

A-552-835
Investigation
POI: 10/01/2022 – 03/31/2023
PUBLIC VERSION
E&C/OV: ED

May 15, 2023

**ENFORCEMENT AND COMPLIANCE
OFFICE OF AD/CVD OPERATIONS
ANTIDUMPING DUTY INVESTIGATION INITIATION CHECKLIST**

SUBJECT: Boltless Steel Shelving Units Prepackaged for Sale from the Socialist Republic of Vietnam
CASE NUMBER: A-552-835

THE PETITIONER:

Edsal Manufacturing Co., Inc.
1555 West 44th Street
Chicago, IL 60609
(773) 475-3016

COUNSEL TO THE PETITIONER:

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POTENTIAL RESPONDENTS:

A list of the producers/exporters of boltless steel shelving units prepackaged for sale (boltless steel shelving) in the Socialist Republic of Vietnam (Vietnam) identified by Edsal Manufacturing Co., Inc. (the petitioner) can be found in the “Boltless Steel Shelving Units Prepackaged for Sale from India, Malaysia, Taiwan, Thailand, and Vietnam – Petition for the Imposition of Antidumping Duties,” dated April 25, 2023 (Petition).¹

¹ See Petition at Volume I (Exhibit GEN-7).

SCOPE: See Attachment I – Scope of the Investigation, to this checklist.

IMPORT STATISTICS:

Vietnam	2020	2021	2022
Quantity (Units)	426,801	492,560	437,513
Customs Value (USD)	27,216,609	29,590,985	32,741,706

Source: U.S. International Trade Commission (ITC) Dataweb, available at <https://dataweb.usitc.gov/>. The petitioner reported the volume (in units) and customs value for imports of boltless steel shelving using Harmonized Tariff Schedule of the United States (HTSUS) subheading 9403.20.0075.²

APPROXIMATE CASE CALENDAR:

Event	No. of Days	Date of Action	Day of Week
Antidumping Duty Investigation			
Petition Filed	0	April 25, 2023	Tuesday
Initiation Date	20	May 15, 2023	Monday
ITC Preliminary Determination	45	June 9, 2023	Friday
ITA Preliminary Determination†**	160	October 2, 2023	Monday
ITA Final Determination†	235	December 18, 2023	Monday*
ITC Final Determination***	280	February 1, 2024	Thursday
Publication of Order****	287	February 8, 2024	Thursday

* Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

† These deadlines may be extended under the governing statute.

** This will take place only in the event of a preliminary affirmative determination from the ITC.

*** This will take place only in the event of a final affirmative determination from the International Trade Administration (ITA).

**** This will take place only in the event of a final affirmative determination from the ITA and the ITC.

Note: The ITC final determination will take place no later than 45 days after a final affirmative ITA determination.

Note: Publication of order will take place approximately seven days after an affirmative ITC final determination.

² *Id.* at Volume I (Exhibit GEN-8).

INDUSTRY SUPPORT:

Does the Petition identify the entire domestic industry, including the names, addresses, and phone numbers of the petitioner(s) and all domestic producers known to the petitioner(s)?

<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No

Does the Petition contain information relating to the degree of industry support for the Petition, including:

The total volume or value of U.S. production of the domestic like product for the most recently completed calendar year?

<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No

The volume or value of the domestic like product produced by the petitioner(s) and each domestic producer identified for the most recently completed calendar year?

<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No

Do the petitioner(s) and those expressing support for the Petition account for more than 50% of production of the domestic like product?

<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No

If No, do those expressing support account for the majority of those expressing an opinion and at least 25% of domestic production?

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Not Applicable

Was there opposition to the Petition from any producers or workers engaged in the production of the domestic like product?

<input type="checkbox"/>	Yes
<input checked="" type="checkbox"/>	No

Are any of the parties who have expressed opposition to the Petition either importers or domestic producers affiliated with foreign producers?

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Not Applicable

For a detailed analysis of industry support, *see* Attachment II, Analysis of Industry Support for the Antidumping Duty Petitions Covering Boltless Steel Shelving Units Prepackaged for Sale from India, Malaysia, Taiwan, Thailand, and the Socialist Republic of Vietnam, to this checklist.

INJURY ALLEGATION:

The ITC's notice of institution of antidumping duty investigations was published in the *Federal Register* on May 2, 2023. The notice indicates that the ITC instituted investigations to determine whether there is a reasonable indication that the domestic industry producing boltless steel shelving is materially injured, or threatened with material injury, by reason of imports of boltless steel shelving from Vietnam.³

The information relevant to material injury, threat of material injury, or material retardation, and causation, including information on the volume of imports, the effect of these imports on prices in the U.S. market, and the consequent impact of imports on the domestic industry, can be found in Volume I of the Petition at 14, 17-37, and Exhibits GEN-1, GEN-8, and GEN-10 through GEN-16, and the General Issues Supplement⁴ at 7-8 and Attachments 4-6.

For analysis of the injury allegation, *see* Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping Duty Petitions Covering Boltless Steel Shelving Prepackaged for Sale from India, Malaysia, Taiwan, Thailand, and the Socialist Republic of Vietnam, to this checklist.

PETITION REQUIREMENTS:

Does the Petition contain the following?

- a clear and detailed description of the merchandise to be investigated, including the appropriate Harmonized Tariff Schedule subheadings (*see* Petition at Volume

³ *See Boltless Steel Shelving Units Prepackaged for Sale from India, Malaysia, Taiwan, Thailand, and Vietnam; Institution of Anti-Dumping Duty Investigations and Scheduling of Preliminary Phase Investigations*, 88 FR 27529 (May 2, 2023).

