reviews). The Commission also found reduced demand for certain PSF in the second reviews resulting from: (i) reduced U.S. production of some downstream products due to increased importation of such articles from China, and (ii) new federal regulations on fire retardant materials that had decreased demand for some types

⁹² 19 U.S.C. § 1675a(a)(4).

⁹³ 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 885.

⁹⁴ 19 U.S.C. § 1675a(a)(4).

⁹⁵ Original Determinations, USITC Pub. 3300 at 14.

of certain PSF.⁹⁶ In the current reviews, the domestic interested parties continue to argue that demand for certain PSF tracks the demand for various end-use applications related to the housing industry, and that fluctuations in the housing industry affect demand for certain PSF.⁹⁷ While apparent U.S. consumption was higher in 2015, at *** pounds, than in 2010, at *** pounds,⁹⁸ apparent U.S. consumption for certain PSF remains lower than in the Commission's original investigations or first reviews.⁹⁹

Supply Conditions. In the original investigations, the Commission found that the U.S. market was largely supplied by the domestic industry (accounting for 58.1 percent of apparent U.S. consumption in 1999) and subject imports from Korea (*** percent in 1999) and Taiwan (*** percent in 1999), with nonsubject imports accounting for only a small market share (*** percent in 1999).¹⁰⁰ In subsequent reviews, U.S. market share for both domestic producers and cumulated subject imports decreased while the market share for nonsubject imports increased.¹⁰¹ By 2010, U.S. market share for the domestic industry and cumulated subject imports had declined, to *** percent and *** percent, respectively, while nonsubject imports' U.S. market share had increased to *** percent, with most of this increase coming from China.¹⁰² Between the original investigations and second reviews, the composition of the domestic industry changed and the number of domestic producers increased from six to eight.¹⁰³

Domestic producers of PSF filed petitions with Commerce and the Commission in 2006 alleging that less than fair value imports of PSF from China were materially injuring or threatening injury to the domestic industry.¹⁰⁴ Following affirmative determinations by Commerce¹⁰⁵ and the Commission,¹⁰⁶ Commerce issued an antidumping duty order on PSF from China on May 24, 2007.¹⁰⁷ Following reviews by Commerce and the Commission, Commerce published a continuation of the antidumping duty order on PSF from China in October 2012.¹⁰⁸

⁹⁶ First Reviews, USITC Pub. 3843 at 14; Second Reviews, USITC Pub. 4257 at 14.

⁹⁷ Response at 20; Domestic Interested Parties Comments (Dec. 5, 2016), at 4 ("Comments").

⁹⁸ CR/PR at Table I-5.

⁹⁹ CR/PR at Table I-5; *see also* Comments at 4.

¹⁰⁰ Original Determinations, USITC Pub. 3300 at 15; CR at Table I-5.

¹⁰¹ First Reviews, USITC Pub. 3843 at 15; Second Reviews, USITC Pub. 4257 at 14.

¹⁰² Second Reviews, USITC Pub. 4257 at 14; CR at I-5. Data for subject imports from Korea for 2004 and 2010 calculated in the first and second reviews may be slightly overstated because they include imports from Korean producer Keon Baek, which were no longer subject to the antidumping duty order after October 2004. *See* CR/PR at Table I-4 n.1.

¹⁰³ Second Reviews, USITC Pub. 4257 at 14.

¹⁰⁴ CR at I-14; PR at I-10-11. Domestic producers filing the petition on PSF from China included DAK, Nan Ya America, and Wellman.

¹⁰⁵ 72 Fed. Reg. 19,690 (April 19, 2007).

¹⁰⁶ 72 Fed. Reg. 30,394 (May 31, 2007).

¹⁰⁷ 72 Fed. Reg. 30,545 (June 1, 2007).

¹⁰⁸ 77 Fed. Reg. 62,217 (Oct. 12, 2012).

In these reviews, the domestic industry accounted for *** share of apparent U.S. consumption by quantity in 2015, *** percent, which was lower than its share in 2010 (*** percent).¹⁰⁹ Nonsubject imports accounted for *** share of apparent U.S. consumption by quantity in 2015, with a *** percent market share, which was higher than in 2010 (*** percent).¹¹⁰ While the domestic interested parties note that there are two additional domestic producers since the last reviews, JN Fibers Inc. and PolyTech Fibers LLC, they estimate that these firms added only *** percent to U.S. capacity for PSF.¹¹¹ Subject imports from Korea and Taiwan, on a cumulated basis, accounted for *** percent of apparent U.S. consumption by quantity in 2015, which was lower than the *** percent share for cumulated subject imports in 2010.¹¹²

Substitutability. In the original investigations, the Commission found a high degree of fungibility and direct competition between subject imports and the domestic like product.¹¹³ While respondents argued that imports of conjugate and regenerated PSF¹¹⁴ had limited substitutability with conventional PSF produced by the domestic industry and instead competed with non-PSF products, the Commission found that purchasers primarily purchased conjugate and regenerated PSF to blend with other types of conventional PSF to achieve PSF with the desired characteristics, and that there was no distinct market for conjugate and regenerated PSF as such.¹¹⁵ In subsequent reviews, the Commission continued to find a substantial degree of substitutability between subject imports and the domestic product and that purchasers would blend different types of PSF (e.g., conventional, conjugate, and regenerated) to achieve PSF with the desired characteristics.¹¹⁶

¹⁰⁹ CR/PR at Table I-4.

¹¹⁰ CR/PR at Table I-4. In the original investigations and first reviews, the domestic industry accounted for the largest share of apparent U.S. consumption by quantity, ***. In these reviews, the largest source of nonsubject imports are from China, followed by India, Thailand, and Indonesia, with smaller amounts from other countries. CR/PR at Table I-3.

¹¹¹ Response at 21.

¹¹² CR/PR at Table I-4.

¹¹³ Original Determinations, USITC Pub. 3300 at 14.

¹¹⁴ In the original investigations, the Commission defined conjugate PSF as hollow siliconized fiber with a spiral configuration imparted by a chemical process that bonds two different polyester polymers of different viscosity and causing one side to shrink to produce spiral-shaped crimps. Original Determinations, USITC Pub. 3300 at 10. The Commission defined regenerated PSF as fiber produced primarily from waste PSF and that as a result has inconsistent physical properties (e.g., irregular color, denier, staple length, and crimp count) and that was generally sold without specifications or warranties. *Id.* at 5, n.13.

¹¹⁵ Original Determinations, USITC Pub. 3300 at 15.

¹¹⁶ First Reviews, USITC Pub. 3843 at 15-16; Second Reviews, USITC Pub. 4257 at 14-15. Also of relevance in the first reviews, respondents argued with respect to likely impact that domestically produced recycled PSF was of higher quality than subject import regenerated PSF, resulting in attenuated competition between these products. The Commission, however, observed that purchasers and industry witnesses indicated that these products were highly substitutable. First Reviews, USITC Pub. 3843 at 32.

In these reviews, the domestic interested parties argue that the Commission should continue to find that subject imports and the domestic like product are essentially fungible and sold primarily on the basis of price.¹¹⁷ The information available in these expedited reviews contains nothing to indicate that the substitutability between domestically produced PSF and subject imports, regardless of source, has changed since the prior reviews, and indicates that all types of certain PSF are utilized in the same end use applications.¹¹⁸ There is nothing further on the record of these reviews that contradicts prior Commission findings that purchasers blend different types of PSF (e.g., conventional, conjugate, and regenerated) to achieve desired product characteristics at a given price point.¹¹⁹ Accordingly, we again find that subject imports and the domestic like product have a substantial degree of substitutability and that price is an important factor in purchasing decisions.

C. Likely Volume of Cumulated Subject Imports

The Original Investigations and Prior Reviews. In the original investigations, the Commission found that the volume of cumulated subject imports, as well as the increase in that volume, was significant, both in absolute terms and relative to production and consumption.¹²⁰ Whether measured in terms of cumulated subject import volume or in terms of U.S. shipments of cumulated subject imports, the Commission found that the absolute volume of subject imports increased over the period of investigation (“POI”) while the shipments of U.S. producers decreased.¹²¹ The Commission further found that the market share for U.S. shipments of cumulated subject imports increased during the POI while market share for U.S. shipments of U.S. producers declined.¹²²

In subsequent reviews, the Commission found that revocation of the orders would likely result in a significant increase in subject import volume within a reasonably foreseeable time. In each review, the Commission found that while absolute volumes and market shares of cumulated subject imports generally decreased, cumulated subject imports remained at significant levels and maintained a significant presence in the U.S. market during the period of review, and subject foreign producers retained significant capacity, unused capacity, and were export oriented.¹²³ Additionally, the Commission found in each review that because of numerous trade barriers in third-country markets and the emergence of the Chinese PSF

¹¹⁷ Comments at 5.

¹¹⁸ CR at I-6-8; PR at I-5-6.

¹¹⁹ CR/PR at App. D (purchasers reporting no changes in the conditions of competition since the second reviews).

¹²⁰ Original Determinations, USITC Pub. 3300 at 16-17.

¹²¹ Original Determinations, USITC Pub. 3300 at 16-17.

¹²² Original Determinations, USITC Pub. 3300 at 16-17.

¹²³ First Reviews, USITC Pub. 3843 at 23-25; Second Reviews, USITC Pub. 4257 at 16. While there were occasional yearly increases in cumulated subject import volume, the general trend over both review periods was a decrease in cumulated subject import volume.

industry, subject producers in Korea and Taiwan would be likely to increase exports to the U.S. market to fill unused capacity in the event of revocation of the orders.¹²⁴

The Current Reviews. In the current reviews, the available information indicates that the orders have continued to restrain the volume of subject imports from Korea and Taiwan. The volume of cumulated subject imports was *** pounds in 2011, *** pounds in 2012, *** pounds in 2013, *** pounds in 2014, and *** pounds in 2015.¹²⁵ Cumulated subject imports accounted for *** percent of apparent U.S. consumption in 2015.¹²⁶ While cumulated subject import volumes have declined since the imposition of the orders,¹²⁷ the cumulated volumes have nonetheless remained at appreciable levels during the current reviews. The continuous presence of cumulated subject imports in the U.S. market at appreciable levels, even under the discipline of the orders, indicates that subject foreign producers remain interested in supplying the U.S. market and have ongoing relationships with U.S. customers.

