



C-570-953
Administrative Review
POR: 1/1/2012 – 12/31/2012
Public Document
AD/CVD Office I

June 18, 2014

MEMORANDUM TO: Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

FROM: Christian Marsh *CM*
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for Preliminary Results of Countervailing
Duty Administrative Review: Narrow Woven Ribbons with
Woven Selvedge from the People's Republic of China

Summary

The Department of Commerce (Department) is conducting an administrative review of the countervailing duty (CVD) order on narrow woven ribbons with woven selvedge (ribbons) from the People's Republic of China (PRC). The period of review (POR) is January 1, 2012, through December 31, 2012. We preliminarily find that Yangzhou Bestpak Gifts & Crafts Co., Ltd. received countervailable subsidies during the POR.

A. Background

On September 1, 2010, the Department published its CVD *Order* on ribbons from the PRC.¹ On September 3, 2013, we published a notice of "Opportunity to Request Administrative Review" for the CVD *Order* for the calendar year 2012.² Petitioner in this proceeding, Berwick Offray LLC (Petitioner), requested that we review one company: Yangzhou Bestpak Gifts & Crafts Co., Ltd. (Bestpak).³ In accordance with 19 CFR 351.221(c)(1)(i), we published a notice initiating the review on November 8, 2013.⁴

¹ See *Narrow Woven Ribbons With Woven Selvedge From the People's Republic of China: Countervailing Duty Order*, 75 FR 53642 (September 1, 2010) (*Order*).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation: Opportunity To Request Administrative Review*, 78 FR 54235 (September 3, 2013).

³ See Letter from Berwick Offray LLC to the Department, "Narrow Woven Ribbons with Woven Selvedge From The People's Republic of China/Petitioner's Request For Third Administrative Review" (September 30, 2013).

⁴ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 78 FR 67104 (November 8, 2013).



We issued the questionnaire to the Government of the PRC (GOC) and Bestpak on January 26, 2014.⁵ Responses to the questionnaire were due on February 12, 2014. Neither the GOC nor Bestpak submitted a response nor requested an extension.⁶

We are conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act).

B. Scope of the Order

The merchandise subject to the *Order* is narrow woven ribbons with woven selvedge, in any length, but with a width (measured at the narrowest span of the ribbon) less than or equal to 12 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 metalized yarns, or any combination thereof. Narrow woven ribbons subject to the *Order* may:

- also include natural or other non-man-made fibers;
- be of any color, style, pattern, or weave construction, including but not limited to single-faced satin, double-faced 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 appliqué, 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 parallel to each other;

⁵ See Letter from the Department to the GOC, “Administrative Review of the Countervailing Duty Order on Narrow Woven Ribbons with Woven Selvedge from the People’s Republic of China” (January 6, 2014).

⁶ See below under “Use of Facts Otherwise Available and Adverse Inferences” for a description of the steps we took to document that Bestpak and the GOC received the questionnaire.

- consist of such ribbons affixed to like ribbon 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 or folds; and/or
- be included within a kit or set such as when packaged with other products, including but not limited to gift bags, gift boxes and/or other types of ribbon.

Narrow woven ribbons subject to the *Order* include all narrow woven fabrics, tapes, and labels that fall within this written description of the scope of this *Order*.

Excluded from the scope of the *Order* are the following:

- (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 eight 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.

The merchandise subject to this *Order* 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 the *Order* is dispositive.⁷

C. Use of Facts Otherwise Available and Adverse Inferences

Sections 776(a)(1) and (2) of the Act provide that the Department shall apply “facts otherwise available,” subject to section 782(d) of the Act, if necessary information is not on the record or if an interested party or any other person: (A) withholds information that has been requested; (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act; (C)

⁷ See *Order*, 75 FR at 53642-43.

significantly impedes a proceeding; or (D) provides information that cannot be verified as provided by section 782(i) of the Act.