⁴ *See* Petitioner's Letter, "Boltless Steel Shelving from India, Malaysia, Taiwan, Thailand, and Vietnam – Petitioner's Supplement to Volume I Relating to Request for the Imposition of Antidumping Duties on Imports from India, Malaysia, Taiwan, Thailand, and Vietnam," dated May 1, 2023 (General Issues Supplement).

I at 6-13 and Exhibits GEN-1 and GEN-6; *see also* General Issues Supplement at 3-7 and Attachments 2-3; and Scope Supplement).⁵

- the name of each country in which the merchandise originates or from which the merchandise is exported (*see* Petition at Volume I at 13).
- the identity of each known exporter, foreign producer, and importer of the merchandise (*see* Petition at Volume I at 14 and Exhibits GEN-7 and GEN-9).
- import volume and value information for the most recent two-year period (*see* Petition at Volume I at 14, 17-20, 23-26, 33 and Exhibits GEN-8, GEN-11, and GEN-12; *see also* General Issues Supplement at Attachment 5).
- a statement indicating that the Petition was filed simultaneously with the U.S. Department of Commerce (Commerce) and the ITC (*see* cover letter to the Petition at 1-2).
- an adequate summary of the proprietary data (*see* public versions of the Petition, General Issues Supplement, First Vietnam AD Supplement,⁶ and Second Vietnam AD Supplement⁷).
- a statement regarding release under administrative protective order (*see* the cover letters to the Petition at 1-4, General Issues Supplement at 1 and 9, First Vietnam AD Supplement at 1 and 10-11, and Second Vietnam AD Supplement at 1 and 3-4).
- a certification of the facts contained in Petition by an official of the petitioning firm(s) and its legal representative (if applicable) (*see* attachments to the cover letters to the Petition, General Issues Supplement, Scope Supplement, First Vietnam AD Supplement, and Second Vietnam AD Supplement).

LESS THAN FAIR VALUE ALLEGATION:

The Petitioner was officially filed on April 25, 2023. On April 28 and May 5 and 10, 2023, Commerce issued supplemental questionnaires to the petitioner. On May 1, 3, 8, and 10, 2023, the petitioner responded to Commerce's requests for information (General Issues Supplement, First Vietnam AD Supplement, Second Vietnam AD Supplement, and Scope Supplement). In accordance with 19 CFR 351.204(b)(1), because the Petition was filed on April 25, 2023, the appropriate period of investigation (POI) is October 1, 2022, through March 31, 2023.

⁵ *See* Petitioner's Letter, "Boltless Steel Shelving from India, Malaysia, Taiwan, Thailand, and Vietnam – Petitioner's 2nd Supplement to Volume I Relating to Request for the Imposition of Antidumping Duties on Imports from India, Malaysia, Taiwan, Thailand, and Vietnam," dated May 10, 2023 (Scope Supplement).

⁶ *See* Petitioner's Letter, "Boltless Steel Shelving Units Prepackaged for Sale from the Socialist Republic of Vietnam – Petitioner's Response to the Department's Supplemental Questionnaire Regarding Volume VI of the Petition for the Antidumping Duties on Imports from Vietnam," dated May 3, 2023 (First Vietnam AD Supplement).

⁷ *See* Petitioner's Letter, "Boltless Steel Shelving Units Prepackaged for Sale from Vietnam – Petitioner's Response to the Department's Second Supplemental Questionnaire Regarding Volume VI of the Petition for the Antidumping Duties on Imports from Vietnam," dated May 8, 2023 (Second Vietnam AD Supplement).

U.S. Price

Information relevant to the U.S. price calculations can be found in Volume VI of the Petition at 2-3 and Exhibit AD-VN-1 and the First Vietnam AD Supplement at 2-5 and Exhibits AD-VN-S1-1 and AD-VN-S1-2 of.

The petitioner based export price on pricing information for boltless steel shelving produced in Vietnam and sold or offered for sale in the U.S. market during the proposed POI, and made certain adjustments to price to calculate an ex-factory U.S. price, in accordance with section 772 of the Tariff Act of 1930, as amended (the Act). As discussed in the “Normal Value” section below, because Commerce considers Vietnam to be a non-market economy (NME), the petitioner submitted information supporting the selection of Indonesia as the surrogate country for calculating normal value (NV) and used Indonesian surrogate value data to derive certain expenses incurred in Vietnam for purposes of the adjustments made to the pricing information. We examined the information provided by the petitioner and made no additional adjustments. The final net U.S. prices are \$[]/unit and \$[]/unit.⁸

Did the Petition contain the following?

- supporting documentation for the alleged prices and any adjustments to the prices (*see* Petition at Volume VI at 3 and Exhibit AD-VN-1; *see also* First Vietnam AD Supplement at 2-5 and Exhibit AD-VN-S1-1).
- current prices and adjustments to the prices, if applicable (*see* Petition at Volume VI at 3 and Exhibit AD-VN-1; *see also* First Vietnam AD Supplement at 2-5 and Exhibit AD-VN-S1-1).
- conversion factors for comparisons of differing units of measure (*see* Petition at Volume VI at Exhibit AD-VN-1; *see also* First Vietnam AD Supplement at 3 and Exhibits AD-VN-S1-1 and AD-VN-S1-2).

Normal Value

Information relevant to the NV calculations can be found Volume VI of the Petition at 4-7 and Exhibits AD-VN-2 through AD-VN-4, the First Vietnam AD Supplement at 2, 5-9, and Exhibits AD-VN-S1-3 and AD-VN-S1-4, and the Second Vietnam AD Supplement at 2 and Exhibits AD-VN-S2-3 and AD-VN-S2-4.

