A-570-967, C-570-968 Scope Proceeding: Portal Sets Public Document AD/CVD6:FBaker

April 15, 2016

**MEMORANDUM TO:** Christian Marsh

**Deputy Assistant Secretary** 

for Antidumping and Countervailing Duty Operations

**THROUGH:** Scot Fullerton

Director, Office 6

Antidumping and Countervailing Duty Operations

**Robert James** 

Program Manager, Office 6

Antidumping and Countervailing Duty Operations

**FROM:** Fred Baker

Analyst, Office 6

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 Bottom Line Traction's Portal Sets

#### **SUMMARY**

On March 30, 2015, Bottom Line Traction, Inc. (Bottom Line) filed with the Department of Commerce (Department) a scope ruling request, in which Bottom Line requested that the Department confirm that its portal sets are excluded from the scope of the antidumping and countervailing duty Orders on aluminum extrusions from the People's Republic of China (PRC). For the reasons described below, we determine that Bottom Line's portal sets are excluded from the scope of the Orders.

<sup>&</sup>lt;sup>2</sup> <u>See Aluminum Extrusions from the People's Republic of China: Antidumping Duty Order</u>, 76 FR 30650 (May 26, 2011) and <u>Aluminum Extrusions from the People's Republic of China: Countervailing Duty Order</u>, 76 FR 30653 (May 26, 2011) (collectively, the "Orders").



<sup>&</sup>lt;sup>1</sup> <u>See</u> Bottom Line's letter entitled "Aluminum Extrusions from the People's Republic of China: Request for Scope Ruling for Portal Sets," dated March 30, 2015 (Bottom Line's scope request).

#### **BACKGROUND**

On November 18, 2014, Bottom Line requested that the Department issue a scope ruling that its portal sets are not subject to the antidumping and countervailing duty Orders on aluminum extrusions from the People's Republic of China. On January 29, 2015, the Department rejected the scope ruling request because of issues regarding requests for proprietary treatment of information.

On March 30, 2015, Bottom Line resubmitted its scope request after making appropriate changes regarding proprietary treatment in its scope filing.<sup>3</sup> The Department extended the deadline for ruling on Bottom Line's products on May 19, 2015, June 22, and October 23, 2015.<sup>4</sup> We issued a supplemental questionnaire to Bottom Line about the portal sets on August 12, 2015, to which Bottom Line responded on September 10, 2015. On November 4, 2015, we issued a second questionnaire to Bottom Line, to which Bottom Line responded on December 17, 2015. The Department tolled all administrative deadlines four additional days as a result of a government closure during snowstorm "Jonas." The Department extended the deadline again on February 5, 2016, and March 22, 2016.<sup>6</sup>

We received no comments from the petitioner on this scope ruling request.

## DESCRIPTION OF MERCHANDISE SUBJECT TO THIS SCOPE INQUIRY<sup>8</sup>

"Portals" are modular, customizable structures that serve as entryways to stores or other retail spaces. Assembled portals define the entry to the retail space and funnel customers into and out of the retail space. The "portal sets" at issue contain all parts necessary to make a complete portal. They consist of two "walls," and one "ceiling." The size of these elements may vary based on the requirements of each customer, but all portal "walls" and "ceilings" are constructed of both aluminum extrusions and aluminum elements that have not been extruded.

Portal sets are highly customizable to meet the needs of each customer. Thus, they can be manufactured to various sizes and contain numerous varying components (described below). At the discretion of the end user, customizable and removable accessories can also be added to the portal (e.g., to create a certain "mood"), but these accessories are not necessary for the portal set to perform its primary function.

<sup>4</sup> See the Department's letter entitled "Aluminum Extrusions from the People's Republic of China Extension of Time for Scope Ruling," dated May 19, 2015; see also the Department's letters dated June 22, 2015 and October 23, 2015.

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<sup>&</sup>lt;sup>3</sup> <u>See</u> Bottom Line's scope request.