Section 776(b) of the Act further provides that the Department may use an adverse inference in applying the facts otherwise available when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information.

In deciding which facts to use as adverse facts available (AFA), section 776(b) of the Act and 19 CFR 351.308(c)(1) authorize the Department to rely on information derived from: (1) the petition; (2) a final determination in the investigation; (3) any previous review or determination; or (4) any information placed on the record. The Department's practice when selecting an adverse rate from among the possible sources of information is to ensure that the rate is sufficiently adverse as to effectuate the statutory purposes of the AFA rule to induce respondents to provide the Department with complete and accurate information in a timely manner.⁸ The Department's practice also ensures "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully."⁹

Application of AFA to Bestpak

When issuing our questionnaire to the GOC and Bestpak, we took the following steps: 1) we emailed the questionnaire to the GOC, 2) we uploaded the questionnaire to Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS), and 3) we sent a copy of the questionnaire directly to Bestpak via FedEx. We confirmed that the questionnaire was successfully delivered to Bestpak.¹⁰ As explained above, neither Bestpak nor the GOC provided timely responses to our questionnaire. Additionally, neither party requested an extension prior to the deadline for responses to the questionnaire. We notified Bestpak and the GOC that if they did not respond to the Department's questionnaire, then we may find that they failed to cooperate by not acting to the best of their ability to comply with the requests for information, and that we may use an inference that is adverse to their interests in selecting from the facts otherwise available, in accordance with section 776(b) of the Act.¹¹

Because Bestpak and the GOC failed to submit responses to our questionnaire, we find them to be non-cooperative. By not responding to the Department's questionnaire, Bestpak and the GOC withheld requested information and significantly impeded this proceeding. Thus, in reaching our preliminary determination, pursuant to sections 776(a)(1), (2)(A) and (C) of the Act, we are assigning a CVD rate for Bestpak based on facts otherwise available.

⁸ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors From Taiwan*, 63 FR 8909, 8932 (February 23, 1998).

⁹ See Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act, H. Doc. No. 316, 103d Cong. 2d Session, at 870 (1994).

¹⁰ See Memorandum to File, "Evidence of Service for Initial Questionnaire" (March 24, 2014).

¹¹ See Letter from the Department to the GOC, "Administrative Review of the Countervailing Duty Order on Narrow Woven Ribbons with Woven Selvedge from the People's Republic of China" (January 6, 2014).

We further preliminarily determine that an adverse inference is warranted, pursuant to section 776(b) of the Act. Because Bestpak and the GOC did not submit responses to the Department's questionnaires, necessary information is not on the record. By not responding to the Department's requests for information, neither Bestpak nor the GOC cooperated to the best of its ability in this investigation. Accordingly, we preliminarily determine that AFA is warranted to ensure that Bestpak does not obtain a more favorable result than if it had fully complied with our requests for information.

Because Bestpak and the GOC failed to act to the best of their ability, for each program examined, we made the adverse inferences that the program bestows a financial contribution and is specific, and that Bestpak benefitted from the program, unless the record evidence made it clear that it could not have benefitted from that program because, for example, we have found the program to be not countervailable.¹² To calculate the program rates, we generally use program-specific rates calculated for the cooperating respondents in the instant review or prior segments of the instant case, or calculated in prior PRC CVD cases.

Regarding our selection of AFA rates, for programs other than those involving income tax exemptions and reductions, we first seek to apply, where available, the highest above *de minimis* subsidy rate calculated for an identical program from any segment of this proceeding.¹³ Absent an identical program from this proceeding, we apply, where available, the highest above *de minimis* subsidy rate calculated for a similar program from any segment of this proceeding. Absent an above *de minimis* subsidy rate calculated for the same or similar program in this proceeding, we apply the highest non-*de minimis* rate calculated for the same or similar program (based on treatment of the benefit) in another PRC CVD proceeding. Absent an above *de minimis* subsidy rate calculated for the same or similar program in any PRC CVD proceeding, we apply the highest calculated subsidy rate for any program otherwise listed from any prior PRC CVD cases, so long as Bestpak conceivably could have used the program for which the rate was calculated.¹⁴

