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June 18, 2014

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

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

SUBJECT: Decision Memorandum for Preliminary Results of Antidumping
Duty Administrative Review: Aluminum Extrusions from the
People's Republic of China; 2012/2013

SUMMARY

In response to requests from interested parties, the Department of Commerce ("Department") is conducting an administrative review of the antidumping duty order on aluminum extrusions from the People's Republic of China ("PRC") in accordance with section 751(a)(1) of the Tariff Act of 1930, as amended ("the Act"). The period of review ("POR") is May 1, 2012, through April 30, 2013. The review covers the following exporters of subject merchandise: (1) Guangzhou Jangho Curtain Wall System Engineering Co., Ltd. and Jangho Curtain Wall Hong Kong Ltd. (collectively "Jangho"); (2) the single entity comprised of Guang Ya Aluminum Industrial Co., Ltd. ("Guang Ya"), Foshan Guangcheng Aluminum Co., Ltd. ("Guangcheng"), Kong Ah International Co., Ltd. ("Kong Ah"), and Guang Ya Aluminum Industries (Hong Kong) Ltd. ("Guang Ya HK") (collectively "Guang Ya Group"), Guangdong Zhongya Aluminum Co., Ltd. ("Zhongya"), Zhongya Shaped Aluminum (HK) Holding Ltd. ("Shaped Aluminum"), and Karlton Aluminum Co., Ltd. ("Karlton") (collectively "Zhongya"), and Foshan Nanhai Xinya Aluminum & Stainless Steel Product Co., Ltd. ("Xinya") (collectively "Guang Ya Group/Zhongya/Xinya"); and (3) Kromet International, Inc. ("Kromet"), a voluntary respondent in this review. The Department preliminarily finds that Kromet did not make sales of subject merchandise at less than normal value during the POR. Further, we find that Jangho and Guangya Group/Zhongya/Xinya failed to demonstrate eligibility for a separate rate and thus should be treated as part of the PRC-wide entity.

If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection ("CBP") to assess antidumping duties on all appropriate entries of subject merchandise during the POR. Interested parties are invited to comment on these preliminary results. Unless otherwise extended, we intend to issue final results no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.



Background

On May 1, 2013, the Department published a notice of opportunity to request an administrative review of the antidumping duty order on aluminum extrusions from the PRC for the period of May 1, 2012, through April 30, 2013.¹ The Department initiated a review of 141 exporters of subject merchandise.² On August 19, 2013, Bracalente Metal Products (Suzhou) Co. Ltd. withdrew its request for a review of itself.³ On August 27, 2013, Dek Rail Solution withdrew its request for a review of Nanhai Textiles Imports & Export Co., Ltd. of Guangdong.⁴ On September 26, 2013, the Aluminum Extrusions Fair Trade Committee (“Petitioner”) withdrew its request for a review with respect to 88 companies.⁵ Also on September 26, 2013, Whirlpool Corporation withdrew its request for a review of Whirlpool Canada L.P. and Whirlpool Microwave Products Development Ltd.⁶ As explained in the memorandum from the Assistant Secretary for Enforcement and Compliance, the Department exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013.⁷ On January 14, 2014, we extended the time limit for the preliminary results of review by 120 days, pursuant to section 751(a)(3)(A) of the Act, to June 18, 2014.⁸

Respondent Selection

Section 777A(c)(1) of the Act directs the Department to calculate an individual weighted-average dumping margin for each known exporter and producer of the subject merchandise. However, section 777A(c)(2) of the Act gives the Department discretion to limit its examination to a reasonable number of exporters or producers if it is not practicable to determine an individual weighted average dumping margins for each known exporter and producer because of the large number of companies involved in the review.

On August 2, 2013, the Department placed CBP data for the Harmonized Tariff Schedule of the United States (“HTSUS”) numbers listed in the scope of the order on the record of the review and stated that, because of inconsistencies in the data we intended to use quantity and value

¹ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 78 FR 25423 (May 1, 2013).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 78 FR 38924 (June 28, 2013) (“*Initiation Notice*”).

³ See letter entitled “Withdrawal of Antidumping Duty Administrative Review Request for Bracalente Metal Products (Suzhou) Co. Ltd.,” dated August 19, 2013.

⁴ See letter entitled “Withdrawal of Request of Dek Rail Solution, for an Administrative Review of Nanhai Textiles Import & Export Co., Ltd. of Guangdong,” dated August 27, 2013.

⁵ See letter from Petitioner entitled “Withdrawal request for Administrative Review,” dated September 26, 2013.

⁶ See letter from Whirlpool entitled “Withdrawal of request for Second Administrative Review of the Antidumping Duty Order,” dated September 26, 2013.

⁷ See Memorandum from Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government,” dated October 18, 2013.

⁸ See Memorandum to Christian Marsh entitled, “Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated January 14, 2014.

("Q&V") questionnaire responses for purposes of respondent selection.⁹ We issued Q&V questionnaires on August 6 and 7, 2013.¹⁰

On September 24, 2013, the Department issued its respondent selection memorandum, in which it explained that, because of the large numbers of exporters or producers involved in the review (141 companies at the time of initiation), it would not be practicable to individually examine all of the companies.¹¹ Rather, the Department determined, pursuant to section 777A(c)(2)(B) of the Act, that it would limit its examination to the exporters accounting for the largest volume of the subject merchandise from the exporting country that could be reasonably examined. The Department further determined that it could only reasonably examine two exporters in this review.¹² Accordingly, the Department selected Jangho and Guangya Group/New Zhongya/Xinya for individual examination because they were the two largest exporters of the subject merchandise, by volume, during the POR.¹³

Jangho filed its separate rate application on August 27, 2013,¹⁴ its section A questionnaire response on November 18, 2013,¹⁵ its section C questionnaire response on December 9, 2013,¹⁶ and its section D questionnaire response on December 12, 2013.¹⁷ Petitioner provided comments on Jangho's AQR on December 4, 2013,¹⁸ and on its CQR and DQR on December 27, 2013.¹⁹ In addition, it provided additional comments on Jangho's DQR on February 24, 2014.²⁰ On March 25, 2014, the Department issued a supplemental questionnaire covering Jangho's SRA, AQR, CQR and DQR.²¹ On April 9, 2014, Jangho withdrew from the review, without responding to the Department's supplemental questionnaire.²²

⁹ See memorandum titled "Analysis of CBP Data and Identification of Companies to Receive Q&V Questionnaires," dated August 2, 2013.

¹⁰ See Memorandum to the File, "Second Administrative Review of the Antidumping Duty Order on Aluminum Extrusions from the People's Republic of China: Quantity and Value Questionnaires," dated August 7, 2013.

¹¹ See memorandum titled "Selection of Respondents for the Second Administrative Review of the Antidumping Duty Order on Aluminum Extrusions from the People's Republic of China," dated September 24, 2013.

¹² *Id.* at 4.

¹³ *Id.* at 5.

¹⁴ See letter from Jangho, "Separate Rate Application; Administrative Review – Jangho; Aluminum Extrusions from China," dated August 27, 2013 ("Jangho's SRA").

¹⁵ See letter from Jangho, "Section A Questionnaire Response; Administrative Review – Jangho; Aluminum Extrusions from China," dated November 18, 2013 ("Jangho's AQR").

¹⁶ See letter from Jangho, "Section C Questionnaire Response; Administrative Review – Jangho; Aluminum Extrusions from China," dated December 9, 2013 ("Jangho's CQR").

¹⁷ See letter from Jangho, "Section D Questionnaire Response; Administrative Review – Jangho; Aluminum Extrusions from China," dated December 12, 2013 ("Jangho's DQR").

¹⁸ See letter from Petitioner, "Aluminum Extrusions from the People's Republic of China: Deficiency Comments on Jangho's Section A Response," dated December 4, 2013.

¹⁹ See letter from Petitioner, "Aluminum Extrusions from the People's Republic of China: Comments on Jangho's Section C and D Questionnaire Responses," dated December 27, 2013.

²⁰ See letter from Petitioner, "Aluminum Extrusions from the People's Republic of China: Additional Comments on Jangho's Section D Questionnaire Response," dated February 24, 2014.

²¹ See letter from the Department, "Aluminum Extrusions from the People's Republic of China: 12-13 Review: First Supplemental Questionnaire for Jangho's Separate Rates Application and Section A, C and D Questionnaire Response," dated March 25, 2014 ("Department's First Supplemental Questionnaire").

²² See letter from Jangho, "Aluminum Extrusions from the People's Republic of China: 2012-2013

On September 25, 2013, the Department issued an antidumping questionnaire to the Guang Ya Group/Zhongya/Xinya and Jangho. On October 31, 2013, the Guang Ya Group submitted a letter to the Department stating that it was unable to participate further in the administrative review.²³ On November 14, 2013, Zhongya submitted a letter to the Department explaining that it had been unsuccessful in obtaining responses to the Section A questionnaire from the Guang Ya Group and Xinya.²⁴ In partial response to the Department's questionnaire, on November 15, 2013, Zhongya filed record evidence from the investigation related to the Department's determination to collapse the Guang Ya Group, Zhongya, and Xinya and treat them as a single entity pursuant to 19 CFR 351.401(f).²⁵ On November 18, 2013, Zhongya provided the Department with Xinya's incomplete response to the questionnaire²⁶ and submitted comments in opposition to collapsing the three companies in this review.²⁷

On November 1, 2013, Kromet requested treatment as a voluntary respondent and expressed its intent to submit responses to the Department's questionnaire.²⁸ On November 4, 2013, Kromet submitted a response to the Section A questionnaire.²⁹ On December 9, 2013, Kromet submitted a response to Sections C and D of the Department's questionnaire.³⁰

On March 31, 2014, in light of Guangya Group/Zhongya/Xinya's failure to submit a complete questionnaire response, the Department selected Kromet as a voluntary respondent.³¹

Scope of the Order

The merchandise covered by this *Order* is aluminum extrusions which are shapes and forms, produced by an extrusion process, made from aluminum alloys having metallic elements corresponding to the alloy series designations published by The Aluminum Association commencing with the numbers 1, 3, and 6 (or proprietary equivalents or other certifying body equivalents). Specifically, the subject merchandise made from aluminum alloy with an Aluminum Association series designation commencing with the number 1 contains not less than 99 percent aluminum by weight. The subject merchandise made from aluminum alloy with an

Administrative Review," dated April 9, 2014 ("Jangho's Letter of Withdrawal").

²³ See letter from Guang Ya Group regarding, "Aluminum Extrusions from the PRC: Notice of Withdrawal from Participation by the Guang Ya Group," dated October 31, 2013.

²⁴ See letter from Zhongya regarding, "Aluminum Extrusions from China," dated November 14, 2013.

²⁵ See letter from Zhongya regarding, "Aluminum Extrusions from China," dated November 15, 2013.

²⁶ See letter from Zhongya regarding, "Aluminum Extrusions from China," dated November 18, 2013 ("Zhongya/Xinya Submission").

²⁷ See letter from Zhongya regarding, "Aluminum Extrusions from China," dated November 18, 2013 ("Zhongya Collapsing Comments").

²⁸ See submission regarding, "Aluminum Extrusions from the People's Republic of China (Second Administrative Review): Request for Voluntary Respondent Treatment," dated November 1, 2013.

²⁹ See submission regarding, "Aluminum Extrusions from the People's Republic of China (Second Administrative Review): Section A Response of Kromet International Inc.," dated November 4, 2013.

³⁰ See letter regarding, "Aluminum Extrusions from The People's Republic of China (Second Antidumping Duty Administrative Review): Section C Response of Kromet International Inc.," dated December 9, 2013; see also letter regarding, "Aluminum Extrusions from The People's Republic of China (Second Antidumping Duty Administrative Review): Section D Response of Kromet International Inc.," dated December 9, 2013.

³¹ See memorandum titled "Selection of Voluntary Respondent," dated March 31, 2014.

Aluminum Association series designation commencing with the number 3 contains manganese as the major alloying element, with manganese accounting for not more than 3.0 percent of total materials by weight. The subject merchandise is made from an aluminum alloy with an Aluminum Association series designation commencing with the number 6 contains magnesium and silicon as the major alloying elements, with magnesium accounting for at least 0.1 percent but not more than 2.0 percent of total materials by weight, and silicon accounting for at least 0.1 percent but not more than 3.0 percent of total materials by weight. The subject aluminum extrusions are properly identified by a four-digit alloy series without either a decimal point or leading letter. Illustrative examples from among the approximately 160 registered alloys that may characterize the subject merchandise are as follows: 1350, 3003, and 6060.

Aluminum extrusions are produced and imported in a wide variety of shapes and forms, including, but not limited to, hollow profiles, other solid profiles, pipes, tubes, bars, and rods. Aluminum extrusions that are drawn subsequent to extrusion (drawn aluminum) are also included in the scope.

Aluminum extrusions are produced and imported with a variety of finishes (both coatings and surface treatments), and types of fabrication. The types of coatings and treatments applied to subject aluminum extrusions include, but are not limited to, extrusions that are mill finished (*i.e.*, without any coating or further finishing), brushed, buffed, polished, anodized (including bright-dip anodized), liquid painted, or powder coated. Aluminum extrusions may also be fabricated, *i.e.*, prepared for assembly. Such operations would include, but are not limited to, extrusions that are cut-to-length, machined, drilled, punched, notched, bent, stretched, knurled, swedged, mitered, chamfered, threaded, and spun. The subject merchandise includes aluminum extrusions that are finished (coated, painted, etc.), fabricated, or any combination thereof.

Subject aluminum extrusions may be described at the time of importation as parts for final finished products that are assembled after importation, including, but not limited to, window frames, door frames, solar panels, curtain walls, or furniture. Such parts that otherwise meet the definition of aluminum extrusions are included in the scope. The scope includes the aluminum extrusion components that are attached (*e.g.*, by welding or fasteners) to form subassemblies, *i.e.*, partially assembled merchandise unless imported as part of the finished goods 'kit' defined further below. The scope does not include the non-aluminum extrusion components of subassemblies or subject kits.

Subject extrusions may be identified with reference to their end use, such as fence posts, electrical conduits, door thresholds, carpet trim, or heat sinks (that do not meet the finished heat sink exclusionary language below). Such goods are subject merchandise if they otherwise meet the scope definition, regardless of whether they are ready for use at the time of importation.

The following aluminum extrusion products are excluded: aluminum extrusions made from aluminum alloy with an Aluminum Association series designations commencing with the number 2 and containing in excess of 1.5 percent copper by weight; aluminum extrusions made from aluminum alloy with an Aluminum Association series designation commencing with the number 5 and containing in excess of 1.0 percent magnesium by weight; and aluminum

extrusions made from aluminum alloy with an Aluminum Association series designation commencing with the number 7 and containing in excess of 2.0 percent zinc by weight.

The scope also excludes finished merchandise containing aluminum extrusions as parts that are fully and permanently assembled and completed at the time of entry, such as finished windows with glass, doors with glass or vinyl, picture frames with glass pane and backing material, and solar panels. The scope also excludes finished goods containing aluminum extrusions that are entered unassembled in a “finished goods kit.” A finished goods kit is understood to mean a packaged combination of parts that contains, at the time of importation, all of the necessary parts to fully assemble a final finished good and requires no further finishing or fabrication, such as cutting or punching, and is assembled ‘as is’ into a finished product. An imported product will not be considered a ‘finished goods kit’ and therefore excluded from the scope of the investigation merely by including fasteners such as screws, bolts, etc. in the packaging with an aluminum extrusion product.

The scope also excludes aluminum alloy sheet or plates produced by other than the extrusion process, such as aluminum products produced by a method of casting. Cast aluminum products are properly identified by four digits with a decimal point between the third and fourth digit. A letter may also precede the four digits. The following Aluminum Association designations are representative of aluminum alloys for casting: 208.0, 295.0, 308.0, 355.0, C355.0, 356.0, A356.0, A357.0, 360.0, 366.0, 380.0, A380.0, 413.0, 443.0, 514.0, 518.1, and 712.0. The scope also excludes pure, unwrought aluminum in any form.

The scope also excludes collapsible tubular containers composed of metallic elements corresponding to alloy code 1080A as designated by the Aluminum Association where the tubular container (excluding the nozzle) meets each of the following dimensional characteristics: (1) length of 37 mm or 62 mm, (2) outer diameter of 11.0 mm or 12.7 mm, and (3) wall thickness not exceeding 0.13 mm.

Also excluded from the scope of this *Order* are finished heat sinks. Finished heat sinks are fabricated heat sinks made from aluminum extrusions the design and production of which are organized around meeting certain specified thermal performance requirements and which have been fully, albeit not necessarily individually, tested to comply with such requirements.

Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (“HTSUS”): 7610.10.00, 7610.90.00, 7615.10.30, 7615.10.71, 7615.10.91, 7615.19.10, 7615.19.30, 7615.19.50, 7615.19.70, 7615.19.90, 7615.20.00, 7616.99.10, 7616.99.50, 8479.89.98, 8479.90.94, 8513.90.20, 9403.10.00, 9403.20.00, 7604.21.00.00, 7604.29.10.00, 7604.29.30.10, 7604.29.30.50, 7604.29.50.30, 7604.29.50.60, 7608.20.00.30, 7608.20.00.90, 8302.10.30.00, 8302.10.60.30, 8302.10.60.60, 8302.10.60.90, 8302.20.00.00, 8302.30.30.10, 8302.30.30.60, 8302.41.30.00, 8302.41.60.15, 8302.41.60.45, 8302.41.60.50, 8302.41.60.80, 8302.42.30.10, 8302.42.30.15, 8302.42.30.65, 8302.49.60.35, 8302.49.60.45, 8302.49.60.55, 8302.49.60.85, 8302.50.00.00, 8302.60.90.00, 8305.10.00.50, 8306.30.00.00, 8418.99.80.05, 8418.99.80.50, 8418.99.80.60, 8419.90.10.00, 8422.90.06.40, 8479.90.85.00, 8486.90.00.00, 8487.90.00.80, 8503.00.95.20, 8516.90.50.00, 8516.90.80.50, 8708.80.65.90, 9401.90.50.81, 9403.90.10.40, 9403.90.10.50,

9403.90.10.85, 9403.90.25.40, 9403.90.25.80, 9403.90.40.05, 9403.90.40.10, 9403.90.40.60, 9403.90.50.05, 9403.90.50.10, 9403.90.50.80, 9403.90.60.05, 9403.90.60.10, 9403.90.60.80, 9403.90.70.05, 9403.90.70.10, 9403.90.70.80, 9403.90.80.10, 9403.90.80.15, 9403.90.80.20, 9403.90.80.30, 9403.90.80.41, 9403.90.80.51, 9403.90.80.61, 9506.51.40.00, 9506.51.60.00, 9506.59.40.40, 9506.70.20.90, 9506.91.00.10, 9506.91.00.20, 9506.91.00.30, 9506.99.05.10, 9506.99.05.20, 9506.99.05.30, 9506.99.15.00, 9506.99.20.00, 9506.99.25.80, 9506.99.28.00, 9506.99.55.00, 9506.99.60.80, 9507.30.20.00, 9507.30.40.00, 9507.30.60.00, 9507.90.60.00, and 9603.90.80.50.

The subject merchandise entered as parts of other aluminum products may be classifiable under the following additional Chapter 76 subheadings: 7610.10, 7610.90, 7615.19, 7615.20, and 7616.99 as well as under other HTSUS chapters. In addition, fin evaporator coils may be classifiable under HTSUS numbers: 8418.99.80.50 and 8418.99.80.60. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this *Order* is dispositive.³²

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), the Department will rescind an administrative review, in whole or in part, if the party that requested the review withdraws its request within 90 days of the date of publication of the notice of initiation of the requested review. The Department received timely withdrawals of the requests for review for 95 companies. Of these companies, 24 have a separate rate from a completed prior segment of this proceeding which was in effect at the initiation of this review; accordingly, we are rescinding this review with respect to these 24 companies (*see* the list of these companies in the preliminary results of review *Federal Register* notice at Appendix II).

We note that there are additional companies for which all review requests were withdrawn within the 90-day period. These additional companies for which all review requests were withdrawn do not have a separate rate from a completed prior segment of this proceeding which was in effect at the initiation of this review, and thus continue to be part of the PRC-wide entity (*see* the list of these companies in the preliminary results of review *Federal Register* notice at Appendix III). The PRC-wide entity is under review for these preliminary results. Thus, we are not rescinding this review with respect to these companies, but the Department will make a determination with respect to the PRC-wide entity in both the preliminary results and the final results for this administrative review.

DISCUSSION OF THE METHODOLOGY

Affiliation and Collapsing

In accordance with sections 771(33)(A) and (F) of the Act and with 19 CFR 351.401(f), we previously determined that the Guang Ya Group, Zhongya, and Xinya should be treated as a

³² *See Aluminum Extrusions from the People's Republic of China: Antidumping Duty Order*, 76 FR 30650 (May 26, 2011) (“*Order*”).

single entity.³³ No interested party has provided new evidence in this review to refute the Department's determination in the *LTFV Final* and *ARI Final* to collapse the Guang Ya Group, Zhongya, and Xinya. Moreover, as noted above, the Guang Ya Group submitted a letter to the Department stating that it was unable to participate further in the administrative review.³⁴ On November 18, 2013, Zhongya provided the Department with Xinya's incomplete response to the questionnaire³⁵ and submitted comments in opposition to collapsing the three companies in this review.³⁶

At the outset of this segment of the proceeding, in the initiation notice, the Department stated it "will not conduct collapsing analyses at the respondent selection phase of this review and will not collapse companies at the respondent selection phase unless there has been a determination to collapse certain companies in a previous segment of this antidumping proceeding (*i.e.*, investigation, administrative review, new shipper review or changed circumstances review). For any company subject to this review, if the Department determined, or continued to treat, that company as collapsed with others, the Department will assume that such companies continue to operate in the same manner and will collapse them for respondent selection purposes."³⁷ In addition, in its questionnaire to the Guang Ya Group/Zhongya/Xinya, the Department stated that it "will assume for purposes of respondent selection that the Guang Ya Group, the Zhongya Group, and Xinya (collectively, the "Guang Ya/Zhangya/Xingya Aluminum Group" {sic}) are affiliated and should continue to be treated as a single entity, and requests that the "Guang Ya/Zhangya/Xingya Aluminum Group" {sic} submit consolidated factors of production and U.S. sales databases in response to this questionnaire."³⁸

Due to the failure of the Guang Ya Group, Zhongya, and Xinya to respond fully to the Department's antidumping questionnaire, either individually or collectively, we have limited information on the record of this review related to affiliation and collapsing. Based on our prior determinations we preliminarily find the entities comprising the Guang Ya Group, and the entities comprising Zhongya are respectively affiliated pursuant to sections 771(33)(A) and (F) of the Act, and that the Guang Ya Group, Zhongya and Xinya are affiliated pursuant to sections 771 (33)(A) and (F) of the Act, as we did in the investigation and the first administrative review.³⁹ Additionally, because no interested party has placed new evidence on the record of

³³ See *Aluminum Extrusions From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 76 FR 18524 (April 4, 2011) ("*LTFV Final*") and accompanying Issues and Decision Memorandum at Comment 4; and *Aluminum Extrusions From the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Rescission, in Part, 2010/12*, 79 FR 96 (January 2, 2014) ("*ARI Final*") and accompanying Issues and Decision Memorandum at Comment 4. See *Zhaoqing New Zhongya Aluminum Co., Ltd. et al v. United States* ("New Zhongya"), 887 F. Supp. 2d 1301, 1310 (CIT 2012).

³⁴ See letter from Guang Ya Group regarding, "Aluminum Extrusions from the PRC: Notice of Withdrawal from Participation by the Guang Ya Group," dated October 31, 2013.

³⁵ See Zhongya/Xinya submission.

³⁶ See Zhongya Collapsing Comments.

³⁷ See *Initiation Notice* at 38924.

³⁸ See Letter to the Guang Ya Group/Zhongya/Xinya, regarding "Aluminum Extrusions from the People's Republic of China," dated September 25, 2013.

³⁹ See the memorandum entitled "2012/2013 Administrative Review of Aluminum Extrusions from the People's Republic of China: Preliminary Determination Regarding Affiliation and Collapsing of Guang Ya Aluminum Industrial Co., Ltd., Foshan Guangcheng Aluminum Co., Ltd., Kong Ah International Co., Ltd., Guang Ya Aluminum Industries (Hong Kong) Ltd., Guangdong Zhongya Aluminum Co., Ltd., Zhongya Shaped

this administrative review refuting the facts on the records of the investigation and the first administrative review regarding the potential for manipulation of price or production of subject merchandise, we preliminarily find, pursuant to 19 CFR 351.401(f), that there exists the potential for manipulation of price or production of subject merchandise.⁴⁰ Thus, we preliminarily find that the Guang Ya Group, Zhongya, and Xinya should continue to be treated as a single entity, consistent with the *LTFV Final* and *ARI Final*.

Nonmarket Economy Country

The Department considers the PRC to be a nonmarket economy (“NME”) country.⁴¹ In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. Therefore, we continue to treat the PRC as an NME country for purposes of these preliminary results.

Separate Rates

Pursuant to section 771(18)(C)(i) of the Act, a designation of a country as an NME remains in effect until it is revoked by the Department. Accordingly, there is a rebuttable presumption that all companies within the PRC are subject to government control and, thus, should be assessed a single antidumping duty rate.⁴²

In the *Initiation Notice*, the Department notified parties of the application process by which exporters may obtain separate rate status in an NME proceeding.⁴³ It is the Department’s policy to assign all exporters of the merchandise subject to review in NME countries a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, the Department analyzes each exporting entity in an NME country under the test established in *Sparklers*,⁴⁴ as further developed by *Silicon Carbide*.⁴⁵ However, if the Department determines that a company is wholly foreign-owned, then an analysis of the *de jure* and *de facto* criteria is not necessary to

Aluminum(HK) Holding Ltd., Karlton Aluminum Co., Ltd., and Foshan Nanhai Xinya Aluminum & Stainless Steel Product Co., Ltd.,” dated concurrently with this memorandum (“AR2 Collapsing Memo”). See also *LTFV Final* and accompanying Issues and Decision Memorandum at Comment 4 and *ARI Final* and accompanying Issues and Decision Memorandum at Comment 4.

⁴⁰ See AR2 Collapsing Memo.

⁴¹ See, e.g., *Certain Kitchen Appliance Shelving and Racks From the People’s Republic of China: Preliminary Results of the First Administrative Review, Preliminary Rescission, in Part, and Extension of Time Limits for the Final Results*, 76 FR 62765, 62767-68 (October 11, 2011), unchanged in *Certain Kitchen Appliance Shelving and Racks From the People’s Republic of China: Final Results and Partial Rescission of First Antidumping Duty Administrative Review*, 77 FR 21734 (April 11, 2012).

⁴² See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products From the People’s Republic of China*, 71 FR 53079, 53082 (September 8, 2006).

⁴³ See *Initiation Notice*, 78 FR at 38924-25.

⁴⁴ See *Final Determination of Sales at Less Than Fair Value: Sparklers From the People’s Republic of China*, 56 FR 20588 (May 6, 1991) (“*Sparklers*”).

⁴⁵ See *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People’s Republic of China*, 59 FR 22585 (May 2, 1994) (“*Silicon Carbide*”).

determine whether it is independent from government control.⁴⁶ In the instant review, the Department received timely-filed SRAs from 25 companies.⁴⁷

Separate Rates Applicants with No Evidence of Suspended Entries

Two separate rate applicants, Taizhou Lifeng Manufacturing Corporation (“Taizhou Lifeng”) and Nidec Sankyo (Zhejiang) Corporation (“Nidec Sankyo”) submitted SRAs that did not demonstrate a sale or entry of subject merchandise during the POR, as evidenced by a CBP entry summary form (CBP Form 7501) showing a suspended AD/CVD entry. The Department issued these companies a supplemental questionnaire requesting that they demonstrate a suspended entry made during the POR.⁴⁸ Taizhou Lifeng and Nidec Sankyo both responded to the Department’s supplemental questionnaire by declining to supply any proof that they had suspended entries of subject merchandise during the POR.⁴⁹ Thus, consistent with the Department’s determination in the first administrative review of this *Order*, we find that the requirement for a suspended AD/CVD entry is consistent with the retrospective nature of duty assessment under U.S. law and the stated purpose of administrative reviews to “review, and determine the amount of any antidumping duty” to be assessed upon imports of subject merchandise entered during the applicable period of review;⁵⁰ thus, we cannot grant Taizhou Lifeng or Nidec Sankyo separate rates because they have not demonstrated their eligibility for a separate rate, based upon having a suspended entry during the POR.⁵¹

⁴⁶ See, e.g., *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles From the People’s Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

⁴⁷ The 25 separate rate applications are from: (1) Allied Maker Limited; (2) Changzhou Changzheng Evaporator Co., Ltd.; (3) Classic & Contemporary Inc.; (4) Dynabright Int’l Group (HK) Limited; (5) Guangdong Zhongya Aluminum Company Limited; (6) Guangzhou Jangho Curtain Wall System Engineering Co., Ltd. and Jangho Curtain Wall Hong Kong Ltd. (collectively, Jangho); (7) Hanyung Metal (Suzhou) Co., Ltd.; (8) Hoff Associates Mfg Reps Inc. (dba Global Point Technology, Inc.) and Global Point Technology (Far East) Limited (collectively, Global Point); (9) Jiangsu Changfa Refrigeration Co., Ltd.; (10) Jiaying Jackson Travel Products Co., Ltd.; (11) Justhere Co., Ltd.; (12) Kam Kiu Aluminium Products Sdn Bhd; (13) Kromet International Inc.; (14) Metaltek Group Co., Ltd.; (15) Midea International Trading Co., Ltd.; (16) Nidec Sankyo (Zhejiang) Corporation; (17) PermaSteelisa South China Factory (PermaSteelisa China) and PermaSteelisa Hong Kong Limited; (18) Shanghai Tongtai Precise Aluminum Alloy Manufacturing Co., Ltd.; (19) Sincere Profit Limited; (20) Taizhou Lifeng Manufacturing Corporation; (21) Taishan City Kam Kiu Aluminium Extrusions Co., Ltd.; (22) tenKsolar (Shanghai) Co., Ltd.; (23) Tianjin Jinmao Import & Export Corp., Ltd.; (24) Union Industry (Asia) Co., Ltd.; and (25) Zhongya Shaped Aluminum (HK) Holding Limited.

⁴⁸ See the Department’s letter “Aluminum Extrusions from the People’s Republic of China: Supplemental Questionnaire Regarding Type 1 Entries for Certain Separate Rate Applicants,” dated February 28, 2014.

⁴⁹ See the letters from Taizhou Lifeng and Nidec Sankyo titled “Aluminum Extrusions from the People’s Republic of China: Supplemental Response to Separate Rate Application Questionnaire,” both letters dated March 21, 2014. Moreover, neither company had entries that showed up, under its name, as suspended entries in the CBP data on the record. See the Memorandum to Melissa G. Skinner titled, “Analysis of CBP Data and Identification of Companies to Receive Q&V Questionnaires,” dated August 2, 2013 (“CBP Data Memorandum”), at Attachment II.

⁵⁰ See section 751(a)(1)(B) of the Act; see also *Dofasco Inc. v. United States*, 390 F.3d 1370, 1372 (CAFC 2004) (stating that the purpose of the administrative review is to determine the duty liability for the review period).

⁵¹ See *ARI Final* and accompanying issues and decision memorandum at Comment 8.

Other Separate Rate Applicants

Eighteen separate rate applicants, and Kromet, were able to demonstrate that they had suspended entries during the POR.⁵² These companies have variously stated that they are wholly foreign-owned enterprises, are joint ventures between Chinese and foreign companies, or are wholly Chinese-owned companies. Therefore, the Department must analyze whether these respondents are wholly foreign-owned, as claimed, or demonstrate an absence of both *de jure* and *de facto* governmental control over export activities, as appropriate.

Separate Rate Recipients⁵³

Wholly Foreign-Owned

Eight separate rate applicants and Kromet provided evidence in their SRAs that they are wholly owned by individuals or companies located in a market economy (“ME”) (collectively, “Foreign-Owned Separate Rate Applicants”).⁵⁴ Therefore, because they are wholly foreign-owned, and we have no evidence indicating that they are under the control of the PRC, an analysis of the *de jure* and *de facto* criteria is not necessary to determine whether these companies are independent from government control.⁵⁵ Accordingly, we have preliminarily granted a separate rate to these nine companies.

⁵² Dynabright Int’l Group (HK) Limited (“Dynabright”) was unable to provide a CBP form 7501, but does have suspended entries which show up in the CBP data on the record. Similarly, Jiaying Jackson Travel Products Co., Ltd. (“Jiaying Jackson”) was unable to supply a CBP form 7501 showing a type 3 entry, but did provide sales documentation which ties to a suspended entry, under its name, in the CBP data on the record. *See* CBP Data Memorandum, at Attachment II.

⁵³ All separate rate applicants receiving a separate rate are hereby referred to collectively as the “SR Recipients.”