<sup>&</sup>lt;sup>5</sup> <u>See</u> Memorandum from Ronald Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, to the Record, Re: "Tolling of Administrative Deadlines as a Result of the Government Closure during Snowstorm 'Jonas,'" dated January 27, 2016.

<sup>&</sup>lt;sup>6</sup> <u>See</u> the Department's letter entitled "Aluminum Extrusions from the People's Republic of China Extension of Time for Scope Ruling," dated February 5, 2016, and March 22, 2016.

<sup>&</sup>lt;sup>7</sup> Petitioner is the Aluminum Extrusion Fair Trade Committee.

<sup>&</sup>lt;sup>8</sup> See Bottom Line's scope request at 3 and 8.

## **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 (<u>i.e.</u>, without any coating or further finishing), brushed, buffed, polished, anodized (including brightdip anodized), liquid painted, or powder coated. Aluminum extrusions may also be fabricated, <u>i.e.</u>, 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 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): 8424.90.9080, 9405.99.4020, 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 these orders is dispositive.

## 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.<sup>9</sup> 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. 10 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. 11

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

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<sup>&</sup>lt;sup>9</sup> <u>See Walgreen Co. v. United States</u>, 620 F.3d 1350, 1357 (Fed. Cir. 2010) (<u>Walgreen</u>). <sup>10</sup> <u>See</u> 19 CFR 351.225(k)(1).

<sup>&</sup>lt;sup>11</sup> See 19 CFR 351.225(d).

appropriate in any given scope proceeding is made on a case-by-case basis after consideration of all evidence before the Department.

## **RELEVANT SCOPE DETERMINATIONS**<sup>12</sup>

## A. Side Mount Valve Control Kits<sup>13</sup>

At issue in the ruling were certain side-mount valve controls (SMVCs) that are used in pumping apparatuses that attached to fire engines. The requestor argued that an SMVC, as imported, contains all the components necessary to complete the product and that all SMVCcomponents 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." <sup>14</sup>

In the 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 determined whether a given product was a "finished good" or "finished goods kit." The Department explained that it had 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 interpretation may expand the scope of the Orders, which are intended to cover aluminum extrusions. <sup>15</sup>

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 at issue constituted a subassembly that enters the United States as a "finished goods kit." In order for such a kit to be excluded from the scope of the Orders, the Department found that the SMVC had to be ready for installation and require no further finishing or fabrication. <sup>16</sup>

The Department concluded that the product at issue contained all of the parts necessary to assemble a complete SMVC and that all the components and hardware of the SMVC were

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<sup>&</sup>lt;sup>12</sup> <u>See</u> the Department's memorandum entitled "AD/CVD Orders on Aluminum Extrusions from the PRC: Transmittal of Past Scope Determinations to the File," dated concurrently with this memorandum and placed on the record of this proceeding. This memorandum contains the scope rulings primarily relied upon in the Department's analysis. Other rulings referenced by interested parties, or by the Department in response to arguments made by interested parties, as well as other scope rulings for aluminum extrusions from the PRC, can be found on the Department's website: <a href="http://enforcement.trade.gov/download/prc-ae/scope/prc-ae-scope-index.html">http://enforcement.trade.gov/download/prc-ae/scope/prc-ae-scope-index.html</a>.

<sup>&</sup>lt;sup>13</sup> <u>See</u> 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 (collectively, SMVC Kits).

<sup>&</sup>lt;sup>14</sup> <u>Id</u>., at 2.

 $<sup>\</sup>frac{15}{\underline{\text{Id}}}$ ., at 7.

