

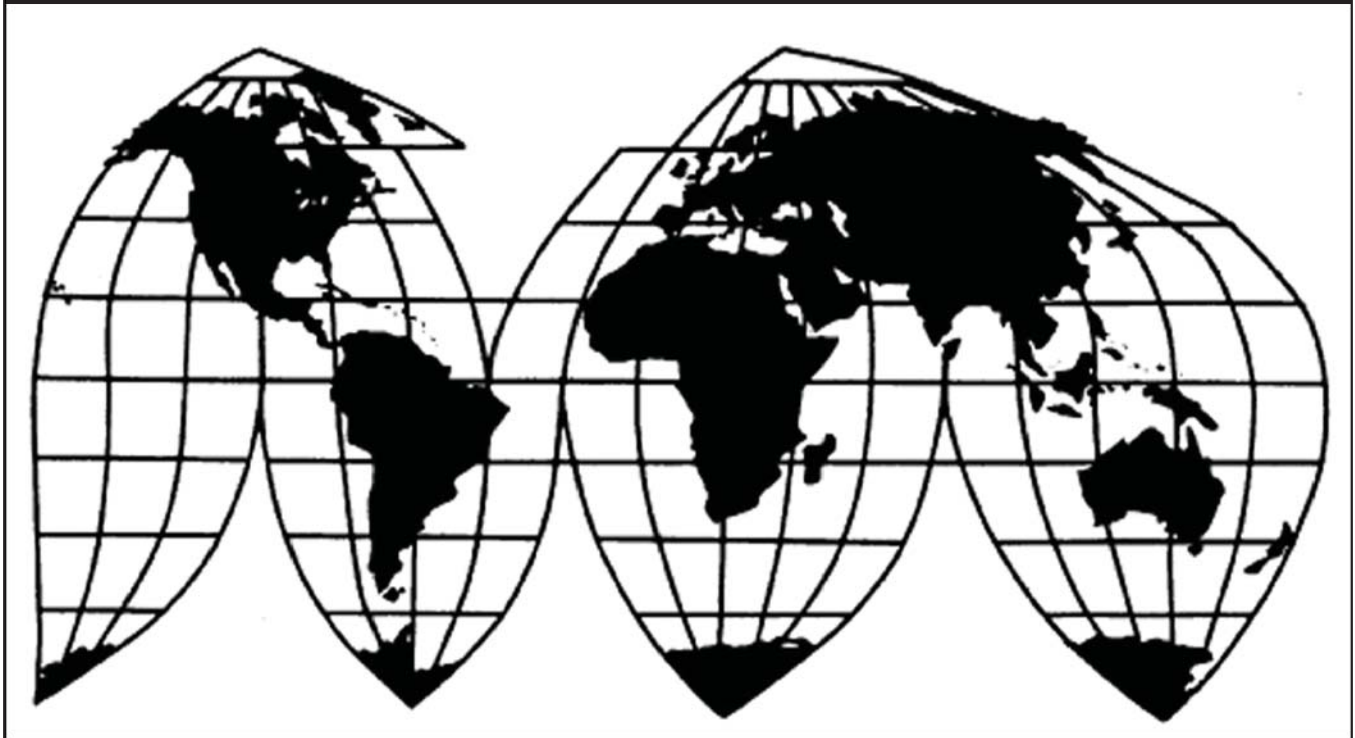
# Certain Polyester Staple Fiber from China

Investigation No. 731-TA-1104 (Review)

Publication 4351

September 2012

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

## COMMISSIONERS

**Irving A. Williamson, Chairman**

**Daniel R. Pearson**

**Shara L. Aranoff**

**Dean A. Pinkert**

**David S. Johanson**

**Meredith Broadbent**

---

Robert B. Koopman

*Director, Office of Operations*

---

*Staff assigned*

Joanna Lo, Investigator

Jackie Jones, Industry Analyst

Karl von Schrittz, Attorney

David Goldfine, Attorney

Elizabeth Haines, Supervisory Investigator

Address all communications to  
Secretary to the Commission  
United States International Trade Commission  
Washington, DC 20436

# U.S. International Trade Commission

Washington, DC 20436  
[www.usitc.gov](http://www.usitc.gov)

## Certain Polyester Staple Fiber from China

Investigation No. 731-TA-1104 (Review)

**Publication 4351**



**September 2012**



**UNITED STATES INTERNATIONAL TRADE COMMISSION**  
Investigation No. 731-TA-1104 (Review)

**CERTAIN POLYESTER STAPLE FIBER FROM CHINA**

**DETERMINATION**

On the basis of the record<sup>1</sup> developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty order on certain polyester staple fiber from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>2</sup>

**BACKGROUND**

The Commission instituted this review on May 1, 2012 (77 F.R. 25744) and determined on August 6, 2012 that it would conduct an expedited review (77 F.R. 50530, August 21, 2012).

The Commission transmitted its determination in this review to the Secretary of Commerce on September 28, 2012. The views of the Commission are contained in USITC Publication 4351 (September 2012), entitled *Certain Polyester Staple Fiber from China: Investigation No. 731-TA-1104 (Review)*.

---

<sup>1</sup> The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

<sup>2</sup> Commissioner Meredith Broadbent did not participate.



## VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order on certain polyester staple fiber (“PSF”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>1</sup>

### I. BACKGROUND

#### A. The Original Investigation

In May 2007, the Commission found that an industry in the United States was materially injured by reason of less than fair value imports of certain PSF from China.<sup>2</sup> The U.S. Department of Commerce (“Commerce”) issued the antidumping duty order on June 1, 2007.<sup>3</sup>

#### B. The Current Review

The Commission instituted this review on May 1, 2012.<sup>4</sup> On May 31, 2012, the Commission received a joint response to the notice of institution filed on behalf of domestic interested parties Auriga Polymers, Inc. (formerly Invista S.a.r.L.) (“Auriga”), DAK Americas LLC (“DAK”), Palmetto Synthetics LLC (“Palmetto”), and U.S. Fibers, which are all domestic producers of PSF. Because the Commission received an adequate response from domestic producers accounting for a substantial percentage of U.S. production, it determined that the domestic interested party group response was adequate.<sup>5</sup>

The Commission received no response from any respondent interested party, and therefore determined that the respondent group response was inadequate. In the absence of an adequate respondent interested party group response or any other circumstances warranting a full review, the Commission determined to conduct an expedited review.<sup>6</sup>

On September 5, 2012, the domestic interested parties filed comments, pursuant to 19 C.F.R. § 207.62(d), arguing that revocation of the antidumping duty order on PSF from China would likely lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.<sup>7</sup>

---

<sup>1</sup> Commissioner Meredith M. Broadbent did not participate in this review.

<sup>2</sup> Certain Polyester Staple Fiber from China, Inv. No. 731-TA-1104 (Final), USITC Pub. 3922 (May 2007) (“Original Determination”).

<sup>3</sup> 72 Fed. Reg. 30545 (June 1, 2007).

<sup>4</sup> 77 Fed. Reg. 25744 (May 1, 2012).

<sup>5</sup> Confidential Report, INV-KK-090 (Aug. 30, 2012) (“CR”) at Appendix B.

<sup>6</sup> CR at Appendix B.

<sup>7</sup> See generally Domestic Interested Parties’ Comments (Sept. 5, 2012).

## II. DOMESTIC LIKE PRODUCT

In making its determination under section 751(c) of the Act, the Commission defines the “domestic like product” and the “industry.”<sup>8</sup> The 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.”<sup>9</sup> The Commission’s practice in five-year reviews is to look to the like product definition from the original determination and any completed reviews and consider whether the record indicates any reason to revisit the prior findings.<sup>10</sup>

### A. Product Description

In its expedited sunset determination, Commerce defined the subject merchandise in this review as follows:

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 subject merchandise 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.

The following products are excluded from the scope: (1) PSF of less than 3.3 decitex (less than 3 denier) currently classifiable in the Harmonized Tariff Schedule of the United States (“HTS”) at subheading 5503.20.0025 and known to the industry as PSF for spinning and generally used in woven and knit applications to produce textile and apparel products; (2) PSF of 10 to 18 denier that are cut to lengths of 6 to 8 inches and that are generally used in the manufacture of carpeting; and (3) low-melt PSF defined as a bi-component fiber with an outer, non-polyester sheath that melts at a significantly lower temperature than its inner polyester core (classified at HTSUS 5503.20.0015).<sup>11</sup>

### B. The Original Investigation

In the original investigation, two respondents raised domestic like product issues. Respondent Ashley Furniture Industries, Inc. (“Ashley Furniture”) argued that the Commission should define

---

<sup>8</sup> 19 U.S.C. § 1677(4)(A).

<sup>9</sup> 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., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>10</sup> *See, e.g., Internal Combustion Industrial Forklift Trucks From Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (December 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 (February 2003).

<sup>11</sup> 77 Fed. Reg. 54898, 54899 (Sept. 6, 2012).



conjugate and non-conjugate PSF as separate domestic like products.<sup>12</sup> Applying its traditional six-factor test, the Commission rejected Ashley Furniture’s argument.<sup>13</sup> It found that, on balance, the similarities between conjugate and non-conjugate PSF in terms of physical characteristics, uses, interchangeability, production processes, employees and facilities, customer and producer perceptions, channels of distribution, and price indicated that conjugate PSF and non-conjugate PSF belonged to a single domestic like product.<sup>14</sup>

Respondent Insituform Technologies, Inc. (“Insituform”) argued that the Commission should define PSF that was qualified for use in cured in place pipe applications (“CIPP PSF”) as a separate domestic like product.<sup>15</sup> The Commission rejected Insituform’s argument on this issue, finding instead that CIPP PSF was part of a single domestic like product, encompassing all certain PSF products, that was coextensive with Commerce’s scope definition.<sup>16</sup>

### C. The Current Review

In this expedited review, the domestic interested parties have indicated that they agree with the definition of the domestic like product that the Commission adopted in the original investigation.<sup>17</sup> No new information has been obtained in this review that would suggest any reason to revisit that definition. Therefore, we again define the domestic like product to include the PSF products described in Commerce’s scope.

---

<sup>12</sup> Original Determination, USITC Pub. 3922 at 5.

<sup>13</sup> Original Determination, USITC Pub. 3922 at 5-6.

<sup>14</sup> Original Determination, USITC Pub. 3922 at 9. As to physical characteristics and uses, the Commission noted that all PSF, both conjugate and non-conjugate, is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. *Id.* at 7. In terms of interchangeability, the Commission observed that a majority of producers, importers, and purchasers responding to the Commission’s questionnaire (specifically 35 of 59 questionnaire respondents) reported that conjugate PSF and non-conjugate PSF were “sometimes” interchangeable. *Id.* As to common manufacturing facilities, production processes, and production employees, the Commission found that PSF production is a two-stage process, with differences between conjugate PSF and non-conjugate PSF in the first stage of production, but no differences at the second stage of production. *Id.* at 7-8. With respect to channels of distribution, the Commission found that conjugate and non-conjugate PSF shared similar distribution channels, with both being sold primarily to end users, and with the balance being sold to distributors. *Id.* at 8. In terms of customer and producer perceptions, the Commission noted that customers choose among different types of PSF using a total cost analysis, with some customers willing to pay more for PSF that offers a higher fill capacity, such as conjugate PSF, and other customers preferring to purchase a larger quantity of PSF that costs less than conjugate PSF but has a lower fill capacity, such as non-conjugate PSF. *Id.* As to price, the Commission noted that the pricing product data indicated that prices for conjugate PSF were generally comparable to prices for non-conjugate PSF during the period of investigation. *Id.* at 9.

<sup>15</sup> Original Determination, USITC Pub. 3922 at 6.

<sup>16</sup> Original Determination, USITC Pub. 3922 at 9-12. The Commission concluded that there was no clear dividing line between CIPP PSF and other forms of certain PSF under the traditional six-factor test. *Id.* at 11. The Commission found that, although CIPP PSF may have been uniquely suited for Insituform’s CIPP application and may have been perceived as such by Insituform and certain producers, products need not be perfectly interchangeable to be included within a single domestic like product. *Id.* Moreover, the Commission noted that CIPP PSF and other types of certain PSF were reportedly interchangeable in other end uses and were otherwise similar in terms of the Commission’s like product factors. *Id.* at 11-12.

<sup>17</sup> Domestic Interested Parties’ Comments at 4.