As discussed earlier, the record contains limited information on the PSF industries in Korea and Taiwan because no producer or exporter of subject merchandise participated in these expedited reviews. The record nonetheless indicates that subject producers in Korea and Taiwan possess substantial capacity, retain unused capacity, and remain export oriented.¹²⁸ Coupled with (i) continued competition in their home markets and other export markets from PSF exports from China¹²⁹ and (ii) third country barriers,¹³⁰ it is likely that foreign producers in Korea and Taiwan would seek additional export markets to utilize their excess capacity. Given their current participation in the U.S. market, subject producers have both the means and incentive to increase substantially their exports to the United States should they no longer be

¹²⁴ First Reviews, USITC Pub. 3843 at 26; Second Reviews, USITC Pub. 4257 at 16-17.

¹²⁵ CR/PR at Table I-3.

¹²⁶ CR/PR at Table I-5.

¹²⁷ CR/PR at Table I-4.

¹²⁸ CR at I-27-28; PR at I-20. With respect to the industry in Korea, domestic interested parties submitted data from the *World Polyester – Trend in Demand and Supply 2015* indicating that Korean producers have increased their production capacity *** percent from 2011 to 2014, retain significant unused capacity, and remain almost entirely export oriented. Response at Exh. 2. With respect to the industry in Taiwan, domestic interested parties submitted data from the *World Polyester – Trend in Demand and Supply 2015* indicating that its production capacity increased by *** percent between 2011 and 2014, and that subject producers retain significant unused capacity and remain export oriented. *Id.* Data from the *Global Trade Atlas* for HTS subheading 5503.20, staple fibers, which includes certain PSF and out-of-scope merchandise, further indicates that Korea and Taiwan are among the largest exporters of staple fibers globally. CR/PR at Table I-6.

¹²⁹ CR/PR at Table I-6 (showing China as the largest exporter of staple fibers for much of the period of review); *see also* Response at 10 (noting that the rapid expansion of Chinese PSF production, in excess of China's own domestic needs, has created a global oversupply of PSF and increased competition in third country export markets between Chinese, Korean, and Taiwanese PSF producers).

¹³⁰ PSF from Korea is subject to antidumping duties in Japan, Mexico, Turkey, and Pakistan; PSF from Taiwan is subject to antidumping duties in Indonesia, Japan, and Turkey. CR at I-28-29; PR at I-21.

subject to the discipline of the orders. We accordingly find that the likely volume of cumulated subject imports would be significant if the orders were revoked.

D. Likely Price Effects

The Original Investigations and Prior Reviews. In the original investigations, the Commission found that the domestic like product and subject imports were substitutable and that price was an important factor in purchasing decisions.¹³¹ There was significant underselling by subject imports, with underselling in 96.4 percent of price comparisons.¹³² Prices for both the domestic like product and subject imports declined overall during the POI.¹³³ During periods in the POI when prices for the domestic product remained steady, prices for subject imports continued to decline and shipments of domestic like product correspondingly decreased; only when domestic producers resumed price decreases did they regain market share.¹³⁴ While the Commission observed that raw materials costs also decreased during the POI, it found that record evidence did not indicate that raw material costs were responsible for price declines exhibited over the POI.¹³⁵ The Commission concluded that significant volumes of underpriced subject imports contributed to price depression of the domestic like product.¹³⁶

The Commission continued to find in the prior reviews that all types of certain PSF (e.g., conventional, conjugate, and regenerated) were substitutable and that record information indicated that price was an important factor to purchasers in selecting among suppliers.¹³⁷ In each prior review, the Commission found that the likely significant increase in cumulated subject import volume in the event of revocation would likely be accompanied by significant underselling, which would in turn likely have a significant effect on prices for the domestic like product.¹³⁸ Price comparisons in the first reviews indicated that subject imports continued to undersell the domestic like product, albeit to a lesser degree after imposition of the orders.¹³⁹ Because of the importance of price in purchasing decisions, the Commission found in each review that subject producers would likely reduce prices to regain market share in the event of revocation of the orders, as the subject producers had done prior to the imposition of the orders.¹⁴⁰ Such increases in underselling would then likely depress or suppress the prices of the domestic like product due to the high degree of substitutability between subject imports and the domestic like product.¹⁴¹

¹³¹ Original Determinations, USITC Pub. 3300 at 14-17.

¹³² Original Determinations, USITC Pub. 3300 at 17.

¹³³ Original Determinations, USITC Pub. 3300 at 17.

¹³⁴ Original Determinations, USITC Pub. 3300 at 17.

¹³⁵ Original Determinations, USITC Pub. 3300 at 18.

¹³⁶ Original Determinations, USITC Pub. 3300 at 18.

¹³⁷ First Reviews, USITC Pub. 3843 at 27; Second Reviews, USITC Pub. 4257 at 18.

¹³⁸ First Reviews, USITC Pub. 3843 at 27; Second Reviews, USITC Pub. 4257 at 18.

¹³⁹ First Reviews, USITC Pub. 3843 at 28.

¹⁴⁰ First Reviews, USITC Pub. 3843 at 28; Second Reviews, USITC Pub. 4257 at 18.

¹⁴¹ First Reviews, USITC Pub. 3843 at 28-29; Second Reviews, USITC Pub. 4257 at 18.

The Current Reviews. As discussed above, we continue to find that subject imports from Korea and Taiwan are substitutable for each other and for the domestic like product, and we continue to find that price is an important factor in purchasing decisions. The most recent price comparisons were gathered during the first reviews,¹⁴² and the record of these reviews does not contain current pricing comparisons due to their expedited nature. Based on the available information, we find that revocation of the orders would likely result in significant volumes of cumulated subject imports that would likely significantly undersell the domestic like product to gain market share, as they did in the original investigations, particularly because there have been no appreciable changes in the pertinent conditions of competition.

Because price is important to purchasing decisions, the presence of significant quantities of cumulated subject imports that would likely enter the United States in the event of revocation and that would likely undersell the domestic like product would force the domestic industry either to lower prices or lose sales. In light of these considerations, we conclude that absent the disciplining effects of the orders, cumulated subject imports would likely have significant depressing or suppressing effects on prices for the domestic like product.

E. Likely Impact

The Original Investigations and Prior Reviews. In the original investigations, the Commission found that cumulated subject imports had a significant impact on the domestic industry.¹⁴³ The Commission found that even though apparent U.S. consumption of PSF increased over the POI, key performance indicators for the domestic industry declined over the period, including market share and unit values for U.S. shipments.¹⁴⁴ Although the domestic industry's cost of goods sold for production of PSF declined and net sales quantity increased over the POI, the net sales unit value declined over the POI and resulted in gross profits and operating income declining each year of the POI.¹⁴⁵

In the first reviews, the Commission found that revocation of the orders would result in a significant volume of low-priced subject imports that would likely have a significant adverse impact on the domestic industry.¹⁴⁶ The Commission found that the domestic industry was vulnerable to the continuation or recurrence of material injury due to operating losses over most of the period of review and declines in capacity utilization and capital expenditures.¹⁴⁷ While the Commission acknowledged that some record data indicated improvements in the state of the domestic industry, such as increases in the number of production workers and industry profitability in the last year of the review, it emphasized that nearly every other measure of the domestic industry was weaker during the review period than in the original

¹⁴² First Reviews, USITC Pub. 3843 at 28 (showing continued underselling by subject imports).

¹⁴³ Original Determinations, USITC Pub. 3300 at 19.

¹⁴⁴ Original Determinations, USITC Pub. 3300 at 19.

¹⁴⁵ Original Determinations, USITC Pub. 3300 at 19.

¹⁴⁶ First Reviews, USITC Pub. 3843 at 31-32.

¹⁴⁷ First Reviews, USITC Pub. 3843 at 31-32.

investigations.¹⁴⁸ As discussed earlier, respondents argued that competition was attenuated between subject imports and domestic like product, specifically that domestically produced recycled PSF was of higher quality than and did not compete with subject import regenerated PSF, but the Commission observed that purchasers and industry witnesses indicated that these products were highly substitutable, and concluded that competition between subject imports and the domestic like product was not attenuated.¹⁴⁹ Because of the domestic industry's vulnerability, the Commission found that resumption of significant volumes of low-priced subject imports would likely result in continuation or recurrence of material injury to the domestic industry in the event of revocation of the orders.¹⁵⁰

In the second reviews, the Commission found that record data were insufficient to determine whether the domestic industry was vulnerable to the continuation or recurrence of material injury.¹⁵¹ The Commission found that the likely significant adverse effects on the domestic industry's production, sales, and revenue from likely increases in low-priced subject imports would adversely impact the domestic industry's profitability, employment levels, ability to raise capital, and capital expenditures.¹⁵² As such, the Commission concluded that revocation of the orders would likely have a significant impact on the domestic industry within a reasonably foreseeable time.¹⁵³

The Current Reviews. Because these are expedited reviews, we have only limited information with respect to the domestic industry's performance over the period of review.¹⁵⁴ The record indicates that in 2015, the domestic industry's capacity was *** pounds, its production was *** pounds, its U.S. shipments were *** pounds, and its capacity utilization was *** percent.¹⁵⁵ The domestic industry's net sales were \$*** in 2015, its operating income was ***, and its ratio of operating income to net sales was *** percent.¹⁵⁶ While the responding domestic producers' capacity, average unit value (AUV), net sales revenues, operating income, and operating income ratio all increased since the second review period, their reported production, capacity utilization, and shipments all decreased.¹⁵⁷ The limited

¹⁴⁸ First Reviews, USITC Pub. 3843 at 31-32.

¹⁴⁹ First Reviews, USITC Pub. 3843 at 32.

¹⁵⁰ First Reviews, USITC Pub. 3843 at 32.

¹⁵¹ Second Reviews, USITC Pub. 4257 at 19.

¹⁵² Second Reviews, USITC Pub. 4257 at 19.

¹⁵³ Second Reviews, USITC Pub. 4257 at 19.

¹⁵⁴ CR/PR at Table I-2.

¹⁵⁵ CR/PR at Table I-2.

¹⁵⁶ CR/PR at Table I-2.

¹⁵⁷ CR/PR at Table I-2. We note that in the second reviews domestic producers for which trade data were available accounted for *** percent of domestic production of certain PSF in 2010, while in these current reviews responding domestic producers for which trade data are available account for *** percent of domestic production of certain PSF in 2015. Confidential Staff Report, INV-JJ-080, EDIS Doc. No. 455486 (July 28, 2011) at I-14 and Table I-2; CR/PR at Table I-1.

record in these reviews is insufficient to determine whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.¹⁵⁸

Based on the information available in these reviews, we find that revocation of the orders would likely lead to a significant increase in the volume of cumulated subject imports and that these imports would likely undersell the domestic like product and result in either significant price depression or suppression or loss of market share for the domestic like product. We find that such intensified competition from subject imports would in turn likely have a significant impact on the domestic industry. The lower prices for domestic like product or loss of market share would adversely impact the domestic industry's production, shipments, sales, and revenue, which would in turn further adversely impact the domestic industry's employment levels and ability to raise capital and make capital expenditures.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Notwithstanding an increase in nonsubject import volume and market penetration over the period of review,¹⁵⁹ the domestic industry's AUVs, sales revenues, and profitability were higher in 2015 than in 2010.¹⁶⁰ Therefore, the likely impact of future cumulated subject imports is distinguishable from that of future nonsubject imports.

