January 26, 2018

MEMORANDUM TO: P. Lee Smith
Deputy Assistant Secretary for Policy and Negotiations

FROM: James Maeder
Senior Director
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review: Aluminum Extrusions from the People’s Republic of China; 2016-2017

SUMMARY

In response to requests from interested parties, the Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty (AD) order on aluminum extrusions from the People’s Republic of China (China),¹ in accordance with section 751(a)(1) of the Tariff Act of 1930, as amended (the Act). The period of review (POR) is May 1, 2016, through April 30, 2017. We are rescinding this administrative review, in part, for the companies for which all review requests were timely withdrawn. We preliminarily determine that none of the companies for which an administrative review was requested, and not withdrawn, have demonstrated their eligibility for a separate rate and are, therefore, part of the China-wide entity.

If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection (CBP) to assess AD duties on all appropriate entries of subject merchandise during the POR. Interested parties are invited to comment on these preliminary results. Unless otherwise extended, we intend to issue the final results of this administrative review no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

Background

On May 1, 2017, Commerce published a notice of opportunity to request an administrative review of the Order for the period May 1, 2016, through April 30, 2017. On May 31, 2017, the petitioner requested an administrative review of 220 companies. Also on May 31, 2017, Regal Ideas Inc. (Regal) requested administrative review of Xin Wei Aluminum Co. Ltd., Xin Wei Aluminum Company Limited, and Guangdong Xin Wei Aluminum Products Co., Ltd., which were also included in the petitioner’s review request. On July 6, 2017, Commerce initiated a review of the 220 companies for which a review was requested.

In the Initiation Notice, Commerce stated that it intended to select respondents based on volume data reported in quantity and value (Q&V) questionnaire responses. In July 2017, Commerce posted the Q&V questionnaire on its website and issued the Q&V questionnaire to certain companies. During July and August 2017, Commerce received timely Q&V questionnaire responses from: Guangzhou Jangho Curtain Wall System Engineering Co., Ltd. and Jangho Curtain Wall Hong Kong Ltd., Dynamic Technologies China Ltd., Precision Metal Works Ltd., Changzhou Changzheng Evaporator Co., Ltd., Union Industry (Asia) Co., Limited, and Tai-Ao Aluminium (Taishan) Co., Ltd. and Jiangmen Jianghai District Foreign Economic Enterprise Corporation Limited. Also during the month of August, 2017, Commerce received

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2 See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review, 82 FR 20315 (May 1, 2017).
3 The petitioner is the Aluminum Extrusions Fair Trade Committee, composed of the following members: Aerolite Extrusion Company; Alexandria Extrusion Company; William L. Bonnell Company, Inc.; Frontier Aluminum Corporation; Futura Industries Corporation; Hydro Aluminum North America, Inc.; Kaiser Aluminum Corporation; Profile Extrusion Company; Sapa Extrusions, Inc.; and Western Extrusions Corporation.
7 Id., 82 FR at 31292-31293.
separate rate applications (SRAs) from Changzhou Changzheng Evaporator Co., Ltd.,\textsuperscript{15} Union Industry (Asia) Co., Limited,\textsuperscript{16} Dynamic Technologies China Ltd.,\textsuperscript{17} Guangzhou Jangho Curtain Wall System Engineering Co., Ltd. and Jangho Curtain Wall Hong Kong Ltd.,\textsuperscript{18} and Tai-Ao Aluminium (Taishan) Co., Ltd.;\textsuperscript{19} and separate rate certifications (SRCs) from: Changshu Changsheng Aluminium Products Co., Ltd.,\textsuperscript{20} and Cosco (J.M) Aluminium Co., Ltd.\textsuperscript{21}

During this same time, Commerce also received no-shipment letters from the following companies: (1) Permasteelisa Hong Kong Limited, (2) Permasteelisa South China Factory, (3) Sanhua (Hangzhou) Micro Channel Heat Exchange Co., Ltd., (4) IDEX Dinglee Technology (Tianjin) Co., Ltd., (5) IDEX Health, (6) IDEX Technology Suzhou Co., Ltd., and (7) Ningbo Yili Import & Export, Co., Ltd.\textsuperscript{22}