### **III. DOMESTIC INDUSTRY**

Section 771(4)(A) of the 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.”<sup>18</sup> In defining the domestic industry, the Commission’s general practice has been to include all domestic producers of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigation, the Commission found a single domestic industry, consisting of all domestic producers of the domestic like product.<sup>19</sup> It did not exclude any producer from the domestic industry.<sup>20</sup>

As with the definition of the domestic like product, no party argues that the Commission should define the domestic industry differently than it did during the original investigation,<sup>21</sup> nor is there any information on the record that would warrant a different definition.<sup>22</sup> Accordingly, we define the domestic industry to be all domestic producers of PSF.

### **IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDER IS REVOKED**

#### **A. Legal Standard**

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

---

<sup>18</sup> 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.

<sup>19</sup> Original Determination, USITC Pub. 3922 at 12-13.

<sup>20</sup> Although no party argued that any firm should be excluded from the domestic industry pursuant to the related parties provision, the Commission noted that one domestic producer, United Synthetics, Inc. (“United Synthetics”), might qualify as a related party given its partial ownership by another firm, which was the largest importer of subject merchandise. Original Determination, USITC Pub. 3922 at 12. The Commission found that, even if United Synthetics were a related party, appropriate circumstances did not exist to warrant its exclusion from the domestic industry. In reaching this conclusion, the Commission observed that United Synthetics had demonstrated its commitment to domestic production over the period of investigation by shipping a significant quantity of PSF, the company’s financial performance was comparable to that of other domestic producers, no party had alleged that United Synthetics’s relationship with its corporate parent had shielded it from subject import competition, and including or excluding United Synthetics from the domestic industry did not significantly influence the Commission’s analysis of the domestic industry data because the company accounted for a small percentage of domestic production. Original Determination, USITC Pub. 3922 at 12-13.

<sup>21</sup> Domestic Interested Parties’ Response to Notice of Institution at 15.

<sup>22</sup> The record does not indicate that any domestic producer is a related party. In their response to the notice of institution, the domestic interested parties reported that none of them qualify as a related party. See e.g., Domestic Interested Parties’ Response to Notice of Institution at 9. The limited record in this expedited review also does not contain any new information that could serve as a basis for departing from the Commission’s analysis in the original investigation. In any event, the fact that United Synthetics did not submit any data in this review renders the issue moot.

material injury within a reasonably foreseeable time.”<sup>23</sup> The Statement of Administrative Action to the Uruguay Round Agreements Act (“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.”<sup>24</sup> Thus, the likelihood standard is prospective in nature.<sup>25</sup> 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.<sup>26</sup>

The Act 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.”<sup>27</sup> 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.”<sup>28</sup>

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>29</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>30</sup> The statute further provides that the presence or absence of any factor that the Commission

---

<sup>23</sup> 19 U.S.C. § 1675a(a).

<sup>24</sup> SAA, H.R. Rep. 103-316 at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>25</sup> 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.

<sup>26</sup> 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, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 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’”).

<sup>27</sup> 19 U.S.C. § 1675a(a)(5).

<sup>28</sup> 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.*

<sup>29</sup> 19 U.S.C. § 1675a(a)(1).

<sup>30</sup> 19 U.S.C. § 1675a(a)(1). We note that Commerce has made no duty absorption findings. CR/PR at I-6.

is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.<sup>31</sup>

No respondent interested parties participated in this expedited review. The record, therefore, contains limited new information with respect to the PSF industry in China. There is also limited information on the PSF market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigation and the limited new information on the record in this review.<sup>32</sup>

## **B. Conditions of Competition and Business Cycle**

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."<sup>33</sup> We find the following conditions of competition relevant to our determination.

**Demand.** In the original investigation, the Commission noted that demand for PSF generally was related to the amount of housing-related activity in the economy and that demand for PSF generally tracked trends in the overall economy.<sup>34</sup> The Commission found that apparent U.S. consumption of PSF declined 5.4 percent over the period of investigation, from 1.13 billion pounds in 2004 to 1.07 billion pounds in 2006, notwithstanding a 2.2 percent increase between 2004 and 2005.<sup>35</sup>

The limited data in the record indicate that apparent U.S. consumption of PSF in 2011, at \*\*\* million pounds, was lower than in 2006.<sup>36</sup> The domestic interested parties claim that the decline in demand is attributable in part to the recent downturn in the housing market and new federal regulations on flame-retardant home textiles that have reduced demand for PSF.<sup>37</sup>

**Supply.** The domestic interested parties identified eight firms that currently produce PSF in the United States, which is the same number of domestic producers as in the original investigation.<sup>38</sup> Two

---

<sup>31</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>32</sup> 19 U.S.C. § 1677e(a) authorizes the Commission to "use the facts otherwise available" in reaching a determination when (1) necessary information is not available on the record or (2) an interested party or other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782 of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782 are applicable only to Commerce. 19 U.S.C. § 1677m. See Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750, 765 (Ct. Int'l Trade 2001) ("[T]he ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of a Commission investigation.").

<sup>33</sup> 19 U.S.C. § 1675a(a)(4).

<sup>34</sup> Original Determination, USITC Pub. 3922 at 14.

<sup>35</sup> Original Determination, USITC Pub. 3922 at 14.

<sup>36</sup> CR/PR at Table I-5.

<sup>37</sup> Domestic Interested Parties' Response to Notice of Institution at 11.

<sup>38</sup> During the original investigation, the Commission found that the following eight U.S. firms produced PSF: DAK; Formed Fiber Technologies, Inc.; Invista S.a.r.l.; Nan Ya Plastics Corporation America ("Nan Ya"); Wellman, Inc. ("Wellman"); Palmetto; United Synthetics; and U.S. Fibers. CR at I-18; PR at I-14. In this five-year review, the following eight firms are currently domestic producers of PSF: Auriga, DAK, Palmetto, U.S. Fibers, Nan Ya, Wellman, United Synthetics, and Color-Fi. CR at I-18; PR at I-14.

important changes in the composition of the domestic industry occurred during the period of review. First, Wellman filed for Chapter 11 bankruptcy protection in 2008.<sup>39</sup> Wellman's Johnsonville, S.C. facility was subsequently acquired by a group of investors to form Wellman Plastics Recycling, which remains a producer of PSF, albeit at substantially reduced levels than before the Chapter 11 proceeding.<sup>40</sup> Second, Invista's PSF production facility in South Carolina was acquired by Indorama Ventures Public Co., Ltd., and currently operates as Auriga Polymers.<sup>41</sup>

As in the original investigation, the U.S. market is supplied by domestic production, subject imports, and nonsubject imports. In 2011, the domestic industry's U.S. shipments accounted for \*\*\* percent of apparent U.S. consumption, subject imports accounted for \*\*\* percent, and nonsubject imports accounted for \*\*\* percent.<sup>42</sup> There are nonsubject imports from China in addition to nonsubject imports from other sources.<sup>43</sup> Although nonsubject imports from all sources declined overall during the period of review, nonsubject imports from China increased between 2007 and 2011.<sup>44</sup> Nonsubject imports of PSF from Korea and Taiwan continue to be subject to antidumping duty orders, as they were during the original investigation.<sup>45</sup>

**Other Considerations.** Absent any contrary evidence in the record, we find, as the Commission did in the original investigation, that subject imports are generally substitutable with domestic PSF and that price is an important factor in purchasing decisions.<sup>46</sup>

Based on the record evidence, we find that the conditions of competition in the PSF market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we find that current conditions provide us with a reasonable basis on which to assess the likely effects of revocation of the antidumping duty order in the reasonably foreseeable future.

### C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the order under review were revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>47</sup> 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

---

<sup>39</sup> CR at I-18 n.36; PR at I-14 n.36; Domestic Interested Parties' Response to Notice of Institution at 11.

<sup>40</sup> CR at I-18 n.36; PR at I-14 n.36; Domestic Interested Parties' Response to Notice of Institution at 11.

<sup>41</sup> CR at I-18 n.34; PR at I-14 n.34; Domestic Interested Parties' Response to Notice of Institution at 11.

<sup>42</sup> CR/PR at Table I-5.

<sup>43</sup> On April 16, 2007, Commerce found PSF imports from Chinese producer/exporter Cixi Jiangnan Chemical Co., Ltd. not to be subject to the antidumping duty order. CR/PR at Table I-1; CR at I-20; PR at I-16. On November 9, 2011, Commerce revoked the antidumping duty order with respect to two other Chinese producers/exporters of PSF: Ningbo Dafa Chemical Fiber Co., Ltd. and Cixi Santai Chemical Fiber Co., Ltd. CR/PR at Table I-1.

<sup>44</sup> Nonsubject imports from all sources were \*\*\* pounds in 2007, \*\*\* pounds in 2008, \*\*\* pounds in 2009, \*\*\* pounds in 2010, and \*\*\* pounds in 2011. CR/PR at Table I-4. Nonsubject imports from China were \*\*\* pounds in 2007, \*\*\* pounds in 2008, \*\*\* pounds in 2009, \*\*\* pounds in 2010, and \*\*\* pounds in 2011. *Id.*

<sup>45</sup> See Original Determination, USITC Pub. 3922 at 17; CR/PR at I-8-9.

<sup>46</sup> Original Determination, USITC Pub. 3922 at 13-14.

<sup>47</sup> 19 U.S.C. § 1675a(a)(2).

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.<sup>48</sup>

## 1. The Original Investigation

In the original investigation, the Commission found that both the volume and the market share of subject imports increased significantly over the period of investigation.<sup>49</sup> Subject import volume increased \*\*\* percent, from \*\*\* million pounds in 2004 (or \*\*\* percent of apparent consumption) to \*\*\* million pounds in 2005 (or \*\*\* percent of apparent consumption) and \*\*\* million pounds in 2006 (or \*\*\* percent of apparent consumption).<sup>50</sup> Between 2005 and 2006, subject import volume increased \*\*\* percent, which the Commission observed was particularly notable given the 7.4 percent decline in apparent U.S. consumption over that period.<sup>51</sup>

The Commission found that the \*\*\* percentage points of market share captured by subject imports between 2004 and 2006 came at the expense of the domestic industry, which lost 13.3 percentage points, and to a lesser extent at the expense of nonsubject imports, which lost \*\*\* percentage point.<sup>52</sup> It also found that, as subject imports displaced domestically produced PSF from the U.S. market, the ratio of subject imports to domestic production increased significantly from \*\*\* percent in 2004 to \*\*\* percent in 2005 and \*\*\* percent in 2006.<sup>53</sup> The Commission consequently found that subject import volume was significant, both in absolute terms and relative to consumption and production in the United States, and that the increase in subject import volume also was significant.<sup>54</sup>

## 2. The Current Review

We find for a number of reasons that the subject import volume is likely to be significant if the order is revoked. During the period covered by this review, subject imports maintained a significant presence in the U.S. market and increased their market penetration, even with the order in place. Subject imports of PSF from China totaled \*\*\* pounds in 2007, \*\*\* pounds in 2008, \*\*\* pounds in 2009, \*\*\* pounds in 2010, and \*\*\* pounds in 2011.<sup>55</sup> Subject imports' share of apparent U.S. consumption increased from \*\*\* percent in 2006 to \*\*\* percent of apparent U.S. consumption in 2011.<sup>56</sup> These data indicate that the subject producers maintain both a strong interest in supplying the U.S. market and the ability to increase the amount they supply.

This conclusion is bolstered by the data in the record indicating the behavior of Chinese producers that are not subject to the order. The volume of nonsubject imports from China increased almost \*\*\*

---

<sup>48</sup> 19 U.S.C. § 1675a(a)(2)(A) - (D).

<sup>49</sup> Original Determination, USITC Pub. 3922 at 18.

<sup>50</sup> Confidential Original Determination at 24.

<sup>51</sup> Confidential Original Determination at 24.

<sup>52</sup> Confidential Original Determination at 24.

<sup>53</sup> Confidential Original Determination at 24-25.

<sup>54</sup> Original Determination, USITC Pub. 3922 at 18.

<sup>55</sup> CR/PR at Table I-4. Subject imports of PSF from China totaled \*\*\* pounds in 2004, \*\*\* pounds in 2005, and \*\*\* million pounds in 2006. CR/PR at Appendix C, Table C-1.

<sup>56</sup> CR/PR at Table I-5. The record in this expedited review does not contain apparent U.S. consumption data for the period 2007 through 2010.

during the period of review. Nonsubject imports of PSF from China totaled \*\*\* pounds in 2007, \*\*\* pounds in 2008, \*\*\* pounds in 2009, \*\*\* pounds in 2010, and \*\*\* pounds in 2011.<sup>57</sup> The increasing presence of subject imports during the period of review, when combined with the even stronger growth in nonsubject imports from China, indicates that subject PSF producers would likely increase their shipments to the U.S. market significantly in the event of revocation of the order.