 $<sup>16 \ \</sup>overline{\underline{Id}}., at 7.$ 

fully fabricated, required no further finishing or fabrication prior to being assembled, and was ready for use upon installation. Based on this information, the Department found that the SMVCs at issue met the exclusion criteria for subassemblies that enter the United States as "finished goods kits."<sup>17</sup>

## B. Geodesic Domes Kits Scope Ruling<sup>18</sup>

At issue in the ruling were certain geodesic dome 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 geodesic dome playground set. 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 ruling, the Department explained that the product at issue met the "initial requirements for inclusion into the finished goods kit exclusion." However, the Department also 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." 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. <sup>21</sup>

# C. <u>Valeo Scope Ruling<sup>22</sup> and Valeo Final Remand Redetermination<sup>23</sup></u>

At issue was whether certain automotive heating and cooling system components were encompassed within the scope of the Orders. The products at issue were comprised of two distinct types of automotive heating and cooling parts/components, T-Series and M-Series. <sup>24</sup> In the Valeo Scope Ruling, the Department determined that Valeo's T-Series and M-Series parts for heating/cooling systems were covered by the scope of the Orders because the products were aluminum extrusions that had undergone further fabrication, and such products are specifically

<sup>18</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, "Final Scope Ruling on J.A. Hancock, Inc.'s Geodesic Structures," (July 17, 2012) (Geodesic Domes Kits Scope Ruling).

<sup>22</sup> See the Department's memorandum entitled, "Final Scope Ruling on Valeo's Automotive Heating and Cooling Systems," dated October 31, 2012 (Valeo Scope Ruling).

<sup>&</sup>lt;sup>17</sup> Id., at 7-8.

<sup>&</sup>lt;sup>19</sup> <u>Id</u>., at 7.

 $<sup>\</sup>frac{1}{1}$ 

<sup>21</sup> Id

<sup>&</sup>lt;sup>23</sup> <u>See</u> Final Results of Redetermination Pursuant to Court Remand Aluminum Extrusions from the People's Republic of China, <u>Valeo Inc., Valeo Engine Cooling Inc., and Valeo Climate Control Corp. v. United States</u>, 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 (CIT). <u>See Valeo, Inc. et al v. United States</u>, Ct. No. 12-00381 (CIT June 20, 2013).

<sup>&</sup>lt;sup>24</sup> See Valeo Remand Redetermination at 5.

covered by the Orders. Subsequently, Valeo, Inc., appealed the scope ruling to the Court of International Trade alleging that the Department did not address or apply the "subassemblies test" that was established in SMVC Kits to the merchandise at issue in Valeo's initial scope request. In response, the Department requested and was granted a voluntary remand to consider whether components for cooling and heating systems are covered by the Orders based upon the Department's new subassembly test. In the final remand determination, the Department, applying the subassemblies test from the SMVC Scope Rulings, <sup>25</sup> 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 is no meaningful distinction between the products at issue and those examined in the SMVC Scope Rulings. As a result, the Department determined that the products at issue were subassemblies that constitute excluded "finished goods," as described in the Orders, and were not covered by the scope. <sup>26</sup>

## ARGUMENTS FROM INTERESTED PARTIES

## Bottom Line's Comments

Bottom Line argues that the portal sets fall into the "finished goods kit" exclusion, which says that:

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.

Bottom Line argues its portal sets meet the requirements of the "finished goods kit" exclusion as defined under the language of the Orders and the SMVC Kits ruling. According to Bottom Line, its product contains all components necessary to assemble a complete portal with no further finishing or fabrication and is a finished product in and of itself, although it is ultimately installed as part of a larger downstream product. Furthermore, Bottom Line argues the portal sets contain parts other than aluminum extrusions that are both an integral part of the portal sets and constitute more than mere "fasteners."

Alternatively, Bottom Line argues that if the Department finds that its portal sets are not "finished goods kits," its portal walls and portal ceilings are still excluded from the Orders as "finished merchandise" because they are each fully and permanently assembled and completed portal walls and ceilings at the time of importation. Bottom Line states that the walls and

<sup>&</sup>lt;sup>25</sup> <u>See</u> the memorandum from John Conniff to Christian Marsh, "Final Scope Ruling on Side Mount Valve Controls Innovative," dated October 26, 2012 (SMVC Scope Ruling).

<sup>&</sup>lt;sup>26</sup> I<u>d</u>., at 10.