⁵⁴ In addition to Kromet, the Foreign-Owned separate rate applicants are: (1) Classic & Contemporary Inc.; (2) Hanyung Metal (Suzhou) Co., Ltd.; (3) Hoff Associates Mfg Reps Inc. (dba Global Point Technology, Inc.) and Global Point Technology (Far East) Limited (collectively, Global Point); (4) Kam Kiu Aluminium Products Sdn Bhd and Taishan City Kam Kiu Aluminium Extrusions Co., Ltd.; (5) Metaltek Group Co., Ltd.; (6) Permasteelisa South China Factory (Permasteelisa China) and Permasteelisa Hong Kong Limited; (7) Sincere Profit Limited; and (8) tenKsolar (Shanghai) Co., Ltd.

Additionally, the Department intends to limit which company is assigned an exporter-specific rate for the following companies and reasons. (1) Because Taishan City Kam Kiu Aluminium Extrusion Co., Ltd.’s SRA indicates that it is only a producer, the Department intends to assign a company-specific rate only to the exporter, Kam Kiu Aluminium Products Sdn Bhd. (2) Because Permasteelisa South China Factory (Permasteelisa China) and Permasteelisa Hong Kong Limited’s SRA indicates that Permasteelisa South China Factory (Permasteelisa China) is only a producer, the Department intends to assign a company-specific rate only to the exporter, Permasteelisa Hong Kong Limited. (3) Because Hoff Associates Mfg Reps Inc. (dba Global Point Technology, Inc.) and Global Point Technology (Far East) Limited (collectively, Global Point)’s SRA indicates that Hoff Associates Mfg Reps Inc. (dba Global Point Technology, Inc.) is a U.S. importer, the Department intends to assign a company-specific rate only to the exporter in the application seeking a separate rate, Global Point Technology (Far East) Limited.

⁵⁵ *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Creatine Monohydrate from the People’s Republic of China*, 64 FR 71104, 71104-05 (December 20, 1999) (where the respondent was wholly foreign-owned and, thus, qualified for a separate rate).

Joint Ventures Between Chinese and Foreign Companies or Wholly Chinese-Owned Companies

Ten separate rate applicants stated that they are joint ventures or wholly Chinese-owned companies.⁵⁶ Therefore, the Department must analyze whether this respondent can demonstrate the absence of both *de jure* and *de facto* governmental control over export activities.

Absence of De Jure Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) other formal measures by the government decentralizing control of companies.⁵⁷

The evidence provided by these ten companies⁵⁸ supports a preliminary finding the absence of *de jure* governmental control based on the following: (1) an absence of restrictive stipulations associated with the individual exporters' business and export licenses; (2) there are applicable legislative enactments decentralizing control of the companies; and (3) and there are formal measures by the government decentralizing control of companies.

⁵⁶ These joint-ventures or wholly Chinese-owned companies are: (1) Allied Maker Limited ("Allied Maker"); (2) Chanzhou Changzheng Evaporator Co., Ltd. ("Changzheng Evaporator"); (3) Dynabright Int'l Group (HK) Limited ("Dynabright"); (4) Jiangsu Changfa Refrigeration Co., Ltd. ("Changfa Refrigeration"); (5) Jiaying Jackson Travel Products Co., Ltd. ("Jackson Travel"); (6) Justhere Co., Ltd. ("Justhere"); (7) Midea International Trading Co., Ltd. ("Midea Trading"); (8) Shanghai Tongtai Precise Aluminum Alloy Manufacturing Co., Ltd. ("Shanghai Tongtai"); (9) Tianjin Jinmao Import & Export Corp., Ltd. ("Tianjin Jinmao"); and (10) Union Industry (Asia) Co., Ltd. ("Union Industry").

⁵⁷ See *Sparklers*, 56 FR at 20589.

⁵⁸ For (1) Allied Maker, see its submission titled "Aluminum Extrusions from the People's Republic of China: Separate Rate Application," dated August 27, 2013 ("Allied Maker's SRA"); for (2) Changzheng Evaporator, see its submission titled "Aluminum Extrusions from the People's Republic of China: Separate Rate Application," dated August 27, 2013 ("Changzheng Evaporator's SRA"); for (3) Dynabright, see its submission titled "Aluminum Extrusions from the People's Republic of China, Separate Rate Application of Dynabright Int'l Group (HK) Limited," dated August 23, 2013 ("Dynabright's SRA"); for (4) Changfa Refrigeration, see its submission titled "Aluminum Extrusions from the People's Republic of China: Separate Rate Application," dated August 28, 2013 ("Changfa Refrigeration's SRA"); for (5) Jackson Travel, see its submission titled "Aluminum Extrusions from the People's Republic of China: Separate Rate Application," dated August 27, 2013 ("Jackson Travel's SRA"); for (6) Justhere, see its submission titled "Aluminum Extrusions from the People's Republic of China: Separate Rate Application," dated August 27, 2013 ("Justhere's SRA"); for (7) Midea Trading, see its submission titled "Aluminum Extrusions from the People's Republic of China: Separate Rate Application," dated August 27, 2013 ("Midea Trading's SRA"); for (8) Shanghai Tongtai, see its submission titled "Aluminum Extrusions from the People's Republic of China (Second Antidumping Administrative Review): Separate Rate Application of Shanghai Tongtai Precise Aluminum Alloy Manufacturing Co. Ltd.," dated August 22, 2013 ("Shanghai Tongtai's SRA"); for (9) Tianjin Jinmao, see its submission titled "Certain Aluminum Extrusions from the People's Republic of China: Separate Rate Application of Tianjin Jinmao Imp. & Exp. Corp., Ltd.," dated July 19, 2013 ("Tianjin Jinmao's SRA"); and for (10) Union Industry, see its submission titled "Aluminum Extrusions from the People's Republic of China: Separate Rate Application," dated August 27, 2013 ("Union Industry's SRA").

Absence of De Facto Control

Typically, the Department considers four factors in evaluating whether each respondent is subject to *de facto* government control of its export functions: (1) whether the export prices are set by or are subject to the approval of a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.⁵⁹ The Department has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of government control which would preclude the Department from granting a separate rate.

In this review, all ten companies asserted the following: (1) that the export prices are not set by, and are not subject to, the approval of a governmental agency; (2) they have authority to negotiate and sign contracts and other agreements; (3) they have autonomy from the government in making decisions regarding the selection of management; and (4) they retain the proceeds of their export sales and make independent decisions regarding disposition of profits or financing of losses.⁶⁰ Additionally, the ten separate rate companies' responses indicate that their pricing during the POR does not involve coordination among exporters.⁶¹

Evidence placed on the record of this review by these ten exporters demonstrates an absence of *de facto* government control with respect to their respective exports of the merchandise under review, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*.

Therefore, we are preliminarily granting a separate rate to each of these ten entities.

Rate for Separate Rate Recipients

The statute and the Department's regulations do not address the establishment of a rate to be applied to individual respondents not selected for examination when the Department limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, the Department looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for respondents which we did not examine in an administrative review. Section 735(c)(5)(A) of the Act establishes a preference to avoid using rates which are zero, *de minimis*, or based entirely on facts available in calculating an all others rate. Accordingly, the Department's usual practice has been to average the weighted-average dumping margins for the companies selected for individual

⁵⁹ See *Silicon Carbide*, 59 FR at 22586-87; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995).

⁶⁰ For (1) Allied Maker, see Allied Maker's SRA; for (2) Changzheng Evaporator, see Changzheng Evaporator's SRA; for (3) Dynabright, see Dynabright's SRA; for (4) Changfa Refrigeration, see Changfa Refrigeration's SRA; for (5) Jackson Travel, see Jackson Travel's SRA; for (6) Justthere, see Justthere's SRA; for (7) Midea Trading, see Midea Trading's SRA; for (8) Shanghai Tongtai, see Shanghai Tongtai's SRA; for (9) Tianjin Jinmao, see Tianjin Jinmao's SRA; and for (10) Union Industry, see Union Industry's SRA.

⁶¹ *Id.*

examination, excluding rates that are zero, *de minimis*, or based entirely on facts available.⁶² The Department's regulations further state that in calculating the all-others rate under section 735(c)(5) of the Act, the Department will exclude estimated weighted-average dumping margin rates calculated for voluntary respondents.⁶³ Section 735(c)(5)(B) of the Act also provides that, where all rates are zero, *de minimis*, or based entirely on facts available, we may use "any reasonable method" for assigning the all-others rate, including "averaging the estimated weighted-average dumping margins determined for the exporters and producers individually investigated."

In previous administrative reviews, the Department has determined that a "reasonable method" to use when the rates for the respondents selected for individual examination are zero, *de minimis*, or based entirely on facts available, is to assign non-examined separate rate recipients the average of the most recently-determined weighted-average dumping margins that are not zero, *de minimis*, or based entirely on facts available. These rates may be from the investigation, a prior administrative review, or a new shipper review.⁶⁴ If any such separate rate recipient had its own calculated rate that is contemporaneous with or more recent than such prior determined rates, however, the Department has applied such individual rate to the separate rate recipient, including when that rate is zero or *de minimis*.⁶⁵

In this administrative review, none of the separate rate recipients had its own separate rate from a previously completed administrative review or the investigation. Accordingly, we have concluded in this administrative review that a reasonable method for determining the rate for non-examined separate rate recipients in this review is to assign the rate assigned to the separate rate recipients in the investigation of this proceeding. Pursuant to this method, we have assigned a rate of 32.79 percent to the non-examined separate rate recipients.

The PRC-wide Entity

Jangho

Jangho filed an SRA and AQR stating that it was wholly Chinese-owned.⁶⁶ In the *Initiation Notice*, we stated that "for exporters and producers who submit a separate rate application or

⁶² See *Ball Bearings and Parts Thereof From France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews and Rescission of Reviews in Part*, 73 FR 52823, 52824 (September 11, 2008), and accompanying Issues and Decision Memorandum at Comment 16.

⁶³ See 19 CFR 351.204(d)(3). See also *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27310 (May 19, 1997).

⁶⁴ See, e.g., *Certain Frozen Warmwater Shrimp From the People's Republic of China: Preliminary Results and Preliminary Partial Rescission of Fifth Antidumping Duty Administrative Review*, 76 FR 8338, 8342 (February 14, 2011), unchanged in *Administrative Review of Certain Frozen Warmwater Shrimp From the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 76 FR 51940 (August 19, 2011); see also *Administrative Review of Certain Frozen Warmwater Shrimp From the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 75 FR 49460, 49463 (August 13, 2010).

⁶⁵ See, e.g., *Freshwater Crawfish Tail Meat From the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Rescission of Review in Part*, 77 FR 21529, 21530-31 (April 10, 2012).

⁶⁶ See Jangho's SRA at 13, and Exhibits 4, 5 and 6.

certification and subsequently are selected as mandatory respondents, these exporters and producers will no longer be eligible for separate rate status unless they respond to all parts of the questionnaire as mandatory respondents.”⁶⁷ Although Jangho filed an SRA and AQR, it failed to answer the Department’s supplemental questionnaire concerning its separate rate eligibility,⁶⁸ and then withdrew from the review.⁶⁹ The supplemental questionnaire pertained to many deficiencies in Jangho’s initial filings, including the information needed to make a separate rate determination. Specifically, with respect to the separate rates issue, Jangho failed to provide the following: 1) a comprehensive narrative history of the company, and information identifying whether it was ever part of the PRC-wide entity; 2) documentation of its name change, which occurred one month after the POR; 3) legible organization charts that identify all sections of the company that produce and/or sell subject merchandise; 4) the original copy of its financial statements; and 5) a copy of its articles of incorporation, banking information, the names of the board of directors, foreign currency information, and appropriate bank information for each entity that produced or sold the subject merchandise. As a result, the Department preliminarily determines that Jangho has not demonstrated its eligibility for separate rate status, and the Department is preliminarily treating Jangho as part of the PRC-wide entity.⁷⁰ As a consequence, the PRC-wide entity is now under review. We continue to use, as the PRC-wide rate, 33.28 percent which was established in the final determination of the original investigation⁷¹ and applied in the final results of the first review.⁷²

Guang Ya Group/Zhongya/Xinya

Guang Ya Group/Zhongya/Xinya, as a single entity, did not establish in this administrative review that it is eligible for a separate rate and it will be treated as part of the PRC-wide entity in accordance with the Department’s practice.⁷³ Significant information necessary to determine whether the Guang Ya Group/Zhongya/Xinya entity is eligible for a separate rate is lacking from the record because two of the three companies comprising the collapsed Guang Ya Group/Zhongya/Xinya, *i.e.*, the Guang Ya Group and Xinya, did not provide critical information necessary, *i.e.*, a separate rate application or section A questionnaire response, to conduct the Department’s separate rate analysis.⁷⁴

⁶⁷ See *Initiation Notice*, 78 FR at 38925.

⁶⁸ See the Department’s First Supplemental Questionnaire.

⁶⁹ See Jangho’s Letter of Withdrawal.

⁷⁰ See, *e.g.*, *Steel Wire Garment Hangers From the People’s Republic of China: Preliminary Results and Preliminary Rescission, in Part, of the Second Antidumping Duty Administrative Review*, 76 FR 66903, 66906 (October 28, 2011) (where the Department assigned certain unresponsive mandatory respondents to the PRC-wide entity because they failed to demonstrate their separate rate eligibility) unchanged in *Steel Wire Garment Hangers From the People’s Republic of China: Final Results and Final Partial Rescission of Second Antidumping Duty Administrative Review*, 77 FR 12553 (March 1, 2012).

⁷¹ See *LTFV Final*, 76 FR 18524.

⁷² See *ARI Final*, 79 FR 96 (January 2, 2014). See also *Aluminum Extrusions From the People’s Republic of China: Correction of the Final Results of Antidumping Duty Administrative Review and Rescission, in Part, 2010/12*, 79 FR 7643 (February 10, 2014).

⁷³ See *e.g.*, *Notice of Final Determination of Sales at Less Than Fair Value: Bicycles From the People’s Republic of China*, 61 FR 19026, 19036 (April 30, 1996) (“If any company fails to respond, the entire entity receives a rate based on facts available.”).

⁷⁴ See AR2 Collapsing Memo.

Non-Examined Respondents

Twenty-one additional companies under review did not submit a complete SRA (including responses to supplemental questionnaires), separate rate certification, or verifiable no-shipments certification.⁷⁵ Because these 21 entities have not demonstrated that they are eligible for separate rate status, the Department preliminarily considers them to be part of the PRC-wide entity.

Application of Facts Available

Section 776(a) of the Act provides that the Department shall apply “facts otherwise available” if (1) necessary information is not on the record or (2) 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) significantly impedes a proceeding, or (D) provides information that cannot be verified as provided by section 782(i) of the Act.

Because we have preliminarily determined that these companies should be treated as part of the PRC-wide entity, the PRC-wide entity is under review. Pursuant to section 776(a)(2) of the Act, we further find that the PRC-wide entity (including Jangho and the Guang Ya Group/Zhongya/Xinya entity⁷⁶) failed to respond to the Department’s questionnaires, withheld or failed to provide information in a timely manner or in the form or manner requested by the Department, submitted information that cannot be verified, or otherwise impeded the proceeding., it is appropriate to assign a weighted-average dumping margin to the PRC-wide entity using facts otherwise available.

Application of Adverse Facts Available to the PRC-Wide Entity

Section 776(b) of the Act 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. Such an adverse inference may include reliance on information derived from the petition, the final determination, a previous administrative review, or other information placed on the record.

⁷⁵ These companies are: (1) Alnan Aluminium Co., Ltd.; (2) Chiping One Stop Industrial & Trade Co., Ltd.; (3) Cixi Handsome Pool Appliance Co., Ltd.; (4) Dongchuan Swimming Pool Equipments Co., Ltd.; (5) Dongguan Golden Tiger Hardware Industrial Co., Ltd.; (6) Foshan Shunde Aoneng Electrical Appliances Co., Ltd.; (7) Guang Dong Xin Wei Aluminum Products Co., Ltd.; (8) Guangdong Whirlpool Electrical Appliances Co., Ltd.; (9) Guangzhou Mingcan Die-Casting Hardware Products, Co. Ltd.; (10) Hanyung Alcobis Co., Ltd.; (11) Henan New Kelong Electrical Appliances Cp., Ltd.; (12) Idex Dinglee Technology (Tianjin Co., Ltd.); (13) Nidec Sankyo (Zhejiang) Corporation; (14) Ningbo Splash Pool Appliance Co., Ltd.; (15) Samuel, Son & Co., Ltd.; (16) Shenyang Yuanda Aluminum Industry Engineering Co., Ltd.; (17) Skyline Exhibit Systems (Shanghai) Co., Ltd.; (18) Taizhou Lifeng Manufacturing Corporation; (19) Tiazhou Lifeng Manufacturing Corporation; (20) Wenzhou Shengbo Decoration & Hardware; and (21) Whirlpool (Guangdong).