Several other factors indicate that subject imports are well-positioned to capture additional market share within a reasonably foreseeable time if the order were revoked.<sup>58</sup> Public sources of information concerning the Chinese industry indicate that it has massive production capacity and considerable unused capacity, as was the case in the original investigation.<sup>59</sup> The record also indicates that China is by far the world's largest producer and exporter of PSF and that the United States was the largest market for Chinese PSF exports in 2011, even with the order in place.<sup>60 61</sup>

Finally, the Chinese industry faces restrictions on its access to markets in Pakistan, Turkey, South Africa, and Indonesia.<sup>62 63</sup> These barriers to entry in third-country markets make it more likely that subject producers will focus on the U.S. market upon revocation of the order.

Given the significant and growing presence of subject imports in the U.S. market even with the order in place, the increasing presence of Chinese nonsubject imports in the U.S. market during the period of review, the Chinese PSF industry's large size, the significant excess capacity maintained by the Chinese industry, its continued exports to the United States, and barriers in third-country markets, we find that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant if the order were revoked.

#### **D. Likely Price Effects of Subject Imports**

In evaluating the likely price effects of subject imports if the order were revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports in relation to the domestic like product and whether the subject imports are likely to enter the United States at prices

---

<sup>57</sup> CR/PR at Table I-4. Although some of the 2011 increase in nonsubject imports from China may be attributable to the fact that the order was revoked as to two Chinese producer/exporters that year, that revocation did not occur until November 9, 2011. CR/PR at Table I-1.

<sup>58</sup> The record in this expedited review contains only publicly available information on the current state and behavior of the Chinese industry.

<sup>59</sup> CR at I-24-25; PR at I-20; Confidential Staff Report, INV-EE-044 (May 1, 2007) at Table VII-2.

<sup>60</sup> CR at I-25; PR at I-20.

<sup>61</sup> We note, however, that the data cited by the domestic interested parties likely overstate Chinese production capacity and Chinese exports for subject merchandise because they include PSF beyond Commerce's scope in this five-year review. See e.g., Domestic Interested Parties' Response to Notice of Institution, Exh. 2.

<sup>62</sup> Pakistan imposed antidumping duty measures on Chinese PSF in June 2009, Turkey imposed antidumping duty measures on Chinese PSF in October 2009, South Africa imposed antidumping duty measures on Chinese PSF in May 2010, and Indonesia imposed antidumping duty measures on Chinese PSF in November 2010. CR at I-24; PR at I-20.

<sup>63</sup> The limited record in this expedited review contains no information regarding the likelihood of product shifting or the quantities of inventories of the subject merchandise held by importers or Chinese producers and exporters.

that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>64</sup>

## 1. The Original Investigation

In the original investigation, the Commission found that subject imports and the domestic like product possessed a “moderate-to-high” degree of interchangeability and that price was an important factor for purchasers in purchasing decisions.<sup>65</sup>

The Commission collected quarterly pricing data on five PSF products; it received usable data from seven producers, which accounted for 74 percent of domestic producer shipments in 2006, and from 14 importers, which accounted for 17.1 percent of subject import shipments in 2006.<sup>66</sup> The Commission found subject import underselling to be significant.<sup>67</sup> Between 2004 and 2006, subject imports undersold the domestic like product in 37 of 54 comparisons, or 68.5 percent of the time, at margins ranging from 0.8 percent to 43.4 percent.<sup>68</sup> Both the frequency of subject import underselling and underselling margins generally increased in 2005 and 2006, with underselling occurring in 33 of 38 comparisons, or 86.8 percent of the time, at margins ranging from 0.8 percent to 43.4 percent.<sup>69</sup>

The Commission also found that, although prices for the domestic like product generally increased in 2005 and 2006, subject imports caused price suppression.<sup>70</sup> It concluded that pricing pressure from subject import underselling contributed to the domestic producers’ inability to increase prices in tandem with raw material costs, particularly later in the period of investigation.<sup>71</sup>

Moreover, the Commission emphasized that the principal adverse impact of subject imports on the domestic industry was the 13.3 percentage point market share shift from domestic producers to subject imports over the period of investigation.<sup>72</sup> The Commission found underselling by subject imports to be a key factor in this shift in market share.<sup>73</sup> In reaching this conclusion, the Commission observed that there was a “moderate-to-high” degree of interchangeability between subject imports and the domestic like product, price was important to purchasing decisions, and spot and short-term contract sales were prevalent in the PSF market.<sup>74</sup> The Commission noted that confirmed lost sales provided additional support for its finding that subject imports had taken sales from U.S. producers and had suppressed U.S. prices for PSF to a significant degree.<sup>75</sup>

---

<sup>64</sup> 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.

<sup>65</sup> Original Determination, USITC Pub. 3922 at 18.

<sup>66</sup> Original Determination, USITC Pub. 3922 at 18-19.

<sup>67</sup> Original Determination, USITC Pub. 3922 at 19.

<sup>68</sup> Original Determination, USITC Pub. 3922 at 19.

<sup>69</sup> Original Determination, USITC Pub. 3922 at 19.

<sup>70</sup> Original Determination, USITC Pub. 3922 at 19.

<sup>71</sup> Original Determination, USITC Pub. 3922 at 19-20.

<sup>72</sup> Original Determination, USITC Pub. 3922 at 20.

<sup>73</sup> Original Determination, USITC Pub. 3922 at 20.

<sup>74</sup> Original Determination, USITC Pub. 3922 at 20.

<sup>75</sup> Original Determination, USITC Pub. 3922 at 20.



## 2. The Current Review

As explained above, the domestic like product and imports from all sources are generally substitutable, and price continues to be an important factor in purchasing decisions. The record of this expedited review contains no current product-specific pricing data.

We find that, if the antidumping duty order were revoked, Chinese producers and exporters would likely have an incentive to price significantly below the prevailing U.S. price to induce U.S. purchasers to switch to Chinese PSF, as they did in the original investigation.<sup>76</sup> After revocation, the United States would likely be an attractive market for Chinese producers, given their significant presence in the U.S. market since the original investigation, their substantial unused capacity, and their export orientation. Because of the interchangeability between subject imports and domestic PSF and the importance of price in purchasing decisions, underselling is likely to result in significant adverse price effects, similar to those found in the original investigation.<sup>77</sup>

Accordingly, given the likely significant volume of imports, we conclude that subject imports from China would likely significantly undersell the domestic like product to gain market share and would likely have significant depressing or suppressing effects on the prices of the domestic like product if the antidumping duty order were revoked.

### E. Likely Impact of Subject Imports<sup>78</sup>

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order were revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>79</sup> 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 order at issue and whether the industry is vulnerable to material injury if the order were revoked.<sup>80</sup>

---

<sup>76</sup> Original Determination, USITC Pub. 3922 at 19-20.

<sup>77</sup> Original Determination, USITC Pub. 3922 at 19-20.

<sup>78</sup> Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). *See also* SAA at 887.

Commerce expedited its determination in its review of PSF from China and found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at a margin of 3.47 percent with respect to Far Eastern Industries (Shanghai) Ltd., 4.44 percent with respect to 15 named Chinese producers/exporters, and 44.30 percent with respect to the PRC-wide rate. CR/PR at Table I-1.

<sup>79</sup> 19 U.S.C. § 1675a(a)(4).

<sup>80</sup> 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

## 1. The Original Investigation

In the original investigation, the Commission found that subject imports had a significant adverse impact on the domestic industry, given the decline in most indicia of domestic industry performance over the period of investigation.<sup>81</sup> From 2004 to 2006, the domestic industry's share of apparent U.S. consumption declined by 13.3 percentage points, and its sales quantity declined by 24.0 percent.<sup>82</sup> Declines in sales led to capacity reductions and the closure of production lines and facilities. Notwithstanding the 12.9 percent decline in capacity from 2004 to 2006, capacity utilization declined by 9.6 percentage points.<sup>83</sup> During the period of investigation, the domestic industry also experienced declines in production related workers ("PRWs"), worker productivity, PRW hours worked, and wages paid.<sup>84</sup>

The Commission found that the domestic industry's financial performance generally reflected its deteriorating operating performance, particularly in 2006 when it was unable to increase its prices sufficiently to compensate for higher raw material costs.<sup>85</sup> In 2006, the domestic industry suffered an operating loss of \$5.4 million, or a negative 1.3 percent of sales.<sup>86</sup>

The Commission found that subject imports had a causal connection to the injury experienced by the domestic industry, particularly in 2006.<sup>87</sup> The Commission underscored that there was price suppression by subject imports in 2006, which coincided with the domestic industry's operating loss in that same year.<sup>88</sup> Subject imports greatly increased their market share at the domestic industry's expense in an environment of declining demand, thereby depressing the domestic industry's sales, production, and capacity utilization.<sup>89</sup> Accordingly, the Commission found that subject imports had a significant adverse impact on the domestic industry during the period of investigation.<sup>90</sup>

At the time of the original determination, the Commission conducted a "replacement/benefit" analysis pursuant to its interpretation at the time of the Federal Circuit's decision in Bratsk Aluminium Smelter v. United States.<sup>91</sup> The Commission found that each of the two Bratsk triggering factors were satisfied, concluding that PSF was a commodity product and that price-competitive nonsubject imports were a significant factor in the U.S. market.<sup>92</sup> It then concluded that, although nonsubject imports would have replaced subject imports to a certain extent, the domestic industry would still have benefitted from the elimination of subject imports from the U.S. market because the nonsubject imports would generally have

---

885.

<sup>81</sup> Original Determination, USITC Pub. 3922 at 21.

<sup>82</sup> Original Determination, USITC Pub. 3922 at 21.

<sup>83</sup> Original Determination, USITC Pub. 3922 at 21-22.

<sup>84</sup> Original Determination, USITC Pub. 3922 at 22.

<sup>85</sup> Original Determination, USITC Pub. 3922 at 22.

<sup>86</sup> Original Determination, USITC Pub. 3922 at 23.

<sup>87</sup> Original Determination, USITC Pub. 3922 at 23.

<sup>88</sup> Original Determination, USITC Pub. 3922 at 23.

<sup>89</sup> Original Determination, USITC Pub. 3922 at 23.

<sup>90</sup> Original Determination, USITC Pub. 3922 at 23.

<sup>91</sup> 444 F.3d 1369 (Fed. Cir. 2006).

<sup>92</sup> Original Determination, USITC Pub. 3922 at 27-28.

been priced higher than any subject imports that they replaced.<sup>93</sup> Consequently, the Commission found that its affirmative material injury determination was consistent with the Federal Circuit's decision in Bratsk.<sup>94</sup>

## 2. The Current Review

In this expedited review, the record information on the domestic industry's condition is based on the data for 2011 provided in response to the notice of institution by four domestic producers: Auriga, DAK, Palmetto, and U.S. Fibers.<sup>95</sup> Because this is an expedited review, we have only limited information with respect to the domestic industry's financial performance. The limited record is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.<sup>96</sup>

In 2011, the domestic industry's capacity was \*\*\* pounds, its production was \*\*\* pounds, its capacity utilization was \*\*\* percent, and its U.S. shipments were \*\*\* pounds.<sup>97</sup> In 2011, the domestic industry had net sales of \$\*\*\*, earned operating income of \$\*\*\*, and reported an operating margin of \*\*\* percent.<sup>98</sup>

Based on the record of this review, we find that, should the order be revoked, the likely adverse volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These declines would likely have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital, to make and maintain capital investments, and to fund research and development.

We also have considered the role of factors other than subject imports, including declining demand and the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Although U.S. demand for PSF declined during the original period of investigation and appeared to decline further during the period of review, this has not deterred subject imports from increasing their volume and market penetration, even with the order in place. Consequently, the continued declines in the domestic industry's market share that are likely upon revocation of the order are distinguishable from any likely declines in domestic industry performance due to demand trends. Nonsubject imports have been present in the U.S. market in significant quantities throughout the 2007-2011 period.<sup>99</sup> We find that the continued presence of nonsubject imports is not likely to sever the causal nexus between subject imports and their likely significant adverse impact on the domestic industry if the order were revoked.

Accordingly, we conclude that, if the antidumping duty order were revoked, subject imports would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

---

<sup>93</sup> Original Determination, USITC Pub. 3922 at 33-34.

<sup>94</sup> Original Determination, USITC Pub. 3922 at 34.

<sup>95</sup> CR/PR at Table I-3.

<sup>96</sup> Commissioner Pinkert finds the evidence on vulnerability to be mixed. In 2011, the industry's COGS/sales ratio on a unit basis was lower than it had been in 2006 and operating income was at peak level for the review period. CR/PR at Table I-3. On the other hand, the industry's operating margin was a modest \*\*\* percent, its market share was \*\*\* percent, and its output indicators (capacity utilization, production, shipments, and sales) were \*\*\* lower than in 2006. CR/PR at Tables I-3 & I-5.