Commerce considers Vietnam to be an NME country.⁹ In accordance with section 771(18)(C)(i) of the Act, the determination of NME status remains in effect until revoked by Commerce. As the determination of NME status for Vietnam has not been revoked by Commerce, it remains in effect for purposes of the initiation of the antidumping duty investigation of boltless steel shelving from Vietnam. Accordingly, we based NV on factors of production (FOPs) valued in a surrogate market economy country in accordance with section 773(c) of the Act.

⁸ See First Vietnam AD Supplement at Exhibit AD-VN-S1-1.

⁹ See, e.g., *Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results, and Final Results of No Shipments of the Antidumping Duty Administrative Review; 2016-2017*, 84 FR 18007 (April 29, 2019).

The petitioner states that Indonesia is an appropriate surrogate country because it is a market economy that is at a level of economic development comparable to that of Vietnam based on per-capita gross national income and because it is a significant producer of comparable merchandise.¹⁰ Moreover, the petitioner states that public information and data to value Indonesian FOPs are reliable and available.¹¹ Based on the information provided by the petitioner, we believe it is appropriate to use Indonesia as a surrogate country for initiation purposes.

We examined the information provided by the petitioner and made no additional adjustments. The petitioner provided data that are contemporaneous with the POI or, where appropriate, adjusted for inflation. The final NVs are \$[]/unit and \$[]/unit.¹²

<u>FOP and NV</u>	<u>Source</u>	<u>Satisfactory</u>
Raw Material:	U.S. Producer's Input Quantities and Usage Rates Indonesia Import Statistics from Trade Data Monitor	Yes
Labor:	U.S. Producer's Labor Usage Labor Rates from International Labor Organization	Yes
Energy: (electricity gas, and water)	U.S. Producer's Electricity and Gas Usage PLN Electricity Company Indonesia Import Statistics from Trade Data Monitor Pam Jaya	Yes
Overhead:	PT Chitose Internasional Tbk's Financial Statements for FY 2022	Yes
SG&A Expenses:	PT Chitose Internasional Tbk's Financial Statements for FY 2022	Yes
Interest Expenses:	PT Chitose Internasional Tbk's Financial Statements for FY 2022	Yes
Profit:	PT Chitose Internasional Tbk's Financial Statements for FY 2022	Yes

ESTIMATED MARGINS:

The petitioner provided dumping margins based on price-to-NV comparisons. The estimated dumping margins are 92.60 percent and 224.94 percent.¹³

¹⁰ See Petition at Volume VI at 4-6 and Exhibits AD-VN-3 and AD-VN-4; see also First AD Vietnam Supplement at 5-6, 8-9, and Exhibit AD-VN-S1-3.

¹¹ *Id.* at 6.

¹² See Second Vietnam AD Supplement at Exhibit AD-VN-S2-4.

¹³ *Id.* at Exhibit AD-VN-S2-5.

RECOMMENDATION:

We examined the accuracy and adequacy of the evidence provided in the Petition as discussed in this checklist and attachments and recommend determining that the evidence is sufficient to justify the initiation of an antidumping duty investigation with regard to Vietnam. We also recommend determining that the Petition has been filed by, or on behalf of, the domestic industry.

ATTACHMENTS:

- I. Scope of the Investigation
- II. Analysis of Industry Support
- III. Analysis of Allegations and Evidence of Material Injury and Causation

Attachment I

Scope of the Investigation

The scope of this investigation covers boltless steel shelving units prepackaged for sale, with or without decks (boltless steel shelving). The term “prepackaged for sale” means that, at a minimum, the steel vertical supports (*i.e.*, uprights and posts) and steel horizontal supports (*i.e.*, beams, braces) necessary to assemble a completed shelving unit (with or without decks) are packaged together for ultimate purchase by the end-user. The scope also includes add-on kits. Add-on kits include, but are not limited to, kits that allow the end-user to add an extension shelving unit onto an existing boltless steel shelving unit such that the extension and the original unit will share common frame elements (*e.g.*, two posts). The term “boltless” refers to steel shelving in which the vertical and horizontal supports forming the frame are assembled primarily without the use of nuts and bolts, or screws. The vertical and horizontal support members for boltless steel shelving are assembled by methods such as, but not limited to, fitting a rivet, punched or cut tab, or other similar connector on one support into a hole, slot or similar receptacle on another support. The supports lock together to form the frame for the shelving unit, and provide the structural integrity of the shelving unit separate from the inclusion of any decking. The incidental use of nuts and bolts, or screws to add accessories, wall anchors, tie-bars or shelf supports does not remove the product from scope. Boltless steel shelving units may also come packaged as partially assembled, such as when two upright supports are welded together with front-to-back supports, or are otherwise connected, to form an end unit for the frame. The boltless steel shelving covered by this investigation may be commonly described as rivet shelving, welded frame shelving, slot and tab shelving, and punched rivet (quasi-rivet) shelving as well as by other trade names. The term “deck” refers to the shelf that sits on or fits into the horizontal supports (beams or braces) to provide the horizontal storage surface of the shelving unit.

The scope includes all boltless steel shelving meeting the description above, regardless of: (1) vertical support or post type (including but not limited to open post, closed post and tubing); (2) horizontal support or beam/brace profile (including but not limited to Z-beam, C-beam, L-beam, step beam and cargo rack); (3) number of supports; (4) surface coating (including but not limited to paint, epoxy, powder coating, zinc and other metallic coating); (5) number of levels; (6) weight capacity; (7) shape (including but not limited to rectangular, square, and corner units); (8) decking material (including but not limited to wire decking, particle board, laminated board or no deck at all); or (9) the boltless method by which vertical and horizontal supports connect (including but not limited to keyhole and rivet, slot and tab, welded frame, punched rivet and clip).

