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Investigation
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September 6, 2016

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

FROM: Gary Taverman 
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Affirmative
Determination: Countervailing Duty Investigation of Certain
Carbon and Alloy Steel Cut-to-Length Plate from the People's
Republic of China

I. SUMMARY

The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain carbon and alloy steel cut-to-length plate (CTL plate) from the People's Republic of China (PRC) as provided in section 703 of the Tariff Act of 1930, as amended (the Act).

II. BACKGROUND

A. *Case History*

On April 8, 2016, the Department received countervailing duty (CVD) petitions concerning imports of CTL plate from Brazil, the PRC, and the Republic of Korea (Korea), filed in proper form on behalf of ArcelorMittal USA LLC (AMUSA), Nucor Corporation, and SSAB Enterprises, LLC (collectively, Petitioners). The CVD petitions were accompanied by antidumping duty (AD) petitions concerning imports of CTL plate from all of the above countries, in addition to Austria, Belgium, France, Germany, Italy, Japan, South Africa, Taiwan,



and Turkey.¹ On April 28, 2016, the Department initiated a CVD investigation of CTL plate from the PRC.² Supplements to the Petition and our consultations with the Government of China (“GOC”) are described in the Initiation Checklist.³

In the “Respondent Selection” section of the *Initiation Notice*, the Department stated that it intended to select respondents based on U.S. Customs and Border Protection (CBP) data. On April 29, 2016, we released CBP data to parties under the Administrative Protective Order (APO). On May 6, 2016, we received comments on the CBP data from ArcelorMittal USA LLC.

On May 18, 2016, the Department determined to individually examine Hunan Valin Xiangtan Iron & Steel (Hunan Valin) and Jiangyin Xingcheng Special Steel Works Co. Ltd. (Jiangyin Special), the two largest exporters/producers accounting for the largest volume of subject merchandise exported to the United States from the PRC during the POI.⁴ On May 19, 2016, the Department issued a CVD questionnaire to the GOC. The Department instructed the GOC to forward the questionnaire to the selected mandatory respondents. Hunan Valin did not respond to the Department’s affiliation questionnaire by the stated deadline and did not request an extension. Additionally, on June 1, 2016, Jiangsu Tiangong Tools Company Limited (TG Tools) requested that it be treated as a voluntary respondent.⁵ On June 28, 2016, the Department selected Viewer Development Co., Ltd. (Viewer Development), the next largest producer or exporter of the merchandise under consideration by volume, as an additional mandatory respondent to replace Hunan Valin.⁶ Viewer Development did not respond to the Department’s affiliation questionnaire by the stated deadline and did not request an extension. On July 25, 2016, the Department determined not to select TG Tools as a voluntary respondent because selecting any additional company for individual examination would be unduly burdensome and will inhibit the timely completion of this investigation.⁷

¹ See “Certain Carbon and Alloy Steel Cut-to-Length Plate from Austria, Belgium, Brazil, the People’s Republic of China, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, South Africa, Taiwan, and Turkey – Petitions for the Imposition of Antidumping and Countervailing Duties,” dated April 8, 2016 (Petitions).

² See *Carbon and Alloy Steel Cut-to-Length Plate from Brazil, the People’s Republic of China, and the Republic of Korea: Initiation of Countervailing Duty Investigations*, 81 FR 27098 (May 5, 2016).

³ See PRC CVD CTL Plate Investigation Initiation Checklist (Checklist), (April 28, 2016).

⁴ See Memorandum to Christian Marsh, Deputy Assistant Secretary, Antidumping and Countervailing Duty Operations, through James C. Doyle, Director, Office V, from Frances Veith, Senior International Trade Compliance Analyst, Office V, re: “Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People’s Republic of China: Mandatory Respondent Selection,” dated May 18, 2016.

⁵ See Letter to the Secretary of Commerce from Jiangsu Tiangong Tools Company Limited, “Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People’s Republic of China: Request for Voluntary Respondent Treatment; Response to Affiliated Companies Questionnaire,” (June 1, 2016).

⁶ See Memorandum to Christian Marsh, Deputy Assistant Secretary, Antidumping and Countervailing Duty Operations, through James C. Doyle, Director, Office V, from Bob Palmer, Senior International Trade Compliance Analyst, Office V, re: “Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People’s Republic of China: Selection of Additional Mandatory Respondent,” dated June 28, 2016.

⁷ See Memorandum to Christian Marsh, Deputy Assistant Secretary, Antidumping and Countervailing Duty Operations, through James C. Doyle, Director, Office V, from Bob Palmer, Senior International Trade Compliance Analyst, Office V, re: “Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People’s Republic of China: Consideration of Request to Examine Voluntary Respondent,” dated July 25, 2016.

Jiangyin Special filed its affiliation questionnaire response on June 6, 2016, in which it identified eight companies with which it was cross-owned that are parent or holding companies or supply input products for production of downstream products.⁸ On July 8, 2016, Jiangyin Special and the GOC filed timely responses to the primary countervailing duty questionnaire.⁹

On August 1, 2016, the Department issued both a deficiency letter¹⁰ regarding Jiangyin Special's designation of business proprietary information and a supplemental questionnaire¹¹ requesting missing English translations. The company timely responded to these requests, filing a resubmitted response on August 11, 2016.¹²

On July 26, 2016, Petitioners filed new subsidy allegations, which the Department is still considering. As soon as practicable following the release of this Preliminary Determination, the Department will issue a separate memorandum to announce whether it will initiate an investigation as to each newly alleged subsidy.

On August 15, 2016, AMUSA filed comments in advance of this preliminary determination.¹³ To the extent practicable, we have considered these comments in making this preliminary determination.

On August 22, 2016, the Department issued a letter to Jiangyin Special indicating that its initial questionnaire response was incomplete, and outlining the necessary steps to file untimely information.¹⁴ On August 26, 2016, Jiangyin Special filed an untimely extension request in

⁸ See Letter to the Secretary of Commerce from Jiangyin Special, "Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: Response to Affiliate Questionnaire" ("Affiliation Response") (June 6, 2016).

⁹ See Letter to the Secretary of Commerce from Jiangyin Special, "Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: Response to Section III of the Countervailing Duty Questionnaire" (July 8, 2016); Letter to the Secretary of Commerce from the GOC, "Certain Carbon and Alloy Steel Cut-to-Length Plate from China: GOC Initial Questionnaire Response" (GOC Initial Response) (July 8, 2016).

¹⁰ See Letter from Catherine Bertrand, Program Manager, Office V, "Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: Deficiency Letter for Initial Questionnaire Response" (August 1, 2016).

¹¹ See Letter from Catherine Bertrand, Program Manager, Office V, "Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: Supplemental Questionnaire for Initial Questionnaire Response" (August 1, 2016).

¹² See Letter to the Secretary of Commerce from Jiangyin Special, "Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: Response to Letter Dated August 10, 2016 Requiring Resubmittal of Company's Responses" (Jiangyin Resubmitted Response) (August 11, 2016).

¹³ See Letter to the Secretary of Commerce from AMUSA, "Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: AMUSA's Pre-Preliminary Comments" (June 6, 2016).

¹⁴ See Letter from Catherine Bertrand, Program Manager, Office V, "Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: Incomplete Questionnaire Response" (Incomplete Questionnaire Letter) (August 22, 2016).

response to the Department's August 22, 2016 letter.¹⁵ In that submission, the company requested an extension to submit additional information requested by the Department's initial questionnaire, citing extraordinary circumstances.¹⁶ The Department addresses Jiangyin Special's claim of extraordinary circumstances below. AMUSA filed a letter in opposition to this untimely extension request on August 29, 2016.¹⁷

B. *Postponement of Preliminary Determination*

On June 17, 2016, the Department determined at that time that the parties involved in the investigations were cooperating and that the investigation is extraordinarily complicated. Accordingly, we postponed the deadline for this preliminary determination until September 6, 2016, as permitted under sections 703(c)(1) and (2) of the Act and 19 CFR 351.205(f)(1).¹⁸

C. *Period of Investigation*

The period of investigation (POI) is January 1, 2015, through December 31, 2015.

III. SCOPE COMMENTS

In accordance with the preamble to the Department's regulations,¹⁹ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).²⁰ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*, as well as additional language proposed by the Department. For a summary of the product coverage comments and rebuttal responses submitted to the record for this preliminary determination, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.²¹ The Department is preliminarily modifying the scope language as it appeared in the *Initiation Notice* to clarify the exclusion for stainless steel

¹⁵ See Letter to the Secretary of Commerce from Jiangyin Special, "Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: Request for Extension Under Extraordinary Circumstances" (Extraordinary Circumstances Extension Request) (August 26, 2016).