Accordingly, we conclude that if the orders on certain PSF from Korea and Taiwan were revoked, subject imports would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.

V. Conclusion

For all the foregoing reasons, we determine that revocation of the antidumping duty orders on certain PSF from Korea and Taiwan would be likely to lead to continuation of material injury to an industry in the United States within a reasonably foreseeable time.

¹⁵⁸ Commissioner Pinkert does not find the domestic industry to be vulnerable due to its operating income and ratio of operating income to net sales in 2015. CR/PR at Table I-2.

¹⁵⁹ CR/PR at Table I-5. As discussed earlier, Commerce issued an antidumping order on PSF from China in 2007. CR at I-14; PR at I-10-11

¹⁶⁰ CR/PR at Table I-4.

INFORMATION OBTAINED IN THESE REVIEWS

BACKGROUND

On August 1, 2016, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of antidumping duty orders on certain polyester staple fiber (“certain PSF”) from Korea and Taiwan would likely lead to the continuation or recurrence of material injury to a domestic industry.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.³ ⁴ The following tabulation presents information relating to the background and schedule of this proceeding:

| Effective or statutory date | Action |
|-----------------------------|---|
| August 1, 2016 | Notice of initiation and institution by Commerce and Commission |
| November 4, 2016 | Commission votes on adequacy |
| December 20, 2016 | Commerce results of its expedited reviews |
| January 31, 2017 | Commission views |

RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews concerning certain PSF from Korea and Taiwan. It was filed on behalf of domestic producers Auriga Polymers Inc. (“Auriga”), DAK Americas, LLC (“DAK”), and Nan Ya Plastics Corporation, America (“NanYa”) (collectively referred to herein as “domestic interested

¹ 19 U.S.C. 1675(c).

² *Certain Polyester Staple Fiber from Korea and Taiwan: Institution of Five-Year Reviews*, 81 FR 50544, August 1, 2016. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping duty orders concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 81 FR 50462, August 1, 2016. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in prior proceedings is presented in app. C.

⁴ Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in the adequacy phase of these reviews.

parties”). A summary of the number of responses and estimates of coverage is shown in table I-1.

Table I-1

Certain PSF: Summary of responses to the Commission’s notice of institution

| Type of interested party | Completed responses | |
|--------------------------|---------------------|-------------------|
| | Number | Coverage |
| Domestic: | | |
| U.S. producer | 3 | ***% ¹ |

¹ The coverage figure presented, as provided by the domestic interested parties in their response, represents the firms’ aggregate share of total U.S. production of certain PSF during 2015.

Party comments on adequacy

The Commission received one submission from the domestic interested parties commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. In their comments, the domestic interested parties indicated that the responding domestic producers: (1) accounted for a majority of U.S. production of the domestic like product; (2) expressed their willingness to fully participate in these reviews; and (3) provided all data and other information required by the Commission's notice of institution.⁵ Therefore, the domestic interested parties argued that the Commission should conclude that the domestic industry's response is adequate. The domestic interested parties further argued that the Commission should find the response on behalf of the respondents in these reviews to be inadequate because no foreign producers or U.S. importers of certain PSF responded to the Commission’s notice of institution. They further argued that full reviews “likely would not elicit any additional information from foreign or importing companies that have refused to submit information to date and would only impose an unwarranted burden on both the domestic producers and the Commission.” In addition, they stated that record evidence from the only purchaser during the adequacy phase of these reviews presented no changes in production, end use applications, completion, and/or availability of the subject product in the United States. Accordingly, the domestic interested parties requested that the Commission conduct expedited reviews of the antidumping orders on certain PSF from Korea and Taiwan.⁶

RECENT DEVELOPMENTS IN THE INDUSTRY

Since the Commission’s last five-year reviews in 2011, the following developments have occurred in the polyester staple fiber industry.

⁵ *Domestic Interested Parties’ Comments on Adequacy*, October 14, 2016, p. 2.

⁶ *Ibid.*, pp. 2-3.

- Likely because it is one of the most easily recycled of all synthetic fibers and its versatility and use in numerous products, including apparel and soda bottle manufacturing,⁷ polyester continues to dominate fiber demand growth, growing at a significantly faster rate than all other fiber types.⁸ During 2012 to 2015, global production of polyester rose 4.7 percent to 114.89 billion pounds, accounting for 78 percent of total manufactured fiber production, excluding olefin, up from 76 percent in 2014.⁹
- Since 2011, overall, the synthetic fiber manufacturing industry (which includes producers of polyester staple fiber), has experienced favorable economic conditions. Per capita disposable income and the number of housing starts increased, thereby boosting demand for home furnishings and household consumer products using synthetic fibers. Industry revenue rebounded from the recession and rising demand from downstream carpet mills¹⁰ is expected to boost industry revenue by 1.8 percent in 2016. The industry has also benefitted from lower costs for petrochemical inputs because of the fall in crude oil prices.¹¹
- Although an industry source reported that U.S. producers of polyester staple fiber—U.S. Fibers and United Fibers—have grown in recent years, the U.S. industry producing the subject polyester staple fibers has not changed appreciably since the last sunset reviews.¹² There have been no plant closures, mergers, or acquisitions.¹³ However, there have been some new entrants, company expansions, and changes in ownership.
- Recently, three new U.S. producers of polyester staple fibers emerged. JN Fibers, Inc. (operating under its subsidiary Sun Fiber LLC) built a \$45 million manufacturing facility in Richburg, South Carolina to produce polyester staple fibers from recycled soda and water bottles for use in home textiles, furniture, upholstery, and automotive industries¹⁴ and PolyTech Fibers LLC invested \$12 million in an 80,000-square-foot facility in Chatsworth, Georgia to manufacture and distribute several types of regenerated/recycled polyester staple fiber for the automotive industry and filter

⁷ IBIS World, “Synthetic Fiber Manufacturing in the US,” March 2016, p. 14.

⁸ “Man-made Fibers Continue to Grow,” February 3, 2015. <http://www.textileworld.com/textile-world/2015/02/man-made-fibers-continue...>

⁹ “2016 Worldwide Survey of Production and Capacity.” *Fiber Organon*, July 2016, p. 119.

¹⁰ Specifically excluded from the orders are polyester staple fibers of 10 to 18 denier that are cut to lengths of 6 to 8 inches (fibers used to manufacture carpet).

¹¹ IBIS World, “Synthetic Fiber Manufacturing in the US,” March 2016, pp. 5 and 7.

¹² American Fibers Manufacturing Association representative, telephone interview with Commission staff, September 21, 2016.

¹³ American Fibers Manufacturing Association representative, telephone interview with Commission staff, September 21, 2016.

¹⁴ South Carolina Department of Commerce. News release, “JN Fibers Inc. Locating Facility in Chester County: \$45 Million Expected to Create 318 New Jobs,” September 25, 2013. <http://sccommerce.com/news/press-releases/jn-fibers-inc-locating-facility-chester-county>.

sector.¹⁵ These two new firms are expected to add about 2.5 percent to total U.S. industry capacity for polyester staple fiber and production expansion is expected to take a couple of years.¹⁶ In late 2015, another new firm, Custom Synthetic Fibers, announced plans to transform an existing empty facility in Rogersville, Alabama into an 80,000 square foot plant with state-of-the-art technology and hire about 50 employees to manufacture recycled polyester staple fiber.¹⁷

- As during the previous reviews in 2011, the leading U.S. producers of polyester staple fiber producers remain Auriga, DAK, and NanYa. These three U.S. producers accounted for *** percent of U.S. production of the subject polyester staple fibers in 2015.¹⁸
- In late 2015, Auriga announced it would invest \$35 million to add 15,000 tons of polyester staple fiber spinning capacity to its Spartanburg County facility. Expected to begin operations in May 2017, the facility will produce fibers based on environmentally friendly polymers.¹⁹
- In early 2015, Chinese firm Shanghai Pret Composites Co., Ltd. announced plans to buy Wellman Plastics Recycling LLC. Wellman's Engineering Resins division produces nylon, polyester and polypropylene resin products for the automotive industry made from 100 percent post-consumer recycled materials.²⁰ In early 2016, plans also began to restart a former Wellman Inc. polyester fiber plant in Darlington, South Carolina to make woven and non-woven polyester fiber for medical and other specialty markets.²¹
- Total U.S. industry annual polyester staple fiber production capacity, an estimated 760,000 tons, is modest compared to other global suppliers. For instance, China's

¹⁵ Georgia.org News Release, "PolyTech Fibers to Create 114 Jobs in Murray County: Georgia-based business to open its first manufacturing facility in Chatsworth, investing \$12 million," October 6, 2014. <http://www.georgia.org/newsroom/press-releases/polytech-fibers-create-114-jobs-murray-county/12million>.

¹⁶ American Fibers Manufacturing Association representative, telephone interview with Commission staff, September 21, 2016.

¹⁷ Recycling Today, "Plastics Recycler to Open New Plant in Alabama: Customs Synthetic fibers will Target Polyester as a Raw Material," June 3, 2016. <http://www.recyclingtoday.com/article/custom-synthetic-plastics-polymers/> and American Fibers Manufacturing Association representative, telephone interview with Commission staff, September 21, 2016.

¹⁸ *Domestic Interested Parties' Response to the Notice of Institution*, August 31, 2016, p. 19.

¹⁹ South Carolina Department of Commerce, News Release, "Auriga Polymers, Inc. Expanding Upstate Operations: Company Investing More than \$35 Million to Expand Spartanburg County Operations," November 2, 2015. <http://scommerce.com/news/press-releases/auriga-polymers-inc-expanding-upstate-operations> and American Fiber Manufacturers Association representative, telephone interview with Commission staff, September 21, 2016.

²⁰ "Chinese Company Buying Wellman Plastics Recycling," January 7, 2015. <http://www.thestate.com/news/business/article13933937.html>.

