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March 7, 2019

MEMORANDUM TO: Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

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

SUBJECT: Decision Memorandum for the Preliminary Results of
Countervailing Duty Administrative Review and Intent to Rescind,
in Part; 2017

I. Summary

The Department of Commerce (Commerce) is conducting an administrative review of the countervailing duty (CVD) order on aluminum extrusions from the People's Republic of China (China). The period of review (POR) is January 1, 2017 through December 31, 2017. This administrative review was requested by the Aluminum Extrusions Fair Trade Committee, *et al.* (the petitioner), Endura Products, Inc. (Endura), and Columbia Aluminum Products, LLC (Columbia).¹

We initiated this review with respect to 243 companies² based on requests for review by the petitioner, Endura, and Columbia; subsequently, review requests for 238 companies were timely withdrawn.³ Thus, five companies remain under review: (1) Anshan Zhongjida Industry Co., Ltd.

¹ See Letter from the petitioner, "Aluminum Extrusions from the People's Republic of China: Request for Administrative Review," dated May 31, 2017 (Petitioner and Endura Review Request); *see also*, Letter from Columbia Aluminum Products LLC, "Aluminum Extrusions from the People's Republic of China: Request for Administrative Review," dated May 31, 2018 (Columbia Review Request).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 32270 (July 12, 2018) (*Initiation Notice*).

³ See Letter from Petitioner and Endura, "Aluminum Extrusions from the People's Republic of China: Withdrawal of Request for Administrative Review," dated October 10, 2018 (Petitioner and Endura Withdrawal Request); *see also*, Letters from Columbia, "Aluminum Extrusions from China," dated October 10, 2018 and February 12, 2019 (Columbia Withdrawal Request).

(Anshan), (2) Foshan Shanshui Fenglu Aluminum Co., Ltd. (Foshan), (3) Jangho Curtain Wall Hong Kong Ltd. (Jangho H.K.), (4) Sihui Shi Guo Yao Aluminum Co., Ltd. (Sihui Shi), and (5) Sincere Profit Limited (Sincere Profit).

If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection (CBP) to assess countervailing duties on all appropriate entries of subject merchandise covered by this review. For the 238 companies for which we intend to rescind this review, we will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2017, through December 31, 2017, in accordance with 19 CFR 351.212(c)(1)(i).

Interested parties are invited to comment on these preliminary results. Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), we intend to issue the final results no later than 120 days after publication of these preliminary results.

II. Background

On May 26, 2011, we published the CVD order on aluminum extrusions from China.⁴ On May 1, 2018, we published a notice of opportunity to request administrative review of the CVD *Order* for calendar year 2017.⁵ Based on timely requests for review of 243 companies,⁶ and in accordance with 19 CFR 351.221(c)(1)(i), we published a notice of initiation for this administrative review on July 12, 2018.⁷

In the *Initiation Notice*, we stated our intent to select respondents based on CBP data for U.S. imports during the POR.⁸ However, as explained in the *Initiation Notice*, as well as in memoranda subsequently placed on the record of this review,⁹ because of data inconsistencies stemming from the wide variety of individual aluminum extrusion products included in the scope of the *Order*, we were precluded from relying on volume data in determining the largest Chinese exporters of subject merchandise. Instead, we issued quantity and value (Q&V) questionnaires to companies accounting for the largest import values, as reflected in the CBP data:¹⁰ (1) Anshan (2) Cosco (J.M.) Aluminum Co., Ltd. (Cosco), (3) Dynamic Technologies China (Dynamic Technologies), (4) Foshan, (5) Jangho H.K., (6) Precision Metal Works Limited

⁴ See *Aluminum Extrusions from the People's Republic of China: Countervailing Duty Order*, 76 FR 30653 (May 26, 2011) (*Order*).

⁵ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 83 FR 19047 (May 1, 2018).

⁶ See Petitioner and Endura Review Request and Columbia Review Request.

⁷ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 32270 (July 12, 2018) (*Initiation Notice*).

⁸ *Id.*

⁹ See Memorandum, "2017 Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: Respondent Selection," dated September 12, 2018 (Respondent Selection Memorandum).

