

# Global Trade Alert

NEVILLE PETERSON LLP

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## U.S. Issues Antidumping, Countervailing Duty Orders on China, Taiwan Ribbons

### Importers Could Face Significant Additional Duties

The United States International Trade Commission has determined that the United States ribbon-making industry is materially injured, or threatened with material injury by reason of imports of Narrow Woven Ribbons with Woven Selvedge from China and Taiwan. As a result of these determinations, and prior Commerce Department findings of “less than fair value” sales (for China and Taiwan) and unfair subsidization (by China), Commerce has published antidumping orders against such ribbons from China and Taiwan, as well as a countervailing duty order covering such ribbons from China.

Importers of record who enter goods subject to the antidumping order are now subject to the assessment of antidumping and countervailing duties. In addition, past entries, for which deposits of estimated antidumping and countervailing duties were collected, are now subject to final assessment of such duties.

### What Products Are Covered by the Orders?

According to Commerce Department notices, the antidumping and countervailing duty orders apply to the following products:

. . . Narrow woven ribbons with woven selvedge, in any length but with a width (measured at the narrowest band of the ribbon) less than or equal to twelve centimeters, composed of, in whole or in part, man-made fibers (whether artificial or synthetic, including but not limited to nylon, polyester, rayon, polypropylene and polyethylene terephthalate), metal threads and/or metallized yarns, or any combination thereof. Narrow woven ribbons subject to the investigation may:

- > also include natural or other man-made fibers;
- > be of any color, style, pattern or weave construction, including but not limited to single-based satin, double-based satin, grosgrain, sheer, taffeta, twill, jacquard, or a combination of two or more colors, styles, patterns and/or weave constructions;
- > have been subjected to, or composed of materials that have been subjected to, various treatments, including but not limited to dyeing, printing, foil stamping, embossing, flocking, coating and/or sizing;
- > have embellishments, including but not limited to applique, fringes, embroidery, buttons, glitter, sequins, laminates, and/or adhesive backing;

- > have wire and/or monofilament, in, on, or along the longitudinal edges of the ribbon;
- > have ends of any shape or dimension, including but not limited to straight ends that are perpendicular to the longitudinal edges of the ribbon, tapered ends, flared ends or shaped ends, and the ends of such woven ribbons may or may not be hemmed;
- > have longitudinal edges that are straight or of any shape, and the longitudinal edges of such woven ribbon may or may not be parallels to each other;
- > consists of such ribbons affixed to like ribbons and/or cut-edge woven ribbon, a configuration also known as an “ornamental trimming”;
- > be wound on spools, attached to a card, hanked (i.e., coiled or bundled);
- > packaged in boxes, trays or bags; or configured as skeins; balls, bateaus, bows;
- > and/or - be included in a kit or set such as when packaged with other products, including but no limited to gift bags, gift boxes and/or other types of ribbon.

The scope of the order also includes all narrow woven fabrics, tapes and labels that fall within the written description of the scope of the investigation

## What Products Are Excluded from the Orders?

The antidumping and countervailing duty orders are subject to a number of explicit exceptions from coverage. These may not be exhaustive, and the fact that a product is not contained in the list below does not

mean that it is automatically contained in the scope of the orders:

(1) formed bows composed of narrow woven ribbons with woven selvedge;

(2) “pull-bows” (i.e., an assemblage of ribbons connected to one another, folded flat and equipped with a means to form such ribbons into the shape of a bow by pulling on a length of material affixed to such assemblage) composed of narrow woven ribbons;

(3) narrow woven ribbons comprised at least 20 percent by weight of elastomeric yarn (i.e., filament yarn, including monofilament, of synthetic textile material, other than textured yarn, which does not break on being extended to three times its original length and which returns, after being extended to twice its original length, within a period of five minutes, to a length not greater than one and a half times its original length as defined in the Harmonized Tariff Schedule of the United States (HTSUS), Section XI, Note 13) or rubber thread;

(4) narrow woven ribbons of a kind used for the manufacture of typewriter or printer ribbons;

(5) narrow woven labels and apparel tapes, cut-to-length or cut-to shape, having a length (when measured across the longest edge-to-edge span) not exceeding 8 centimeters;

