



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
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A-570-967 / C-570-968
Scope: Motorized Arm Sets
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E&C AD/CVD OIII: MKM

November 4, 2014

MEMORANDUM TO: Christian Marsh
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for Antidumping and Countervailing Duty Operations

THROUGH: Melissa G. Skinner *mgsk*
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FROM: Mandy Mallott
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Antidumping and Countervailing Duty Operations

RE: Antidumping and Countervailing Duty Orders on Aluminum
Extrusions from the People's Republic of China

SUBJECT: Final Scope Ruling on Pacific Product Solutions' Motorized Arm
Set Kits

SUMMARY

On January 16, 2014, the Department of Commerce ("Department") received a scope ruling request from Pacific Product Solutions ("Pacific Product"),¹ to determine whether its motorized arm set kits are subject to the antidumping ("AD") and countervailing duty ("CVD") orders on aluminum extrusions from the People's Republic of China ("PRC").² For the reasons described

¹ See letter from Pacific Product entitled, "Aluminum Extrusions from the People's Republic of China (A-570-967 and C-570-968); Pacific Product Solutions Scope Ruling Request," dated January 16, 2014 ("Pacific Product's Scope Request").

² See *Aluminum Extrusions from the People's Republic of China: Antidumping Duty Order*, 76 FR 30650 (May 26, 2011) and *Aluminum Extrusions from the People's Republic of China: Countervailing Duty Order*, 76 FR 30653 (May 26, 2011) (collectively the "Orders").



below, we determine that Pacific Product's motorized arm set kits are not covered by the scope of the AD and CVD orders on aluminum extrusions from the PRC.

BACKGROUND

On January 16, 2014, Pacific Product, the importer of the product at issue, requested that the Department determine whether its motorized arm sets imported from the PRC are outside the scope of the *Orders*.³ On March 5, 2014, the Department sent a deficiency letter to Pacific Product requesting that Pacific Product expand on and clarify its original scope ruling request.⁴ Pacific Product responded to the supplemental questionnaire on March 19, 2014.⁵ The Department extended the deadline for issuing this scope ruling five times, most recently on October 9, 2014, until November 12, 2014.⁶

SCOPE OF THE *ORDERS*

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

³ See Pacific Product's Scope Request.

⁴ See the Department's letter entitled "Aluminum Extrusions from the People's Republic of China – Scope Ruling Request Supplemental Questionnaire", dated March 5, 2014.

⁵ See Pacific Product's Supplemental Questionnaire Response, dated March 19, 2014.

⁶ See the Department's letter entitled "Aluminum Extrusions from the People's Republic of China: Extension of Time for Scope Ruling," dated October 9, 2014. The other dates of extension are February 19, 2014; April 30, 2014; June 9, 2014, and August 18, 2014.