<sup>97</sup> CR/PR at Table I-3.

<sup>98</sup> CR/PR at Table I-3.

<sup>99</sup> In this period, the quantity of nonsubject imports ranged from \*\*\* pounds to \*\*\* pounds. CR/PR at Table I-4.

## **CONCLUSION**

For the above reasons, we determine 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 reasonably foreseeable time.

**INFORMATION OBTAINED IN THE REVIEW**



## INTRODUCTION

On May 1, 2012, in accordance with section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> the U.S. International Trade Commission (“Commission” or “USITC”) gave notice that it had instituted a five-year review to determine whether revocation of the antidumping duty order on certain polyester staple fiber (“certain PSF”) from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.<sup>2,3</sup> On August 6, 2012, the Commission determined that the domestic interested party group response to its notice of institution was adequate<sup>4</sup> and that the respondent interested party group response was inadequate.<sup>5</sup> In the absence of respondent interested party responses and any other circumstances that would warrant the conduct of a full review, the Commission determined to conduct an expedited review of the antidumping duty order pursuant to section 751(c)(3) of the Act (19 U.S.C. § 1675(c)(3)).<sup>6</sup> The tabulation on the next page presents selected information relating to the schedule of the five-year review.

Effective date	Action
May 1, 2012	Commission’s institution of five-year review (77 FR 25744).
	Commerce’s initiation of five-year review (77 FR 25683) (correction notice 77 FR 28355, May 14, 2012).
August 6, 2012	Commission’s determination to conduct an expedited five-year review (77 FR 50530, August 21, 2012).
September 6, 2012	Commerce’s final results of expedited five-year review of the antidumping duty order on polyester staple fiber from China (77 FR 54898, September 6, 2012).
September 19, 2012	Commission’s vote.
September 28, 2012	Commission’s determination transmitted to Commerce.

---

<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> 77 FR 25744, May 1, 2012. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. The Commission’s notice of institution is presented in app. A.

<sup>3</sup> In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of the five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. 77 FR 25683, May 1, 2012. A correction notice was published May 14, 2012 (77 FR 28355).

<sup>4</sup> The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of U.S. producers Auriga Polymers Inc. (formerly Invista S.a.r.L.) (“Auriga”), DAK Americas LLC (“DAK”), Palmetto Synthetics LLC (“Palmetto”), and U.S. Fibers (collectively “domestic interested parties”). These producers are believed to have accounted for approximately \*\*\* percent of U.S. PSF production in 2011. 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 PSF during 2011. The domestic interested parties based the estimate on total 2011 U.S. production of PSF as published in Fiber Review, (vol. 31, no. 1, January 2012). Domestic interested parties’ response to the notice of institution, p. 10.

<sup>5</sup> The Commission received no responses to its notice of institution from respondent interested parties.

<sup>6</sup> 77 FR 50530, August 21, 2012. The Commission’s notice of expedited review appears in app. A. The Commission’s statement on adequacy is presented in app. B.

## The Original Investigation

On June 23, 2006, a petition was filed with Commerce and the Commission by DAK Americas, LLC (“DAK”), Nan Ya Plastics Corporation, America (“Nan Ya”), and Wellman, Inc. (“Wellman”), alleging that an industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value (“LTFV”) imports of certain PSF from China. The Commission completed its original investigation<sup>7</sup> in May 2007, determining that an industry in the United States was materially injured by reason of imports of certain PSF from China found by Commerce to be sold at LTFV.<sup>8</sup> On June 1, 2007, Commerce issued an antidumping duty order on imports of certain PSF from China.<sup>9</sup>

## Commerce’s Final Results of Expedited Five-Year Review

Commerce is scheduled to publish the results of its review based on the facts available on August 29, 2012. Table I-1 presents the weighted-average dumping margins calculated by Commerce in its original investigation and first review.

---

<sup>7</sup> The investigation resulted from a petition filed on June 23, 2006 on behalf of DAK Americas, LLC (“DAK”), Nan Ya Plastics Corporation, America (“Nan Ya”), and Wellman, Inc. (“Wellman”).

<sup>8</sup> *Polyester Staple Fiber from China, Inv. No. 731-TA-1104 (Final)*, USITC Publication 3922, June 2007, pp. I-4.

<sup>9</sup> *Notice of Antidumping Duty Order: Certain Polyester Staple Fiber from the People’s Republic of China*, 72 F.R. 30545, Jun. 1, 2007.



**Table I-1**  
**Certain PSF: Commerce’s original and five-year weighted-average dumping margins by firm**

Producer/exporter	Original investigation (percent)	First five-year review (percent)
	Margin (percent <i>ad valorem</i> )	
Cixi Jiangnan Chemical Co., Ltd.	<i>de minimis</i> <sup>1</sup>	( <sup>1</sup> )
Far Eastern Industries (Shanghai) Ltd.	3.47	3.47
Ningbo Dafa Chemical Fiber Co., Ltd.	4.86	( <sup>2</sup> )
Cixi Sansheng Chemical Fiber Co., Ltd.	4.44	4.44
Cixi Santai Chemical Fiber Co., Ltd.	4.44	( <sup>2</sup> )
Cixi Waysun Chemical Fiber Co., Ltd.	4.44	4.44
Hangzhou Best Chemical Fibre Co., Ltd.	4.44	4.44
Hangzhou Hanbang Chemical Fibre Co., Ltd.	4.44	4.44
Hangzhou Huachuang Co., Ltd.	4.44	4.44
Hangzhou Sanxin Paper Co., Ltd.	4.44	4.44
Hangzhou Taifu Textile Fiber Co., Ltd.	4.44	4.44
Jiaxang Fuda Chemical Fibre Factory	4.44	4.44
Nantong Luolai Chemical Fiber Co. Ltd.	4.44	4.44
Nanyang Textile Co., Ltd.	4.44	4.44
Suzhou PolyFiber Co., Ltd.	4.44	4.44
Xiamen Xianglu Fiber Chemical Co.	4.44	4.44
Zhaoqing Tifo New Fiber Co., Ltd.	4.44	4.44
Zhejiang Anshun Pettechs Fibre Co., Ltd.	4.44	4.44
Zhejiang Waysun Chemical Fiber Co., Ltd.	4.44	4.44
PRC–Wide Rate	44.30	44.30
<p><sup>1</sup> With respect to Cixi Jiangnan, Commerce instructed U.S. Customs and Border Protection (“Customs”) not to suspend liquidation of any entries of such certain PSF from China, and will not require any cash deposit or posting of a bond by importers when the subject merchandise is produced and exported by Cixi Jiangnan. 72 FR 19693, April 16, 2007.</p> <p><sup>2</sup> Commerce revoked the antidumping duty order on these firms on November 9, 2011. <i>Certain Polyester Staple Fiber from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, and Revocation of an Order in Part</i>, 75 FR 69702, November 9, 2011.</p> <p>Source: <i>Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People’s Republic of China</i>, 72 FR 19693, April 16, 2007 and <i>Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Certain Polyester Staple Fiber from the People’s Republic of China</i>, IA/NME/09: JH, August 29, 2012.</p>		

## Commerce's Administrative Reviews

Since the original investigation, Commerce has completed three administrative reviews of the antidumping duty order on certain PSF from China, as shown in table I-2. On July 6, 2012, Commerce completed the preliminary phase of an administrative review for the period of June 1, 2010 to May 31, 2011. On July 31, 2012, Commerce initiated an administrative review for the period of June 1, 2011 to May 31, 2012.<sup>10</sup>

---

<sup>10</sup> *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 77 F.R. 45338, July 31, 2012.

**Table I-2**  
**Certain PSF: Commerce's administrative reviews**

<b>Period of review</b>	<b>Action</b>	<b>Manufacturer/Exporter</b>	<b>Firm-specific margin (percent)</b>
December 26, 2006 – May 31, 2008 (75 F.R. 1336, January 11, 2010)	Administrative review	Ningbo Dafa Chemical Fiber Co., Ltd	0.00 ( <i>de minimis</i> )
		Cixi Santai Chemical Fiber Co., Ltd.	0.02 ( <i>de minimis</i> )
		Far Eastern Polychem Industries	4.44
		Cixi Sansheng Chemical Fiber Co., Ltd	4.44
		Cixi Waysun Chemical Fiber Co. Ltd.	4.44
		Hangzhou Best Chemical Fibre Co., Ltd.	4.44
		Hangzhou Hanbang Chemical Fibre Co., Ltd.	4.44
		Hangzhou Huachuang Co., Ltd.	4.44
		Hangzhou Sanxin Paper Co., Ltd.	4.44
		Hangzhou Taifu Textile Fiber Co., Ltd.	4.44
		Jiaxing Fuda Chemical Fibre Factory	4.44
		Nantong Loulai Chemical Fiber Co., Ltd.	4.44
		Nanyang Textile Co., Ltd.	4.44
		Xiamen Xianglu Chemical Fiber Co.	4.44
		Zhaoqing Tifo New Fiber Co., Ltd.	4.44
		Zhejiang Anshun Pettechs Fibre Co., Ltd.	4.44
		Zhejiang Waysun Chemical Fiber Co., Ltd.	4.44
June 1, 2008 - May 31, 2009 (76 F.R. 2886, Jan. 18, 2011)	Administrative review	Ningbo Dafa Chemical Fiber Co., Ltd	0.00 ( <i>de minimis</i> )
		Cixi Santai Chemical Fiber Co., Ltd.	0.02 ( <i>de minimis</i> )
		Far Eastern Polychem Industries	4.44
		Cixi Sansheng Chemical Fiber Co., Ltd	4.44
		Cixi Waysun Chemical Fiber Co. Ltd.	4.44
		Hangzhou Hanbang Chemical Fibre Co., Ltd.	4.44
		Hangzhou Huachuang Co., Ltd.	4.44
		Hangzhou Sanxin Paper Co., Ltd.	4.44
		Hangzhou Taifu Textile Fiber Co., Ltd.	4.44
		Jiaxing Fuda Chemical Fibre Factory	4.44
		Nantong Loulai Chemical Fiber Co., Ltd.	4.44
		Nanyang Textile Co., Ltd.	4.44
		Zhaoqing Tifo New Fiber Co., Ltd.	4.44
		Zhejiang Anshun Pettechs Fibre Co., Ltd.	4.44
Zhejiang Waysun Chemical Fiber Co., Ltd.	4.44		
June 1, 2009 - May 31, 2010 (76 F.R. 69702, Nov. 9, 2011)	Administrative review	Ningbo Dafa Chemical Fiber Co., Ltd	0.00 ( <i>de minimis</i> )
		Cixi Santai Chemical Fiber Co., Ltd.	0.02 ( <i>de minimis</i> )
		Hangzhou Sanxin Paper Co., Ltd.	4.44
		Zhaoqing Tifo New Fiber Co., Ltd.	4.44
		Huvis Sichuan Chemical Fiber Corp.	4.44
		Zhejiang Waysun Chemical Fiber Co., Ltd.	4.44
June 1, 2010 – May 31, 2011 (77 F.R. 39990, July 6, 2012, preliminary results)	Administrative review	Huvis Sichuan Chemical Fiber Corp.	0.21 ( <i>de minimis</i> )

## Related Commission Investigations and Reviews

On April 2, 1999, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of dumped imports of certain PSF from Korea and Taiwan.<sup>11</sup> Following Commerce's final affirmative dumping determinations, the Commission made affirmative injury determinations with respect to imports from Korea and Taiwan. Commerce issued antidumping duty orders with weighted-average margins of 7.91<sup>12</sup> percent ad valorem for imports from Korea, and 5.77 to 9.51 percent ad valorem for imports from Taiwan.<sup>13</sup>

On March 31, 2005, the Commission instituted its first five-year reviews of the antidumping duty orders on imports of certain PSF from Korea and Taiwan<sup>14</sup> and on July 5, 2005, determined it would conduct full reviews.<sup>15</sup> On August 5, 2005, Commerce determined that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at a weighted-average margin of 7.91 percent ad valorem for Korea, and a range of 3.79 to 11.50 percent ad valorem for Taiwan.<sup>16</sup> On March 23, 2006, the Commission published its determinations in its first five-year reviews that revocation of the antidumping duty orders on imports of certain PSF from Korea and Taiwan would likely lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.<sup>17</sup> Commerce published notice of continuation of the antidumping duty orders on imports of certain PSF from Korea and Taiwan on April 3, 2006.<sup>18</sup>

On March 1, 2011, the Commission instituted its second expedited five-year reviews of the antidumping duty orders on imports of certain PSF from Korea and Taiwan<sup>19</sup> and on June 6, 2011 determined that it would conduct expedited reviews.<sup>20</sup> On July 1, 2011, Commerce determined that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at a weighted-average margin of 7.91 percent ad valorem for Korea, and a range of 3.79 to 11.50 percent ad

---

<sup>11</sup> The petition was filed by E.I. Dupont de Nemours, Inc. ("DuPont"); Nan Ya Plastics Corp., America (originally a petitioner in the Korea investigation only); Arteva Specialties S.a.r.l., d/b/a KoSa; Wellman, Inc.; and Intercontinental Polymers, Inc. However, in a letter dated May 4, 1999, DuPont withdrew its support for the Taiwan case before the preliminary determination and Nan Ya withdrew its support for the Korea case, and thus was removed as a petitioner. *Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825-826 (Review)*, USITC Publication 3843, March 2006, p. I-6.