¹⁶ *Id.*

¹⁷ See Letter to the Secretary of Commerce from AMUSA, "Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: AMUSA's Opposition to Respondent's Untimely Extension Request" (August 29, 2016).

¹⁸ See *Countervailing Duty Investigations of Certain Carbon and Alloy Steel Cut-to-Length Plate From the People's Republic of China and the Republic of Korea: Postponement of Preliminary Determinations*, 81 FR 39629 (June 17, 2016).

¹⁹ See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997).

²⁰ See *Initiation Notice*, 81 FR at 27099.

²¹ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, "Certain Carbon and Alloy Steel Cut-to-Length Plate From Austria, Belgium, Brazil, the People's Republic of China, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, the Republic of South Africa, Taiwan, and Turkey: Scope Comments Decision Memorandum for the Preliminary Determinations" (Preliminary Scope Decision Memorandum) dated concurrently with this preliminary determination.

plate.²² The Department is also correcting two tariff numbers that were misidentified in the Petitions and in the Initiation Notice.²³

IV. SCOPE OF THE INVESTIGATION

The products covered by this investigation are certain carbon and alloy steel hot-rolled or forged flat plate products not in coils, whether or not painted, varnished, or coated with plastics or other non-metallic substances (cut-to-length plate). Subject merchandise includes plate that is produced by being cut-to-length from coils or from other discrete length plate and plate that is rolled or forged into a discrete length. The products covered include (1) Universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, and of a thickness of not less than 4 mm, which are not in coils and without patterns in relief), and (2) hot-rolled or forged flat steel products of a thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are not in coils, whether or not with patterns in relief. The covered products described above may be rectangular, square, circular or other shapes and include products of either rectangular or non-rectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling”, (*e.g.*, products which have been beveled or rounded at the edges).

For purposes of the width and thickness requirements referenced above, the following rules apply:

(1) except where otherwise stated where the nominal and actual thickness or width measurements vary, a product from a given subject country is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above unless the product is already covered by an order existing on that specific country (*e.g.*, orders on hot-rolled flat-rolled steel); and

(2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this investigation are products in which: (1) iron predominates, by weight, over each of the other contained elements; and (2) the carbon content is 2 percent or less by weight.

Subject merchandise includes cut-to-length plate that has been further processed in the subject country or a third country, including but not limited to pickling, oiling, levelling, annealing, tempering, temper rolling, skin passing, painting, varnishing, trimming, cutting, punching, beveling, and/or slitting, or any other processing that would not

²² Specifically, the revised scope now states that stainless steel plate must not contain more than 1.2 percent of carbon by weight.

²³ *Id.*

otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the cut-to-length plate.

All products that meet the written physical description, are within the scope of this investigation unless specifically excluded or covered by the scope of an existing order. The following products are outside of, and/or specifically excluded from, the scope of this investigation:

- (1) products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances;
- (2) military grade armor plate certified to one of the following specifications or to a specification that references and incorporates one of the following specifications:
 - MIL-A-12560,
 - MIL-DTL-12560H,
 - MIL-DTL-12560J,
 - MIL-DTL-12560K,
 - MIL-DTL-32332,
 - MIL-A-46100D,
 - MIL-DTL-46100-E,
 - MIL-46177C,
 - MIL-S-16216K Grade HY80,
 - MIL-S-16216K Grade HY100,
 - MIL-S-24645A HSLA-80;
 - MIL-S-24645A HSLA-100,
 - T9074-BD-GIB-010/0300 Grade HY80,
 - T9074-BD-GIB-010/0300 Grade HY100,
 - T9074-BD-GIB-010/0300 Grade HSLA80,
 - T9074-BD-GIB-010/0300 Grade HSLA100, and
 - T9074-BD-GIB-010/0300 Mod. Grade HSLA115,

except that any cut-to-length plate certified to one of the above specifications, or to a military grade armor specification that references and incorporates one of the above specifications, will not be excluded from the scope if it is also dual- or multiple-certified to any other non-armor specification that otherwise would fall within the scope of this order;

- (3) stainless steel plate, containing 10.5 percent or more of chromium by weight and not more than 1.2 percent of carbon by weight;
- (4) CTL plate meeting the requirements of ASTM A-829, Grade E 4340 that are over 305 mm in actual thickness;
- (5) Alloy forged and rolled CTL plate greater than or equal to 152.4 mm in actual thickness meeting each of the following requirements:

(a) Electric furnace melted, ladle refined & vacuum degassed and having a chemical composition (expressed in weight percentages):

- Carbon 0.23-0.28,
- Silicon 0.05-0.20,
- Manganese 1.20-1.60,
- Nickel not greater than 1.0,
- Sulfur not greater than 0.007,
- Phosphorus not greater than 0.020,
- Chromium 1.0-2.5,
- Molybdenum 0.35-0.80,
- Boron 0.002-0.004,
- Oxygen not greater than 20 ppm,
- Hydrogen not greater than 2 ppm, and
- Nitrogen not greater than 60 ppm;

(b) With a Brinell hardness measured in all parts of the product including mid thickness falling within one of the following ranges:

- (i) 270-300 HBW,
- (ii) 290-320 HBW, or

(iii) 320-350HBW;

(c) Having cleanliness in accordance with ASTM E45 method A (Thin and Heavy): A not exceeding 1.5, B not exceeding 1.0, C not exceeding 0.5, D not exceeding 1.5; and

(d) Conforming to ASTM A578-S9 ultrasonic testing requirements with acceptance criteria 2 mm flat bottom hole;

(6) Alloy forged and rolled steel CTL plate over 407 mm in actual thickness and meeting the following requirements:

(a) Made from Electric Arc Furnace melted, Ladle refined & vacuum degassed, alloy steel with the following chemical composition (expressed in weight percentages):

- Carbon 0.23-0.28,
- Silicon 0.05-0.15,
- Manganese 1.20-1.50,
- Nickel not greater than 0.4,
- Sulfur not greater than 0.010,
- Phosphorus not greater than 0.020,
- Chromium 1.20-1.50,
- Molybdenum 0.35-0.55,
- Boron 0.002-0.004,
- Oxygen not greater than 20 ppm,
- Hydrogen not greater than 2 ppm, and
- Nitrogen not greater than 60 ppm;

(b) Having cleanliness in accordance with ASTM E45 method A (Thin and Heavy): A not exceeding 1.5, B not exceeding 1.5, C not exceeding 1.0, D not exceeding 1.5;

(c) Having the following mechanical properties:

(i) With a Brinell hardness not more than 237 HBW measured in all parts of the product including mid thickness; and having a Yield Strength of 75ksi min and UTS 95ksi or more, Elongation of 18% or more and Reduction of area 35% or more; having charpy V at -75 degrees F in the longitudinal direction equal or greater than 15 ft. lbs (single value) and equal or greater than 20 ft. lbs (average of 3 specimens) and conforming to the requirements of NACE MR01-75; or

(ii) With a Brinell hardness not less than 240 HBW measured in all parts of the product including mid thickness; and having a Yield Strength of 90 ksi min and UTS 110 ksi or more, Elongation of 15% or more and Reduction of area 30% or more; having charpy V at -40 degrees F in the longitudinal direction equal or greater than 21 ft. lbs (single value) and equal or greater than 31 ft. lbs (average of 3 specimens);

(d) Conforming to ASTM A578-S9 ultrasonic testing requirements with acceptance criteria 3.2 mm flat bottom hole; and

(e) Conforming to magnetic particle inspection in accordance with AMS 2301;

(7) Alloy forged and rolled steel CTL plate over 407 mm in actual thickness and meeting the following requirements:

(a) Made from Electric Arc Furnace melted, ladle refined & vacuum degassed, alloy steel with the following chemical composition (expressed in weight percentages):

- Carbon 0.25-0.30,
- Silicon not greater than 0.25,
- Manganese not greater than 0.50,
- Nickel 3.0-3.5,
- Sulfur not greater than 0.010,
- Phosphorus not greater than 0.020,
- Chromium 1.0-1.5,

- Molybdenum 0.6-0.9,
- Vanadium 0.08 to 0.12
- Boron 0.002-0.004,
- Oxygen not greater than 20 ppm,
- Hydrogen not greater than 2 ppm, and
- Nitrogen not greater than 60 ppm.

(b) Having cleanliness in accordance with ASTM E45 method A (Thin and Heavy): A not exceeding 1.0(t) and 0.5(h), B not exceeding 1.5(t) and 1.0(h), C not exceeding 1.0(t) and 0.5(h), and D not exceeding 1.5(t) and 1.0(h);

(c) Having the following mechanical properties: A Brinell hardness not less than 350 HBW measured in all parts of the product including mid thickness; and having a Yield Strength of 145ksi or more and UTS 160ksi or more, Elongation of 15% or more and Reduction of area 35% or more; having charpy V at -40 degrees F in the transverse direction equal or greater than 20 ft. lbs (single value) and equal or greater than 25 ft. lbs (average of 3 specimens);

(d) Conforming to ASTM A578-S9 ultrasonic testing requirements with acceptance criteria 3.2 mm flat bottom hole; and

(e) Conforming to magnetic particle inspection in accordance with AMS 2301.