²¹ Esposito, Frank. Plastic News, "Investors Eye New Business for Former Wellman PET Fiber Site," May 20, 2016. <http://www.plasticsnews.com/article/20160520/NEWS/160529969/investors-eye-new-business-for-former-wellman-pet-fiber-site>.

annual capacity of 10 million tons. Many of China's individual plants have annual production capacities of 800,000 tons. Korea and Taiwan have annual capacities of 700,000 and 530,000 tons, respectively.²²

THE PRODUCT

Commerce's scope

Commerce has defined the subject merchandise as:

The product covered by the orders is polyester staple fiber (PSF). PSF is defined as synthetic staple fibers, not carded, combed or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut to lengths varying from one inch (25 mm) to five inches (127 mm). The merchandise subject to the orders may be coated, usually with a silicon or other finish, or not coated. PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Merchandise of less than 3.3 decitex (less than 3 denier) currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 5503.20.00.20 is specifically excluded from the orders. Also specifically excluded from the orders are PSFs of 10 to 18 denier that are cut to lengths of 6 to 8 inches (fibers used to manufacture carpet). In addition, low-melt PSF is excluded from the orders. Low-melt PSF is defined as a bi-component fiber with an outer sheath that melts at a significantly lower temperature than its inner core.²³

Description and uses²⁴

PSF is a man-made fiber that is similar in appearance to cotton or wool fiber when baled. Certain PSF is known in the industry as "fiber for fill," as it is primarily used as polyester fiberfill. Certain PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture.²⁵ PSF is also used on a more limited basis to produce ***.²⁶ Certain PSF has physical characteristics that distinguish it from other polyester staple fibers (such as carpet fiber and fiber for spinning), including the denier of the fiber, the

²² American Fibers Manufacturing Association representative, telephone interview with Commission staff, September 21, 2016.

²³ *Certain Polyester Staple Fiber from the Republic of Korea and Taiwan: Continuation of Antidumping Duty Orders*, 76 FR 60802, September 30, 2011.

²⁴ Unless otherwise noted, this information is based on *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Second Review)*, USITC Publication 4257, September 2011, p. I-8.

²⁵ *Certain Polyester Staple Fiber from the Republic of Korea and Taiwan: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 70 FR 45368, August 5, 2005.

²⁶ *Investigation Nos. 731-TA-825 and 826 (Review): Certain Polyester Staple Fiber from Korea and Taiwan--Staff Report*, INV-DD-022, February 15, 2006, p. I-13, fn. 2.

length of the fiber, and in some cases the finish and "crimp" of the fiber. Most synthetic fiber is sold by quantity based on the denier of the fiber.

Because certain PSF is principally used as fiberfill and not generally seen by the customer, its appearance is often less important than its performance to customers. However, for certain end products such as mattresses, comforters, cushions, pillows, and furniture with light-color upholstery, the appearance of certain PSF directly affects the perceived value of these products.

Certain PSF used for fill can be produced in many variations for purposes of quality enhancement. For example, the subject fiber may be crimped fiber or conjugate fiber,²⁷ giving the fiber "loft" for stuffing purposes. It may also be coated with a finish (usually silicone or oil-based), making the fiber smoother to the touch for certain high end uses. The subject fiber may vary in shape and may be hollow or solid, depending on both the preference of the manufacturer and the end use of the fiber.

Raw materials used to produce certain PSF may also vary. Staple fiber can be made by reacting ethylene glycol with either terephthalic acid or its methyl ester; if so produced, it is termed virgin PSF. Staple fiber may also be made from recycled polyester, using either consumer waste, such as polyethylene terephthalate ("PET") bottles, or industrial waste, such as polyester chips or spun tow. Fiber made in this way is known as regenerated, or recycled, fiber. Some producers of the subject fiber also manufacture a blend of virgin and recycled/regenerated materials by introducing polyester chips into the virgin production line. Finally, PSF may be in the form of a low-melt fiber, which is not included within the scope of the orders under review. Low-melt fiber is a bi-component fiber with an outer sheath that melts at a significantly lower temperature than its inner polyester core for purposes of thermal bonding.

²⁷ As explained further in the "Manufacturing Process" section of this report, conjugate fiber is a two-component fiber with the ability to crimp (become wavy).

Manufacturing process²⁸

Manufacturing of certain PSF may be divided into two discrete stages. The first stage of the process is polymer formation, a process that can vary depending on whether virgin (unprocessed chemicals) or recycled materials are being used. Polymer formation also varies, depending on whether conjugate fiber²⁹ or low-melt fiber is being produced. The second stage of the process, which is common to all certain PSF (including conjugate and regenerated fiber), is fiber formation, including stretching, cutting, and baling.

The manufacture of certain PSF from virgin materials begins by reacting ethylene glycol with either terephthalic acid or its methyl ester in the presence of an antimony catalyst. The reaction is carried out at a high temperature and in a vacuum to achieve the high molecular weights needed to form useful fiber. The mix is then sent through an esterification process before it is polymerized. Esterification is the chemical process of combining an acid with an alcohol to form an ester. If a virgin or recycled blend is to be produced, the recycled material (usually in the form of polyester chips) is introduced at the esterification stage.

After polymerization, the solid, molten plastic, which has a consistency similar to cold honey, must be heated and liquefied before it can be extruded. The liquid fiber-forming polymers are then extruded through tiny holes of a spinneret, a device similar in principle to a showerhead, to form continuous filaments of semi-solid polymer. The denier of the fiber is controlled by the size of the holes on the spinneret. After extrusion, the semi-solid fibers are blasted with cold air to form solid fibers. This process is known as continuous polymerization.

The manufacture of regenerated³⁰ certain PSF begins with the processing of the recycled materials. Regenerated certain PSF inputs can consist of a variety of different types of materials including: virgin first quality chip, virgin off-spec chip, post industrial (regenerated) pellet waste, post industrial (regenerated) film waste, post consumer bottles, post consumer bottle

²⁸ Unless otherwise noted, this section is based on information contained in the following Commission publications: *Certain Polyester Staple Fiber from Korea and Taiwan, Invs. Nos. 731-TA-825 and 826 (Final)*, USITC Publication 3300, May 2000, pp. I-3 to I-9; *Certain Polyester Staple Fiber from Korea and Taiwan, Invs. Nos. 731-TA-825 and 826 (Review)*, USITC Publication 3843, March 2006, pp. I-12 to I-19; and *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Second Review)*, USITC Publication 4257, September 2011, pp. I-9 to I-10. Since the original investigations, the manufacturing processes for PSF have remained essentially the same with just some “fine-tuning.” For example, some plant engineers and operators have learned how to optimize the production of their particular equipment to “achieve higher rates of through-put of molten polymer through the spinnerette, or improved speeding of handling staple tow after it has become fiber,” as well as “speeding up the cutting baling of the fibers.” As a result, the tweaks in the process have had a marginal impact on improving overall capacity utilization and efficiency of production, resulting in marginally improved production costs. American Fiber Manufacturers Association representative. Email message to Commission staff, September 27, 2016.

²⁹ Conjugate fiber is a two-component fiber with the ability to crimp (become wavy) when exposed to hot or hot/wet treatment, which causes differential shrinkage.

³⁰ “Regenerated certain PSF” refers to both regenerated and recycled PSF, unless otherwise noted.

flake, and miscellaneous post industrial (regenerated) waste. Depending on the materials used, the recycled product is cleaned and either chipped or pelletized before being sent to the extruder. The recycled material is then melted to form molten polymers and sent through the spinneret to form continuous filaments of semi-solid polymer. As with fiber from virgin materials, the polymer is then blasted with cold air to form solid fiber.

The second stage of production is common to fibers made from either virgin or recycled materials. The solid fiber is coated for the first time with an oil finish, usually only for internal use to facilitate further processing. The spun tow, as it is now known, is collected into a can to be stretched. The spun tow is sent over a creel and a series of "draw wheels" in order to orient the fiber molecules and strengthen the tow. Next, the tow is sent through a crimping machine, which gives the fiber tow a two dimensional, saw-tooth shape. The tow is then sent through an oven to heat-set the crimp. A second finish (usually silicone or some type of oil-based finish) may be added during this stage of the process, either before the fiber tow is crimped and heat-set or directly after, depending on the preference of the manufacturer. Finally, the fiber tow is cut to length and baled.

The manufacturing processes for PSF that do not fall within the scope are similar to those for certain PSF. Out-of-scope PSF includes PSF of less than 3 denier, PSF for carpeting, and low-melt PSF, in addition to other products. These nonsubject forms of PSF may be manufactured on the same equipment and machinery used to produce certain PSF. The production of PSF of less than 3 denier, commonly referred to as fine denier PSF, is controlled by the size of the holes on the spinneret. By using a spinneret with smaller holes, a production line can switch from heavier gauge PSF to finer denier; the other steps of the manufacturing process remain generally the same. PSF for carpeting is a heavier denier than certain PSF and is produced by using a spinneret with larger holes. To achieve carpet fibers with luster, a slightly different mix of raw materials is used.

U.S. tariff treatment

Certain PSF is currently imported under HTS statistical reporting numbers 5503.20.0045 and 5503.20.0065, entering the U.S. market at a column 1-general duty rate of 4.3 percent *ad valorem* for imports from countries with normal trade relations, including Korea and Taiwan. The column 1-general tariff rate at the time of the first reviews and second reviews was 4.3 percent *ad valorem* and at the time of the original investigations was 4.5 percent *ad valorem*.³¹

The definition of the domestic like product and domestic industry

The domestic like product is defined as 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, the Commission found two domestic like

³¹ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

products corresponding to 1) low-melt fiber and 2) conventional certain PSF. Because the Commission found no material injury or threat of material injury by reason of subject imports with respect to low-melt fiber, the relevant domestic like product definition from the original investigations is all conventional PSF, the product subject to the antidumping duty orders.³² In the first five-year review determinations, the Commission continued to define the domestic like product as all certain PSF, coextensive with the scope of the reviews.³³ In the second expedited five-year review determinations, the Commission again defined the domestic like product as all certain PSF, corresponding to the scope of Commerce's investigations and reviews.³⁴

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry. According to their response to the notice of institution, the domestic interested parties agree with the Commission's definitions.³⁵

THE ORIGINAL INVESTIGATIONS AND SUBSEQUENT REVIEWS

The original investigations

The original investigations resulted from petitions filed on April 2, 1999 with Commerce and the Commission by E.I. DuPont de Nemours ("DuPont"); Intercontinental Polymers, Inc. ("Intercontinental"); Arteva Specialties S.a.r.l., d/b/a KoSa ("KoSa"); NanYa; and Wellman, Inc. ("Wellman"). NanYa subsequently withdrew as a petitioner in the investigation involving Korea and was never an original petitioner in the investigation involving Taiwan. DuPont also later withdrew as a petitioner in the investigation involving Taiwan. After receiving the Commission's final affirmative determinations, Commerce issued antidumping duty orders on imports of certain PSF from Korea and Taiwan,³⁶ with margins of *de minimis* to 7.91 percent ad valorem for certain PSF from Korea and 5.77 to 9.51 percent ad valorem for certain PSF from Taiwan.