<sup>&</sup>lt;sup>27</sup> See Bottom Line's scope request at 15.

ceilings are imported together in sets consisting of one portal ceiling and two portal walls, but this does not diminish the fact that individually, each of the imported portal ceilings and walls is a complete portal ceiling and portal wall, respectively.<sup>28</sup>

Alternatively, Bottom Line argues that if the portal sets are not excluded from the Orders as either "finished goods kits" or "finished merchandise," they are still excluded from the Orders under the "diversified products" criteria set forth in 19 CFR 351.225(k)(2).<sup>29</sup>

## Petitioner's Comments

Petitioner did not comment on this scope request.

## **DEPARTMENT'S POSITION**

Pursuant to 19 CFR 351.225(k)(1), the Department examined the language of the Orders and the description of the products contained in this scope request, determinations during the investigations, as well as previous rulings made by the Department. We find that those criteria are, together, dispositive as to whether Bottom Line's portal sets are subject merchandise. 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 Bottom Line's portal 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 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."

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, is whether the product at issue contains, upon importation, only aluminum extrusion components.

From our review of the record, we find that the product at issue contains, upon importation, nonaluminum extrusion components beyond fasteners.<sup>30</sup> While the ceiling and walls are made up of extruded aluminum profiles, the portal sets also contain other additional parts of non-extruded aluminum content. All portal sets include, for example, a center plate (also known as a top and bottom cap or a sill plate), which is made from non-extruded aluminum and serves as a point at which fasteners may be inserted to attach the portal to the retail structure in which it is installed.<sup>31</sup> Furthermore, depending on the requirements of the customer, some portal sets also

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<sup>&</sup>lt;sup>28</sup> <u>Id</u>., at 34. <sup>29</sup> <u>Id</u>., at 46.

 $<sup>\</sup>frac{20}{10}$ , at 4-7 and 15-19.

 $<sup>^{31}</sup>$   $\overline{\text{Id}}$ ., at 4 and 16.

contain additional non-extruded aluminum parts. These include "bolt blocks,"<sup>32</sup> "truss rods,"<sup>33</sup> "center panels,"<sup>34</sup> "top compression strips,"<sup>35</sup> "leveler pads,"<sup>36</sup> "backer plates,"<sup>37</sup> and "threaded spuds."<sup>38</sup> Additionally, some portal sets contain a "sign pan," which is made from cold-rolled steel.<sup>39</sup> Thus, because the portal sets contains non-extruded aluminum material parts other than fasteners, we find that Bottom Line's portal sets satisfy the Department's first test for determining whether an imported kit constitutes an excluded finished goods kit.

Next, we determine that although Bottom Line's portal sets are not the ultimate, finished downstream product, which would be the completed retail entranceway, they are nonetheless subassemblies because they are imported as a packaged kit, require no further finishing or fabrication, and contain all of the components needed to be fully assembled "as is" into the final finished good, (i.e., a portal set that is installed into a larger retail entranceway). 40 Therefore, we find Bottom Line's portal sets to be analogous to the merchandise considered in SMVC Kits and Valeo Remand Redetermination, and hence to be excluded under the scope as a "finished goods kit."

Because we have determined that portal sets are excluded from the scope of the Orders because they are finished good kits, we need not address Bottom Line's alternative contention that its portal set walls and ceilings are also excluded from the Order because they each constitute "finished merchandise."

 $<sup>\</sup>frac{32}{33}$  <u>Id</u>., at 4 and 17. <u>Id</u>., at 5 and 17.

 $<sup>\</sup>frac{1}{1}$  Id.

 $<sup>\</sup>frac{15}{36}$   $\frac{\underline{Id}}{\underline{Id}}$ ., at 6 and 18.

 $<sup>\</sup>frac{1}{1}$  Id.

 $<sup>\</sup>overline{\underline{Id}}$ ., at 6 and 19.

 $<sup>\</sup>overline{\underline{Id}}$ ., at 5 and 18.  $\frac{10}{10}$ ., at 19.

## RECOMMENDATION

For the reasons discussed above, and in accordance with 351.225(k)(1) and 19 CFR 351.225(d), we recommend finding that Bottom Line's portal sets 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

4/15/16

for Antidumping and Countervailing Duty Operations

Date