<sup>12</sup> *Certain Polyester Staple Fiber from the Republic of Korea: Notice of Amended Final Determination and Amended Order Pursuant to Final Court Decision*, 68 FR 74552, December 24, 2003.

<sup>13</sup> *Notice of Amended Final Determination of Sales at Less Than Fair Value: Certain Polyester Staple Fiber from the Republic of Korea and Antidumping Duty Orders: Certain Polyester Staple Fiber From the Republic of Korea and Taiwan*, 65 FR 33807, May 25, 2000.

<sup>14</sup> *Polyester Staple Fiber from Korea and Taiwan: Institution of Five-Year Reviews*, 70 FR 16522.

<sup>15</sup> *Polyester Staple Fiber from Korea and Taiwan: Notice of Commission Determination to Conduct Full Five-Year Reviews*, 70 FR 41427.

<sup>16</sup> *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.

<sup>17</sup> *Certain Polyester Staple Fiber from the Republic of Korea and Taiwan: Determinations*, 71 FR 14721.

<sup>18</sup> *Certain Polyester Staple Fiber from the Republic of Korea and Taiwan: Continuation of Antidumping Duty Orders*, 71 FR 16558.

<sup>19</sup> *Certain Polyester Staple Fiber from Korea and Taiwan: Institution Five-Year Reviews Concerning the Antidumping Duty Orders*, 76 FR 11268.

<sup>20</sup> *Certain Polyester Staple Fiber from Korea and Taiwan; Scheduling of Expedited Five-Year Reviews Concerning the Antidumping Duty Orders on Polyester Staple Fiber from Korea and Taiwan*, 76 FR 37830, June 28, 2011.

valorem for Taiwan.<sup>21</sup> On September 19, 2011, the Commission published its determinations in its expedited five-year reviews that revocation of the antidumping duty orders on imports of certain PSF from Korea and Taiwan would likely lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.<sup>22</sup> Commerce published its notice of continuation of the antidumping duty orders on imports of certain PSF from Korea and Taiwan on September 30, 2011.<sup>23</sup>

## **THE PRODUCT**

### **Commerce's Scope**

In the result of its expedited five-year review, Commerce defined the subject merchandise as:<sup>24</sup> 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 millimeters ("mm")) to five inches (127 mm). The subject merchandise may be coated, usually with a silicon or other finish, or not coated. Polyester staple fiber is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Merchandise subject to the order is currently classifiable in the Harmonized Tariff Schedule of the United States ("HTSUS") at subheadings 5503.20.0045 (3.3 to 13.2 decitex) and 5503.20.00.65 (13.2 decitex or greater).

The following products are excluded from the scope: polyester staple fiber of less than 3.3 decitex (less than 3 denier) currently classifiable in the HTSUS at subheading 5503.20.00.25 and known to the industry as polyester staple fiber for spinning and generally used in woven and knit applications to produce textile and apparel products, PSF of 10 to 18 denier that are cut to lengths of 6 to 8 inches and that are generally used in the manufacture of carpeting, and low-melt polyester staple fiber defined as a bi-component fiber with an outer, non-polyester sheath that melts at a significantly lower temperature than its inner polyester core (classified at HTSUS 5503.20.0015).

### **Tariff Treatment**

Certain PSF is imported under HTS subheading 5503.20.00 (statistical reporting numbers 5503.20.0045 and 5503.20.0065) and enters the United States at a column 1-general duty rate of 4.3 percent *ad valorem*.

---

<sup>21</sup> *Certain Polyester Staple Fiber from the Republic of Korea and Taiwan: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 76 FR 38612.

<sup>22</sup> *Certain Polyester Staple Fiber from the Republic of Korea and Taiwan: Determinations*, 76 FR 58040.

<sup>23</sup> *Certain Polyester Staple Fiber from the Republic of Korea and Taiwan: Continuation of Antidumping Duty Orders*, 76 F.R. 60802.

<sup>24</sup> *Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Certain Polyester Staple Fiber from the People's Republic of China*, IA/NME/09: JH, August 29, 2012.

## Domestic Like Product and Domestic Industry

In its original determination, the Commission found the appropriate domestic like product to be all certain PSF, corresponding to Commerce's scope definition. The only domestic like product issue raised in the original investigation was raised by two respondents: Ashley Furniture Industries, Inc. ("Ashley Furniture") argued that the Commission should define conjugate certain PSF as a separate like product, and Insituform Technologies, Inc. ("Insituform") argued that the Commission should define certain PSF qualified for use in its cured in place pipe applications ("CIPP PSF"), as a separate like product. Based on the application of the Commission's six like product factors, the Commission determined that certain PSF constituted a single domestic like product comprised of all certain PSF. The Commission found no clear dividing line between conjugate PSF, CIPP PSF and other forms of certain PSF under its six like product factors.<sup>25</sup>

### Conjugate PSF

Conjugate PSF and non-conjugate PSF are both man-made polyester staple fibers that are similar in appearance and application, but have generally different structures, due to differences in the first stage, but not the second stage, of their production processes. Conjugate and non-conjugate PSF are used in the same applications, and share the same processes and equipment for the second stage of production. Further, they are produced using the same employees by the lone domestic producer of both types of PSF, Nan Ya; they share the same channels of distribution; and they are priced similarly. Most producers, importers, and purchasers report that conjugate and non-conjugate PSF are either always, usually, or sometimes interchangeable, though a substantial minority of purchasers and importers report that the products are never interchangeable. According to hearing and conference testimony, purchasers choose between conjugate and non-conjugate PSF based on the optimal combination of price and performance. Thus, customers and producers appear to perceive the products as competitive to a certain degree.<sup>26</sup>

### PSF for CIPP Applications

The principal difference between CIPP PSF and other types of PSF is that only CIPP PSF is suitable for use in Insituform's CIPP applications. Consequently, Insituform and PSF producers that have unsuccessfully attempted to qualify their PSF for Insituform's CIPP applications would perceive CIPP PSF as separate and distinct from other PSF products. Insituform's suppliers of CIPP PSF reported that the physical characteristics that make CIPP PSF uniquely suited for CIPP applications, with the possible exception of cut length, do not preclude the product's use in other, more prosaic applications. During the period examined in the original investigation, Invista reportedly shipped \*\*\* of its CIPP PSF to customers other than Insituform for end uses other than CIPP and produces CIPP PSF in the same manner as other forms of certain PSF. \*\*\* reportedly sold CIPP PSF to customers other than Insituform for non-woven and fiberfill applications. In addition, CIPP PSF was sold directly to end users, like other forms of certain PSF, and was priced comparably to other types of certain PSF over the period of investigation. CIPP PSF and other types of certain PSF are reportedly interchangeable in other end uses and otherwise similar in terms of the Commission's like product factors.<sup>27</sup>

---

<sup>25</sup> *Polyester Staple Fiber from China*, USITC Publication 3922, pp. 5-12.

<sup>26</sup> *Polyester Staple Fiber from China*, USITC Publication 3922, p. I-9.

<sup>27</sup> *Polyester Staple Fiber from China*, USITC Publication 3922, pp. I-11-12.

In their response to the Commission's notice of institution in this review, the domestic interested parties stated that they agreed with the definitions of the domestic like product and the domestic industry from the original investigation but reserved the right to comment on the appropriate definitions during the course of the review proceeding.<sup>28</sup>

### **Description and Uses<sup>29</sup>**

Certain PSF is a man-made fiber that is similar in appearance to cotton or wool fiber when baled. Certain PSF is principally 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. 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 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, it is seldom visible. Therefore, the appearance of certain PSF can be less important than its performance<sup>30</sup> to customers. However, the appearance of certain PSF directly affects the look and perceived value of many end-products, such as mattresses, comforters, cushions, pillows, and furniture with less opaque upholstery.

Certain PSF used for fill can be produced in many variations for purposes of quality enhancement. For example, the subject fiber may be crimped or conjugated, giving the fiber "loft" for stuffing purposes. Conjugate PSF has a three-dimensional spiral twist in the fiber made from two types

---

<sup>28</sup> Domestic interested parties' response to notice of institution, January 3, 2012, p. 15.

<sup>29</sup> The information in this section of the report is derived from *Polyester Staple Fiber from China, Inv. No. 731-TA-1104 (Final)*, USITC Publication 3922, June 2007.

<sup>30</sup> "Performance" refers to the ability of the fiber to fulfill purchaser's end users, in loft, fill capacity, and durability.

of fiber by either a chemical or mechanical process, designed to provide greater loft or fill capacity to the fiber. Non-conjugate fiber has a two-dimensional sawtooth crimp and provides somewhat less fill capacity. Certain PSF may also be coated with a finish (usually silicone or oil-based), making the fiber smoother to the touch for certain high-end uses.<sup>31</sup> 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 in the production of certain PSF may also vary. PSF can be made by reacting ethylene glycol with either terephthalic acid or its methyl ester; if so produced, it is termed virgin PSF. Virgin PSF is characterized by the purity of the whiteness of the fiber. PSF 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, and does not contain virgin 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, certain PSF may be produced in the form of a low-melt fiber. This 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, and is not included within the scope of this review.

### **Manufacturing Processes<sup>32</sup>**

The manufacturing process for certain PSF may be divided into two discrete stages. The first stage of the process is polymer formation, which can vary depending on whether virgin (unprocessed chemicals) or recycled materials are being used. Polymer formation also varies depending on whether conjugate fiber or low-melt fiber is being produced. The second stage of the process, which is common to all certain PSF, 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/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.

In the first stage of production, unlike non-conjugate PSF, which requires a single spinning process, conjugate PSF is produced using a double spinning process either by direct spinning or batch spinning. Whether direct or batch spinning, conjugate fibers are composed of a bipolymer blend of two different polyester polymers of different viscosities. One of the polymers shrinks more than the other, resulting in spiral-shaped crimps. Conjugate and non-conjugate are normally made on separate manufacturing lines, and one line would not ordinarily be switched from one PSF type to the other.

---

<sup>31</sup> A silicone finish is preferred for certain end uses such as pillows. When rubbed, fiber with a silicone finish will slide, lending the product a slightly slick feeling.

<sup>32</sup> The information in this section of the report is derived from *Polyester Staple Fiber from China*, USITC Publication 3922, pp. I-5-11.



However, the same employees are used to produce conjugate PSF and other types of certain PSF. After the conjugate PSF is extruded, the stretching, cutting, and baling of the conjugate PSF is identical to other types of certain PSF.

The manufacture of regenerated certain PSF begins with the processing of the recycled materials. As reported in the petition, 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 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, including conjugate. 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 nonsubject PSF are similar to those for certain PSF. Nonsubject 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 in the production of 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 higher 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. Low-melt fiber is produced in a very similar process to conjugate fiber. Like conjugate fiber, low-melt fiber can be produced by both a direct spinning system or a batch system. Component polymers are forced through a Y-shaped extruder to form a single fiber. A chemical ingredient is added to make the outer sheath polymer subject to a lower melting point. The fiber is then stretched, cut, and baled.

## THE INDUSTRY IN THE UNITED STATES

### U.S. Producers

During the original investigation, the Commission found that the following eight U.S. firms produced certain PSF: DAK; Formed Fiber Technologies, Inc.; Invista S.a.r.l.; Nan Ya; Palmetto Synthetics, LLC; United Synthetics, Inc.; U.S. Fibers; and Wellman.

DAK, Nan Ya, and Wellman (the original three petitioners) collectively accounted for \*\*\* percent of domestic production in 2006.<sup>33</sup> \*\*\* the largest domestic producer, accounted for \*\*\* percent of domestic production of certain PSF in the United States in 2006. \*\*\* accounted for \*\*\* and \*\*\* percent of domestic production in 2006, respectively.