The first five-year reviews

On March 20, 2006, the Commission completed its full first five-year reviews. The Commission determined that revocation of the antidumping duty orders on certain PSF from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an

³² *Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Final)*, USITC Publication 3300, May 2000, p. 9.

³³ *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825-826 (Review)*, USITC Publication 3843, March 2006, pp. 5-6.

³⁴ *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Second Review)*, USITC Publication 4257, September 2011, p. 5.

³⁵ *Domestic Interested Parties' Response to the Notice of Institution*, August 31, 2016, p. 21.

³⁶ *Certain Polyester Staple Fiber from the Republic of Korea and Taiwan: Notice of Antidumping Duty Order*, 65 FR 33807, May 25, 2000.

industry in the United States within a reasonably foreseeable time.³⁷ On April 3, 2006, Commerce published its notice of continuation of the antidumping duty orders.³⁸

The second five-year reviews

On September 13, 2011, the Commission completed its expedited second five-year reviews on certain PSF from Korea and Taiwan.³⁹ The Commission determined that revocation of the antidumping duty orders on certain PSF from Korea 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.⁴⁰ On September 30, 2011, Commerce published its notice of continuation of the antidumping duty orders.⁴¹

PRIOR RELATED INVESTIGATIONS

On June 23, 2006, a petition was filed with the Commission and Commerce by DAK Americas, NanYa, and Wellman, alleging that LTFV imports of PSF from China were materially injuring or threatening to materially injure the domestic industry. On April 1, 2007, Commerce determined that PSF from China was being or was likely to be sold in the United States at LTFV. On May 24, 2007, the Commission determined that the U.S. industry was materially injured by reason of LTFV imports of PSF from China.⁴² On June 1, 2007, Commerce issued the antidumping duty order on PSF from China.⁴³ On May 1, 2012, the Commission instituted⁴⁴ and Commerce initiated⁴⁵ the first five-year review on the antidumping duty on PSF from China. Following an expedited five-year review, on September 28, 2012, the Commission determined that revocation of the antidumping duty order on PSF from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a

³⁷ *Certain Polyester Staple Fiber from Korea and Taiwan; Determinations*, 71 FR 14721, March 23, 2006.

³⁸ *Certain Polyester Staple Fiber from the Republic of Korea and Taiwan: Continuation of Antidumping Duty Orders*, 71 FR 16558, April 3, 2006.

³⁹ *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Second Review)*, USITC Publication 4257, September 2011, p. I-1.

⁴⁰ *Certain Polyester Staple Fiber from Korea and Taiwan; Determination*, 76 FR 58040, September 19, 2011.

⁴¹ *Certain Polyester Staple Fiber from the Republic of Korea and Taiwan: Continuation of Antidumping Duty Orders*, 76 FR 60802, September 30, 2011.

⁴² *Certain Polyester Staple Fiber from China: Determination*, 72 FR 30394, May 31, 2007.

⁴³ *Notice of Antidumping Duty Order: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 30545, June 1, 2007.

⁴⁴ *Certain Polyester Staple Fiber from China; Institution of a Five-Year Review*, 77 FR 25744, May 1, 2012.

⁴⁵ *Initiation of Five-Year ("Sunset") Review*, 77 FR 25683, May 1, 2012.

reasonably foreseeable time⁴⁶ and Commerce published the first continuation of the antidumping duty order on PSF from China on October 12, 2012.⁴⁷ The second five-year review of the antidumping duty order on PSF from China is currently scheduled for initiation on September 1, 2017.

ACTIONS AT COMMERCE

Company revocations

In October 2004, Commerce revoked application of the antidumping duty order with respect to Korean producer/exporter Keon Baek Co., Ltd. (“Keon Baek”).⁴⁸

Administrative reviews

Since the second five-year reviews in 2011, Commerce has not completed any administrative review of the antidumping duty order on certain PSF from Korea. For the antidumping duty order on certain PSF from Taiwan, Commerce has completed five administrative reviews since the second five-year reviews in 2011.

Changed circumstances reviews

Since the second expedited reviews, Commerce has conducted one changed circumstances review of the antidumping duty order on certain PSF from Korea. On December 22, 2014, Commerce determined that Toray Chemical Korea Inc. is the successor-in-interest to Woongjin Chemical Co., Ltd., and should be accorded the same treatment with the regard to the order on certain PSF.⁴⁹

Current five-year reviews

Commerce is conducting expedited reviews with respect to certain PSF from Korea and Taiwan and intends to issue the final results of these reviews based on the facts available not later than November 29, 2016.⁵⁰

⁴⁶ *Certain Polyester Staple Fiber from China: Determination*, 77 FR 60720, October 4, 2012.

⁴⁷ *Certain Polyester Staple Fiber from the People's Republic of China: Continuation of Antidumping Duty Order*, 77 FR 62217, October 12, 2012.

⁴⁸ *Certain Polyester Staple Fiber from Korea: Final Results of Antidumping Duty Administrative Review and Final Determination to Revoke the Order in Part*, 69 FR 61341, October 18, 2004.

⁴⁹ *Certain Polyester Staple Fiber from the Republic of Korea: Final Results of Changed Circumstances Review*, 79 FR 76301, December 22, 2014.

⁵⁰ Jim Doyle, letter to Catherine DeFilippo, September 20, 2016.

THE INDUSTRY IN THE UNITED STATES

U.S. producers

During the original investigations, the Commission found that the following six U.S. firms produced certain PSF: DuPont, Intercontinental Polymers, KoSa, Martin Color-Fi, NanYa, and Wellman. At the time, DuPont, KoSa, and Wellman accounted for *** percent of domestic production of PSF. NanYa was identified in the original investigations as a wholly owned subsidiary of Nan Ya Plastics Corp., a producer of subject merchandise in Taiwan, and DuPont was identified as an importer of subject merchandise from Korea. During the Commission's full first five-year reviews, the following firms were identified as producers of certain PSF in the United States: Color-Fi, DAK, Invista, NanYa, U.S. Fibers, United Synthetics, and Wellman. At the time of the Commission's expedited second five-year reviews, eight firms were identified as producers of certain PSF in the United States: Color-Fi (Division of Formed Fiber Technology, Inc.); DAK; Invista (currently operating as Auriga Polymers); NanYa; Palmetto; U.S. Fibers; United Synthetics; and Wellman.⁵¹

In the current third five-year reviews, the domestic interested parties indicated in their response to the Commission's notice of institution that the following 10 firms are domestic producers of certain PSF: Auriga (formerly Invista); Color-Fi (Division of Formed Fiber Technology, Inc.); DAK; NanYa; Palmetto; PolyTech Fibers LLC; Sun Fiber LLC; U.S. Fibers; United Synthetics; and, Wellman.⁵²

Definition of the domestic industry and related party issues

The domestic industry is defined as 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, the Commission defined two domestic industries corresponding to the two domestic like products: 1) all domestic producers of conventional certain PSF and 2) all domestic producers of low-melt fiber. As previously mentioned, because the Commission found no material injury or threat of material injury by reason of subject imports with respect to low-melt fiber in the original investigations, the relevant domestic like product and domestic industry definition is all conventional PSF, the product subject to the current antidumping duty orders. The Commission also determined that circumstances did not warrant the exclusion of any firm from the domestic industry as related parties.⁵³ In its full first five-year review determinations, the Commission defined the domestic industry as all domestic producers of certain PSF and found

⁵¹ *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Second Review)*, USITC Publication 4257, September 2011, p. I-11.

⁵² *Domestic Interested Parties' Response to the Notice of Institution*, August 31, 2016, p. 21.

⁵³ *Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Final)*, USITC Publication 3300, May 2000, p. 9.

that circumstances did not warrant exclusion of any firm from the domestic industry.⁵⁴ In its expedited second five-year review determinations, the Commission defined the domestic industry as all domestic producers of certain PSF and that appropriate circumstances did not exist to exclude NanYa, United Synthetics, or Wellman from the domestic industry.⁵⁵

In its response to the notice of institution in these current third five-year reviews, the domestic interested parties identified two related parties: (1) NanYa is a wholly owned subsidiary of the Taiwanese PSF producer Nan Ya Plastics Corporation; and (2) United Synthetics is a wholly owned subsidiary of the Korean producer Korea Synthetic Fibers. The domestic interested parties stated that no other U.S. producer is related to a foreign producer/exporter of the subject merchandise and that none of the U.S. producers is an importer of the subject merchandise or is related to an importer of subject PSF.⁵⁶

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.⁵⁷ Table I-2 presents a compilation of the data submitted from all responding U.S. producers in these current five-year reviews, as well as trade and financial data submitted by U.S. producers in the original investigations and the first and second five-year reviews.

⁵⁴ *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825-826 (Review)*, USITC Publication 3843, March 2006, p. 6.

⁵⁵ *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Second Review)*, USITC Publication 4257, September 2011, pp. 6-7.

⁵⁶ *Domestic Interested Parties' Response to the Notice of Institution*, August 31, 2016, p. 17.

⁵⁷ Individual company trade and financial data are presented in app. B.

Table I-2**Certain PSF: Trade and financial data submitted by U.S. producers, 1999, 2004, 2010, and 2015**

| Item | 1999 | 2004 | 2010 | 2015 |
|---|-------------|-------------|-------------|-------------|
| Capacity (1,000 pounds) | 743,608 | 964,900 | *** | *** |
| Production (1,000 pounds) | 548,703 | 665,590 | *** | *** |
| Capacity utilization (percent) | 73.8 | 69.0 | *** | *** |
| U.S. commercial shipments: | | | | |
| Quantity (1,000 pounds) | 530,340 | 610,607 | *** | *** |
| Value (\$1,000) | 281,070 | 343,808 | *** | *** |
| Unit value (dollars per pound) | 0.53 | 0.56 | *** | *** |
| Internal consumption/company transfers: | | | | |
| Quantity (1,000 pounds) | *** | *** | *** | *** |
| Value (\$1,000) | *** | *** | *** | *** |
| Unit value (dollars per pound) | *** | *** | *** | *** |
| Total U.S. shipments: | | | | |
| Quantity (1,000 pounds) | 530,340 | 610,607 | *** | *** |
| Value (\$1,000) | 281,070 | 343,808 | *** | *** |
| Unit value (dollars per pound) | 0.53 | 0.56 | *** | *** |
| Net sales (\$1,000) | 311,143 | 369,998 | *** | *** |
| COGS (\$1,000) | 264,608 | 376,945 | *** | *** |
| COGS/net sales (percent) | 85.0 | 101.9 | *** | *** |
| Gross profit or (loss) (\$1,000) | 46,535 | (6,947) | *** | *** |
| SG&A expenses (loss) (\$1,000) | 41,046 | 10,243 | *** | *** |
| Operating income/(loss) (\$1,000) | 5,489 | (17,190) | *** | *** |
| Operating income (loss)/net sales (percent) | 1.8 | (4.6) | *** | *** |

Source: For the years 1999, 2004, and 2010 data are compiled using data submitted in the Commission's original investigations and first and second five-year reviews. For 2015, data are compiled using data submitted by domestic interested parties.

