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June 3, 2016

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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

SUBJECT: Decision Memorandum for the Preliminary Results of the
Countervailing Duty Administrative Review of Aluminum
Extrusions from the People's Republic of China; 2014

Summary

The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on aluminum extrusions from the People's Republic of China (PRC). The period of review (POR) is January 1, 2014 through December 31, 2014. This administrative review was requested by the Aluminum Extrusions Fair Trade Committee, *et al.* (Petitioner). The two mandatory respondents are: (1) the Jangho Companies, which includes the following cross-owned members of the Jangho Group: Jangho Group Co., Ltd. (Jangho Group Company), Guangzhou Jangho Curtain Wall System Engineering Co., Ltd. (Guangzhou Jangho), Beijing Jangho Curtain Wall System Engineering Co., Ltd. (Beijing Jangho), Shanghai Jangho Curtain Wall System Engineering Co., Ltd. (Shanghai Jangho), and Chengdu Jangho Curtain Wall System Engineering Co., Ltd. (Chengdu Jangho), as well as Jangho Group Company's corporate parents, Beijing Jiangheyuan Holding Com., Ltd. (Beijing Jiangheyuan), and Xinjiang Jianghe Huizhong Equity Investment Limited Partnership (Jianghe Huizhong);¹ and (2)

¹ For purposes of this administrative review, "Jangho" refers to the crossed-owned entity consisting of the following members and affiliates of the Jangho Group: Guangzhou Jangho Curtain Wall System Engineering Co., Ltd. (Guangzhou Jangho); Guangzhou Jangho's parent company, Jangho Group Co., Ltd. (Jangho Group Company); Jangho Group Company's corporate parent, Beijing Jiangheyuan Holding Co., Ltd. (Beijing Jiangheyuan), and Jangho Group Company's producer subsidiaries, Beijing Jangho Curtain Wall System Engineering Co., Ltd. (Beijing Jangho); Shanghai Jangho Curtain Wall System Engineering Co., Ltd. (Shanghai Jangho), and Chengdu Jangho Curtain Wall System Engineering Co., Ltd. (Chengdu Jangho). As stated above, we have used "Jangho" to refer to the cross-owned entity. We have used "the Jangho Group" and "Jangho Group" to refer to the corporate group consisting of Jangho Group Company and its subsidiaries (*i.e.*, not including Beijing Jiangheyuan and Jangho Group Company's other corporate parent, Xinjiang Jianghe Huizhong Equity Investment Limited Partnership (Jianghe Huizhong)). We have used "the Jangho Companies," to refer to the members of the Jangho Group as well



Zhongya, which includes: Guangdong Zhongya Aluminium Company Limited (Guangdong Zhongya), Zhaoqing New Zhongya Aluminum Co., Ltd. (Zhaoqing New Zhongya), and New Zhongya Aluminum Factory.² Based on information submitted on the record of this review, we preliminarily find that Jangho and Zhongya received countervailable subsidies during the POR.

If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection (CBP) to assess countervailing duties on all appropriate entries of subject merchandise entered during the POR. Interested parties are invited to comment on these preliminary results. Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), we intend to issue the final results no later than 120 days after publication of these preliminary results.

Background

On May 26, 2011, we published a CVD order on aluminum extrusions from the PRC.³ On May 1, 2015, we published a notice of “Opportunity to Request Administrative Review” of the CVD order for the calendar year 2014.⁴ We received requests for review of 190 companies. In accordance with 19 CFR 351.221(c)(1)(i), we published a notice initiating this administrative review on July 1, 2015.⁵

In the *Initiation Notice*, we stated our intention to select respondents based on CBP data for U.S. imports during the POR.⁶ However, as explained in the *Initiation Notice*,⁷ as well as in memoranda subsequently placed on the record of this review,⁸ because of data inconsistencies stemming from the wide variety of individual aluminum extrusion products included in the scope of the *Order*, we were precluded from relying on volume data in determining the largest PRC

as Beijing Jiangheyuan and Jianghe Huizhong. Further, Jangho Curtain Wall Hong Kong Ltd. (Jangho HK) is an affiliated Hong Kong reseller/trading company and member of the Jangho Group. For these preliminary results, we are treating Jangho HK as a Hong Kong, or non-PRC company, and as such, we are not making a cross-ownership determination or attributing any subsidies to Jangho HK, consistent with 19 CFR 351.525(b)(6) and (7).

² For these preliminary results, we are treating Zhongya Shaped Aluminum (HK) Holding Limited (Zhongya HK) and Karlton Aluminum Company Ltd. (Karlton) as Hong Kong, or non-PRC companies, and as such, we are not making a cross-ownership determination or attributing any subsidies to Zhongya HK or Karlton, consistent with 19 CFR 351.525(b)(6) and (7). Any shipments of subject merchandise to the United States by Zhongya HK or Karlton will be subject to the Department’s cash deposit requirements, as set forth in the section of this notice entitled, “Cash Deposit Requirements.”

³ See *Aluminum Extrusions from the People’s Republic of China: Countervailing Duty Order*, 76 FR 30653 (May 26, 2011) (Order).

⁴ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 80 FR 24898 (May 1, 2015).

⁵ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 80 FR 37588, 37593 (Initiation Notice).

⁶ See *Initiation Notice*, at 80 FR at 37589.

⁷ *Id.*

⁸ See Department Memorandum regarding respondent selection, dated September 29, 2015; see also Department Memorandum regarding selection of additional respondents, dated October 9, 2015, and Department Memorandum regarding, “Placing U.S. Customs and Border Protection Data on the Record for the Purpose of Identifying Companies to Receive a Quantity and Value Questionnaire,” dated July 13, 2015 (Analysis of CBP Data Memorandum).

exporters of subject merchandise. Instead, we issued a quantity and value (Q&V) questionnaire to 10 companies accounting for the largest import values, as reflected in the CBP data.⁹ We received timely Q&V responses from each of the companies, including *pro se* companies, required to submit such responses.¹⁰ In addition, as indicated in the *Initiation Notice*, we posted the Q&V questionnaire to the Department's web site. In response, we received either Q&V responses or no-shipment letters from 22¹¹ additional companies.^{12,13}

On September 29, 2015, the Department decided to individually examine Jiaxing Jackson Travel Products Co., Ltd. (Jiaxing) and Union Industry (Asia) Co., Limited (Union) based on information received in the Q&V responses.¹⁴ On that same day, Petitioner submitted its request for withdrawal of administrative review covering 131 companies, including Jiaxing and Union.¹⁵ After receiving all withdrawal requests,¹⁶ the Department selected two additional mandatory respondents for individual examination: the Jangho Companies and Zhongya. On October 29, 2015, the Department issued an initial CVD questionnaire to the Government of the People's Republic of China (GOC) and instructed the GOC to forward the questionnaire to the two mandatory respondents. On that same day, the Department also sent courtesy copies of our initial questionnaire to the Jangho Companies and Zhongya.¹⁷ We received the Jangho Companies' response to the affiliations questions in the Department's Initial Questionnaire on November 19, 2015.¹⁸ We received the initial questionnaire response from the GOC on December 14, 2015.¹⁹ We received questionnaire responses from the Jangho Companies from December 4, 2015 through December 11, 2015.²⁰ On March 10, 2016, we issued a supplemental

⁹ See Department Memorandum to the File regarding "Issuance of Quantity and Value Questionnaires," dated July 31, 2015 (the Q&V Issuance Memorandum). As explained in this memorandum, because we did not have contact information for New Zhongya Aluminum Factory (Zhongya) at the time of issuance of the memorandum. We included an additional company, *i.e.*, Dongguan Aoda Aluminum Co. Ltd., to insure a large enough pool from which to select mandatory respondents for the instant review period.

¹⁰ See the Department's Q&V Questionnaire.

¹¹ These companies include the mandatory respondent, the Jangho Companies.

¹² See the Q&V Issuance Memorandum.

¹³ See letters submitted to the Department from outside parties during July and August, 2015.

¹⁴ See respondent selection memorandum regarding, "2014 Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China," dated September 29, 2015.

¹⁵ See Petitioner's letter regarding, "Aluminum Extrusions from the People's Republic of China: Withdrawal of Request for Administrative Review (Petitioner's Withdrawal Letter)," dated September 29, 2015.

¹⁶ See letter from Carrand Companies, Inc. regarding, Aluminum Extrusions from the People's Republic of China: Withdrawal of Review Request," dated July 31, 2015, and the Petitioner's Withdrawal Letter.

¹⁷ See letter from the Department to Jangho regarding, "Initial Questionnaire," dated October 20, 2015 (the Department's Initial Questionnaire to the Jangho Companies), letter from the Department to Zhongya regarding "Initial Questionnaire," dated October 20, 2015 (the Department's Initial Questionnaire to Zhongya) and letter from the Department to the GOC regarding "Initial Questionnaire," dated October 20, 2015 (the Department's Initial Questionnaire to the GOC).

¹⁸ See Letter from the Jangho Companies to the Department regarding, "Aluminum Extrusions from the People's Republic of China: Jangho's Cross-Ownership / Affiliations Response," dated November 19, 2015 (the Jangho Companies' Affiliations Response).

¹⁹ See submission from the GOC regarding, "Aluminum Extrusions from China; 4th CVD Administrative Review GOC Initial Questionnaire Response," dated December 14, 2015 (the GOC's Initial Response).

²⁰ Responses to Sections II and III of the Questionnaire were received from the following Jangho Companies entities and on the following dates: (1) Guangzhou Jangho on December 11, 2015 (Guangzhou Jangho's Initial Response); (2) Jangho Group Company on December 10, 2015 (Jangho Group Company's Initial Response); (3) Beijing

questionnaire to the Jangho Companies.²¹ On March 30, 2016, we received the Jangho Companies' response to this supplemental questionnaire.²² On March 22, 2016, we issued a supplemental questionnaire to the GOC.²³ On April 13, 2016, the GOC responded to this supplemental questionnaire.²⁴ On April 8, 2016, we issued a second supplemental questionnaire to the Jangho Companies.²⁵ On April 19, 2016, we received the Jangho Companies' response to the Department's April 8, 2016, Supplemental Questionnaire.²⁶ On April 20, 2016, we issued a third supplemental questionnaire to the Jangho Companies.²⁷ On April 25, 2016, we received the Jangho Companies' response to the Department's April 20, 2016 Supplemental Questionnaire.²⁸ On May 4, we issued a fourth supplemental questionnaire to the Jangho Companies.²⁹ On May 10, 2016 we received the Jangho Companies' response to the Department's May 4, 2016, Supplemental Questionnaire.³⁰

Jiangheyuan on December 4, 2015 (Beijing Jiangheyuan's Initial Response); (4) Xinjiang Jianghe Huizhong Equity Investment Limited Partnership on December 7, 2015 (Jianghe Huizhong's Initial Response); (5) Shanghai Jangho on December 10, 2015 (Shanghai Jangho's Initial Response); (6) Beijing Jangho on December 11, 2015 (Beijing Jangho's Initial Response); and (7) Chengdu Jangho on December 11, 2015 (Chengdu Jangho's Initial Response). Hereinafter, references to individual responses are specified, where applicable, and serve to represent responses submitted on behalf of the Jangho Companies.

²¹ See Letter from the Department to the Jangho Companies regarding, "Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: First Supplemental Questionnaire to the Jangho Group," dated March 10, 2016 (the Department's March 10, 2016, Supplemental Questionnaire).

²² See Letter from the Jangho Companies to the Department regarding, "Aluminum Extrusions from the People's Republic of China: Supplemental Questionnaire Response," dated March 30, 2016 (the Jangho Companies' March 30, 2016, Supplemental Response).

²³ See Letter from the Department to the GOC regarding, "Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: First Supplemental Questionnaire to the Government of the People's Republic of China," dated March 22, 2016 (the Department's March 22, 2016, Supplemental Questionnaire to the GOC).

²⁴ See Letter from the GOC to the Department, "Aluminum Extrusions from China; 4th CVD Administrative Review GOC 1st Supplemental Questionnaire Response," dated April 13, 2016 (the GOC's April 13, 2016, Supplemental Response).

²⁵ See Letter from the Department to the Jangho Companies regarding, "Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: First {sic.} Supplemental Questionnaire to the Jangho Group," dated April 8, 2016 (the Department's April 8, 2016, Supplemental Questionnaire).

²⁶ See Letter from the Jangho Companies to the Department regarding, "Aluminum Extrusions from the People's Republic of China: 2nd Supplemental Questionnaire Response," dated April 19, 2016 (the Jangho Companies' April 19, 2016, Supplemental Response).

²⁷ See Letter from the Department to the Jangho Companies regarding, "Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: First {sic.} Supplemental Questionnaire to the Jangho Group," dated April 20, 2016 (the Department's April 20, 2016, Supplemental Questionnaire).

²⁸ See Letter from the Jangho Companies to the Department regarding, "Aluminum Extrusions from the People's Republic of China: 3rd Supplemental Questionnaire Response," dated April 25, 2016 (the Jangho Companies' April 25, 2016, Supplemental Response).

²⁹ See Letter from the Department to the Jangho Companies regarding, "Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: Fourth Supplemental Questionnaire to the Jangho Group," dated May 4, 2016 (the Department's May 4, 2016, Supplemental Questionnaire).

³⁰ See Letter from the Jangho Companies to the Department regarding, "Aluminum Extrusions from the People's Republic of China: 4th Supplemental Questionnaire Response," dated May 10 2016 (the Jangho Companies' May

On November 23, 2015, we received a letter from Zhongya indicating that it would not be responding to the Department's questionnaires in the instant administrative review (for further information, refer to the section of this memorandum entitled, "Use of Facts Otherwise Available and Adverse Inferences").³¹

On April 18, 2016, we received comments from interested parties regarding price data for glass and aluminum extrusions for use as benchmark data.³² On April 28, 2016, we received rebuttal comments from interested parties regarding price data for glass and aluminum extrusions for use as benchmark data.³³ On May 16, we issued a fifth supplemental questionnaire to the Jangho Companies regarding the Jangho Companies Benchmark Submission.³⁴ On May 18, 2016, we received the Jangho Companies' response to this fifth supplemental questionnaire.³⁵

From December 17, 2015 through December 22, 2015, Petitioner filed deficiency comments on the Jangho Companies' questionnaire responses.³⁶ Also, on December 29, 2015, Petitioner filed deficiency comments on the GOC's questionnaire responses.³⁷

10, 2016, Supplemental Response).

³¹ See Letter from Zhongya to the department regarding "Aluminum Extrusions from China: Antidumping (AD) And Countervailing Duty (CVD) Questionnaires," dated November 23, 2015 (Zhongya's No Response Letter).

³² See letter from Petitioner to the Department regarding, "*Aluminum Extrusions from the People's Republic of China: Submission of Factual Information - Benchmark Data*," dated April 18, 2016. See also letter from the Jangho Companies to the Department regarding "2014 Administrative Review of Aluminum Extrusions from the People's Republic of China: Submission of Factual Information- Benchmark Data," dated April 18, 2016.

³³ See letter from Petitioner to the Department regarding, "Aluminum Extrusions from the People's Republic of China: Submission of Rebuttal Benchmark Information," dated April 28, 2016 (Petitioner's Benchmark Submission). See also letter from the Jangho Companies to the Department regarding "Aluminum Extrusions from the People's Republic of China: Rebuttal Benchmark Comments," dated April 28, 2016 (the Jangho Companies' Benchmark Submission).

³⁴ See Letter from the Department to the Jangho Companies regarding, "Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: Fourth Supplemental Questionnaire to the Jangho Group," dated May 16, 2016 (the Department's May 16, 2016, Supplemental Questionnaire).

³⁵ See Letter from the Jangho Companies to the Department regarding, "Aluminum Extrusions from the People's Republic of China: 5th Supplemental Questionnaire Response," dated May 18 2016 (the Jangho Companies' May 18, 2016, Supplemental Response).

³⁶ See letter from Petitioner regarding, "Aluminum Extrusions from the People's Republic of China: Deficiency Comments on Countervailing Duty Questionnaire Responses of Jangho Group Companies," dated December 17, 2015. See also letter from Petitioner regarding, "Aluminum Extrusions from the People's Republic of China: Deficiency Comments on Countervailing Duty Questionnaire Responses of Guangzhou Jangho Curtain Wall System Engineering Co., Ltd. and Jangho Curtain Wall Hong Kong Ltd.," dated December 21, 2015. Further, see letter from Petitioner regarding, Aluminum Extrusions from the People's Republic of China: Deficiency Comments on Countervailing Duty Questionnaire Responses of Jangho Group," dated December 22, 2015.

³⁷ See letter from Petitioner regarding, "Aluminum Extrusions from the People's Republic of China: Comments on Questionnaire Responses of the Government of the People's Republic of China," dated December 29, 2015.

Intent to Partially Rescind Review

For those companies for which we received timely requests for withdrawal, we intend to rescind the instant administrative review for certain companies, pursuant to 19 CFR 351.213(d)(1). Those companies are listed in the *Federal Register* notice issued concurrently with this decision memorandum.

We also intend to rescind the instant administrative review for those companies for which we received a certification of no shipments to the United States during this POR. Between July 13, 2015 and September 1, 2015, the Department received no shipment certification letters from the following companies: Bracalente Metal Products (Suzhou) Co., Ltd., Danfoss Micro Channel Heat Exchangers (Jia Xing) Co., Ltd., Ever Extend Ent. Ltd., IDEX Dinglee Technology (Tiajin) Co., Ltd., IDEX Suzhou Co., Ltd., IDEX Health, Permasteelisa Hong Kong Limited, Permasteelisa South China Factory, Ningbo Yili Import & Export, Co. Ltd., Guang Dong Xin Wei Aluminum Co., Ltd., Xin Wei Aluminum Co., Ltd., and Xin Wei Aluminum Co., Ltd. Consistent with our practice, the Department requested that CBP conduct a query on potential shipments made by these companies during the POR. CBP provided no evidence that contradicted their claims of no shipments. Based on their no-shipment certifications and our analysis of the CBP information, we preliminarily determine that each of these companies had no shipments during the POR. Additionally, we did not receive comments from Petitioner regarding the no shipments claims received to date. Therefore, in accordance with 19 CFR 351.213(d)(3), we intend to rescind the review with respect to these companies. Those companies are also listed in the *Federal Register* notice issued concurrently with this decision memorandum.

Extension of Preliminary Results

We determined that it was not practicable to complete the preliminary results of review within the statutory time frame of 245 days after the last day of the anniversary month for which this administrative review was requested. Therefore, in accordance with section 751(a)(3)(A) of the Act, the Department extended the deadline for the preliminary results of the instant administrative review by 100 days, until May 10, 2016. Because of government closure due to a weather event, the Department tolled this deadline by four business days.³⁸ Further, the Department extended the deadline by an additional 20 days, until June 3, 2016, in accordance with section 751(a)(3)(A) of the Act.³⁹

Scope of the Order

The merchandise covered by the 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

³⁸ See Tolling of Administrative Deadlines as a Result of the Government Closure during Snowstorm ‘Jonas,’ dated January 27, 2016.

³⁹ See Department Memorandum to The File regarding “Aluminum Extrusions from the People’s Republic of China: Preliminary Results of the 2014 Antidumping Duty Administrative Review,” dated June 1, 2016.

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 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 brightdip 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 millimeters ("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): 9031.90.90.95, 7616.10.90.90, 7609.00.00, 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, 8414.59.60.90,

8415.90.80.45, 8418.99.80.05, 8418.99.80.50, 8418.99.80.60, 8419.90.10.00, 8422.90.06.40, 8473.30.20.00, 8473.30.51.00, 8479.90.85.00, 8486.90.00.00, 8487.90.00.80, 8503.00.95.20, 8508.70.00.00, 8515.90.20.00, 8516.90.50.00, 8516.90.80.50, 8517.70.00.00, 8529.90.73.00, 8529.90.97.60, 8536.90.80.85, 8538.10.00.00, 8543.90.88.80, 8708.29.50.60, 8708.80.65.90, 8803.30.00.60, 9013.90.50.00, 9013.90.90.00, 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, 9403.90.80.41, 9403.90.80.51, 9403.90.80.61, 9506.11.40.80, 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.

There have been numerous scope rulings issued with regard to this Order. For further information, refer to the listing of these scopes rulings at the webpage entitled, Final Scope Rulings on the website of Enforcement and Compliance located at <http://enforcement.trade.gov/download/prc-ae/scope/prc-ae-scope-index.html>.

Subsidies Valuation Information

Allocation Period

We preliminarily determine that the average useful life (AUL) period in this proceeding is 12 years, consistent with 19 CFR 351.524(d)(2), and the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System, as revised. No party in this proceeding disputed this allocation period. For non-recurring subsidies, we applied the "0.5 percent expense test" described in 19 CFR 351.524(b)(2). Under this test, we compare the amount of subsidies approved under a given program in a particular year to sales (total sales or total export sales, as appropriate) for the same year. If the amount of subsidies is less than 0.5 percent of the relevant sales, then the benefits are expensed to the year of receipt rather than allocated over the AUL period.

Attribution of Subsidies

In accordance with 19 CFR 351.525(a), we calculated *ad valorem* subsidy rates by dividing the amount of the benefit by the appropriate sales value during the same period. We determined sales values on a free-on-board (FOB) basis. In accordance with 19 CFR 351.525(b)(2), we are attributing export subsidies only to products exported by a firm. In accordance with 19 CFR

351.525(b)(3), we are attributing domestic subsidies to all products sold by the firm, including products that were exported.

Additionally, the Department's regulations at 19 CFR 351.525(b)(6)(i) state that the Department will normally attribute a subsidy to the products produced by the corporation that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(iv) directs the Department to attribute subsidies received by certain other companies to the combined sales of the recipient and other companies if: (1) cross-ownership exists between the companies, and (2) the cross-owned companies produce the subject merchandise, are a holding or parent company of the subject company, produce an input that is primarily dedicated to the production of the downstream product, or transfer a subsidy to a cross-owned company.

According to 19 CFR 351.525(b)(6)(vi), cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. This section of the Department's regulations states that this standard will normally be met where there is a majority voting interest between two corporations or through common ownership of two (or more) corporations. The *Preamble* to the Department's regulations further clarifies the Department's cross-ownership standard. According to the *Preamble*, relationships captured by the cross-ownership definition include those where:

the interests of two corporations have merged to such a degree that one corporation can use or direct the individual assets (or subsidy benefits) of the other corporation in essentially the same way it can use its own assets (or subsidy benefits).... Cross-ownership does not require one corporation to own 100 percent of the other corporation. Normally, cross-ownership will exist where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. In certain circumstances, a large minority voting interest (for example, 40 percent) or a "golden share" may also result in cross-ownership.⁴⁰

Thus, the Department's regulations make clear that the agency must look at the facts presented in each case in determining whether cross-ownership exists. The U.S. Court of International Trade (CIT) upheld the Department's authority to attribute subsidies based on whether a company could use or direct the subsidy benefits of another company in essentially the same way it could use its own subsidy benefits.⁴¹

Jangho

The Jangho Companies include several entities involved in the production, sale, and export of subject merchandise.

⁴⁰ See *Countervailing Duties; Final Rule*, 63 FR 65348, 65401 (November 25, 1998) (*Preamble*).

⁴¹ See *Fabrique de Fer de Charleroi v. United States*, 166 F. Supp. 2d 593, 600-604 (CIT 2001).