without any coating or further finishing), brushed, buffed, polished, anodized (including bright-dip anodized), liquid painted, or powder coated. Aluminum extrusions may also be fabricated, *i.e.*, prepared for assembly. Such operations would include, but are not limited to, extrusions that are cut-to-length, machined, drilled, punched, notched, bent, stretched, knurled, swaged, 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 these orders 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 (“HTS”): 7610.10.00, 7610.90.00, 7615.10.30, 7615.10.71, 7615.10.91, 7615.19.10, 7615.19.30, 7615.19.50, 7615.19.70, 7615.19.90, 7615.20.00, 7616.99.10, 7616.99.50, 8479.89.98, 8479.90.94, 8513.90.20, 9403.10.00, 9403.20.00, 7604.21.00.00, 7604.29.10.00, 7604.29.30.10, 7604.29.30.50, 7604.29.50.30, 7604.29.50.60, 7608.20.00.30, 7608.20.00.90, 8302.10.30.00, 8302.10.60.30, 8302.10.60.60, 8302.10.60.90, 8302.20.00.00, 8302.30.30.10, 8302.30.30.60, 8302.41.30.00, 8302.41.60.15, 8302.41.60.45, 8302.41.60.50, 8302.41.60.80, 8302.42.30.10, 8302.42.30.15, 8302.42.30.65, 8302.49.60.35, 8302.49.60.45, 8302.49.60.55, 8302.49.60.85, 8302.50.00.00, 8302.60.90.00, 8305.10.00.50, 8306.30.00.00, 8418.99.80.05, 8418.99.80.50, 8418.99.80.60, 8419.90.10.00, 8422.90.06.40, 8479.90.85.00, 8486.90.00.00, 8487.90.00.80, 8503.00.95.20, 8516.90.50.00, 8516.90.80.50, 8708.80.65.90, 9401.90.50.81, 9403.90.10.40, 9403.90.10.50, 9403.90.10.85, 9403.90.25.40, 9403.90.25.80, 9403.90.40.05, 9403.90.40.10, 9403.90.40.60, 9403.90.50.05, 9403.90.50.10, 9403.90.50.80, 9403.90.60.05, 9403.90.60.10, 9403.90.60.80, 9403.90.70.05, 9403.90.70.10, 9403.90.70.80, 9403.90.80.10, 9403.90.80.15, 9403.90.80.20, 9403.90.80.30, 9403.90.80.41, 9403.90.80.51, 9403.90.80.61, 9506.51.40.00, 9506.51.60.00, 9506.59.40.40, 9506.70.20.90, 9506.91.00.10, 9506.91.00.20, 9506.91.00.30, 9506.99.05.10, 9506.99.05.20, 9506.99.05.30, 9506.99.15.00, 9506.99.20.00, 9506.99.25.80, 9506.99.28.00, 9506.99.55.00, 9506.99.60.80, 9507.30.20.00, 9507.30.40.00, 9507.30.60.00, 9507.90.60.00, and 9603.90.80.50.

The subject merchandise entered as parts of other aluminum products may be classifiable under the following additional Chapter 76 subheadings: 7610.10, 7610.90, 7615.19, 7615.20, and 7616.99 as well as under other HTS chapters. In addition, fin evaporator coils may be classifiable under HTS numbers: 8418.99.8050 and 8418.99.8060. While HTS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.⁷

LEGAL FRAMEWORK

When a request for a scope ruling is filed, the Department examines the scope language of the order at issue and the description of the product contained in the scope-ruling request.⁸ Pursuant

⁷ See *Orders*.

⁸ *Walgreen Co. v. United States*, 620 F.3d 1350, 1357 (Fed. Cir. 2010).

to the Department's regulations, the Department may also examine other information, including the description of the merchandise contained in the petition, the records from the investigations, and prior scope determinations made for the same product.⁹ If the Department determines that these sources are sufficient to decide the matter, it will issue a final scope ruling as to whether the merchandise is covered by an order.

Conversely, where the descriptions of the merchandise in the sources described in 19 CFR 351.225(k)(1) are not dispositive, the Department will analyze the factors set forth at 19 CFR 351.225(k)(2). These factors are: (i) the physical characteristics of the merchandise; (ii) the expectations of the ultimate purchasers; (iii) the ultimate use of the product; (iv) the channels of trade in which the product is sold; and (v) the manner in which the product is advertised and displayed. The determination as to which analytical framework is most appropriate in any given scope proceeding is made on a case-by-case basis after consideration of all evidence before the Department.

DESCRIPTION OF MERCHANDISE SUBJECT TO THIS SCOPE REQUEST

The Travel'r Motorized Arm Set kits imported by Pacific Product provides for motorized retraction and opening of awnings rather than by manual crank.¹⁰ The motorized arm set kits, as imported, consists of two (2) motorized arms and all hardware necessary for installation of the arms to the RV or Trailer.¹¹ The arms and hardware are comprised of sixteen (16) parts.¹² Each of the arms is fully assembled at time of importation and ready for resale to the final customer.¹³ The components are made of copper, zinc, aluminum, steel, and plastic.¹⁴ The arms may be used as a replacement for older motorized or manual awning arms or in conjunction with a new awning system.¹⁵ The motorized arms are not imported with the awning canopies or roller bars as the motorized arms are sold as stand-alone products at all levels of distribution and retail.¹⁶ If the arm set kit is a replacement or upgrade to an existing system, the existing textile canopy and roller bar are utilized.¹⁷ For new installations, a roller bar and textile canopy are purchased separately (from Pacific Product or their competitors).¹⁸ One hundred percent (100%) of the motorized arm set kits are sold by Pacific Product to its customer, Carefree of Colorado, separately from any awning canopy and roller bar.¹⁹

⁹ 19 CFR 351.225(k)(1).