⁷⁶ Specifically, the following five companies are part of the Guang Ya Group/Zhongya/Xinya entity for which request for review has not been withdrawn: (1) Guang Ya Aluminum Industries Co. Ltd.; (2) Guangdong Zhongya Aluminum Company Limited; (3) Kong Ah International Company Limited; (4) Zhaoqing New Zhongya Aluminum Co., Ltd.; and (5) Zhongya Shaped Aluminum (HK) Holding Limited.

As noted above, the Department has preliminarily determined that Guang Ya Group/Zhongya/Xinya and Jangho are not eligible for separate rates status and, consequently, we are treating them as part of the PRC-wide entity. Therefore the PRC-wide entity is under review.

The PRC-wide entity, including the Guang Ya Group/Zhongya/Xinya and Jangho, withheld information requested by the Department and failed to respond within the established deadlines in accordance with sections 776(a)(2)(A) and (B) of the Act. Further, because the PRC-wide entity was unresponsive to our requests for information, we determine that the PRC-wide entity significantly impeded the proceeding in accordance with section 776(a)(2)(C) of the Act.

Because the PRC-wide entity, including the Guang Ya Group/Zhongya/Xinya entity, which did not fully respond to the Department's antidumping questionnaire, and Jangho which did not respond in full to the Department's supplemental questionnaire concerning its separate rate status, the Department must rely on facts otherwise available to assign a weighted-average dumping margin to the PRC-wide entity in accordance with section 776(a) of the Act. Further, the Department finds that the PRC-wide entity's failure to provide the requested information constitutes circumstances under which the Department concludes that less than full cooperation has been shown. Hence, pursuant to section 776(b) of the Act, the Department has preliminarily determined that, when selecting from among the facts otherwise available, an adverse inference is warranted with respect to the PRC-wide entity.

Selection of Adverse Facts Available Rate

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. In reviews, the Department normally selects as AFA the highest rate on the record of the proceeding.⁷⁷ The Court of International Trade ("CIT") and the Court of Appeals for the Federal Circuit ("CAFC") have consistently upheld the Department's practice.⁷⁸ The Department's practice, when selecting an AFA rate from among the possible sources of information, has been to ensure that the rate is sufficiently adverse "as to effectuate the statutory purposes of the adverse facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner."⁷⁹ The

⁷⁷ See, e.g., *Freshwater Crawfish Tail Meat from the People's Republic of China: Notice of Final Results of Antidumping Duty Administrative Review*, 68 FR 19504, 19507 (April 21, 2003).

⁷⁸ See *KYD, Inc. v. United States*, 607 F.3d 760, 766-67 (CAFC 2010) ("KYD"); *Rhone Poulenc, Inc. v. United States*, 899 F.2d 1185, 1190 (CAFC 1990) ("*Rhone Poulenc*"); *NSK Ltd. v. United States*, 346 F. Supp. 2d 1312, 1335 (CIT 2004) (upholding a 73.55 percent total AFA rate, the highest available dumping margin from a different respondent in a less-than-fair-value (LTFV) investigation); *Kompass Food Trading Int'l v. United States*, 24 CIT 678, 684 (2000) (upholding a 51.16 percent total AFA rate, the highest available dumping margin from a different, fully cooperative respondent); and *Shanghai Taoen International Trading Co., Ltd. v. United States*, 360 F. Supp. 2d 1339, 1348 (CIT 2005) (upholding a 223.01 percent total AFA rate, the highest available dumping margin from a different respondent in a previous administrative review).

⁷⁹ See Statement of Administrative Action accompanying the URAA, H.R. Rep. No. 103-316, vol. 1, at 870 (1994) ("SAA").

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."⁸⁰

In choosing the appropriate balance between providing respondents with an incentive to respond accurately and imposing a rate that is reasonably related to the respondent's commercial activity, selecting the highest prior rate reflects a "common sense inference that the highest prior margin is the most probative evidence of current rates because, if it were not so, the importer, knowing the rule, would have produced current information showing the respondent's rate to be less."⁸¹ Consistent with the statute, court precedent, and its normal practice, the Department has assigned as AFA a rate of 33.28 percent to the PRC-wide entity, including the Guang Ya Group/Zhongya/Xinya and Jangho. This is the highest rate on the record of the proceeding, and the rate currently applicable to the PRC-wide entity.⁸²

In its June 3, 2014, pre-preliminary comments,⁸³ Petitioner proposed that the Department revise the AFA rate for the PRC-wide entity based on the sales transactions contained in Jangho's questionnaire responses that generate dumping margins.⁸⁴ However, we have declined to calculate a weighted-average dumping margin for Jangho in this review because Jangho failed to respond to questions in the Department's supplemental questionnaire⁸⁵ that would enable the Department to calculate a rate. Specifically, Jangho failed to 1) provide information concerning curtain wall types and product specifications; 2) identify the unit in which it reported its sales transactions and upon which it based its reported prices; 3) explain how, or even whether, it separated the aluminum extrusions from the curtain wall unit; 4) account for all of its production facilities which produced the subject merchandise; 5) provide complete technical description and technical specifications for each inputs used to produce the subject merchandise; 6) appropriately define a control number used to identify the subject merchandise; 7) describe the methodology used to allocate the materials consumed in the production of the subject merchandise; and 8) adequately describe how it determined and allocated the labor hours reported in its section D response. Because of these substantial inadequacies in Jangho's questionnaire responses, we are unable to calculate a weighted-average dumping margin for Jangho using the information provided on the record of this review.

Corroboration of Secondary Information Used as AFA

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

⁸⁰ *Id.*; see also *Final Determination of Sales at Less than Fair Value: Certain Frozen and Canned Warmwater Shrimp from Brazil*, 69 FR 76910, 76912 (December 23, 2004), and *D&L Supply Co. v. United States*, 113 F.3d 1220, 1223 (CAFC 1997).

⁸¹ See *KYD*, 607 F.3d at 766 (citing *Rhone Poulenc*, 899 F.2d at 1190) (original emphasis).

⁸² See *LTFV Final* and *AR1 Final*.

⁸³ See letter from Petitioner, "Aluminum Extrusions from the People's Republic of China: Pre-Preliminary Comments," dated June 3, 2014 ("Petitioner's Pre-Preliminary Comments").

⁸⁴ See Petitioner's Pre-Preliminary Comments at 3.

⁸⁵ See the Department's First Supplemental Questionnaire.

any previous review under section 751 of the Act concerning the subject merchandise.⁸⁶ To corroborate means that the Department will satisfy itself that the secondary information to be used has probative value.⁸⁷ To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used.⁸⁸ Independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation.⁸⁹

The Department corroborated the 33.28 percent rate, the highest rate on the record of any segment of this proceeding, applied to the PRC-wide entity. We interpreted the term corroborate to mean that we will, to the extent practicable, examine the reliability and relevance of the information submitted.⁹⁰ As total AFA, the Department selected the highest adjusted petition rate from the investigation of 33.28 percent.⁹¹ In accordance with section 776(c) of the Act, we corroborated our AFA rate by comparing it to the individual dumping margins which we calculated for the cooperating voluntary respondent in this administrative review, Kromet. We find that the rate of 33.28 percent has probative value because it was in the range of the individual dumping margins which we calculated for Kromet. Accordingly, we find that the rate of 33.28 percent is corroborated within the meaning of section 776(c) of the Act. The Department finds this rate to be reliable and relevant, because it (1) constitutes the highest rate from any segment of the proceeding, (2) was applied as the PRC-wide entity rate in the immediately preceding review, and (3) was corroborated using transaction-specific dumping margins of the voluntary respondent in this review.

Surrogate Country and Surrogate Value Data

On October 18, 2013, the Department sent interested parties a letter inviting comments on surrogate country selection and surrogate value (“SV”) data.⁹² The Department received

⁸⁶ See SAA at 870.

⁸⁷ *Id.*

⁸⁸ See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 62 FR 11825 (March 13, 1997).

⁸⁹ See SAA at 870; see also *Notice of Final Determination of Sales at Less Than Fair Value: Live Swine From Canada*, 70 FR 12181, 12183 (March 11, 2005).

⁹⁰ See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products From Brazil*, 65 FR 5554, 5568 (February 4, 2000); see, e.g., *Tapered Roller Bearings and Parts Thereof Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof From Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996).

⁹¹ See *Aluminum Extrusions From the People’s Republic of China: Notice of Amended Preliminary Determination of Sales at Less Than Fair Value*, 76 FR 323 (January 4, 2011).

⁹² See the Department’s Letter to All Interested Parties, “2012-2013 Administrative Review of the Antidumping Duty Order on Aluminum Extrusions from the People’s Republic of China: Request for Comments on the Selection of a Surrogate Country and Surrogate Values,” dated October 18, 2013.

surrogate country comments⁹³ and SV comments and data⁹⁴ from Jangho, Kromet, and Petitioner.⁹⁵

Surrogate Country

When the Department is examining imports from an NME country, section 773(c)(1) of the Act directs it to base NV, in most circumstances, on the NME producer's factors of production ("FOP"), valued in a surrogate ME country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall utilize, to the extent possible, the prices or costs of FOPs in one or more ME countries that are: (1) at a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise.⁹⁶ The Department determined that Colombia, Indonesia, Costa Rica, the Philippines, South Africa, and Thailand, are countries whose per capita gross national incomes ("GNI") are comparable to the PRC in terms of economic development.⁹⁷ The sources of the SVs we have used in this review are discussed under the "Normal Value" section below.

Petitioner argues that Thailand is the most appropriate surrogate country for the Department to select because it is the largest producer of merchandise that is identical or comparable to the merchandise under review.⁹⁸ Moreover, Petitioner contends that Thailand has the best available information upon which to base the calculation of SVs, including multiple financial statements, for the purposes of calculating surrogate financial ratios.⁹⁹

Kromet argues that the Thai financial statements on the record are not suitable for use in determining its financial ratios, and that, as in the prior review of this proceeding, the Thai import data are inferior to the Philippine data because they lack the level of specificity regarding Kromet's aluminum ingot input.¹⁰⁰ Petitioner rebuts that the Philippines is not a significant

⁹³ See Jangho's November 8, 2013 submission entitled "Comments on Surrogate Country Selection"; Petitioner's November 8, 2013 submission entitled "Comments on Surrogate Country Selection; Kromet's November 8, 2013 submission entitled "Comments on Surrogate Country Selection; Petitioner's January 23, 2014 submission entitled "Rebuttal Comments on Surrogate Country Selection and Surrogate Values"; Kromet's January 23, 2014 submission entitled "Rebuttal Comments of Kromet International Inc. re Surrogate Country and Surrogate Values."

⁹⁴ See Kromet's and Petitioner's SV and rebuttal SV comments submitted on January 9, 2014 and January 23, 2014, respectively. See also Petitioner's May 19, 2014 submission entitled "Second Submission of Surrogate Value Information."

⁹⁵ On June 3, 2014, Petitioner submitted comments containing additional argument regarding the selection of surrogate country and SVs. See June 3, 2014 submission entitled "Pre-Preliminary Comments." However, due to the proximity of this submission to the preliminary results, the Department makes no determination on these issues at this time. The Department intends, however, to consider the submission for the final results.

⁹⁶ See Import Administration Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) ("*Policy Bulletin*").

⁹⁷ See Memorandum entitled, "Request for a List of Surrogate Countries for an Administrative Review of the Antidumping Duty Order on Aluminum Extrusions ("AE") from the People's Republic of China ("China")," dated September 30, 2013 ("Surrogate-Country Memorandum") at 2.

⁹⁸ See Petitioner's November 8, 2013 submission entitled "Comments on Surrogate Country Selection."

⁹⁹ *Id.*

¹⁰⁰ See Kromet's January 23, 2014 submission entitled "Rebuttal Comments of Kromet International Inc. re Surrogate Country and Surrogate Values."

producer of subject merchandise in view of its relatively small production quantity and its status as a “net exporter” of identical or comparable merchandise.¹⁰¹

Economic Comparability

As explained in our Surrogate-Country Memorandum, the Department considers Colombia, Indonesia, Costa Rica, the Philippines, South Africa, and Thailand all to be comparable to the PRC in terms of economic development. Accordingly, unless we find that all of the countries determined to be equally economically comparable are not significant producers of comparable merchandise, are not reliable sources of publicly-available SV data, or are not suitable for use based on other reasons, we will rely on data from one of these countries.¹⁰² Because none of these conditions exist, we consider all six countries identified in the Surrogate-Country Memorandum as having met this prong of the surrogate country selection criteria.

Significant Producers of Identical or Comparable Merchandise

Section 773(c)(4)(B) of the Act requires the Department to value FOPs in a surrogate country that is a significant producer of comparable merchandise. While the legislative history provides that the term “significant producer” includes any country that is a significant “net exporter,”¹⁰³ it does not preclude reliance on additional or alternative metrics. Moreover, neither the statute nor the Department’s regulations provide further guidance on what may be considered comparable merchandise. Given the absence of any definition in the statute or regulations, the Department looks to other sources such as the *Policy Bulletin* for guidance on defining comparable merchandise. The *Policy Bulletin* states that “in all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise.”¹⁰⁴ Conversely, if identical merchandise is not produced, then a country producing comparable merchandise is sufficient in selecting a surrogate country.¹⁰⁵ Further, when selecting a surrogate country, the statute requires the Department to consider the comparability of the merchandise, not the comparability of the industry.¹⁰⁶

“In cases where the identical merchandise is not produced, the Department must determine if other merchandise that is comparable is produced. How the Department does this depends on the

¹⁰¹ See Petitioner’s January 23, 2014 submission at 3, 4.

¹⁰² See, e.g., *Fresh Garlic From the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2010-2011*, 77 FR 73980 (December 12, 2012) and accompanying Preliminary Decision Memorandum at 8-12, unchanged in *Fresh Garlic From the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 36168 (June 17, 2013).

¹⁰³ See Conference Report to the 1988 Omnibus Trade & Competitiveness Act, H.R. Rep. No. 100-576, at 590 (1988).

¹⁰⁴ See *Policy Bulletin* at 2.

¹⁰⁵ *Id.* The *Policy Bulletin* also states that “if considering a producer of identical merchandise leads to data difficulties, the operations team may consider countries that produce a broader category of reasonably comparable merchandise.” *Id.* at note 6.

¹⁰⁶ See *Sebacic Acid from the People’s Republic of China; Final Results of Antidumping Duty Administrative Review*, 62 FR 65674, 65676 (December 15, 1997) (“{T}o impose a requirement that merchandise must be produced by the same process and share the same end uses to be considered comparable would be contrary to the intent of the statute.”).

subject merchandise.”¹⁰⁷ In this regard, the Department recognizes that any analysis of comparable merchandise must be done on a case-by-case basis:

In other cases, however, where there are major inputs, *i.e.*, inputs that are specialized or dedicated or used intensively, in the production of the subject merchandise, *e.g.*, processed agricultural, aquatic and mineral products, comparable merchandise should be identified narrowly, on the basis of a comparison of the major inputs, including energy, where appropriate.¹⁰⁸

Further, the statute grants the Department discretion to examine various data sources for determining the best available information.¹⁰⁹

In this review, the record shows that all of the potential surrogate countries identified in the Surrogate-Country Memorandum have significant exports of comparable merchandise.¹¹⁰ Petitioner has argued that the Philippines should not be considered a significant producer because 1) Philippines has a comparatively low export volume compared to Thailand; 2) Philippines is the 41st largest producing country of aluminum extrusions out of 96 nations ranked by volume, while Thailand is ranked in the top ten, based on the publication *Aluminum Times*; and 3) the Philippines is a net importer of identical or comparable merchandise, while Thailand is a net exporter, based on Petitioner’s analysis of GTIS data.¹¹¹ We do not find these factors persuasive, however, in determining whether Philippines is a significant producer of subject merchandise.

First, it is not the Department’s practice to exclude potential surrogate countries from consideration based on comparisons of export volumes between countries.¹¹² A country might be a significant producer and export little of its merchandise, while another might produce very little, but export all of its merchandise. Accordingly, a comparison of two countries’ export volumes alone could lead to skewed results.

Second, the Department notes that the legislative history provides that the term “significant producer” includes any country that is a significant “net exporter,” but it does not preclude reliance on additional or alternative metrics. Neither the statute, regulations nor legislative history provide guidance on how to prioritize the importance of net exportation/importation against that of exports of comparable/identical merchandise.¹¹³ Further, we do not find that the

¹⁰⁷ See *Policy Bulletin* at 2.