On September 13, 2017, Commerce selected Dynamic Technologies China Ltd. and Tai-Ao Aluminium (Taishan) Co., Ltd. as mandatory respondents in this administrative review.\textsuperscript{23} On October 4, 2017, the petitioner timely withdrew its request for review of 191 companies for which no other interested party requested a review.\textsuperscript{24} Among the companies for which all review


\textsuperscript{17}See Dynamic Technologies China Ltd., Letter re: Aluminum Extrusions from the People’s Republic of China: Resubmission of Separate Rate Application Questionnaire dated August 11, 2017; see also Dynamic Technologies China Ltd., Letter re: Aluminum Extrusions from the People’s Republic of China: Separate Rate Application Questionnaire, dated August 9, 2017.


\textsuperscript{24}See Petitioner Letter re: Aluminum Extrusions from the People’s Republic of China: Withdrawal of Request for Administrative Review, dated October 4, 2017 (Petitioner’s Withdrawal Letter). Although the petitioner withdrew its request for an administrative review of Guangdong Xin Wei Aluminium Products Co., Ltd., and Xin Wei Aluminium Company Limited, because an administrative review of these companies was also requested by Regal, a request for an administrative review remains in place for 29 companies.
requests were withdrawn were mandatory respondents Dynamic Technologies China Ltd. and Tai-Ao Aluminium (Taishan) Co., Ltd., as well as all companies that submitted a SRA, SRC, or certification of no shipments. Requests for an administrative review remain in place for the following companies (listed in alphabetical order):

1. Activa International Inc.
3. Belton (Asia) Development Ltd.
4. Belton (Asia) Development Limited
5. Changzhou Tenglong Auto Parts Co., Ltd.
6. Changzhou Tenglong Auto Accessories Manufacturing Co. Ltd.
7. Changzhou Tenglong Auto Parts Co Ltd
8. China Square
9. China Square Industrial Co.
10. China Square Industrial Ltd
11. Daya Hardware Co Ltd
12. ETLA Technology (Wuxi) Co. Ltd
13. Global Hi-Tek Precision Co. Ltd
15. Guangdong Xin Wei Aluminum Products Co., Ltd.
16. Guangdong Zhongya Aluminium Company Limited
17. Henan New Kelong Electrical Appliances Co., Ltd.
18. Liaoning Zhongwang Group Co., Ltd.
19. Liaoyang Zhongwang Aluminum Profile Co. Ltd.
20. Midea International Training Co., Ltd.
22. Shenyang Yuanda Aluminum Industry Engineering Co. Ltd.
23. Sincere Profit Limited
24. Summit Heat Sinks Metal Co, Ltd
25. USA Worldwide Door Components (PINGHU) Co., Ltd.
26. Whirlpool Canada L.P.
27. Whirlpool Microwave Products Development Ltd.
28. Xin Wei Aluminum Co. Ltd.
29. Xin Wei Aluminum Company Limited

On January 12, 2018, the petitioner submitted comments in which it stated that the companies remaining under review have not submitted SRAs, SRCs, or any other information; the petitioner argued that Commerce should find that these companies have not demonstrated eligibility for a separate rate and are consequently part of the China-wide entity with the rate of 86.01 percent.25

Scope of the Order

The merchandise covered by the Order is aluminum extrusions which are shapes and forms, produced by an extrusion process, made from aluminum alloys having metallic elements corresponding to the alloy series designations published by The Aluminum Association 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 made from aluminum alloy with an Aluminum Association series designation commencing with the number 6 contains magnesium and silicon as the major alloying elements, with magnesium accounting for at least 0.1 percent but not more than 2.0 percent of total materials by weight, and silicon accounting for at least 0.1 percent but not more than 3.0 percent of total materials by weight. The subject aluminum extrusions are properly identified by a four-digit alloy series without either a decimal point or leading letter. Illustrative examples from among the approximately 160 registered alloys that may characterize the subject merchandise are as follows: 1350, 3003, and 6060.