For this administrative review, the Department is examining the same programs that it considered in the CVD investigation of ribbons.¹⁵ To calculate the program rate for the eight income tax programs pertaining to either the reduction of income tax paid or the payment of no

¹² See, e.g., *Notice of Final Affirmative Countervailing Duty Determination: Certain Cold-Rolled Carbon Steel Flat Products From Korea*, 67 FR 62102 (October 3, 2002), and accompanying Issues and Decision Memorandum (IDM) at "Methodology and Background Information;" and *Coated Free Sheet Paper from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 72 FR 60645, 60646-47 (October 25, 2007).

¹³ See, e.g., *Certain Kitchen Appliance Shelving and Racks from the People's Republic of China: Final Results of the Countervailing Duty Administrative Review*, 77 FR 21744 (April 11, 2012), and accompanying IDM at 2-5.

¹⁴ See, e.g., *Aluminum Extrusions From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 76 FR 18521 (April 4, 2011) (*Aluminum Extrusions from the PRC*), and accompanying IDM at "Application of Adverse Inferences: Non-Cooperative Companies" section; *Lightweight Thermal Paper From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 73 FR 57323 (October 2, 2008), and accompanying IDM at "Selection of the Adverse Facts Available Rate" section; and *Certain Hot-Rolled Carbon Steel Flat Products from India: Final Results and Partial Rescission of Countervailing Duty Administrative Review*, 74 FR 20923 (May 6, 2009), and accompanying IDM at "SGOC Industrial Policy 2004-2009."

¹⁵ See *Narrow Woven Ribbons with Woven Selvedge from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 41801 (July 19, 2010) (*Ribbons Investigation*), and accompanying IDM at 7-12 ("Analysis of Programs").

income tax, we applied an adverse inference that Bestpak paid no income tax during the POR. The standard income tax rate (enterprise income tax, or EIT) for corporations in the PRC in effect during the POR was 25 percent.¹⁶ Thus, the highest possible benefit for these eight income tax programs is 25 percent. Accordingly, we are applying the 25 percent AFA rate on a combined basis (*i.e.*, the eight programs combine to provide a 25 percent benefit). Consistent with past practice, the 25 percent AFA rate does not apply to the income tax credit and rebate, accelerated depreciation, or import tariff and value add tax (VAT) exemption programs because such programs may not affect the tax rate.¹⁷ We applied a cumulative 25 percent rate for the following programs:

- Preferential Tax Policies for Enterprises with Foreign Investment (also known as “Two Free, Three Half”)
- Tax Benefits for FIEs in Encouraged Industries that Purchase Domestic Equipment
- Corporate Income Tax Refund Program for Reinvestment of FIE Profits in Export-Oriented Enterprises
- Tax Subsidies to FIEs in Specially Designated Areas
- Preferential Tax Policies for Export-Oriented FIEs
- Tax Program for High or New Technology FIEs
- Preferential Tax Policies for Township Enterprises
- Preferential Tax Policies for Research and Development for FIEs
- Local Income Tax Exemption and Reduction Programs for “Productive” Foreign-Invested Enterprises

With respect to the remaining programs, all the subsidy rates determined in the sole prior segment of this proceeding (the investigation) are below *de minimis*, except for one income tax program that is covered by the 25 percent rate described above.¹⁸ Therefore, for all programs other than those involving income tax rate reduction or exemptions, we are applying, where available, the highest subsidy rate calculated for the same or similar program in a PRC CVD investigation or administrative review.