The products subject to the investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7225.40.1110, 7225.40.1180, 7225.40.3005, 7225.40.3050, 7226.20.0000, and 7226.91.5000.

The products subject to the investigation may also enter under the following HTSUS item numbers: 7208.40.6060, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.19.1500, 7211.19.2000, 7211.19.4500, 7211.19.6000, 7211.19.7590, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7214.10.0000, 7214.30.0010, 7214.30.0080, 7214.91.0015, 7214.91.0060, 7214.91.0090, 7225.11.0000, 7225.19.0000, 7225.40.5110, 7225.40.5130, 7225.40.5160, 7225.40.7000, 7225.99.0010, 7225.99.0090, 7226.11.1000, 7226.11.9060, 7226.19.1000, 7226.19.9000, 7226.91.0500, 7226.91.1530, 7226.91.1560, 7226.91.2530, 7226.91.2560, 7226.91.7000, 7226.91.8000, and 7226.99.0180.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

V. ALIGNMENT

In accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), and based on Petitioners' request, we are aligning the final CVD determination in this investigation with the final determination in the companion antidumping duty (AD) investigation of CTL plate from Austria, Belgium, France, Germany, Italy, Japan, and Taiwan.²⁴ Consequently, we intend to issue the final CVD determination in this investigation on the same date as the final AD determination, which is currently scheduled to be due no later than January 18, 2017, unless postponed.²⁵

VI. INJURY TEST

Because the PRC is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Act, the U.S. International Trade Commission (ITC) is required to determine whether imports of the subject merchandise from the PRC materially injure, or threaten material injury to, a U.S. industry. On March 14, 2016, the ITC preliminarily determined that there was a reasonable indication that an industry in the United States is materially injured by reason of imports of CTL plate from the PRC.²⁶

VII. APPLICATION OF THE CVD LAW TO IMPORTS FROM THE PRC

On October 25, 2007, the Department published its final determination in *CFS from the PRC*, where we found that:

{G}iven the substantial differences between the Soviet-style economies and China's economy in recent years, the Department's previous decision not to apply the CVD law to these Soviet-style economies does not act as a bar to proceeding with a CVD investigation involving products from China.²⁷

²⁴ See Letter to the Secretary of Commerce from Petitioners, "Carbon and Alloy Steel Cut-to-Length Plate from People's Republic of China and Korea—Petitioners' Request to Align the Countervailing Duty Final Determinations with the Companion Antidumping Duty Final Determination," (August 25, 2016).

²⁵ The AD determinations of CTL plate from Brazil, South Africa, and Turkey were not postponed. See *Certain Carbon and Alloy Steel Cut-to-Length Plate Austria, Belgium, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, the People's Republic of China, and Taiwan: Postponement of Preliminary Determinations of Antidumping Duty Investigations*, 81 FR 59185 (August 29, 2016).

²⁶ See *Certain Carbon and Alloy Steel Cut-to-length Plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey: Investigation Nos. 701-TA-559-561 and 731-TA-1317-1328* (May 20, 2016); see also *Certain Carbon and Alloy Steel Cut-To-Length Plate From Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey: Determinations*, 81 FR 33705 (May 27, 2016).

²⁷ See *Coated Free Sheet Paper from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 72 FR 60645 (October 25, 2007) (*CFS from the PRC*), and accompanying Issues and Decision Memorandum (CFS IDM) at Comment 6.

The Department affirmed its decision to apply the CVD law to the PRC in numerous subsequent determinations.²⁸ Furthermore, on March 13, 2012, Public Law 112-99 was enacted which made clear that the Department has the authority to apply the CVD law to countries designated as non-market economies (NMEs) under section 771(18) of the Act, such as the PRC.²⁹ The effective date provision of the enacted legislation makes clear that this provision applies to this proceeding.³⁰

VIII. SUBSIDIES VALUATION

Attribution of Subsidies

In accordance with 19 CFR 351.525(b)(6)(i), the Department normally attributes a subsidy to the products produced by the company that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(v) provides additional rules for the attribution of subsidies received by respondents with cross-owned affiliates. Subsidies to the following types of cross-owned affiliates are covered in these additional attribution rules: (ii) producers of the subject merchandise; (iii) holding companies or parent companies; (iv) producers of an input that is primarily dedicated to the production of the downstream product; or (v) an affiliate producing non-subject merchandise that otherwise transfers a subsidy to a respondent. Further, 19 CFR 351.525(c) provides that benefits from subsidies provided to a trading company which exports subject merchandise shall be cumulated with benefits from subsidies provided to the firm producing the subject merchandise that is sold through the trading company, regardless of affiliation.

According to 19 CFR 351.525(b)(6)(vi), cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. This regulation states that this standard will normally be met where there is a majority voting interest between two corporations or through common ownership of two (or more) corporations. The Court of International Trade (CIT) has upheld the Department's authority to attribute subsidies based on whether a company could use or direct the subsidy benefits of another company in essentially the same way it could use its own subsidy benefits.³¹

Jiangyin Special

Jiangyin Special is the producer of the merchandise under consideration during the POI and responded to the Department's original questionnaire on behalf of itself and the following affiliated companies Jiangyin Xingye Investment Co., Ltd., Jiangsu CP Xingcheng Special Steel Co., Ltd., Tongling Pacific Special Materials Co., Ltd., Yangzhou CP Special Materials Co., Ltd., Jiangying CP Xingcheng Special Materials Co., Ltd., Jiangyin CP Xingcheng Industry Gas

²⁸ See, e.g., *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances*, 73 FR 31966 (June 5, 2008), and accompanying Issues and Decision Memorandum at Comment 1.

²⁹ Section 1(a) is the relevant provision of Public Law 112-99 and is codified at section 701(f) of the Act.

³⁰ See Public Law 112-99, 126 Stat. 265 §1(b).

³¹ See *Fabrique de Fer de Charleroi, SA v. United States*, 166 F. Supp. 2d 593, 600-604 (CIT 2001).

Co., Ltd., CITIC Metal Ningbo Energy Co., Ltd., CITIC Jinzhou Metal Corporation, and an additional holding company (collectively, “Jiangyin Affiliates”). Based on Jiangyin Special’s responses, the Jiangyin Affiliates are cross-owned companies within the meaning of 19 CFR 351.525(b)(6)(vi).³² Further, according to Jiangyin Special’s responses, these companies were either parent companies or suppliers of certain inputs.³³ Accordingly, any subsidies provided to these Jiangyin Affiliates, would be attributed in accordance with 19 CFR 351.525(b)(6)(iii) & (iv).³⁴ However, as discussed in the section on the facts available, below, the Department is preliminarily finding that Jiangyin Special failed to submit information in its questionnaire response regarding its ultimate holding company in accordance with the Department’s instructions requirements concerning cross-owned companies.

IX. USE OF FACTS OTHERWISE AVAILABLE AND ADVERSE INFERENCES

Section 776(a) of the Act provides that the Department shall, subject to section 782(d) of the Act, use the “facts otherwise available” if: (1) necessary information is not on the record; or (2) an interested party or any other person: (A) withholds information that has been requested; (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding; or (D) provides information that cannot be verified as provided by section 782(i) of the Act. Section 776(b) of the Act provides that the Department may use an adverse inference in applying the facts otherwise available when a party fails to cooperate by not acting to the best of its ability to comply with a request for information.

On June 29, 2015, the President of the United States signed into law the Trade Preferences Extension Act of 2015 (TPEA), which made numerous amendments to the antidumping and CVD law, including amendments to section 776(b) and 776(c) of the Act and the addition of section 776(d) of the Act.³⁵ The amendments to the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to this investigation.³⁶

Section 776(b) of the Act provides that the Department may use an adverse inference in applying the facts otherwise available when a party fails to cooperate by not acting to the best of its ability to comply with a request for information. In doing so, and under the TPEA, the Department is not required to determine, or make any adjustments to, a countervailable subsidy rate based on any assumptions about information an interested party would have provided if the interested

³² See Jiangyin Resubmitted Response) at 4.

³³ *Id.*, at 2.

³⁴ See Memorandum to the File, through Catherine Bertrand, Program Manager, from Ryan Mullen, Case Analyst, “Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People’s Republic of China: Preliminary Analysis Memorandum,” dated concurrently with this memorandum.