As explained above, the Jangho Companies reported that Guangzhou Jangho was a producer of subject merchandise which was sold to the United States during the POR through its affiliate Jangho HK, a Hong Kong reseller/trading company.⁴² The Jangho Companies also reported that Guangzhou Jangho's parent company, Jangho Group Company, and three other affiliates of Guangzhou Jangho (Beijing Jangho, Shanghai Jangho, and Chengdu Jangho) produced subject merchandise that was sold domestically and not exported to the United States.⁴³ The Jangho Companies also reported that Guangzhou Jangho, Beijing Jangho, Shanghai Jangho, and Chengdu Jangho were each wholly owned by Jangho Group Company.⁴⁴ Further, the Jangho Companies reported that Beijing Jiangheyuan and Jianghe Huizhong are the parent companies of Jangho Group Company. These two companies are holding or investment companies and, apart from their direct or ultimate ownership of the above-mentioned producers, are not producers of subject merchandise.⁴⁵

Because Guangzhou Jangho, Beijing Jangho, Shanghai Jangho, and Chengdu Jangho are wholly-owned by Jangho Group Co., we find that these companies are cross-owned within the meaning of 19 CFR 351.525(b)(6)(vi). Record evidence further demonstrates that Beijing Jiangheyuan and Jangho Group Company are cross-owned within the meaning of 19 CFR 351.525(b)(6)(vi).⁴⁶ Consequently, we find Beijing Jiangheyuan, Jangho Group Company, Guangzhou Jangho, Beijing Jangho, Shanghai Jangho, and Chengdu Jangho to all be cross-owned with each other, in accordance with 19 CFR 351.525(b)(6)(vi).⁴⁷ Record evidence demonstrates that Jangho Group Company is a producer of subject merchandise, as are its subsidiaries Guangzhou Jangho, Beijing Jangho, Shanghai Jangho, and Chengdu Jangho.⁴⁸ Because Guangzhou Jangho, Beijing Jangho, Shanghai Jangho, and Chengdu Jangho are cross-owned members of the Jangho Group

⁴² See, e.g., Jangho's Affiliations Response at 1-2 and Jangho Group Company's Initial Response at III-3 – III-11. Jangho also reported that Jangho Group Company has three "branches" which are intrinsic parts of Jangho Group Company, and not separate legal entities, which served as processors of subject merchandise. Information related to these "branches" are included Jangho Group Company's responses. See, e.g., Jangho's Affiliations Response at 1-2 and Jangho Group Company's Initial Response at III-2 – III-11, Exhibit CDB-1 – Exhibit CDB-3, Exhibit CQ-1 – Exhibit CQ-3, Exhibit DG-1 – Exhibit DG-3, and Exhibit HB-1 – Exhibit HB-3.

⁴³ See, e.g., Jangho's Affiliations Response at 1-2, Beijing Jangho's Initial Response at III-3 – III-8, Shanghai Jangho's Initial Response at III-3 – III-8, and Chengdu Jangho's Initial Response at III-4 – III-4 and III-8 – III-9.

⁴⁴ See, e.g., Jangho's Affiliations Response at 1-2, Jangho Group Company's Initial Response at III-3 – III-11, Beijing Jangho's Initial Response at III-3 – III-8, Shanghai Jangho's Initial Response at III-3 – III-8, and Chengdu Jangho's Initial Response at III-4 – III-4 and III-8 – III-9.

⁴⁵ See, e.g., Jangho's Affiliations Response at 1-2; Jangho Group Company's Initial Response at III-3 – III-11, Beijing Jiangheyuan's Initial Response at III-2, and III-4 – III-10; Jianghe Huizhong's Initial Response at III-3, III-5 – III-6, and III-8 – III-10; and the Jangho Companies' April 19, 2016, Supplemental Response at 21 – 27.

⁴⁶ For further details, which are proprietary, see Department Memorandum regarding "2014 Countervailing Duty Administrative Review of Aluminum Extrusions from the People's Republic of China: Affiliations and Cross Ownership within the Jangho Group," dated concurrently with, and hereby adopted by, this preliminary decision memorandum. (Jangho Cross Ownership Memorandum).

⁴⁷ Record evidence indicates that Jianghe Huizhong is not cross-owned under 19 CFR 351.525(b)(6)(vi). See Jangho Cross Ownership Memorandum.

⁴⁸ See, e.g., the Jangho Companies' November 4, 2015, Affiliation Response at Exhibits 1 and 2; Jangho Group Company's Initial Response at III-11, Beijing Jangho's Initial Response at III-3, Shanghai Jangho's Initial Response at III-3, Chengdu Jangho's Initial Response at III-4 and III-6, and the Jangho Companies' First Supplemental Questionnaire Response at 2 to 5.

that produce subject merchandise, and because Jangho Group Company is a cross-owned producer parent company of these firms, we are attributing subsidies received by Guangzhou Jangho, Beijing Jangho, Shanghai Jangho, and Chengdu Jangho to the products produced by Guangzhou Jangho, Beijing Jangho, Shanghai Jangho, Chengdu Jangho, and Jangho Group Company (*i.e.*, Jangho Group Company's non-consolidated sales), in accordance with 19 CFR 351.525(b)(6)(ii).⁴⁹ Because Jangho Group Company is a cross-owned parent company producer, we are attributing subsidies received by Jangho Group Company to the products produced by Jangho Group Company and all of Jangho Group Company's PRC subsidiaries, in accordance with 19 CFR 351.525(b)(6)(iii).⁵⁰

Also, because Beijing Jiangheyuan is a cross-owned parent holding company, we would normally attribute subsidies received by Beijing Jiangheyuan to the products produced by Beijing Jiangheyuan and all of Beijing Jiangheyuan's PRC subsidiaries, in accordance with 19 CFR 351.525(b)(6)(iii). However, in the Jangho Companies' Initial Response, the Jangho Companies reported only Beijing Jiangheyuan's sales, rather than the consolidated sales of itself and its PRC subsidiaries.⁵¹ Also, Beijing Jiangheyuan's 2014 financial statement does not include the consolidated sales of itself and its PRC subsidiaries.⁵² In the Department's May 4, 2016, Supplemental Questionnaire, we asked the Jangho companies to provide "the consolidated sales of Beijing Jiangheyuan and all of its subsidiaries, in accordance with 19 CFR 351.525(b)(6)(iii)."⁵³ In the Jangho Companies' May 10, 2016, Supplemental Response, the Jangho Companies responded "Beijing Jiangheyuan does not have consolidated sales with its subsidiaries."⁵⁴ The Jangho Companies provided no further explanation why it could not provide the requested information. Therefore, we are attributing subsidies received by Beijing Jiangheyuan to Beijing Jiangheyuan's sales (exclusive of the sales of its non-cross owned PRC subsidiaries), and the sales of its cross-owned affiliates.⁵⁵

⁴⁹ We have attributed export subsidies to the export sales, have excluded service sales, and have excluded intercompany sales between the collapsed producers or used the consolidated sales of Jangho Group Company in all such calculations.

⁵⁰ We are not making a cross-ownership determination or attributing any subsidies to Jangho Hong Kong, a Hong Kong entity, consistent with 19 CFR 351.525(b)(6) and (7). *See* Jangho Cross Ownership Memorandum.

⁵¹ *See* Beijing Jiangheyuan's Initial Response at Exhibit JY-6.

⁵² *Id.*, at Exhibit JY-3, and Beijing Jiangheyuan's 2014 Financial Statement.

⁵³ The Department's regulations at section 19 CFR 351.525(b)(6)(iii) provides: "*Holding or parent companies.* If the firm that received a subsidy is a holding company, including a parent company with its own operations, the Secretary will attribute the subsidy to the consolidated sales of the holding company and its subsidiaries. However, if the Secretary finds that the holding company merely served as a conduit for the transfer of the subsidy from the government to a subsidiary of the holding company, the Secretary will attribute the subsidy to products sold by the subsidiary."

⁵⁴ *See* the Jangho Companies' May 10, 2016, Supplemental Response at 3.

⁵⁵ *See* Beijing Jiangheyuan's Initial Response at Exhibit JY-6. *See also*, Department Memorandum regarding "Countervailing Duty Administrative Review - Aluminum Extrusions from the People's Republic of China: Preliminary Analysis Memorandum for the Jangho Companies," dated concurrently with, and hereby adopted by, this preliminary decision memorandum (the Jangho Group Companies' Preliminary Analysis Memorandum), at "Attribution of Subsidies."

Loan Benchmark Rates

We are examining loans received by the respondents from Chinese policy banks and state-owned commercial banks (SOCBs), as well as non-recurring, allocable subsidies.⁵⁶ The derivation of the benchmark and discount rates used to value these subsidies are discussed below.

Short-Term RMB Denominated Loans

Section 771(5)(E)(ii) of the Act explains that the benefit for loans is the “difference between the amount the recipient of the loan pays on the loan and the amount the recipient would pay on a comparable commercial loan that the recipient could actually obtain on the market.” Normally, the Department uses comparable commercial loans reported by the company as a benchmark.⁵⁷ If the firm did not have any comparable commercial loans during the period, the Department’s regulations provide that we “may use a national average interest rate for comparable commercial loans.”⁵⁸ As noted above, section 771(5)(E)(ii) of the Act indicates that the benchmark should be a market-based rate.

For the reasons explained in *CFS from the PRC*,⁵⁹ loans provided by Chinese banks reflect significant government intervention in the banking sector and do not reflect rates that would be found in a functioning market. Because of this, any loans received by respondents from private Chinese or foreign-owned banks would be unsuitable for use as benchmarks under 19 CFR 351.505(a)(2)(i). Similarly, we cannot use a national interest rate for commercial loans as envisaged by 19 CFR 351.505(a)(3)(ii). There is no new information on the record of this review that would lead us to deviate from our prior determinations regarding government intervention in the PRC’s banking sector.⁶⁰ Therefore, because of the special difficulties inherent in using a Chinese benchmark for loans, the Department is selecting an external market-based benchmark interest rate.⁶¹ The use of an external benchmark is consistent with the Department’s practice.⁶²

We first developed in *CFS from the PRC*,⁶³ and more recently updated in *Thermal Paper from the PRC*,⁶⁴ the methodology used to calculate the external benchmark. Under that methodology,

⁵⁶ See 19 CFR 351.524(b)(1).

⁵⁷ See 19 CFR 351.505(a)(3)(i).

⁵⁸ See 19 CFR 351.505(a)(3)(ii).

⁵⁹ See *Coated Free Sheet Paper from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 72 FR 60645 (October 25, 2007) (*CFS from the PRC*), and accompanying Issues and Decision Memorandum at Comment 10.

⁶⁰ See the section entitled “Policy Loans to Chinese Aluminum Extrusions Producers,” below.

⁶¹ See World Bank Country Classification <http://econ.worldbank.org/>; see also Department Memorandum regarding “Administrative Review of Countervailing Duty Order on Aluminum Extrusions from the People’s Republic of China: Interest Rate Benchmark Memorandum,” dated concurrently with, and hereby adopted by, this preliminary decision memorandum.

⁶² See *Notice of Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Certain Softwood Lumber Products from Canada*, 67 FR 15545 (April 2, 2002), and accompanying Issues and Decision Memorandum at “Analysis of Programs, Provincial Stumpage Programs Determined to Confer Subsidies, Benefit.”

⁶³ See *CFS from the PRC*, and accompanying Issues and Decision Memorandum at Comment 10.

we first determine which countries are similar to the PRC in terms of gross national income, based on the World Bank's classification of countries as: low income; lower-middle income; upper-middle income; and high income. For 2001 through 2009, the PRC fell in the lower-middle income category.⁶⁵ Beginning with 2010, however, the PRC is in the upper-middle income category and remained there for 2011 to 2014.⁶⁶ Accordingly, as explained below, we are using the interest rates of lower-middle income countries to construct the benchmark and discount rates for 2001 – 2009, and the interest rates of upper-middle income countries to construct the benchmark and discount rates for 2010 – 2014. As explained in *CFS from the PRC*, by pooling countries in this manner, we capture the broad inverse relationship between income and interest rates.

After identifying the appropriate interest rates, the next step in constructing the benchmark is to incorporate an important factor in the interest rate formation – the strength of governance as reflected in the quality of the countries' institutions. The strength of governance has been built into the analysis by using a regression analysis that relates the interest rates to governance indicators.

In each year from 2001 – 2009, and 2011 – 2014, the results of the regression-based analysis reflected the intended, common sense result: stronger institutions meant relatively lower real interest rates, while weaker institutions meant relatively higher real interest rates. For 2010, however, the regression does not yield that outcome for the PRC's income group. This contrary result for a single year does not lead the Department to reject the strength of governance as a determinant of interest rates. Therefore, we continue to rely on the regression-based analysis used since *CFS from the PRC* to compute the benchmark for the years from 2001 – 2009, and 2011 – 2014. For the 2010 benchmark, we are using an average of the interest rates of the upper-middle income countries.

Many of the countries in the World Bank's upper-middle and lower-middle income categories reported lending and inflation rates to the International Monetary Fund, and they are included in that agency's international financial statistics (IFS). With the exceptions noted below, we used the interest and inflation rates reported in the IFS for the countries identified as "upper-middle income" by the World Bank for 2010 – 2014, and "lower-middle income" for 2001 – 2009.⁶⁷ First, we did not include those economies that the Department considers to be non-market economies for antidumping purposes for any part of the years in question, for example: Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Turkmenistan. Second, the pool

⁶⁴ See *Lightweight Thermal Paper from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 73 FR 57323 (October 2, 2008) (*Thermal Paper from the PRC*), and accompanying Issues and Decision Memorandum at 8-10.

⁶⁵ See World Bank Country Classification <http://econ.worldbank.org/>; see also Department Memorandum regarding "Administrative Review of Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: Interest Rate Benchmark Memorandum," dated concurrently with, and hereby adopted by, this preliminary decision memorandum.

⁶⁶ See World Bank Country Classification.

⁶⁷ See Department Memorandum regarding "Administrative Review of Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: Interest Rate Benchmark Memorandum," dated June 2, 2015 (Interest Rate Benchmark Memorandum).

necessarily excludes any country that did not report both lending and inflation rates to IFS for those years. Third, we removed any country that reported a rate that was not a lending rate or that based its lending rate on foreign-currency denominated instruments.⁶⁸ Finally, for each year the Department calculated an inflation-adjusted short-term benchmark rate and excluded any countries with aberrational or negative real interest rates for the year in question.⁶⁹ Because the resulting rates are net of inflation, we adjusted the benchmark rates to include an inflation component before comparing them to the interest rates on loans issued to the respondents by state-owned commercial banks (SOCBs).⁷⁰

Long-Term RMB-Denominated Loans

The lending rates reported in the IFS represent short- and medium-term lending, and there are not sufficient publicly available long-term interest rate data upon which to base a robust benchmark for long-term loans. To address this problem, the Department developed an adjustment to the short- and medium-term rates to convert them to long-term rates using Bloomberg U.S. corporate BB-rated bond rates.⁷¹

In *Citric Acid from the PRC*, this methodology was revised by switching from a long-term markup based on the ratio of the rates of BB-rated bonds to applying a spread which is calculated as the difference between the two-year BB bond rate and the n-year BB bond rate, where ‘n’ equals or approximates the number of years of the term of the loan in question.⁷² Finally, because these long-term rates are net of inflation as noted above, we adjusted the benchmark to include an inflation component.⁷³

Foreign Currency-Denominated Loans

To calculate benchmark interest rates for foreign currency-denominated loans, the Department is following the methodology developed over a number of successive PRC proceedings. For U.S. dollar short-term loans, the Department used as a benchmark the one-year dollar London Interbank Offering Rate (LIBOR), plus the average spread between LIBOR and the one-year corporate bond rates for companies with a BB rating. Likewise, for any short-term loans denominated in other foreign currencies, we used as a benchmark the one-year LIBOR for the given currency plus the average spread between the LIBOR rate and the one-year corporate bond rate for companies with a BB rating.

⁶⁸ For example, in certain years Jordan reported a deposit rate, not a lending rate, and Ecuador and Timor L’Este reported dollar-denominated rates; therefore, such rates have been excluded.

⁶⁹ For example, we excluded Brazil from the 2010 and 2011 benchmarks because the country’s real interest rate was 34.95 percent and 37.25 percent, respectively. See Interest Rate Benchmark Memorandum.

⁷⁰ See Interest Rate Benchmark Memorandum for the adjusted benchmark rates including an inflation component.

⁷¹ See *Light-Walled Rectangular Pipe and Tube from the People’s Republic of China: Final Affirmative Countervailing Duty Investigation Determination*, 73 FR 35642 (June 24, 2008) (*Light-Walled Pipe from the PRC*), and accompanying Issues and Decision Memorandum at 8.

⁷² See *Citric Acid and Certain Citrate Salts from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 74 FR 16836 (April 13, 2009) (*Citric Acid from the PRC*), and accompanying Issues and Decision Memorandum at Comment 14.

⁷³ See Interest Rate Benchmark Memorandum for the resulting inflation adjusted benchmark lending rates.

For any long-term foreign currency-denominated loans, the Department added the applicable short-term LIBOR rate to a spread which is calculated as the difference between the one-year BB bond rate and the n-year BB bond rate, where “n” equals or approximates the number of years of the term of the loan in question.⁷⁴

Discount Rates

Consistent with 19 CFR 351.524(d)(3)(i)(A), we are using as the discount rate the long-term interest rate calculated according to the methodology described above for the year in which the government provided non-recurring subsidies.⁷⁵

Use of Facts Otherwise Available and Adverse Inferences

Sections 776(a)(1) and (2) of the Act provide that the Department shall, subject to section 782(d) of the Act, apply “facts otherwise available” if necessary information is not on the record or 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.⁷⁶

Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department will so inform the party submitting the response and will, to the extent practicable, provide that party with an opportunity to remedy or explain the deficiency. If the party fails to remedy or satisfactorily explain the deficiency within the applicable time limits, subject to section 782(e) of the Act, the Department may disregard all or part of the original and subsequent responses, as appropriate.

Section 776(b) of the Act further provides that the Department may use an adverse inference in selecting from among the facts otherwise available when a party fails to cooperate by not acting to the best of its ability to comply with a request for information. Further, section 776(b)(2) of the Act states that an adverse inference may include reliance on information derived from the petition, the final determination from the investigation, a previous administrative review, or other

⁷⁴ See Interest Rate Benchmark Memorandum.

⁷⁵ *Id.*

⁷⁶ On June 29, 2015, the President of the United States signed into law the Trade Preferences Extension Act of 2015, which made numerous amendments to the AD and CVD law, including amendments to sections 776(b) and 776(c) of the Act and the addition of section 776(d) of the Act, as summarized below. See *Trade Preferences Extension Act of 2015*, Pub. L. No. 114-27, 129 Stat. 362 (June 29, 2015). The 2015 law does not specify dates of application for those amendments. On August 6, 2015, the Department published an interpretative rule, in which it announced the applicability dates for each amendment to the Act, except for amendments contained to section 771(7) of the Act, which relate to determinations of material injury by the ITC. See *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793 (August 6, 2015). Because the amendments to the Act are applicable to all determinations made on or after August 6, 2015, they apply to this administrative review.

information placed on the record. When selecting an adverse facts available (AFA) rate from among the possible sources of information, the Department's practice is 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."⁷⁷ The Department's practice also ensures "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully."⁷⁸

Section 776(c) of the Act provides that, in general, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise.⁷⁹ Further, under the TPEA, the Department is not required to corroborate any countervailing duty applied in a separate segment of the same proceeding.⁸⁰

Finally, under the new section 776(d) of the Act, when applying an adverse inference, the Department may use a countervailable subsidy rate applied for the same or similar program in a CVD proceeding involving the same country, or, if there is no same or similar program, use a CVD rate for a subsidy program from a proceeding that the Department considers reasonable to use.⁸¹ The TPEA also makes clear that, when selecting facts available with an adverse inference, the Department is not required to estimate what the countervailable subsidy rate would have been if the interested party failing to cooperate had cooperated or to demonstrate that the countervailable subsidy rate reflects an "alleged commercial reality" of the interested party.⁸²

For purposes of this preliminary determination, we are applying AFA with respect to Zhongya as described below under the sub-section entitled, "Application of Adverse Facts Available Rate for Non-Cooperative Mandatory Respondent Zhongya."

Concerning Jangho, we are also applying AFA with regard to the following subsidy programs: (1) "Technology Innovation Assistance Fund" ("Niulanshan Industrial Development Center – Technology Products Fund"), (2) "Enterprise Technology Center Fund," and (3) Trade Promotion and Brand Building Fund" (financial contribution and specificity); and (4) Aluminum Extrusions for LTAR and (5) Glass for LTAR (the "authorities" analysis).

⁷⁷ See, e.g., *Drill Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination, Final Affirmative Critical Circumstances Determination*, 76 FR 1971 (January 11, 2011), and accompanying Issues and Decision Memorandum at "V. Use of Facts Otherwise Available and Adverse Inferences;" *Notice of Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors from Taiwan*, 63 FR 8909, 8932 (February 23, 1998).

⁷⁸ See Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, Vol. I at 870 (1994), reprinted at 1994 U.S.C.C.A.N. 4040, 4199 (SAA).

⁷⁹ See, e.g., SAA at 870.

⁸⁰ See section 776(c)(2) of the Act; TPEA, section 502(2).

⁸¹ See section 776(d)(1) of the Act; TPEA, section 502(3).

⁸² See section 776(d)(3) of the Act; TPEA, section 502(3).

Application of Adverse Facts Available to Non-Cooperative Mandatory Respondent Zhongya

As discussed in the “Background” section above, Zhongya was selected as one of two mandatory respondents in this review. However, Zhongya submitted a letter in response to the Department’s Initial Questionnaire, indicating that it would not be participating in this administrative review, and as such, it did not submit any additional information on the record of this review.⁸³ Additionally, the GOC did not submit Zhongya-related information in response to the Department’s Initial Questionnaire. Based on Zhongya’s non-participation letter, and the lack of any other information submitted on the record of this review pertaining to Zhongya, coupled with the fact that the GOC did not respond to the Department’s request for information as it pertains to Zhongya, we preliminarily find that Zhongya and the GOC withheld information that had been requested and failed to provide information within the established deadlines. Furthermore, by not responding to the Department’s Initial Questionnaire, we determine that Zhongya significantly impeded this segment of the proceeding. Also, because the GOC did not respond to the Department’s Initial Questionnaire as it pertains to Zhongya, we determine that the GOC significantly impeded this segment of the proceeding. Thus, in reaching a preliminary determination, pursuant to sections 776(a)(2)(A), (B) and (C) of the Act, we based the CVD rates for Zhongya and our findings regarding specificity and financial contribution on facts otherwise available.

Moreover, we preliminarily determine that an adverse inference is warranted, pursuant to section 776(b) of the Act, because, by not responding to the Department’s questionnaires regarding Zhongya, neither Zhongya nor the GOC cooperated to the best of its ability to comply with the Department’s requests for information in this administrative review.

For purposes of calculating the AFA rate for the preliminary results of review, the Department finds that all programs that have been countervailed in this proceeding, including those used by Jangho in this segment of the proceeding, and those previously countervailed in prior segments of this proceeding, remain countervailable – that is, they provide a financial contribution within the meaning of sections 771(5)(B)(i) and (D) of the Act, confer a benefit within the meaning of section 771(5)(B) of the Act, and are specific within the meaning of 771(5A) of the Act. We are, therefore, including these programs among those we look to in determining the AFA rate.⁸⁴ Further, we selected an AFA rate for each such program in determining the AFA rate that we applied to Zhongya.

When selecting AFA rates, section 776(d) of the Act provides that the Department may use any countervailable subsidy rate applied for the same or similar program in a countervailing duty proceeding involving the same country, or, if there is no same or similar program, use a countervailable subsidy rate for a subsidy program from a proceeding that the administering authority considers reasonable to use, including the highest of such rates. Because Zhongya failed to participate in this review, consistent with section 776(d) of the Act and our established

⁸³ See Zhongya’s non-participation letter.