We are able to match the following programs to similar programs from other PRC CVD proceedings based on program type and treatment of the benefit:

- Policy Loans to Narrow Woven Ribbon Producers from State-owned Commercial Banks¹⁹
- Jimei District Tax Bonus Prize²⁰

¹⁶ See, e.g., *Non-Oriented Electrical Steel From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination*, 79 FR 16293 (March 25, 2014) and accompanying Decision Memorandum at 9.

¹⁷ See, e.g., *Aluminum Extrusions from the PRC* and accompanying IDM at “Application of Adverse Inferences: Non-Cooperative Companies.”

¹⁸ See *Ribbons Investigation*, and accompanying IDM at 7 (“Programs Determined to be Countervailable”).

¹⁹ See *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 FR 70201, 70202 (November 17, 2010) (amended rate of 10.54 percent for “Preferential Lending to the Coated Paper Industry”).

- Xiamen Municipal Science and Technology Grant Program²¹
- International Market Development Fund Grants for SMEs²²
- Xiamen Promotion of Domestic Market Grants²³
- The State Key Technology Renovation Project Fund²⁴
- Famous Brands Program²⁵
- Export Assistance Grants²⁶
- Export Interest Subsidy Funds for Enterprises Located in Zhejiang Province²⁷
- Technology Grants for Enterprises Located in Zhejiang Province²⁸
- Import Tariff and VAT Exemptions for FIEs Using Imported Technology and Equipment²⁹
- Import Tariff and VAT Exemptions for Certain Domestic Enterprises Using Imported Technology and Equipment³⁰
- VAT Rebate for FIE Purchases of Domestically Produced Equipment³¹

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as “information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise.”³² The SAA provides that to “corroborate” secondary information, the Department will satisfy itself that the secondary information to be used has probative value.³³

The Department will, to the extent practicable, examine the reliability and relevance of the information to be used. The SAA emphasizes, however, that the Department need not prove that the selected facts available are the best alternative information.³⁴

²⁰ See *Utility Scale Wind Towers from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 77 FR 75978 (December 26, 2012), and accompanying IDM at 22-23 (rate of 0.55 percent for “Support Funds for Construction of Project Infrastructure Provided by Administration Commission of LETDZ”).

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.*

²⁹ See *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 FR 70201, 70202 (November 17, 2010) (rate of 3.51 percent for “Value Added-Tax and Tariff Exemptions on Imported Equipment”).

³⁰ *Id.*

³¹ *Id.*

³² See SAA at 870.

³³ *Id.*

³⁴ *Id.* at 869-870.

With regard to the reliability aspect of corroboration, unlike other types of information, such as publicly available data on the national inflation rate of a given country or national average interest rates, there typically are no independent sources for data on company-specific benefits resulting from countervailable subsidy programs. With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal in considering the relevance of information used to calculate a countervailable subsidy benefit. The Department will not use information where circumstances indicate that the information is not appropriate as AFA.³⁵

In the absence of record evidence concerning the alleged programs due to the respondents' decision not to participate in the investigation, the Department reviewed the information concerning PRC subsidy programs in other cases. Where we have a program-type match, we find that, because these are the same or similar programs, they are relevant to the programs in this case. For the programs for which there is no program-type match, we selected the highest calculated subsidy rate for any PRC program, from which the non-cooperative respondent could conceivably receive a benefit, to use as AFA. The relevance of these rates is that they are actual calculated CVD rates for PRC programs, from which the non-cooperative respondent could actually receive a benefit. Due to the lack of participation by the respondents and the resulting lack of record information concerning these programs, the Department corroborated the rates it selected to use as AFA to the extent practicable for this preliminary determination.

On this basis, we determine the AFA countervailable subsidy rate for Bestpak to be 50.87 percent *ad valorem*.