³⁵ See TPEA, Pub. L. No. 114-27, 129 Stat. 362 (2015). The 2015 law does not specify dates of application for those amendments. On August 6, 2015, the Department published an interpretative rule, in which it announced applicability dates for each amendment to the Act, except for amendments contained to section 771(7) of the Act, which relate to determinations of material injury by the International Trade Commission. See *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793 (August 6, 2015) (*Applicability Notice*). The text of the TPEA may be found at <https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl>.

³⁶ See *Applicability Notice*, 80 FR at 46794-95.

party had complied with the request for information.³⁷ Further, section 776(b)(2) of the Act states that an adverse inference may include reliance on information derived from the petition, the final determination from the countervailing duty investigation, a previous administrative review, or other information placed on the record.³⁸

Section 776(c) of the Act provides that, in general, when the Department relies on secondary information rather than on information obtained in the course of an investigation, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal.³⁹ Secondary information is defined as information derived from the petition that gave rise to the investigation, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.⁴⁰

Finally, under the new section 776(d) of the Act, when applying an adverse inference, the Department may use a countervailable subsidy rate applied for the same or similar program in a CVD proceeding involving the same country, or if there is no same or similar program, use a countervailable subsidy rate for a subsidy program from a proceeding that the Department considers reasonable to use.⁴¹ The TPEA also makes clear that, when selecting facts available with an adverse inference, the Department is not required to estimate what the countervailable subsidy rate would have been if the interested party failing to cooperate had cooperated or to demonstrate that the countervailable subsidy rate reflects an “alleged commercial reality” of the interested party.⁴²

A. Application of AFA: Hunan Valin and Viewer Development

As discussed in the “Case History” section above, Hunan Valin and Viewer Development were selected as mandatory respondents in this investigation, but they have failed to participate in this investigation. Therefore, under section 776(a) of the Act, we preliminarily find that by not responding to the Department’s questionnaire, both of these companies withheld information that had been requested and failed to provide information within the deadlines established. Furthermore, because the companies did not respond to the questionnaire, these companies significantly impeded this proceeding. Thus, in reaching a preliminary determination, pursuant to sections 776(a)(2)(A) and (C) of the Act, we based the CVD rates for these companies on facts otherwise available.

Moreover, we preliminarily determine that an adverse inference is warranted, pursuant to section 776(b) of the Act. By not responding to the Initial Questionnaire, both of these companies did not cooperate to the best of their ability to comply with the Department’s request for information in this investigation. Accordingly, we preliminarily find that use of adverse facts available (“AFA”) is warranted for Hunan Valin and Viewer Development to ensure that these companies

³⁷ See section 776(b)(1)(B) of the Act; TPEA, section 502(1)(B).

³⁸ See also 19 CFR 351.308(c).

³⁹ See also 19 CFR 351.308(d).

⁴⁰ See SAA at 870 (1994).

⁴¹ See section 776(d)(1) of the Act; see also TPEA, section 502(3).

⁴² See section 776(d)(3) of the Act; see also TPEA, section 502(3).

do not obtain a more favorable result by failing to cooperate than if they had fully complied with our requests for information.

In its July 8, 2016, Initial Questionnaire Response, the GOC stated that its response covers Jiangyin Special and the cross-owned affiliates identified by the respondent in its June 6, 2016, submission.⁴³ The GOC provided sufficient information concerning the countervailability of nine programs used by Jiangyin Special and the cross-owned affiliates, and, as explained below, the Department is preliminarily finding all of these programs to be countervailable in this investigation. Accordingly, we have included these programs in the determination of the AFA rate for Hunan Valin and Viewer Development. For the remaining 34 alleged programs under investigation the GOC reported that they were not used by Jiangyin Special or any of the cross-owned affiliates and provided no further information regarding either the usage of these programs by Hunan Valin and Viewer Development or the countervailability of these programs. Therefore, we are determining, as adverse facts available, that these programs constitute financial contributions and meet the specificity requirements of the Act.

As for Hunan Valin and Viewer Development, we have adversely inferred from their decision not to participate in this investigation that they did, in fact, use all programs upon which the Department initiated an investigation unless the record evidence made it clear that these companies could not have benefitted from that program.⁴⁴ As such, we selected an AFA rate for each of these programs and included them in the determination of the AFA rate for each of these programs pursuant to the hierarchy set out below, and included them in the determination of the AFA rate applied to each of these companies. We note that the Department has previously countervailed these identical or similar programs.⁴⁵ Additionally, we find that current record information provides additional bases to infer, as AFA, that these programs constitute financial contributions and meet the specificity requirements of the Act.⁴⁶

B. Application of AFA: Jiangyin Special

1. Deficiencies

As discussed below, we preliminarily determine that the application of AFA is warranted due to Jiangyin Special's significantly deficient questionnaire response. The magnitude of these deficiencies and the failure by Jiangyin Special to request, or explain the merits for any kind of extension to submit the deficient information, warrant the application of AFA.

⁴³ See GOC Response at 3.

⁴⁴ See, e.g., *Certain Cold-Rolled Carbon Steel Flat Products From Korea; Final Affirmative CVD Determination*, 67 FR 62102 (October 3, 2002) and accompanying IDM at "Methodology and Background Information;" and *CFS from the PRC*, 72 FR at 60645, 46-47.

⁴⁵ See footnotes 46-89.

⁴⁶ See CVD Initiation Checklist.

a. Sales Information

Despite granting two extensions of 11 days beyond the original deadline for submission of the response, Jiangyin Special did not provide any sales information for six out of the nine cross-owned companies for which it provided a questionnaire response. Accordingly, we do not have a usable sales denominator for any of the subsidy programs involving these six companies. Jiangyin Special did not request a further extension to submit this necessary information, nor did it provide any explanation as to why it provided no sales information for the cross-owned companies. For the three cross-owned companies for which Jiangyin Special did provide sales information, the sales information was incomplete, in that the company only offered sales information for the POI, and not for the years of each non-recurring subsidy as requested by the Department's questionnaire.⁴⁷

b. Jiangyin Special's Holding Company

Jiangyin Special failed to provide any response for its ultimate holding company.⁴⁸ The Department's questionnaire provided clear instructions to provide complete responses for all of Jiangyin Special's cross-owned companies.⁴⁹ However, although Jiangyin Special identified this holding company in its affiliation response, it did not provide a full questionnaire response for this holding company⁵⁰. Jiangyin Special's failure to respond to any question on behalf of its holding company makes it impossible for the Department to determine whether and to what extent the subsidy programs subject to this investigation were utilized by Jiangyin Special's holding company.

c. Other deficiencies

In addition, for three of the subsidy programs, Jiangyin Special provided no information other than to state that certain reported cross-owned companies received benefits under the programs. For example, for the Export Loans program, the company reported only that one cross-owned company used the program and answered that it was "currently gathering" the information to answer the remaining questions.⁵¹ The company did not provide a separate Loan Template worksheet as requested by the Department's questionnaire.⁵² For the Export Assistance Grants program, Jiangyin Special only reported the value of the grant received by a cross-owned company.⁵³ The company did not complete the Standard Questions Appendix or the Grant and Allocation Appendix as requested by the Department's questionnaire. With regard to the Grant

⁴⁷ See Jiangyin Resubmitted Reponse at 7.

⁴⁸ The name of Jiangyin Special's holding company is identified in Jiangyin Special's questionnaire response, but it business proprietary information. We have referred to the company here as "Jiangyin Special's holding company." This relationship is also described in detail in Jinagyin Special's Affiliation Response

⁴⁹ See Letter to the Embassy of the People's Republic of China, "Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: Countervailing Duty Questionnaire" (Questionnaire) (May 19, 2016) at 97.

⁵⁰ See "Compliance with Section 782(d)" section *infra* for a further discussion.

⁵¹ *Id.*, at 15.

⁵² *Id.*

⁵³ *Id.*, at 10.

for Energy Conservation and Emission Reduction program, Jiangyin Special stated that it and one of its cross-owned companies received benefits under this program.⁵⁴ The company provided only the value of the grants received and did not complete the Standard Questions Appendix or the Grant and Allocation Appendix.⁵⁵ Without this necessary information the Department is unable to calculate a benefit for any company for these programs.

Jiangyin Special also failed to provide any information with regard to the Provision of Electricity for Less Than Adequate Remuneration (“LTAR”), for two of the cross-owned affiliates. The company did not complete the electricity template or provide electricity bills for these companies, as requested by the Department’s questionnaire.⁵⁶ This prevents us from calculating a benefit for electricity for these companies.

Jiangyin Special also failed to provide tax returns for two of the reporting companies.⁵⁷ Because of this, we cannot reliably determine income tax program use. Although the Department requested financial statements from the past three years in its initial questionnaire, the company failed to provide any financial statements for one of its cross-owned affiliates.⁵⁸ In addition, Jiangyin Special did not offer a 2013 financial statement for an additional affiliate. Without financial statements, the Department is unable to confirm key aspect of a company’s response such as company ownership or the reconciliation of sales figures.