The domestic interested parties participating in this expedited five-year review indicated in their response to the Commission's notice of institution that the following eight firms are currently domestic producers of certain PSF: Auriga Polymers Inc. (formerly Invista S.a.r.l.) ("Auriga"),<sup>34</sup> Color-Fi,<sup>35</sup> DAK Americas LLC ("DAK"), Nan Ya, Palmetto Synthetics LLC ("Palmetto"), U.S. Fibers ("U.S. Fibers"), United Synthetics, and Wellman.<sup>36</sup>

### U.S. Producers' Trade, Employment, and Financial Data

The four firms that responded to the notice of institution are estimated to represent \*\*\* of U.S. production of certain PSF in 2011.<sup>37</sup> Table I-3 presents responding U.S. producers' 2011 data on their operations for certain PSF, by firm, as well as total industry historical data for 2006.<sup>38</sup> Data reported by U.S. producers of certain PSF in the original investigation are presented in appendix C.<sup>39</sup>

---

<sup>33</sup> See Confidential Staff Report, May 1, 2007, INV-EE-044, p. III-1.

<sup>34</sup> On March 1, 2011, Invista's polyester staple fiber facility in South Carolina was acquired by Indorama Ventures Public Co. Ltd. and currently operates as Auriga Polymers.

<sup>35</sup> In 2003, Formed Fiber Technologies acquired Martin Color-Fi and renamed the business Color-Fi. Color-Fi company website, <http://www.colorfi.com/aboutus.html>, retrieved on July 19, 2012.

<sup>36</sup> Wellman filed for Chapter 11 bankruptcy protection in 2008. After the bankruptcy notice, Wellman announced the closure of its Palmetto facility and the layoff of 550 employees in addition to the layoff of 360 employees when Wellman closed its Johnsonville, South Carolina facility in 2006. Wellman's Johnsonville facility that produces PSF was subsequently acquired by a group of investors to form Wellman Plastics Recycling. Wellman's facility in Johnsonville, South Carolina is currently producing PSF \*\*\*. Domestic interested parties' responses to the notice of institution, p. 7.

<sup>37</sup> Domestic interested parties' response to the notice of institution, p. 10.

<sup>38</sup> Domestic interested parties' response to the notice of institution, exh. 4.

<sup>39</sup> Appendix C presents table C-1 from the original investigation.

**Table I-3**

**Certain PSF: U.S. producers' trade and financial data, 2006 and 2011**

Item	2006	2011				
	Total	Auriga	DAK	Palmetto	U.S. Fibers	Total
Capacity (1,000 pounds)	774,942	***	***	***	***	***
Production (1,000 pounds) <sup>1</sup>	573,068	***	***	***	***	***
Capacity utilization (percent)	73.9	***	***	***	***	***
U.S. commercial shipments:						
Quantity (1,000 pounds)	500,161	***	***	***	***	***
Value (\$1,000)	369,142	***	***	***	***	***
Unit value (per pound)	\$0.74	***	***	***	***	***
Net sales (\$1,000)	404,209	***	***	***	***	***
COGS (\$1,000)	397,741	***	***	***	***	***
Gross profit or (loss) (\$1,000)	6,468	***	***	***	***	***
SG&A expenses (\$1,000)	11,912	***	***	***	***	***
Operating income or (loss) (\$1,000)	(5,444)	***	***	***	***	***
Operating income or (loss)/sales (percent)	(1.3)	***	***	***	***	***
COGS/sales (percent)	98.4	***	***	***	***	***
<sup>1</sup> The domestic interested parties estimate total U.S. production of certain PSF in 2011 to be ***.						
Note.--The production, capacity and shipment data presented are for calendar year 2011.						
Source: Compiled from data presented in the original staff report and the domestic interested parties' response to the Commission's notice of institution, exh. 4.						

**RELATED PARTY ISSUES**

In their response to the notice of institution, the domestic interested parties reported that none of them are related to a foreign producer or exporter of the subject merchandise, nor are any of them an importer of the subject merchandise, or is related to an importer of the subject merchandise.<sup>40</sup>

<sup>40</sup> Domestic interested parties' response to the notice of institution, p. 9.

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

### U.S. Imports

During the original investigation, the Commission identified 30 U.S. importers that imported the subject product. Of these importers, 18 firms reported U.S. imports of the subject certain PSF from China. These firms accounted for 81.8 percent of subject U.S. imports of certain PSF from China in 2006 (based on official Commerce statistics). The six largest responding importers from China in 2006 were \*\*\*, collectively accounting for 69.9 percent of reported imports of certain PSF from China in 2006. The largest importer of the subject merchandise from China in 2006 was \*\*\*, accounting for \*\*\* percent of total U.S. imports from China.

In this expedited five-year review, the domestic interested parties identified 53 firms that are believed to be importing the subject product from China. Data regarding U.S. imports of certain PSF, as reported by Commerce, are presented in table I-4. Since the original investigation, Cixi Jiangnan Chemical Co., Ltd. (“Cixi Jiangnan”) was found to be exempt from the antidumping duty order by Commerce. Accordingly, imports of certain PSF from Cixi Jiangnan are treated in this report as nonsubject imports.<sup>41</sup> Subject imports increased by \*\*\* percent between 2007 and 2011, from \*\*\* pounds to \*\*\* pounds. Nonsubject imports decreased by \*\*\* percent between 2007 and 2011, from \*\*\* pounds to \*\*\* pounds. The quantity of overall imports decreased while the value of imports increased, resulting in higher unit values during the period.

---

<sup>41</sup> In addition, Commerce revoked the antidumping duty order on Ningbo Dafa Chemical Fiber Co., Ltd. (“Ningbo Dafa”) and Cixi Santai Chemical Fiber Co., Ltd. (“Cixi Santai”) on November 9, 2011. *Certain Polyester Staple Fiber from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, and Revocation of an Order in Part*, 75 FR 69702, November 9, 2011.

**Table I-4**  
**Certain PSF: U.S. imports, by source, 2007-11**

Item	2007	2008	2009	2010	2011
	<b>Quantity (1,000 pounds)</b>				
China, subject	***	***	***	***	***
China, nonsubject	***	***	***	***	***
All other <sup>1</sup>	403,882	373,416	294,803	319,283	231,916
Total nonsubject	***	***	***	***	***
Total imports	579,662	621,050	491,344	547,694	507,269
	<b>Value (\$1,000)</b>				
China, subject	***	***	***	***	***
China, nonsubject	***	***	***	***	***
All other <sup>1</sup>	248,009	251,048	157,030	204,751	207,730
All nonsubject	***	***	***	***	***
Total imports	335,917	388,109	246,944	328,724	398,750
	<b>Unit value (\$ per pound)</b>				
China, subject	***	***	***	***	***
China, nonsubject	***	***	***	***	***
All other <sup>1</sup>	0.61	0.67	0.53	0.64	0.90
All nonsubject	***	***	***	***	***
Total imports	0.58	0.62	0.50	0.60	0.79
<sup>1</sup> The primary "other sources" during 2011 were India, Indonesia, Korea, and Thailand.  Note.--Subject U.S. imports of certain PSF have been adjusted to exclude nonsubject imports from Chinese producer/exporter, Cixi Jiangnan.  Source: Official Commerce statistics, HTS statistical reporting numbers 5503.20.0045 and 5503.20.0065.					

### **Ratio of Imports to U.S. Production**

Subject imports of certain PSF from China were equivalent to \*\*\* percent of reported U.S. production in 2011. The ratio of imports of certain PSF from nonsubject sources to domestic production was \*\*\* percent in 2011.

### **Apparent U.S. Consumption and Market Shares**

According to the \*\*\*, U.S. consumption of PSF \*\*\*.<sup>42</sup> Domestic interested parties reported that U.S. certain PSF demand, production, shipments, employment, and financial performance have declined since the original investigation.<sup>43</sup> The decline in demand is partly attributed to the recent downturn in the housing market and new federal regulations on flame retardant home textiles that have lowered demand for certain PSF in these applications.<sup>44</sup> Table I-5 presents apparent U.S. consumption and U.S. market shares in 2006 and 2011.<sup>45</sup>

---

<sup>42</sup> Domestic interested parties' response to the notice of institution, p. 6-7. These data include consumption of all polyester staple fiber and thus encompass more than the subject merchandise.

<sup>43</sup> The domestic interested parties identified their main U.S. purchasers of certain PSF as \*\*\*. Domestic interested parties' response to the notice of institution, p. 9.

<sup>44</sup> Domestic interested parties' response to the notice of institution, p. 11.

<sup>45</sup> Appendix C, table C-1, presents additional data from the original investigation.

**Table I-5**

**Certain PSF: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2006 and 2011**

Item	2006	2011
	<b>Quantity (1,000 pounds)<sup>1</sup></b>	
U.S. producers' U.S. shipments	500,161	***
U.S. imports		
China, subject	***	***
China, nonsubject	***	***
All other sources	***	***
Total nonsubject	***	***
Total imports	566,731	507,269
Apparent U.S. consumption	1,066,891	***
	<b>Value (1,000 dollars)<sup>1</sup></b>	
U.S. producers' U.S. shipments	369,142	***
U.S. imports		
China, subject	*** <sup>2</sup>	***
China, nonsubject	***	***
All other sources	***	***
Total nonsubject	***	***
Total imports	333,096	398,750
Apparent U.S. consumption	702,238	***
	<b>Share of consumption based on quantity (percent)</b>	
U.S. producers' U.S. shipments	46.9	***
U.S. imports		
China, subject	***	***
China, nonsubject	***	***
All other sources	***	***
Total nonsubject	***	***
Total imports	53.1	***
<p><sup>1</sup> The primary "other sources" during 2011 were India, Indonesia, Korea, and Thailand.</p> <p>Note.--Subject U.S. imports of certain PSF have been adjusted to exclude nonsubject imports from Chinese producer/exporter, Cixi Jiangnan.</p> <p>Source: Compiled from data presented in the original staff report, the domestic interested parties' response to the notice of institution, exh. 4, and official Commerce statistics.</p>		

## ANTIDUMPING AND OTHER ACTIONS OUTSIDE THE UNITED STATES

Subject PSF from China has been subject to import relief investigations in Indonesia, Pakistan, South Africa, and Turkey.<sup>46</sup> Pakistan imposed antidumping duty measures on Chinese PSF in June 2009. Turkey imposed antidumping duty measures on Chinese PSF in October 2009. South Africa imposed antidumping duty measures on Chinese PSF in May 2010.<sup>47</sup> Indonesia imposed antidumping duty measures on Chinese PSF in November 2010.

### THE INDUSTRY IN CHINA

During the original investigation, questionnaire responses were received from seven firms in China: Cixi Santai Chemical Fiber Co., Ltd. (“Cixi Santai”); Cixi Waysun Chemical Fiber Co., Ltd. (“Cixi Waysun”); Hangzhou Huachuang Co., Ltd. (“Hangzhou Huachuang”); Nanyang Textile Co., Ltd. (“Nanyang Textile”); Ningbo Dafa Chemical Fiber Co., Ltd. (“Ningbo Dafa”); Zhejiang Anshun Pettechs Fibre Co., Ltd (“Zhejiang Anshun”); and Zhejiang Waysun Chemical Fiber Co., Ltd. (“Zhejiang Waysun”).<sup>48</sup>

China is the world’s largest producer and exporter of PSF. In this expedited five-year review, the domestic interested parties identified 150 Chinese producers and exporters of PSF. According to the \*\*\*, China's production of PSF increased from \*\*\* pounds in 2005 to \*\*\* pounds in 2010, with projections showing continued increases through 2015.<sup>49</sup> It also estimated that Chinese PSF manufacturers produced \*\*\* of PSF in 2011, at an estimated capacity utilization rate of \*\*\* percent in 2011 and a projected capacity utilization rate of \*\*\* percent in 2012.<sup>50</sup> Another source, \*\*\*,<sup>51</sup> According to China Customs for statistical reporting number 5503.20, the United States was the largest destination for Chinese exports of PSF, followed by Pakistan, Indonesia, and Russia in 2011.<sup>52</sup> No Chinese interested party responded to the notice of institution or otherwise participated in this five-year review. Three Chinese producers/exporters, Cixi Jiangnan, Ningbo Dafa, and Cixi Santai are exempt from the antidumping duty order on certain PSF.

---

<sup>46</sup> Domestic interested parties’ response to the notice of institution, p. 15.

<sup>47</sup> Retrieved August 17, 2012 from <http://econ.worldbank.org//ttd/gad> and retrieved August 20, 2012 from <http://www.ekonomi.gov.tr/ticpolitika/index.cfm?sayfa=6D274C6B-D8D3-8566-45203FB59C725377>.