⁸⁴ See Appendix I.

practice,⁸⁵ for each subsidy program being reviewed in this segment of the proceeding, we applied the following approach to select the appropriate subsidy rates for the respective programs at issue: (a) we first applied, where available, the highest above *de minimis* subsidy rate calculated for an identical program from any segment of this proceeding; (b) absent such a rate, we applied, where available, the highest above *de minimis* subsidy rate calculated for a similar program from any segment of this proceeding; (c) absent an above *de minimis* subsidy rate calculated for the same or similar program in any segment of this proceeding, we applied the highest above *de minimis* calculated subsidy rate for identical, or if not available, a similar program from any CVD proceeding involving the country in which the subject is produced (*i.e.*, the PRC), provided the producer of the subject merchandise or the industry to which it belongs could have used the program for which the rates were calculated.⁸⁶ Absent an above *de minimis* rate for the same or similar program from any CVD proceeding involving the PRC, we applied the highest calculated rate from any program in any CVD proceeding for the PRC.

With respect to the income tax rate reduction or exemption programs to apply to Zhongya for these preliminary results, we are applying an adverse inference, and therefore assume that Zhongya paid no income taxes during the POR. The standard income tax rate for PRC corporations filing income tax returns during the POR was 25 percent.⁸⁷ Accordingly, we find that the highest possible benefit for all income tax reduction or exemption programs combined is 25 percent (*i.e.*, the income tax programs combined provide a countervailable benefit of 25 percent). This approach is consistent with the Department's past practice.⁸⁸

The 25 percent AFA rate for income tax rate reduction and exemption programs does not apply to income tax credit and rebate, accelerated depreciation, or import tariff and value added tax exemption programs because such programs do not provide benefits through a reduced income tax rate, but rather through reductions in taxable income or other reductions in other non-income tax liabilities. Therefore, for all programs other than those involving income tax rate reduction or import tariff and value add tax exemption programs, we first sought to apply, where available,

⁸⁵ See *Certain Kitchen Appliance Shelving and Racks from the People's Republic of China: Final Results of the Countervailing Duty Administrative Review*, 77 FR 21744 (April 11, 2012), and accompanying Issues and Decision Memorandum at "Non-Cooperative Companies" section; see also *Aluminum Extrusions From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 76 FR 18521 (April 14, 2011) (*Aluminum Extrusions from the PRC Investigation*), and accompanying Issues and Decision Memorandum at "Application of Adverse Inferences: Non-Cooperative Companies" section; *Galvanized Steel Wire From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 77 FR 17418 (March 26, 2012), and accompanying Issues and Decision Memorandum at "Non-Cooperative Companies" section.

⁸⁶ See *Aluminum Extrusions from the PRC Investigation*, and accompanying Issues and Decision Memorandum at "Application of Adverse Inferences: Non-Cooperative Companies" section.

⁸⁷ See the GOC's Initial Response at Exhibit 34. see also *Aluminum Extrusions from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2010-2011*, 79 FR 106 (June 10, 2013) (*Aluminum Extrusions from the PRC First Review*); *Aluminum Extrusions from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 78788 (December 31, 2014) (*Aluminum Extrusions from the PRC Second Review*); *Aluminum Extrusions from the PRC Third Review; 2013*, 80 FR 77325 (December 14, 2015) (*Aluminum Extrusions from the PRC Third Review*), and accompanying Issues and Decision Memorandum at "Application of Adverse Inferences: Non-Cooperative Companies."

⁸⁸ See *Aluminum Extrusions from the PRC Second Review and Aluminum Extrusions from the Third Review*, and their respective accompanying Issues and Decision Memorandums at "Application of Total Adverse Facts Available to Non-Cooperative Companies."

the highest above *de minimis* subsidy rate calculated for an identical program from any segment of this proceeding. Absent such a rate, we applied, where available, the highest above *de minimis* subsidy rate calculated for a similar program from any segment of this proceeding.

Based on the methodology described above, we determine that the AFA rate for Zhongya for the preliminary results of review is 199.27 percent, *ad valorem*.⁸⁹

Corroboration of Secondary Information

Section 776(c) of the Act provides that, in general, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as “information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise.”⁹⁰ The SAA provides that to “corroborate” secondary information, the Department will satisfy itself that the secondary information to be used has probative value.⁹¹ Further, as mentioned above, under the TPEA, the Department is not required to corroborate any countervailing duty applied in a separate segment of the same proceeding.⁹²

The Department will, to the extent practicable, examine the reliability and relevance of the information to be used. The SAA emphasizes, however, that the Department need not prove that the selected facts available are the best alternative information.⁹³ Furthermore, the Department is not required to estimate what the countervailable subsidy rate would have been if the interested party had cooperated, and is not required to demonstrate that the countervailable subsidy rate reflects an “alleged commercial reality” of the interested party.⁹⁴

With regard to the reliability aspect of corroboration, unlike other types of information, such as publicly available data on the national inflation rate of a given country or national average interest rates, there typically are no independent sources for data on company-specific benefits resulting from countervailable subsidy programs. We find the AFA rates applied here to be reliable based on their calculation and application in previous CVD proceedings pertaining to the PRC, and because no information on the record calls their reliability into question. With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal in considering the relevance of information used to calculate a countervailable subsidy benefit. The Department will not use information where circumstances indicate that the information is not appropriate as AFA.⁹⁵

⁸⁹ See Department Memorandum regarding “AFA Calculation Memorandum for the Preliminary Results” (May 16, 2016) (AFA Calculation Memorandum), for a table detailing the derivation of the AFA rate applied.

⁹⁰ See SAA at 870.

⁹¹ *Id.*

⁹² See section 776(c)(2) of the Act; TPEA, section 502(2).

⁹³ See SAA at 869-870.

⁹⁴ See section 776(d) of the Act.

⁹⁵ See, e.g., *Fresh Cut Flowers From Mexico; Final Results of Antidumping Duty Administrative Review*, 61 FR 6812 (February 22, 1996).

As explained above, in applying the AFA hierarchy, the Department seeks to identify identical or similar program rates calculated for a cooperative respondent from another segment of this proceeding. Alternatively, the Department seeks to identify identical or similar program rates calculated in any proceeding covering imports from the PRC. Actual rates calculated based on actual usage by PRC companies are reliable where they have been calculated in the context of an administrative proceeding. Moreover, under our CVD AFA methodology, we strive to assign AFA rates that are the same in terms of the type of benefit (*e.g.*, grant-to-grant, loan-to-loan, indirect tax-to-indirect tax), because these rates are relevant to the respondent. Additionally, by selecting the highest rate calculated for a cooperative respondent, we arrive at a reasonably accurate estimate of the respondent's actual rate, and a rate that also ensures, as mentioned above, "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully."⁹⁶ Finally, the Department will not use information where circumstances indicate that the information is not appropriate as AFA.⁹⁷

In the absence of record evidence concerning Zhongya's usage of the subsidy programs at issue, and the company's decision not to participate in this POR, we reviewed the information concerning subsidy programs in prior segments of this proceeding and in other PRC proceedings. Where we have a found program-type match (*i.e.*, same or similar programs), we were able to utilize these programs in determining AFA rates for Zhongya (*i.e.*, the programs and their rates are relevant). We find this to be a reasonable basis for calculating AFA, because such rates reflect the actual behavior of cooperative respondents in this segment or in previous segments of this proceeding. As previously mentioned, under the TPEA, the Department is not required to corroborate any countervailing duty rates taken from a separate segment of the same proceeding.

For those programs for which we did not find a program-type match, we have selected the highest calculated subsidy rate for any program in the PRC from which Zhongya could actually receive a benefit. The relevance of those programs and rates is that they are actual calculated CVD rates for PRC subsidy programs from which the non-cooperative respondent could actually receive a benefit. Due to the lack of participation by Zhongya and the resulting lack of record information concerning its use of various subsidy programs, the Department has corroborated the rates it selected to use as AFA, to the extent practicable.

Application of Adverse Facts Available with Regard to the Technology Innovation Assistance Fund (Niulanshan Industrial Development Center – Technology Products Fund)

On December 10, 2015, in Jangho Group Company's Initial Response, the Jangho Companies self-reported benefits under the "Technology Innovation Assistance Fund" ("Niulanshan Industrial Development Center – Technology Products Fund") program during the POR, and responded to questions in the standard and usage appendices contained in the Department's

⁹⁶ See SAA, at 870.

⁹⁷ See, *e.g.*, *Non-Oriented Electrical Steel From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 79 FR 61606 (October 14, 2014) and Accompanying Issues and Decision Memorandum, at 7-8.

Initial Questionnaire.⁹⁸ However, in its initial response to the Department, the GOC made no mention of Jangho Group Company's receipt or award of benefits under this program, and did not provide responses to any of the question in the Department's standard and usage appendices, as required in the Department's Initial Questionnaire to the GOC.⁹⁹ The Department's Initial Questionnaire to the GOC instructed the GOC to provide responses for such programs:

“Has the government, or entities owned in whole or in part by the government, directly or indirectly, provided to the producers or exporters of the subject merchandise under review any other non-recurring benefits over the 12-year AUL (i.e., the POR and preceding 11 years), or recurring benefits during the POR? Please coordinate with the respondent companies to determine if they are reporting usage of any subsidy program(s) not previously examined. For each such program, please answer all questions in the Standard Questions Appendix and any other applicable appendices to this section separately for each program. If the government has not provided any other benefits, then please so state.”¹⁰⁰

Nevertheless, the GOC claimed that it was not required to provide responses to any self-reported programs: “In the absence of sufficient allegations and evidence respecting other programs, consistent with Article 11.2 and other relevant articles of the WTO Agreement on Subsidies and Countervailing Measures, no reply to this question is warranted or required.”¹⁰¹ However, the Jangho Companies' self-reporting of such programs and the content of the Jangho Companies' responses to questions contained in the Department's Standard and Usage appendices, provide ample indication that benefits were received by the Jangho Companies. Accordingly, the GOC was fully aware of the need to answer the Department's questions regarding these programs.

Accordingly, in the Department's March 22, 2016 Supplemental Questionnaire to the GOC, we instructed the GOC to provide responses to the questions in the Department's Standard and Usage appendices for the Technology Innovation Assistance Fund (Niulanshan Industrial Development Center – Technology Products Fund) program. In the GOC's April 22, 2016 supplemental response, the GOC confirmed the Jangho Group Company's receipt of benefits under the program and explained, without any further explanation, that it could not provide the requested information: “The GOC is unable to provide a response to the appendices for this program.”¹⁰² Other than this statement, the GOC provided no explanation or excuse whatsoever as to why it twice failed to provide the requested information. Further, the GOC made no request for additional time to submit the requested information.

⁹⁸ See Jangho Group Company's Initial Response at Exhibit JG-42 – JG-43.

⁹⁹ See the Department's Initial Questionnaire to the GOC at II-20.

¹⁰⁰ *Id.*

¹⁰¹ See the GOC's Initial Response at 75.

¹⁰² See the GOC's April 13, 2016, Supplemental Response at 80-81.

For these reasons, we find that necessary information is not available on the record within the meaning of section 776(a)(1). We also find that the GOC failed to provide this information within the deadlines established, or in the form and manner requested by the Department within the meaning of section 776(a)(2)(B) of the Act. Further, because the GOC twice refused to provide the requested information and gave no further explanation of why it failed to provide the requested information or what steps it took to provide the requested information, we find that the GOC significantly impeded this administrative review within the meaning of section 776(a)(2)(C) of the Act. Further, for the reasons stated above, we find that the GOC failed to cooperate by not acting to the best of its ability to comply with a request for information, within the meaning of section 776(b) of the Act. Thus, in accordance with section 776(b) of the Act, we are applying an adverse inference to preliminarily determine that the GOC provided a financial contribution within the meaning of section 771(5)(D)(i) of the Act, and that the program is specific within the meaning of section 771(5A)(D) of the Act.¹⁰³

Application of Adverse Facts Available with Regard to Enterprise Technology Center Fund

On December 10, 2015, in Jangho Group Company's Initial Response, the Jangho Companies self-reported benefits under the "Enterprise Technology Center Fund" program during the POR, and responded to questions in the standard and usage appendices contained in the Department's Initial Questionnaire.¹⁰⁴ However, in its initial response to the Department, the GOC made no mention of Jangho Group Company's receipt or award of benefits under this program, and did not provide responses to any of the questions in the Department's Standard and Usage appendices, as required in the Department's Initial Questionnaire to the GOC.¹⁰⁵ As explained above, the Department's Initial Questionnaire to the GOC instructed the GOC to provide responses for such programs.¹⁰⁶

Nevertheless, as explained above, the GOC claimed that it was not required to provide responses to any self-reported programs.¹⁰⁷ However, the Jangho Companies' self-reporting of such programs and the content of the Jangho companies' responses to questions contained in the Department's Standard and Usage appendices, provide ample indication that benefits were received by the Jangho Companies. Accordingly, the GOC was fully aware of the need to answer the Department's questions regarding these programs.

Accordingly, in the Department's March 22, 2016 Supplemental Questionnaire to the GOC, we instructed the GOC to provide responses to the questions in the Department's Standard and Usage appendices for the Enterprise Technology Center Fund. In the GOC's April 22, 2016 supplemental response, the GOC confirmed the Jangho Group Company's receipt of benefits under the program and explained, without any further explanation, that it could not provide the requested information: "Jangho Group was approved and disbursed an assistance in a lump sum

¹⁰³ We note that relying solely on 776(b)(2) of the Act in this case, would reasonably lead to the same conclusion.

¹⁰⁴ See Jangho Group Company's Initial Response at Exhibit JG-58 – JG-59.

¹⁰⁵ See the Department's Initial Questionnaire to the GOC at II-20.

¹⁰⁶ *Id.*

¹⁰⁷ See the GOC's Initial Response at 75.

{ } under this program during the POR. The GOC is unable to provide a response to the appendices for this program.”¹⁰⁸ Other than this statement, the GOC provided no explanation or reason whatsoever as to why it twice failed to provide the requested information.

For these reasons, we find that necessary information is not available on the record within the meaning of section 776(a)(1). We also find that the GOC failed to provide this information within the deadlines established, or in the form and manner requested by the Department within the meaning of section 776(a)(2)(B) of the Act. Further, because the GOC twice refused to provide the requested information and gave no further explanation of why it failed to provide the requested information or what steps it took to provide the requested information, we find that the GOC significantly impeded this administrative review within the meaning of section 776(a)(2)(C) of the Act. Further, we find that the GOC failed to cooperate by not acting to the best of its ability to comply with a request for information, within the meaning of section 776(b) of the Act. Thus, in accordance with section 776(b) of the Act, we are applying an adverse inference to preliminarily determine that the GOC provided a financial contribution within the meaning of section 771(5)(D)(i) of the Act, and that the program is specific within the meaning of section 771(5A)(D) of the Act.¹⁰⁹

Application of Adverse Facts Available with Regard to the Trade Promotion and Brand Building Fund

On December 10, 2015, in Guangzhou Jangho’s Initial Response, the Jangho Companies self-reported benefits under the “Trade Promotion and Brand Building Fund” program during the POR, and provided responses to questions in the Department’s Standard and Usage appendices.¹¹⁰ However, in the GOC’s Initial Response, the GOC made no mention of Guangzhou Jangho’s receipt or award of benefits under this program, and did not provide responses to the questions in the Department’s standard and usage appendices, as required in the Department’s Initial Questionnaire.¹¹¹ As explained above, the Department’s Initial Questionnaire to the GOC instructed the GOC to provide responses for such programs.¹¹²

Nevertheless, as explained above, the GOC claimed that it was not required to provide responses to any self-reported programs.¹¹³ However, the Jangho Companies’ self-reporting of such programs and the content of the Jangho companies’ responses to questions contained in the Department’s Standard and Usage appendices, provide ample indication that benefits were received by the Jangho Companies. Accordingly, the GOC was fully aware of the need to answer the Department’s questions regarding these programs.

Accordingly, in the Department’s March 22, 2016 Supplemental Questionnaire, we instructed the GOC to provide responses to the questions in the standard and usage appendices for this

¹⁰⁸ See the GOC’s April 13, 2016, Supplemental Response at 80-81.

¹⁰⁹ We note that relying solely on 776(b)(2) of the Act in this case, would reasonably lead to the same conclusion.

¹¹⁰ See Jangho Group Company’s Initial Response at Exhibit JG-26 – JG-27.

¹¹¹ See the Department’s Initial Questionnaire to Jangho at II-20.

¹¹² See the Department’s Initial Questionnaire to the GOC at II-20.

¹¹³ See the GOC’s Initial Response at 75.

program. In the GOC's April 22, 2016 supplemental response, the GOC confirmed the amount of Jangho Group Company's award under the program and explained that it could not provide the requested information: "The GOC had contacted the local authority multiple times to obtain the relevant information to provide responses, however, the local authority did not provide the GOC with any documentation and information regarding this program. Therefore, despite the efforts the GOC has made, the GOC is unable to provide a response to the Standard Questions and Usage Appendices."¹¹⁴ The GOC provided no additional explanation or reason as to why it twice failed to submit the requested information.¹¹⁵ Further, the GOC made no request for additional time by which it might provide the requested information.

For these reasons, we find that necessary information is not available on the record within the meaning of section 776(a)(1). We also find that the GOC failed to provide this information within the deadlines established, or in the form and manner requested by the Department within the meaning of section 776(a)(2)(B) of the Act. Further, because the GOC twice refused to provide the requested information and gave no further explanation of why it failed to provide the requested information or what steps it took to provide the requested information, we find that the GOC significantly impeded this administrative review within the meaning of section 776(a)(2)(C) of the Act. Further, we find that the GOC failed to cooperate by not acting to the best of its ability to comply with a request for information, within the meaning of section 776(b) of the Act. Thus, in accordance with section 776(b) of the Act, we are applying an adverse inference to preliminarily determine that the GOC provided a financial contribution within the meaning of section 771(5)(D)(i) of the Act, and that the program is specific within the meaning of section 771(5A) of the Act.¹¹⁶ Also, because the name of the program indicates that it is an export program, we determine as adverse facts available, that the program is contingent upon export performance, and is therefore specific, within the meaning of section 771(5A)(A)-(B) of the Act and with 19 CFR 351.525(b)(2).¹¹⁷ Therefore, in accordance with 19 CFR 351.525(b)(2), we are calculating the subsidy rate for this program using the export sales of the relevant cross-owned companies as the denominator.¹¹⁸

Application of Adverse Facts Available to Aluminum Extrusions for Less than Adequate Remuneration

GOC – Whether Aluminum Extrusions Producers Are “Authorities”

As discussed below under “Programs Found to Be Countervailable,” the Department examined whether the GOC provided aluminum extrusions for less than adequate remuneration (LTAR) to the Jangho Companies. We asked the GOC to provide information regarding the specific companies that produced aluminum extrusions which the Jangho Companies purchased during

¹¹⁴ See the GOC's April 13, 2016, Supplemental Response at 72.

¹¹⁵ In the Department's Initial questionnaire to the GOC, we informed the department that: "The government is responsible for submitting the responses for all central, provincial, state, and local governments, as well as any company information requested in the government section of this questionnaire" See the Department's Initial Questionnaire to the GOC at I-5.

¹¹⁶ We note that relying solely on 776(b)(2) of the Act in this case, would reasonably lead to the same conclusion.

¹¹⁷ See, e.g., *Aluminum Extrusions from the PRC First Review* at 11.

¹¹⁸ *Id.*

the POR. Specifically, we sought information from the GOC which would allow us to analyze whether these producer-suppliers are “authorities” within the meaning of section 771(5)(B) of the Act. In prior PRC CVD proceedings, the Department determined that when a respondent purchases an input from a trading company or non-producing supplier, a subsidy is conferred if the producer of the input is an “authority” within the meaning of section 771(5)(B) of the Act and the price paid by the respondent for the input was for LTAR.¹¹⁹

In the Department’s Initial Questionnaire to the GOC, we asked the GOC to respond to specific questions regarding the producers of aluminum extrusions and to respond to the Input Producer Appendix for each producer that produced the aluminum extrusions purchased by the Jangho Companies.¹²⁰ We instructed the GOC to coordinate with respondents to obtain a complete list of their aluminum extrusions producers, including the producers of inputs purchased through a supplier.¹²¹ We notified the GOC that it is “the GOC’s responsibility to ensure that the respondent companies provide the identities of their producers in sufficient time to enable the GOC to include the information requested in this questionnaire in the initial response.”¹²² In addition to the Department’s Initial Questionnaire to the GOC,¹²³ the Department issued a supplemental questionnaire to the GOC regarding purchases of aluminum extrusions for LTAR.¹²⁴

The Jangho Companies reported purchasing aluminum extrusions from several producer-suppliers, whose names are proprietary. The GOC failed to provide responses for certain aluminum extrusions producer-suppliers (Group One).¹²⁵ The GOC provided incomplete responses to the questions contained in the Department’s Input Producer Appendix for two aluminum extrusions producer-suppliers (Group Two).

Regarding Group One, the GOC provided no explanation as to why it failed to provide responses to the Input Producer Appendix.¹²⁶ In a supplemental questionnaire, we gave the GOC a second opportunity to provide responses to the Input Producer Appendix with respect to Group One.¹²⁷ However, the GOC again failed to provide responses to the Input Producer Appendix with regard to Group One.¹²⁸ In its supplemental response, the GOC stated:

All the aluminum extrusions producers identified in Jangho’s input purchases templates are commercial entities under the Chinese

¹¹⁹ See, e.g., *Kitchen Shelving and Racks from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 74 FR 37012 (July 27, 2009), and accompanying Issues and Decision Memorandum at “Provision of Wire Rod for Less than Adequate Remuneration.”

¹²⁰ See the Department’s Initial Questionnaire to the GOC at II-10 – II-12 and at Section II, “Input Producer Appendix.”

¹²¹ *Id.*

¹²² See the Department’s Initial Questionnaire to the GOC at II-10.

¹²³ *Id.* at II-10 – II-12 and at Section II, “Input Producer Appendix.”

¹²⁴ See the Department’s March 22, 2016, Supplemental Questionnaire to the GOC at 9.

¹²⁵ See the GOC’s Initial Response at 34, Attachment A (“Aluminum Extrusions Producers”) and Exhibits A-1 – A-25, Exhibits 25-38; and the GOC’s April 13, 2016, Supplemental Response at 15.

¹²⁶ See the GOC’s Initial Response at 34.

¹²⁷ See the Department’s March 22, 2016, Supplemental Questionnaire to the GOC.

¹²⁸ See the GOC’s April 13, 2016, Supplemental Response at 15.

law, the GOC is unable to provide producer appendix response for all of the remaining producers and suppliers.¹²⁹

Thus, the GOC did not provide a response to the Input Producer Appendix with regard to Group One, and thereby failed to provide information the Department needs to determine the individual owners of the producer-suppliers and to determine the extent of GOC control over these producer-suppliers. The GOC provided no information at all regarding the identification of owners, directors, the degree of government control, or senior managers who were also GOC or CCP officials for these producer-suppliers. Consequently, information requested by the Department, which is necessary for an analysis of whether these producer-suppliers are “authorities” within the meaning of section 771(5)(B) of the Act, is not on the record.

Regarding Group Two, the GOC reported that neither producer-supplier was a majority government-owned enterprise. However, the GOC’s responses were insufficient. As explained below, the GOC provided articles of association and amendments thereto, capital verification reports, business licenses, explanations of the ownership structures of the firms, shareholder ID cards, shareholders and managers certifications, lists of senior management, share transfer agreements, and business registration documents.¹³⁰ However, the GOC did not provide other relevant documentation requested in the Department’s Initial Questionnaire to the GOC, including articles of incorporation, articles of groupings, company by-laws, annual reports, business group registration, and tax registration certificates, all of which are necessary to identify the ultimate owners of these producer-suppliers and to determine the presence and degree of government control.¹³¹ For these and other reasons, we issued a supplemental questionnaire to the GOC on March 22, 2016.¹³²

With regard to the annual reports, the GOC explained “{t}he GOC does not have annual reports of the two companies for the POR and the two preceding years is {sic.} on the record because these documents are not required for private companies to file with the GOC under the *Company Law of the PRC (Company Law)* during the POR and the two preceding years.”¹³³ The GOC further explained that for Group Two, the producer-suppliers are “directly and wholly owned by natural persons, and are both non-publicly-listed companies governed by the *Company Law*.”¹³⁴ Additionally, the GOC explained, “{d}uring the POR, the only transparency and disclosure obligations for them are to file a record to the local branch of the State Administration of Industry and Commerce (SAIC) of changes in the company’s major registration matters, such as changes in shareholders, in ownership structure, in capital, in business scope, in representative of the legal person, and in domicile, among others.”¹³⁵ Thus, the GOC explained, “{p}reparation and issuance of annual reports is not an obligation for them.”¹³⁶

¹²⁹ See the GOC’s April 13, 2016, Supplemental Response at 15.