¹⁰⁸ *Id.* at 3.

¹⁰⁹ See section 773(c) of the Act; see also *Nation Ford Chem. Co. v. United States*, 166 F.3d 1373, 1377 (Fed. Cir. 1999).

¹¹⁰ See Kromet’s November 8, 2013 submission entitled “Comments on Surrogate Country Selection” at Attachment 2.

¹¹¹ See Petitioner’s January 23, 2014 submission entitled “Rebuttal Comments on Surrogate Country Selection and Surrogate Values” at exhibit 1.

¹¹² See, e.g., *Hardwood and Decorative Plywood From the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 58273 (September 23, 2013) and accompanying Issues and Decision Memorandum at Comment 7.

¹¹³ See *Certain New Pneumatic Off-the-Road Tires From the People’s Republic of China: Final Results of Antidumping Duty New Shipper Review; 2011-2012*, 78 FR 33341 (June 4, 2013) and accompanying Issues and Decision Memorandum at Comment 2.

Philippines' ranking and the 60,000 MT capacity estimated by the *Aluminum Times* demonstrate that the country is an insignificant producer of aluminum extrusions.

Finally, in demonstrating whether the Philippines is a net exporter, the petitioner appears to have considered only certain HTS numbers that are included within the scope of the *Orders* in its analysis. Because the scope of the *Orders* covers a much wider selection of merchandise, it is appropriate under these circumstances to simply examine whether a potential surrogate country exported comparable merchandise in assessing the issue of significant production.

Thus, because the information on the record does not show that the Philippines, or any of the other potential surrogate countries, are not significant producers of subject merchandise, and in light of the fact that each country exports a significant amount of comparable merchandise, the Department has reviewed the availability, quantity and quality of SV data to determine the most appropriate surrogate country from the aforementioned list for purposes of this administrative review.

Data Availability

When evaluating SV data, the Department considers several factors, including whether the SV data are publicly available, contemporaneous with the POR, representative of broad-market averages, from an approved surrogate country, tax and duty-exclusive, and specific to the input.¹¹⁴ There is no hierarchy among these criteria. It is the Department's practice to carefully consider the available evidence in light of the particular facts of each industry when undertaking its analysis.¹¹⁵ Because neither data nor surrogate financial statements exist on the record for Colombia, Costa Rica, South Africa, or Indonesia, we will not consider these countries further for primary surrogate-country-selection purposes at this time. Thailand and the Philippines have data available on the record of this review, and parties to the proceeding placed financial statements from each of these countries on the record of this review.¹¹⁶ However, as discussed below under "Factor Valuations," the Department has preliminarily determined that only one of the Thai financial statements is useable for the purposes of determining the surrogate financial ratios.

Further, consistent with our finding in the prior review in this proceeding,¹¹⁷ the Department has preliminarily determined that Thai import data with respect to aluminum ingot, a primary input in the production of subject merchandise, are less specific to the type of aluminum used by Kromet than are the import data from the Philippines. Specifically, for the valuation of Kromet's consumption of "aluminum ingots," Thai data from HTS category 7601.10.90 – "Other articles of Aluminum, not alloyed, unwrought" reflects a wide range of potential aluminum inputs. However, Philippine data provide additional specificity, as evidenced by the description of HTS

¹¹⁴ See, e.g., *Certain Activated Carbon from the People's Republic of China; 2010-2011; Final Results of Antidumping Duty Administrative Review*, 77 FR 67337 (November 9, 2012), and accompanying Issues and Decision Memorandum at 8.

¹¹⁵ See *Policy Bulletin*.

¹¹⁶ Petitioner placed the financial statements of seven Thai companies on the record of this review and one Philippine company: Kromet and Jangho each placed the financial statements of one company from the Philippines on the record of this review. See the "Factor Valuation" section below for a discussion of each of these companies.

¹¹⁷ See *ARI Final* and accompanying Issues and Decision Memorandum at Comment 1.

category 7601.11.00.00.01 – “Ingots and pigs.” Kromet has reported the consumption of aluminum ingots in addition to purchased aluminum billets as the primary inputs into its production of aluminum extrusions. As a consequence, the Department finds that the HTS category describing “ingots and pigs” in the Philippines provides the best quality data to value a major input into the subject merchandise.

The Department preliminarily finds that the Philippines is the appropriate surrogate country to use in this review in accordance with section 773(c)(4) of the Act. The Department has based its decision on the following facts: (1) the Philippines is at a level of economic development comparable to that of the PRC; (2) the Philippines is a significant producer of comparable merchandise; and (3) the Philippines has the best quality data available for aluminum ingot, a significant input into the subject merchandise. As a consequence, the Philippines provides the best available information of data to value FOPs.

Date of Sale

Section 351.401(i) of the Department’s regulations states that:

In identifying the date of sale of the subject merchandise or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter or producer’s records kept in the ordinary course of business. However, the Secretary may use a date other than the date of invoice if the Secretary is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.¹¹⁸

After examining the questionnaire responses and the sales documentation Kromet placed on the record, we preliminarily find that we should follow our regulatory presumption and use the invoice date as the date of sale for Kromet’s sales of subject merchandise because no party demonstrated that the material terms of sale were established on another date. To the contrary, the record evidence indicates that the terms of sale were set at the time when the commercial invoice was issued.¹¹⁹

Comparisons to Normal Value

To determine whether Kromet’s sales of aluminum extrusions to the United States were made at less than fair value, we compared Kromet’s export price (“EP”), or constructed export price (“CEP”) to NV, as described in the “Export Price and Constructed Export Price” and “Normal Value” sections below.

¹¹⁸ 19 CFR 351.401(i); *see also Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp From Thailand*, 69 FR 76918 (December 23, 2004), and accompanying Issues and Decision Memorandum at Comment 10; *Allied Tube and Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090-1092 (CIT 2001) (upholding the Department’s rebuttable presumption that invoice date is the appropriate date of sale).

¹¹⁹ *See* Kromet’s November 4, 2013, submission entitled “Section A Response of Kromet International Inc.” at pages 7-8.

A. Determination of Comparison Method

Pursuant to 19 CFR 351.414(c)(1), the Department calculates dumping margins by comparing weighted-average NVs to weighted-average CEPs (or export prices (“EPs”)) (“the average-to-average (“A-A”) method”) unless the Secretary determines that another method is appropriate in a particular situation. In less-than-fair-value investigations, the Department examines whether to compare weighted-average NVs to the EP or CEP of individual export transactions (the average-to-transaction (“A-T”) method) as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern the Department’s examination of this question in the context of administrative reviews, the Department finds that the issue arising under 19 CFR 351.414(c)(1) in administrative reviews is, in fact, analogous to the issue in less-than-fair-value investigations.¹²⁰ In recent investigations, the Department applied a “differential pricing” analysis for determining whether application of A-T comparisons is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1) and consistent with section 777A(d)(1)(B) of the Act.¹²¹ The Department finds that the differential pricing analysis used in those recent investigations may be instructive for purposes of examining whether to apply an alternative comparison method in this administrative review. The Department will continue to develop its approach in this area based on comments received in this and other proceedings, and on the Department’s additional experience with addressing the potential masking of dumping that can occur when the Department uses the A-A method in calculating weighted-average dumping margins.

The differential pricing analysis used in these preliminary results requires a finding of a pattern of prices for comparable merchandise that differs significantly among purchasers, regions, or time periods.¹²² If such a pattern is found, then the differential pricing analysis evaluates whether such differences can be taken into account when using the A-A method to calculate the weighted-average dumping margin. The differential pricing analysis used here evaluates all purchasers, regions, and time periods to determine whether a pattern of prices that differ significantly exists. The analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the reported customer codes. Regions are defined using the reported destination code (*i.e.*, zip codes) and are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods

¹²⁰ See *Ball Bearings and Parts Thereof From France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010–2011*, 77 FR 73415 (December 10, 2012) and accompanying Issues and Decision Memorandum at Comment 1.

¹²¹ See, e.g., *Xanthan Gum From the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 33350 (June 4, 2013) and accompanying Issues and Decision Memorandum at Comment 3. See also Memoranda to Paul Piquado, Assistant Secretary for Import Administration, from Abdelali Elouaradia, Director of AD/CVD Operations Office 4, entitled “Less Than Fair Value Investigation of Xanthan Gum from Austria: Post-Preliminary Analysis and Calculation Memorandum,” “Less Than Fair Value Investigation of Xanthan Gum from the People’s Republic of China: Post-Preliminary Analysis and Calculation Memorandum for Neimenggu Fufeng Biotechnologies Co., Ltd. (*aka* Inner Mongolia Fufeng Biotechnologies Co., T Jd.) and Shandong Fufeng Fermentation Co., Ltd.”, and “Less Than Fair Value Investigation of Xanthan Gum from the People’s Republic of China: Post-Preliminary Analysis and Calculation Memorandum for Deosen Biochemical Ltd.” all dated March 4, 2013.

¹²² Differential pricing was also used in the recent antidumping duty administrative review of polyester staple fiber from Taiwan. See *Polyester Staple Fiber from Taiwan: Preliminary Results of Antidumping Duty Administrative Review; 2011–2012*, 78 FR 17637 (March 22, 2013) and accompanying Decision Memorandum.

are defined by the quarter within the POR being examined based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region and time period, comparable merchandise is considered using the product control number and any characteristics of the sales, other than purchaser, region and time period, that the Department uses in making comparisons between EP or CEP and NV for the individual dumping margins.

In the first stage of the differential pricing analysis used here, the “Cohen’s *d* test” is applied. The Cohen’s *d* test is a generally recognized statistical measure of the extent of the difference between the mean of a test group and the mean of a comparison group. First, for comparable merchandise, the Cohen’s *d* coefficient is calculated when the test and comparison groups of data each have at least two observations, and when the sales quantity for the comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. Then, the Cohen’s *d* coefficient is used to evaluate the extent to which the net prices to a particular purchaser, region or time period differ significantly from the net prices of all other sales of comparable merchandise. The extent of these differences can be quantified by one of three fixed thresholds defined by the Cohen’s *d* test: small, medium or large. Of these thresholds, the large threshold provides the strongest indication that there is a significant difference between the means of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference was considered significant, and the sales in the test group were found to have passed the Cohen’s *d* test, if the calculated Cohen’s *d* coefficient is equal to or exceeds the large (*i.e.*, 0.8) threshold.

Next, the “ratio test” assesses the extent of the significant price differences for all sales as measured by the Cohen’s *d* test. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test account for 66 percent or more of the value of total sales, then the identified pattern of prices that differ significantly supports the consideration of the application of the A-T method to all sales as an alternative to the A-A method. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test accounts for more than 33 percent and less than 66 percent of the value of total sales, then the results support consideration of the application of an A-T method to those sales identified as passing the Cohen’s *d* test as an alternative to the A-A method, and application of the A-A method to those sales identified as not passing the Cohen’s *d* test. If 33 percent or less of the value of total sales passes the Cohen’s *d* test, then the results of the Cohen’s *d* test do not support consideration of an alternative to the A-A method.

If both tests in the first stage (*i.e.*, the Cohen’s *d* test and the ratio test) demonstrate the existence of a pattern of prices that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, we examine whether using only the A-A method can appropriately account for such differences. In considering this question, the Department tests whether using an alternative method, based on the results of the Cohen’s *d* and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the A-A method only. If the difference between the two calculations is meaningful, this demonstrates that the A-A method cannot account for differences such as those observed in this analysis, and, therefore, an alternative method would be appropriate. A difference in the weighted-average dumping margins is considered meaningful if 1) there is a 25 percent relative change in the weighted-

average dumping margin between the A-A method and the appropriate alternative method where both rates are above the *de minimis* threshold, or 2) the resulting weighted-average dumping margin moves across the *de minimis* threshold.

Interested parties may present arguments in relation to the above-described differential pricing approach used in these preliminary results, including arguments for modifying the group definitions used in this proceeding.

B. Results of the Differential Pricing Analysis

For Kromet, based on the results of the differential pricing analysis, the Department finds that 6.6 percent of Kromet's export sales pass the Cohen's *d* test, and does not confirm the existence of a pattern of prices for comparable merchandise that differ significantly among purchasers, regions, or time periods.¹²³ Therefore, the Department did not consider an alternative comparison method to the A-A method, and no additional argument to the contrary has been placed on the record. Accordingly, the Department preliminarily determined to use the A-A method to calculate the weighted-average dumping margin for Kromet.¹²⁴

Export Price and Constructed Export Price

The Department considers the U.S. prices of certain sales by Kromet to be EPs in accordance with section 772(a) of the Act because they were the prices at which the subject merchandise was first sold before the date of importation by the exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States. We calculated EPs based on prices to unaffiliated purchaser(s) in the United States.

In accordance with section 772(c)(2)(A) of the Act, where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight and brokerage and handling. Where foreign inland freight or foreign brokerage and handling fees were provided by PRC service providers or paid for in renminbi, we based those charges on SV rates from the Philippines. *See* "Factor Valuation" section below for further discussion of SV rates.¹²⁵

Further, in accordance with section 772(b) of the Act, the CEP is the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of

¹²³ *See* memorandum titled "2012-2013 Administrative Review of the Antidumping Duty Order on Aluminum Extrusions from the People's Republic of China: Analysis of the Preliminary Results Margin Calculation for Kromet International" ("Preliminary Analysis Memorandum") at Attachment IV.

¹²⁴ In these preliminary results, the Department applied the weighted-average dumping margin calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012). In particular, the Department compared monthly weighted-average CEPs with monthly weighted-average NVs and granted offsets for non-dumped comparisons in the calculation of the weighted-average dumping margin.

¹²⁵ In determining the most appropriate surrogate values to use in a given case, the Department's stated practice is to use period-wide price averages, prices specific to the input in question, prices that are net of taxes and import duties, prices that are contemporaneous with the POR, and data that is publicly available. *See, e.g., Certain Cased Pencils from the People's Republic of China; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 38366 (July 6, 2006), and accompanying Issues and Decision Memorandum at Comment 1.

importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under sections 772(c) and (d) of the Act. In accordance with section 772(b) of the Act, we used CEP for certain of Kromet's sales because the sales were made by its U.S. affiliates in the United States.

We calculated CEP based on delivered prices to unaffiliated purchasers in the United States. We made adjustments, where applicable, to the reported gross unit prices for billing adjustments and early payment discounts, to arrive at the price at which the subject merchandise is first sold in the United States to an unaffiliated customer. We made deductions from the U.S. sales price for movement expenses in accordance with section 772(c)(2) of the Act. These included, where applicable, foreign inland freight from plant to the port of exportation, foreign brokerage and handling, ocean freight, marine insurance, U.S. inland freight from port of importation to the warehouse, U.S. freight from warehouse to customer, U.S. warehousing, U.S. customs duties, and U.S. brokerage and handling. In accordance with section 772(d)(1) of the Act, the Department deducted, where applicable, commissions, credit expenses, inventory carrying costs, and indirect selling expenses from the U.S. price, all of which relate to commercial activity in the United States. In accordance with section 772(d) of the Act, we calculated Kromet's credit expenses and inventory carrying costs based on its short-term interest rate. In addition, we deducted CEP profit in accordance with sections 772(d)(3) and 772(f) of the Act.¹²⁶

Value-Added Tax

In 2012, the Department announced a change of methodology with respect to the calculation of EP and CEP to include an adjustment of any un-refunded (herein "irrecoverable") VAT in certain non-market economies in accordance with section 772(c)(2)(B) of the Act.¹²⁷ The Department explained that when an NME government imposes an export tax, duty, or other charge on subject merchandise, or on inputs used to produce subject merchandise, from which the respondent was not exempted, the Department will reduce the respondent's EP and CEP prices accordingly, by the amount of the tax, duty or charge paid, but not rebated.¹²⁸ Where the irrecoverable VAT is a fixed percentage of EP or CEP, the Department explained that the final step in arriving at a tax neutral dumping comparison is to reduce the U.S. EP or CEP downward by this same percentage.¹²⁹

The Department's methodology, as explained above and applied in this review, essentially amounts to performing two basic steps: (1) determining the irrecoverable VAT tax on subject merchandise, and (2) reducing U.S. price by the amount (or rate) determined in step one. Information placed on the record of this review by Kromet indicates that according to the Chinese VAT schedule, the standard VAT levy is 17 percent and the rebate rate for subject

¹²⁶ For a detailed description of all adjustments, see Preliminary Analysis Memorandum.

