



A-570-967

C-570-968

Scope Ruling: Homecrest
Woven Polypropylene Seats
Public Document
E&C VI: DF

January 22, 2016

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

THROUGH: Scot Fullerton
Director
AD/CVD Operations, Office VI

Robert James
Program Manager, Office VI
Antidumping and Countervailing Duty Operations

FROM: Davina Friedmann
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Antidumping and Countervailing Duty Operations

SUBJECT: Antidumping and Countervailing Duty Orders on Aluminum
Extrusions from the People's Republic of China: Final Scope
Ruling on Homecrest's Woven Polypropylene Seats

Summary

On March 18, 2015, the Department of Commerce (the Department) received a scope ruling request from Homecrest Outdoor Living, LLC (Homecrest)¹ to determine whether its product, certain woven polypropylene seats (woven seats), is subject to the antidumping duty (AD) and countervailing duty (CVD) orders on aluminum extrusions from the People's Republic of China (PRC).² On the basis of our analysis of the comments received, we determine that Homecrest's woven seats are excluded from the scope of the AD and CVD orders on aluminum extrusions from the PRC.

¹ See letter from Homecrest to the Secretary of Commerce entitled, "Scope Inquiry - Aluminum Extrusions from the People's Republic of China, Inv. A-570-967 and C-570-968," dated March 18, 2015 (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*).

Background

On March 18, 2015, Homecrest submitted its scope request in which it requested that the Department issue a scope ruling that Homecrest's woven seats are outside the scope of the Orders.³ On July 23, 2015, the Department issued a supplemental questionnaire⁴ to Homecrest for clarification of its Scope Request to which Homecrest responded on August 26, 2015.⁵ The Department issued an additional supplemental questionnaire to Homecrest on October 19, 2015,⁶ to which Homecrest responded on November 11, 2015.⁷ Between May 2015 and January 2016, the Department extended the deadline for issuing a scope ruling on Homecrest's woven seats.⁸ On January 4, 2016, the Department once again extended the deadline for this scope ruling until February 11, 2016.⁹ To date, the Department has not received comments from interested parties on Homecrest's Scope Request.

SCOPE OF THE ORDERS

The merchandise covered by the order{s} 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.

³ See Scope Request.

⁴ See letter from Department to Homecrest, dated July 23, 2015 (Supplemental Questionnaire I); see also letter from Department to Homecrest, dated October 19 and 21, 2015 (Supplemental Questionnaire IIA and IIB, respectively).

⁵ See letter from Homecrest to the Secretary of Commerce entitled, "Scope Inquiry – Aluminum Extrusions from the People's Republic of China, Inv. A-570-967 and C-570-968," dated August 26, 2015 (First Supplemental Response).

⁶ See Supplemental Questionnaire IIA and Supplemental Questionnaire IIB, (collectively, Supplemental Questionnaire II).

⁷ See letter from Homecrest to the Secretary of Commerce regarding, "Scope Inquiry – Aluminum Extrusions from the People's Republic of China, Inv. A-570-967 and C-570-968," dated November 11, 2015 (Second Supplemental Response).

⁸ The Department issued extension letters for this scope ruling on May 4, 2015, June 16, 2015, July 20, 2016, and September 14, 2015.

⁹ See letter from the Department to Interested Parties regarding "Aluminum Extrusions from the People's Republic of China: Extension of Time for Scope Ruling," dated January 4, 2016.

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

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

LEGAL FRAMEWORK

When a request for a scope ruling is filed, the Department examines the scope language of the order and the description of the product contained in the scope-ruling request.¹⁰ Pursuant 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.¹¹ 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.¹²

Conversely, where the descriptions of the merchandise in the sources described in 19 CFR 351.225(k)(1) are not dispositive, the Department will consider the five additional 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 THE MERCHANDISE SUBJECT TO THIS SCOPE REQUEST

In its Scope Request, Homecrest describes the merchandise as follows:

The woven baskets serve as the upper seating areas for outdoor chairs. They comprise polypropylene rope woven in a wicker pattern that provides the seating area's cushioning, and extruded aluminum side rails provide support to the polypropylene fabric. The polypropylene rope is 'weaved' around the fully formed and welded rail, ensuring its permanent attachment, to form the finished basket.

...

The imported products also include four to six pre-drilled and tapped mounting positions to attach the woven baskets to the chair bases.¹³

Specifically, Homecrest further clarified in its First Supplemental Response¹⁴ that the imported merchandise includes only two components:

¹⁰ See *Walgreen Co. v. United States*, 620 F.3d 1350, 1357 (Fed. Cir. 2010).