D. Supporting Information for AFA Findings

As explained above under "Use of Facts Otherwise Available and Adverse Inferences," both Bestpak and the GOC failed to respond to our questionnaire. Therefore, in the absence of information that would otherwise have been provided by the GOC and Bestpak, we are incorporating by reference information relied upon in the *Ribbons Investigation Final Determination*³⁶ (specifically, the petition,³⁷ amendments to the petition,³⁸ and the initiation checklist) as support for our findings that, as AFA, each program under review is a financial contribution, is specific, and conveys a benefit to the recipient. We placed information on the record of this review, including a program description, for the following programs:

- Policy Loans to Narrow Woven Ribbon Producers from State-owned Commercial Banks³⁹
- Two Free, Three Half⁴⁰

³⁵ See, e.g., *Fresh Cut Flowers From Mexico; Final Results of Antidumping Duty Administrative Review*, 61 FR 6812, 6814 (February 22, 1996).

³⁶ See *Narrow Woven Ribbons with Woven Selvedge from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 41801 (July 19, 2010) (*Ribbons Investigation Final Determination*).

³⁷ See Memorandum from Christopher Siepmann to the File, "Placement of Information from the Investigation on the Record of the 2012 Review" (May 20, 2014) at Attachment 1 (Petition).

³⁸ *Id.* at Attachment 2 (Amendment I), Attachment 3 (Amendment II), Attachment 4 (Amendment III), Attachment 5 (Amendment IV), and Attachment 6 (Initiation Checklist).

³⁹ See Petition at 31 and Initiation Checklist at 9.

- Tax Benefits for FIEs in Encouraged Industries that Purchase Domestic Equipment⁴¹
- Corporate Income Tax Refund Program for Reinvestment of FIE Profits in Export-Oriented Enterprises⁴²
- Tax Subsidies to FIEs in Specially Designated Areas⁴³
- Preferential Tax Policies for Export-Oriented FIEs⁴⁴
- Tax Program for High or New Technology FIEs⁴⁵
- Preferential Tax Policies for Township Enterprises⁴⁶
- Preferential Tax Policies for Research and Development for FIEs⁴⁷
- Local Income Tax Exemption and Reduction Programs for “Productive” Foreign-Invested Enterprises⁴⁸
- The State Key Technology Renovation Project Fund⁴⁹
- Famous Brands Program⁵⁰
- Export Assistance Grants⁵¹
- Export Interest Subsidy Funds for Enterprises Located in Zhejiang Province⁵²
- Import Tariff and VAT Exemptions for FIEs Using Imported Technology and Equipment⁵³
- Import Tariff and VAT Exemptions for Certain Domestic Enterprises Using Imported Technology and Equipment⁵⁴
- VAT Rebate for FIE Purchases of Domestically Produced Equipment⁵⁵

Additionally, the following programs were found to be countervailable in the *Ribbons Investigation Final Determination*:

- Two Free, Three Half⁵⁶
- Local Income Tax Exemption and Reduction Programs for “Productive” Foreign-Invested Enterprises⁵⁷
- Xiamen Municipal Science and Technology Grant Program⁵⁸
- International Market Development Fund Grants for SMEs⁵⁹

⁴⁰ See Petition at 44 and Initiation Checklist at 13.

⁴¹ See Petition at 52 and Initiation Checklist at 19.

⁴² See Petition at 47 and Initiation Checklist at 15-16.

⁴³ See Petition at 45 and Initiation Checklist at 14.

⁴⁴ See Petition at 46 and Initiation Checklist at 15.

⁴⁵ See Petition at 49 and Initiation Checklist at 17-18.

⁴⁶ See Petition at 51 and Initiation Checklist at 18.

⁴⁷ See Petition at 51 and Initiation Checklist at 18-19.

⁴⁸ See Petition at 48 and Initiation Checklist at 17.

⁴⁹ See Petition at 37 and Initiation Checklist at 10.

⁵⁰ See Petition at 39 and Initiation Checklist at 10-11.

⁵¹ See Petition at 41 and Initiation Checklist at 11-12.

⁵² See Petition at 42 and Initiation Checklist at 12.