U.S. IMPORTS AND APPARENT CONSUMPTION

U.S. importers

During the original investigations, the Commission identified 36 U.S. importers that imported the subject product. Of these importers, 20 responded to the Commission questionnaires with usable data. During the full first five-year reviews, the Commission sent questionnaires to 35 firms believed to have imported certain PSF, and received usable data from 17 firms. In the expedited second five-year reviews, the domestic interested parties identified 30 firms that were believed to have been importing the subject product from Korea and Taiwan.⁵⁸

In their response to the Commission's notice of institution in these reviews, the domestic interested parties provided a list of 31 known and currently operating U.S. importers of certain PSF from Korea and Taiwan.⁵⁹ Data regarding U.S. imports of certain PSF, as reported by Commerce, are presented in table 1-3.

U.S. imports

In its original investigations, the Commission found that the volume of subject imports increased significantly between 1997 and 1999. In the first five-year reviews, the Commission cited the Korean and Taiwanese industries' "substantial and growing excess capacity, the rapidly expanding Chinese PSF industry, and third country barriers," and found that "subject foreign producers in Korea and Taiwan would likely seek to fill their excess capacity with increased imports to the United States if the orders were to be revoked."⁶⁰ In the second five-year reviews, the Commission found that cumulated subject import volume declined but remained at significant levels, suggesting that subject foreign producers "remain interested in serving U.S. customers" and "capable of leveraging their ongoing relationships to rapidly increase" their U.S. market presence if orders were revoked.⁶¹

Table I-3 presents the quantity, value, and unit value for imports from Korea and Taiwan, as well as the other top sources of U.S. imports (shown in descending order of 2015 imports by quantity). Certain PSF from both Korea and Taiwan continue to retain a presence in the U.S. market.

⁵⁸ *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Second Review)*, USITC Publication 4257, September 2011, p. I-13.

⁵⁹ *Domestic Interested Parties' Response to the Notice of Institution*, August 31, 2016, exh. 7.

⁶⁰ *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Second Review)*, USITC Publication 4257, September 2011, pp. 15-16.

⁶¹ *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Second Review)*, USITC Publication 4257, September 2011, p. 16.

Table I-3
Certain PSF: U.S. imports, 2011-15

| Item | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------------------|--|---------|---------|---------|---------|
| | Quantity (1,000 pounds) | | | | |
| Subject sources: | | | | | |
| Korea ¹ | *** | *** | *** | *** | *** |
| Taiwan | 16,211 | 9,923 | 9,068 | 7,710 | 7,724 |
| Subject total ¹ | *** | *** | *** | *** | *** |
| Nonsubject sources: | | | | | |
| Korea, Keon Baek | *** | *** | *** | *** | *** |
| China | 275,355 | 297,362 | 272,366 | 276,575 | 327,790 |
| India | 40,492 | 39,188 | 44,861 | 41,327 | 50,561 |
| Indonesia | 24,530 | 21,388 | 11,267 | 16,035 | 17,446 |
| Japan | 4,186 | 3,436 | 5,477 | 5,539 | 4,792 |
| Thailand | 45,759 | 13,707 | 12,797 | 35,746 | 41,737 |
| Vietnam | 16,601 | 23,937 | 15,747 | 10,166 | 19,681 |
| All other nonsubject imports | 4,332 | 28,957 | 21,640 | 23,464 | 23,105 |
| Nonsubject total | *** | *** | *** | *** | *** |
| Total imports | 507,320 | 568,514 | 504,368 | 538,441 | 624,794 |
| | Landed, duty-paid value (\$1,000) | | | | |
| Subject sources: | | | | | |
| Korea ¹ | *** | *** | *** | *** | *** |
| Taiwan | 17,030 | 9,899 | 9,608 | 8,343 | 6,748 |
| Subject total ¹ | *** | *** | *** | *** | *** |
| Nonsubject sources: | | | | | |
| Korea, Keon Baek | *** | *** | *** | *** | *** |
| China | 191,020 | 198,413 | 159,273 | 150,591 | 161,256 |
| India | 38,916 | 33,386 | 38,812 | 34,052 | 35,579 |
| Indonesia | 19,659 | 15,582 | 7,793 | 9,850 | 9,375 |
| Japan | 6,637 | 5,787 | 7,247 | 7,534 | 6,449 |
| Thailand | 46,873 | 12,845 | 10,583 | 23,909 | 24,478 |
| Vietnam | 12,332 | 17,112 | 9,995 | 6,128 | 10,468 |
| All other nonsubject imports | 3,705 | 28,199 | 19,443 | 19,701 | 17,762 |
| Nonsubject total | *** | *** | *** | *** | *** |
| Total imports | 398,789 | 415,375 | 344,682 | 341,713 | 349,303 |

Table continued.

Table I-3--Continued
Certain PSF: U.S. imports, 2011-15

| Item | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------------------|---------------------------------------|------|------|------|------|
| | Unit value (dollars per pound) | | | | |
| Subject sources: | | | | | |
| Korea ¹ | *** | *** | *** | *** | *** |
| Taiwan | 1.05 | 1.00 | 1.06 | 1.08 | 0.87 |
| Subject total ¹ | *** | *** | *** | *** | *** |
| Nonsubject sources: | | | | | |
| Korea, Keon Baek | *** | *** | *** | *** | *** |
| China | 0.69 | 0.67 | 0.58 | 0.54 | 0.49 |
| India | 0.96 | 0.85 | 0.87 | 0.82 | 0.70 |
| Indonesia | 0.80 | 0.73 | 0.69 | 0.61 | 0.54 |
| Japan | 1.59 | 1.68 | 1.32 | 1.36 | 1.35 |
| Thailand | 1.02 | 0.94 | 0.83 | 0.67 | 0.59 |
| Vietnam | 0.74 | 0.71 | 0.63 | 0.60 | 0.53 |
| All other nonsubject imports | 0.86 | 0.97 | 0.90 | 0.84 | 0.77 |
| Nonsubject total | *** | *** | *** | *** | *** |
| Total imports | 0.79 | 0.73 | 0.68 | 0.63 | 0.56 |

¹ Subject imports from Korea exclude imports from nonsubject Korean firm, Keon Baek, who has been revoked from the antidumping duty order since 2004. These imports are presented separately in the nonsubject category.

Note.--Because of rounding, figure may not add to total shown.

Source: Official statistics of Commerce for HTS statistical reporting numbers 5303.20.0045 and 5303.20.0065 and ***.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table I-4 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-5 presents data on U.S. market shares of U.S. apparent consumption.

Table I-4
Certain PSF: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 1999, 2004, 2010, and 2015

| Item | 1999 | 2004 | 2010 | 2015 ¹ |
|---|---------|-----------|---------|-------------------|
| Quantity (1,000 pounds) | | | | |
| U.S. producers' U.S. shipments | 530,340 | 610,607 | *** | *** |
| U.S. imports from— | | | | |
| Korea ¹ | *** | 209,856 | 140,339 | *** |
| Taiwan | *** | 72,376 | 26,120 | 7,724 |
| Subtotal | *** | 282,232 | 166,459 | *** |
| All other sources | *** | 168,335 | 381,235 | *** |
| Total imports | 382,123 | 448,568 | 547,694 | 624,794 |
| Apparent U.S. consumption | 912,463 | 1,059,175 | *** | *** |
| Value (1,000 dollars) | | | | |
| U.S. producers' U.S. shipments | 281,070 | 343,808 | NA | *** |
| U.S. imports from— | | | | |
| Korea ¹ | *** | 100,920 | NA | *** |
| Taiwan | *** | 43,262 | NA | 6,748 |
| Subtotal | *** | 144,181 | NA | *** |
| All other sources | *** | 96,618 | NA | *** |
| Total imports | *** | 240,799 | NA | 349,303 |
| Apparent U.S. consumption | 451,234 | 584,607 | NA | *** |
| Share of consumption in quantity (percent) | | | | |
| U.S. producers' U.S. shipments | 58.1 | 57.8 | *** | *** |
| U.S. imports from— | | | | |
| Korea ¹ | *** | 19.8 | *** | *** |
| Taiwan | *** | 6.8 | *** | *** |
| Subtotal | *** | 26.5 | *** | *** |
| All other sources | *** | 15.7 | *** | *** |
| Total imports | 41.9 | 42.4 | *** | *** |
| Apparent U.S. consumption | 100.0 | 100.0 | 100.0 | 100.0 |

¹ Data for imports from Korea may include imports from nonsubject producer Keon Baek for the years 2004 and 2010, as is consistent with the data presented in the Commission's staff report in the first and second five-year reviews. Data for 2015 have been adjusted to remove the nonsubject imports from Korean producer/exporter, Keon Baek.

Source: For the years 1999, 2004, and 2010, data are compiled using data submitted in the Commission's original investigations and first and second five-year reviews. For 2015, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics and ***.

Table I-5
Certain PSF: Apparent U.S. consumption and U.S. market shares, 1999, 2004, 2010, and 2015¹

| Item | 1999 | 2004 | 2010 | 2015 ¹ |
|---------------------------|---|-----------|------|-------------------|
| | Quantity (1,000 pounds) | | | |
| Apparent U.S. consumption | 912,463 | 1,059,175 | *** | *** |
| | Value (1,000 dollars) | | | |
| Apparent U.S. consumption | 451,234 | 584,607 | NA | *** |
| | Share of consumption based on quantity (percent) | | | |
| U.S. producer's share | 58.1 | 57.8 | *** | *** |
| U.S. imports from-- | | | | |
| Korea ¹ | *** | 19.8 | *** | *** |
| Taiwan | *** | 6.8 | *** | *** |
| Subtotal | *** | 26.5 | *** | *** |
| All other sources | *** | 15.7 | *** | *** |
| Total imports | 41.9 | 42.4 | *** | *** |
| | Share of consumption based on value (percent) | | | |
| U.S. producer's share | 62.3 | 76.2 | NA | *** |
| U.S. imports from-- | | | | |
| Korea ¹ | *** | 22.4 | NA | *** |
| Taiwan | *** | 9.6 | NA | *** |
| Subtotal | *** | 32.0 | NA | *** |
| All other sources | *** | 9.6 | NA | *** |
| Total imports | 31.3 | 32.0 | NA | *** |

¹ Data for imports from Korea may include imports from nonsubject producer Keon Baek for the years 2004 and 2010, as is consistent with the data presented in the Commission's staff report in the first and second five-year reviews. Data for 2015 have been adjusted to remove the nonsubject imports from Korean producer/exporter, Keon Baek.