¹¹ See 19 CFR 351.225(k)(1).

¹² See 19 CFR 351.225(d).

¹³ See Homecrest's Scope Request, at 2.

¹⁴ See First Supplemental Response, at 6.

1. Polypropylene rope wicker fabric
2. Extruded aluminum rails

In its First Supplemental Questionnaire Response, Homecrest confirmed that its woven seats have already been produced and are ready for shipment; further, according to Homecrest, woven seats have already been imported into the United States.¹⁵ Homecrest points out that its woven seats are fully and permanently assembled at the time of entry and ready for use by the customer, with no further assembly required. According to Homecrest, the two extruded aluminum side rails are permanently bound to the woven material, and as such, separating the two components would destroy one or both of them.¹⁶ In its Second Supplemental Response, Homecrest clarified that its request for exclusion of its woven seats is not model specific; more specifically, Homecrest states that the exclusion request is for “woven baskets (or seats) that incorporate extruded aluminum frames with wicker material formed of polypropylene rope.”¹⁷ Homecrest maintains that its woven seats meet the exclusion provision of finished goods.¹⁸

RELEVANT SCOPE DETERMINATIONS¹⁹

Side Mount Valve Control Kits Scope Rulings²⁰

At issue in the scope ruling were certain side-mount valve controls (SMVC) kits that are used in pumping apparatuses that are attached to fire engines. The requestor argued that an SMVC kit, as imported, 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. On this basis, the requestor argued that the product in question met the exclusion criteria for “finished goods.”²¹

In the scope ruling, the Department explained that, upon further reflection of the language in the scope of the *Orders*, it was revising the manner in which it determines whether a given product is a “finished good” or “finished goods kit.” The Department explained that it identified a concern with its prior analysis, namely that it may lead to unreasonable results. The Department explained that an interpretation of “finished goods kit” 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. The Department explained that such an

¹⁵ See First Supplemental Response, at 7.

¹⁶ See Homecrest’s Scope Request, at 9.

¹⁷ See Second Supplemental Response, at 2.

¹⁸ See Scope Request, at 4.

¹⁹ See the Department’s memorandum that accompanies this scope ruling entitled, “Transmittal of Scope Rulings Relevant to Homecrest’s Polypropylene Woven Seats Scope Ruling Memorandum.”

²⁰ See Memorandum from John Conniff and Eric B. Greynolds to Christian Marsh entitled, “Initiation and Preliminary Scope Ruling on Side Mount Valve Controls,” dated September 24, 2012 (Preliminary SMVC Kits Scope Ruling), unchanged in the memorandum from John Conniff and Eric B. Greynolds to Christian Marsh entitled, “Final Scope Ruling on Side Mount Valve Control Kits,” dated October 26, 2012 (Final SMVC Scope Ruling) (together, SMVC Kits Scope Rulings); see also Transmittal of Scope Rulings Relevant to the Homecrest Woven Polypropylene Seats Scope Ruling Memorandum.

²¹ See Preliminary SMVC Kits Scope Ruling at 2.

interpretation may expand the scope of the *Orders*, which are intended to cover aluminum extrusions.²²

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.” Therefore, the Department analyzed whether the SMVC kits at issue constituted a subassembly that enters the United States as a “finished goods kit.” In order for the SMVC kit to be excluded from the scope of the *Orders*, the Department found that: (1) the SMVC kit must contain all of the parts necessary to assemble a complete SMVC; (2) all of the components and hardware of the SMVC kit must be fully fabricated and required no further finishing or fabrication prior to being assembled; and (3) once assembled, the SMVC must be ready for use in conjunction with the downstream product upon installation.²³ Based on this analysis, the Department found that the SMVC kits at issue met the exclusion criteria for subassemblies that enter the United States as “finished goods kits.”²⁴

Valeo Final Remand Redetermination²⁵

This remand redetermination pertained to certain automotive heating and cooling system components which the Department originally determined were encompassed within the scope of the *Orders*. The products at issue were two distinct types of automotive heating and cooling parts/components, T-Series and M-Series.²⁶ In the final remand redetermination, the Department, applying the subassemblies test from the SMVC Scope Ruling, concluded that “at the time of importation, the products at issue contain all of the necessary components required for integration into a larger system,” and thus, there was no meaningful distinction between the products at issue and those examined in the SMVC Scope Ruling. As a result, the Department determined that the products at issue were subassemblies that constituted excluded “finished goods,” as described in the *Orders*, and were not covered by the scope.