¹⁰ See Pacific Product's Scope Request, at 2.

¹¹ See *id.*, at 2 – 3, and Exhibit A.

¹² See *id.*, at 3.

¹³ See *id.*, at 2 – 3, and Pacific Product Supplemental Questionnaire Response, at 7 – 8, Exhibit A, and Exhibit

B.

¹⁴ See Pacific Product's Scope Request, at 3, and Pacific Product Supplemental Questionnaire Response, at 4 –

7.

¹⁵ See Pacific Product's Scope Request, at 2.

¹⁶ See *id.*

¹⁷ See *id.*, at 3.

¹⁸ See *id.*

¹⁹ See *id.*, at 2, and Pacific Product Supplemental Questionnaire Response, Answer (6) and Answer (8), at 10.

INTERESTED PARTY COMMENTS

Pacific Product's Comments

In its scope request, Pacific Product argues that its motorized arm kits should be excluded from the *Orders* as finished goods kits. Pacific Product contends its motorized arm sets meet the requirements for a “finished goods kit” as defined under the language of the *Orders* and the Side Mount Valve Controls scope ruling as it contains all components necessary to assemble a complete motorized arm system with no further finishing or fabrication and is a finished product in and of itself, though it is ultimately installed as part of a larger downstream product.²⁰ The motorized arm set contains at time of importation all parts to fully assemble the motorized arm set.²¹ There is no further fabrication or finishing required to install the arm set.²² Additionally, Pacific Product states that, as in the Solar Panel Mounting Systems and EZ Fabric Wall Systems finished goods kit scope rulings, the motorized arm set is a finished product in and of itself.²³ It is designed to work with removable or replaceable components. The importation and sale of the motorized arm set is separate from that of the roller bar and awning canopy.²⁴ Pacific Products argues it would be unreasonable to require that the fabric cover and the associated roller tube be included in order to meet the exclusion criteria for a “finished goods kit.”²⁵

Petitioner did not comment on this scope request.

RELEVANT SCOPE DETERMINATIONS²⁶

A. EZ Fabric Wall Systems Kit²⁷

Moss Holding Company d/b/a Moss Inc. (“Moss”), an importer of EZ fabric wall systems (used to assemble complete, lightweight, portable, and temporary commercial displays), argued that its kits contained all parts necessary to fully assemble a final wall system, i.e., an exhibition frame to which interchangeable fabric covers can be mounted. Moss also drew an analogy to picture frames, excluded from the scope of the *Orders*, saying that its wall systems were similar in that they too were designed to allow buyers to add an interchangeable graphic design of their choice.

²⁰ See the Department’s memorandum entitled, “Antidumping (AD) and Countervailing Duty (CVD) Orders: Aluminum Extrusions from the People’s Republic of China (PRC): Preliminary Scope Rulings on Side Mount Valve Controls,” dated September 24, 2012; unchanged in the Department’s memorandum entitled, “Antidumping Duty (AD) and Countervailing Duty (CVD) Orders: Aluminum Extrusions from the People’s Republic of China (PRC): Final Scope Ruling on Side Mount Valve Controls,” dated October 26, 2012 (“Side Mount Valve Controls”).

²¹ See Pacific Product’s Scope Ruling Request, at 11 and Exhibit A.

²² See *id.*

²³ See the Department’s memorandum entitled, “Antidumping Duty (AD) and Countervailing Duty (CVD) Orders on Aluminum Extrusions from the People’s Republic of China (PRC): Final Scope Ruling on Clenergy Technology’s Solar Panel Mounting Systems,” dated October 31, 2012 (“Solar Panel Mounting System”).

²⁴ See Pacific Product’s Scope Ruling Request, at 12 – 14.