⁵³ See Petition at 53-53 and Initiation Checklist at 20.

⁵⁴ See Petition at 54-55 and Initiation Checklist at 21.

⁵⁵ See Petition at 56 and Initiation Checklist at 22.

⁵⁶ See *Ribbons Investigation Final Determination*, and accompanying IDM at 7.

⁵⁷ *Id.*, and accompanying IDM at 8.

⁵⁸ *Id.*, and accompanying IDM at 8-9.

⁵⁹ *Id.*, and accompanying IDM at 9-10.

E. Subsidy Rate Chart

<u>Program Name</u>	<u>AFA Rate</u>
Policy Loans to Narrow Woven Ribbon Producers from State-owned Commercial Banks	10.54%
Two Free, Three Half	25.00%
Tax Benefits for FIEs in Encouraged Industries that Purchase Domestic Equipment	
Corporate Income Tax Refund Program for Reinvestment of FIE Profits in Export-Oriented Enterprises	
Tax Subsidies to FIEs in Specially Designated Areas	
Preferential Tax Policies for Export-Oriented FIEs	
Tax Program for High or New Technology FIEs	
Preferential Tax Policies for Township Enterprises	
Preferential Tax Policies for Research and Development for FIEs	
Local Income Tax Exemption and Reduction Programs for “Productive” Foreign-Invested Enterprises	
Jimei District Tax Bonus Prize	
Xiamen Municipal Science and Technology Grant Program	0.55%
International Market Development Fund Grants for SMEs	0.55%
Xiamen Promotion of Domestic Market Grants	0.55%
The State Key Technology Renovation Project Fund	0.55%
Famous Brands Program	0.55%
Export Assistance Grants	0.55%
Export Interest Subsidy Funds for Enterprises Located in Zhejiang Province	0.55%
Technology Grants for Enterprises Located in Zhejiang Province	0.55%
Import Tariff and VAT Exemptions for FIEs Using Imported Technology and Equipment	3.51%
Import Tariff and VAT Exemptions for Certain Domestic Enterprises Using Imported Technology and Equipment	3.51%
VAT Rebate for FIE Purchases of Domestically Produced Equipment	3.51%
Total Benefit =	51.02%

F. Disclosure and Public Comment

All calculations for the preliminary results of this review are contained in this memorandum. Therefore, we hereby disclose to interested parties the calculations performed in connection with these preliminary results.⁶⁰

⁶⁰ 19 CFR 351.224(b) calls for the Department to disclose calculations performed in connection with the preliminary results of an administrative review within five days after the publication of the preliminary results.

Case briefs may be submitted to IA ACCESS by no later than 30 days after the day on which these preliminary results are published in the *Federal Register*.⁶¹ Rebuttal briefs, which must be limited to issues raised in case briefs, may be submitted by no later than five days after the deadline for case briefs.⁶² Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.⁶³ The summary should be limited to five pages total, including footnotes.

Interested parties who wish to request a hearing, or to participate if one is requested, must do so in writing within 30 days after the publication of this preliminary determination in the *Federal Register*.⁶⁴ Requests should contain the party's name, address, and telephone number; the number of participants; and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, on a date and at a time and location to be determined. Parties will be notified of the date, time and location of any hearing.

Parties must file their case briefs, rebuttal briefs, and requests for a hearing electronically using IA ACCESS.⁶⁵ Electronically filed documents must be received successfully in their entirety by 5:00 p.m. Eastern Time, on the due dates established above.

Recommendation

We recommend applying the above methodology for these preliminary results.

✓

Agree

Disagree



Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

June 18, 2014

(Date)

⁶¹ See 19 CFR 351.309(c)(1)(ii).

⁶² See 19 CFR 351.309(d).

⁶³ See 19 CFR 351.309(c)(2) and (d)(2).

⁶⁴ See 19 CFR 351.310(c).

⁶⁵ See 19 CFR 351.303(b)(2)(i).