(6) narrow woven ribbons with woven selvedge attached to and forming the handle of a gift bag;

(7) cut-edge narrow woven ribbons formed by cutting broad woven fabric into strips of ribbon, with or without treatments to prevent the longitudinal edges of the ribbon from fraying (such as by merrowing, lamination, sono-bonding, fusing, gumming or waxing), and with or without wire running lengthwise along the longitudinal edges of the ribbon;

(8) narrow woven ribbons comprised at least 85 percent by weight of threads having a denier of 225 or higher;

(9) narrow woven ribbons constructed from pile fabrics (*i.e.*, fabrics with a surface effect formed by tufts or loops of yarn that stand up from the body of the fabric) ;

(10) narrow woven ribbon affixed (including by tying) as a decorative detail to non-subject merchandise, such as a gift bag, gift box, gift tin, greeting card or plush toy, or affixed (including by tying) as a decorative detail to packaging containing non-subject merchandise;

(11) narrow woven ribbon that is (a) affixed to non-subject merchandise as a working component of such non-subject merchandise, such as where narrow woven ribbon comprises an apparel trimming, book marker, bag cinch, or part of an identity card holder, or (b) affixed (including by tying) to non-subject merchandise as a working component that holds or packages such non-subject merchandise or attaches packaging or labeling to such non-subject merchandise, such as a ‘belly band’ around a pair of pajamas, a pair of socks or a blanket;

(12) narrow woven ribbon(s) comprising a belt attached to and imported with an item of wearing apparel, whether or not such belt is removable from such item of wearing apparel; and

(13) narrow woven ribbon(s) included with non-subject merchandise in kits, such as a holiday ornament craft kit or a scrapbook kit, in which the individual lengths of narrow woven ribbon(s) included in the kit are each no greater than eight inches, the aggregate amount of narrow woven ribbon(s) included in the kit does not exceed 48 linear inches, none of the narrow woven ribbon(s) included in the kit is on a spool, and the narrow woven ribbon(s) is only one of multiple items included in the kit.

## What Tariff Items Are Covered by The Orders?

The scope of the antidumping and countervailing duty orders is not nearly defined by HTS numbers. Within any given number, there may be covered and non-covered items.

The merchandise subject to the orders is classifiable under the HTSUS statistical categories 5806.32.1020; 5806.32.1030; 5806.32.1050 and 5806.32.1060. Subject merchandise also may enter under subheadings 5806.31.00; 5806.32.20; 5806.39.20; 5806.39.30; 5808.90.00; 5810.91.00; 5810.99.90; 5903.90.10; 5903.90.25; 5907.00.60; and 5907.00.80 and under statistical categories 5806.32.1080; 5810.92.9080; 5903.90.3090; and 6307.90.9889. The HTSUS statistical categories and subheadings are provided for convenience and customs purposes; however, the written description of the merchandise under investigation is dispositive.

## What If I Can't Tell Whether My Product is Covered by the Orders?

In many cases, it may not be clear whether a given product is covered under the antidumping and countervailing duty orders. In these cases, an interested party may seek a scope determination from the Commerce Department, International Trade Administration, concerning whether a given product is included in the scope of the orders. The scope ruling procedure is described in 19 C.F.R. §351.225.

It is important to note that United States Customs and Border Protection (CBP) has no power to amend, alter, or interpret the scope of the orders, and that protests against the assessment of

antidumping or countervailing duties cannot be filed to raise issues concerning the scope of the orders.

## What Rates of Duty Apply?

The specific rates of duty applicable to a given ribbon product will depend on the identity of the manufacturer/exporter of the product. The Commerce Department has assigned individual rates to a wide range of companies, in each of the investigations. In addition, “all others” rates, generally quite high, have been set for goods from companies which have not received a separate rate.

The current cash deposit rates are shown in the chart appended to this memorandum.

## Can I Challenge An Antidumping or Countervailing Duty Assessment?

Interested Parties – which includes importers of record – may seek review of the antidumping or countervailing duty rate applicable to their products. The process is a detailed and cumbersome one, and requires the cooperation of the foreign producer and/or exporter of the goods.