¹²⁷ See *Methodological Change for Implementation of Section 772(c)(2)(B) of the Tariff Act of 1930, as Amended, In Certain Non-Market Economy Antidumping Proceedings*, 77 FR 36481 (June 19, 2012) (Methodological Change for Implementation of Section 772(c)(2)(B) of the Act).

¹²⁸ *Id.*; see also *Chlorinated Isocyanurates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*; 2011-2012, 79 FR 4875 (January 30, 2014) and accompanying Issues and Decision Memorandum at Comment 5.A.

¹²⁹ *Id.*

merchandise is 15 percent.¹³⁰ For the purposes of these preliminary results, therefore, we removed from U.S. price the difference between the rates (*i.e.*, 2 percent), which is the irrecoverable VAT as defined under Chinese tax law and regulation.¹³¹

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using an FOP methodology if: (1) the merchandise is exported from an NME country; and (2) the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(e) of the Act. When determining NV in an NME context, the Department will base NV on FOPs because the presence of government controls on various aspects of these economies renders price comparisons and the calculation of production costs invalid under our normal methodologies. The Department's questionnaire requires that Kromet provide information regarding the weighted-average FOPs across all of the company's plants and/or suppliers that produce the merchandise under consideration, not just the FOPs from a single plant or supplier. This methodology ensures that the Department's calculations are as accurate as possible.¹³² Under section 773(c)(3) of the Act, FOPs used by Kromet in the production of aluminum extrusions include, but are not limited to, (1) hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs. The Department based NV on Kromet's reported FOPs for materials, energy, and labor.

Kromet did not report certain FOP data for a small number of its sales of subject merchandise. Before submitting its full questionnaire response, the company requested that the Department excuse it from reporting these data as the volume of merchandise involved was "*de minimis*," and because obtaining these FOP data would be difficult.¹³³ While the Department normally requires a respondent to report all FOPs involved in the production of subject merchandise, the Department has, including in the prior segment of this proceeding, valued missing FOP data using facts available where they involve a relatively small portion of sales.¹³⁴ We followed that practice in this review, and used facts available to value this portion of Kromet's sales.

Kromet reported it generated aluminum scrap during the production of merchandise under consideration.¹³⁵ Kromet established that it reintroduced the aluminum by-product that it produced during the POR.¹³⁶ Therefore, for these preliminary results, we have granted Kromet a by-product offset for reintroduced aluminum scrap.

¹³⁰ See Kromet's submission dated May 19, 2014, at pages 2-3.

¹³¹ See Preliminary Analysis Memorandum at Attachment III.

¹³² See, e.g., *Final Determination of Sales at Less Than Fair Value and Critical Circumstances: Certain Malleable Iron Pipe Fittings From the People's Republic of China*, 68 FR 61395 (October 28, 2003), and accompanying Issues and Decision Memorandum at Comment 19.

¹³³ See Letter from Kromet dated December 9, 2013, titled "Request of Kromet International Inc. to Exclude Certain Sales."

¹³⁴ See, e.g., *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, and Affirmative Final Determination of Critical Circumstances, in Part*, 77 FR 63791 (October 17, 2012) and accompanying Issues and Decision Memorandum at Comment 19.

¹³⁵ See Kromet's section D response dated December 9, 2013 at pages 28-29.

¹³⁶ See *Id.* at Exhibit D-12.

A significant portion of Kromet's sales were further manufactured or assembled in a third country. Accordingly, the Department included the further manufacturing and assembly costs incurred in the third country in the NV calculation, as well as the expense of transporting the merchandise from the factory in the PRC to the further manufacturing plant in the third country.

Factor Valuations

In accordance with section 773(c) of the Act, for subject merchandise produced by Kromet, the Department calculated NV based on the FOPs reported by Kromet and its supplier, Alnan Aluminum Co., Ltd. ("Alnan") for the POR. The Department used Philippine import data and other publicly available Philippine sources in order to calculate SVs for Kromet's FOPs. Where contemporaneous import data were not available, the Department used import data from Thailand to value FOP consumption. To calculate NV, the Department multiplied Kromet's reported per-unit FOPs by publicly-available SVs.¹³⁷ The Department's practice when selecting the best available information for valuing FOPs is to select, to the extent practicable, SVs which are product-specific, representative of a broad market average, publicly available, contemporaneous with the POR, and exclusive of taxes and duties.¹³⁸

The Department adjusted input prices by including freight costs, as appropriate, to render them delivered prices. Specifically, to Philippine import SVs reported on a cost, insurance, and freight basis, the Department added a surrogate freight cost using the shorter of: (i) the reported distance from the domestic supplier to the factory; or (ii) the distance from the nearest seaport to the factory. This adjustment is in accordance with the decision of the CAFC in *Sigma Corp. v. United States*, 117 F.3d 1401, 1408 (Fed. Cir. 1997). Additionally, where necessary, the Department adjusted SVs for inflation and exchange rates, and the Department converted all applicable FOPs to a per-KG basis.

Furthermore, with regard to the Philippine import-based SVs, we have disregarded import prices that we have reason to believe or suspect may be subsidized. We have reason to believe or suspect that prices of inputs from Indonesia, India, South Korea, and Thailand may have been subsidized because we have found in other proceedings that these countries maintain broadly available, non-industry-specific export subsidies.¹³⁹ Therefore, it is reasonable to infer that all

¹³⁷ See Memorandum to the File, "Second Administrative Review of the Antidumping Duty Order on Aluminum Extrusions from the People's Republic of China: Factor Valuation Memorandum for the Preliminary Results of Review," dated concurrent with this memorandum ("Preliminary Factor Valuation Memorandum").

¹³⁸ See, e.g., *Electrolytic Manganese Dioxide From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 48195 (August 18, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

¹³⁹ See, e.g., *Carbazole Violet Pigment 23 from India: Final Results of the Expedited Five-year (Sunset) Review of the Countervailing Duty Order*, 75 FR 13257 (March 19, 2010), and accompanying Issues and Decision Memorandum at 4-5; *Certain Cut-to-Length Carbon-Quality Steel Plate from Indonesia: Final Results of Expedited Sunset Review*, 70 FR 45692 (August 8, 2005), and accompanying Issues and Decision Memorandum at 4; *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 74 FR 2512 (January 15, 2009), and accompanying Issues and Decision Memorandum at 17, 19-20; *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products From Thailand*, 66 FR 50410 (October 3, 2001), and accompanying Issues and Decision Memorandum at 23.

exports to all markets from these countries may be subsidized.¹⁴⁰ Further, guided by the legislative history, it is the Department's practice not to conduct a formal investigation to ensure that such prices are not subsidized.¹⁴¹ Rather, the Department bases its decision on information that is available to it at the time it makes its determination. Additionally, consistent with our practice, we disregarded prices from NME countries and excluded imports labeled as originating from an "unspecified" country from the average value, because the Department could not be certain that they were not from either an NME country or a country with general export subsidies.¹⁴² Therefore, we have not used prices from these countries in calculating the Philippine import-based SVs.

In accordance with 19 CFR 351.408(c)(1), the Department will normally use publicly available information to find an appropriate SV to value FOPs, but when a producer sources an input from a ME and pays for it in ME currency, the Department may value the factor using the actual price paid for the input.¹⁴³ Kromet reported that it purchased one input, screws, from ME suppliers and paid for the input in a market economy currency.¹⁴⁴ Accordingly, we have valued Kromet's consumption of screws using the company's reported purchase prices of the input.¹⁴⁵

The record shows that data in the Philippine import statistics, as well as those from the other Philippine sources, are contemporaneous with the POR, product-specific, and tax-exclusive. In those instances where we could not obtain publicly available Philippine data contemporaneous to the POR with which to value factors, we adjusted the SVs using, where appropriate, inflation factors derived from the Philippine Producer Price Index ("PPI"), as published in the International Monetary Fund's *International Financial Statistics*.¹⁴⁶ The Department used Philippine import statistics published by the Global Trade Atlas ("GTA") and other publicly available Philippine sources to value most raw materials, energy, and packing inputs that Kromet used to produce subject merchandise during the POR, except where listed below.

In these preliminary results, the Department calculated the labor input using data on industry-specific labor cost from the primary surrogate country (*i.e.*, the Philippines), as described in

¹⁴⁰ See *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers From the People's Republic of China*, 69 FR 20594 (April 16, 2004), and accompanying Issues and Decision Memorandum at Comment 7.

¹⁴¹ See Conference Report to the 1988 Omnibus Trade & Competitiveness Act, H.R. Rep. No. 100-576, at 590 (1988); see also *Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 30758, 30763 (June 4, 2007), unchanged in *Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 60632 (October 25, 2007).

¹⁴² See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Chlorinated Isocyanurates From the People's Republic of China*, 69 FR 75294, 75300 (December 16, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates From the People's Republic of China*, 70 FR 24502 (May 10, 2005).

¹⁴³ See 19 CFR 351.408(c)(1); see also *Shakeproof Assembly Components, Div. of Ill. Tool Works, Inc. v. United States*, 268 F.3d 1376, 1382-1383 (Fed. Cir. 2001) (affirming the Department's use of market-based prices to value certain FOPs).

¹⁴⁴ See Kromet's section D response dated March 22, 2013 at page D-15 and Exhibit D-9.

¹⁴⁵ See Preliminary Factor Valuation Memorandum.

¹⁴⁶ *Id.* at Attachments 1 and 3.

Labor Methodologies.¹⁴⁷ The Department relied on the ILO’s Yearbook Chapter 6A labor cost data for the Philippines for the year 2008, because these are the most recent Chapter 6A data available for the Philippines. The Department further determined that the two-digit description under ISIC-Revision 3-D (“28-Manufacture of Fabricated Metal Products”) is the best available information because it is specific to the industry being examined and, therefore, is derived from industries that produce comparable merchandise. Accordingly, relying on Chapter 6A of the Yearbook, the Department calculated the labor input using labor cost data reported by the Philippines to the ILO under Sub-Classification 28 of the ISIC-Revision 3-D, in accordance with section 773(c)(4) of the Act. For further information on the calculation of the wage rate, *see* Factor Valuation Memorandum.

The ILO data from Chapter 6A of the Yearbook, which were used to value labor, reflects all costs related to labor, including wages, benefits, housing, training, *etc.* Pursuant to *Labor Methodologies*, the Department’s practice is to consider whether financial ratios reflect labor expenses that are included in other elements of the respondent’s FOPs (*e.g.*, general and administrative expenses).¹⁴⁸ The financial statements used to calculate financial ratios in this review were sufficiently detailed to allow the Department to isolate labor expenses from other expenses such as selling, general, and administrative expenses. Therefore, the Department revised its calculation of surrogate financial ratios consistent with *Labor Methodologies* to exclude items incorporated in the labor wage rate data in Chapter 6A of the ILO data. As a result, bonuses and other forms of compensation included in the ILO’s calculation of wages are now excluded from our calculation of labor in our surrogate financial ratios.¹⁴⁹

We valued electricity using contemporaneous Philippine data from *The Cost of Doing Business in Camarines Sur* available at the Philippine government’s web site for the province: <http://www.camarinessur.gov.ph>. These data pertained only to industrial consumption.¹⁵⁰

We valued water using an average of the basic rates charged by The Philippines Maynilad for Business Group II (mostly industrial) users. These rates were in effect in 2011 and do not include taxes or surcharges.¹⁵¹

We valued truck freight expenses using average truck rates from the Confederation of Truckers Association of the Philippines, Inc. (“CTAP”) for 92 destinations within the Philippines and the driving distances to these 92 destinations.¹⁵²

We valued brokerage and handling expenses using a price list of export procedures necessary to export a standardized cargo of goods in the Philippines, as published in the World Bank’s *Doing Business 2012, Economy Profile: Philippines* publication.¹⁵³

¹⁴⁷ *See Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76FR 36092 (June 21, 2011) (“Labor Methodologies”).

¹⁴⁸ *Id.* at 36094.

¹⁴⁹ *See* Preliminary Factor Valuation Memorandum.

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

¹⁵² *Id.*

¹⁵³ *Id.*

We valued marine insurance using a price quote for July 2010, which we obtained from RJG Consultants at www.rjgconsultants.com. RJG Consultants is a ME provider of marine insurance. We inflated the rates to the POR by applying the Philippine producer price index (PPI).¹⁵⁴

Section 351.408(c)(4) of the Department's regulations directs the Department to value overhead, general, and administrative expenses ("SG&A") and profit using non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country. In this review, Petitioner submitted the financial statements of the following companies:

- **Envelex Thailand Co. Ltd.** ("Envelex"), a Thai producer curtain walls;¹⁵⁵
- **Thai Aust Aluminum Company** ("Thai Aust"), a Thai producer of curtain walls and other aluminum products.¹⁵⁶
- **Rian Chai Aluminium (1989) Co., Ltd.** ("Rian Chai"), a Thai company primarily engaged in "the business {sic} rolled aluminum smelter and the purchase of equipment old and new."¹⁵⁷
- **United Aluminum Industry** ("United Aluminum"), a Thai producer of aluminum products.¹⁵⁸
- **Ratana Damrong Aluminum Company** ("Ratana"), a Thai producer of aluminum products.¹⁵⁹
- **Tostem Thai Company** ("Tostem"), a Thai producer of aluminum products.¹⁶⁰
- **Hilton Manufacturing Corporation** ("Hilton Manufacturing"), a Philippine producer and seller of aluminum products.¹⁶¹

Kromet and Jangho placed the financial statements of the following company on the record:

- **Currimao Aluminum Corporation** ("Currimao"), a Philippine manufacturer of aluminum products.¹⁶²

We do not find the statements of Envelex and Thai Aust to be usable for purposes of calculating surrogate financial ratios because, as primarily curtain wall producers their manufacturing processes are significantly different than that of Kromet's, which engages in the production of extruded aluminum products.

We do not find Rian Chai's financial statements usable because the company is at a more advanced level of integration than Kromet, as it operates a smelter whereas Alnan does not,¹⁶³

¹⁵⁴ *Id.*

¹⁵⁵ See Petitioner's January 9, 2014, submission entitled "Submission of Surrogate Value Information" at Exhibit 4.

¹⁵⁶ *Id.* at Exhibit 5.

¹⁵⁷ *Id.* at Exhibit 6, note 1.

¹⁵⁸ *Id.* at Exhibit 7.

¹⁵⁹ *Id.* at Exhibit 8.

¹⁶⁰ See Petitioner's submission dated May 19, 2014 at Exhibit 2.

¹⁶¹ *Id.* at Exhibit 3.

¹⁶² See Kromet's submission dated January 9, 2014 at Exhibit 9, and Jangho's submission dated January 9, 2013 at Exhibit 3.

¹⁶³ See Kromet's submission dated January 23, 2014 at Exhibit 3.

Further, Rian Chai's financial statements do not report production and SG&A expenses in sufficient detail to allow us to calculate surrogate financial ratios.

The financial statements of United Aluminum and Thai Aust are inappropriate for use in calculating surrogate financial ratios because these statements reveal that both companies received a subsidy that the Department has previously found to be countervailable. Specifically, Thai Aust's statements refer to the receipt of benefits from a Thailand Board of Investment incentive.¹⁶⁴ Similarly, United Aluminum's statements contain multiple references to Board of Investment incentives.¹⁶⁵

We decline to use Totsem's financial statements in calculating surrogate financial ratios because the company recorded significant and unusual business losses and resulting insurance income from flooding that damaged its manufacturing facilities in the prior fiscal year.¹⁶⁶ Totsem's financial statements would therefore not be an appropriate surrogate to use in this administrative review. Moreover, we find Hilton Manufacturing's statements to be unusable because the company derived more than half of its revenue from "contracting," during the reporting period, with only a minority of revenue coming from manufacturing sales.¹⁶⁷

Finally, Ratana's statements are useable as the company produces both aluminum extrusions and other aluminum products.¹⁶⁸ However, because we have a usable financial statement of comparable or identical merchandise from the primary surrogate country, we intend to follow the regulatory preference stated in 19 CFR 351.408(c)(4) and decline to use this statement.

Accordingly, we preliminarily used the financial statements of Currimao to value overhead, SG&A, and profit. The company is a producer of comparable products, and there is no record evidence to indicate that it received benefits that the Department has previously determined to be countervailable. Moreover, the company is located in the primary surrogate country and the audited financial statements are complete and sufficiently detailed to disaggregate materials, labor, overhead, and SG&A expenses.

For a complete listing of all the inputs and a detailed discussion about our SV selections, *see* Factor Valuation Memorandum.

Adjustment Under Section 777A(f) of the Act

Kromet

In applying section 777A(f) of the Act in this administrative review, the Department examined (1) whether a countervailable subsidy (other than an export subsidy) has been provided with respect to a class or kind of merchandise, (2) whether such countervailable subsidy has been demonstrated to have reduced the average price of imports of the class or kind of merchandise

¹⁶⁴ See Petitioner's SV submission dated January 9, 2014, at Exhibit 5, note 15.