²⁵ See *id.*

²⁶ See the Department’s memorandum entitled, “Transmittal of Past Scope Determinations to the File,” dated concurrently with the memorandum (“Past Scopes Memo”).

²⁷ See Department’s memorandum entitled “Final Scope Ruling on EZ Fabric Wall Systems,” dated November 9, 2011 (“EZ Fabric Scope Ruling”).

Petitioner countered that the fact that the graphic display could be purchased separately or replaced by the customer meant that an imported product omitting that part may not be considered a “final finished product” under the scope of the Orders.

The Department determined that the product at issue was similar to those examined in the Banner Stands Scope ruling.²⁸ The Department disagreed with the Petitioner, concluding that Moss’ products did not lack integral components necessary to assemble a complete mounting system at the time of importation. The fabric covers were akin to the pictures in picture frames or the graphic materials affixed to banner stands and back wall kits, all of which are designed to be readily interchangeable and to be modified according to the end user’s needs and specifications. As in the Banner Stands Scope ruling, the Department found that it would be unreasonable to require that fabric covers, with graphics, accompany the EZ fabric wall systems for the products at issue to be excluded from the Orders. As Moss’ products contained all of the parts required to assemble a completed exhibition frame on which readily interchangeable fabric covers with graphics could be attached, the Department determined that they met the exclusion criteria in the scope of the Orders for finished goods kits.²⁹

B. Event Décor Parts³⁰

At issue in the ruling were decor parts and kits used to construct display booths and backdrops for wedding receptions, conventions and other events. The parts and kits were comprised primarily of “Gorilla Pipes,” aluminum extrusion upright and crossbar tubes of varying lengths and fabrications. The requestor offered three models of Gorilla Pipes, which are sold in three different ways: (1) individual Gorilla Pipes, which can be ordered in any quantity and combination and with additional parts, such as steel bases and decorative materials; (2) Pipe Kits, which contain a minimum of two upright Gorilla Pipes, one crossbar Gorilla Pipe, and two weighted steel bases, in order to form a minimum of one complete display structure; and (3) Pipe and Drape Kits, which are Pipe Kits with additional decorative materials of the customer's choosing, such as drapes, garlands and lighting.

In the Event Décor Parts Scope Ruling, the Department found the individually-sold Gorilla Pipes, when sold without the requisite weighted-steel bases, did not contain all parts necessary to fully assemble a complete display structure.³¹ In this regard, the Department found the individually-sold Gorilla Pipes to be akin to subject shower door frames and enclosures that do not contain the glass panels at the time of importation. The Department further determined that Pipe Kits and Pipe and Drape Kits were excluded from the scope of the Orders because they were akin to the products examined in the EZ Fabric Wall System Scope Ruling and, thus, were finished goods kits that contain at the time of importation all parts necessary to fully assemble a complete display structure.³²

²⁸ See Department’s memorandum entitled “Final Scope Ruling on Banner Stands and Back Wall Kits,” dated October 19, 2011 (“Banner Stands Scope Ruling”).

²⁹ See *id.*, at 10.

³⁰ See the Department’s memorandum entitled, “Antidumping Duty (AD) and Countervailing Duty (CVD) Orders on Aluminum Extrusions from the People’s Republic of China (PRC): Final Scope Ruling on Traffic Brick Network LLC’s Event Décor Parts and Kits,” dated December 2, 2013 (“Event Décor Parts”).

³¹ See *id.*, at 10.

³² See *id.*

C. Geodesic Domes Kits³³

At issue in the ruling were certain geodesic domes frame kits consisting solely of extruded aluminum parts along with nuts, bolts, and washers. The requestor argued that the products at issue constituted finished goods kits because the kits contained all the components necessary to assemble a final finished good. It further argued that the products at issue required no further fabrication and are assembled “as is” from the components provided in the kits.