Specifically excluded from the scope are:

- Wall-mounted shelving, defined as shelving that is hung on the wall and does not stand on, or transfer load to, the floor. The addition of a wall bracket or other device to attach otherwise freestanding subject merchandise to a wall does not meet the terms of this exclusion;

- Wire shelving units, which consist of shelves made from wire that incorporates both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create the finished shelving unit;
- Bulk-packed parts or components of boltless steel shelving units; and
- Made-to-order shelving systems.

Subject boltless steel shelving enters the United States through Harmonized Tariff Schedule of the United States (HTSUS) statistical subheading 9403.20.0075. While the HTSUS subheading is provided for convenience and customs purposes, the description of the scope of this investigation is dispositive.

Attachment II

Analysis of Industry Support for the Antidumping Duty Petitions Covering Boltless Steel Shelving Units Prepackaged for Sale from India, Malaysia, Taiwan, Thailand, and the Socialist Republic of Vietnam

Background

Section 732(c)(4)(A) of the Tariff Act of 1930, as amended (the Act), states that the administering authority shall determine that a petition has been filed by or on behalf of the industry if the domestic producers or workers who support the petition account for: (1) at least 25 percent of the total production of the domestic like product; and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition.

Section 771(4)(A) of the Act defines the “industry” as the producers, as a whole, of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product. Thus, to determine whether a petition has the requisite industry support, the Act directs the U.S. Department of Commerce (Commerce) to look to producers and workers who produce the domestic like product. The U.S. International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.¹

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation,” *i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petitions.² While Commerce is not bound by the criteria³ used by the ITC to determine the domestic like product in answering

¹ See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

² See Petitioner’s Letters, “Boltless Steel Shelving Units Prepackaged for Sale from India, Malaysia, Taiwan, Thailand, and Vietnam – Petition for the Imposition of Antidumping Duties,” dated April 25, 2023 (Petitions); and “Boltless Steel Shelving from India, Malaysia, Taiwan, Thailand, and Vietnam – Petitioner’s Supplement to Volume I Relating to Request for the Imposition of Antidumping Duties on Imports from India, Malaysia, Taiwan, Thailand, and Vietnam,” dated May 1, 2023 (General Issues Supplement).

³ See *Fujitsu Ltd. v. United States*, 36 F. Supp. 2d 394, 397-98 (CIT 1999) (*Fujitsu*); see also *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (CIT 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); and *Antidumping and Countervailing Duty Handbook*, Fourteenth Edition, ITC Publication 4540 (June 2015), at II-34.

this question, we have reviewed these factors as presented by the petitioner⁴ in the Petitions.⁵ With respect to the domestic like product, the petitioner does not offer a definition of domestic like product distinct from the scope of the investigations.⁶ For a detailed analysis and discussion, see the “Analysis of Domestic Like Product” section below.

Analysis of Domestic Like Product

In support of its like product analysis, the petitioner submits that the domestic like product should mirror the scope definition of the scope merchandise and should be defined as boltless steel shelving units prepackaged for sale (boltless steel shelving).⁷ The petitioner states this finding would be consistent with the domestic like product defined by the ITC in *Boltless Steel Shelving Final*.⁸ For support, the petitioner notes that the ITC determined in that investigation that the differences in physical characteristics between boltless steel shelving and other types of shelving limited interchangeability between the products.⁹ The petitioner notes that the ITC found that some other types of shelving were sold to distributors, while boltless steel shelving was sold to retailers, and that producers and importers generally reported that boltless steel shelving differed from other forms of shelving.¹⁰ The petitioner also notes that the ITC found that, while some producers used the same workers or machinery to produce boltless steel shelving and other shelving types, the petitioner, which accounted for the overwhelming share of total domestic production in that investigation, did not produce any other types of shelving using the same workers or machinery.¹¹ In addition, the petitioner notes that the ITC found that pricing for boltless steel shelving was generally higher than resin shelving, lower than wood shelving, and overlapped to some extent with wire shelving.¹² The petitioner states that, for these reasons, the ITC found a clear dividing line between boltless steel shelving and other types of shelving.¹³

Moreover, the petitioner notes that in *Boltless Steel Shelving Review*, the ITC continued to define a single domestic like product of boltless steel shelving, coextensive with Commerce’s scope definition.¹⁴ The petitioner states that no material changes have been made to the requested scope, product characteristics, production, uses, channels of distribution, or marketing of boltless

⁴ The petitioner is Edsal Manufacturing Co., Inc. (Edsal or the petitioner). See Petitions at Volume I (page 2).

⁵ *Id.* at 15-17 and Exhibit GEN-10 (containing *Boltless Steel Shelving Units Prepackaged for Sale from China*, Inv. Nos. 701-TA-523 and 731-TA-1259 (Final), USITC Pub. 4565 (October 2015) (*Boltless Steel Shelving Final*) at 4-7); see also General Issues Supplement at 3 and Attachment 1 (containing *Boltless Steel Shelving Units Prepackaged for Sale from China*, Inv. Nos. 701-TA-523 and 731-TA-1259 (Review), USITC Pub. 5190 (April 2021) (*Boltless Steel Shelving Review*) at 4-7).

⁶ See Attachment I – Scope of the Investigation, to this Checklist; see also Petitions at Volume I (pages 15-17) and Exhibit GEN-10 (containing *Boltless Steel Shelving Final* at 4-7); see also General Issues Supplement at 3-7 and Attachments 1 (containing *Boltless Steel Shelving Review* at 4-7) and 2-3.

⁷ See Petitions at Volume I (page 16 and Exhibit GEN-10 (containing *Boltless Steel Shelving Final* at 4-7)).