<sup>48</sup> During the original investigation, the Commission sent foreign producer/exporter questionnaires to 60 firms identified in the petition as producers or exporters of certain PSF in China, for which contact information was publicly available.

<sup>49</sup> Company websites of Chinese producers confirm that they have installed substantial PSF capacity since the original investigation. Domestic interested parties’ response to the notice of institution, p. 13 and exh. 11. In addition, a sampling of 10 Chinese producers of PSF (Huvis Zigong, Jiangsu Desai, Jiangsu Sanfangxiang, Jiangyin Huahong, King's Group, PetroChina Liaoyang, Shanghai Petrochemical, Wanjie Group, Yizheng Chemical Fibre, and Zhejiang Yuandong ) collectively have \*\*\* pounds of PSF capacity. Domestic interested parties’ response to the notice of institution, pp. 13-14 and exh. 11.

<sup>50</sup> Domestic interested parties’ response to the notice of institution, pp. 11-12.

<sup>51</sup> Domestic interested parties’ response to the notice of institution, p. 13.

<sup>52</sup> Domestic interested parties’ response to the notice of institution, exh. 12.



**APPENDIX A**

***FEDERAL REGISTER* NOTICES AND  
ISSUES AND DECISION MEMORANDUM**



be assured of consideration, the deadline for responses is May 31, 2012. Comments on the adequacy of responses may be filed with the Commission by July 16, 2012. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as most recently amended at 74 FR 2847 (January 16, 2009).

**DATES:** *Effective Date:* May 1, 2012.

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

**SUPPLEMENTARY INFORMATION:**

*Background.*—On June 1, 2007, the Department of Commerce issued an antidumping duty order on imports of certain polyester staple fiber from China (72 FR 30545). The Commission is conducting a review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

*Definitions.*—The following definitions apply to this review:

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

(2) The *Subject Country* in this review is China.

---

**INTERNATIONAL TRADE  
COMMISSION**

[Investigation No. 731-TA-1104 (Review)]

**Certain Polyester Staple Fiber From  
China; Institution of a Five-Year  
Review**

**AGENCY:** United States International Trade Commission.

**ACTION:** Notice.

**SUMMARY:** The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on certain polyester staple fiber from China would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;<sup>1</sup> to

<sup>1</sup> No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 12-5-269, expiration date June 30, 2014. Public reporting

burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determination, the Commission defined the *Domestic Like Product* as all certain polyester staple fiber, coextensive with the scope of the investigation.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determination, the Commission defined the *Domestic Industry* as all known domestic producers of certain polyester staple fiber.

(5) The *Order Date* is the date that the antidumping duty order under review became effective. In this review, the *Order Date* is June 1, 2007.

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

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

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation. The Commission's designated agency ethics official has advised that a five-year review is not considered the "same particular matter" as the corresponding underlying original investigation for purposes of 18 U.S.C. 207, the post employment statute for Federal employees, and Commission rule 201.15(b)(19 CFR 201.15(b)), 73 FR 24609 (May 5, 2008). This advice was developed in consultation with the Office of Government Ethics. Consequently, former employees are not

required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

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

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

*Written submissions.*—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is May 31, 2012. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The deadline for filing such comments is July 16, 2012. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and

207.7 of the Commission's rules. Please be aware that the Commission's rules with respect to electronic filing have been amended. The amendments took effect on November 7, 2011. See 76 FR 61937 (Oct. 6, 2011) and the newly revised Commission's Handbook on E-Filing, available on the Commission's Web site at <http://edis.usitc.gov>. Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

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

*Information To Be Provided in Response to This Notice of Institution:* As used below, the term "firm" includes any related firms.

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

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

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

(4) A statement of the likely effects of the revocation of the antidumping duty order on the *Domestic Industry* in

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

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

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

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and Email address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2011, except as noted (report quantity data in pounds and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

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

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) The quantity and value of U.S. commercial shipments of the *Domestic*

*Like Product* produced in your U.S. plant(s);

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

(e) The value of (i) Net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2011 (report quantity data in pounds and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

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

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

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

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2011 (report quantity data in pounds and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

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

(b) Capacity (quantity) of your firm to produce the *Subject Merchandise* in the

*Subject Country* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

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

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

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

**Authority:** This review is being conducted under authority of Title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: April 25, 2012.

**James R. Holbein,**

*Secretary to the Commission.*

[FR Doc. 2012-10461 Filed 4-30-12; 8:45 am]

**BILLING CODE 7020-02-P**

---

**DEPARTMENT OF COMMERCE****International Trade Administration****Initiation of Five-Year ("Sunset")  
Review; Correction**

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

**SUMMARY:** On May 1, 2012, the  
Department of Commerce ("the  
Department") published a notice in the  
**Federal Register** that incorrectly  
identified the antidumping duty order  
for which a five-year review ("Sunset  
Review") was being initiated.<sup>1</sup> This  
notice is a correction.

**DATES:** *Effective Date:* May 1, 2012.

**FOR FURTHER INFORMATION CONTACT:**  
Brenda E. Waters, Office of AD/CVD  
Operations, Customs Unit, Import  
Administration, International Trade  
Administration, U.S. Department of  
Commerce, 14th Street and Constitution  
Avenue NW., Washington, DC 20230,  
telephone: (202) 482-4735.

**SUPPLEMENTARY INFORMATION:****Background**

In the *Initiation Notice* published in  
the **Federal Register** on May 1, 2012, the

---

<sup>1</sup> See *Initiation of Five-Year ("Sunset") Review*, 77  
FR 25683 (May 1, 2012) ("*Initiation Notice*")

Department incorrectly identified “Activated Cabron [sic]” from the People’s Republic of China as the antidumping duty order for which a five-year review (“Sunset Review”) was being initiated. The Department is now

correcting that notice: the antidumping duty order for which the Department is initiating a sunset review is Polyester Staple Fiber from China. The initiation is effective May 1, 2012.

**Correction of Initiation of Review**

In accordance with 19 CFR 351.218(c), effective May 1, 2012, we are initiating the Sunset Review of the following antidumping duty order:

DOC Case No.	ITC Case No.	Country	Product	Department contact
A-570-905 .....	731-TA-709 .....	China .....	Polyester Staple Fiber (1st Review) .....	Jennifer Moats (202) 482-5047.

**Effect of Correction of Initiation Notice**

Additional information concerning the Department’s Sunset proceedings can be found in the “Filing Information” and “Information Required From Interested Parties” sections of the *Initiation Notice*.<sup>2</sup> All filing requirements and deadlines under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), and 19 CFR 351.218 for the above-identified Sunset Review were established with publication of the *Initiation Notice* on May 1, 2012. Because of the circumstances requiring this correction of the *Initiation Notice*, and pursuant to 19 CFR 351.302(b), the Department will consider requests from interested parties for the extension of the deadlines established by 19 CFR 351.218(d)(1)(i) for filing of a notice of intent to participate, by 19 CFR 351.218(d)(2)(i) for filing of a statement of waiver, and by 19 CFR 351.218(d)(3)(i) for filing of a substantive response.

This correction of the notice of initiation is published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

Dated: May 8, 2012.

**Christian Marsh,**

*Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.*

[FR Doc. 2012-11607 Filed 5-11-12; 8:45 am]

**BILLING CODE 3510-DS-P**

<sup>2</sup> See *id.* at 25684.

---

**INTERNATIONAL TRADE  
COMMISSION**

**[Investigation No. 731-TA-1104 (Review)]**

**Polyester Staple Fiber From China;  
Scheduling of an Expedited Five-Year  
Review Concerning the Antidumping  
Duty Order on Polyester Staple Fiber  
From China**

**AGENCY:** United States International  
Trade Commission.

**ACTION:** Notice.

---

**SUMMARY:** The Commission hereby gives notice of the scheduling of an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine



whether revocation of the antidumping duty order on polyester staple fiber from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**DATES:** *Effective Date:* August 6, 2012.

**FOR FURTHER INFORMATION CONTACT:** Joanna Lo (202–205–1888), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

*Background.*—On August 6, 2012, the Commission determined that the domestic interested party group response to its notice of institution (7 FR 25744, May 1, 2012) of the subject five-year review was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting a full review.<sup>1</sup> Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.

*Staff report.*—A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on August 30, 2012, and made available to persons on the Administrative Protective Order service list for this review. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

*Written submissions.*—As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided

individually adequate responses to the notice of institution,<sup>2</sup> and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before September 5, 2012 and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by September 5, 2012. However, should the Department of Commerce extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. Please be aware that the Commission's rules with respect to electronic filing have been amended. The amendments took effect on November 7, 2011. See 76 FR 61937 (Oct. 6, 2011) and the newly revised Commission's Handbook on E-Filing, available on the Commission's Web site at <http://edis.usitc.gov>.

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

**Authority:** This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: August 15, 2012.

By order of the Commission.

**Lisa R. Barton,**

*Acting Secretary to the Commission.*

[FR Doc. 2012–20447 Filed 8–20–12; 8:45 am]

**BILLING CODE 7020–02–P**

<sup>1</sup> A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

<sup>2</sup> The Commission has found the responses submitted by Auriga Polymers, Inc., DAK Americas LLC, Palmetto Synthetics LLC, and U.S. Fibers to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

---

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-570-905]

**Certain Polyester Staple Fiber From  
the People's Republic of China: Final  
Results of Expedited Sunset Review of  
the Antidumping Duty Order**

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

**SUMMARY:** On May 1, 2012, the Department of Commerce (“the Department”) initiated the first five-year (“sunset”) review of the antidumping duty order on certain polyester staple fiber from the People's Republic of China (“PRC”) pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested party, as well as a lack of response from respondent interested parties, the Department conducted an expedited sunset review of the antidumping duty order, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2). As a result of this sunset review, the Department finds that revocation of the antidumping duty order on certain polyester staple fiber from the PRC would be likely to lead to continuation or recurrence of dumping at the levels indicated in the “Final Results of Review” section of this notice.

**DATES:** *Effective Date:* September 6, 2012.

**FOR FURTHER INFORMATION CONTACT:** Jerry Huang, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-4047.

**SUPPLEMENTARY INFORMATION:**

**Background**

On May 1, 2012, the Department initiated the first sunset review of the antidumping duty order on certain polyester staple fiber from the PRC, pursuant to section 751(c) of the Act and 19 CFR 351.218(c)(2).<sup>1</sup> The Department received a notice of intent to participate from DAK Americas, LLC (“domestic interested party”) within the deadline specified in 19 CFR 351.218(d)(1)(i).<sup>2</sup> The domestic interested party claimed interested party status under section 771(9)(C) of the Act, as manufacturers of a domestic like product in the United States.

We received a complete substantive response from the domestic interested party within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).<sup>3</sup> We received no responses from respondent interested parties. As a result, the Department conducted an expedited sunset review of the *Order*, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2).

**Scope of the Order**

The merchandise subject to the order is certain polyester staple fiber defined under the scope of the order 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 millimeters (“mm”)) to five inches (127 mm). The subject merchandise may be coated, usually with a silicon or other finish, or not coated. Polyester staple fiber is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Merchandise subject to the order is currently classifiable in the Harmonized Tariff Schedule of the United States (“HTSUS”) at subheadings

5503.20.0045 (3.3 to 13.2 decitex) and 5503.20.00.65 (13.2 decitex or greater). Although the subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

The following products are excluded from the scope: Polyester staple fiber of less than 3.3 decitex (less than 3 denier) currently classifiable in the HTSUS at subheading 5503.20.00.25 and known to the industry as polyester staple fiber for spinning and generally used in woven and knit applications to produce textile and apparel products, PSF of 10 to 18 denier that are cut to lengths of 6 to 8 inches and that are generally used in the manufacture of carpeting, and low-melt polyester staple fiber defined as a bi-component fiber with an outer, non-polyester sheath that melts at a significantly lower temperature than its inner polyester core (classified at HTSUS 5503.20.0015).

**Analysis of Comments Received**

All issues raised in this review are addressed in the “Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Certain Polyester Staple Fiber from the People’s Republic of China” (“Decision Memorandum”) from Gary Taverman, Senior Advisor for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, dated concurrently with and hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the order was to be revoked. Parties may find a complete discussion of all issues raised in the review and the corresponding recommendations in this public memorandum which is on file electronically via Import Administration’s Antidumping and Countervailing Duty Centralized Electronic Services System (“IA ACCESS”). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit room 7046 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The signed Decision Memorandum and the electronic versions of the Decision Memorandum are identical in content.