In the Geodesic Domes Kits scope ruling, the Department explained that the product at issue met the “initial requirements for inclusion into the finished goods kit exclusion.”³⁴ However, the Department noted that the scope of the *Orders* states that an “imported product will not be considered a ‘finished goods kit’ . . . merely by including fasteners such as screws, bolts, etc. in the packaging with an aluminum extrusion product.”³⁵ The Department found that since the products at issue consisted solely of extruded aluminum and fasteners, the exception to the exclusion provision applied. Accordingly, the Department found that the products at issue did not meet the exclusion criteria for a finished goods kit.³⁶

D. Drapery Rail Kits (Redetermination)³⁷

In the original drapery rail kits scope ruling, the Department determined that certain drapery rail kits imported by the Rowley Company (“Rowley”) were covered by the scope of the *Orders* because the kits were not imported with drapes. The Department subsequently requested a voluntary remand, and on remand, determined that Rowley’s drapery rail kits were excluded from the *Orders* as finished goods kits. In its redetermination, the Department noted that the drapery rail kits were designed to be used with readily interchangeable drapes or curtains that could be changed to fit the end customer’s needs. The Department found it unreasonable to require that the drapery rail kits be imported with the customizable drapes or curtains and, in determining that Rowley’s drapery rail kits were outside the scope of the *Orders*, determined that they contained all the parts necessary to fully assemble a final, finished product.³⁸

³³ See the Department’s memorandum entitled, “Final Scope Ruling on J.A. Hancock, Inc.’s Geodesic Structures,” (July 17, 2012) (“Geodesic Domes Kits”).

³⁴ See *id.*, at 7.

³⁵ See *id.*

³⁶ See *id.*

³⁷ See *Rowley Company v. United States*, Consol. Ct. No. 12-00055 (CIT May 23, 2013) (Court Order affirming Remand Redetermination) (“Drapery Rail Kits (Redetermination Affirmation)”), and Department’s Final Results of Redetermination Pursuant to Court Remand *Rowley Company v. United States*, Ct. No. 12-00055 (February 27, 2013) (“Drapery Rail Kits (Redetermination)”).

³⁸ See *Drapery Rail Kits (Redetermination)*, at 8-9.

E. Side Mount Valve Control Kits³⁹

In its scope inquiry request, Innovative Controls Inc. (“Innovative Controls”) argued that certain side mount valve control (“SMVC”) kits that it imports were finished good kits excluded from the scope of the *Orders*. Innovative Controls argued that a SMVC Kit, as imported, is an excluded “finished good kit” because it contains all the components necessary to complete the product, and that all SMVC components and hardware are fully fabricated and require no further finishing or fabrication prior to being assembled. Petitioner argued that the SMVC itself, once assembled, is not a “final finished good” because it is a component of a larger firefighting apparatus, and in order for the SMVC to perform any function it must be ultimately attached to the firefighting apparatus.

In its scope ruling on SMVC Kits, the Department noted that an interpretation of “finished goods” or “finished goods kits,” which requires all parts to assemble the ultimate downstream product, may lead to absurd results, particularly where the ultimate downstream product is, for example, a fire truck. Therefore, the Department determined that the scope, taken as a whole, indicates that “subassemblies” (*i.e.*, “partially assembled merchandise”) may be excluded from the scope provided that they enter the United States as “finished goods” or “finished goods kits” and that the “subassemblies” require no further “finishing” or “fabrication.” Since the SMVC Kits contained all of the parts necessary to assemble a complete product without further fabrication prior to assembly, the Department found that, upon assembly and mounting on a fire truck, it was ready for use. Thus, the Department found that the SMVC Kits at issue met the exclusion criteria for subassemblies that enter the United States as “finished goods kits.”

F. Banner Stands and Back Wall Kits⁴⁰

Skyline Displays Inc. (“Skyline”) argued that banner stands and back wall kits, used to showcase graphics and other marketing materials, fell outside the scope of the *Orders* because they met the exclusion criteria of the scope of the *Orders*; namely that the products at issue, once assembled, constituted “finished merchandise containing aluminum extrusions as parts that are fully and permanently assembled and completed at the time of entry.” Petitioner argued that the fact that additional accessories could be added to the products at issue (*e.g.*, shelving and lighting) called into question Skyline’s claim that the products constituted finished goods kits.