For the program Preferential Reduction of Research and Development (R&D) expenses, Jiangyin Special gave only a partial response.⁵⁹ The company failed to answer the question regarding the tax savings, stating that it was still gathering the information. Without a response as to the amount of tax savings, the Department is unable to determine the amount of benefit received from this program.

For the various inputs provided for LTAR, the Department requested information regarding the price of these inputs within the PRC and on the world market. Jiangyin Special did not provide either of these prices, stating that it was still in the process of gathering that information.

In sum, Jiangyin Special failed to answer a significant portion of the Department’s questionnaire on behalf of its affiliates, or to provide any answer on behalf of its ultimate holding company. Furthermore, and particularly troubling to the Department, Jiangyin Special failed to provide any sales information for the majority of its cross-owned affiliates; without that information the Department lacks a denominator to calculate a subsidy rate. As already noted, Jiangyin Special either did not provide any explanation why it had not provided this information, and in a few instances stated it was still gathering the information. However, the company failed to submit any request for additional time to submit the necessary information.

2. Compliance with Section 782(d)

⁵⁴ *Id.*, at 11.

⁵⁵ *Id.*

⁵⁶ *Id.*, at 24.

⁵⁷ *Id.*, at 5.

⁵⁸ *Id.*

⁵⁹ *Id.*, at Exhibit P.A6.

When the Department determines that a questionnaire response is deficient, section 782(d) of the Act requires the Department to “inform the person submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that person with an opportunity to remedy or explain the deficiency{.}” However, as set forth above, Jiangyin Special’s response was deficient in multiple fundamental aspects due to, for example, its failure to provide any response to portions of the Department’s questionnaire. Under the Department’s regulations, parties must submit factual information in response to questionnaires within the deadlines set by the Department, and untimely-filed factual information will not be accepted on the record.⁶⁰ Jiangyin Special did not file a request to extend the filing deadline for the above-discussed information prior to the deadline for submission of the information. Accordingly, pursuant to the Department’s regulations, the Department would only accept an untimely-filed substantive response from Jiangyin Special if it were accompanied by an untimely-filed extension request that demonstrated that an “extraordinary circumstance exist{ed}.”⁶¹

On August 22, 2016, the Department notified Jiangyin Special that its response was deficient in that Jiangyin Special had “failed to report a significant quantity of information necessary for the calculation of a countervailing duty rate,” including the sales information for six of Jiangyin Special’s cross-owned affiliates, and failed to provide an adequate response regarding Jiangyin Special’s holding company.⁶² The Department further requested that, if Jiangyin Special “intend{ed} to submit the aforementioned missing information to the Department, please submit an untimely extension request that meets the Department’s regulatory requirements including, *inter alia*, an explanation of whether extraordinary circumstances existed, along with any supporting documentation of those circumstances.”⁶³

Jiangyin Special’s response indicated that gathering the information requested by the Department’s questionnaire was “difficult and time consuming” and stated that the cross-owned companies did not have closely intertwined operations.⁶⁴ The response further claims that Jiangyin Special did not report information for its ultimate holding company because the entity “does not have its own operations and is very far up the organizational chain, with numerous intervening foreign companies”.⁶⁵ The response does not include, however, any explanation of why an extension request could not be timely filed. Although the Department is sympathetic to the difficulties inherent in responding to the initial questionnaire, Jiangyin Special’s untimely extension request does not meet the requirements of 19 CFR 351.302(c), which requires that an “extraordinary circumstance” exist before an untimely extension request is granted. Jiangyin Special’s explanation of difficulties in gathering the necessary information does not demonstrate that an unexpected event occurred that could not have been prevented if reasonable measures had been taken and that precluded the company or its representative from timely filing an extension request through all reasonable means. In fact, Jiangyin Special fails to describe any circumstance that prevented the company from filing an extension request before the expiration

⁶⁰ 19 CFR 351.301(c)(1), 351.302(d).

⁶¹ 19 CFR 351.302(c).

⁶² See Incomplete Questionnaire Letter.

⁶³ *Id.*

⁶⁴ See Extraordinary Circumstances Extension Request at 4.

⁶⁵ *Id.* at 5.

of the deadline. As referenced in Jiangyin Special's letter, the company had previously filed two timely extension requests, so it was well aware of the procedures for requesting an extension. Therefore, pursuant to 19 CFR 351.302(c), the Department is denying Jiangyin Special's untimely extension request.

With regard to the failure to provide any response for Jiangyin Special's holding company, the company argues that the Department should have issued a supplemental questionnaire requesting a response for the holding company, based on Jiangyin Special's affiliation response.⁶⁶ However, the obligation to provide a complete questionnaire response for this company was clear from the instructions in the Department's questionnaire, which clearly states that a complete questionnaire response must be provided for those affiliates where the cross-owned company is a holding company.⁶⁷ The questionnaire goes on to state that "Your responses must cover all cross-owned parent companies and holding companies, not only companies that directly held a controlling stake in your company during or prior to the POI."⁶⁸ Jiangyin Special's affiliation response plainly depicts this holding company at the top of the shareholder entities organization chart with ownership of Jiangyin Special.⁶⁹ The narrative response also directly shows the holding company holds a controlling interest in Jiangyin Special through various intermediaries.⁷⁰ Moreover, Jiangyin Special's resubmitted response indicates that the holding company is the ultimate holding company of Jiangyin Special.⁷¹ Thus, although the Department's questionnaire explicitly requested a complete response from cross-owned holding companies, and even though Jiangyin Special indicated in its responses that its holding company met that criteria, it provided no response to this question for the holding company rather than a deficient response.⁷² Jiangyin Special thus made its own determination that it would not provide any information regarding this cross-owned holding company in its questionnaire response. The reasons it provided for not doing so in the Extraordinary Circumstances Extension Request are not a sufficient basis to determine, on its own accord, to omit such necessary information. Finally, Jiangyin Special's failure to adequately respond for its holding company is just one of the many deficiencies described above that warrant application of AFA (*e.g.* the failure to provide requested sales information).

3. Application of AFA

Due to the above-discussed deficiencies, and given Jiangyin Special's inadequate explanation for its failure to provide the requested information in any useable form within the deadlines set by the Department, pursuant to sections 776(a)(1) and 776(a)(2)(A), we preliminarily determine that necessary information is not on the record and that Jiangyin Special has withheld information that was requested of it. The Department must therefore rely on "facts available" in making its preliminary determination with respect to certain countervailable subsidy programs that Jiangyin Special could have used.

⁶⁶ *Id.*, at 5.

⁶⁷ *See* Questionnaire at 97.

⁶⁸ *Id.*, at footnote 148.

⁶⁹ *See* Affiliation Response at Exhibit 2.

⁷⁰ *Id.* at 5.

⁷¹ *See* Jiangyin Resubmitted Response at Exhibit A5.

⁷² *See, e.g., id.* at 9-10.

Moreover, we preliminarily determine that Jiangyin Special failed to cooperate by not acting to the best of its ability to comply with our requests for information. Consequently, an adverse inference is warranted in the application of facts available pursuant to section 776(b) of the Act. In drawing an adverse inference, we find that Jiangyin Special benefited from each of the programs on which the Department initiated an investigation unless the record evidence made it clear that Jiangyin Special could not have benefitted from that program because, for example, the company's responses to our requests for information sufficiently demonstrated non-use, or because we have found the program to be not countervailable.⁷³

Furthermore, the Department determines that the information submitted is so deficient that we cannot rely on any of the information in determining a rate for Jiangyin Special. As mentioned above, by failing to provide a response for Jiangyin Special's holding company, the Department is unable to determine which programs were utilized by that company. Further, without sales information for the above-mentioned six cross-owned companies, we do not have a usable sales denominator for any of the subsidy programs involving those companies. Jiangyin Special's response also lacks requested financial statements and tax returns for certain companies, two important resources by which the Department confirms the use of subsidy programs. These shortcomings, in addition to the partial responses for multiple programs as detailed above, result in a response so deficient that is impossible for the Department to calculate a subsidy rate based on any of the supplied information. Accordingly, we are relying on a rate based entirely on AFA for Jiangyin Special.

Without the information described above, the application of total AFA for all investigated subsidy programs is warranted, unless the record evidence made it clear that a benefit could not have been derived from that program. The Department preliminarily determines that the record evidence makes clear that a benefit could not have been derived from the program "Equity Infusions in Baosteel" because this program is specific to the Baosteel Group, and the record evidence does not indicate that any of the companies at issue are a part of this corporate group. *See* Checklist at 15. Thus, this program was excluded from the final rate.