¹⁰ See Memorandum, "Issuance of Quantity and Value Questionnaire," posted to Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) on July 13, 2018 (Q&V Issuance Memorandum).

(Precision Metal), (7) Shenyang Yuanda Aluminum Industry Engineering Co. Ltd. (Shenyang Yuanda), (8) Tai-Ao Aluminum Taishan Co. Ltd. (Tai-Ao), (9) Sihui Shi, and (10) Sincere Profit. We also posted the Q&V questionnaire to Commerce's website, inviting parties that did not receive a Q&V questionnaire by mail to file a Q&V response. Between July 20, 2017, and August 25, 2017, Commerce received Q&V questionnaire responses from the following companies: (1) Tai-Ao; (2) Cosco; (3) Precision Metal; (4) Shenyang Yuanda; however, Commerce did not receive Q&V questionnaire responses from Anshan, Dynamic Technologies, Foshan, Jangho H.K., Sihui Shi, or Sincere Profit.

Between July 25, 2018, and August 13, 2018, Commerce received no-shipment certification letters from the following companies: (1) Guangdong Xin Wei Aluminum Products Co., Ltd. (Guangdong Xin Wei); (2) Permasteelisa Hong Kong Limited (Permasteelisa H.K.); (3) Permasteelisa South China Factory (Permasteelisa South China); (4) Xin Wei Aluminum Co. (Xin Wei Co.); (5) Xin Wei Aluminum Company Limited (Xin Wei Aluminum); and (6) Global Point Technology (Far East) (Global Point).

On September 12, 2018, Commerce selected for individual examination the two exporters accounting for the largest volume of imports of aluminum extrusions based on information received in the Q&V responses: Cosco and Tai-Ao.¹¹ On September 24, 2018, Commerce issued the Initial Questionnaire to Cosco, Tai-Ao, and the Government of China, and instructed the Government of China to forward the Initial Questionnaire to the two mandatory respondents.¹² We did not receive a response to the Initial Questionnaire from Cosco, Tai-Ao, or the Government of China.

On October 10, 2018, the petitioner and Endura withdrew their requests for review for 234 companies.¹³ Also, on October 10, 2018, Columbia withdrew its request for review of the four companies on which it requested an administrative review.¹⁴ All review requests for mandatory respondents Cosco and Tai-Ao were timely withdrawn, as were all review requests for the companies which certified having no shipments during the POR.

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.¹⁵ If

¹¹ See Memorandum to Brian Davis, Acting Director, Office VI, "2017 Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: Respondent Selection," dated September 12, 2018; *see also*, Memorandum to The File, "Respondent Selection Clarification," dated September 20, 2018.

¹² See Letter to Cosco, "2017 Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: Countervailing Duty Questionnaire," dated September 24, 2017 (Cosco Initial Questionnaire); Letter to Tai-Ao, "2017 Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: Countervailing Duty Questionnaire," dated September 24, 2018 (Tai-Ao Initial Questionnaire); and Letter to the GOC, "2017 Administrative Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China: Countervailing Duty Questionnaire," dated September 24, 2018 (GOC Initial Questionnaire);

¹³ See the Petitioner and Endura Withdrawal Request.

¹⁴ See Letters from Columbia, "Aluminum Extrusions from China," dated October 10, 2018 and February 12, 2019 (Columbia Withdrawal Request).

¹⁵ See memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for

the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. Accordingly, the revised deadline for the preliminary results of review is now March 12, 2019.

III. Intent to Rescind the Review, In Part

For the 238 companies for which all review requests were timely withdrawn, we intend to rescind the administrative review, pursuant to 19 CFR 351.213(d)(1). These companies are listed in Attachment II of the *Federal Register* notice issued concurrently with this preliminary decision memorandum.