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.* at 16; see also General Issues Supplement at 3 and Attachment 1 (containing *Boltless Steel Shelving Review* at 4-7).

steel shelving produced in the United States since October 2015, and, as a result, contends that the ITC should continue to define the domestic like product to be coextensive with Commerce's scope.¹⁵

Commerce's Position:

We analyzed the criteria presented by the petitioner with respect to the ITC's domestic like product factors. We note that the petitioner's domestic like product definition is consistent with the domestic like product defined by the ITC in past proceedings on boltless steel shelving.¹⁶ Based on our analysis of the information submitted in the Petitions, we have determined that the domestic like product consists of boltless steel shelving, as defined in the scope of the Petitions.¹⁷

Furthermore, unless Commerce finds the petitioner's definition of the domestic like product to be inaccurate, we will adopt the domestic like product definition set forth in the Petitions.¹⁸ While the Act defines the "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation," pursuant to section 771(10) of the Act, the petitioner has presented Commerce with information pertaining to the factors the ITC traditionally analyzes. We have analyzed the criteria presented by the petitioner, as well as the past determinations covering boltless steel shelving, and have found there is reason to conclude that boltless steel shelving constitutes a single domestic like product. This is consistent with Commerce's broad discretion to define and clarify the scope of an antidumping duty investigation in a manner that reflects the intent of the petition.¹⁹ Consequently, Commerce's discretion permits interpreting the Petitions in such a way as to best effectuate not only the intent of the Petitions, but the overall purpose of the antidumping duty laws as well.²⁰

Industry Support Calculation

In determining whether the petitioner has standing (*i.e.*, those domestic workers and producers supporting the Petitions account for: (1) at least 25 percent of the total production of the domestic like product; and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions), in accordance with section 732(c)(4)(A) of the Act, we conducted the following analysis.

¹⁵ See Petitions at Volume I (page 17).

¹⁶ *Id.* at Volume I (pages 16-17 and Exhibit GEN-10 (containing *Boltless Steel Shelving Final* at 4-7)); see also General Issues Supplement at 3 and Attachment 1 (containing *Boltless Steel Shelving Review* at 4-7).

¹⁷ See Petitions at Volume I (pages 15-17 and Exhibit GEN-10 (containing *Boltless Steel Shelving Final*)); see also General Issues Supplement at 3 and Attachment 1 (containing *Boltless Steel Shelving Review* at 4-7).

¹⁸ See Petitions at Volume I (pages 15-17 and Exhibit GEN-10 (containing *Boltless Steel Shelving Final*)); see also General Issues Supplement at 3 and Attachment 1 (containing *Boltless Steel Shelving Review* at 4-7).

¹⁹ See, e.g., *Fujitsu* (citing *Kern-Liebers USA, Inc. v. United States*, 881 F. Supp. 618, 621 (CIT 1995) (citation omitted)); and *Initiation of Antidumping Duty Investigations: Spring Table Grapes from Chile and Mexico*, 66 FR 26831 (May 15, 2001).

²⁰ See *Notice of Final Determination of Sales at Less Than Fair Value: Freshwater Crawfish Tail Meat from the People's Republic of China*, 62 FR 41347, 42357 (August 1, 1997).

We considered the industry support data contained in the Petitions with reference to the domestic like product as defined in Attachment I, “Scope of the Investigation,” to this Checklist, and as discussed above. The petitioner identified two producers of the domestic like product as the companies constituting the boltless steel shelving industry in 2022: Edsal and Tennsco Corp. (Tennsco).²¹ To support its claim, the petitioner provided a declaration from Chris Kruger, Vice President of Sales and Marketing at Edsal, who states that, based on his years of experience and knowledge of the industry, “the only other U.S. producer of boltless steel shelving besides Edsal at present and since 2020 is Tennsco.”²²

To establish industry support, the petitioner provided its own 2022 production of the domestic like product.²³ In addition, the petitioner provided [

its own 2022 production volume to the 2022 production volume [] Tennsco.²⁴ The petitioner added Based on the information in the Petitions, the supporters of the Petitions account for [] percent of total production of the domestic like product in 2022.²⁵²⁶

**Table 1
Calculation of Industry Support**

U.S. Producers of Boltless Steel Shelving	2022 Production of Boltless Steel Shelving (Units)	Position
Edsal Manufacturing Co., Inc.	[]	Petitioner
Tennsco Corp.	[]	[]
Total 2022 Production by Supporters of the Petitions	[]	
Total Estimated 2022 Production of Boltless Steel Shelving	[]	
Total Industry Support	[]%	

²¹ See Petitions at Volume I (pages 2-3 and Exhibit GEN-1).

²² *Id.* at Exhibit GEN-1. For additional support, the petitioner provided declarations from [

] and counsel to [

]. See Petitions at Exhibits GEN-2 and GEN-3.

²³ *Id.* at Exhibits GEN-4 and GEN-13.

²⁴ *Id.* at Exhibit GEN-5.

²⁵ *Id.* at Exhibit GEN-4.

²⁶ *Id.* at pages 2-3 and Exhibits GEN-1 through GEN-5 and GEN-13.

Challenge to Industry Support

None.

Findings

Commerce relied on information provided by the petitioner, as described above, to establish total 2022 production of the domestic like product. Using these data, as demonstrated above, we find that the domestic producers or workers who support the Petitions account for at least 25 percent of total production of the domestic like product. Commerce further finds that domestic producers or workers who support the Petitions account for more than 50 percent of the total production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions. Therefore, we find that there is adequate industry support within the meaning of section 732(c)(4)(A) of the Act.