C. Calculation of AFA Rates for Hunan Valin, Viewer Development and Jiangyin Special

As described above, the Department intends to apply a rate determined entirely on AFA to Hunan Valin, Viewer Development, and Jiangyin Special. When selecting AFA rates, section 776(d) of the Act provides that the Department may use any countervailable subsidy rate applied for the same or similar program in a countervailing duty proceeding involving the same country, or, if there is no same or similar program, use a countervailable subsidy rate for a subsidy program from a proceeding that the administering authority considers reasonable to use, including the highest of such rates. Consistent with section 776(d) of the Act and our established practice, we selected the highest calculated rate for the same or similar program as AFA.⁷⁴

⁷³ *See, e.g., Certain Cold-Rolled Carbon Steel Flat Products From Korea; Final Affirmative CVD Determination*, 67 FR 62102 (October 3, 2002) and accompanying IDM at "Methodology and Background Information;" and *CFS from the PRC*, 72 FR at 60645, 46-47.

⁷⁴ *See, e.g., Certain Frozen Warmwater Shrimp From the People's Republic of China: Final Affirmative*

When selecting rates, if we have a cooperating mandatory respondent in the investigation, we first determine if there is an identical program in the investigation and use the highest calculated rate for the identical program. If there is no identical program above zero calculated for a cooperating respondent in the investigation, we then determine if an identical program was used in another CVD proceeding involving the same country, and apply the highest calculated rate for the identical program (excluding *de minimis* rates).⁷⁵ If no such rate exists, we then determine if there is a similar/comparable program (based on the treatment of the benefit) in another CVD proceeding involving the same country and apply the highest calculated above-*de minimis* rate for the similar/comparable program. Finally, where no such rate is available, we apply the highest calculated above-*de minimis* rate from any program that could conceivably be used by the non-cooperating companies.⁷⁶

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as “information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise.”⁷⁷ The SAA provides that to “corroborate” secondary information, the Department will satisfy itself that the secondary information to be used has probative value.⁷⁸

The Department will, to the extent practicable, examine the reliability and relevance of the information to be used. The SAA emphasizes, however, that the Department need not prove that the selected facts available are the best alternative information.⁷⁹ Furthermore, the Department is not required to estimate what the countervailable subsidy rate would have been if the interested party failing to cooperate had cooperated or to demonstrate that the countervailable subsidy rate reflects an “alleged commercial reality” of the interested party.⁸⁰

Countervailing Duty Determination, 78 FR 50391 (August 19, 2013) (*Shrimp from the PRC*), and accompanying Issues and Decision Memorandum (*Shrimp IDM*) at 13-14; *see also Essar Steel Ltd. v. United States*, 753 F.3d 1368, 1373-1374 (Fed. Cir. 2014) (upholding “hierarchical methodology for selecting an AFA rate” prior to the TPEA).

⁷⁵ For purposes of selecting AFA program rates, we normally treat rates less than 0.5 percent to be *de minimis*. *See, e.g., Pre-Stressed Concrete Steel Wire Strand from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 28557 (May 21, 2010), and accompanying Issues and Decision Memorandum at “1. Grant Under the Tertiary Technological Renovation Grants for Discounts Program” and “2. Grant Under the Elimination of Backward Production Capacity Award Fund.”

⁷⁶ *See Aluminum Extrusions From the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 76 FR 18521 (April 4, 2011) (*Aluminum Extrusions from the PRC*), and IDM at “Application of Adverse Inferences: Non-Cooperative Companies” section; *see also Thermal Paper from the PRC*, and Thermal Paper IDM at “Selection of the Adverse Facts Available Rate” section, and *Certain Hot-Rolled Carbon Steel Flat Products from India: Final Results and Partial Rescission of Countervailing Duty Administrative Review*, 74 FR 20923 (May 6, 2009), and accompanying IDM at “SGOC Industrial Policy 2004-2009.”

⁷⁷ *See SAA* at 870.

⁷⁸ *Id.*

⁷⁹ *Id.*, at 869-870.

⁸⁰ *See* section 776(d) of the Act.

With regard to the reliability aspect of corroboration, unlike other types of information, such as publicly available data on the national inflation rate of a given country or national average interest rates, there typically are no independent sources for data on company-specific benefits resulting from countervailable subsidy programs. With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal in considering the relevance of information used to calculate a countervailable subsidy benefit. The Department will not use information where circumstances indicate that the information is not appropriate as AFA.⁸¹

In determining the AFA rate we will apply to Hunan Valin, Viewer Development, and Jiangyin Special, we are guided by the Department's methodology detailed above. As there are no program-specific above-zero rates determined by cooperating respondents in the instant investigation, we begin by calculating the program rate for the following income tax reduction programs on which the Department initiated an investigation. To do so, we applied an adverse inference that each of the companies to which we are applying AFA paid no income tax during the POI:

- Preferential Income Tax Program for High and New Technology Enterprises (HNTEs)⁸²
- Preferential Income Tax Program for HNTEs in Designated Zones⁸³
- Preferential Deduction of R&D Expenses for HNTEs⁸⁴
- Preferential Income Tax Program for Foreign Invested Enterprises (FIEs) – HNTEs⁸⁵
- Preferential Tax Programs for Foreign Invested Enterprises – Exported Oriented FIEs⁸⁶
- Income Tax Credits for Domestically-Owned Enterprises Purchasing Domestically Produced Equipment⁸⁷

With respect to income tax programs, we apply an adverse inference that the companies to which we are applying AFA paid no income taxes during the POI. The standard corporate income tax rate in China is 25 percent. We, therefore, find the highest possible benefit for all income tax exemption and reduction programs combined is 25 percent (*i.e.*, the income tax programs combined provide a countervailable benefit of 25 percent). Consistent with past practice, the 25 percent AFA rate does not apply to income tax credit and rebate, accelerated depreciation, or

⁸¹ See, e.g., *Fresh Cut Flowers From Mexico; Final Results of Antidumping Duty Administrative Review*, 61 FR 6812 (February 22, 1996).

⁸² See *Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products from the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part*, 81 FR 35308 (June 2, 2016) and accompanying Issues and Decision Memorandum (PRC CORE).

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ See *Countervailing Duty Investigation of Certain Biaxial Integral Geogrid Products from the People's Republic of China: Preliminary Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 81 FR 41292 (June 24, 2016) and accompanying Issues and Decision Memorandum.

import tariff and value add tax exemption programs because such programs may not affect the tax rate.⁸⁸

For all other programs not mentioned above, we are applying, where available, the highest above-*de minimis* subsidy rate calculated for the same or comparable programs in a PRC CVD investigation or administrative review. For this preliminary determination, we are able to match, based on program names, descriptions, and benefit treatments, the following programs to the same or similar programs from other PRC CVD proceedings:⁸⁹

- Policy Loans for the CTL Plate Industry
- Export Loans
- Treasury Bond Loans
- Preferential Loans for State-Owned Enterprises (“SOEs”)
- Preferential Loans for Key Projects and Technologies
- Preferential Lending to CTL Plate Producers and Exporters Classified As “Honorable Enterprises”
- Loans and Interest Subsidies Provided Pursuant to the Northeast Revitalization Program
- Debt-to-Equity Swaps
- Exemptions for SOEs from Distributing Dividends
- Loan and/or Interest Forgiveness for SOEs
- Stamp Tax Exemption on Share Transfer Under Non-Tradeable Share Reform
- VAT and Tariff Exemptions for Purchasers of Fixed Assets Under the Foreign Trade Development Fund
- Import Tariff and VAT Exemptions for Foreign-Invested Enterprises (“FIEs”) and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries
- Deed Tax Exemption for SOEs Undergoing Mergers or Restructuring
- Provision of Land Use Rights for LTAR
- Provision of Land to SOEs for LTAR
- Provision of Hot-Rolled Steel For LTAR
- Provision of Iron Ore for LTAR
- Provision of Steam Coal for LTAR
- Provision of Coking Coal for LTAR
- Provision of Electricity for LTAR
- State Key Technology Project Fund
- Foreign Trade Development Fund Grants
- Export Assistance Grants
- Programs to Rebate Antidumping Legal Fees
- Subsidies for Development of Famous Brands and China World Top Brands
- Sub-Central Government Programs to Promote Famous Export Brands and China World Top Brands

⁸⁸ See, e.g., *Aluminum Extrusions Final Determination* at “Application of Adverse Inferences: Non-Cooperative Companies.”

⁸⁹ For the calculation of AFA rates for the following programs, see PRC CORE.