The Department found that the banner stands and back wall kits met the exclusion criteria because they contained all of the parts required to assemble a completed exhibition frame on which printed graphical materials may be hung, thereby meeting the exclusion criteria in the scope of the *Orders* for “finished goods kits.” Furthermore, the Department agreed with

³⁹ See the Department’s memorandum entitled, “Antidumping (AD) and Countervailing Duty (CVD) Orders: Aluminum Extrusions from the People’s Republic of China (PRC): Preliminary Scope Rulings on Side Mount Valve Controls,” dated September 24, 2012 (“Preliminary SMVC Kits”); unchanged in the Department’s memorandum entitled, “Antidumping Duty (AD) and Countervailing Duty (CVD) Orders: Aluminum Extrusions from the People’s Republic of China (PRC): Final Scope Ruling on Side Mount Valve Controls,” dated October 26, 2012 (“Final SMVC Kits”).

⁴⁰ See the Department’s memorandum entitled, “Antidumping Duty (AD) and Countervailing Duty (CVD) Orders on Aluminum Extrusions from the People’s Republic of China (PRC): Final Scope Ruling on Banner Stands and Back Wall Kits,” dated October 19, 2011 (“Banner Stands and Back Wall Kits”).

Skyline’s claim that the products at issue were analogous to completed picture frames, which are explicitly excluded from the scope. Specifically, the Department found that the products at issue were designed to incorporate interchangeable graphical materials that can change with users’ needs. Therefore, the Department concluded it would be unreasonable to require that the products at issue be accompanied at the time of importation with affixed graphical material that could not be removed or altered at a later date.

G. Recreational Marine Products⁴¹

At issue in the ruling were aluminum Backrest Kits and T-Top Kits imported by TACO Metals, Inc. (“TACO”). The Backrest Kits components are packaged as complete kits into one single box before entering the United States. The T-Top kits consisted of all of the components necessary to assemble a complete T-Top in one large package; smaller boxes within the package house individual like components. TACO argued that its products, as imported, constitute finished goods kits, as they contain all the parts necessary to assemble a finished good and do not require further finishing or fabrication.

In the Recreational Marine Products ruling, the Department determined that as the Backrest Kits and T-Top Kits enter the United States containing all the components necessary to assemble a final finished Backrest and T-Top, respectively, and need no further finishing or fabrication, they met the exclusion in the scope as finished goods kits.⁴² The Department also determined that, because the T-Top Kit was used with a canvas cover, which was added after importation, and was interchangeable, depending on the tastes of the consumer, per the Drapery Rail Kits (Redetermination) and Banner Stands and Back Wall Kits rulings, it would be unreasonable for the Department to require the inclusion of the canvas cover at the time of importation in order to consider this product to be a finished good kit for purposes of the scope exclusion.⁴³

DEPARTMENT’S POSITION

Pursuant to 19 CFR 351.225(k)(1), the Department has examined the language of the *Orders* and the description of the products contained in this scope request, as well as previous rulings made by the Department. We find that the scope and the Department’s prior rulings are dispositive as to whether the products at issue are subject merchandise. Accordingly, for this determination, the Department finds it unnecessary to consider additional factors specified in 19 CFR 351.225(k)(2). For the reasons set forth below, we find that Pacific Product’s motorized arm sets meet the exclusion criteria for “finished goods kits,” and are not covered by the scope of the *Orders*.

The scope of the *Orders* provides that an imported product will not be considered for exclusion as a “finished goods kit” merely by including fasteners such as screws, bolts, *etc.* in the packaging with an aluminum extrusion product. The scope further provides that a finished goods

⁴¹ See the Department’s memorandum entitled, “Antidumping Duty (AD) and Countervailing Duty (CVD) Orders on Aluminum Extrusions from the People’s Republic of China (PRC): Final Scope Ruling on TACO’s Recreational Marine Products,” dated August 1, 2014 (“Recreational Marine Products”).

⁴² See *id.*, at 10.

⁴³ See Drapery Rail Kits (Redetermination), at 11, 16 – 18; see also Banner Stands and Back Wall Kits, at 10.

kit: 1) “contains, at the time of importation, all of the necessary parts to fully assemble a final finished good” and 2) “requires no further finishing or fabrication, and is assembled “as is” into a finished product.”