¹³⁰ See the GOC’s Initial Response at 34, Appendix A, and Exhibits A-1 – A-25.

¹³¹ *Id.*, at 34, Appendix A, and Exhibits A-1 – A-25; and the GOC’s April 13, 2016, Supplemental Response, at 54 – 56.

¹³² See the Department’s March 22, 2016, Supplemental Questionnaire to the GOC at 22-23.

¹³³ See the GOC’s Initial Response, Appendix A at 2.

¹³⁴ *Id.*, at Appendix A at 8.

¹³⁵ See the GOC’s Initial Response, Appendix A at 8.

¹³⁶ *Id.*

Despite the GOC's claims, the GOC at no point indicated whether the firms had maintained annual reports, or any other financial reports, in the ordinary course of business, regardless of whether such reports had been provided to the SAIC. Nor did the GOC submit any financial reports in response to our requests in the initial and supplemental questionnaires. Instead, as explained above, the GOC explained why, if the annual reports existed, they might not be provided to the GOC in the ordinary course of business. However, this explanation is unavailing, because, as explained above, in the Department's Initial Questionnaire to the GOC, we informed the GOC that: "The government is responsible for submitting the responses for all central, provincial, state, and local governments, as well as any company information requested in the government section of this questionnaire."¹³⁷ Accordingly, we again attempted to obtain the reports, or alternatively to determine why the GOC was unable to obtain them from the respective companies.¹³⁸ Despite the GOC's earlier claims, in the GOC's April 13, 2016 Supplemental Response, the GOC claimed that it had attempted to acquire such annual reports through the GOC's own administrative channels and had failed to obtain a response from its own agencies:

In the preparation of the Initial Response, the GOC requested information from local branches of China State Administration of Industry & Commerce ("SAIC") to provide annual reports for some Jangho reported aluminum extrusion providers. The GOC has received no responses from local branches of the SAIC so far. The GOC would further advise that under the *Company Law of China*, an annual report is not a mandatory document requested for private companies, i.e. {sic.} companies that are not publicly traded/listed on any of the stock exchanges. Further, the preparation of annual report is financially burdensome for private companies.¹³⁹

Thus, the GOC claimed to have attempted to obtain such reports from one of its own agencies, but failed to ensure the agency provided a response. However, as explained above and in the Department's Initial Questionnaire, "{t}he government is responsible for submitting the responses for all central, provincial, state, and local governments, as well as any company information requested in the government section of this questionnaire."¹⁴⁰

With regard to articles of incorporation, articles of groupings, and company by-laws, the GOC initially claimed to not know which type of documents the Department meant by "articles of incorporation," "articles of groupings," and "company by-laws," and asked that the Department clarify which documents were being requested.¹⁴¹ Therefore, in the Department's March 22, 2016 Supplemental Questionnaire, we specifically identified the provisions of the *Company Law*

¹³⁷ See the Department's Initial Questionnaire to the GOC at I-5.

¹³⁸ See the Department's March 22, 2016, Supplemental Questionnaire to the GOC at 22-23.

¹³⁹ See the GOC's April 13, 2016, Supplemental Response at 54.

¹⁴⁰ See the Department's Initial Questionnaire to the GOC at I-5.

¹⁴¹ See the GOC's Initial Response, Appendix A, at 2.

of the PRC placed on the record by the GOC in which articles of incorporation and company by-laws are mentioned.¹⁴² In response to our requests, the GOC advised that the “articles of incorporation” mentioned in the *Company Law of the PRC* are only applicable to foreign firms with “branches” within the PRC.

Thus, the GOC failed to provide articles of groupings, company by-laws, annual reports, business group registration, and tax registration certificates, all of which are applicable to this review, and are indeed necessary to identify the ultimate owners of these companies and to determine the presence and degree of government control. The GOC did not state or demonstrate that these documents do not exist for the firms in question. Regarding the annual reports, we requested this information in both the initial and supplemental questionnaires, regardless of whether such reports were filed with SAIC. Indeed, the Department’s Initial Questionnaire makes clear that for those companies that are not majority government-owned, an annual report is required; and that for each level of ownership of the non-majority government-owned enterprises, documentation, such as financial statements, are required to trace ownership back to the ultimate individuals.¹⁴³ Further, it is the prerogative of the Department, not the GOC, to determine what information is needed to conduct this administrative review.¹⁴⁴ Thus, the fact that the *Company Law of the PRC* does not require that annual reports be produced or provided to the GOC does not address our request for the missing documents. As explained above, it is the GOC’s responsibility to provide this information.¹⁴⁵

In response to questions regarding the presence of CCP or government officials in the management staff of the producer-suppliers, the GOC explained, with respect to one of the aluminum extrusions producers in Group Two, that “there is no evidence on its record to show that there is any government owner or any CCP committee/representative of any kind in the firm during the POR. Also, there is no decision taken by the entity that is subject to review or approval by the Government as regulator except for environmental protection matters during the entire POR.”¹⁴⁶ The GOC made a similar statement with respect to the second aluminum extrusions producer in Group Two: “as shown in {the second aluminum extrusions producer’s Shareholders or Managers Certification}, and the Articles of Association, there was neither government owner nor party committee/representative of any kind as mentioned in this questionnaire in {aluminum extrusions producer } {sic.} during the POR. Also, there is no decision taken by the entity that is subject to review or approval by the Government as regulator except for production safety, environmental protection matters during the entire POR.”¹⁴⁷ The

¹⁴² See the Department’s March 22, 2016, Supplemental Questionnaire to the GOC at 22 - 23 and 24 – 25

¹⁴³ See Initial Questionnaire, at Input Producer Appendix, Section II.A.3; see also, *Certain Oil Country Tubular Goods From the People’s Republic of China: Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 52301 (September 3, 2014) and accompanying decision memorandum, at 10.

¹⁴⁴ See, e.g., *Essar Steel Ltd. v. United States*, 721 F. Supp. 2d 1285, 1298-99 (CIT 2010); *NSK Ltd. v. United States*, 919 F. Supp. 442, 447 (CIT 1996); *Ansaldo Componenti, S.p.A. v. United States*, 628 F. Supp. 198, 205 (CIT 1986); and *Boltless Steel Shelving Units Prepackaged for Sale From the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 80 FR 51775 (August 26, 2015), and accompanying Issues and Decision Memorandum, at 34 (Comment III).

¹⁴⁵ See the Department’s Initial Questionnaire to the GOC at I-5.

¹⁴⁶ See the GOC’s Initial Response, Section II, “Input Producer Appendix,” at 6.

¹⁴⁷ *Id.*

GOC also provided certifications from company officials, certifying that company officials are not officials of the CCP or of the GOC.¹⁴⁸

However, the information provided by the GOC does not constitute an adequate response to our question. The GOC was required to provide information about CCP involvement in the ownership/management of the input providers and whether a CCP committee, branch, or “primary organization” existed within the pertinent companies, not merely explain whether such entities are identified in the documents provided by the GOC on the record.¹⁴⁹ We also note that the GOC’s statement is applicable only to those documents that the GOC managed to place on the record, and not to those documents that the GOC was required to, but ultimately did not, place on the record. Therefore, in a supplemental questionnaire, we asked the GOC to “[p]ositively state whether there were ‘the party committee/representative’ {sic.} or other CCP officials in each of these firms (*i.e.*, state yes or no),” and if so, to “fully explain all such person’s role(s) in the firm(s).”¹⁵⁰ The GOC responded that, “[t]he GOC is unable to positively confirm whether there were party committee(s)/representative(s) or other CCP official(s) in each of the companies referred above.”¹⁵¹ However, as explained above, it is the GOC’s responsibility to provide this information.¹⁵²

Also related to questions of CCP ownership and involvement, we asked the GOC to:

- explain how it developed the information used in its response regarding input producers and whether or not company owners, managers, board members were CCP or government officials;
- explain what records the GOC reviewed;
- explain whether there are sources at the national, provincial, municipal, or local level, to determine whether company owners, board members, or senior management were government or CCP officials;
- explain whether there are any other company records or company documents that are submitted to the government that would indicate a person’s official role with the government, or the CCP.

However, the GOC failed to provide explanations, any official CCP or government documentation, and other evidence demonstrating whether CCP or GOC officials are among the owners or management of the companies in Group Two. The GOC merely provided certifications from company officials that those officials are not also officials of the CCP or the GOC.¹⁵³ The GOC failed to explain why it did not provide government or CCP documents (for example, member lists for the CCP entities at the national and provincial levels), did not explain why direct information of this type is not available to the GOC, and did not explain what steps it took, if any, to obtain such information.

¹⁴⁸ See the GOC’s Initial Response at Exhibit A-12.

¹⁴⁹ See the Department’s Initial Questionnaire to the GOC, at Section II, “Input Producer Appendix,” at II-29 – II-30.

¹⁵⁰ See the Department’s March 22, 2016, Supplemental Questionnaire to the GOC at 28.

¹⁵¹ See the GOC’s April 13, 2016, Supplemental Response at 121.

¹⁵² See the Department’s Initial Questionnaire to the GOC at I-5.

¹⁵³ See the GOC’s Initial Response at Exhibit B-14 and B-15.

In short, requested information is not on the record of this segment of the proceeding. Despite multiple attempts to solicit the requisite input-producer information for the producer-suppliers in Group Two, the GOC did not provide key information (*i.e.*, articles of groupings, company by-laws, annual reports, business group registration, tax registration certificates, and information regarding the presence and role of CCP committees and CCP and government officials in the firms) which is necessary for us to confirm statements on the record, to perform further analysis to trace ownership of the enterprises in question back to the ultimate individual owners, and to analyze the extent and significance of government control.

As discussed above, with respect to the producer-suppliers in Group One, the GOC failed to provide responses to the Input Producer Appendix. With respect to the producer-suppliers in Group Two, the GOC did not provide complete responses to our repeated requests for information, including requests for information pertaining to ownership or control by GOC and CCP officials. Such information is necessary for our determination of whether the input producers are authorities within the meaning of section 771(5)(B) of the Act.¹⁵⁴ The responses provided for the producer-suppliers in Group Two, as explained above, lacked key documents and other pieces of information necessary for the Department to conduct an authorities' analysis, including information needed to determine the extent of the CCP's involvement in and potential control over input producers, information needed to determine the ultimate owners of the input producers, and information concerning the GOC's possible ownership and control of the producers or the producers' parents or other affiliates.

Regarding the GOC's responses for Group Two concerning CCP committees and CCP and Government officials, the Department has an established practice of not accepting the statements of companies in lieu of official documentation for the purposes of examining whether CCP committees or CCP or Government officials exist within input producers.¹⁵⁵ While the Department recognizes that companies themselves directly possess some information, such as in the case of affiliations and corporate structure, when examining whether a company has owners, senior managers, or directors that are CCP officials, or whether a company has a CCP committee or other primary organization, the party possessing direct knowledge of these facts is the CCP or the GOC.¹⁵⁶ Accordingly, we find that the statements of the GOC referencing the limited company documents placed on the record and the company officials' certifications are insufficient evidence that the management of the companies within Group Two lack CCP or government officials, or that CCP committees do not exist within these firms. The Department considers information regarding the CCP's involvement in the PRC's economic and political structure to be essential because public information suggests that the CCP exerts significant control over activities in the PRC.¹⁵⁷

¹⁵⁴ See Aluminum Extrusions from the PRC Third Review and the accompanying issues and Decision Memorandum at 22 - 23, 30 - 32, 37 - 38, and Comment 11, where we applied AFA because the GOC likewise failed to provide many of the same documents for certain producers.

¹⁵⁵ See, *e.g.*, *Citric Acid Fourth Review* and the accompanying Issues and Decision Memorandum at Comment 3.

¹⁵⁶ *Id.*, at 68 - 69.

¹⁵⁷ See Public Bodies Memorandum.

Moreover, our findings are not based solely on the GOC's provision of record evidence of state ownership or GOC or CCP involvement in the management of input producers. Rather, in the Public Bodies Memorandum the Department has previously concluded that producers in the PRC that are majority-owned by the government possess, exercise, or are vested with governmental authority.¹⁵⁸ Our finding in this regard is based on evidence demonstrating that the GOC exercises meaningful control over these entities and uses them to effectuate its goals of upholding the socialist market economy, allocating resources, and maintaining the predominant role of the state sector. Further, publicly-available information indicates that Chinese law requires the establishment of CCP organizations "in all companies, whether state, private, domestic, or foreign-invested" and that such organizations may wield a controlling influence in the company's affairs.¹⁵⁹ For example, Article 19 of the *Company Law* provides that an organization of the CCP shall be established in a company to carry out the activities of the CCP pursuant to the CCP constitution and the company shall provide the necessary conditions for the activities of this CCP organization.¹⁶⁰ Also, Article 32 of the CCP constitution explicitly states that "{i}n a non-public economic institution, the primary Party organization carries out the Party's principles and policies, provides guidance to and oversees the enterprise in observing the laws and regulations of the state, {} safeguards the legitimate rights and interests of all quarters and stimulates the healthy development of the enterprise."¹⁶¹

As discussed above, the Department provided the GOC an opportunity to provide requested information to enable the Department's "authorities" analysis under section 771(5)(B), and the GOC failed to provide such information. The Department provided the GOC multiple opportunities to provide the requested information, which, as discussed above, was relevant and necessary to the Department's analysis. The limited information that was provided by the GOC was not sufficient, in light of the remaining missing information.

Further, the GOC's attempted justification for failing to provide all of the requested information on the basis that the laws governing these firms do not require privately-held firms to provide certain documents to the government is unavailing. The GOC must provide all documents that the Department considers relevant. Likewise, the GOC's claim that producers and suppliers are private firms does not relieve the GOC's burden of responding fully and providing all documents requested.

Therefore, we determine that necessary information is not available on the record, and that the GOC withheld information that was requested of it with regard to purchases by the Jangho Companies.¹⁶² Accordingly, the Department must rely on "facts otherwise available" in reaching a determination in this respect. Further, we find that the GOC failed to cooperate by not acting to the best of its ability to comply with requests for information regarding the ownership and CCP and government involvement in the management of producers of aluminum extrusions from

¹⁵⁸ See Memorandum from Tyler Weinhold to the File regarding "Administrative Review of Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China; Additional Documents for Preliminary Decision," dated concurrently with this Decision Memorandum at Attachment 1 (Public Bodies Memorandum).

¹⁵⁹ See Public Bodies Memorandum at 35 – 36.

¹⁶⁰ See the GOC's Initial Questionnaire Response, at Exhibit 22 (Article 19).

¹⁶¹ See Public Bodies Memorandum at 35, and footnote 149.

¹⁶² See sections 776(a)(1) and (a)(2)(A) of the Act.

which the Jangho Companies purchased said inputs during the POR. Specifically, the GOC did not provide the requested information and failed to provide a reasonable explanation of why it could not provide such information.¹⁶³ Consequently, we find that an adverse inference is warranted in the application of facts available.¹⁶⁴ As AFA, and in light of our prior findings and the GOC's failure to provide requested information,¹⁶⁵ we determine that all of the producers that produced the aluminum extrusions purchased by the Jangho Companies during the POR are "authorities" within the meaning of section 771(5)(B) of the Act.¹⁶⁶

Application of Adverse Facts Available to Glass for LTAR

GOC – Whether Glass Producers Are “Authorities”

As discussed below under “Programs Found to Be Countervailable,” the Department examined whether the GOC provided glass for LTAR to the Jangho Companies. We asked the GOC to provide information regarding the specific companies that produced glass from which the Jangho Companies purchased during the POR. Specifically, we sought information from the GOC which would allow us to analyze whether the producers are “authorities” within the meaning of section 771(5)(B) of the Act. As noted above, in prior PRC CVD proceedings, the Department determined that when a respondent purchases an input from a trading company or non-producing supplier, a subsidy is conferred if the producer of the input is an “authority” within the meaning of section 771(5)(B) of the Act and the price paid by the respondent for the input was for LTAR.¹⁶⁷

In the Department's Initial Questionnaire to the GOC, we asked the GOC to respond to the specific questions regarding the producers of glass and to respond to the Input Producer Appendix for each producer which produced the glass purchased by the Jangho Companies.¹⁶⁸ We instructed the GOC to coordinate with the respondents to obtain a complete list of the glass producers, including the producers of inputs purchased through a supplier.¹⁶⁹ We notified the GOC that it is “the GOC's responsibility to ensure that the respondent companies provide the identities of their producers in sufficient time to enable the GOC to include the information requested in this questionnaire in the initial response.”¹⁷⁰ In addition to the Department's Initial

¹⁶³ See sections 776(a) and (b) of the Act.

¹⁶⁴ See section 776(b) of the Act.

¹⁶⁵ See Public Bodies Memorandum.

¹⁶⁶ See Aluminum Extrusions from the PRC Third Review and the accompanying issues and Decision Memorandum at 22 - 23, 30 - 32, 37 - 38, and Comment 11, where we applied AFA because the GOC likewise failed to provide many of the same documents for certain producers.

¹⁶⁷ See, e.g., *Kitchen Shelving and Racks from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 74 FR 37012 (July 27, 2009), and accompanying Issues and Decision Memorandum at “Provision of Wire Rod for Less than Adequate Remuneration.”

¹⁶⁸ See the Department's Initial Questionnaire to the GOC at II-13 – II-15 and at Section II, “Input Producer Appendix.”

¹⁶⁹ *Id.*

¹⁷⁰ See the Department's Initial Questionnaire to the GOC at II-13.

Questionnaire to the GOC,¹⁷¹ the Department issued a supplemental questionnaire to the GOC regarding purchases of glass for LTAR.¹⁷²

The Jangho Companies reported purchasing aluminum extrusions from several producer-suppliers, whose names are proprietary. The GOC failed to provide responses for certain glass producer-suppliers (Group One).¹⁷³ The GOC provided incomplete responses to the questions contained in the Department's Input Producer Appendix for two glass producer-suppliers (Group Two).

Regarding Group One, the GOC provided no explanation as to why it failed to provide responses to the Input Producer Appendix.¹⁷⁴ In a supplemental questionnaire, we gave the GOC a second opportunity to provide responses to the Input Producer Appendix with respect to Group One.¹⁷⁵ However, the GOC failed to provide responses to the Input Producer Appendix with regard to these glass producer-suppliers.¹⁷⁶ The GOC stated:

All the glass producers identified in Jangho's input purchases templates are commercial entities under the Chinese law, the GOC is unable to provide producer appendix response for all of the remaining producers and suppliers.¹⁷⁷

Thus, the GOC did not provide a response to the Input Producer Appendix with respect to Group One, and therefore failed to provide requested and necessary information for the Department to determine the individual owners of the producer-suppliers and to determine the extent of GOC control. The GOC provided no information regarding the identification of owners, directors, the degree of government control, or senior managers who were also GOC or CCP officials for these producer-suppliers. Consequently, information requested by the Department is not on the record of this segment of the proceeding for an analysis of whether these producers of glass purchased by the Jangho Companies are "authorities" within the meaning of section 771(5)(B) of the Act.

Regarding Group Two, the GOC reported that neither producer-supplier was a majority government-owned enterprise. However, the GOC's responses were in several ways incomplete, as explained below. The GOC provided articles of association and amendments thereto, capital verification reports, business licenses, explanations of the ownership structures of the firms, shareholder ID cards, shareholders and manager certifications, lists of senior management, share transfer agreements, and business registration documents.¹⁷⁸ However, the GOC did not provide

¹⁷¹ *Id.*, at II-13 – II-15 and at Section II, "Input Producer Appendix."

¹⁷² See the Department's March 22, 2016, Supplemental Questionnaire to the GOC at 13.

¹⁷³ See the GOC's Initial Response at 34, 39, Appendix B ("Glass Producers"), Attachment B ("Glass Producers"), Exhibits A-1 – A-25, Exhibits B-1 – B-29, Exhibits 25 - 38 and 34 – 43; and the GOC's April 13, 2016, Supplemental Response at 15.

¹⁷⁴ See the GOC's Initial Response at 39.

¹⁷⁵ See the Department's March 22, 2016, Supplemental Questionnaire to the GOC at 13.

¹⁷⁶ See the GOC's April 13, 2016, Supplemental Response at 21.

¹⁷⁷ *Id.*

¹⁷⁸ See the GOC's Initial Response at 39, Appendix B, and Exhibits B-1 – B-25.

other relevant documentation requested by the Department, including articles of incorporation, articles of groupings, company by-laws, annual reports, business group registration, and tax registration certificates, all of which are necessary to identify the ultimate owners of these companies and to determine the presence and degree of government control.¹⁷⁹ For these and other reasons, we issued a supplemental questionnaire to the GOC on March 22, 2016.¹⁸⁰

With regard to the annual reports, the GOC explained “{t}he GOC does not have annual reports of the two companies for the POR and the two preceding years is on the record because these documents are not required for private companies to file with the GOC under the *Company Law of China* {} during the POR and the two preceding years.”¹⁸¹ Despite the GOC’s claims, the GOC at no point indicated whether the firms had maintained annual reports, or any other financial reports, in the ordinary course of business, regardless of whether such reports had been provided to the SAIC; nor did the GOC submit any financial reports in response to our requests in the initial and supplemental questionnaires. Instead, as stated above, the GOC explained why, if the annual reports existed, they might not be provided to the GOC in the ordinary course of business. However, this explanation is unavailing, because, as discussed above, in the Department’s Initial Questionnaire to the GOC, we informed the GOC that: “The government is responsible for submitting the responses for all central, provincial, state, and local governments, as well as any company information requested in the government section of this questionnaire.”¹⁸² Accordingly, we again attempted to obtain the reports, or alternatively to determine why the GOC was unable to obtain them from the respective companies.¹⁸³ Despite the GOC’s earlier claims, in the GOC’s April 13, 2016 Supplemental Response, the GOC claimed that it had attempted, subsequent to the GOC’s Initial Response, to acquire such annual reports through the GOC’s own administrative channels, and had failed to obtain a response from its own agencies:

In the preparation of the Initial Response, the GOC requested information from local branches of China State Administration of Industry & Commerce (“SAIC”) to provide annual reports for some Jangho reported aluminum extrusion providers. The GOC has received no responses from local branches of the SAIC so far. The GOC would further advise that under the *Company Law of China*, an annual report is not a mandatory document requested for private companies, i.e. {sic.} companies that are not publicly traded/listed on any of the stock exchanges. Further, the preparation of annual report is financially burdensome for private companies.¹⁸⁴

¹⁷⁹ *Id.* at 39, Appendix B, and Exhibits A-1 – A-25; and the GOC’s April 13, 2016, Supplemental Response at 56-58.

¹⁸⁰ See the Department’s March 22, 2016, Supplemental Questionnaire to the GOC at 24-25.

¹⁸¹ See the GOC’s Initial Response, Appendix B at 2.

¹⁸² See the Department’s Initial Questionnaire to the GOC at I-5.

¹⁸³ See the Department’s March 22, 2016, Supplemental Questionnaire to the GOC at 24 - 25.

¹⁸⁴ See the GOC’s April 13, 2016, Supplemental Response at 58.