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

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

Aluminum extrusions are produced and imported with a variety of finishes (both coatings and surface treatments), and types of fabrication. The types of coatings and treatments applied to subject aluminum extrusions include, but are not limited to, extrusions that are mill finished (*i.e.*, without any coating or further finishing), brushed, buffed, polished, anodized (including brightdip 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,

Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

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 orders 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): 8541.90.00.00, 8708.10.30.50, 8708.99.68.90, 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, 7616.99.10, 7616.99.50, 8479.89.98, 8479.90.94, 8513.90.20, 9403.10.00, 9403.20.00, 7604.21.00.00, 7604.29.10.00, 7604.29.30.10, 7604.29.30.50, 7604.29.50.30, 7604.29.50.60, 7608.20.00.30, 7608.20.00.90, 8302.10.30.00, 8302.10.60.30, 8302.10.60.60, 8302.10.60.90, 8302.20.00.00, 8302.30.30.10, 8302.30.30.60, 8302.41.30.00, 8302.41.60.15, 8302.41.60.45, 8302.41.60.50, 8302.41.60.80, 8302.42.30.10, 8302.42.30.15, 8302.42.30.65, 8302.49.60.35, 8302.49.60.45, 8302.49.60.55, 8302.49.60.85, 8302.50.00.00, 8302.60.90.00, 8305.10.00.50, 8306.30.00.00, 8414.59.60.90, 8415.90.80.45, 8418.99.80.05, 8418.99.80.50, 8418.99.80.60, 8419.90.10.00, 8422.90.06.40, 8473.30.20.00, 8473.30.51.00, 8479.90.85.00, 8486.90.00.00, 8487.90.00.80, 8503.00.95.20, 8508.70.00.00, 8515.90.20.00, 8516.90.50.00, 8516.90.80.50, 8517.70.00.00, 8529.90.73.00, 8529.90.97.60, 8536.90.80.85, 8538.10.00.00, 8543.90.88.80, 8708.29.50.60, 8708.80.65.90, 8803.30.00.60, 9013.90.50.00, 9013.90.90.00, 9401.90.50.81, 9403.90.10.40, 9403.90.10.50, 9403.90.10.85, 9403.90.25.40, 9403.90.25.80, 9403.90.40.05, 9403.90.40.10, 9403.90.40.60, 9403.90.50.05, 9403.90.50.10, 9403.90.50.80, 9403.90.60.05, 9403.90.60.10, 9403.90.60.80, 9403.90.70.05, 9403.90.70.10, 9403.90.70.80, 9403.90.80.10, 9403.90.80.15, 9403.90.80.20, 9403.90.80.41, 9403.90.80.51, 9403.90.80.61, 9506.11.40.80, 9506.51.40.00, 9506.51.60.00, 9506.59.40.40, 9506.70.20.90, 9506.91.00.10, 9506.91.00.20, 9506.91.00.30, 9506.99.05.10, 9506.99.05.20, 9506.99.05.30, 9506.99.15.00, 9506.99.20.00, 9506.99.25.80, 9506.99.28.00, 9506.99.55.00, 9506.99.60.80, 9507.30.20.00, 9507.30.40.00, 9507.30.60.00, 9507.90.60.00, and 9603.90.80.50.

The subject merchandise entered as parts of other aluminum products may be classifiable under the following additional Chapter 76 subheadings: 7610.10, 7610.90, 7615.19, 7615.20, and 7616.99, as well as under other HTSUS chapters. In addition, fin evaporator coils may be classifiable under HTSUS numbers: 8418.99.80.50 and 8418.99.80.60. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this *Order* is dispositive.

There have been numerous scope rulings issued with regard to this *Order*. For further information, refer to the listing of these scopes rulings at the webpage entitled, Final Scope

Rulings on the website of Enforcement and Compliance located at <http://enforcement.trade.gov/download/prc-ae/scope/prc-ae-scope-index.html>.

V. Use of Adverse Facts Available (AFA)

Section 776(a) of the Act provides that Commerce shall, subject to section 782(d) of the Act, select from the “facts otherwise available” if: (1) necessary information is not on the record; or (2) an interested party or any other person withholds information that has been requested; fails to provide information within the deadlines established, or in the form and manner requested by Commerce, subject to subsections (c)(1) and (e) of section 782 of the Act; significantly impedes a proceeding; or provides information that cannot be verified as provided by section 782(i) of the Act.

Where Commerce determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that Commerce will so inform the party submitting the response and will, to the extent practicable, provide that party an opportunity to remedy or explain the deficiency. If the party fails to remedy or satisfactorily explain the deficiency within the applicable time limits, subject to section 782(e) of the Act, Commerce may disregard all or part of the original and subsequent responses, as appropriate.