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

Aluminum extrusions are produced and imported with a variety of finishes (both coatings and surface treatments), and types of fabrication. The types of coatings and treatments applied to subject aluminum extrusions include, but are not limited to, extrusions that are mill finished (i.e., without any coating or further finishing), brushed, buffed, polished, anodized (including bright dip anodized), liquid painted, or powder coated. Aluminum extrusions may also be fabricated, i.e., prepared for assembly. Such operations would include, but are not limited to, extrusions that are cut-to-length, machined, drilled, punched, notched, bent, stretched, knurled, 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 Order merely by including fasteners such as screws, bolts, etc., in the packaging with an aluminum extrusion product.

The scope also excludes aluminum alloy sheet or plates produced by other than the extrusion process, such as aluminum products produced by a method of casting. Cast aluminum products are properly identified by four digits with a decimal point between the third and fourth digit. A letter may also precede the four digits. The following Aluminum Association designations are representative of aluminum alloys for casting: 208.0, 295.0, 308.0, 355.0, C355.0, 356.0, A356.0, A357.0, 360.0, 366.0, 380.0, A380.0, 413.0, 443.0, 514.0, 518.1, and 712.0. The scope also excludes pure, unwrought aluminum in any form.

The scope also excludes collapsible tubular containers composed of metallic elements corresponding to alloy code 1080A as designated by the Aluminum Association where the tubular container (excluding the nozzle) meets each of the following dimensional characteristics: (1) length of 37 millimeters (“mm”) or 62 mm, (2) outer diameter of 11.0 mm or 12.7 mm, and (3) wall thickness not exceeding 0.13 mm.

Also excluded from the scope of this Order are finished heat sinks. Finished heat sinks are fabricated heat sinks made from aluminum extrusions the design and production of which are organized around meeting certain specified thermal performance requirements and which have been fully, albeit not necessarily individually, tested to comply with such requirements.

Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): 6603.90.8100, 7616.99.51, 8479.89.94, 8481.90.9060, 8481.90.9085, 9031.90.9195, 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,
The subject merchandise entered as parts of other aluminum products may be classifiable under the following additional Chapter 76 subheadings: 7610.10, 7610.90, 7615.19, 7615.20, and 7616.99, as well as under other HTSUS chapters. In addition, fin evaporator coils may be classifiable under HTSUS numbers: 8418.99.80.50 and 8418.99.80.60. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this Order is dispositive.26

Respondent Selection

Section 777A(c)(1) of the Act directs Commerce to calculate an individual weighted-average dumping margin for each known exporter and producer of the subject merchandise. However, section 777A(c)(2) of the Act gives Commerce discretion to limit its examination to a reasonable number of exporters or producers if it is not practicable to determine an individual weighted average dumping margins for each known exporter and producer because of the large number of companies involved in the review.

In the Initiation Notice, Commerce stated that if it limited the number of respondents for individual examination in this administrative review, it intended to select respondents based on volume data reported in Q&V questionnaire responses.27 Commerce further stated that it intended to limit the number of Q&V questionnaires issued in the review based on import values in the CBP data for aluminum extrusions from China.28 Specifically, Commerce explained that the wide variety of products covered by the scope of the Order would preclude meaningful

26 See the Order.
27 See Initiation Notice, 82 FR at 31292-31293.
28 Id.
results in attempting to ascertain the largest Chinese exporters of subject merchandise using
import volumes in the CBP data.  

Commerce queried CBP’s Automated Commercial System for all entries of subject merchandise
suspended pursuant to the Order, for the period May 1, 2016, through April 30, 2017, for the
companies on which we initiated a review. On July 17, 2017, Commerce placed the proprietary
results of its data query on the record of this administrative review, and stated that it intended to
issue Q&V questionnaires to the 10 companies with the largest import values as shown in the
CBP data. Commerce received no comments from interested parties on the CBP data.

On July 17, 2017, Commerce posted the Q&V Issuance Memorandum, notifying interested
parties that the Q&V questionnaire was available on Commerce’s website as of that date, and
that responses to the Q&V questionnaire must be received by July 28, 2017. On July 21, 2017,
Commerce issued Q&V questionnaires to the 10 companies with the largest import values, as
reflected in the CBP data.

During July and August 2017, Commerce received timely Q&V questionnaire responses from
the following companies: (1) Guangzhou Jangho Curtain Wall System Engineering Co., Ltd.
and Jangho Curtain Wall Hong Kong Ltd., (2) Dynamic Technologies China Ltd., (3)
Precision Metal Works Ltd., (4) Changzhou Changzheng Evaporator Co., Ltd., (5) Union
Industry (Asia) Co., Limited, and (6) Tai-Ao Aluminium (Taishan) Co., Ltd. and Jiangmen
Jianghai District Foreign Economic Enterprise Corporation Limited.