Source: For the years 1999, 2004, and 2010, data are compiled using data submitted in the Commission's original investigations and first and second five-year reviews. For 2015, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics and ***.

CUMULATION CONSIDERATIONS

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Additional information concerning geographical markets and simultaneous presence in the market is presented below.⁶²

Based on official Commerce statistics, U.S. imports of certain PSF from Korea and Taiwan were dispersed geographically throughout the United States and were imported in every month from 2011 to 2015.

THE INDUSTRY IN KOREA

During the original investigations, the Commission identified five firms believed to have produced the subject product in Korea: Daehan Synthetic Fiber Co., Ltd. ("Daehan"); Kohap, Ltd.; Saehan; Samyang; and SK Chemicals. Additionally, a number of small, family-owned businesses claimed to account for the bulk of regenerated fiber produced in Korea. In 2000, Samyang and SK Chemicals merged their operations to form Huvis, which was reportedly the largest PSF producer in Korea at that time. In the first five-year reviews, the domestic interested parties identified four firms believed to produce the subject merchandise in Korea: Daehan, Huvis, Kohap, and Seahan. The domestic parties also noted the existence of small firms producing regenerated PSF that had not been identified. Two Korean producers, Huvis and Seahan, provided complete questionnaire responses in the Commission's full first reviews. In the expedited second five-year reviews, the domestic interested parties indicated that, according to the Korea Chemical Fibers Association, the two largest Korean producers of PSF were Huvis and Woongjin Chemical Co., Ltd. ("Woongjin"). Both Korean firms were producers of conventional or virgin PSF. The domestic interested parties also noted that there were numerous producers of regenerated PSF in Korea, and identified 16 producers of PSF in Korea.

In these third five-year reviews, the domestic interested parties provided a list of 16 firms that they believe are producing certain PSF in Korea.⁶³ The domestic producers also presented in their response to the notice of institution data published by the *World Polyester – Trend in Demand and Supply 2015* indicating that Korean capacity to produce PSF rose from *** pounds in 2010 to *** pounds in 2014, or by *** percent. According to *World Polyester – Trend in Demand and Supply 2015*, ***.⁶⁴ No Korean interested party responded to the notice of institution or otherwise participated in these third five-year reviews.

⁶² In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

⁶³ *Domestic Interested Parties' Response to the Notice of Institution*, August 31, 2016, exh. 8.

⁶⁴ *Ibid.*, pp. 7-8.

THE INDUSTRY IN TAIWAN

During the original investigations, the Commission identified four firms believed to have produced the subject product in Taiwan: Far Eastern Textile, Ltd.; Nan Ya Plastics Corp.; Tuntex Distinct Corp.; and Shinkong Synthetic Fibers Corp. The same four firms were identified as PSF producers in Taiwan in the full first five-year reviews but only Nan Ya Plastics Corp. and Shinkong Synthetic Fibers Corp. provided the Commission with complete questionnaire responses in that proceeding. In the expedited second five-year reviews, the domestic interested parties responded that these same four producers in Taiwan remained actively engaged in the production and export of PSF. The domestic interested parties also indicated that there were three additional producers of PSF in Taiwan: Chung Shing Textile Co., Ltd.; Tainin Spinning Co., Ltd.; and Tung Ho Spinning Weaving & Dyeing Co., Ltd.

In these third five-year reviews, the domestic interested parties provided a list of seven firms that they believe are producing certain PSF in Taiwan.⁶⁵ Domestic producers also presented in their response to the notice of institution data published by the *World Polyester – Trend in Demand and Supply 2015* indicating that Taiwan’s capacity to produce PSF rose from *** pounds in 2010 to *** pounds in 2014, or by *** percent. According to *World Polyester – Trend in Demand and Supply 2015*, ***.⁶⁶ No Taiwanese interested party responded to the notice of institution or otherwise participated in these reviews.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

Subject PSF from Korea and Taiwan have been subject to import relief investigations in several other countries. In December 2010, Indonesia imposed antidumping duties on PSF from Taiwan. In June 2016, Indonesia determined to extend the duties for an additional five years. Japan imposed antidumping duty measures on Korean and Taiwan PSF in July 2002. Mexico has maintained antidumping duties against PSF from Korea since 1993. On August 20, 2013, Mexico extended the duties for an additional five years. Pakistan imposed antidumping duty measures on Korean PSF in February 2007. Turkey has maintained antidumping duties against PSF from Korea since February 2000 and Taiwan since July 2003. Turkey extended the orders for an additional five years on November 12, 2014.⁶⁷

⁶⁵ *Domestic Interested Parties’ Response to the Notice of Institution*, August 31, 2016, exh. 8.

⁶⁶ *Ibid*, pp. 8-9.

⁶⁷ *Domestic Interested Parties’ Response to the Notice of Institution*, August 31, 2016, pp. 10-11.

THE GLOBAL MARKET

Table I-6 presents the largest global export sources of PSF during 2011-15.

Table I-6
Polyester staple fiber: Global exports by major sources, 2011-15

| Item | Value (1,000 dollars) | | | | |
|------------------------------|-----------------------|-----------|-----------|-----------|-----------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Subject exporters: | | | | | |
| Korea | 1,079,912 | 1,034,941 | 1,048,783 | 992,546 | 848,107 |
| Taiwan | 703,203 | 691,724 | 624,709 | 573,445 | 450,993 |
| Subject total | 1,783,115 | 1,726,666 | 1,673,493 | 1,565,992 | 1,299,100 |
| Nonsubject exporters: | | | | | |
| China | 1,298,608 | 940,650 | 990,826 | 1,105,404 | 987,901 |
| Thailand | 326,676 | 275,080 | 312,576 | 285,377 | 273,617 |
| India | 319,879 | 271,500 | 305,055 | 277,192 | 201,068 |
| Ireland | 131,880 | 140,096 | 151,047 | 144,095 | 128,301 |
| Malaysia | 145,627 | 129,507 | 140,619 | 140,423 | 115,358 |
| Indonesia | 125,131 | 107,008 | 104,546 | 185,604 | 164,908 |
| All other nonsubject exports | 1,029,903 | 916,691 | 962,842 | 869,487 | 619,345 |
| Nonsubject total | 3,413,705 | 2,790,533 | 2,967,510 | 3,007,582 | 2,490,498 |
| Total exports | 5,196,820 | 4,517,198 | 4,641,003 | 4,573,574 | 3,789,599 |

Note.--Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 5503.20.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

| Citation | Title | Link |
|-------------------------------|---|---|
| 81 FR 50544 August 1, 2016 | <i>Certain Polyester Staple Fiber From Korea and Taiwan: Institution of Five-Year Reviews</i> | https://www.federalregister.gov/articles/2016/08/01/2016-17660/certain-polyester-staple-fiber-from-korea-and-taiwan-institution-of-five-year-reviews |
| 81 FR 50462 August 1, 2016 | <i>Initiation of Five-Year ("Sunset") Review</i> | https://www.federalregister.gov/articles/2016/08/01/2016-18297/initiation-of-five-year-sunset-review |

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

* * * * *

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table I-1

Certain PSF: Comparative data of the U.S. market and industry from the original investigations and the current reviews, 1997-2004, January-September 2004, and January-September 2005¹

(Quantity=1,000 pounds; value=1,000 dollars, unit values= per pound, shares/ratios in percent)

| Item | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Jan.-Sept. 2004 | Jan.-Sept. 2005 |
|-----------------------------------|---------|---------|---------|---------|---------|-----------|-----------|-----------|--------------------|--------------------|
| U.S. consumption quantity: | | | | | | | | | | |
| Amount | 804,768 | 842,713 | 912,463 | 862,370 | 883,367 | 1,057,540 | 1,061,124 | 1,059,175 | 788,520 | 791,176 |
| U.S. producers' share | 63.7 | 55.6 | 58.1 | 49.4 | 45.5 | 50.3 | 48.7 | 57.6 | 56.7 | 55.1 |
| U.S. importers' share: | | | | | | | | | | |
| Korea | *** | *** | *** | 23.0 | 22.8 | 21.0 | 24.3 | 19.8 | 20.8 | 15.0 |
| Taiwan | *** | *** | *** | 19.1 | 19.3 | 13.3 | 8.9 | 6.8 | 7.2 | 4.4 |
| Subtotal, subject imports | *** | *** | *** | 42.1 | 42.0 | 34.3 | 33.3 | 26.6 | 28.0 | 19.4 |
| All other sources | *** | *** | *** | 8.5 | 12.5 | 15.4 | 18.0 | 15.7 | 15.3 | 25.5 |
| Total imports | 36.3 | 44.4 | 41.9 | 50.6 | 54.5 | 49.7 | 51.3 | 42.4 | 43.3 | 44.9 |
| U.S. imports from: | | | | | | | | | | |
| Korea: | | | | | | | | | | |
| Quantity | *** | *** | *** | 198,608 | 201,077 | 222,594 | 258,351 | 209,856 | 163,907 | 118,501 |
| Value | *** | *** | *** | 85,298 | 82,179 | 84,563 | 107,640 | 100,920 | 76,663 | 69,926 |
| Unit value | \$*** | \$*** | \$*** | \$0.43 | \$0.41 | \$0.38 | \$0.42 | \$0.48 | \$0.47 | \$0.59 |
| Taiwan: | | | | | | | | | | |
| Quantity | *** | *** | *** | 164,473 | 170,054 | 140,271 | 94,793 | 72,376 | 56,937 | 35,063 |
| Value | *** | *** | *** | 87,533 | 83,796 | 67,350 | 48,612 | 43,262 | 32,801 | 24,296 |
| Unit value | \$*** | \$*** | \$*** | \$0.53 | \$0.49 | \$0.48 | \$0.51 | \$0.60 | \$0.58 | \$0.69 |
| Subtotal, subject: | | | | | | | | | | |
| Quantity | *** | *** | *** | 363,082 | 371,131 | 362,865 | 353,144 | 282,232 | 220,844 | 153,564 |
| Value | *** | *** | *** | 172,831 | 165,975 | 151,914 | 156,252 | 144,181 | 109,464 | 94,222 |
| Unit value | \$*** | \$*** | \$*** | \$0.48 | \$0.45 | \$0.42 | \$0.44 | \$0.51 | \$0.50 | \$0.61 |
| All other sources: | | | | | | | | | | |
| Quantity | *** | *** | *** | 73,002 | 110,740 | 162,932 | 191,476 | 166,335 | 120,382 | 201,497 |
| Value | *** | *** | *** | 41,669 | 64,114 | 83,649 | 98,823 | 96,618 | 68,324 | 130,273 |
| Unit value | \$*** | \$*** | \$*** | \$0.57 | \$0.58 | \$0.51 | \$0.52 | \$0.58 | \$0.57 | \$0.65 |
| Total: | | | | | | | | | | |
| Quantity | 292,177 | 374,329 | 382,123 | 436,084 | 481,872 | 525,797 | 544,620 | 448,568 | 341,225 | 355,061 |
| Value | 161,532 | 172,332 | 170,164 | 214,500 | 230,089 | 235,563 | 255,075 | 240,799 | 177,788 | 224,495 |
| Unit value | \$0.55 | \$0.46 | \$0.45 | \$0.49 | \$0.48 | \$0.45 | \$0.47 | \$0.54 | \$0.52 | \$0.63 |

Table continued on next page.