Commerce conducted a search of the Internet and has been unable to locate information that contradicts the petitioner's assertions. We find that the petitioner has provided data that are reasonably available. For these reasons, we find that there is adequate industry support for initiating these investigations. Accordingly, Commerce finds that the Petitions have met the requirements of section 732(c)(4)(A) of the Act and that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Attachment III

Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping Duty Petitions Covering Boltless Steel Shelving Units Prepackaged For Sale from India, Malaysia, Taiwan, Thailand, and the Socialist Republic of Vietnam

I. Introduction

When making a determination regarding the initiation of antidumping duty investigations, the U.S. Department of Commerce (Commerce) examines, on the basis of sources readily available to Commerce, the accuracy and adequacy of the evidence contained in the petitions, and determines whether the petitions allege the elements necessary for the imposition of antidumping duties and contain information reasonably available to the petitioner that supports the allegations.¹ This attachment analyzes the sufficiency of the allegations and supporting evidence regarding material injury and causation.

II. Definition of Domestic Industry

The domestic industry is described with reference to producers of the domestic like product, as provided for in section 771(4)(A) of the Act. The Petitions² define the domestic industry as all U.S. producers of boltless steel shelving units prepackaged for sale (boltless steel shelving).³ The petitioner⁴ identifies the producers of the domestic like product as the companies constituting the domestic industry in the United States.⁵ For a discussion of the domestic like product, *see* Attachment II, Analysis of Industry Support for the Antidumping Duty Petitions Covering Boltless Steel Shelving Units Prepackaged For Sale from India, Malaysia, Taiwan, Thailand, and the Socialist Republic of Vietnam, to this Checklist.

III. Evidence of Injury and Threat of Injury

To determine injury, the Act requires an evaluation of the volume, price effects, and impact of imports on the domestic industry and permits consideration of other economic factors. Specifically, in examining the impact of imports, section 771(7)(C)(iii) of the Act states that:

In examining the impact {of imports on domestic producers} ..., the {International Trade} Commission {ITC} shall evaluate all relevant economic

¹ *See* section 732(c)(1)(A)(i) of the Tariff Act of 1930, as amended (the Act).

² The petitioner is Edsal Manufacturing Co., Inc. (Edsal). *See* Petitioner's Letters, "Petitions for the Imposition of Antidumping Duties on Imports of Boltless Steel Shelving Units Prepackaged for Sale from India, Malaysia, Taiwan, Thailand and Vietnam – Petition for the Imposition of Antidumping Duties," dated April 25, 2023 (Petitions); and "Boltless Steel Shelving from India, Malaysia, Taiwan, Thailand, and Vietnam – Petitioner's Supplement to Volume I Relating to Request for the Imposition of Antidumping Duties on Imports from India, Malaysia, Taiwan, Thailand, and Vietnam," dated May 1, 2023 (General Issues Supplement) (in response to Commerce's requests for additional information regarding the Petitions).

³ *See* Petitions at Volume I (page 17).

⁴ *Id.* at Volume I (page 2).

⁵ *Id.* at Volume I (pages 2-3 and Exhibits GEN-1 and GEN-2).

factors which have a bearing on the state of the industry in the United States, including, but not limited to—

- (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity,
- (II) factors affecting domestic prices,
- (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment,
- (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry..., and
- (V) in {an antidumping proceeding} ..., the magnitude of the margin of dumping.

The petitioner alleges that the domestic industry has experienced the following types of injury by reason of imports from India, Malaysia, Taiwan, Thailand, and the Socialist Republic of Vietnam (Vietnam):

- Significant and increasing volume of subject imports (*See* Petitions at Volume I at 23-24 and Exhibits GEN-12 through GEN-13);
- Declining market share (*See* Petitions at Volume I at 24 and 28 and Exhibit GEN-12);
- Underselling and price depression and/or suppression (*See* Petitions at Volume I at 25-26 and Exhibits GEN-13 through GEN-14);
- Lost sales and revenues (*See* Petitions at Volume I at 25 and 29 and Exhibit GEN-14);
- Decline in U.S. shipments, production, and capacity utilization (*See* Petitions at Volume I at 28 and Exhibit GEN-13; *see also* General Issues Supplement at 8 and Attachment 6);
- Decline in employment variables (*See* Petitions at Volume I at 28 and Exhibit GEN-13; *see also* General Issues Supplement at 8 and Attachment 6); and
- Adverse impact on financial performance (*See* Petitions at Volume I at 28-29 and Exhibit GEN-13; *see also* General Issues Supplement at 8 and Attachment 6).

The petitioner also alleges that the domestic industry could be threatened with further injury by reason of imports from India, Malaysia, Taiwan, Thailand, and Vietnam due to the following:

- Vulnerability of the domestic industry to further material injury by reason of subject imports (*See* Petitions at Volume I at 32-33 and Exhibits GEN-12 through GEN-13);
- Continued increase in the volume and market penetration of subject imports (*See* Petitions at Volume I at 33 and Exhibit GEN-12);
- Continued adverse price effects (*See* Petitions at Volume I at 34); and
- Export-oriented production by producers in the subject countries (*See* Petitions at Volume I at 34-36 and Exhibits GEN-15 through GEN-16).

IV. Cumulation

Section 771(7)(G)(i) of the Act requires the ITC to cumulate imports from all countries for which petitions were filed on the same day if such imports compete with each other and with the domestic like product in the U.S. market. On April 25, 2023, the petitioner filed the Petitions against India, Malaysia, Taiwan, Thailand, and Vietnam. The petitioner argues that a reasonable overlap of competition exists with subject imports and with the domestic like product in the United States, and, as a result, the criteria for cumulation have been satisfied.⁶

In determining whether cumulation is appropriate, the ITC uses a framework of four factors.⁷ Each factor, along with the sections of the Petitions in which it is addressed, is listed below.

- The degree of fungibility between imports from the subject countries and between the imports and the domestic like product.