Thus, the GOC claimed to have attempted to obtain such reports from one of its own agencies, but failed to ensure the agency provided a response. However, as explained above and in the Department's Initial Questionnaire, "{t}he government is responsible for submitting the responses for all central, provincial, state, and local governments, as well as any company information requested in the government section of this questionnaire."¹⁸⁵

With regard to articles of incorporation, articles of groupings, and company by-laws, the GOC initially claimed to not know what type of documents the Department meant by "articles of incorporation," "articles of groupings," and "company by-laws," and asked that the Department clarify what documents were being requested.¹⁸⁶ Therefore, in the Department's March 22, 2016 Supplemental Questionnaire to the GOC, we specifically identified the provisions of the *Company Law* placed on the record by the GOC in which articles of incorporation and company by-laws are mentioned.¹⁸⁷ In response to our requests, the GOC advised that the "articles of incorporation" mentioned in the *Company Law* are only applicable to foreign firms with "branches" within the PRC.

Thus, the GOC failed to provide articles of groupings, company by-laws, annual reports, business group registration, and tax registration certificates, all of which *are* applicable to this review, and are indeed necessary to identify the ultimate owners of these companies and to determine the presence and degree of government control. The GOC did not state or demonstrate that these documents do not exist for the firms in question. Regarding the annual reports, we requested this information in both the initial and supplemental questionnaires, regardless of whether such reports were filed with SAIC. Indeed, the Department's Initial Questionnaire makes clear that for those companies that are not majority government-owned, an annual report is required, and that for each level of ownership of the non-majority government-owned enterprises, documentation, such as financial statements, are required to trace ownership back to the ultimate individuals.¹⁸⁸ Further, it is the prerogative of the Department, not the GOC, to determine what information is needed to conduct this administrative review.¹⁸⁹ Thus, the fact that the *Company Law* does not require that annual reports be produced or provided to the GOC does not address our request for the missing documentation. As explained above, it is the GOC's responsibility to provide this information.¹⁹⁰

In response to questions regarding the presence of CCP or government officials in the management staff of the producer-suppliers, the GOC explained, with regard to the producers in

¹⁸⁵ See the Department's Initial Questionnaire to the GOC at I-5.

¹⁸⁶ See the GOC's Initial Response, Appendix B, at 2.

¹⁸⁷ See the Department's March 22, 2016, Supplemental Questionnaire to the GOC at 24 - 25.

¹⁸⁸ See Initial Questionnaire, at Input Producer Appendix, Section II.A.3; see also, *Certain Oil Country Tubular Goods From the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 52301 (September 3, 2014) and accompanying decision memorandum, at 10.

¹⁸⁹ See, e.g., *Essar Steel Ltd. v. United States*, 721 F. Supp. 2d 1285, 1298-99 (CIT 2010); *NSK Ltd. v. United States*, 919 F. Supp. 442, 447 (CIT 1996); *Ansaldo Componenti, S.p.A. v. United States*, 628 F. Supp. 198, 205 (CIT 1986); and *Boltless Steel Shelving Units Prepackaged for Sale From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 80 FR 51775 (August 26, 2015), and accompanying Issues and Decision Memorandum, at 34 (Comment III).

¹⁹⁰ See the Department's Initial Questionnaire to the GOC at I-5.

Group Two, that “there is no CCP organization of any kind,” that “there are no CCP members out of all the senior management,” and that “none of their owners, managing directors, or managers was a CCP official or Government official during the POR”¹⁹¹ To support their contentions, the GOC also provided certifications from company officials, certifying that company officials are not officials of the CCP or of the GOC.¹⁹² However, the information provided by the GOC does not constitute an adequate response to our question. The GOC was required to provide information about CCP involvement in the ownership/management of the input providers and whether a CCP committee, branch, or “primary organization” existed within the pertinent companies, not merely to refer to information provided by the companies within Group Two.¹⁹³ Moreover, as explained above, it is the GOC’s responsibility to provide this information.¹⁹⁴

Also related to questions of CCP ownership and involvement, we also asked the GOC to:

- explain how it developed the information used in its response regarding input producers and whether or not company owners, managers, board members were CCP or government officials;
- explain what records the GOC reviewed;
- explain whether there are sources at the national, provincial, municipal, or local level, to determine whether company owners, board members, or senior management were government or CCP officials;
- explain whether there are any other company records or company documents that are submitted to the government that would indicate a person’s official role with the government, or the CCP.

However, the GOC failed to provide explanations, any official CCP or government documentation, and other evidence demonstrating whether CCP or GOC officials are among the owners or management of the companies in Group Two. The GOC merely provided certifications from company officials that those officials are not also officials of the CCP or of the GOC.¹⁹⁵ The GOC failed to explain why it did not consult or provide government or CCP documents (for example, member lists for the CCP entities at the national and provincial levels), did not explain why direct information of this type is not available to the GOC, and did not explain what steps it took, if any, to obtain or provide such information.

In short, requested information is not on the record of this segment of the proceeding. Despite multiple attempts to solicit the requisite input-producer information for the two producer-suppliers in Group Two, the GOC did not provide key information (*i.e.*, articles of groupings, company by-laws, annual reports, business group registration, tax registration certificates, and information regarding the presence and role of CCP committees and CCP and government officials in the firms) which is necessary for us to confirm statements on the record, to perform

¹⁹¹ See the GOC’s Initial Response, Section II, “Input Producer Appendix,” at 9-10.

¹⁹² *Id.* at Exhibit B-14 and B-15.

¹⁹³ See the Department’s Initial Questionnaire to the GOC, at Section II, “Input Producer Appendix,” at II-29 – II-30.

¹⁹⁴ *Id.* at I-5.

¹⁹⁵ See the GOC’s Initial Response at Exhibit B-14 and B-15.

further analysis to trace ownership of the enterprises in question back to the ultimate individual owners, and to analyze the extent and significance of government control.

As discussed above, with respect to the producer-suppliers in Group One, the GOC failed to provide responses to Input Producer Appendix. With respect to the producer-suppliers in Group Two, the GOC did not provide complete responses to our repeated requests for information, including requests for information pertaining to ownership or control by GOC and CCP officials. Such information is necessary for our determination of whether the input producers are authorities within the meaning of section 771(5)(B) of the Act.¹⁹⁶

The responses provided for the producer-suppliers in Group Two, as explained above, lacked key documents and other pieces of information necessary for the Department to conduct an authorities analysis, including information needed to determine the extent of the CCP's involvement in and potential control over input producers, information needed to determine the ultimate owners of the input producers, and information concerning the GOC's possible ownership and control of the producers or the producers' parents or other affiliates.

Regarding the GOC's responses for Group Two concerning CCP committees and CCP and Government officials, the Department has an established practice of not accepting the statements of companies in lieu of official documentation for the purposes of examining whether CCP committees or CCP or Government officials exist within input producers.¹⁹⁷ While the Department recognizes that companies themselves directly possess some information, such as in the case of affiliations and corporate structure, when examining whether a company has owners, senior manager, or directors which are CCP officials or whether a company has a CCP committee or other primary organization, the party possessing direct knowledge of these facts is the CCP or the GOC.¹⁹⁸ Accordingly, we find that the statements of the GOC referencing the limited company documents placed on the record and the company officials' certifications are insufficient evidence that the management of the companies within Group Two lack CCP or government officials or that CCP committees do not exist within these firms. The Department considers information regarding the CCP's involvement in the PRC's economic and political structure to be essential because public information suggests that the CCP exerts significant control over activities in the PRC.¹⁹⁹

Moreover, our findings are not based solely on the GOC's provision of record evidence of state ownership or GOC or CCP involvement in the management of input producers. Rather, in the Public Bodies Memorandum the Department has previously concluded that producers in the PRC that are majority-owned by the government possess, exercise, or are vested with governmental

¹⁹⁶ See Aluminum Extrusions from the PRC Third Review and the accompanying issues and Decision Memorandum at 22 - 23, 30 - 32, 37 - 38, and Comment 11, where we applied AFA because the GOC likewise failed to provide many of the same documents for certain producers.

¹⁹⁷ See, e.g., *Citric Acid Fourth Review* and the accompanying Issues and Decision Memorandum at Comment 3.

¹⁹⁸ *Id.*, at 68 - 69.

¹⁹⁹ See Public Bodies Memorandum.

authority.²⁰⁰ Our finding in this regard is based on evidence demonstrating that the GOC exercises meaningful control over these entities and uses them to effectuate its goals of upholding the socialist market economy, allocating resources, and maintaining the predominant role of the state sector. Further, publicly-available information indicates that Chinese law requires the establishment of CCP organizations “in all companies, whether state, private, domestic, or foreign-invested” and that such organizations may wield a controlling influence in the company's affairs.²⁰¹ For example, Article 19 of the *Company Law* provides that an organization of the CCP shall be established in a company to carry out the activities of the CCP pursuant to the CCP constitution and the company shall provide the necessary conditions for the activities of this CCP organization.²⁰² Also, Article 32 of the CCP constitution explicitly states that “[i]n a non-public economic institution, the primary Party organization carries out the Party's principles and policies, provides guidance to and oversees the enterprise in observing the laws and regulations of the state, {} safeguards the legitimate rights and interests of all quarters and stimulates the healthy development of the enterprise.”²⁰³

As discussed above, the Department provided the GOC an opportunity to provide requested information to enable the Department's “authorities” analysis under section 771(5)(B), and the GOC failed to provide such information. The Department provided the GOC multiple opportunities to provide the requested information, which, as discussed above, was relevant and necessary to the Department's analysis. The limited information that was provided by the GOC was not sufficient, in light of the remaining missing information.

Further, the GOC's attempted justification for failing to provide all of the requested information on the basis that the laws governing these firms do not require privately-held firms to provide certain documents to the government is unavailing. The GOC must provide all documents that the Department considers relevant. Likewise, the GOC's claim that producers and suppliers are private firms does not relieve the GOC's burden of responding fully and providing all documents requested.

Therefore, we determine that necessary information is not available on the record, and that the GOC withheld information that was requested of it with regard to purchases by the Jangho Companies.²⁰⁴ Accordingly, the Department must rely on “facts otherwise available” in reaching a determination in this respect. Further, we find that the GOC failed to cooperate by not acting to the best of its ability to comply with requests for information regarding the ownership and CCP and government involvement in the management of producers of glass from which the Jangho Companies purchased said inputs during the POR. Specifically, the GOC did not provide the requested information and failed to provide a reasonable explanation of why it could not provide such information.²⁰⁵ Consequently, we find that an adverse inference is warranted in the

²⁰⁰ See Memorandum from Tyler Weinholt to the File regarding “Administrative Review of Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China; Additional Documents for Preliminary Decision,” dated concurrently with this Decision Memorandum at Attachment 1 (Public Bodies Memorandum).

²⁰¹ See Public Bodies Memorandum at 35 – 36.

²⁰² See the GOC's Initial Questionnaire Response, at Exhibit 22 (Article 19).

²⁰³ See Public Bodies Memorandum at 35, and footnote 149.

²⁰⁴ See sections 776(a)(1) and (a)(2)(A) of the Act.

²⁰⁵ See sections 776(a) and (b) of the Act.

application of facts available.²⁰⁶ As AFA, and in light of our prior findings and the GOC's failure to provide requested information,²⁰⁷ we determine that all of the producers that produced the glass purchased by the Jangho Companies during the POR are "authorities" within the meaning of section 771(5)(B) of the Act.²⁰⁸

Programs Determined to Be Countervailable

Policy Loans to Chinese Aluminum Extrusion Producers

In the *Aluminum Extrusions from the PRC Investigation*, *Aluminum Extrusions from the PRC First Review*, *Aluminum Extrusions from the PRC Second Review*, and *Aluminum Extrusions from the PRC Third Review*, we determined that the GOC had a policy in place to encourage the development of the production of aluminum extrusions through policy lending.²⁰⁹ In the instant administrative review, the GOC's discussions of the lending practices of financial institutions echoed the discussions in previous administrative reviews.²¹⁰ In this review, interested parties placed on the record information about the *Interim Measures for the Administration of Working Capital Loans*, *Law of the People's Republic of China on Commercial Banks (the Banking Law)*, *Interim Measures for the Administration of Fixed Asset Loans*, *Guidelines on Internal Control of Commercial Banks*, *Guidelines for Compliance Risk Management in Commercial Banks*, *Guidelines for Market Risk Management*, *Guideline on Commercial Banks' Risk Management Regarding Credit Business to Group Customers*, *Capital Rules for Commercial Banks (provisional) (Capital Rules)*, *Leverage Ratio Rules for Commercial Banks*, *2013 PBC Notice of Deregulation of Interest Rates*, *the Company Law*, *the Banking Supervision Law*, *2014 Guidelines for the Internal Control of Commercial Banks*, and *2015 PBC Notice of Deregulation of Interest Rates*, on the record.²¹¹

We considered the *Banking Law*, *Interim Measures for the Administration of Working Capital Loans*, *Interim Measures for the Administration of Fixed Asset Loans*, *Guidelines for the Internal Control of Commercial Banks*, *Guidelines for Market Risk Management*, *the Banking Supervision Law* and *Capital Rules* in previous segments of this proceeding.²¹² Specifically, in

²⁰⁶ See section 776(b) of the Act.

²⁰⁷ See Public Bodies Memorandum.

²⁰⁸ See *Aluminum Extrusions from the PRC Third Review* and the accompanying issues and Decision Memorandum at 22 - 23, 30 - 32, 37 - 38, and Comment 11, where we applied AFA because the GOC likewise failed to provide many of the same documents for certain producers.

²⁰⁹ See *Aluminum Extrusions from the People's Republic of China: Final Affirmative Countervailing Duty Determination (Aluminum Extrusions Final Determination)*, 76 FR 18521, (April 4, 2011), *Aluminum Extrusions from the PRC First Review*, and *Aluminum Extrusions from the PRC Second Review* and accompanying Issues and Decision Memorandums at the sections entitled, "Policy Loans to Chinese Aluminum Extrusion Producers."

²¹⁰ See the GOC's Initial Questionnaire Response, at 5. A copy of the *Interim Measures* was provided in the GOC's Initial Questionnaire Response at Exhibit 1.

²¹¹ See the GOC's Initial Questionnaire Response, at Exhibits 1 - 3 and 13 - 24.

²¹² See *Aluminum Extrusions from the PRC Investigation*, and accompanying Issues and Decision Memorandum at Comment 28; *Aluminum Extrusions from the PRC First Review*, and accompanying Issues and Decision Memorandum at "Policy Loans to Chinese Aluminum Extrusion Producers" and Comment 6; See *Aluminum Extrusions from the PRC Second Review*, and accompanying Issues and Decision Memorandum at "Policy Loans to Chinese Aluminum Extrusion Producers;" and *Aluminum Extrusions from the PRC Third Review*, and

Aluminum Extrusions from the PRC First Review and *Aluminum Extrusions from the PRC Third Review*, the PRC claimed that *Interim Measures for the Administration of Working Capital Loans* requires that decisions by Chinese financial institutions regarding the issuance of working capital loans be made on a purely commercial basis.²¹³

In the first administrative review, the GOC reported that in February 2010, the China Banking Regulatory Commission (CBRC) promulgated the *Interim Measures for the Administration of Working Capital Loans*, which, according to the GOC, state that “banking financial institutions established in China upon the CBRC’s approval, including those at issue in this review, all make their decisions on issuance of working capital loans on a pure commercial basis.”²¹⁴ However, in *Aluminum Extrusions from the PRC First Review*, *Aluminum Extrusions from the PRC Second Review*, and *Aluminum Extrusions from the PRC Third Review*, we determined that there was no basis to conclude that the GOC’s policy lending activities ceased with the issuance of the *Interim Measures for the Administration of Working Capital Loans or Capital Rules*.²¹⁵ Specifically, and as we explained in *Aluminum Extrusions from the PRC Investigation*, *Aluminum Extrusions from the PRC First Review*, *Aluminum Extrusions from the PRC Second Review*, and *Aluminum Extrusions from the PRC Third Review*, Article 34 of the *Banking Law* states that banks should carry out their loan business “under the guidance of the state industrial policies.”²¹⁶ As noted in *Aluminum Extrusions from the PRC First Review*, the GOC stated that the *Interim Measures* are “fully consistent with Article 34 of the *Law of the People’s Republic of China on Commercial*

accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” and Comments 3 and 13.

²¹³ See *Aluminum Extrusions from the PRC First Review*, and accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” and Comment 6; *Aluminum Extrusions From the People’s Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2012*, 79 FR 36009 (June 25, 2014), and the accompanying Preliminary Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” (*unchanged in Aluminum Extrusions from the PRC Second Review*, and accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers”); and *Aluminum Extrusions from the PRC Third Review*, and accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” and Comments 3 and 13.

²¹⁴ See *Aluminum Extrusions from the PRC Second Review* Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers.”

²¹⁵ See *Aluminum Extrusions from the PRC First Review*, and accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” and Comment 6; *Aluminum Extrusions From the People’s Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2012*, 79 FR 36009 (June 25, 2014), and the accompanying Preliminary Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” (*unchanged in Aluminum Extrusions from the PRC Second Review*, and accompanying Issues and Decision Memorandum); and *Aluminum Extrusions from the PRC Third Review*, and accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” and Comments 3 and 13.

²¹⁶ See *Aluminum Extrusions from the PRC Investigation*, and accompanying Issues and Decision Memorandum at Comment 28; *Aluminum Extrusions from the PRC First Review*, and accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” and Comment 6; *Aluminum Extrusions From the People’s Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2012*, 79 FR 36009 (June 25, 2014), and the accompanying Preliminary Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” (*unchanged in Aluminum Extrusions from the PRC Second Review*, and accompanying Issues and Decision Memorandum at); and *Aluminum Extrusions from the PRC Third Review*, and accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” and Comments 3 and 13.

*Banks (the Banking Law).*²¹⁷ In the instant review, because the GOC claims that *Interim Measures for the Administration of Working Capital Loans* are “fully consistent” with Article 34 of *the Banking Law*, and because all of the specific provisions of *Interim Measures for the Administration of Working Capital Loans* are consistent with *the Banking Law*, we determine, consistent with prior determinations, that *Interim Measures for the Administration of Working Capital Loans* does not constitute evidence that the GOC ceased policy lending to the aluminum extrusions industry, despite any changes to lending practices asserted by the GOC.²¹⁸

In the instant administrative review, the GOC also indicated that on January 1, 2013, the Capital Rules, as enacted by CRBC, went into effect. According to the GOC, these Capital Rules establish tight disciplines on loan management.²¹⁹ The GOC claims that these changes, combined with deregulation of floor interest rates by commercial banks, demonstrate substantial changes in China’s commercial banking sector.²²⁰ However, in light of the *Banking Law*’s provision that banks should carry out their loan business “under the guidance of the state industrial policies,” we find that these changes do not call into question the Department’s prior findings regarding the Chinese banking sector. Furthermore, in light of the *Banking Law*’s provision that banks should carry out their loan business “under the guidance of the state industrial policies,” we find that other documents placed on the record (*i.e.*, *2013 PBC Notice of Deregulation of Interest Rates*, *2014 Notice of Deregulation of Interest Rates*, and *2015 PBC Notice of Deregulation of Interest Rates*), do not call into question the Department’s prior findings regarding the Chinese banking sector.

Thus, we preliminarily determine that the GOC’s policy lending program to Chinese aluminum extrusions producers continued during the POR. As such, we find that the loans to aluminum extrusion producers from SOCBs and policy banks in the PRC were made pursuant to government directives and, thus, constitute a direct financial contribution from “authorities,” pursuant to section 771(5)(D)(i) of the Act. The policy lending provides a benefit equal to the difference between what the recipients paid on their loans and the amount they would have paid on comparable commercial loans (*see* section 771(5)(E)(ii) of the Act). Further, the loans are *de jure* specific under section 771(5A)(D)(i) of the Act because of the GOC’s policy, as illustrated in the government plans and directives, to encourage and support the growth and development of the aluminum extrusions industry.²²¹

²¹⁷ See *Aluminum Extrusions from the PRC First Review* at 21.

²¹⁸ *Id.* and accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” and Comment 6; *Aluminum Extrusions From the People’s Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2012*, 79 FR 36009 (June 25, 2014), and the accompanying Preliminary Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” (*unchanged in Aluminum Extrusions from the PRC Second Review*, and accompanying Issues and Decision Memorandum); and *Aluminum Extrusions from the PRC Third Review*, and accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” and Comments 3 and 13.

²¹⁹ See GOC’s Initial Questionnaire response, at 4.

²²⁰ *Id.*, at 3 - 17.

²²¹ See *Aluminum Extrusions from the PRC Investigation*, and accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers,” *Aluminum Extrusions from the PRC Second Review* Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers,” and *Aluminum Extrusions from the PRC Third Review*, and the accompanying Issues and Decision Memorandum at “Policy Loans to Chinese Aluminum Extrusion Producers” and Comments 3 and 13.

The Jangho Companies reported receiving loans from SOCBs that were outstanding during the POR.²²² To calculate the benefit under this program, pursuant to section 771(5)(E)(ii) of the Act, we compared the amount of interest paid on each outstanding loan to the amount that would have been paid on a comparable commercial loan during the POR. In conducting this comparison, we used the interest rates described in the “Loan Benchmark Rates” section above.

To calculate the subsidy rate for Jangho, we divided the benefit by the total sales of the relevant cross-owned affiliates in accordance with 19 CFR 351.525(b)(3), according to the methodology described in the “Attribution of Subsidies” section, above.²²³ On this basis, we calculated a countervailable subsidy of 0.24 percent *ad valorem* for Jangho.

Preferential Tax Policies for High or New Technology Enterprises

The Jangho Companies reported that Guangzhou Jangho, Jangho Group Co., Beijing Jangho, and Shanghai Jangho received tax savings under this program in the amount indicated on income tax returns filed during the POR.²²⁴ The Department previously found this program to bestow countervailable subsidies.²²⁵ In *Aluminum Extrusions from the PRC First Review*, the GOC reported that this program was established on January 1, 2008. Pursuant to Article 28.2 of the *Enterprise Income Tax Law* (EITL) of the PRC, the government provides for the reduction of the corporate income tax rate from 25 percent to 15 percent for enterprises that are recognized as a High or New Technology Enterprise (HNTE).²²⁶ The conditions to be met by an enterprise to be recognized as an HNTE are set forth in Article 93 of the *Regulation on the Implementation of the Enterprise Income Tax Law*.²²⁷ Article 28.2 of the EITL authorizes a reduced income tax rate of 15 percent for HNTEs. The criteria and procedures for identifying eligible HTNEs are provided in the *Measures on Recognition of High and New Technology Enterprises* (GUOKEFAHUO (2008) No. 172) (*Measures on Recognition of HNTEs*) and the *Guidance on Administration of Recognizing High and New Technology Enterprises* (GUOKEFA HUO (2008) No.362). Article

²²² See Jangho Group Company’s Initial Response at III-9 – III-10 and Exhibit JG-7; and Chengdu Jangho’s Initial Response at III-9 – III-10 and Exhibit JY-7.

²²³ See 19 CFR 351.525(b)(2), 19 CFR 351.525(b)(3), and 19 CFR 351.525(b)(6).

²²⁴ See the Jangho Group Company’s Initial Questionnaire Response at III-13 – III-14 and Exhibit JG-8 - JG-9; Guangzhou Jangho Response at III-10 – III-11 and Exhibits GZ-8 – GZ-9; and Shanghai Jangho’s Initial Response at III-11 and Exhibits SH-7 – GZ-8.