Table I-1--Continued

Certain PSF: Comparative data of the U.S. market and industry from the original investigations and the current reviews, 1997-2004, January-September 2004, and January-September 2005

(Quantity=1,000 pounds; value=1,000 dollars, unit values= per pound, shares/ratios in percent)

| Item | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Jan.-Sept. 2004 | Jan.-Sept. 2005 |
|--|---------|---------|---------|----------|----------|---------|---------|----------|-----------------|-----------------|
| U.S. producers': | | | | | | | | | | |
| Capacity | 671,945 | 701,393 | 743,608 | 581,500 | 596,500 | 833,500 | 893,700 | 964,900 | 754,350 | 785,550 |
| Production | 550,890 | 510,212 | 548,703 | 451,317 | 412,989 | 563,081 | 530,804 | 665,590 | 482,704 | 463,067 |
| Capacity utilization | 82.0 | 72.7 | 73.8 | 77.6 | 69.2 | 67.6 | 59.4 | 69.0 | 64.0 | 58.9 |
| U.S. shipments: | | | | | | | | | | |
| Quantity | 512,591 | 468,384 | 530,340 | 426,286 | 401,495 | 531,743 | 516,504 | 610,607 | 447,295 | 436,115 |
| Value | 338,088 | 290,748 | 281,070 | 222,161 | 212,068 | 270,114 | 269,187 | 343,808 | 243,691 | 290,564 |
| Unit value | \$0.66 | \$0.62 | \$0.53 | \$0.52 | \$0.53 | \$0.51 | \$0.52 | \$0.56 | \$0.54 | \$0.68 |
| Export shipments: | | | | | | | | | | |
| Quantity | 29,055 | 27,676 | 28,071 | *** | *** | 22,813 | 35,613 | 49,222 | 35,339 | 35,402 |
| Value | 34,083 | 32,147 | 30,053 | *** | *** | 11,361 | 17,517 | 26,579 | 18,411 | 22,798 |
| Unit value | \$1.17 | \$1.16 | \$1.07 | *** | *** | \$0.50 | \$0.49 | \$0.54 | \$0.52 | \$0.64 |
| Production and related workers | 1,445 | 1,351 | 1,241 | *** | *** | 985 | 1,141 | 1,052 | 1,018 | 975 |
| Hours worked (1,000) | 2,287 | 2,018 | 1,957 | *** | *** | 2,460 | 2,329 | 2,788 | 2,200 | 2,089 |
| Hourly wage | \$17.50 | \$19.11 | \$19.41 | *** | *** | \$19.43 | \$22.40 | \$19.85 | \$18.45 | \$19.54 |
| Net sales (value) | 372,745 | 324,659 | 311,143 | 227,989 | 216,880 | 280,853 | 286,756 | 369,998 | 262,074 | 313,276 |
| Operating income or (loss) (value) | 32,641 | 11,430 | 5,489 | (24,344) | (20,953) | (2,863) | (9,547) | (17,190) | (11,499) | 11,637 |
| Ratio operating income or (loss)/sales | 8.8 | 3.5 | 1.8 | -10.7 | -9.7 | -1.0 | -3.3 | -4.6 | -4.4 | 3.7 |

¹ Domestic industry data from the original investigations and the current reviews are generally comparable. Complete comparability, however, is not possible, in light of the closure of Intercontinental Polymers and the absence of some trade and financial data for ***. Data availability is discussed in greater detail in Part III of this report.

Source: Data for 1997-99 are compiled from *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Final)*, confidential staff report (INV-X-082), April 21, 2000, and *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825 and 826 (Final)*, USITC Publication 3300, May 2000. Specifically, the data are derived from the following tables in the staff report and publication: table IV- 5 (U.S. producers' shipments); table IV-1 (import volume); table III-1 (production, capacity and capacity utilization); table III-2 (U.S. producers' shipments); table III-3 (exports); table III-7 (employment); and table VI-1 (financial performance). Data for January 2000-September 2005 are compiled from responses to the Commission questionnaires in the current reviews and from official Commerce statistics.

APPARENT U.S. CONSUMPTION AND U.S. MARKET SHARES

According to the World Polyester Fiber Report 2010, U.S. consumption of PSF ***.⁵⁶ Domestic interested parties reported that the decline in U.S. demand is due to: (1) U.S. manufacturers of home good have decreased production because of increased imports of finished Chinese goods containing PSF; (2) the recent downturn in the housing market; and (3) recent federal regulations on flame retardant home textiles have lowered demand for certain PSF in these applications.⁵⁷ Three top purchasers of PSF were identified as ***.⁵⁸

Table I-4 presents apparent U.S. consumption and U.S. market shares in 2010.⁵⁹

Table I-4

PSF: U.S. shipments of domestic product, U.S. imports, apparent U.S. consumption, and U.S. market shares, 2010

| Item | 2010 |
|---|--|
| | Quantity (1,000 pounds)¹ |
| U.S. producers' U.S. shipments | *** |
| U.S. imports Korea | 140,339 |
| Taiwan | 26,120 |
| Subtotal | 166,459 |
| All other sources ¹ | 381,235 |
| Total imports | 547,694 |
| Apparent U.S. consumption | *** |
| | Share of consumption (percent) |
| U.S. producers' U.S. shipments | *** |
| U.S. imports Korea | *** |
| Taiwan | *** |
| Subtotal | *** |
| All other sources ¹ | *** |
| Total imports | *** |
| ¹ The primary "other sources" during 2010 were China, India, Indonesia, and Thailand. | |
| Source: Domestic interested parties response to the notice of institution, exh. 4 and exh. 9, and official Commerce statistics. | |

⁵⁶ Domestic interested parties' response to the notice of institution, pp. 13-14.

⁵⁷ Domestic interested parties' response to the notice of institution, p. 14.

⁵⁸ Domestic interested parties' response to the notice of institution, p. 11.

⁵⁹ Appendix C presents Table I-1 from the first five-year reviews staff report which contains comparative data of the U.S. market and industry from the original investigations and the first five-year reviews.

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following three firms as the top purchasers of polyester staple fiber: ***. Purchaser questionnaires were sent to these three firms and two firms (***) provided responses which are presented below.

1. a.) Have any changes occurred in technology; production methods; or development efforts to produce polyester staple fiber that affected the availability of polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan since 2011?
- b.) Do you anticipate any changes in technology; production methods; or development efforts to produce polyester staple fiber that will affect the availability of polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan within a reasonably foreseeable time?

| Purchaser | Changes that have occurred | Anticipated changes |
|------------------|--|--|
| *** | Not applicable; we purchase only from domestic sources | Not applicable; we purchase only from domestic sources |
| *** | No. | No. |

2. a.) Have any changes occurred in the ability to increase production of polyester staple fiber (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that affected the availability of polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan since 2011?
- b.) Do you anticipate any changes in the 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) that will affect the availability of polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan within a reasonably foreseeable time?

| Purchaser | Changes that have occurred | Anticipated changes |
|------------------|--|--|
| *** | Not applicable; we purchase only from domestic sources | Not applicable; we purchase only from domestic sources |
| *** | Don't know. | Don't know. |

3. a.) Have any changes occurred in factors related to the ability to shift supply of polyester staple fiber among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that affected the availability of polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan since 2011?
- b.) Do you anticipate any changes in 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) that will affect the availability of polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan within a reasonably foreseeable time?

| Purchaser | Changes that have occurred | Anticipated changes |
|------------------|---------------------------------------|---------------------------------------|
| *** | Not applicable; we purchase only from | Not applicable; we purchase only from |

| | | |
|-----|------------------|------------------|
| | domestic sources | domestic sources |
| *** | No. | No. |

4. a.) Have there been any changes in the end uses and applications of polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan since 2011?
- b.) Do you anticipate any changes in the end uses and applications of polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan within a reasonably foreseeable time?

| Purchaser | Changes that have occurred | Anticipated changes |
|-----------|----------------------------|---------------------|
| *** | No. | No. |
| *** | Don't know. | Don't know. |

5. a.) Have there been any changes in the existence and availability of substitute products for polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan since 2011?
- b.) Do you anticipate any changes in the existence and availability of substitute products for polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan within a reasonably foreseeable time?

| Purchaser | Changes that have occurred | Anticipated changes |
|-----------|----------------------------|---------------------|
| *** | No. | No. |
| *** | Don't know. | Don't know. |

6. a.) Have there been any changes in the level of competition between polyester staple fiber produced in the United States, polyester staple fiber produced in Korea and Taiwan, and such merchandise from other countries in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan since 2011?

b.) Do you anticipate any changes in the level of competition between polyester staple fiber produced in the United States, polyester staple fiber produced in Korea and Taiwan, and such merchandise from other countries in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan within a reasonably foreseeable time?

| Purchaser | Changes that have occurred | Anticipated changes |
|------------------|-----------------------------------|----------------------------|
| *** | Do not know. | Do not know. |
| *** | Don't know. | Don't know. |

7. a.) Have there been any changes in the business cycle for polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan since 2011?

b.) Do you anticipate any changes in the business cycle for polyester staple fiber in the U.S. market or in the market for polyester staple fiber in Korea and Taiwan within a reasonably foreseeable time?

| Purchaser | Changes that have occurred | Anticipated changes |
|------------------|--|--|
| *** | Unknown. We can only speak for the sales of our product made with polyester staple fiber. They have increased of the last 5 years. | Unknown. We can only speak for the sales of our product made with polyester staple fiber. They have increased of the last 5 years. |
| *** | Don't know. | Don't know. |