**Final Results of Review**

We determine that revocation of the order would be likely to lead to continuation or recurrence of dumping and that the magnitudes of the margins

of dumping likely to prevail are as follows:

Exporter	Margin of dumping (percent)
Far Eastern Industries (Shanghai) Ltd .....	3.47
Cixi Sansheng Chemical Fiber Co., Ltd .....	4.44
Cixi Waysun Chemical Fiber Co., Ltd .....	4.44
Hangzhou Best Chemical Fibre Co., Ltd .....	4.44
Hangzhou Hanbang Chemical Fibre Co., Ltd .....	4.44
Hangzhou Huachuang Co., Ltd .....	4.44
Hangzhou Sanxin Paper Co., Ltd .....	4.44
Hangzhou Taifu Textile Fiber Co., Ltd .....	4.44
Jiangsu Fuda Chemical Fibre Factory .....	4.44
Nantong Luolai Chemical Fiber Co. Ltd .....	4.44
Nanyang Textile Co., Ltd .....	4.44
Suzhou PolyFiber Co., Ltd .....	4.44
Xiamen Xianglu Fiber Chemical Co .....	4.44
Zhaoqing Tifo New Fiber Co., Ltd .....	4.44
Zhejiang Anshun Pettechs Fibre Co., Ltd .....	4.44
Zhejiang Waysun Chemical Fibre Co., Ltd .....	4.44
PRC-Wide Rate .....	44.30

**Notice Regarding Administrative Protective Order (“APO”)**

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

This sunset review and notice are in accordance with sections 751(c), 752(c), and 771(i)(1) of the Act.

Dated: August 29, 2012.

**Paul Piquado,**

*Assistant Secretary for Import Administration.*

[FR Doc. 2012-22002 Filed 9-5-12; 8:45 am]

**BILLING CODE 3510-DS-P**

<sup>1</sup> See *Initiation of Five-Year (“Sunset”) Review; Correction*, 77 FR 28355 (May 14, 2012).

<sup>2</sup> See Letter from domestic interested party, regarding: “Polyester Staple Fiber From China: Five Year (“Sunset”) Review of Antidumping Duty Order”, dated May 16, 2012.

<sup>3</sup> See Letter from domestic interested party, regarding: “Polyester Staple Fiber From China: Five Year (“Sunset”) Review of Antidumping Duty Order”, dated May 31, 2012.



**APPENDIX B**

**STATEMENT ON ADEQUACY**



## **EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY**

*in Certain Polyester Staple Fiber from China,*

Inv. No. 731-TA-1104 (Review)

On August 6, 2012, the Commission determined to conduct an expedited review in the subject five-year review pursuant to section 751(c)(3)(b) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(b).

The Commission received a joint response filed on behalf of domestic interested parties Auriga Polymers Inc. (formerly Invista S.a.r.L.), DAK Americas LLC, Palmetto Synthetics LLC, and U.S. Fibers, which are domestic producers of certain polyester staple fiber. The Commission found this joint response to the Commission's notice of institution to be individually adequate for each of the responding firms. The Commission further determined that the domestic interested party group response was adequate.

The Commission did not receive a response from any respondent interested party and, therefore, determined that the respondent interested party group response was inadequate.

The Commission did not find any circumstances that would warrant conducting a full review. The Commission, therefore, determined to conduct an expedited review.

A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (<http://www.usitc.gov>).





**APPENDIX C**

**SUMMARY DATA FROM THE ORIGINAL INVESTIGATION**



**Table C-1**  
**Certain PSF: Summary data concerning the U.S. market, 2004-06**

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound;  
period changes=percent, except where noted)

Item	Reported data			Period changes		
	2004	2005	2006	2004-06	2004-05	2005-06
<b>U.S. consumption quantity:</b>						
Amount . . . . .	1,128,375	1,152,674	1,066,891	-5.4	2.2	-7.4
Producers' share (1) . . . . .	60.2	52.3	46.9	-13.4	-7.9	-5.4
Importers' share (1):						
China (subject)	***	***	***	***	***	***
Korea . . . . .	18.6	16.0	15.9	-2.7	-2.6	-0.1
Taiwan . . . . .	6.4	4.7	3.5	-2.9	-1.7	-1.2
Subtotal, Korea & Taiwan . . . . .	25.0	20.7	19.4	-5.6	-4.3	-1.3
China (nonsubject) . . . . .	***	***	***	***	***	***
Thailand . . . . .	3.7	3.8	3.1	-0.6	0.1	-0.7
Indonesia . . . . .	1.1	2.2	4.1	2.9	1.0	1.9
India . . . . .	1.4	1.8	2.0	0.5	0.4	0.1
Mexico . . . . .	1.1	0.8	0.0	-1.0	-0.2	-0.8
All other . . . . .	1.1	1.5	2.2	1.1	0.3	0.8
Subtotal, nonsubject . . . . .	***	***	***	***	***	***
Total imports . . . . .	39.8	47.7	53.1	13.4	7.9	5.4
<b>U.S. consumption value:</b>						
Amount . . . . .	637,604	770,478	702,238	10.1	20.8	-8.9
Producers' share (1) . . . . .	62.2	55.5	52.6	-9.7	-6.7	-3.0
Importers' share (1):						
China (subject)	***	***	***	***	***	***
Korea . . . . .	15.8	14.1	13.3	-2.5	-1.7	-0.8
Taiwan . . . . .	6.8	4.8	3.5	-3.3	-2.0	-1.3
Subtotal, Korea & Taiwan . . . . .	22.6	18.9	16.8	-5.8	-3.7	-2.1
China (nonsubject) . . . . .	***	***	***	***	***	***
Thailand . . . . .	4.2	4.1	3.3	-0.9	-0.1	-0.8
Indonesia . . . . .	1.1	2.0	3.9	2.8	0.9	1.9
India . . . . .	1.2	1.6	1.7	0.5	0.4	0.2
Mexico . . . . .	1.7	1.2	0.0	-1.7	-0.4	-1.2
All other . . . . .	1.4	2.2	3.3	1.9	0.8	1.1
Subtotal, nonsubject . . . . .	***	***	***	***	***	***
Total imports . . . . .	37.8	44.5	47.4	9.7	6.7	3.0
<b>U.S. imports from:</b>						
China (subject):						
Quantity . . . . .	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***
Ending inventory quantity . . . . .	***	***	***	***	***	***
Other--						
Korea:						
Quantity . . . . .	209,856	184,832	169,865	-19.1	-11.9	-8.1
Value . . . . .	100,920	108,549	93,297	-7.6	7.6	-14.1
Unit value . . . . .	0.48	0.59	0.55	14.2	22.1	-6.5
Taiwan:						
Quantity . . . . .	72,376	54,139	37,471	-48.2	-25.2	-30.8
Value . . . . .	43,262	36,971	24,549	-43.3	-14.5	-33.6
Unit value . . . . .	0.60	0.68	0.66	9.6	14.2	-4.1
Subtotal (Korea + Taiwan):						
Quantity . . . . .	282,232	238,971	207,336	-26.5	-15.3	-13.2
Value . . . . .	144,181	145,521	117,847	-18.3	0.9	-19.0
Unit value . . . . .	\$0.51	\$0.61	\$0.57	11.3	19.2	-6.7

Table continued on next page.

Table C-1--continued

## Certain PSF: Summary data concerning the U.S. market, 2004-06

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound;  
period changes=percent, except where noted)

Item	Reported data			Period changes		
	2004	2005	2006	2004-06	2004-05	2005-06
U.S. imports from:						
China (nonsubject):						
Quantity .....	***	***	***	***	***	***
Value .....	***	***	***	***	***	***
Unit value .....	***	***	***	***	***	***
Thailand:						
Quantity .....	41,848	43,475	33,177	-20.7	3.9	-23.7
Value .....	26,694	31,598	23,282	-12.8	18.4	-26.3
Unit value .....	0.64	0.73	0.70	10.0	13.9	-3.4
Indonesia:						
Quantity .....	12,657	24,830	43,378	242.7	96.2	74.7
Value .....	6,722	15,438	27,199	304.6	129.7	76.2
Unit value .....	0.53	0.62	0.63	18.1	17.1	0.8
India:						
Quantity .....	16,147	21,090	20,914	29.5	30.6	-0.8
Value .....	7,654	12,205	12,199	59.4	59.5	-0.0
Unit value .....	0.47	0.58	0.58	23.1	22.1	0.8
Mexico:						
Quantity .....	11,854	9,702	242	-98.0	-18.2	-97.5
Value .....	10,644	9,468	125	-98.8	-11.1	-98.7
Unit value .....	0.90	0.98	0.52	-42.6	8.7	-47.1
All other sources:						
Quantity .....	12,549	16,743	23,990	91.2	33.4	43.3
Value .....	8,694	16,753	22,901	163.4	92.7	36.7
Unit value .....	0.69	1.00	0.95	37.8	44.4	-4.6
Subtotal (nonsubject imports)						
Quantity .....	***	***	***	***	***	***
Value .....	***	***	***	***	***	***
Unit value .....	***	***	***	***	***	***
Ending inventory quantity (2) .....	***	***	***	***	***	***
All sources:						
Quantity .....	448,568	549,684	566,730	26.3	22.5	3.1
Value .....	240,799	342,599	333,096	38.3	42.3	-2.8
Unit value .....	\$0.54	\$0.62	\$0.59	9.5	16.1	-5.7
Ending inventory quantity .....	83,501	121,306	89,029	6.6	45.3	-26.6

Table continued on next page.

**Table C-1--continued**

**Certain PSF: Summary data concerning the U.S. market, 2004-06**

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound;  
period changes=percent, except where noted)

Item	Reported data			Period changes		
	2004	2005	2006	2004-06	2004-05	2005-06
U.S. producers:						
Average capacity quantity . . . . .	889,565	843,607	774,942	-12.9	-5.2	-8.1
Production quantity . . . . .	733,677	657,064	573,068	-21.9	-10.4	-12.8
Capacity utilization (1) . . . . .	82.5	77.9	73.9	-8.5	-4.6	-3.9
U.S. shipments:						
Quantity . . . . .	679,807	602,990	500,161	-26.4	-11.3	-17.1
Value . . . . .	396,805	427,879	369,142	-7.0	7.8	-13.7
Unit value . . . . .	\$0.58	\$0.71	\$0.74	26.4	21.6	4.0
Export shipments:						
Quantity . . . . .	50,186	54,444	63,830	27.2	8.5	17.2
Value . . . . .	27,391	37,501	44,616	62.9	36.9	19.0
Unit value . . . . .	\$0.55	\$0.69	\$0.70	28.1	26.2	1.5
Ending inventory quantity . . . . .	35,984	36,520	42,901	19.2	1.5	17.5
Inventories/total shipments (1) . . . . .	4.9	5.6	7.6	2.7	0.6	2.1
Production workers . . . . .	1,106	1,001	968	-12.5	-9.5	-3.3
Hours worked (1,000s) . . . . .	2,314	2,185	2,079	-10.1	-5.6	-4.8
Wages paid (\$1,000) . . . . .	40,035	39,636	37,052	-7.5	-1.0	-6.5
Hourly wages . . . . .	\$17.30	\$18.14	\$17.82	3.0	4.8	-1.8
Productivity (pounds per hour) . . . . .	316.6	294.1	268.6	-15.2	-7.1	-8.6
Unit labor costs . . . . .	\$0.05	\$0.06	\$0.07	21.4	12.9	7.5
Net sales:						
Quantity . . . . .	727,996	642,785	553,253	-24.0	-11.7	-13.9
Value . . . . .	422,770	454,139	404,209	-4.4	7.4	-11.0
Unit value . . . . .	\$0.58	\$0.71	\$0.73	25.8	21.7	3.4
Cost of goods sold (COGS) . . . . .	426,288	432,193	397,741	-6.7	1.4	-8.0
Gross profit or (loss) . . . . .	(3,518)	21,946	6,468	(3)	(3)	-70.5
SG&A expenses . . . . .	11,758	13,342	11,912	1.3	13.5	-10.7
Operating income or (loss) . . . . .	(15,276)	8,603	(5,444)	64.4	(3)	(3)
Capital expenditures . . . . .	2,021	1,157	1,466	-27.5	-42.8	26.7
Unit COGS . . . . .	\$0.59	\$0.67	\$0.72	22.8	14.8	6.9
Unit SG&A expenses . . . . .	\$0.02	\$0.02	\$0.02	33.3	28.5	3.7
Unit operating income or (loss) . . . . .	(\$0.02)	\$0.01	(\$0.01)	53.1	(3)	(3)
COGS/sales (1) . . . . .	100.8	95.2	98.4	-2.4	-5.7	3.2
Operating income or (loss)/ sales (1) . . . . .	(3.6)	1.9	(1.3)	2.3	5.5	-3.2

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Includes inventories from all sources other than subject China.

(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of the U.S. Department of Commerce.