Section 776(b) of the Act provides that Commerce may use an adverse inference in selecting from 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, Commerce 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 party had complied with the request for information.¹⁶ 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.¹⁷

Section 776(c) of the Act provides that, in general, when Commerce 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.¹⁸ Secondary information is defined as information derived from the petition that gave rise to the investigation, the determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.¹⁹

Finally, under section 776(d) of the Act, when using an adverse inference when selecting from the facts otherwise available, Commerce 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

¹⁶ See section 776(b)(1)(B) of the Act.

¹⁷ See also 19 CFR 351.308(c).

¹⁸ See also 19 CFR 351.308(d).

¹⁹ See Statement of Administrative Action, H.R. Doc. No. 316, 103rd Congress, 2d Session (1994) (SAA) at 870.

that Commerce considers reasonable to use.²⁰ When selecting from the facts otherwise available with an adverse inference, Commerce 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.²¹

For purposes of these preliminary results, as discussed below, we have relied on adverse facts available (AFA) in determining a net subsidy rate for each of the five companies that remain under review, due to the failure of each of those companies to submit a response to Commerce’s Q&V questionnaire.²²

Application of AFA

As discussed in the “Background” section above, we issued Q&V questionnaires to ten companies. Of those ten companies, six (*i.e.*, Anshan, Foshan, Jangho H.K., Sihui Shi, Sincere Profit, and Dynamic Technologies) failed to submit a response to Commerce’s Q&V questionnaire. However, all review requests for Dynamic Technologies were timely withdrawn, leaving five of these six companies under review (*i.e.*, Anshan, Foshan, Jangho H.K., Sihui Shi, and Sincere Profit). We preliminarily determine that necessary information is not on the record within the meaning of section 776(a)(1) because these five companies did not provide quantity and value information necessary for purposes of respondent selection.

Moreover, we preliminarily determine that Anshan, Foshan, Jangho H.K., Sihui Shi, and Sincere Profit have: (1) withheld information that was requested of them within the meaning of section 776(a)(2)(A) of the Act, and (2) failed to provide information within the deadlines established and in the form and manner requested by Commerce within the meaning of section 776(a)(2)(B) of the Act. Finally, we preliminarily determine that, by not responding to our questions, Anshan, Foshan, Jangho H.K., Sihui Shi, and Sincere Profit significantly impeded this review within the meaning of section 776(a)(2)(C) of the Act. Accordingly, given their failure to respond to Commerce’s requests for information, Commerce must rely on “facts available” in making its preliminary determination with respect to all countervailable subsidy programs that Anshan, Foshan, Jangho H.K., Sihui Shi, and Sincere Profit could have used, in accordance with sections 776(a)(1) and 776(a)(2)(A)-(C) of the Act.

Furthermore, we preliminarily determine that AFA is warranted, pursuant to section 776(b) of the Act, because, by not responding to Commerce’s Q&V questionnaire, Anshan, Foshan, Jangho H.K., Sihui Shi, and Sincere Profit failed to cooperate to the best of their ability to comply with Commerce’s requests for information in this administrative review.²³

²⁰ See section 776(d)(1) of the Act.

²¹ See section 776(d)(3) of the Act.

²² See GOC’s Letter, “GOC’s Initial Questionnaire Response,” dated July 31, 2018 (GOC IQR); see also GOC’s Letter, “GOC’s Supplemental Questionnaire Response,” dated September 17, 2018 (GOC SQR).

²³ See, *e.g.*, *Aluminum Extrusions From the People’s Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Rescission of Review, in Part, and Intent to Rescind, in Part*; 2016 83 FR 11501 (March 15, 2018) and accompanying Issues and Decision Memorandum (Aluminum Extrusions 2016 Final Results), which were unchanged in *Aluminum Extrusions From the People’s Republic of China: Final Results of Countervailing*

Selection of AFA Rates for Anshan, Foshan, Jangho H.K., Sihui Shi, and Sincere Profit

In applying AFA, we preliminarily find that all programs that have been previously countervailed in prior segments of this proceeding, remain countervailable—that is, they provide a financial contribution within the meaning of sections 771(5)(B)(i) and (D) of the Act, confer a benefit within the meaning of section 771(5)(B) of the Act, and are specific within the meaning of 771(5A) of the Act.