²² *Id.*, at 7.

²³ *Id.*

²⁴ *Id.*, at 7-8

²⁵ See Final Results of Redetermination Pursuant to Court Remand Aluminum Extrusions from the People’s Republic of China, *Valeo Inc., Valeo Engine Cooling Inc., and Valeo Climate Control Corp. v. United States*, No. 12-00381 (May 14, 2013) (Valeo Final Remand Redetermination), addressing the Department’s findings in the Memorandum regarding: Antidumping and Countervailing Duty Orders on Aluminum Extrusions from the People’s Republic of China – Final Scope Ruling on Valeo’s Automotive Heating and Cooling Systems, dated October 31, 2012 (“Auto Heating/Cooling Systems Scope Ruling”). The Valeo Final Remand Redetermination was affirmed by the Court of International Trade on June 20, 2013. See *Valeo Inc. v. United States*, Ct. No. 12-00381, dkt. #23, dated June 20, 2013 (Court Order affirming Remand Redetermination); see also Transmittal of Scope Rulings Relevant to the Homecrest Woven Polypropylene Seats Scope Ruling Memorandum.

²⁶ See Valeo Final Remand Redetermination at 5.

Foreline Hose Assembly Scope Ruling²⁷

At issue was Agilent Technologies, Inc.'s (Agilent) Foreline Hose Assembly (FHA) that is to be used with Agilent's Gas Chromatography Mass Spectrometer. The FHA consists of extruded aluminum parts assembled with other non-extruded aluminum components, such as flexible PVC foreline hose tubing.²⁸ Also, at the time of importation, the FHA could be imported as an assembled article, or as a complete, unassembled kit.²⁹ Agilent argued that the hose assemblies contained all the necessary components such that, once assembled, the product would be ready for installation and used with the Gas Chromatography Mass Spectrometer. Since the product could be imported into the United States as an assembled article or a complete, unassembled kit, the Department made determinations for both of these forms in which the product could be imported. Regarding the assembled article, the Department found that the FHA is excluded from the scope of the *Orders* as "finished merchandise," since it is imported as a finished product that contains finished parts, including those comprised of extruded and non-extruded aluminum components, beyond mere fasteners, that are fully and permanently assembled at the time of importation.³⁰ With respect to the product being imported as a complete, unassembled kit, the Department also found that the FHA is excluded from the scope of the *Orders* as a "finished goods kit," since the parts contained in the kit are ready to be fully assembled into a final finished product in an "as is" state upon importation.³¹ The Department also found that the FHA is consistent with the "subassemblies test," as described in the Valeo Final Remand Redetermination.³²

DEPARTMENT POSITION

The Department examined the language of the *Orders* and the description of the products contained in Homecrest's Scope Request, as well as previous rulings made by the Department. We find that the description of the products, the scope language, and prior rulings are, together, dispositive as to whether the products at issue are subject merchandise, in accordance with 19 CFR 351.225(k)(1). Accordingly, for this determination, the Department finds it unnecessary to consider the additional factors specified in 19 CFR 351.225(k)(2). For the reasons set forth below, we find that the merchandise at issue, Homecrest's woven seats, meets the exclusion criteria for "finished merchandise."

In its First Supplemental Response, Homecrest states that its product may be imported as a finished product and as a finished goods kit.³³ In addition to the description of its woven seats,

²⁷ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled "Final Scope Ruling on Agilent Technologies, Inc.'s Foreline Hose Assembly," dated August 27, 2015. (FHA Scope Ruling); see also Transmittal of Scope Rulings Relevant to the Homecrest Woven Polypropylene Seats Scope Ruling Memorandum.

²⁸ *Id.*, at 5-6.

²⁹ *Id.*

³⁰ *Id.*, at 12-13

³¹ *Id.*, at 13

³² *Id.*, at 13-14

³³ See Homecrest's First Supplemental Response, at 6.

Homecrest provided photographs of the product at issue,³⁴ which it claims reflect the merchandise in the form in which it enters into the United States.

The scope of the *Orders* excludes “finished merchandise containing aluminum extrusions *as parts* that are fully and permanently assembled and completed at the time of entry...” (emphasis added). Thus, the scope language describes excluded finished merchandise as “containing aluminum extrusions *as parts*...” Thus, the excluded “finished merchandise” must contain aluminum extrusions “as parts” plus an additional non-extruded aluminum component. Otherwise, this specific language (*i.e.*, “as parts”) would be read out of the scope, resulting in the different condition “containing aluminum extrusions that are fully and permanently assembled and completed at the time of entry.” Thus, to give effect to this “as parts” language, we find that to qualify for the finished merchandise exclusion the product must contain aluminum extrusions as parts, and must include some non-extruded aluminum component.