²²⁵ See *Citric Acid and Certain Citrate Salts from the People’s Republic of China: Final Results of Countervailing Duty Administrative Review*, 76 FR 77206 (December 12, 2011) (*Citric Acid from the PRC First Review*), and accompanying Issues and Decision Memorandum at “Reduced Income Tax Rate for High or New Technology Enterprises;” *Citric Acid and Certain Citrate Salts from the People’s Republic of China: Final Results of Countervailing Duty Administrative Review; 2010*, 77 FR 72323 (December 5, 2012) (*Citric Acid from the PRC Second Review*), and accompanying Issues and Decision Memorandum at “Reduced Income Tax Rate for High or New Technology Enterprises;” *Citric Acid and Certain Citrate Salts from the People’s Republic of China: Final Results of Countervailing Duty Administrative Review; 2011*, 79 FR 108 (January 2, 2014) (*Citric Acid from the PRC Third Review*), and accompanying Issues and Decision Memorandum at “Reduced Income Tax Rate for High or New Technology Enterprises;” and *Aluminum Extrusions from the PRC Third Review* and accompanying Issues and Decision Memorandum at “Preferential Tax Policies for High or New Technology Enterprises.”

²²⁶ See *Aluminum Extrusions from the PRC First Review*, and accompanying Issues and Decision Memorandum, at “Preferential Tax Program for High or New Technology Enterprises.”

²²⁷ *Id.*

8 of the *Measures on Recognition of HNTEs* provides that the science and technology administrative departments of each province, autonomous region, and municipality directly under the central government or cities under separate state planning shall collaborate with the finance and taxation departments at the same level to recognize HTNEs in their respective jurisdictions.²²⁸ The GOC reported that the program is administered by the State Administration of Taxation (SAT) and is implemented by the SAT branches at the local level within their respective jurisdictions and that exemption is claimed on line 28 of the Statement of Tax Preferences Table, which is an appendix to the corporate tax return.²²⁹ The annex of the *Measures on Recognition of HNTEs* lists eight high- and new-technology areas selected for the State's "primary support": 1) Electronics and Information Technology; 2) Biology and New Medicine Technology; 3) Aerospace Industry; 4) New Materials Technology; 5) High-tech Service Industry; 6) New Energy and Energy-Saving Technology; 7) Resources and Environmental Technology; and 8) High-tech Transformation of Traditional Industries.²³⁰

In the GOC's Initial Response, the GOC stated that there were no changes under this program during the POR.²³¹ The GOC reported that "{t}he assistance under this program is a reduction in the tax rate," and that "{t}he tax rate that was paid under the program is 15% and the tax rate that would have applied in absence of the program is 25%."²³² There is no new information on the record that would warrant reconsideration of our prior determination. Therefore, consistent with *Citric Acid from the PRC First Review*, *Citric Acid from the PRC Second Review*, *Citric Acid from the PRC Third Review*, and *Aluminum Extrusions from the PRC Third Review*, we continue to find that this program provides a countervailable subsidy.

Consistent with *Citric Acid from the PRC First Review*, *Citric Acid from the PRC Second Review*, *Citric Acid from the PRC Third Review*, and *Aluminum Extrusions from the PRC Third Review*, we find that the reduced income tax rate paid by Jangho Group Company, Chengdu Jangho, and Beijing Jinagheyuan represent financial contributions under section 771(5)(D)(ii) of the Act in the form of revenue foregone by the GOC, and provides a benefit to the recipient in the amount of the tax savings.²³³

²²⁸ See *Citric Acid from the PRC First Review*, and accompanying Issues and Decision Memorandum at "Reduced Income Tax Rate for High or New Technology Enterprises;" *Citric Acid from the PRC Second Review*, and accompanying Issues and Decision Memorandum at "Reduced Income Tax Rate for High or New Technology Enterprises;" *Citric Acid from the PRC Third Review*, and accompanying Issues and Decision Memorandum at "Reduced Income Tax Rate for High or New Technology Enterprises;" and Aluminum Extrusions from the PRC Third Review and accompanying Issues and Decision Memorandum at "Preferential Tax Policies for High or New Technology Enterprises," and *Citric Acid and Certain Citrate Salts: Final Results of Countervailing Duty Administrative Review; 2013*, 80 FR 77318 (December 14, 2015) (*Citric Acid from the PRC Fourth Review*); and accompanying Issues and Decision Memorandum at "Reduced Income Tax Rate for High or New Technology Enterprises."

²²⁹ See *Citric Acid from the PRC First Review*, *Citric Acid from the PRC Second Review*, *Citric Acid from the PRC Third Review* and accompanying Issues and Decision Memorandums at "Reduced Income Tax Rate for High or New Technology Enterprises."

²³⁰ *Id.*

²³¹ See the GOC's Initial Response, at 19.

²³² *Id.*, at 20.

²³³ See section 771(5)(D)(ii) of the Act, section 771(5)(E) of the Act, and 19 CFR 351.509(a)(1).

We also determine, consistent with *Citric Acid from the PRC First Review*, *Citric Acid from the PRC Second Review*, *Citric Acid from the PRC Third Review*, and *Aluminum Extrusions from the PRC Third Review*, that the reduction afforded by this program is limited as a matter of law to certain new and high technology companies selected by the government pursuant to legal guidelines specified in the *Measures on Recognition of HNTEs* and, hence, is specific under section 771(5A)(D)(i) of the Act. Both the number of targeted industries (eight) and the narrowness of the identified project areas under those industries support a finding that the legislation expressly limits access to the program to a specific group of enterprises or industries.

To calculate the benefit, we compared the income tax rate that Jangho Group Company, Chengdu Jangho, and Beijing Jinagheyuan would have paid in the absence of the program (25 percent) to the income tax rate that the companies actually paid (15 percent). We treated the income tax savings as a recurring benefit, consistent with section 771(5)(E) of the Act and 19 CFR 351.524(c)(1). To calculate the countervailable subsidy rate, we divided the benefit by the total sales of the relevant cross-owned affiliates in accordance with 19 CFR 351.525(b)(3), according to the methodology described above in the “Attribution of Subsidies” section, above. On this basis, we calculated a countervailable subsidy of 0.42 percent, *ad valorem* for Jangho.

Tax Offset for Research and Development (R&D)

The Jangho Companies reported that Jangho Group Company, Guangzhou Jangho, Beijing Jangho, and Shanghai Jangho received tax savings under this program during the POR.²³⁴ The Department previously found this program to bestow countervailable subsidies.²³⁵

In the GOC’s Initial Response, the GOC stated that there were no changes under this program during the POR.²³⁶ The GOC reported that under this program, for R&D expenses incurred for developing new products and technologies that cannot be treated as intangible assets, 50 percent of the R&D expense is deducted as a tax offset. For R&D expenses incurred for developing new products and technologies that can be treated as intangible assets, the tax offset is amortized based on 150 percent of the R&D expenses.²³⁷ For Guangzhou Jangho, the program is administered by the State Taxation Bureau of Zengcheng City, Guangdong. For Jangho Group Company and Beijing Jangho, the program is administered by the Second Taxation Office of Local Taxation Bureau of Shunyi District, Beijing. For Shanghai Jangho, the program is administered by the Shanghai Songjiang Bureau of State Taxation, Shanghai.²³⁸ The Program is administered pursuant to the “Trial Administrative Measures for the Pre-Tax Deduction of

²³⁴ See Jangho Group Company’s Initial Response at III-11 and Exhibit JG-69, Guangzhou Jangho’s Initial Response at III-11 and Exhibit GZ-7, Beijing Jangho’s Initial Response at Exhibit BJ-12, and Shanghai Jangho Initial Response at Exhibit SH-13.

²³⁵ See *Aluminum Extrusions From the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 75 FR 54302 (September 10, 2007) (*Aluminum Extrusions Investigation Preliminary Determination*), unchanged in *Aluminum Extrusions From the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 76 FR 18521 (April 4, 2011) (*Aluminum Extrusions From the PRC Investigation*); and *Aluminum Extrusions from the PRC First Review*.

²³⁶ See the GOC’s Initial Response, at 20.

²³⁷ *Id.*, at 20 - 22.

²³⁸ *Id.*, at 21.

Enterprises R&D Expenses” (R&D Measures). Article 5 of the R&D Measures states that eligible R&D projects shall be in line with national and provincial technological policies and industrial policies. Article 5 of the R&D Measures also states that any projects belonging to producer projects, technological projects, or process projects eliminated or restricted by the central or provincial government shall not enjoy the policy of additional calculation of R&D expenses.²³⁹

There is no new information on the record that would warrant reconsideration of our prior determination. Therefore, consistent with *Aluminum Extrusions from the PRC Third Review*, we continue to find that this program provides a countervailable subsidy.

Consistent with *Aluminum Extrusions from the PRC Third Review*, we determine that the income tax reduction under this program constitutes a financial contribution in the form of revenue forgone by the government under section 771(5)(D)(ii) of the Act and a benefit in the amount of the tax savings pursuant to 19 CFR 351.509(a).

Concerning specificity, as noted above in the “Policy Loans to Chinese Aluminum Extrusion Producers” section, we determine that the GOC targeted the aluminum extrusions industry for development and assistance in a manner that is specific under section 771(5A)(D)(i) of the Act, as illustrated in the government plans and directives, to encourage and support the growth and development of the aluminum extrusions industry. Given this finding, in light of the language in Article 5 of the R&D Measures, and consistent with *Aluminum Extrusions from the PRC Third Review*, the Department determines that the tax reduction under this program is *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act.²⁴⁰

To calculate the benefit, we multiplied the reduction in taxable income attributed to Jangho Group Company, Guangzhou Jangho, Beijing Jangho, and Shanghai Jangho under the program by the tax rate, 15 percent.²⁴¹ We treated the income tax savings as a recurring benefit, consistent with section 771(5)(E) of the Act and 19 CFR 351.524(c)(1). To calculate the countervailable subsidy rate, we divided the benefit by the total sales of the relevant cross-owned affiliates in accordance with 19 CFR 351.525(b)(3), according to the methodology described above in the “Attribution of Subsidies” section, above. On this basis, we calculated a countervailable subsidy of 0.16 percent, *ad valorem* for Jangho.

Export Increase Fund

The Jangho Companies reported that Guangzhou Jangho received benefits under this grant program during the POR.²⁴² The Department previously found this program to bestow

²³⁹ See *Aluminum Extrusions Investigation Preliminary Determination*, unchanged in *Aluminum Extrusions Investigation*.

²⁴⁰ *Id.*

²⁴¹ As noted above as HTNE-status companies, Guangzhou Jangho and Jangho Group Co. incur a 15 percent income tax rate.

²⁴² See Guangzhou Jangho’s Initial Response at III-21 and Exhibit GZ-12.

countervailable subsidies.²⁴³ In *Aluminum Extrusions from the PRC Third Review*, we found the program to be contingent upon export activity.²⁴⁴ In its questionnaire response, the GOC stated that there were no changes under this program during the POR.²⁴⁵ There is no new information on the record that would warrant reconsideration of our prior determination.²⁴⁶ Therefore, we continue to find that this program provides a countervailable subsidy.²⁴⁷ For Guangzhou Jangho, the program is administered by the Bureau of Foreign Trade and Economic Cooperation of Guangzhou, and the Bureau of Finance of Guangzhou.²⁴⁸

To calculate the countervailable subsidy rate, we divided the benefit by the export sales of the relevant cross-owned affiliates in accordance with 19 CFR 351.525(b)(2), according to the methodology described above in the “Attribution of Subsidies” section, above. On this basis, we calculated a countervailable subsidy of 0.03 percent, *ad valorem* for Jangho.

Private Enterprise Award

The Jangho Companies reported that Guangzhou Jangho received benefits under this grant program during the POR.²⁴⁹ In the GOC’s Initial Questionnaire Response, the GOC provided responses to the questions in the standard and usage appendices for this program, and confirmed information provided by the Jangho Companies, indicating Guangzhou Jangho’s receipt of benefits under this program. The GOC failed to provide the relevant laws and regulations in the GOC’s Initial Questionnaire Response and claimed to be unable to provide the relevant laws and regulations. However, in the GOC’s April 13, 2016 Supplemental Response, the GOC subsequently provided the *Administration Measures on Guangzhou Private Enterprises Award Special Fund*, which the GOC claims governs the program.²⁵⁰ According to the GOC, the program is administered by the Industry and Information Technology Commission of Guangzhou Municipality and the Bureau of Finance of Guangzhou.²⁵¹

Concerning specificity, in the GOC’s Initial Questionnaire Response, the GOC responded to the Department’s questions regarding *de jure* specificity. In the Standard appendix, the Department asked:

Is the industry or sector in which the applicant or recipient operates taken into account in any way, either under the law or through

²⁴³ See *Aluminum Extrusions from the PRC Third Review* and accompanying Issues and Decision Memorandum at “Grant Programs for Which the GOC Did Not Provide the Requested Laws, Regulations, and Specificity Information.”

²⁴⁴ *Id.*

²⁴⁵ See the GOC’s Initial Response, at 28.

²⁴⁶ Because we previously found this program to be a countervailable subsidy, the GOC did not provide a response to our standard appendix response for the Export Increase Fund program.

²⁴⁷ We note that the GOC failed to provide the relevant laws and regulations, such that we are unable to reconsider the Department’s findings given record evidence.

²⁴⁸ See Guangzhou Jangho’s Initial Response at III-21 and Exhibit GZ-12; and the GOC’s Initial Response, at 28.

²⁴⁹ See Jangho Group Company’s Initial Response at Exhibit JG-42 – JG-43.

²⁵⁰ See the GOC’s April 13, 2016, Supplemental Response at 66 and Exhibit S-4 “*Administration Measures on Guangzhou Private Enterprises Award Special Fund*.”

²⁵¹ See the GOC’s April 13, 2016, Supplemental Response at 36 and Exhibit S-4.

discretion exercised by the government agency or authority administering the program, in determining eligibility for or receipt of any assistance under this program? Please explain, and identify those industries or sectors that are eligible or otherwise receive special consideration for eligibility. If eligibility is limited, by law or in fact, to any enterprise or group of enterprises, or to any industry or group of industries, you need not respond to the remaining questions under section L.²⁵²

The GOC responded in the affirmative to the first question presented, thereby indicating that the industry or sector in which the applicant or recipient operates is taken into account in determining eligibility for or receipt of any assistance under this program. However, the GOC failed to identify the industries or sectors that are eligible or otherwise receive special consideration for eligibility. Therefore, in the Department's March 22, 2016 Supplemental Questionnaire to the GOC, we again asked the GOC to fully respond to this question. In the GOC's April 13, 2016 Supplemental Response the GOC stated: "The eligible enterprises must be operated in industrial sectors that are encouraged in Guangzhou city, such as modern services, advanced manufacturing, strategic new industries and transformed and upgraded traditional sectors." The *Administration Measures on Guangzhou Private Enterprises Award Special Fund* also indicates that the program's scope is limited to "modern service industries, advanced manufacturing, strategic emerging industries and traditional industrial."²⁵³ Accordingly, because the GOC claims that the program is limited as a matter of law to these sectors or industries, we find that the program is limited by law to modern service industries, advanced manufacturing, strategic new industries and transformed and upgraded traditional sectors, and is therefore *de jure* specific.

To calculate the countervailable subsidy rate, we divided the benefit by the total sales of the relevant cross-owned affiliates in accordance with 19 CFR 351.525(b)(3), according to the methodology described above in the "Attribution of Subsidies" section, above. On this basis, we calculated a countervailable subsidy of 0.01 percent, *ad valorem* for Jangho.

Guangzhou Service Contracting Program

The Jangho Companies reported that Guangzhou Jangho received benefits under this grant program during the POR.²⁵⁴ The GOC provided responses to the questions in the Department's standard and usage appendices for this program in the GOC's Initial Questionnaire Response, and confirmed information provided by the Jangho Companies, indicating Guangzhou Jangho's receipt of benefits under this program. The GOC initially failed to provide the relevant laws and regulations in the GOC's Initial Questionnaire Response. The program is administered by the Department of Commerce of Guangdong Province, the Department of Finance of Guangdong

²⁵² See the Department's March 22, 2016, Supplemental Questionnaire to the GOC at II-23.

²⁵³ See the GOC's April 13, 2016, Supplemental Response at Exhibit S-4.

²⁵⁴ See Jangho Group Company's Initial Response at Exhibit GZ-18 – GZ-19.

Province, the Bureau of Foreign Trade and Economic Cooperation of Guangzhou, and the Bureau of Finance of Guangzhou.²⁵⁵

Regarding specificity, in the GOC's Initial Questionnaire Response, the GOC responded to the Department's questions regarding *de jure* specificity. In the Standard appendix, the Department asked:

Is the industry or sector in which the applicant or recipient operates taken into account in any way, either under the law or through discretion exercised by the government agency or authority administering the program, in determining eligibility for or receipt of any assistance under this program? Please explain, and identify those industries or sectors that are eligible or otherwise receive special consideration for eligibility. If eligibility is limited, by law or in fact, to any enterprise or group of enterprises, or to any industry or group of industries, you need not respond to the remaining questions under section L.²⁵⁶

The GOC responded in the affirmative to the first question presented, thereby indicating that the industry or sector in which the applicant or recipient operates is taken into account in determining eligibility for or receipt of any assistance under this program. However, the GOC failed to identify the industries or sectors that are eligible or otherwise receive special consideration for eligibility, and failed to provide the relevant laws and regulations.²⁵⁷ Therefore, in the Department's March 22, 2016 Supplemental Questionnaire to the GOC, we again asked the GOC to fully respond to this question. In the GOC's April 13, 2016 Supplemental Response the GOC stated: "the eligible enterprises must be a contracting service provider in information technology, service processes or knowledge processes sectors in Guangzhou city."²⁵⁸ With regard to laws and regulations, the GOC claimed to be unable to provide them.²⁵⁹ Accordingly, because the GOC claims that the program is limited as a matter of law to these sectors or industries, and because the GOC failed to provide the relevant laws and regulations, we find that the program is limited by law to these modern services, advanced manufacturing, strategic new industries and transformed and upgraded traditional sectors, and is therefore *de jure* specific.

To calculate the countervailable subsidy rate, we divided the benefit by the sales of the relevant cross-owned affiliates in accordance with 19 CFR 351.525(b)(3) and (6), according to the methodology described above in the "Attribution of Subsidies" section, above. On this basis, we calculated a countervailable subsidy of 0.01 percent, *ad valorem* for Jangho.

²⁵⁵ See the GOC's Initial Response at 59-66.

²⁵⁶ See the Department's March 22, 2016, Supplemental Questionnaire to the GOC at II-23.

²⁵⁷ See the GOC's Initial Response at 63.

²⁵⁸ See the GOC's April 13, 2016, Supplemental Response at 39.

²⁵⁹ *Id.*, at 38.

Guangzhou Engineering Technology R&D Center Fund

The Jangho Companies reported that Guangzhou Jangho received benefits under this grant program during the POR.²⁶⁰ The GOC failed to provide responses to any of the questions in the Department's standard and usage appendices for this program in the GOC's Initial Questionnaire Response. However, the GOC provided responses to the questions in the Department's standard and usage appendices and the relevant regulation in the GOC's April 13, 2016 Supplemental Response.²⁶¹ According to the GOC, the program is administered by the Guangzhou Municipal Commission of Development and Reform and Guangzhou Municipal Commission of Economic and Trade in accordance with the *Guangzhou Administration Measures on Engineering Technology R&D Center*, which governs the program.²⁶²

Regarding specificity, in the GOC's Initial Questionnaire Response, the GOC responded to the Department's questions regarding *de jure* specificity. In the Standard appendix the Department asked:

Is the industry or sector in which the applicant or recipient operates taken into account in any way, either under the law or through discretion exercised by the government agency or authority administering the program, in determining eligibility for or receipt of any assistance under this program? Please explain, and identify those industries or sectors that are eligible or otherwise receive special consideration for eligibility. If eligibility is limited, by law or in fact, to any enterprise or group of enterprises, or to any industry or group of industries, you need not respond to the remaining questions under section L.²⁶³

In response to this, the GOC responded “[y]es{,} The applicants or recipients need to be either frontrunners of certain key encouraged industries or the enterprises with designation of national or provincial famous brand or well-known trademark,” thereby indicating that the industry or sector in which the applicant or recipient operates is taken into account in determining eligibility for or receipt of any assistance under this program. Accordingly, because the GOC claims that the program is limited as a matter of law to these sectors or industries, we find that the program is limited by law to these sectors or industries, and is therefore *de jure* specific.

To calculate the countervailable subsidy rate, we divided the benefit by the sales of the relevant cross-owned affiliates in accordance with 19 CFR 351.525(b)(3), according to the methodology described above in the “Attribution of Subsidies” section, above. On this basis, we calculated a countervailable subsidy of 0.01 percent, *ad valorem* for Jangho.

²⁶⁰ See Guangzhou Jangho's Initial Response at Exhibit GZ-24 – GZ-25.

²⁶¹ See the GOC's April 13, 2016, Supplemental Response at 65 – 72 and Exhibit S-9.

²⁶² *Id.*, at 66 and Exhibit S-9.

²⁶³ See the Department's March 22, 2016, Supplemental Questionnaire to the GOC at II-23.

Beijing Industry Development Fund

The Jangho Companies reported that Jangho Group Company received benefits under this grant program during the POR.²⁶⁴ The GOC failed to provide responses to any of the questions in the Department's Standard and Usage appendices for this program in the GOC's Initial Questionnaire Response. In the GOC's April 13, 2016, Supplemental Response, the GOC confirmed information provided by the Jangho Companies, indicating Jangho Group Company's receipt of benefits under this program and provided responses to the questions in the Department's standard and usage appendices and provided the relevant regulation. According to the GOC, "{t}he program was established in 2002 to facilitate dynamic adjustment of industrial structure in Beijing." According to the Jangho Companies and the GOC, for Jangho Group Company, the program is administered by the Beijing Municipal Commission of Economy and Information Technology and the Beijing Bureau of Finance in accordance with the *Beijing Administration Measures on Industry Development Fund*, the regulation governing the program.²⁶⁵

Regarding specificity, the GOC states that the industry or sector in which the applicant or recipient operates is taken into account in determining eligibility for or receipt of any assistance under this program.²⁶⁶ Specifically, the GOC claims that "{t}he projects supported under this program in 2014 were required to be in the sectors of energy conservation, emission reduction, and cleaning production, etc."²⁶⁷ Accordingly, because the GOC claims that the program is limited as a matter of law to these sectors or industries, we find that the program is limited by law to these sectors or industries, and is therefore *de jure* specific.

To calculate the countervailable subsidy rate, we divided the benefit by the sales of the relevant cross-owned affiliates in accordance with 19 CFR 351.525(b)(3), according to the methodology described above in the "Attribution of Subsidies" section, above. On this basis, we calculated a countervailable subsidy of 0.02 percent, *ad valorem* for Jangho.

Grant Programs for Which the GOC Did Not Provide the Requested Laws, Regulations, or Specificity Information

The Jangho Companies reported receiving grants from the GOC under the following programs: Technology Innovation Assistance Fund, Enterprise Technology Center Fund, and Trade Promotion and Brand Building Fund.²⁶⁸ As explained above in the section entitled, "Use of Facts Otherwise Available and Adverse Inferences," as AFA, we determined that each of the following programs are specific within the meaning of section 771(5A) of the Act, and constitute a financial contribution in the form of a direct transfer of funds within the meaning of section 771(5)(D)(i) of the Act. Based on information provided by the GOC and the Jangho Companies, we also determine that each program conferred a benefit under section 771(5)(E) of the Act and

²⁶⁴ See Jangho Group Company's Initial Response at Exhibit JG-60.

²⁶⁵ See the GOC's April 13, 2016, Supplemental Response at 110 and Exhibit S-13.

²⁶⁶ *Id.*, at 110.

²⁶⁷ *Id.*, at 110 and Exhibit S-13.

²⁶⁸ See Jangho Group Company's Initial Response at Exhibit JG-42 and Exhibit JG-60 and Guangzhou Jangho's Initial Response at Exhibit GZ-26.

19 CFR 351.504(a) during the POR.²⁶⁹ Therefore, we determine that each of these programs provides countervailable subsidies within the meaning of section 771(5) of the Act.