29 Id.
from the People’s Republic of China: U.S. Customs and Border Protection Data,” dated July 17, 2017 (CBP Data
Memorandum). The results of the Department’s data query are proprietary, and contained in Attachment 1 of the
CBP Data Memorandum.
31 See Q&V Issuance Memorandum.
32 See Commerce Letter to Atlas Integrated Manufacturing, dated July 21, 2017; see also Commerce Letter to
Changzhou Changzheng Evaporator Co., Ltd., dated July 21, 2017; see also Commerce Letter to Changzhou
Tenglong Auto Parts Co., Ltd., dated July 21, 2017; see also Commerce Letter to Dynamic Technologies China,
dated July 21, 2017; see also Commerce Letter to Jangho Curtain Wall Hong Kong Limited, dated July 21, 2017;
see also Commerce Letter to Jiangmen Jianghai District Foreign Economic Enterprise Corp. Ltd., dated July 21,
2017; see also Commerce Letter to Midea International Trading Co., Ltd., dated July 21, 2017; see also Commerce
Letter to Precision Metal Works Limited, dated July 21, 2017; see also Commerce Letter to Taiao Aluminium
(Taishan) Co. Ltd., dated July 21, 2017; see also Commerce Letter to Union Industry (Asia) Co., Ltd., dated July 21,
2017.
33 See Guangzhou Jangho Curtain Wall System Engineering Co., Ltd. and Jangho Curtain Wall Hong Kong Ltd.
Letter re: Aluminum Extrusions from the People’s Republic of China: Quantity and Value Questionnaire, dated
35 See Precision Metal Works Ltd. Letter re: Antidumping Duty Administrative Review of Aluminum Extrusions
from the People’s Republic of China (A-570-967) - Quantity and Value Questionnaire Response of Precision Metal
36 See Changzhou Changzheng Evaporator Co., Ltd. Letter re: Aluminum Extrusions from the People’s Republic
37 See Union Industry (Asia) Co., Limited Letter re: Aluminum Extrusions from the People’s Republic of China:
Response to Quantity and Value Questionnaire, dated August 4, 2017.
38 See Tai-Ao Aluminium (Taishan) Co., Ltd. and Jiangmen Jianghai District Foreign Economic Enterprise
Corporation Limited Letter re: Q&V Response for Tai-Ao and Jiangmen Jianghai in the 2016-17 Administrative
On September 13, 2017, Commerce selected Dynamic Technologies China Ltd. and Tai-Ao Aluminium (Taishan) Co., Ltd., the two largest exporters of subject merchandise, based on reported Q&V data, as mandatory respondents in this administrative review. On October 4, 2017, the petitioner timely withdrew its request for review of 193 companies, including mandatory respondents Dynamic Technologies China Ltd. and Tai-Ao Aluminium (Taishan) Co., Ltd. Because no company for which a review was requested, and not withdrawn, demonstrated its eligibility for a separate rate in this administrative review, Commerce did not select any remaining company as an additional mandatory respondent.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), the Secretary will rescind an administrative review, in whole or in part, if the party that requested the review withdraws its request within 90 days of the date of publication of the notice of initiation of the requested review. On October 4, 2017, the petitioner timely withdrew its request for review of 193 companies. However, because a review of two of those companies was requested by another interested party, Commerce is rescinding this review, in part, with respect to the 191 companies for which all requests for review were timely withdrawn, in accordance with 19 CFR 351.213(d)(1).

Non-Market Economy Country

Commerce considers China to be a non-market economy (NME) country. In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by Commerce. None of the parties to this proceeding contested such treatment. Therefore, we continue to treat China as an NME country for purposes of these preliminary results.