- Grants to Loss-Making SOEs
- Export Interest Subsidies
- Grants for Energy Conservation and Emission Reduction
- Grants for the Retirement of Capacity
- Grants for Relocating Production Facilities
- Forgiveness of Tax Arrears for Enterprises in the Old Industrial Bases of Northeast China
- Preferential Income Tax Policy for Enterprises in the Northeast Region
- Reduction in or Exemption from Fixed Assets Investment Orientation Regulatory Tax
- Income Tax Benefits for Domestically-Owned Enterprises Engaging in Research and Development

Additionally, with respect to the all-others rate, section 705(c)(5)(A)(ii) of the Act provides that if the countervailable subsidy rate established for all exporters and producers individually investigated are determined entirely in accordance with section 776 of the Act, the Department may use any reasonable method to establish an all-others rate for exporters and producers not individually investigated. In this case, the countervailable subsidy rate calculated for the investigated companies is based entirely on facts available under section 776 of the Act. There is no other information on the record upon which to determine an all-others rate. As a result, we have used the rate assigned for Jiangyin Special, Hunan Valin, and Viewer Development as the all-others rate. This method is consistent with the Department's past practice.⁹⁰

The chart below summarizes the calculation of the AFA rate.

<u>Summary</u>	<u>AFA Rate (Percent)</u>
Preferential Income Tax Program for HNTEs	25
Preferential Income Tax Program for HNTEs in Designated Zones	
Preferential Deduction of R&D Expenses for HNTEs	
Preferential Income Tax Program for FIEs	
Preferential Tax Programs for FIES - Export Oriented FIEs	
Income Tax Credits for Domestically-Owned Enterprises Purchasing Domestically Produced Equipment	
Preferential Loans to SOEs	0.86
Policy Loans for the CTL Plate Industry	
Export Loans	4.25
Treasury Bond Loans	10.54
Preferential Loans for Key Projects and Technologies	10.54
Preferential Lending to CTL Plate Producers and Exporters Classified as "Honorable Enterprises"	10.54

⁹⁰ See, e.g., *Circular Welded Carbon-Quality Steel Pipe From India: Final Affirmative Countervailing Duty Determination*, 77 FR 64468 (October 22, 2012).

Loans and Interest Subsidies Provided Pursuant to the Northeast Revitalization Program	10.54
Debt-to-Equity Swaps	0.58
Exemptions for SOEs from Distributing Dividends	0.58
Loan and/or Interest Forgiveness for SOEs	2.32
Stamp Tax Exemption on Share Transfer Under Non-Tradeable Share Reform	9.71
VAT and Tariff Exemptions for Purchasers of Fixed Assets Under the Foreign Trade Development Fund	9.71
Import Tariff and VAT Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries	0.56
Deed Tax Exemption for SOEs Undergoing Mergers or Restructuring	9.71
Provision of Land Use Rights for LTAR	0.36
Provision of Land to SOEs for LTAR	13.36
Provision of Hot-Rolled Steel for LTAR	23.74
Provision of Iron Ore for LTAR	22.32
Provision of Steam Coal for LTAR	3.17
Provision of Coking Coal for LTAR	5.51
Provision of Electricity for LTAR	0.58
State Key Technology Project Fund	0.58
Foreign Trade Development Fund Grants	0.58
Export Assistance Grants	0.58
Programs to Rebate Antidumping Legal Fees	0.58
Subsidies for Development of Famous Brands and China World Top Brands	0.58
Sub-Central Government Programs to Promote Famous Export Brands and China World Top Brands	0.58
Grants to Loss-Making SOEs	0.58
Export Interest Subsidies	0.58
Grants for Energy Conservation and Emission Reduction	0.58
Grants for the Retirement of Capacity	0.58
Grants for Relocating Production Facilities	0.58
Forgiveness of Tax Arrears for Enterprises in the Old Industrial Bases of Northeast China	0.51
Preferential Income Tax Policy for Enterprises in the Northeast Region	9.71
Reduction in or Exemption from Fixed Assets Investment Orientation Regulatory Tax	9.71
Income Tax Benefits for Domestically-Owned Enterprises Engaging in Research and Development	9.71
<u>Total AFA Rate</u>	<u>210.50</u>

Accordingly, we preliminarily determine the AFA countervailable subsidy rate for Jiangyin Special, Hunan Valin, and Viewer Development is 210.50 percent *ad valorem*.

For sections D, E, and F below, the Department preliminarily determines that the application of AFA regarding the GOC response for the following programs is appropriate. These AFA rates are included in the chart above.

D. GOC: Provision of Electricity for LTAR

The Department is investigating whether the GOC provided electricity for LTAR. The GOC did not provide complete responses to the Department's questions regarding the alleged provision of electricity for LTAR. These questions requested information to determine whether the provision of electricity constituted a financial contribution within the meaning of section 771(5)(D) of the Act, whether such a provision provided a benefit within the meaning of section 771(5)(E) of the Act and whether such a provision was specific within the meaning of section 771(5A) of the Act. In the Department's original questionnaire, for each province in which a respondent is located, the Department asked the GOC to provide a detailed explanation of: (1) how increases in the cost elements in the price proposals led to retail price increases for electricity; (2) how increases in labor costs, capital expenses and transmission, and distribution costs are factored into the price proposals for increases in electricity rates; and (3) how the cost element increases in the price proposals and the final price increases were allocated across the province and across tariff end-user categories. The GOC provided no provincial-specific information in response to these questions in its initial questionnaire response.⁹¹

Consequently, we preliminarily determine that the GOC withheld necessary information that was requested of it, and thus, that the Department must rely on facts otherwise available in making our preliminary determination, pursuant to sections 776(a)(1) and (a)(2)(A) of the Act. Moreover, we preliminarily determine that the GOC failed to cooperate by not acting to the best of its ability to comply with our requests for information. In this regard, the GOC did not explain why it was unable to provide the requested information, nor did the GOC ask for additional time to gather and provide such information. Consequently, an adverse inference is warranted in the application of facts available under section 776(b) of the Act. In drawing an adverse inference, we find that the GOC's provision of electricity constitutes a financial contribution within the meaning of section 771(5)(D) of the Act and is specific within the meaning of section 771(5A) of the Act.

E. GOC: Provision of Land Use Rights for LTAR

With respect to questions on Jiangyin Special's land-use rights, the Department requested information from the GOC pertaining to this allegation.⁹² In its response, the GOC provided the Land Administration Law of the People's Republic of China (2004 Revision), Regulation on the Implementation of the Land Administration Law of the People's Republic of China (2014 Version), and Provisions on the Assignment of State-owned Construction Land Use Right

⁹¹ See GOC Response at 136.

⁹² *Id.*, at 140.

through Bid Invitation Auction and Quotation.⁹³ The GOC did not identify instances in which land or land use rights were provided by the GOC to Jiangyin Special, and only stated that we should refer to the mandatory respondent's questionnaire response for this information.⁹⁴ Although the Department requested provincial, city, and county government laws governing land use rights, the GOC provided only central government laws.⁹⁵

The Department requested that the GOC provide a discussion of how the price of land or land-use rights was established and provide a reconciliation between the prices paid by mandatory respondents and those dictated by the laws and regulations of the relevant provinces, cities, and counties.⁹⁶ While the GOC provided a very brief discussion explaining that the price of land-use rights is established between companies and the local governments or between the entities that transfer the land-use rights, referring to Regulation on the Implementation of the Land Administration Law of China, it failed to explain fully how the price of the land-use was established between Jiangyin Special and the local authorities and it did not reconcile the price paid by Jiangyin Special and the price dictated by the laws of the relevant provinces, cities and counties.⁹⁷

Because the GOC did not provide complete responses to the Department's questions regarding the derivation of the prices paid by Jiangyin Special for land-use rights, the Department is unable to determine whether the provision of these land-use rights was specific. Therefore, we preliminarily determine that the GOC withheld information that was requested of it and, thus, that the Department must rely on facts available pursuant to section 776(a)(2)(A) of the Act in making our preliminary specificity determination for Jiangyin Special. Moreover, we preliminarily determine that the GOC failed to cooperate by not acting to the best of its ability to comply with our request for information. The GOC refused to provide necessary information regarding prices paid by Jiangyin Special for its land use rights in its questionnaire responses. Consequently, the GOC has not cooperated to the best of its ability and an adverse inference is warranted in the application of facts available.⁹⁸ In drawing an adverse inference, we find that the GOC's provision of land tracts to Jiangyin Special is specific within the meaning of section 771(5A) of the Act given the GOC's failure to provide information regarding how land prices were determined for land-use rights held by Jiangyin Special. Finally, because the GOC provided no information regarding the entities that provided land-use rights to Jiangyin Special, we preliminarily determine as AFA that these entities are authorities and that the provision of land-use rights to Jiangyin Special constitutes a financial contribution.