Consistent with 19 CFR 351.524(c)(1), we are treating grants received under these programs as “non-recurring.” We performed the “0.5 percent test” of 19 CFR 351.524(b)(2) with regard to each grant program. For those grants that passed the “0.5 percent test,” we allocated the benefit received by the Jangho Companies over the AUL in this proceeding, which is 12 years. For those grants that did not pass the “0.5 percent test,” we expensed the grant amounts in the years they were received.

To calculate the countervailable subsidy rate, for Trade Promotion and Brand Building Fund, we divided the benefit by the exports of the relevant cross-owned affiliates in accordance with 19 CFR 351.525(b)(2), according to the methodology described above in the “Attribution of Subsidies” section, above.²⁷⁰ To calculate the countervailable subsidy rate, for Technology Innovation Assistance Fund and Enterprise Technology Center Fund, we divided the benefit by the total sales of the relevant cross-owned affiliates in accordance with 19 CFR 351.525(b)(3), according to the methodology described above in the “Attribution of Subsidies” section, above. On this basis, we find that the following grant programs are countervailable and have calculated the following *ad valorem* countervailable subsidy rates for the Jangho Companies:

Name of Program	2014 Ad Valorem Rate (percent)
Technology Innovation Assistance Fund	0.05
Enterprise Technology Center Fund	0.03
Trade Promotion and Brand Building Fund	0.02

Provision of Aluminum Extrusions for LTAR

The Jangho Companies are producers and exporters of curtain wall products, including curtain wall units, a downstream product which is a part of a curtain wall or curtain wall system and subject to the *Orders*.²⁷¹ As a downstream subject aluminum extrusions product, the Jangho Companies’ products include certain other types of aluminum extrusions as inputs.²⁷²

²⁶⁹ See Jangho Group Company’s Initial Response at Exhibit JG-42 and Exhibit JG-60; Guangzhou Jangho’s Initial Response at Exhibit GZ-26; and the GOC’s April 13, 2016, Supplemental Response at 72, 80, and 109.

²⁷⁰ As explained above, in the section entitled “Use of Facts Otherwise Available and Adverse Inferences,” as facts available, we find this program to be an export subsidy. Accordingly, we are calculating the subsidy rate for this program using the export sales of the relevant cross-owned companies as the denominator.

²⁷¹ See, e.g., Guangzhou Jangho Initial Response at III-3, III-6 – III-7, and III-9.

²⁷² *Id.*, at III-27 - III-28 and Exhibit GZ-14; see also, Jangho Group Company Initial Response at III-29 - III-30 and JG-14; Beijing Jangho Initial Response at III-26 - III-27 and Exhibit BJ-8; Shanghai Jangho Initial Response at III-25 - III-26 and Exhibit SH-9; and Chengdu Jangho Initial Response at III-27 - III-28 and Exhibit SH-8.

Financial Contribution and Specificity

In *Aluminum Extrusions from the PRC Third Review*, we determined that this program is a countervailable domestic subsidy, as described under sections 771(5)(A) and (5A)(D) of the Act.²⁷³ Guangzhou Jangho, Jangho Group Company, Beijing Jangho, Shanghai Jangho, and Chengdu Jangho all reported purchasing aluminum extrusions during the POR.²⁷⁴

In *Aluminum Extrusions from the PRC Third Review*, the Department determined, as AFA and based upon information provided by Petitioner, that this subsidy is specific under section 771(5A)(D)(iii)(I) of the Act, based on information provided by Petitioner demonstrating that users of aluminum extrusions are limited to a number of enterprises and industries (*e.g.*, transportation, machinery and equipment, and electric power engineering industries).²⁷⁵ No new information has been submitted in this review to warrant a reconsideration of the Department's specificity finding. We also note that the Department previously found the provision of aluminum extrusions in the PRC to be specific because the users of aluminum extrusions as an input are limited in number to certain industries, namely, the transportation, machinery and equipment, and electric power engineering industries.²⁷⁶ As such, consistent with the *Aluminum Extrusions from the PRC Third Review*, we find that the industries that purchased aluminum extrusions are limited in number and, hence, the subsidy is specific under section 771(5A)(D)(iii)(I) of the Act.²⁷⁷

For the reasons discussed above under the section entitled, "Use of Facts Otherwise Available and Adverse Inferences," we are relying on AFA to find that the companies which produced the aluminum extrusions purchased by Jangho are "authorities" within the meaning of section 771(5)(B) of the Act. Further, we determine that a financial contribution in the form of the provision of a good was provided to Jangho within the meaning of section 771(5)(D)(iii) of the Act.

²⁷³ See *Aluminum Extrusions from the PRC Third Review* and accompanying Issues and Decision Memorandum at "Provision of Aluminum Extrusions for LTAR" and Comments 9 and 12.

²⁷⁴ See, *e.g.*, Guangzhou Jangho Initial Response at III-27 - III-28 and Exhibit GZ-14, Jangho Group Company Initial Response at III-29 - III-30 and JG-14; Beijing Jangho Initial Response at III-26 - III-27 and Exhibit BJ-8; Shanghai Jangho Initial Response at III-25 - III-26 and Exhibit SH-9; and Chengdu Jangho Initial Response at III-27 - III-28 and Exhibit SH-8.

²⁷⁵ See *Aluminum Extrusions from the PRC Third Review* and accompanying Issues and Decision Memorandum at "Provision of Aluminum Extrusions for LTAR" and Comment 12.

²⁷⁶ See *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, From the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2012; and Partial Rescission of Countervailing Duty Administrative Review*, 80 FR 1019 (January 8, 2015) (*Crystalline Silicon Photovoltaic Cells Prelim*), and the accompanying Decision Memorandum and accompanying Issues and Decision Memorandum under section entitled, "Provision of Aluminum Extrusions for LTAR," (unchanged in *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2012*, 80 FR 41003 (July 14, 2015) (*Crystalline Silicon Photovoltaic Cells Final*) at 22-23 and Comment 3).

²⁷⁷ See *Aluminum Extrusions from the PRC Third Review* and accompanying Issues and Decision Memorandum at "Provision of Aluminum Extrusions for LTAR" and Comment 12.

Benefit

In order to determine the existence and amount of any benefit conferred pursuant to section 771(5)(E)(iv) of the Act, we followed the methodology described in 19 CFR 351.511(a)(2) to identify a suitable benchmark for aluminum extrusions. The Department's regulations at 19 CFR 351.511(a)(2) set forth the basis for identifying appropriate market-determined benchmarks for measuring the adequacy of remuneration for government-provided goods or services. The potential benchmarks listed in the regulation, in order of preference, are: (1) market prices from actual transactions within the country under investigation for the government-provided good (*e.g.*, actual sales, actual imports or competitively run government auctions) (tier one); (2) world market prices that would be available to purchasers in the country under investigation (tier two); or (3) prices consistent with market principles based on an assessment by the Department of the government-set price (tier three).²⁷⁸

Market Distortion

To determine whether goods or services were provided at LTAR, we measured the adequacy of remuneration by comparing prices paid by respondent firms for inputs sourced from GOC "authorities." In order to select an appropriate benchmark to value aluminum extrusions, we first determined whether the aluminum extrusions market in the PRC is distorted. Therefore, we asked the GOC a series of questions regarding market distortion.²⁷⁹ In response to our questions regarding market distortion, the GOC provided certain information, including:

- the total number of producers of the aluminum extrusion industry;
- the total number of producers categorized by government ownership;
- the total production of aluminum extrusions;
- the total volume and value of imports of aluminum extrusions;
- the total volume of Chinese domestic production of the aluminum extrusions that is accounted for by companies in which the GOC maintains controlling ownership or management interest;
- the VAT and import tariff rates in effect for aluminum extrusions in 2014 and the prior two years; and
- the export tariff rates in effect for aluminum extrusions in 2014.

Also, in response to our questions, the GOC explained that "there is no independent association that solely specializes in the industry of aluminum extrusions," and that "there were no export licensing requirements in place with regard to aluminum extrusions during the POR."

However, as explained below, the GOC did not provide complete responses to other questions regarding the aluminum extrusions industry. In the Department's Initial Questionnaire to the GOC, we asked the GOC:

²⁷⁸ See 19 CFR 351.511(a)(2).

²⁷⁹ See the Department's Initial Questionnaire to the GOC, at Section II at II-10 – II-11.

- to report “{t}he total volume and value of Chinese domestic consumption of aluminum extrusions;”²⁸⁰
- to report “the percentage of domestic consumption accounted for by domestic production;”²⁸¹
- to explain whether there are “trade publications that specify the prices of the good/service within your country and on the world market,” and to “{p}rovide a list of these publications, along with sample pages from these publications listing the prices of the good/service within your country and in world markets during the POR;”²⁸²
- to explain “the objectives of the Government in holding shares in the enterprises, and whether those objectives are defined in any Government proclamation, regulation, decree, opinion, law or policy,” and to “explain the relevant Government ownership policy regarding the enterprises or the industry addressed in the Input Producer Appendix and/or the industries to which respondents belong;”²⁸³
- to explain if the industry in which the enterprises that produce aluminum extrusions and/or the industries to which respondents belong are covered by any central, provincial or local Government five-year plans, industry-specific plans or policy, investment guide, catalogue or any other Government planning or policy documents that are relevant to the POR, and if so, to provide such documents;”²⁸⁴ and
- to “explain if the enterprises or industry addressed in the *Input Producer Appendix* and/or the industries to which respondents belong are subject to governmental approval for any mergers, restructurings, or capacity additions,” and if so, to “explain the process for such an approval by the Government and whether such an approval is linked to the aluminum extrusions industry.”²⁸⁵

However, the GOC has twice claimed to be unable to respond to a large number of our requests for necessary information regarding market distortion, and in many cases failed to fully explain why it was unable to provide such information.²⁸⁶ Ultimately, the GOC twice failed to provide necessary information requested concerning:

- the amounts of domestic consumption of aluminum extrusions; the percentage of domestic consumption accounted for by domestic production;
- trade publications; the objectives of the GOC in holding shares in aluminum extrusions enterprises;
- whether the aluminum extrusions industries or respondents themselves are covered by any five-year plans or other government plans, guides, or similar documents;
- how aluminum extrusions producers or respondents are subject to governmental approval for mergers, restructuring, etc.

²⁸⁰ *Id.*, at Section II at II-11.

²⁸¹ *Id.*

²⁸² *Id.* at II-11.

²⁸³ *Id.*, at II-12.

²⁸⁴ *Id.*

²⁸⁵ *Id.*

²⁸⁶ See the GOC’s Initial Response at 34 – 38, and the GOC’s April 13, 2016, Supplemental Response at 15 – 20.

With regard to the aluminum extrusions enterprises, five-year plans and similar documents, and governmental approval for mergers, restructuring, *etc.*, the GOC twice failed to fully explain why it could not provide such information and failed to explain what efforts it made to collect the information.

Consequently, due to the GOC's failure to provide requested information, the record is incomplete with regard to whether the PRC market for aluminum extrusions is distorted. However, we note that no interested party provided an internal "tier one" benchmark for valuing glass and we have no benchmark prices from actual transactions in the Chinese market for these inputs. Accordingly, the Department is relying upon a "tier two" benchmark of world market prices, pursuant to 19 CFR 351.511(a)(2)(ii), as discussed in further detail below.

Benchmarks

In accordance with 19 CFR 351.301(c)(3)(ii), both Petitioner and the Jangho Companies submitted factual information on the record of this review to measure the adequacy of remuneration.²⁸⁷ This information reflects "tier two" price data, including export unit values based on the same export volume and value data, sourced from the United Nations Commodity Trade Statistics Database (UN Comtrade). While Jangho and Petitioner both submitted export data, including volume and value data, Petitioner did not submit benchmark price calculations based on that data. The Jangho Companies did submit benchmark price calculations based on the UN Comtrade data.

Since there is no "tier one" price data on the administrative record, we are relying on the UN Comtrade information submitted by the parties. Both parties provided consistent price data from UN Comtrade for harmonized tariff schedule subheadings 7604.21 (*i.e.*, aluminum alloy hollow profiles), 7604.29 (*i.e.*, aluminum alloy profiles other than hollow profiles), and 7610.10 (*i.e.*, aluminum doors, windows and their frames and thresholds for doors).²⁸⁸

With respect to the aluminum extrusions input for the Jangho Companies, we are relying upon UN Comtrade pricing data related to the 7604.21, 7604.29, and 7610.10, because we find that those data best represent the aluminum extrusions inputs for subject merchandise purchased by Guangzhou Jangho, Jangho Group Company, Beijing Jangho, Shanghai Jangho, and Chengdu Jangho, and are exclusive of prices for products exported from and imported into the PRC for this POR.²⁸⁹

²⁸⁷ See Petitioner Benchmark Submission at Exhibit 1 and the Jangho Companies' Benchmark Submission at Exhibit 7.

²⁸⁸ *Id.*

²⁸⁹ The Jangho Companies removed all exports from Estonia from its calculations, claiming them to be aberrational. However, we find that only Estonian export data for the months of January, February, and March 2014 (for all commodities) represent aberrational average unit values. Therefore we have adjusted the data by removing the aberrational data related to Estonia from the export data for the months of January, February, and March 2014. See the Jangho Group Companies' Preliminary Analysis Memorandum. See also the Jangho Companies' Benchmark Submission at Exhibit 7 and Petitioner Benchmark Submission at Exhibit 1.

Using the UN Comtrade pricing data, we first calculated monthly weight-averaged prices using the quantity exported by each country.²⁹⁰ Under 19 CFR 351.511(a)(2)(iv), when measuring the adequacy of remuneration under “tier two,” the Department will adjust the benchmark price to reflect the price that a firm actually paid or would pay if it imported the product, including delivery charges and import duties. Accordingly, to derive the benchmark prices we included ocean freight and inland freight expenses.²⁹¹

Regarding inland freight, we sought inland freight expenses for each of the Jangho Companies’ cross-owned producers.²⁹² Specifically, we requested that the Jangho Companies report their “per-metric ton freight expenses for transporting the input from the nearest seaport to your firm’s factory complexes for each month of the POR, or if unavailable, to transport ‘a closely-related input product or finished product to or from the nearest seaport during the POR.’”²⁹³ The Jangho Companies indicated that none of the cross-owned producers imported aluminum extrusions or glass during the instant review period (*i.e.*, that all aluminum extrusion and glass inputs purchased by the Jangho Companies were sourced from within the PRC). Therefore, the Jangho Companies initially reported freight expenses incurred for shipping inputs from a supplier’s warehouse to each cross-owned producer’s production facility.²⁹⁴ However, in the Department’s March 10, 2016 Supplemental Questionnaire, we instructed Jangho to provide the freight expense associated with an input or product to or from the nearest major seaport to each production facility.²⁹⁵ In response, the Jangho Companies provided freight expenses for each cross-owned producer’s production facility to the nearest major port.²⁹⁶ No other party placed alternative inland freight data on the record of this review. Accordingly, we relied upon the inland freight expenses submitted by the Jangho Companies in its supplemental response.

With respect to ocean freight expenses, Jangho submitted ocean freight prices from the Maersk Shipping Line (Maersk), representing the shipment of cargo from various points around the world to the Port of Shanghai, China, and the Port of Yantian, China.²⁹⁷ Petitioner submitted identical data for the Port of Shanghai, China and the Port of Yantian, China. Petitioner also provided Mearsk data for the Port of Tianjin, China, and the Port of Qingdao, China.²⁹⁸ Aside from the data submitted by Petitioner and Jangho, no other party placed ocean freight pricing data on the record. We have relied on the Jangho Companies’ ocean freight price data for the Port of Yantian in calculating a benchmark for Guangzhou Jangho’s purchases of inputs because the Jangho Companies reported that the Port of Yantian is the nearest major ocean port to Guangzhou Jangho’s production facilities and provided inland freight to Shenzhen, a location in

²⁹⁰ See the Jangho Group Companies’ Preliminary Analysis Memorandum.

²⁹¹ *Id.*

²⁹² See the Department’s Initial Questionnaire to the Jangho Companies at III-16 and III-17 and the Department’s March 10, 2016, Supplemental Questionnaire at 7 and 9 – 12.

²⁹³ See the Department’s Initial Questionnaire to the Jangho Companies at III-16 and III-17.

²⁹⁴ See, *e.g.*, Guangzhou Jangho’s Initial Response at III-28 and Exhibits GZ-14.1 - Exhibits GZ-14.2.

²⁹⁵ See the Department’s March 10 2016, Supplemental Questionnaire at 7 and 9 – 12.

²⁹⁶ See the Jangho Companies’ March 30, 2016, Supplemental Response at 12 – 14, 18 – 20, Exhibit S1-4 and Exhibit S1-5.

²⁹⁷ See the Jangho Companies’ Benchmark Submission, at Exhibit 11.

²⁹⁸ See Petitioner’s Benchmark Submission, at Exhibit 9A.

the general vicinity of the Port of Yantian.²⁹⁹ For Shanghai Jangho's and Chengdu Jangho's purchases of inputs, we have relied on the Jangho Companies' ocean freight price data for the Port of Shanghai because the Jangho Companies reported that the Port of Shanghai is the nearest major ocean port to Shanghai Jangho and Chengdu Jangho's production facilities and provided inland freight to the Port of Shanghai.³⁰⁰ For Jangho Group Company's and Beijing Jangho's purchases of inputs, we have relied on Petitioner's ocean freight price data for the Port of Tianjin, because the Jangho Companies reported that the Port of Tianjin is the nearest major ocean port to Jangho Group Company and Beijing Jangho's production facilities and provided inland freight to the Port of Tianjin.³⁰¹

We added the calculated monthly inland freight expenses and ocean freight expenses to the benchmark prices. Further, we added to the benchmark prices the appropriate import duties applicable to imports of aluminum extrusions into the PRC.³⁰² Additionally, we added the appropriate VAT of 17 percent to the benchmark prices.³⁰³

In deriving the benchmark prices, we did not include marine insurance. In prior CVD investigations involving the PRC, the Department determined that while the PRC customs authorities impute an insurance cost on certain imports for purposes of levying duties and compiling statistical data, there is no evidence to suggest that PRC customs authorities require importers to pay insurance charges.³⁰⁴ Further, we have not added separate brokerage, handling and documentation fees to the benchmark because we find that such costs are already reflected in the ocean freight costs from Maersk that are being used in this review. This approach is also consistent with the methodology employed in prior segments of this proceeding.³⁰⁵

To determine whether the government authorities sold aluminum extrusions inputs for LTAR, we compared the adjusted benchmark prices to the respondents' actual purchase prices of aluminum extrusions inputs from PRC firms, inclusive of taxes and delivery charges. We conducted the comparison on a monthly basis and using the same currency and unit of measure in which each respondent purchased its aluminum extrusions inputs during the POR.

²⁹⁹ *Id.*, at Exhibit 11 and the Jangho Companies' March 30, 2016, Supplemental Response at 12 – 14, 18 – 20, Exhibit S1-4 and Exhibit S1-5.

³⁰⁰ *Id.*

³⁰¹ *Id.*

³⁰² See the Jangho Companies' Benchmark Submission, at Exhibit 1.

³⁰³ See Petitioner's Benchmark Submission, at Exhibit 1.

³⁰⁴ See, e.g., *Pre-Stressed Concrete Steel Wire Strand from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 28557 (May 21, 2010), and accompanying Issues and Decision Memorandum, at Comment 13.

³⁰⁵ See *Aluminum Extrusions from the PRC Investigation* and accompanying Issues and Decision Memorandum at "Provision of Primary Aluminum for LTAR;" *Aluminum Extrusions from the PRC First Review* and accompanying Issues and Decision Memorandum at "Provision of Primary Aluminum for Less Than Adequate Remuneration (LTAR);" *Aluminum Extrusions from the PRC Second Review* and accompanying Issues and Decision Memorandum at "Provision of Primary Aluminum for LTAR;" and *Aluminum Extrusions from the PRC Third Review* and accompanying Issues and Decision Memorandum at "Provision of Primary Aluminum for LTAR," "Provision of Aluminum Extrusions for LTAR," and "Provision of Glass for LTAR,"

Comparing the benchmark unit prices to the unit prices paid by the respondents, we find that aluminum extrusions inputs were provided for LTAR and that a benefit exists in the amount of the difference between the benchmark price and the price that the respondent actually paid. To calculate the countervailable subsidy rate for each respondent, we divided the benefit by the total sales for the POR, attributing benefits under this program according to the methodology described in the “Attribution of Subsidies” section, above. On this basis, we calculated a final subsidy rate for this program of 17.29 percent *ad valorem*, for the Jangho Companies. For more information, *see* the Jangho Companies’ Final Calculation Memorandum.

Provision of Glass for LTAR

The Jangho Companies are producers and exporters of curtain wall products, including curtain wall units, a downstream product containing glass, which is a part of a curtain wall or curtain wall system and subject to the *Order*.³⁰⁶ As a downstream subject aluminum extrusions product, the Jangho Companies’ products also include glass components as inputs.³⁰⁷

Financial Contribution and Specificity

In *Aluminum Extrusions from the PRC Third Review*, the Department determined that this program is a countervailable domestic subsidy as described under section 771(5)(A) of the Act.³⁰⁸ Guangzhou Jangho, Jangho Group Company, Beijing Jangho, Shanghai Jangho, and Chengdu Jangho all reported purchasing glass during the POR.³⁰⁹

In *Aluminum Extrusions from the PRC Third Review* that the Department determined, as AFA and based upon information provided by Petitioner, that this subsidy is specific under section 771(5A)(D)(iii)(I) of the Act, as the users of tempered and laminate glass are limited to a number of enterprises and industries (*e.g.*, the construction and automobile industries).³¹⁰ No new information has been submitted in this review to warrant a reconsideration of the Department’s specificity finding. As such, consistent with the *Aluminum Extrusions from the PRC Third Review*, we find that the industries that purchase glass are limited in number and, hence, that the subsidy is specific under section 771(5A)(D)(iii)(I) of the Act.³¹¹

³⁰⁶ *See, e.g.*, Guangzhou Jangho Initial Response at III-3, III-6 – III-7, and III-9.

³⁰⁷ *Id.*, at III-27 - III-28 and Exhibit GZ-15; *see also*, Jangho Group Company Initial Response at III-29 - III-30 and JG-17; Beijing Jangho Initial Response at III-26 - III-27 and Exhibit BJ-10; Shanghai Jangho Initial Response at III-25 - III-26 and Exhibit SH-12; and Chengdu Jangho Initial Response at III-27 - III-28 and Exhibit SH-11.

³⁰⁸ *See Aluminum Extrusions from the PRC Third Review* and accompanying Issues and Decision Memorandum at “Provision of Aluminum Extrusions for LTAR” and Comments 8 and 12.

³⁰⁹ *See, e.g.*, Guangzhou Jangho Initial Response at III-27 - III-28 and Exhibit GZ-15, Jangho Group Company Initial Response at III-29 - III-30 and JG-17; Beijing Jangho Initial Response at III-26 - III-27 and Exhibit BJ-10; Shanghai Jangho Initial Response at III-25 - III-26 and Exhibit SH-12; and Chengdu Jangho Initial Response at III-27 - III-28 and Exhibit SH-11.

³¹⁰ *See Aluminum Extrusions from the PRC Third Review* and accompanying Issues and Decision Memorandum at “Provision of Glass for LTAR” and Comment 12.

³¹¹ *Id.*

For the reasons discussed above under “Use of Facts Otherwise Available and Adverse Inferences,” we are relying on AFA to find that the companies which produced the glass purchased by Jangho are “authorities” within the meaning of section 771(5)(B) of the Act. Further, we determine that a financial contribution in the form of the provision of a good was provided to the Jangho Companies within the meaning of section 771(5)(D)(iii) of the Act.