¹⁶⁵ *Id.* at Exhibit 7, note 7.

¹⁶⁶ See Petitioner's submission dated May 19, 2014 at Exhibit 2, notes 1 and 21.

¹⁶⁷ See Petitioner's submission dated May 19, 2014 at Exhibit 3, note 15.

¹⁶⁸ *Id.* at Exhibit 8A and 8B.

during the relevant period, and (3) whether the Department can reasonably estimate the extent to which that countervailable subsidy, in combination with the use of NV determined pursuant to section 773(c) of the Act, has increased the weighted average dumping margin for the class or kind of merchandise.¹⁶⁹ For a subsidy meeting these criteria, the statute requires the Department to reduce the antidumping duty by the estimated amount of the increase in the weighted average dumping margin subject to a specified cap.¹⁷⁰ As a result of our analysis, the Department is preliminarily making adjustments to the calculation of the assessment rate for antidumping duties for Kromet in this review, pursuant to section 777A(f) of the Act, in the manner described below. In making this adjustment, the Department has not concluded that concurrent application of NME ADs and countervailing duties (“CVDs”) necessarily and automatically results in overlapping remedies. Rather, a finding that there is an overlap in remedies, and any resulting adjustment, is based on a case-by-case analysis of the totality of facts on the administrative record for that segment of the proceeding as required by the statute.

Kromet provided information indicating that the cost of the subject merchandise it purchases from Alnan is impacted by the cost of aluminum billets, as is the price that Kromet sells the subject merchandise to its customers.¹⁷¹ Kromet asserted that aluminum subsidies impacted the cost of manufacturing (“COM”) of its supplier of subject merchandise, Alnan, and that the other subsidy programs under investigation (*e.g.*, grant programs, tax programs, policy lending, etc.) did not.¹⁷² Thus, Kromet’s questionnaire responses indicate a cost-to-price linkage for an aluminum subsidy program that impacts COM.

In the companion CVD proceeding, the Department determined program-specific rates of subsidized aluminum for Alnan.¹⁷³ Thus, the Department has the necessary information from the companion CVD proceeding to make the adjustment in this proceeding in the manner described above for purposes of these preliminary results.

However, Kromet did not propose, or provide information to calculate, company-specific estimates of the extent of subsidy pass-through to prices. Therefore, because the record indicates that several factors other than the cost of aluminum billets impact Kromet’s prices to customers, the Department is applying, instead, a documented ratio of cost-price changes for the Chinese manufacturing sector as a whole as the estimate of the extent of subsidy pass-through.¹⁷⁴

Separate Rate Companies

For the non-examined companies which are eligible for a separate rate, their weighted-average dumping margin is based on the weighted-average dumping margin for non-examined, separate rate companies in the less-than-fair-value investigation. This rate was based on the average

¹⁶⁹ See section 777A(f)(1)(A)-(C) of the Act.

¹⁷⁰ See section 777A(f)(1)-(2) of the Act.

¹⁷¹ See submission entitled “Double Remedies Questionnaire Response of Kromet International Inc.” dated May 30, 2014 (“Double Remedies Questionnaire Response”).

¹⁷² See *id.* at 9-10.

¹⁷³ See *Aluminum Extrusions From the People’s Republic of China: Final Results of Countervailing Duty Administrative Review; 2010 and 2011*, 79 FR 106 (January 2, 2014). Based upon the subsidy provided to Alnan for primary aluminum, we can infer a reduction in price.

¹⁷⁴ See Attachment 1 to this memorandum.

petition rates, which were based on prices for sales of subject merchandise to the United States. In the companion CVD investigation and first administrative review of the CVD order, the Department did not individually examine certain non-selected PRC exporters' whose prices underlie the petition rates, and, therefore, those companies were assigned the all-other exporters rate as determined in the amended final determination for the CVD investigation, and a non-selected company rate as determined in the final results of the first CVD administrative review.

Accordingly, in this review, for exporters that did not receive a non-selected company rate in the companion CVD first administrative review, the adjustment to account for domestic subsidies is based on the countervailing duties found for all-other exporters in the investigation.

For companies that received a non-selected company rate in the companion CVD first administrative review, the adjustment to account for domestic subsidies is based on the countervailing duties found for the non-selected companies in the first administrative review.

For Changzhou Changzheng Evaporator Co., Ltd. ("Changzheng Evaporator"), however, which had its own calculated rate in the first CVD administrative review, the adjustment to account for domestic subsidies is based on the countervailing duties found for Changzheng Evaporator in the first CVD administrative review.

Finally, in making these adjustments for each of these companies, the Department preliminarily determines that the percentage of the countervailing duties determined to have passed through to U.S. prices is the documented ratio of cost-price changes for the Chinese manufacturing sector as a whole, which is based on data from Bloomberg.¹⁷⁵

Currency Conversion

Where necessary, the Department made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales, as certified by the Federal Reserve Bank.

¹⁷⁵ See Preliminary Decision Memorandum at Attachment 1.

Recommendation

We recommend applying the above methodology for these preliminary results.

✓

Agree

Disagree

Ronald K. Lorentzen

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

June 18, 2014

(Date)

Attachment 1

BLOOMBERG DATA - RAW

PASS- THROUGH

Date	CHEFTYOY Index	CNPPIY Index	CHEFTYOY Index / CNPPIY Index
6/5/2014			
4/30/2014	-2	-2.3	0.8714
3/31/2014	-2.3	-2.5	0.9208
2/28/2014	-2	-2.1	0.9524
1/31/2014	-1.6	-1.7	0.9644
12/31/2013	-1.4	-1.4	0.9684
11/30/2013	-1.4	-1.5	0.9495
10/31/2013	-1.5	-1.6	0.9419
9/30/2013	-1.3	-1.6	0.8399
8/31/2013	-1.6	-1.6	1.0156
7/31/2013	-2.3	-2.2	1.0324
6/30/2013	-2.7	-2.6	1.0371
5/31/2013	-2.9	-3	0.9553
4/30/2013	-2.6	-2.7	0.9694
3/31/2013	-1.9	-2	0.9595
2/28/2013	-1.6	-1.9	0.8421
1/31/2013	-1.6	-1.9	0.8421
12/31/2012	-1.9	-2.4	0.7917
11/30/2012	-2.2	-2.8	0.7857
10/31/2012	-2.8	-3.3	0.8485
9/30/2012	-3.6	-4.1	0.878
8/31/2012	-3.5	-4.1	0.8537
7/31/2012	-2.9	-3.4	0.8529
6/30/2012	-2.1	-2.5	0.84
5/31/2012	-1.4	-1.6	0.875
4/30/2012	-0.7	-0.8	0.875
3/31/2012	-0.3	0.1	-3
2/29/2012	0	1	0
1/31/2012	0.7	2	0.35
12/31/2011	1.7	3.5	0.4857
11/30/2011	2.7	5.1	0.5294
10/31/2011	5	8	0.625
9/30/2011	6.5	10	0.65
8/31/2011	7.3	10.6	0.6887
7/31/2011	7.5	11	0.6818
6/30/2011	7.1	10.5	0.6762

0.8616

5/31/2011	6.8	10.2	0.6667
4/30/2011	6.8	10.4	0.6538
3/31/2011	7.3	10.5	0.6952
2/28/2011	7.2	10.4	0.6935
1/31/2011	6.6	9.7	0.6817
12/31/2010	5.9	9.5	0.623
11/30/2010	6.1	9.7	0.6289
10/31/2010	5	8.1	0.618
9/30/2010	4.3	7.1	0.6056
8/31/2010	4.3	7.5	0.5756
7/31/2010	4.8	8.5	0.566
6/30/2010	6.4	10.8	0.5926
5/31/2010	7.1	12.2	0.5815
4/30/2010	6.8	12	0.5671
3/31/2010	5.9	11.5	0.5148
2/28/2010	5.4	10.3	0.5263
1/31/2010	4.3	8	0.5402
12/31/2009	1.7	3	0.5629
11/30/2009	-2.1	-3.6	0.5817
10/31/2009	-5.8	-8.4	0.6913
9/30/2009	-7	-10.1	0.6924
8/31/2009	-7.9	-11.4	0.6948
7/31/2009	-8.2	-11.7	0.7021
6/30/2009	-7.8	-11.3	0.6933
5/31/2009	-7.2	-10.4	0.6943
4/30/2009	-6.6	-9.6	0.6904
3/31/2009	-6	-8.9	0.6742
2/28/2009	-4.5	-7.1	0.6338
1/31/2009	-3.3	-5.3	0.625
12/31/2008	-1.1	-1.3	0.8661
11/30/2008	2	4.7	0.4255
10/31/2008	6.6	11	0.5978
9/30/2008	9.1	14	0.6519
8/31/2008	10.1	15.3	0.6584
7/31/2008	10	15.4	0.6498
6/30/2008	8.8	13.5	0.6528
5/31/2008	8.2	11.9	0.6914
4/30/2008	8.1	11.8	0.6853
3/31/2008	8	11	0.7279
2/29/2008	6.6	9.7	0.6825
1/31/2008	6.1	8.9	0.6877
12/31/2007	5.4	8.1	0.67
11/30/2007	4.6	6.3	0.7302
10/31/2007	3.2	4.5	0.7111
9/30/2007	2.7	3.6	0.7521
8/31/2007	2.6	3.8	0.6842
7/31/2007	2.4	3.6	0.6723

6/30/2007	2.5	3.4	0.7375
5/31/2007	2.8	3.6	0.7821
4/30/2007	2.9	3.7	0.7859
3/31/2007	2.7	3.7	0.7278
2/28/2007	2.6	4	0.6516
1/31/2007	3.3	4.7	0.7021
12/31/2006	3.1	4.9	0.6327
11/30/2006	2.8	4.8	0.5797
10/31/2006	2.9	5.6	0.5179
9/30/2006	3.5	6.9	0.5095
8/31/2006	3.4	6.7	0.5045
7/31/2006	3.6	6.7	0.5414
6/30/2006	3.5	6.6	0.5327
5/31/2006	2.4	5.5	0.4396
4/30/2006	1.9	4.9	0.3893
3/31/2006	2.5	6.2	0.4045
2/28/2006	3	6.8	0.4399
1/31/2006	3.1	6.4	0.4836
12/31/2005	3.2	5	0.64
11/30/2005	3.2	5.4	0.5926
10/31/2005	4	6.5	0.6154
9/30/2005	4.5	7.1	0.6338
8/31/2005	5.3	8.1	0.6543
7/31/2005	5.2	8.5	0.6118
6/30/2005	5.2	9	0.5778
5/31/2005	6	9.9	0.6061
4/30/2005	5.8	9.9	0.5859
3/31/2005	5.6	9.7	0.5773
2/28/2005	5.4	9.8	0.551
1/31/2005	5.8	10.7	0.5421
12/31/2004	7.1	12	0.5917
11/30/2004	8.1	13.7	0.5912
10/31/2004	8.4	14.2	0.5915
9/30/2004	7.9	13.7	0.5766
8/31/2004	6.8	12.9	0.5271
7/31/2004	6.4	12	0.5333
6/30/2004	6.4	11.8	0.5424
5/31/2004	5.7	11.2	0.5089
4/30/2004	5	10.5	0.4762
3/31/2004	3.9	9.5	0.4105
2/29/2004	3.5	8.1	0.4321
1/31/2004	3.5	7.4	0.4704
12/31/2003	3	7.1	0.4225
11/30/2003	1.9	5.9	0.322
10/31/2003	1.2	4.6	0.2609
9/30/2003	1.4	4.1	0.3415
8/31/2003	1.4	4	0.35

7/31/2003	1.4	4	0.35
6/30/2003	1.3	3.9	0.3333
5/31/2003	2	4.4	0.4545
4/30/2003	3.6	5.9	0.6102
3/31/2003	4.6	5.8	0.7931
2/28/2003	4	4.8	0.8333
1/31/2003	2.4	3.2	0.75
12/31/2002	0.4	1.3	0.3077
11/30/2002	-0.4	0.5	-0.8
10/31/2002	-1	-0.6	1.6667
9/30/2002	-1.4	-1.2	1.1667
8/31/2002	-1.7	-2	0.85
7/31/2002	-2.3	-2.5	0.92
6/30/2002	-2.5	-2.8	0.8929
5/31/2002	-2.6	-2.8	0.9286
4/30/2002	-3.1	-3.8	0.8158
3/31/2002	-4	-4.7	0.8511
2/28/2002	-4.1	-4.6	0.8913
1/31/2002	-4	-4.8	0.8333
12/31/2001	-4	-4.1	0.9756
11/30/2001	-3.7	-3.5	1.0571
10/31/2001	-3.1	-2.5	1.24
9/30/2001	-2.9	-1.8	1.6111
8/31/2001	-2	-1.3	1.5385
7/31/2001	-1.3	-0.4	3.25
6/30/2001	-0.6	0.5	-1.2
5/31/2001	-0.2	1.1	-0.1818
4/30/2001	-0.1	0.9	-0.1111
3/31/2001	0.2	2.1	0.0952
2/28/2001	0.9	2.7	0.3333
1/31/2001	1.4	3.6	0.3846

China PPI YoY

CHEFTYOY Index Economic Indices Description

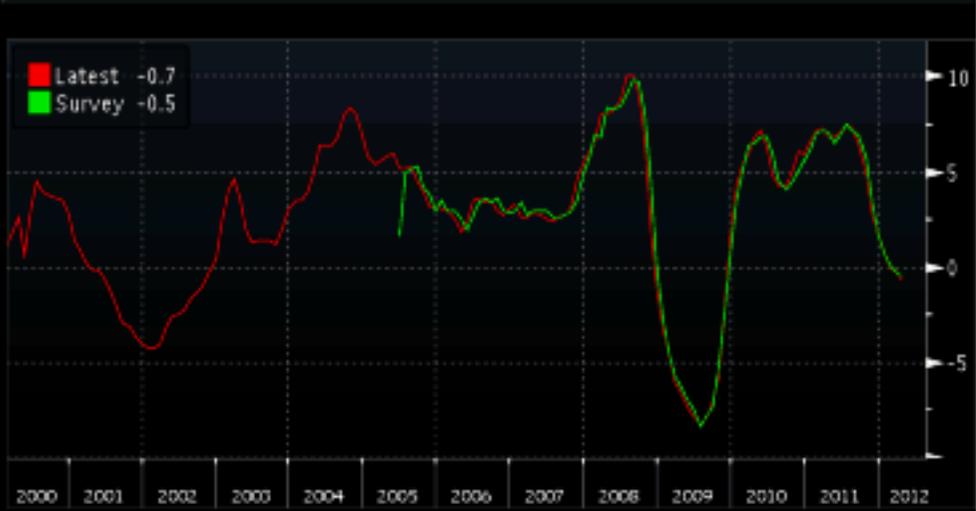
- [21\) Description](#)
- [22\) Release Details](#)
- [23\) Related Indicators](#)
- [24\) Related News](#)

Name	China PPI YoY				
Category	Producer Price Index	Ticker	CHEFTYOY Index	Source	China Economic Information
Period	APR 2012	Latest	-0.7	Quoted	Rate / % CHANGE
Frequency	Monthly	Update Status	Subject to one-month lag		
Country	CHINA	Begins	01/31/99 Monthly		

Description

PPI (Production Price Index) = ex-factory price index : reflects the trend and degree of changes in general ex-factory prices of all industrial products by an industrial enterprises to all units outside the enterprise, as well as sales of consumer goods to residents. China PPI of Industrial classified by major products:
 1) Industry - Light & Heavy 2) Producer Goods 3) Consumer Goods Producer Goods > Excavation, Raw Material, Manufacturing. Consumer Goods > Food, Clothing, Daily-Use Articles, Durable Consumer Goods.

Historical Chart



- [5\) More Indicators From This Category](#)
- [6\) More Indicators From This Source](#)

CNPPIY Index

Economic Indices Description

21) Description

22) Release Details

23) Related Indicators

24) Related News

Name	China Purchasing Price YoY					
Category	Producer Price Index	Ticker	CNPPIY Index	Source	China Economic Information	
Period	APR 2012	Latest	-0.8	Quoted	Rate / % CHANGE	
Frequency	Monthly	Update Status	Subject to one-month lag			
Country	CHINA	Begins	10/31/98 Monthly			

Description

Purchasing Price Index of Raw Materials, Fuels and Power reflects changes in the level and degree of prices paid by industrial enterprises when they purchase production input such as raw materials, fuels and power from the market or from other energy or raw materials producing enterprises. These indices provide important basis for measuring the material consumption of industrial enterprises after removing influence of price changes.