The petitioner submits that the domestic like product and boltless steel shelving imports, regardless of source, are fungible products that have similar physical characteristics (including chemistries, gauges, widths, and tempers) and are sold to the same end users for the same end uses.⁸ As a result, the petitioner states that there is a high degree of fungibility among the subject imports from India, Malaysia, Taiwan, Thailand, and Vietnam, and between subject imports from all five subject countries and the domestic like product.⁹ The petitioner notes that in *Boltless Steel Shelving Final*, the ITC found that there was “a moderate to high degree of substitutability between the domestic like product and subject imports” and that “the overwhelming majority of market participants reported that domestically produced boltless steel shelving and subject imports were always or frequently interchangeable.”¹⁰ The petitioner states that there continues to be high interchangeability of boltless steel shelving in the U.S. market today regardless of source country.¹¹

- The presence of sales or offers for sale of the imports and the domestic like product in the same geographic markets.

The petitioner notes that imports from each of the subject countries compete with imports from the other subject countries and with the domestic like throughout the U.S. market.¹² The petitioner states that in *Boltless Steel Shelving Final*, the ITC found that

⁶ *Id.* at Volume I (pages 20-22 and Exhibits GEN-1, GEN-8, GEN-10 (containing *Boltless Steel Shelving Units Prepackaged for Sale from China*, Inv. Nos. 701-TA-523 and 731-TA-1259 (Final), USITC Pub. 4565 (October 2015) (*Boltless Steel Shelving Final*) at 15) and GEN-12); *see also* General Issues Supplement at 7 and Attachments 4 (containing *Boltless Steel Shelving Final* at II-2) and 5.

⁷ *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986); *see also Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898, 902 (CIT 1988), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

⁸ *See* Petitions at Volume I (page 21).

⁹ *Id.*

¹⁰ *Id.* at 21-22 and Exhibit GEN-10 (containing *Boltless Steel Shelving Final* at 15).

¹¹ *Id.* at 22.

¹² *Id.*

“U.S. producers and importer-resellers reported selling boltless steel shelving to all regions in the contiguous United States.”¹³ The petitioner contends that similarly, the petitioner competes with boltless steel shelving from all the subject countries in all regions.¹⁴ For support, the petitioner provides port-specific import data demonstrating that imports from each of the five subject countries are being imported into overlapping regions.¹⁵ In particular, the petitioner demonstrates that subject imports were imported through the ports of Los Angeles, CA; New York, NY; Savannah, GA; and Seattle, WA in 2022.¹⁶ The petitioner additionally states that the products are sold on a nationwide basis to major retailers.¹⁷

- Whether the imports and the domestic like product are handled in common or similar channels of distribution.

The petitioner contends that subject imports and domestically-produced boltless steel shelving are almost exclusively sold to major retailers, such as Costco, Lowes/LG Sourcing, Menards, and Sam’s Club, by both U.S. producers and importers from subject countries.¹⁸

- Whether the imports are present in the U.S. market simultaneously.

The petitioner contends that subject imports have been simultaneously present in the U.S. market from 2020 through 2022.¹⁹ For support, the petitioner provided import data for the time period of 2020 through 2022, demonstrating that subject imports from each of the subject countries were present in the U.S. market in every year during the period.²⁰ The petitioner states that domestically-produced boltless steel shelving was also present during the period.²¹

V. Negligibility

Section 771(24)(A)(i) of the Act states that “imports from a country of merchandise corresponding to a domestic like product identified by the Commission are ‘negligible’ if such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which the data are available”

The petitioner provided import data for the most recent twelve-month period for which data are available (*i.e.*, March 2022, through February 2023), which demonstrate that imports from Malaysia, Taiwan, Thailand, and Vietnam account for 22.06 percent, 27.08 percent, 24.84

¹³ See General Issues Supplement at 7 and Attachment 4 (containing *Boltless Steel Shelving Final* at II-2).

¹⁴ *Id.* at 7.

¹⁵ *Id.* at 7 and Attachment 5.

¹⁶ *Id.*

¹⁷ See Petitions at Volume I (page 22 and Exhibit GEN-1).

¹⁸ *Id.*

¹⁹ *Id.* at Volume I (page 22 and Exhibit GEN-8).

²⁰ *Id.* at Volume I (Exhibit GEN-8).

²¹ *Id.* at Volume I (page 22 and Exhibit GEN-12).

percent, and 16.28 percent, respectively, of the volume of total imports over this period.²² The data provided by the petitioner demonstrate that imports of boltless steel shelving from Malaysia, Taiwan, Thailand, and Vietnam individually exceed the three percent negligibility threshold provided under section 771(24)(A)(i) of the Act.²³

The petitioner states that boltless steel shelving imports from India are slightly below the three-percent negligibility threshold but that they are likely to imminently exceed three percent of total U.S. imports of boltless steel shelving.²⁴ The petitioner notes that section 771(24)(A)(iv) of the Act instructs that, even if subject imports from any single country are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should the ITC determine that there is potential that subject imports from the country concerned will imminently account for more than three percent of all subject merchandise imported into the United States.²⁵ The petitioner notes that Indian imports did not enter the market consistently until June 2022.²⁶ The petitioner states that, during the most recent nine-month period that Indian imports have been present in the United States (June 2022 through February 2023), those imports accounted for 3.8 percent of total imports.²⁷ Additionally, the petitioner notes that [

].²⁸ The petitioner states that if imports of India had reached this level between March 2022 and February 2023, [

].²⁹ The petitioner further states that import figures and trends demonstrate that there is a reasonable indication that data obtained in the ITC's investigation will establish that imports from India already exceed the applicable negligibility threshold.³⁰