“Cash deposits” of antidumping and countervailing duties are provisional. The final duties assessed in accordance with AD or CVD orders is determined in “Annual Reviews” of the Orders conducted by the Commerce Department. The first “annual review” of the orders against Narrow Woven Ribbons should commence about a year from now. They will cover entries made from the date withholding of liquidation was first ordered until one year after publication of the antidumping order. The final results of the review will be published in late summer, 2012.

In order to seek an individual antidumping or countervailing duty rate, or have an existing rate adjusted, the foreign producer and exporter must

respond to extensive Commerce Department questionnaires concerning costs, prices, and selection of “surrogate values” (in the case of the Chinese antidumping order). The data shown in questionnaire responses, and as verified by the Commerce Department, can be used to set new duty rates.

A party must request an annual review. If no review is requested, the entries will liquidate at the cash deposit rates.

## What Happens if The Final Duty Rate is Different than the Deposit Rate?

If the final antidumping duties assessed are less than the cash deposit rate, the importer will receive a refund of the excess, with interest. If the final duties assessed are higher than the cash deposit rate, the importer of record will be billed for the difference, again with interest.

We stand ready to furnish any additional information or assistance which concerned importers may require concerning this important new development.

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**APPENDIX:**

**FINAL LESS THAN FAIR VALUE (DUMPING) MARGINS – NARROW WOVEN RIBBONS FROM THE PEOPLE’S REPUBLIC OF CHINA:**

<b>Exporter</b>	<b>Producer</b>	<b>Weighted Average Margin</b>
Yama Ribbons and Bows Co., Ltd .....	Yama Ribbons and Bows Co., Ltd .....	0
Beauty Horn Investment Limited .....	Tianjin Sun Ribbon Co., Ltd .....	123.83
Fujian Rongshu Industry Co., Ltd .....	Fujian Rongshu Industry Co., Ltd .....	123.83
Guangzhou Complacent Weaving Co., Ltd	Guangzhou Complacent Weaving Co., Ltd .....	123.83
Ningbo MH Industry Co., Ltd .....	Hangzhou City Linghu Jiacheng Silk Ribbon Co., Ltd .....	123.83
Ningbo V.K. Industry & Trading Co., Ltd	Ningbo Yinzhou Jinfeng Knitting Factory .....	123.83
Stribbons (Guangzhou) Ltd .....	Stribbons (Guangzhou) Ltd .....	123.83
Stribbons (Guangzhou) Ltd .....	Stribbons (Nanyang) MNC Ltd .....	123.83
Sun Rich (Asia) Limited .....	Dongguan Yi Sheng Decoration Co., Ltd .....	123.83
Tianjin Sun Ribbon Co., Ltd .....	Tianjin Sun Ribbon Co., Ltd .....	123.83
Weifang Dongfang Ribbon Weaving Co., Ltd	Weifang Dongfang Ribbon Weaving Co., Ltd .....	123.83
Weifang Yu Yuan Textile Co., Ltd .....	Weifang Yu Yuan Textile Co., Ltd .....	123.83
Xiamen Yi He Textile Co., Ltd .....	Xiamen Yi He Textile Co., Ltd .....	123.83
Yangzhou Bestpak Gifts & Crafts Co., Ltd	Yangzhou Bestpak Gifts & Crafts Co., Ltd .....	123.83
PRC-wide Entity .....		247.65

\* (Including Ningbo Jintian Import & Export Co., Ltd.)

**FINAL LESS THAN FAIR VALUE (DUMPING) MARGINS – NARROW WOVEN RIBBONS FROM TAIWAN:**

<b>Manufacturer/Exporter</b>	<b>Weighted–Average Margin (percent)</b>
Dear Year Brothers Mfg. Co., Ltd.	0.00
Roung Shu Industry Corporation	4.37
Shienq Huong Enterprise Co., Ltd./Hsien Chan Enterprise Co., Ltd./Novelty Handicrafts Co., Ltd.	0.00
All Others	4.37

**FINAL COUNTERVAILING DUTY MARGINS – NARROW WOVEN RIBBONS FROM CHINA**

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<b>Exporter/Manufacturer</b>	<b>Final Subsidy Rate</b>
Yama Ribbons and Bows Co., Ltd.	1.56%
Changtai Ronshu Textile Co. Ltd.	117.75%
All Others:	1.56%