As noted above, in determining if the finished goods kit exclusion applies in this case, the first test the Department must conduct, in accordance with the Geodesic Domes Kits scope ruling,⁴⁴ is whether the product at issue contains, upon importation, only aluminum extrusion components.

We determine that the record demonstrates that the product at issue contains, upon importation, non-aluminum extrusion components beyond fasteners.⁴⁵ While the motorized arm sets, at importation, do contain fasteners made of stainless steel and aluminum, they contain many additional parts of non-extruded aluminum content. These include, for example, the fascia covering the internal arm mechanisms made of aluminum and plastic; the gas shock for the motor made of carbon steel; the motor itself made of stainless steel, plastic, carbon steel, and bronze alloy; the motor cover made of aluminum, stainless steel, plastic, and copper; and the switch kit made of stainless steel and copper with PVC insulation.⁴⁶ Because the motorized arm set contains non-extruded aluminum material parts other than fasteners, we find that Pacific Product’s motorized arm sets satisfy the Department’s first test for determining whether an imported kit constitutes an excluded finished goods kit.

Next, we determined that Pacific Product’s motorized arm sets, like SMVC Kits,⁴⁷ are sub-assemblies, imported as a packaged kit, containing all of the components needed to fully assemble a final “finished good” motorized arm which can be installed on a recreational vehicle (“RV”).⁴⁸ Pacific Product’s sets require no re-sorting or re-packaging of kit components upon importation, and require no further finishing or fabrication prior to installation in the ultimate downstream product.⁴⁹

Additionally, we conclude that the awning and roller bars that are typically added after importation to the motorized arm sets subject to inquiry are interchangeable with other such awnings and roller bars, including those already installed on RVs, depending on and subject to the tastes of the consumer. Thus, similar to facts in the Drapery Rail Kits (Redetermination),⁵⁰ Event Décor Parts,⁵¹ and Recreational Marine Products⁵² scope rulings, we have determined that it would be unreasonable to require the inclusion of roller bars and awnings at the time of importation for purposes of excluding Pacific Product’s motorized arm set as a finished goods kit. Awnings, in particular, subsequently added to the subject motorized arm sets would be customizable pieces that may be added or changed by end users per their changing preferences, similar to the drapes in the Drapery Rail Kits (Redetermination),⁵³ the interchangeable fabric

⁴⁴ See Geodesic Domes Kits, at 7.

⁴⁵ See Pacific Product’s Supplemental Questionnaire Response, at 4 – 7.

⁴⁶ See *id.*

⁴⁷ See Preliminary SMVC Kits, at 7.

⁴⁸ See Pacific Product’s Supplemental Questionnaire Response, at 9 - 10 and Exhibit B.

⁴⁹ See Pacific Product’s Scope Ruling Request, at 12 – 14.

⁵⁰ See Drapery Rail Kits (Redetermination), at 8 - 9.

⁵¹ See Event Décor Parts, at 6.

⁵² See Recreational Marine Products, at 10.

⁵³ See Drapery Rail Kits (Redetermination), at 8 - 9.

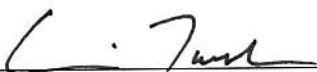
covers in the EZ Fabric Wall Systems Kits, the custom marketing material in the Banner Stand and Back Wall Kits, and the canvas cover used with the T-Top Kits in Recreational Marine Products.⁵⁴

Accordingly, we determine that Pacific Product's motorized arm sets are finished goods kits. Therefore, we find that the motorized arm sets are excluded from the scope of the Orders.

RECOMMENDATION

For the reasons discussed above, and in accordance with 19 CFR 351.225(d) and 351.225(k)(1), we recommend a determination that the motorized arm sets addressed by the instant request are not subject to the scope of the *Orders*. If the recommendation in this memorandum is accepted, we will serve a copy of this determination to all interested parties on the scope service list via first-class mail, as directed by 19 CFR 351.225(d).

Agree Disagree



Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

11/4/14

Date

⁵⁴ See Recreational Marine Products, at 10.