This interpretation is supported by the illustrative examples of excluded “finished merchandise” contained in the scope, all of which contain extruded aluminum and non-extruded aluminum components (*e.g.*, finished windows with glass, doors with glass or vinyl, etc.). In comparison, we note that those products specifically included in the *Orders*, such as window frames and door frames, do not constitute finished merchandise because they cannot be considered to “contain{ } aluminum extrusions as parts that are fully and permanently assembled and completed at the time of entry.”³⁵ Rather, the in-scope window frames and door frames are the only parts of the product.

Moreover, we find that the term “as parts” in the scope exclusion necessarily requires a plural construction, rather than encompassing both the singular “part” and plural “parts,” given the context provided by other terms in the exclusion, such as “containing” and “assembled” as well the examples of excluded finished merchandise, all of which contain at least an aluminum extrusion component and non-extruded aluminum component.

Homecrest argues that its product, woven seats, qualifies as finished merchandise under the scope description of the *Orders*. Homecrest also relies upon *Rubbermaid*³⁶ in which the CIT ultimately affirmed the Department’s remand redetermination, which continues to apply the same interpretation of the finished merchandise exclusion. Having examined information on this segment of the proceeding, including Homecrest’s Scope Request, along with information provided in its supplemental responses, we find that, similar to the FHA Scope Ruling, the merchandise at issue may be imported as a finished product, one that contains finished parts, including those comprised of extruded and non-extruded aluminum components, beyond mere fasteners, that are fully and permanently assembled at the time of importation.³⁷ Specifically, in its imported form, the woven seats contain aluminum extrusions “as parts” (*i.e.*, the extruded

³⁴ See attachments to Homecrest’s First Supplemental Response; see also Homecrest’s Second Supplemental Response, at Exhibit B.

³⁵ See the *Orders*.

³⁶ See *Rubbermaid Commercial Products v. United States*, Slip Op. 2 15-79 (CIT July 22, 20 15) (*Rubbermaid*) at 14- 15 (“... a product... that contains aluminum extrusions as parts along with additional non-aluminum components [] may meet the exclusion criteria for ‘finished merchandise’ provided that the good is ‘fully and permanently assembled and completed at the time of entry.’”)

³⁷ See Homecrest’s Scope Request, at 9.

aluminum rails) plus an additional non-extruded aluminum component (*i.e.*, the polypropylene rope wicker fabric), to which the extruded aluminum rails are attached. For these reasons, we find that Homecrest's woven seats meet the exclusion requirement of finished merchandise.³⁸

Also, consistent with the Side Mount Valve Control Kits Scope Ruling, the woven seats, which were designed to attach to the base of chairs, are ready for installation into the downstream product (*i.e.*, the chair base) at the time of entry into the United States. This is further supported by the Valeo Final Remand Redetermination in which Valeo subassemblies entered the United States as finished goods and subsequently were integrated into a larger system or downstream product. As such, we note that the merchandise at issue requires no further finishing or fabrication other than attaching the imported product to a base to form the finished chairs.³⁹ We therefore find that the "subassemblies test" is consistent with the scope exclusion language because subassemblies themselves enter into the United States as "finished goods," and will be later integrated into a larger system or downstream product.

RECOMMENDATION

For the reasons discussed above, and in accordance with 19 CFR 351.225(d) and 19 CFR 351.225(k)(1), we recommend finding that Homecrest's woven polypropylene seats (*i.e.*, 'woven baskets (or seats) that incorporate extruded aluminum frames with wicker material formed of polypropylene rope')⁴⁰ are fully assembled at the time of importation thereby meeting the criteria for finished merchandise, which the language of the *Orders* expressly excludes (*i.e.*, the merchandise at issue constitutes "finished merchandise containing aluminum extrusions as parts that are fully and permanently assembled and completed at the time of entry.").

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

1/27/16
Date

³⁸ While Homecrest also suggests that the product at issue may also fall under the exclusion criteria for a "finished goods kit," we find that the scope exclusion of a "finished goods kit" is not applicable to Woven Polypropylene Seats because the merchandise at issue does not enter into the United States in an unassembled state.

³⁹ See Scope Request, at 3 and 10.

⁴⁰ See Second Supplemental Response, at 2.