Benefit

In order to determine the existence and amount of any benefit conferred by the producers to the respondent companies pursuant to section 771(5)(E)(iv) of the Act, we followed the methodology described in 19 CFR 351.511(a)(2) to identify a suitable benchmark for glass. The Department’s regulations at 19 CFR 351.511(a)(2) set forth the basis for identifying appropriate market determined benchmarks for measuring the adequacy of remuneration for government-provided goods or services. The potential benchmarks listed in the regulation, in order of preference, are: (1) market prices from actual transactions within the country under investigation for the government-provided good (*e.g.*, actual sales, actual imports or competitively run government auctions) (tier one); (2) world market prices that would be available to purchasers in the country under investigation (tier two); or (3) prices consistent with market principles based on an assessment by the Department of the government-set price (tier three).³¹²

Market Distortion

To determine whether goods or services were provided at LTAR, we measured the adequacy of remuneration by comparing prices paid by respondent firms for inputs sourced from GOC “authorities.” In order to select an appropriate benchmark to value glass, we first must determine whether the glass market in the PRC is distorted. Therefore we asked the GOC a series of questions regarding market distortion.³¹³ In response to our questions, the GOC provided certain information, including:

- the total number of producers of the glass industry; 2) the total number of producers categorized by government ownership;
- the total production of glass;
- the total volume and value of imports of glass;
- the total volume of Chinese domestic production of the glass that is accounted for by companies in which the GOC maintains controlling ownership or management interest;
- the VAT and import tariff rates in effect for glass in 2014 and the prior two years; and
- the export tariff rates in effect for glass in 2014.

Also, in response to our questions, the GOC explained that “to the best of GOC’s knowledge, there is no independent association that solely specializes in the industries either of tempered plate glass or laminated glass. There is, however, an association for the industry of glass

³¹² See 19 CFR 351.511(a)(2).

³¹³ See the Department’s Initial Questionnaire to the GOC, at Section II at II-13 – II-14.

industry as a whole, namely, the China Architectural and Industrial Glass Association (CAIGA).”³¹⁴

However, as explained below, the GOC did not provide complete responses to other questions regarding the glass industry. In the Department’s Initial Questionnaire to the GOC, we asked the GOC:

- to report “{t}he total volume and value of Chinese domestic consumption of glass and the total volume and value of Chinese domestic production of glass;”³¹⁵
- to report the percentage of domestic consumption accounted for by domestic production;”³¹⁶
- to explain whether there are “trade publications that specify the prices of the good/service within your country and on the world market,” and to “{p}rovide a list of these publications, along with sample pages from these publications listing the prices of the good/service within your country and in world markets during the POR;”³¹⁷
- to explain “the objectives of the government in holding shares in the enterprises, and whether those objectives are defined in any government proclamation, regulation, decree, opinion, law or policy,” and to “explain the relevant government ownership policy regarding the enterprises or the industry addressed in the Input Producer Appendix and/or the industries to which respondents belong;”³¹⁸
- to “explain if the industry in which the enterprises that produce glass and/or the industries to which respondents belong are covered by any central, provincial or local Government five-year plans, industry-specific plans or policy, investment guide, catalogue or any other Government planning or policy documents that are relevant to the POR,” and if so, to provide such documents;”³¹⁹ and
- to “explain if the enterprises or industry addressed in the *Input Producer Appendix* and/or the industries to which respondents belong are subject to governmental approval for any mergers, restructurings, or capacity additions,” and if so, to “explain the process for such an approval by the Government and whether such an approval is linked to the glass industry.”³²⁰

However, the GOC has twice claimed to be unable to respond to a large number of our requests for necessary information regarding market distortion, and in many cases, has failed to fully explain why it is unable to provide such information.³²¹ Ultimately, the GOC twice failed to provide necessary information requested concerning:

³¹⁴ See the GOC’s Initial Response at 40 - 41.

³¹⁵ See the Department’s Initial Questionnaire to the GOC, at Section II at II-14.

³¹⁶ *Id.*

³¹⁷ *Id.*

³¹⁸ *Id.*, at II-15.

³¹⁹ *Id.*

³²⁰ *Id.*

³²¹ See the GOC’s Initial Response at 39 – 43 and the GOC’s April 13, 2016, Supplemental Response at 21 – 25.

- the amounts of domestic consumption of glass; the percentage of domestic consumption accounted for by domestic production; trade publications;
- the objectives of the GOC in holding shares in glass enterprises;
- whether the glass industries or respondents themselves are covered by any five-year plans or other government plans, guides, or similar documents; and
- how glass producers or respondents are subject to governmental approval for mergers, restructuring, etc.

With regard to the glass enterprises, five-year plans and similar documents, and governmental approval for mergers, restructuring, etc., the GOC twice failed to fully explain why it could not provide such information and failed to explain what efforts it made to collect the information.

Consequently, due to the GOC's failure to provide requested information, the record is incomplete with regard to whether the PRC market for glass is distorted. However, we note that no interested party provided an internal "tier one" benchmark for valuing glass and we have no benchmark prices from actual transactions in the Chinese market for these inputs. Accordingly, the Department is relying on a "tier two" benchmark of world market prices, pursuant to 19 CFR 351.511(a)(2)(ii), as discussed in further detail below.

Benchmarks

In accordance with 19 CFR 351.301(c)(3)(ii), both Petitioner and the Jangho Companies have submitted factual information on the record of this review to measure the adequacy of remuneration.³²² This information reflected "tier two" price data, including export unit values based on the same export volume and value data, sourced from UN Comtrade. While Jangho and Petitioner both submitted export data, including volume and value data, Petitioner did not submit benchmark price calculations based on that data. The Jangho Companies also submitted benchmark price calculations based on the UN Comtrade data.

Since there is no "tier one" price data on this administrative record, and no other party submitted benchmark information for purposes of calculating benchmark prices, we are relying on the information submitted by parties to construct "tier two" prices, *i.e.*, world market prices. Both parties provided consistent UN Comtrade price data for harmonized tariff schedule subheadings 7007.19 (*e.g.*, tempered safety glass, other than of a size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels), 7007.29 (*e.g.*, laminated safety glass, other than of a size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels), and 7008.00 (*e.g.*, multiple-walled insulating units of glass), all of which exclude pricing for products exported from and imported into the PRC.³²³

Accordingly, with respect to the glass input for the Jangho Companies, we are relying upon UN Comtrade data related to the 7007.19 and 7007.29 pricing data because those data represent the glass inputs purchased by Guangzhou Jangho, Jangho Group Co., Beijing Jangho, Shanghai

³²² See Petitioner Benchmark Submission at Exhibit 1 and the Jangho Companies' Benchmark Submission at Exhibit 7.

³²³ *Id.*

Jangho, and Chengdu Jangho, and used in the production of subject merchandise. The Jangho Companies reported input purchases in a manner that allows us to identify the type of glass (*i.e.*, tempered glass or laminated safety glass). Therefore, rather than averaging the AUVs of disparate products to arrive at a single “glass” benchmark, we have calculated separate benchmarks for the Jangho Companies’ laminate glass and tempered safety glass input purchases.³²⁴ The UN Comtrade data are exclusive of prices for products exported from and imported into the PRC for this POR.

Using the UN Comtrade pricing data, we first calculated monthly weight-averaged prices using the quantity exported by each country.³²⁵ Under 19 CFR 351.511(a)(2)(iv), when measuring the adequacy of remuneration under “tier two,” the Department will adjust the benchmark price to reflect the price that a firm actually paid or would pay if it imported the product, including delivery charges and import duties. Accordingly, to derive the benchmark prices, we included ocean freight and inland freight.

Regarding inland freight, as explained above in the section covering the Aluminum Extrusions for LTAR program, the Jangho Companies provided freight expenses calculations for each cross-owned producer’s production facility to the nearest major port.³²⁶ Accordingly, we relied upon the inland freight expenses submitted by the Jangho Companies.

With respect to ocean freight expenses, as explained above in the section covering the Aluminum Extrusions for LTAR program, Jangho and Petitioner both submitted prices sourced from Maersk, representing the shipment of cargo from various points around the world to the Port of Shanghai, China, the Port of Yantian, China, and the Port of Tianjin, China. Petitioner submitted identical data for the Port of Shanghai, China, the Port of Tianjin, China, the Port of Yantian, China, and the port of Qingdao, China.³²⁷ For the reasons stated above, we have relied on the Jangho Companies’ ocean freight price data for the Port of Yantian in calculating a benchmark for Guangzhou Jangho’s purchases of inputs. For Shanghai Jangho’s and Chengdu Jangho’s purchases of inputs, we have relied on the Jangho Companies’ ocean freight price data for the Port of Shanghai. For Jangho Group Company’s and Beijing Jangho’s purchases of inputs, we have relied on the Jangho Companies’ ocean freight price data for the Port of Tianjin.

We added the calculated monthly inland freight expense and ocean freight expenses to the benchmark prices. Further, we added to the benchmark prices the appropriate import duties

³²⁴ See the Jangho Group Companies’ Preliminary Analysis Memorandum.

³²⁵ Jangho removed all exports from Estonia from its calculations, claiming them to be aberrational. However we find that only Estonia export data for the months of January, February, and March 2014 (for all commodities) represent aberrational average unit values. Therefore, we adjusted the data to remove the aberrational data related to Estonia from the export data for the months of January, February, and March 2014. See the Jangho Group Companies’ Preliminary Analysis Memorandum. See also the Jangho Companies’ Benchmark Submission at Exhibit 7 and Petitioner Benchmark Submission at Exhibit 1.

³²⁶ See the Jangho Companies’ March 30, 2016, Supplemental Response at 18 – 19 and Exhibit S1-4.

³²⁷ See the Jangho Companies’ Benchmark Submission, at Exhibit 11; the Jangho Companies’ March 30, 2016, Supplemental Response at 12 – 14, 18 – 20, Exhibit S1-4 and Exhibit S1-5; and Petitioner’s Benchmark Submission, at Exhibit 9A.

applicable to imports of glass into the PRC.³²⁸ Additionally, we added the appropriate VAT of 17 percent to the benchmark prices.³²⁹

In deriving the benchmark prices, we did not include marine insurance. In prior CVD investigations involving the PRC, the Department determined that while the PRC customs authorities impute an insurance cost on certain imports for purposes of levying duties and compiling statistical data, there is no evidence to suggest that PRC customs authorities require importers to pay insurance charges.³³⁰ Further, we have not added separate brokerage, handling and documentation fees to the benchmark because we find that such costs are already reflected in the ocean freight cost from Maersk that is being used in this review.

Comparing the benchmark unit prices to the unit prices paid by the respondents, we find that glass was provided for LTAR and that a benefit exists in the amount of the difference between the benchmark price and the price that the respondent paid. To calculate the subsidy rate for Jangho, we divided the benefit by the total sales for the POR, attributing benefits under this program according to the methodology described in the “Attribution of Subsidies” section, above. On this basis, we calculated a final subsidy rate for this program of 2.33 percent *ad valorem*, for the Jangho Companies. For more information, see the Jangho Companies’ Final Calculation Memorandum.

Programs Determined Not to Confer Measurable Benefits

We preliminarily find that the following programs did not confer a measurable benefit to the Jangho Companies during the POR:³³¹

- 2014 SME Loan Discount Fund (Provincial Loan Discount Special Fund for SMEs)
- 2014 Brand Internationalization Development Fund (Self-Owned Brand Award / Award for Self-Innovation Brand / Grant for Self-Innovation Brand and Enterprise Listing / Income Tax Reward for Listed Enterprises / Self-Innovation Brand / 2014 Brand Internationalization Development Fund / Guangzhou Internationalization Development of Self Innovation Brand / 2014 Brand Build Special Fund / (Shanghai Brand Build Special Fund)
- Advantaged Traditional Manufacturing Industry Transformation and Upgrading Model Enterprise Award (Industry Upgrading Model Award)
- SME International Market Exploration Fund (2014 International Market Exploration /International Market Exportation Fund / SME Fund)

³²⁸ See the Jangho Companies’ Benchmark Submission, at Exhibit 1.

³²⁹ See Petitioner’s Benchmark Submission, at Exhibit 1.

³³⁰ See, e.g., *Pre-Stressed Concrete Steel Wire Strand from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 28557 (May 21, 2010), and accompanying Issues and Decision Memorandum, at Comment 13.

³³¹ If the subsidy rate calculated for any particular grant was less than 0.005 percent *ad valorem*, that grant was determined to have no impact on the overall subsidy rate, and was, therefore disregarded. See, e.g., *Coated Free Sheet Paper from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 72 FR 60645 (October 25, 2007), and accompanying Issues and Decision Memorandum at 15.

- Intellectual Property Award (Intellectual Property Award / Beijing Patent Assistance / Beijing Domestic Patent Application Financial Assistance)
- Disabled Employee Assistance (Support for Disabled Persons)
- Post Doctor Allowances
- Post Doctor Center Research Fund
- Shurtyl District Mang Post Doctor (Young Talent) Innovation Practice Base Assistance
- Beijing Cultural Innovative Industry Personnel Training Base Fund
- 2013 Oversea Investment Cooperation Fund
- Industrialization and Informationization Assistance (Industrialization and Information Integration Assistance)
- 2014 Science and Technology Service Industry Promotion Fund
- Unemployment Insurance - Employees Training Assistance
- Oversea Investment and Contracting Encouragement Fund (Overseas Investment and Contracting Encouragement Fund)
- Shunyi Local Employment Award
- Wuhan Hannan SME Development Fund
- Niulanshan Company Events Grant (Niulanshan Government Grant)
- Hubei Branch Plant Rent Allowance (Wuhan Hannan SME development special fund / Wuhan Hannan Plant Rent Allowance)
- 2012 Employee Training Fund

Programs Determined Not to be Used

We preliminarily find that the respondents did not use the following programs:

- “Large and Excellent” Enterprises Grant
- 2009 Special Fund
- Accelerated Depreciation for Enterprises Located in the Northeast Region
- Advanced Science/Technology Enterprise Grant
- Allocated Land Use Rights for State-Owned Enterprises
- Assistance for Science Research and Technology Development Planning Projects of Nanning Municipality
- Assistancess for Research & Development (“R&D”) projects under Funds of Nanning Municipality for Foreign Trade Development
- Award for Excellent Enterprise
- Award of Nanning Municipality for Industrial Enterprises Completing Energy Saving Tasks
- Awarding Funds of Guangxi Autonomous Region for Renovation of Energy-Saving Technologies
- Awards of Guangxi Autonomous Region for Advancement of Science and Technology
- Awards of Guangxi Autonomous Region for Emission Reduction of Main Pollutants
- Awards of Guangxi Autonomous Region for New Products
- Awards of Nanning High-tech Zone for Annual top Tax Payers of Industrial Enterprises
- Awards of Nanning Municipality for Advancement of Science and Technology

- Awards of Nanning Municipality for Excellent Foreign Trade Enterprises
- Awards of Nanning Municipality for New Products
- Awards to Key Enterprises for Large Consumption of Electricity
- Bonus for 2009 Excellent Sewage Treatment Management Companies
- Clean Production Technology Fund
- Development Assistance Grants from the Zhaoqing New and High-Tech Industrial Development Zone (“ZHTDZ”) Local Authority
- Exemption from City Construction Tax and Education Tax for Foreign-Invested Enterprises (“FIEs”)
- Exemptions from Administrative Charges for Companies in the ZHTDZ
- Expanding Production and Stabilizing Jobs Fund of Jiangsu Province
- Export Credit Subsidy Program: Export Buyer’s Credits
- Export Credit Subsidy Program: Export Seller’s Credits
- Export Incentive Payments Characterized as Value Added Tax (“VAT”) Rebates
- Export Rebate for Mechanic, Electronic, and High-Tech Products
- Financial Assistance (interest subsidy) of Nanning Municipality for Key Technology Renovation
- Financial Supporting Funds of Nanning Municipality for Technology Renovation for Production Safety
- Forgiveness of Tax Arrears for Enterprises in the Old Industrial Bases of Northeast China
- Foshan City Government Technology Renovation and Technology Innovation Special Fund Grants
- Fund for Economic, Scientific, and Technology Development
- Fund for SME Bank-Enterprise Cooperation Projects
- Funds for Demonstration Bases of Introducing Foreign Intellectual Property
- Funds for Projects of Science and Technology Professionals serving the Enterprises
- Funds of Guangxi Autonomous Region for Energy Saving and Emission Reduction
- Funds of Guangxi Autonomous Region for Enterprises’ Technology Renovation
- Funds of Guangxi Autonomous Region for Promotion of Foreign Trade Development of the West Region
- Funds of Nanning Municipality for Project Preliminary Works
- Funds of Nanning Municipality for Sustainable Development of Foreign Trade
- Funds of Nanning Municipality for Technology Innovation
- Government Provision of Land-Use Rights to Enterprises Located in the Yongji Circular Economic Park for Less Than Adequate Remuneration
- Government Purchase of Aluminum Extrusions for More Than Adequate Remuneration
- Grants for Listing Shares: Liaoyang City (Guangzhou Province), Wenzhou Municipality (Zhejiang Province), and Quanzhou Municipality (Fujian Province)
- Grants to Cover Legal Fees in Trade Remedy Cases in Zhenzhen
- Guangxi Awards for Private Enterprises Designated as Pilot Innovation-Oriented Enterprises
- Guangxi Technology R&D Funds

- Import and Export Credit Insurance Supporting Development Fund for Changzhou
- Import Tariff and VAT Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries*
- Income Tax Rewards for Key Enterprises
- Labor and Social Security Allowance Grants in Sanshui District of Guangdong Province
- Land Use Rights in the Liaoyang High-Tech Industry Development Zone
- Loans and Interest Subsidies Provided Pursuant to the Northeast Revitalization Program
- Membership Fee Refunds for Members of Rescue Sub-team of Guangxi Emergency and Rescue Association for Production Safety
- Migrant Workers Training Subsidy
- Nanhai District Grants to High or New Technology Enterprises (“HNTEs”)
- Nanhai District Grants to State and Provincial Enterprise Technology Centers and Engineering Technology R&D Centers
- National Funds for Construction of Ten “Key Energy Saving Projects,” “Key Demonstration Bases for Recycling Economy and Resource Saving,” and “Key Industrial Pollution Control Projects”
- National Funds for the Industry Revitalization and Technology Renovation of the Key Fields
- National Special Funds for Emission of Main Pollutants (Assistance for Construction of Automatic Surveillance of Key Pollutant Sources)
- Northeast Region Foreign Trade Development Fund
- PGOG and Foshan City Government Patent and Honor Award Grants
- PGOG Science and Technology Bureau Project Fund (*aka*, Guangdong Industry, Research, University Cooperating Fund)
- PGOG Special Fund for Energy Saving Technology Reform
- Preferential Tax Policies for the Development of Western Regions of China
- Preferential Tax Policies for the Opening and Development of Beibu Gulf Economic Zone of Guangxi Zhuang Autonomous Region (Local Income Tax Exemption)
- Preferential Tax Program for FIEs Recognized as HNTEs
- Provincial Fund for Fiscal and Technological Innovation
- Provincial Loan Discount Special Fund for SMEs
- Provincial Tax Exemptions and Reductions for “Productive” FIEs
- Provision of Electricity for LTAR to FIEs Located in the Nanhai District of Foshan City
- Provision of Land-Use Rights and Fee Exemptions to Enterprises Located in the LHTDZ for LTAR
- Provision of Steam Coal for LTAR
- Refund of Land-Use Tax for Firms Located in the ZHTDZ
- Refund of VAT on Products Made Through Comprehensive Utilization of Resources
- Returns for Land-Transferring Fee
- Social Insurance Subsidy
- Special Fund for 2010 Provincial-Level Foreign Economy and Foreign Trade Development

- Special Fund for Environment Protection
- Special Fund for External Economy
- Special Fund for Foreign Trade
- Special Fund for Industrial Development
- Special Fund for Significant Science and Technology in Guangdong Province
- Special Fund Subsidy for Export-Oriented Economy
- Special Fund Subsidy for Industrial Development
- Special Funds for Projects of National Science and Technology Supporting Plan
- Special Funds for the Development of Five Industries
- Special Funds of Guangxi Autonomous Region for Production Safety (Supporting Fund for Eliminating Potential and Seriously Dangerous Projects)
- Special Funds of Guangxi Autonomous Region for Small Highland of Talents
- Special Funds of Guangxi Beibu Gulf Economic Zone for the Development of Key Industries
- Special Funds of Nanning Municipality for Academic and Technical Leaders of the New Century
- Special Funds of Nanning Municipality for Key Planning Project of Professionals Cultivation
- Special Funds of Nanning Municipality for Small Highland of Talents
- Special Guiding Fund
- Special Guiding Fund for Key Industries
- Special Reward Fund for Industrial Economy Transformation and Upgrading of the Whole District
- State Key Technology Renovation Project Fund
- Support for Disabled Persons
- Support for the Tax Refund Difference Program
- Supporting Funds for Trade with the Minority Nationalities and Production of Goods Specially Needs by Minority Nationalities
- Supporting Funds of Nanning Municipality for “Informatization-industrialization Integration” and Development of Information Industry
- Tax Credits for Domestically-Owned Companies Purchasing Chinese-Made Equipment
- Tax Reductions for Export-Oriented FIEs
- Tax Reductions for FIEs in Designated Geographic Locations
- Tax Reductions for FIEs Purchasing Chinese-Made Equipment
- Tax Reductions for Technology- or Knowledge-Intensive FIEs
- Tax Refunds for Enterprises Located in the ZHTDZ
- Tax Refunds for Reinvesting of FIE Profits in Export-Oriented Enterprises
- Technical Reform Subsidy for Changzhou City
- Technical Standards Awards
- Tiaofeng Electric Power Subscription Subsidy Funds
- Two Free, Three Half Income Tax Exemptions for FIEs
- VAT Rebates on FIE Purchases of Chinese-Made Equipment

Ad Valorem Rate for Non-Selected Companies Under Review

The statute and the Department's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where the Department limited its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, the Department normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all others rate in an investigation. We also note that section 777A(e)(2) of the Act provides that "the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all others rate under section {705(c)(5) of the Act}." Section 705(c)(5)(A) of the Act instructs the Department to calculate an all others rate using the weighted average of the subsidy rates established for the producers/exporters individually examined, excluding any zero, *de minimis*, or facts available rates. In this review, we did not calculate the non-selected rate using a methodology of weight-averaging the rates of Jangho and Zhongya because the preliminary subsidy rate for Zhongya is based on total AFA. Instead, we preliminarily based the non-selected rate on Jangho's subsidy rate.³³² As such, for each of the 43 companies for which a review was requested and not rescinded, but were not selected as mandatory respondents, and that did not fail to cooperate, we derived a final subsidy rate of 26.30 percent *ad valorem*.³³³

Ad Valorem Rate for Non-Cooperative Companies Under Review

In this administrative review, we have assigned a rate to Zhongya, which submitted a letter in response to the Department's Initial Questionnaire to Zhongya, indicating that it would not be participating in this administrative review. As discussed above in the "*Use of Facts Otherwise Available and Adverse Inferences – Application of Total AFA to Non-Cooperative Companies*" section, we find that it is appropriate to assign to Zhongya the total AFA rate of 210.31 percent *ad valorem*.³³⁴

³³² See memorandum to the file regarding "Administrative Review of Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: Non-Selected Rate Calculation for the Amended Final Results," dated June 3, 2016.

³³³ For a list of the non-selected companies, see *Aluminum Extrusions from the People's Republic of China: Preliminary Results, and Partial Rescission of Countervailing Duty Administrative Review; 2014*, signed concurrently with this decision memorandum.

³³⁴ See Memorandum to The File regarding "Administrative Review of Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: Non-Selected Rate Calculation for the Preliminary Results of Review," dated June 1, 2014," dated June 3, 2016.

Conclusion

We recommend applying the above methodology for these preliminary results.

✓
Agree

Disagree

Paul Piquado
Paul Piquado
Assistant Secretary
for Enforcement and Compliance

3 JUNE 2016
(Date)