F. GOC: Provision of Inputs for LTAR

The Department is investigating whether the GOC provided coking coal, hot-rolled steel, iron ore, and steam coal for LTAR. While the GOC provided partial responses for the other three inputs, it provided no response for hot-rolled steel, stating that this input was not purchased by

⁹³ *Id.*, at Exhibits 65-67.

⁹⁴ *Id.*, at 140.

⁹⁵ *Id.*, at 141.

⁹⁶ *Id.*, at 143.

⁹⁷ *Id.*

⁹⁸ *See* section 776(b) of the Act.

the mandatory respondent. Therefore, the Department will apply an adverse inference to the provision of this input. As part of its analysis with regard to the other inputs, the Department sought information that would allow us to analyze whether the producers are “authorities” within the meaning of section 771(5)(B) of the Act. Specifically, we asked the mandatory respondents to provide a complete list of the suppliers and producers from which they sourced the above inputs during the POI. Then, the Department requested a variety of information from the GOC to assess the relationship between the identified producers of these inputs and the GOC.

The GOC indicated that “all the input producers in this investigation are independent business entities.”⁹⁹ To support this assertion, the GOC provided summary data denoting the business registration information and basic shareholder for the producers listed. As such, the GOC concluded that the suppliers were not “authorities.” However, the GOC did not provide a full response to the Department’s questions regarding these producers. The GOC provided summary data denoting the business registration information and basic shareholder information for a number of producers and suppliers, but did not provide the additional information (*e.g.*, company by-laws, articles of incorporation, licenses, etc.) that was specifically requested by the Department. Instead, the GOC indicated that the information provided was “sufficient to demonstrate the ownership status and changes (if any) to all the private {coking coal, iron ore, and steam coal} producers reported by the reporting companies during the POI.”¹⁰⁰ This response is incomplete and provides insufficient evidence for the Department to determine whether the producers constitute “authorities.”

Furthermore, we requested information on the owners, members of the board of directors, or managers of the producers who were also government or Chinese Communist Party (CCP) officials or representatives during the POI. The GOC did not provide this requested information for any producer. Instead, the GOC argued that “even if an owner, a director, or a manager of a privately-owned supplier company is a member of ... {a CCP organization}, it would not make the management and business operations of the company in which he/she serves subject to any levels of intervention by the GOC.”¹⁰¹

The information we requested regarding the role of CCP officials in the management and operations of these producers is necessary to our determination of whether these producers are “authorities” within the meaning of section 771(5)(B) of the Act.¹⁰² The GOC did not indicate that it had attempted to contact the CCP, or that it consulted any other sources. The GOC’s responses in prior CVD proceedings involving the PRC demonstrate that it is, in fact, able to access information similar to what we requested.¹⁰³ Additionally, pursuant to section 782(c) of the Act, if the GOC could not provide any information, it should have promptly explained to the

⁹⁹ See GOC Response at 49.

¹⁰⁰ *Id.*, at 53, 81, and 109.

¹⁰¹ *Id.*, at 58, 87, and 114.

¹⁰² See Memorandum to the File, through Catherine Bertrand, Program Manager, from Ryan Mullen, Case Analyst, “Countervailing Duty Investigation of Certain Carbon and Alloy Steel Cut-to-Length Plate from the People’s Republic of China: CCP Public Bodies Memorandum,” dated concurrently with this memorandum

¹⁰³ See, *e.g.*, *High Pressure Steel Cylinders From the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 77 FR 26738 (May 7, 2012), and accompanying Issues and Decision Memorandum at 13.

Department what attempts it undertook to obtain this information and proposed alternative forms of providing the information.¹⁰⁴

We preliminarily find that the GOC has withheld necessary information that was requested of it and, thus, that the Department must rely on “facts otherwise available” in issuing our preliminary determination, pursuant to section 776(a)(2)(A) of the Act. Moreover, we preliminarily find that the GOC failed to cooperate by not acting to the best of its ability to comply with our request for information. Consequently, we find that an adverse inference is warranted in the application of facts available pursuant to section 776(b) of the Act. As AFA, we are finding that certain producers of coking coal, hot-rolled steel, iron ore, and steam coal for which the GOC failed to identify whether the members of the board of directors, owners or senior managers were CCP officials, are “authorities” within the meaning of section 771(5)(B) of the Act and, as such, that the provision of coking coal, hot-rolled steel, iron ore, and steam coal constitutes a financial contribution under section 771(5)(D)(iii) of the Act.

Furthermore, in response to our questions concerning specificity, the GOC contends that the provision of coking coal, iron ore, and steam coal is not specific, stating that “the {CTL plate} industry is not a disproportionate or predominant consumer” of these inputs, and that all of the inputs have a wide variety of applications across so many industries that they cannot all be named.¹⁰⁵ These contentions notwithstanding, for each of the LTAR programs discussed herein, the Department had also requested that the GOC provide the amounts (volume and value) purchased by the industry in which the mandatory respondent companies operate, as well as the totals purchased by every other industry. In the case of coking coal and iron ore, the GOC did not provide this requested information, stating that it does not collect such information.¹⁰⁶ In the case of steam coal, the GOC provided only the industry totals of steam coal purchases for 2013, and failed to provide the same for 2014 and 2015, as requested.¹⁰⁷ Moreover, the GOC failed to provide the relevant classification guidelines, nor did its response “clearly identify the industry in which the companies under investigation are classified.”¹⁰⁸

Consequently, in light of the GOC’s failure to provide the necessary information, we preliminarily determine that the GOC withheld information that was requested of it and, thus, that the Department must rely on “facts available” in making our preliminary determination.¹⁰⁹ Moreover, we preliminarily determine that the GOC failed to cooperate by not acting to the best of its ability to comply with our request for information. The GOC did not adequately answer the questions posed by the Department, nor did the GOC ask for additional time to gather and

¹⁰⁴ Section 782(c)(1) of the Act states, “[i]f an interested party, promptly after receiving a request from the administering authority or the Commission for information, notifies the administering authority or the Commission (as the case may be) that such party is unable to submit the information requested in the requested form and manner, together with a full explanation and suggested alternative forms in which such party is able to submit the information, the administering authority of the Commission (as the case may be) shall consider the ability of the interested party to submit the information in the requested form and manner and may modify such requirements to the extent necessary to avoid imposing an unreasonable burden on that party.”

¹⁰⁵ See GOC Response at 50.

¹⁰⁶ *Id.*, at 71 and 100.

¹⁰⁷ *Id.*, at 126.

¹⁰⁸ *Id.*

¹⁰⁹ See section 776(a)(2)(A) of the Act.

provide such information. Consequently, an adverse inference is warranted in the application of facts available.¹¹⁰ In drawing an adverse inference, we find that the purchasers of coking coal, hot-rolled steel, iron ore, and steam coal provided for LTAR are limited in number within the meaning of section 771(5A)(D)(iii)(I) of the Act.

X. ANALYSIS OF PROGRAMS

Based upon our analysis and the responses to our questionnaires, we preliminarily determine that the GOC provided adequate information with respect to financial contribution and specificity for the following programs: Policy Loans for the CTL Plate Industry, Preferential Income Tax Reductions for HNTEs, Preferential Deduction of R&D Expenses for HNTEs, and Import Tariff and VAT Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries. For an explanation of this determination, please see the Department's preliminary analysis memorandum.¹¹¹

XI. ITC NOTIFICATION

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an APO, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

XII. DISCLOSURE AND PUBLIC COMMENT

All calculations in this preliminary determination are contained in the instant memorandum, and thus there is nothing further to disclose.. This meets our regulator obligation. Therefore, we have disclosed to interested parties the calculations performed in connection with this preliminary determination.¹¹² Case briefs may be submitted to Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) no later than seven days after the date on which the last verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in the case briefs, may be submitted no later than five days after the deadline for case briefs.

¹¹⁰ See section 776(b) of the Act.

¹¹¹ See Preliminary Analysis Memorandum.

¹¹² 19 CFR 351.224(b) calls for the Department to normally disclose calculations performed in connection with a preliminary determination within five dates of its public announcement.

Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. This summary should be limited to five pages total, including footnotes.

Interested parties who wish to request a hearing must do so in writing within 30 days after the publication of this preliminary determination in the *Federal Register*. Requests should contain the party's name, address, and telephone number; the number of participants; and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a date, time and location to be determined. Parties will be notified of the date, time and location of any hearing.

Parties must file their case and rebuttal briefs, and any requests for a hearing, electronically using ACCESS. Electronically filed documents must be received successfully in their entirety by 5:00 p.m. Eastern Time,¹¹³ on the due dates established above.

XIV. CONCLUSION

We recommend applying the above methodology for this preliminary determination.



Agree Disagree



Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations



Date

¹¹³ See 19 CFR 351.303(b)(1).