The petitioner's arguments are consistent with the SAA, which provides that imports shall not be treated as negligible if "... there is a reasonable indication that data obtained in a {n} ... investigation will establish that imports exceed the {negligibility} thresholds."³¹ The petitioner's arguments are also consistent with the statutory criteria for "negligibility in threat analysis" under section 771(24)(A)(iv) of the Act, which provides that imports shall not be treated as

²² *Id.* at 18 and Exhibit GEN-11. The petitioner notes that available evidence indicates that imports from Canada, the People's Republic of China (China), Mexico, and the Republic of Korea (Korea) entering Harmonized Tariff Schedule of the United States subheading 9403.20.0075 are misclassified, out-of-scope merchandise. *See* Petitions at 12-13 and Exhibits GEN-1 and GEN-11. As a result, the petitioner also provided negligibility calculations based on import data adjusted to exclude imports from Canada, China, Mexico, and Korea from the total import volume. *Id.* at 18 and Exhibit GEN-11. Based on these adjusted data, the imports from Malaysia, Taiwan, Thailand, and Vietnam accounted for 22.1 percent, 27.1 percent, 24.8 percent, and 16.3 percent, respectively. *Id.* Accordingly, the petitioner notes that imports from these four countries surpass the three percent negligibility threshold under either methodology. *Id.* at 18.

²³ *Id.* at 18 and Exhibit GEN-11.

²⁴ *Id.* at 19. As described above, imports from India accounted for 1.3 percent of the total volume of U.S. imports of boltless steel shelving (or 2.8 percent, using the petitioner's adjusted data). *Id.* at 18 and Exhibit GEN-11.

²⁵ *Id.* at 19.

²⁶ *Id.* at 19 and Exhibit GEN-11.

²⁷ *Id.*

²⁸ *Id.* at 19 and Exhibit GEN-1.

²⁹ *Id.* at 19 and Exhibit GEN-11.

³⁰ *Id.* at 19.

³¹ *See* Statement of Administrative Action (SAA), H.R. Doc. No. 103-316, Vol. 1 (1994) at 857.

negligible if there is a potential that subject imports from a country will imminently exceed the statutory requirements for negligibility. We note that, ultimately, the ITC will make the determination on negligibility based on responses to subject merchandise-specific questionnaires.

VI. Causation of Material Injury and Threat of Material Injury

The petitioner contends that the material injury and the threat of material injury to the domestic industry discussed in Section III above was caused by the impact of the allegedly dumped imports from India, Malaysia, Taiwan, Thailand, and Vietnam. In support of its argument, the petitioner provided information on the historical trend of the volume and value of the allegedly dumped imports, beginning in January 2020 and ending December 2022.³² In the Petitions, the petitioner demonstrates the effect of these imports on domestic prices and market share, and the consequent impact on the domestic industry, specifically on financial performance and employment variables.³³ The petitioner argues that this evidence reflects the injurious effects on the U.S. industry's performance and domestic selling prices caused by imports of boltless steel shelving at prices substantially lower than prices offered from the petitioner, thereby resulting in lost sales and revenues; adverse impact on financial performance; decline in U.S. shipments, production, and capacity utilization; and declining employment variables.³⁴

In making a determination regarding causation of material injury, the ITC is directed to evaluate the volume of subject imports (section 771(7)(B)(i)(I) of the Act), the effect of those imports on the prices of domestically-produced products (section 771(7)(B)(i)(II) of the Act), and their impact on the domestic operations of U.S. producers (section 771(7)(B)(i)(III) of the Act). The petitioner bases its allegations of causation of current injury upon the significant and increasing volume of subject imports; declining market share; underselling and price depression and/or suppression; lost sales and revenues; decline in U.S. shipments, production, and capacity utilization; decline in employment variables; and adverse impact on financial performance.³⁵

With regard to the threat of material injury, the petitioner bases its allegations upon the vulnerability of the domestic industry to further material injury by reason of subject imports; continued increase in the volume and market penetration of subject imports; continued adverse price effects; and export-oriented production by producers in the subject countries.³⁶

The allegations of causation of material injury and the threat of material injury are based upon the factors indicating current injury, as well as the factors indicating threat of material injury as noted above. The factors related to causation presented in the injury section of the Petitions are the types of factors that the ITC is directed to consider for the purpose of evaluating causation under sections 771(7)(C) and 771(7)(F) of the Act.

³² See Petitions at Volume I (pages 23-24 and Exhibit GEN-12).

³³ *Id.* at 23-26, 28-29, and Exhibits GEN-12 through GEN-14; *see also* General Issues Supplement at 8 and Attachment 6.

³⁴ See Petitions at Volume I (pages 25-26 and 28-28 and Exhibits GEN-13 through GEN-14); *see also* General Issues Supplement at 8 and Attachment 6.

³⁵ See Section III above.

³⁶ *Id.*

VII. Conclusion

In order to assess the accuracy and adequacy of the evidence relating to the allegations regarding material injury, threat of material injury, cumulation, negligibility, and causation, we examined the information presented in the Petitions and compared it with information that was reasonably available (*e.g.*, import data on the ITC website). We did not locate any information that contradicts the petitioner's assertions.

We analyzed the petitioner's evidence regarding material injury, threat of material injury, cumulation, negligibility, and causation, and have found that the information in the Petitions demonstrates a sufficient showing of injury or threat of injury to the U.S. industry producing boltless steel shelving. Therefore, we find the overall evidence of injury included in the Petitions to be adequate to initiate the investigations of boltless steel shelving from India, Malaysia, Taiwan, Thailand, and Vietnam. Ultimately, the ITC will make the final determination with respect to material injury, or threat thereof, cumulation, negligibility, and causation.