39 See Respondent Selection Memorandum.
40 See Petitioner’s Withdrawal Letter. The number 193 reflects the companies as listed in the Initiation Notice. Note that two of these were also requested by Regal, whose requests were not withdrawn. Therefore, all requests for review have been withdrawn for 191 companies and 29 remain subject to administrative review.
41 See “Separate Rates” section, below, for additional detail.
42 See Petitioner’s Withdrawal Letter. The number 193 reflects the companies as listed in the Initiation Notice. Note that two of these were also requested by Regal, whose requests were not withdrawn.
43 See Regal Request, at 1.
44 See Appendix II of the Federal Register notice for a complete list of the 191 companies.
45 See Antidumping Duty Investigation of Certain Aluminum Foil from the People’s Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination, 82 FR 50858, 50861 (November 2, 2017) and accompanying decision memorandum, China’s Status as a Non-Market Economy.
Separate Rates

Pursuant to section 771(18)(C)(i) of the Act, a designation of a country as an NME remains in effect until it is revoked by Commerce. Accordingly, there is a rebuttable presumption that all companies within China are subject to government control and, thus, should be assessed a single AD duty rate.47

In the Initiation Notice, Commerce notified parties of the application process by which exporters may obtain separate-rate status in an NME proceeding.48 It is Commerce’s policy to assign all exporters of the merchandise subject to review in NME countries a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (de jure) and in fact (de facto), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, Commerce analyzes each exporting entity in an NME country under the test established in Sparklers,49 as further developed by Silicon Carbide.50 However, if Commerce determines that a company is wholly foreign-owned, then an analysis of the de jure and de facto criteria is not necessary to determine whether it is independent from government control.51

In order to demonstrate eligibility for separate-rate status, Commerce requires entities for which a review was requested, and which were assigned a separate rate in the most recent segment of this proceeding in which they participated, to submit an SRC stating that they continue to meet the criteria for obtaining a separate rate.52 For entities which currently do not have a separate rate from a completed segment of the proceeding, to demonstrate eligibility for a separate rate, Commerce requires a SRA.53 Companies that submit a SRA or SRC which are subsequently selected as mandatory respondents must respond to all parts of Commerce’s questionnaire in order to be eligible for separate rate status.54

As stated above, of the companies for which a review was requested, and not withdrawn, none submitted a SRA, SRC, or certification of no shipments. Accordingly, no company for which a request for administrative review remains in place has demonstrated that it is entitled to a separate rate. We, therefore, preliminarily determine that the following companies (listed in alphabetical order) are not eligible for a separate rate in this administrative review:

48 See Initiation Notice, 82 FR at 31293.
49 See Final Determination of Sales at Less Than Fair Value: Sparklers from the People’s Republic of China, 56 FR 20588 (May 6, 1991) (Sparklers).
50 See Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People’s Republic of China, 59 FR 22585 (May 2, 1994) (Silicon Carbide).
51 See, e.g., Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles from the People’s Republic of China, 72 FR 52355, 52356 (September 13, 2007).
52 See Initiation Notice, 82 FR at 31293.
53 Id.
54 Id.
The China-Wide Entity

We preliminarily find that the 29 non-individually examined companies listed above are not eligible for a separate rate because none submitted a SRA, SRC, or certification of no shipments. As a result, Commerce preliminarily finds these 29 companies are part of the China-wide entity.

Commerce’s policy regarding conditional review of the China-wide entity applies to this administrative review.\(^{55}\) Under this policy, the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the China-wide entity in the instant review, the entity is not under review, and the entity’s current rate, \(i.e.,\) 86.01 percent,\(^{56}\) is not subject to change.


Adjustments for Countervailable Subsidies

To determine whether to grant a domestic pass-through adjustment for the separate-rate recipients, Commerce typically relies on the experience of the mandatory respondents examined in the review, subject to section 777A(f)(2) of the Act. Because no company established eligibility for an adjustment under section 777A(f) of the Act for countervailable domestic subsidies, for these preliminary results, Commerce did not make an adjustment pursuant to section 777A(f) of the Act for countervailable domestic subsidies for separate-rate recipients. Furthermore, because the China-wide entity is not under review, we made no adjustment for countervailable export subsidies for the China-wide entity pursuant to section 772(c)(1)(C) of the Act.

Conclusion

We recommend applying the above methodology for these preliminary results.

☐  ☐

Agree  Disagree

1/26/2018

Signed by: PRENTISS SMITH

P. Lee Smith
Deputy Assistant Secretary
for Policy and Negotiations