Historical Chart



5) [More Indicators From This Category](#)

6) [More Indicators From This Source](#)

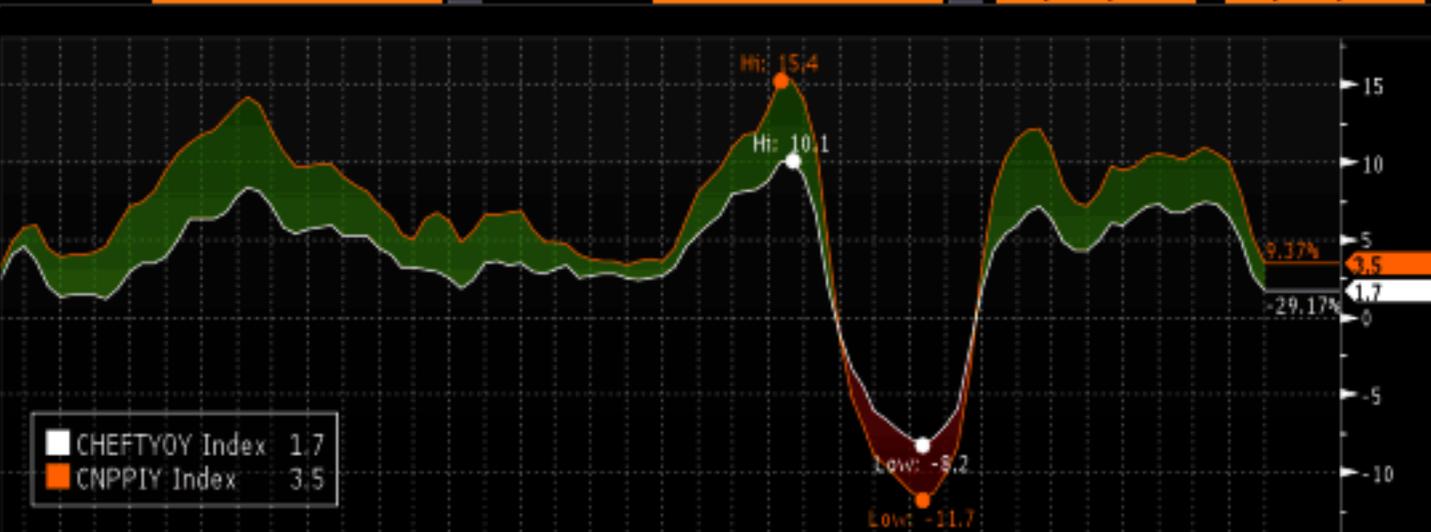
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Index GR

1<Go> to view ratio graph, 11<Go> to save as Index

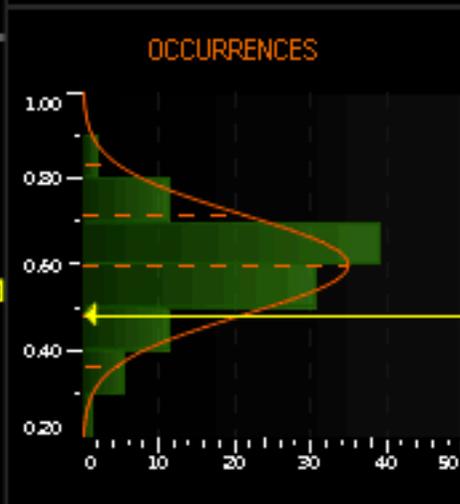
Sell CHEFTYOY Index Buy CNPPIY Index Edit Page 1/157 Yield Ratio

Data Last Price Data Last Price 01/31/03 - 12/31/11 Daily Local CCY



RATIO SUMMARY

Last	.4857
Mean	.5967
Off Avg	-.111
Median	.611
StDev	.1151
Off Avg StDev	-.96
Percentile	16.67
High 12/31/08	.8661
Low 10/31/03	.2609



51) GR 52) Spread 53) Ratio 54) Correlation 55) Regression

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
 Copyright 2012 Bloomberg Finance L.P.
 SN 581878 EDT GMT-4:00 H270-5004-0 22-May-2012 09:41:21

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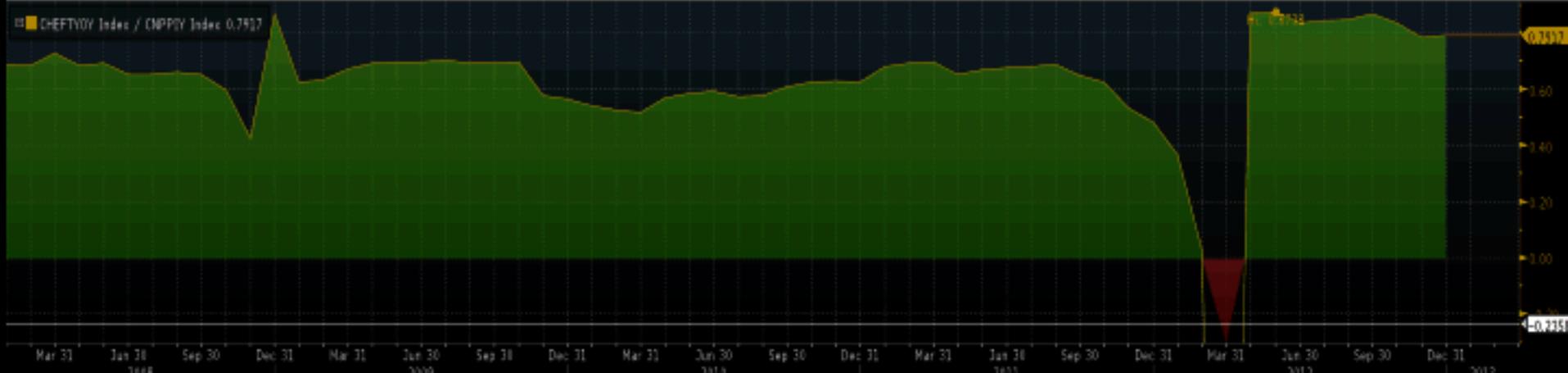
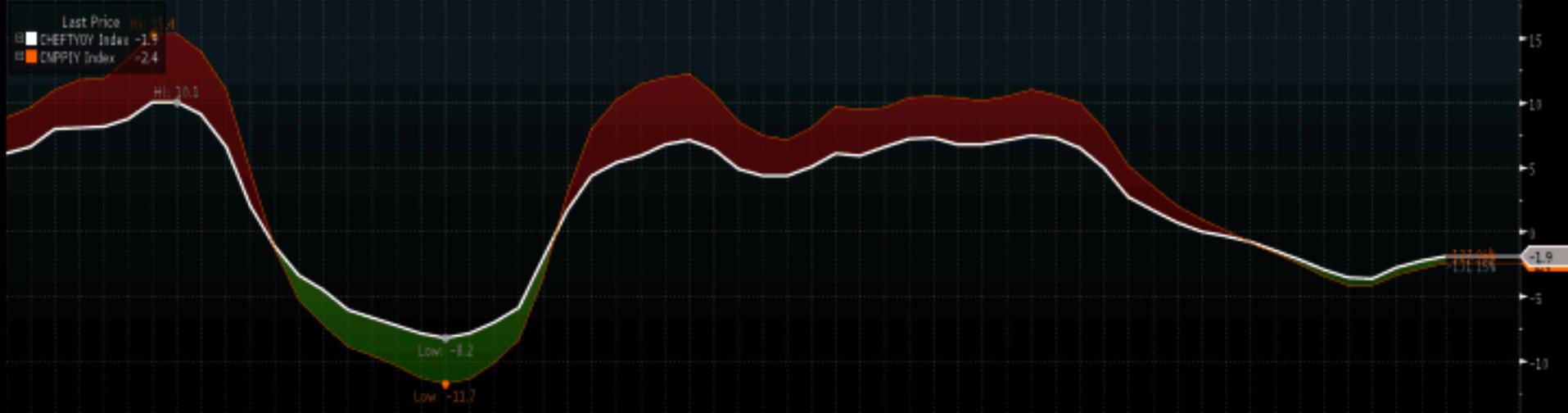
Buy CHEFTYOY Index / Sell CNPPIY Index 9) Actions 97) Edit Ratio Analysis

Data Field Last Price Data Field Last Price 01/31/2008 - 01/23/2013 Regression Corr. 120

Mult. 1.0 Constant 0.0 Mult. 1.0 Constant 0.0 Normalize by Factor 100.0 Calc. Percent Local CCY

1D 3D 1M 6M YTD 1Y 5Y Max Daily

Security/Study Event



<HELP> for explanation.

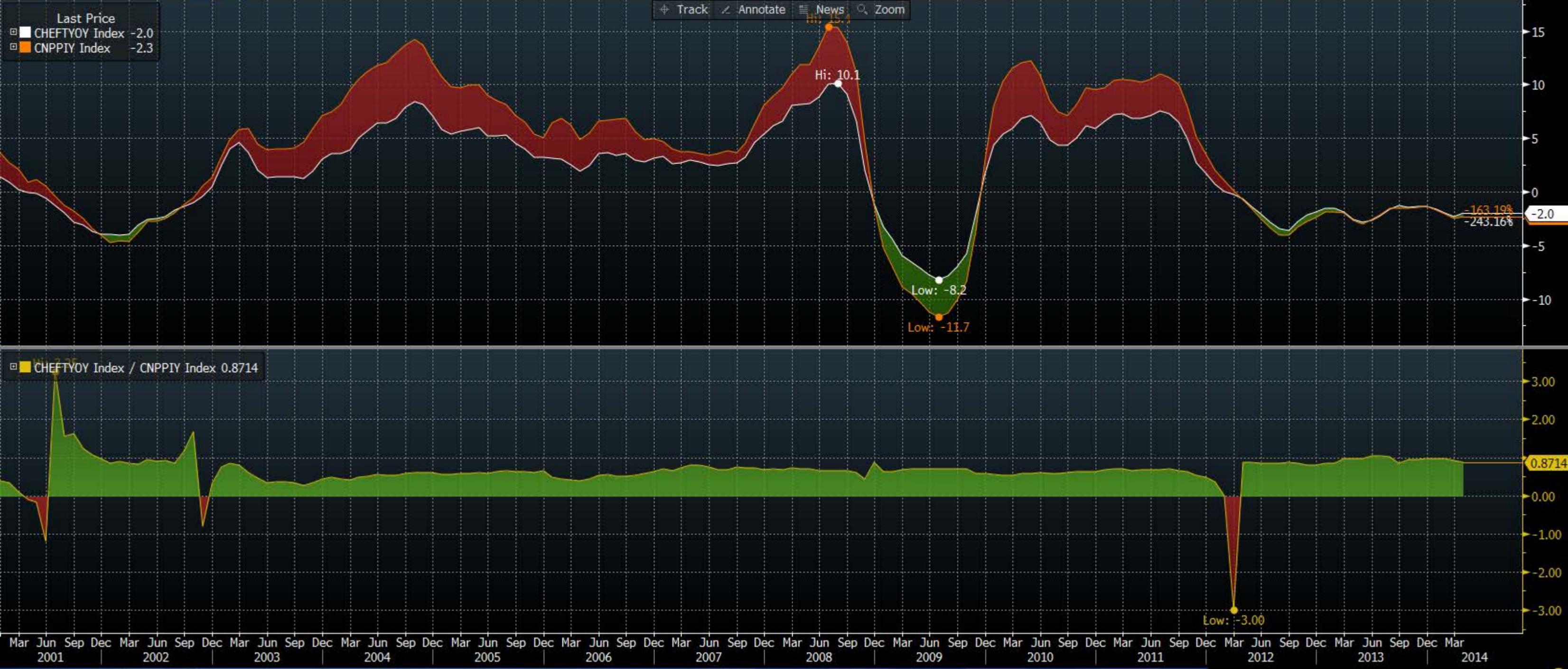
1<Go> to View Ratio, 11<Go> to Save as Index, 12<Go> to View Regression

Buy CHEFTYOY Index / Sell CNPPIY Index 96) Actions ▾ 97) Edit ▾ Ratio Analysis

Data Field Last Price ▾ Data Field Last Price ▾ 01/31/2001 - 06/05/2014 Regression Corr. 120

Mult. 1.0 Constant 0.0 Mult. 1.0 Constant 0.0 Normalize by Factor 100.0 Calc. Percent Local CCY

1D 3D 1M 6M YTD 1Y 5Y Max Daily ▾ Security/Study Event



Attachment 2

Domestic and Export Subsidy Offsets

Company	AD AR2 Margin	AD Margin Source	Status in CVD AR1	Export Subsidy	Domestic Subsidy¹	Pass-Through²	Subsidy Passed³	Margin Net of Adjustments⁴
Kromet International, Inc.	0.00%	Own	Individually Examined	0.53%	12.19%	86.16%	10.50%	0.00%
Allied Maker Limited	32.79%	Avg of Pet. Rates	Did not participate	8.31%	2.55%	86.16%	2.20%	21.93%
Changzhou Changzheng Evaporator Co., Ltd.	32.79%	Avg of Pet. Rates	Individually Examined	0.03%	0.08%	86.16%	0.07%	32.68%
Classic & Contemporary Inc.	32.79%	Avg of Pet. Rates	Did not participate	8.31%	2.55%	86.16%	2.20%	21.93%
Dynabright Int'l Group (HK) Limited	32.79%	Avg of Pet. Rates	Did not participate	8.31%	2.55%	86.16%	2.20%	21.93%
Hanyung Metal (Suzhou) Co., Ltd.	32.79%	Avg of Pet. Rates	Did not participate	8.31%	2.55%	86.16%	2.20%	21.93%
Global Point Technology (Far East) Limited	32.79%	Avg of Pet. Rates	Did not participate	8.31%	2.55%	86.16%	2.20%	21.93%
Jiangsu Changfa Refrigeration Co., Ltd.	32.79%	Avg of Pet. Rates	Non-selected Co.	0.28%	6.14%	86.16%	5.29%	26.38%
Jiaxing Jackson Travel Products Co., Ltd.	32.79%	Avg of Pet. Rates	Non-selected Co.	0.28%	6.14%	86.16%	5.29%	26.38%
Justhere Co., Ltd.	32.79%	Avg of Pet. Rates	Non-selected Co.	0.28%	6.14%	86.16%	5.29%	26.38%
Kam Kiu Aluminium Products Sdn Bhd	32.79%	Avg of Pet. Rates	AFA	8.31%	2.55%	86.16%	2.20%	21.93%
Metaltek Group Co., Ltd.	32.79%	Avg of Pet. Rates	Non-selected Co.	0.28%	6.14%	86.16%	5.29%	26.38%
Midea International Trading Co., Ltd.	32.79%	Avg of Pet. Rates	Non-selected Co.	0.28%	6.14%	86.16%	5.29%	26.38%
Permasteelisa Hong Kong Limited	32.79%	Avg of Pet. Rates	Did not participate	8.31%	2.55%	86.16%	2.20%	21.93%
Shanghai Tongtai Precise Aluminum Alloy Manufacturing Co., Ltd.	32.79%	Avg of Pet. Rates	Non-selected Co.	0.28%	6.14%	86.16%	5.29%	26.38%
Sincere Profit Limited	32.79%	Avg of Pet. Rates	Non-selected Co.	0.28%	6.14%	86.16%	5.29%	26.38%
tenKsolar (Shanghai) Co., Ltd.	32.79%	Avg of Pet. Rates	Did not participate	8.31%	2.55%	86.16%	2.20%	21.93%
Tianjin Jinmao Import & Export Corp., Ltd.	32.79%	Avg of Pet. Rates	Non-selected Co.	0.28%	6.14%	86.16%	5.29%	26.38%
Union Industry (Asia) Co., Ltd.	32.79%	Avg of Pet. Rates	Non-selected Co.	0.28%	6.14%	86.16%	5.29%	26.38%
PRC-wide Entity	33.28%	PRC-wide	Not reviewed	n/a	n/a	n/a	n/a	33.28%

Status	Rate to assign
Individually Examined in CVD AR1.....	CVD AR1 own-rate
Non-selected in CVD AR1.....	CVD AR1 non-selected rate (simple average of CVD AR1 mandates)
Did not participate in CVD AR1.....	CVD Investigation Rate for "All Others"
CVD AR1 AFA.....	CVD Investigation Rate for "All Others"

Notes

¹ Aluminum LTAR

² Bloomberg-derived pass-through rate

³ Domestic subsidy passed through

⁴ Margin net of adjustments: for cash deposit and liquidation assessment instructions to be issued to CBP