For the purpose of calculating the AFA rate for the preliminary results of review, we find that Anshan, Foshan, Jangho H.K., Sihui Shi, and Sincere Profit used and benefited from each of the programs that were previously found to be countervailable in prior segments of this proceeding, unless we have subsequently found the program not to be countervailable.²⁴ We are, therefore, including these programs among those we look to in determining the AFA rate.²⁵ Further, we selected an AFA rate for each such program consistent with our CVD AFA hierarchy in determining the AFA subsidy rate that we applied to Anshan, Foshan, Jangho H.K., Sihui Shi, and Sincere Profit.

Additionally, 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 the AFA rate in this review.²⁶ When selecting rates in an administrative review, we first determine if there is an identical program from any segment of the proceeding and use the highest calculated rate for any

Duty Administrative Review; 2016, 83 FR 35208 (July 25, 2018) and accompanying Issues and Decision Memorandum (Aluminum Extrusions 2016 Final Results); *Aluminum Extrusions from the People’s Republic of China: Preliminary Results of the Countervailing Duty Administrative Review and Preliminary Intent to Rescind, in Part; 2015*, 82 FR 26438 (June 7, 2017) (Aluminum Extrusions 2015 Preliminary Results) and accompanying Decision Memorandum, at 23-24, which were unchanged in *Aluminum Extrusions From the People’s Republic of China: Final Results of Countervailing Duty Administrative Review; 2015*, 82 FR 57951 (December 8, 2017) and accompanying Issues and Decision Memorandum (Aluminum Extrusions 2015 Final Results).

²⁴ See, e.g., *Aluminum Extrusions From the People’s Republic of China: Final Results of Countervailing Duty Administrative Review; 2016*, 83 FR 35208 (July 25, 2018) and accompanying Issues and Decision Memorandum (Aluminum Extrusions 2016 Final Results); see also *Certain Cold-Rolled Carbon Steel Flat Products from Korea; Final Affirmative CVD Determination*, 67 FR 62102 (October 3, 2002), and accompanying Issues and Decision Memorandum at “Methodology and Background Information;” see also *Coated Free Sheet Paper from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 72 FR 60645 (October 25, 2017), at 60646-47.

²⁵ See Memorandum “Administrative Review of Countervailing Duty Order on Aluminum Extrusions from the People’s Republic of China: AFA Calculation Memorandum for the 2017 Final Results of Review,” dated concurrently with this memorandum (AFA Calculation Memorandum).

²⁶ See, e.g., *Chlorinated Isocyanurates from the People’s Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2015* 82 FR 57209 (December 4, 2017) and accompanying Decision Memorandum, at 5, which were unchanged in *Chlorinated Isocyanurates from the People’s Republic of China: Final Results of Countervailing Duty Administrative Review; 2015*, 83 FR 26954 (June 11, 2018) and accompanying Decision Memorandum (*Isos 2015 Final Results*); see also *Certain Frozen Warmwater Shrimp from the People’s Republic of China: Final Affirmative. Countervailing Duty Determination*, 78 FR 50391 (August 19, 2013) (*Shrimp from China*) and accompanying Issues and Decision Memorandum at 13; see also *Essar Steel Ltd. v. United States*, 753 F.3d 1368, 1373-1374 (Fed. Cir. 2014) (*Essar Steel Ltd.*) (upholding “hierarchical methodology for selecting an AFA rate”).

respondent for the identical program (excluding *de minimis* rates).²⁷ If no such identical program exists, we then determine if there is a similar or comparable program (based on the treatment of the benefit) within the same proceeding and apply the highest calculated rate for the similar program, excluding *de minimis* rates. Where there is no similar or comparable program in the proceeding at issue, we look outside the proceeding (but within the same country) for the highest non-*de minimis* calculated rate for the identical program. If there is no identical program in any other CVD proceeding involving the same country, we look for the highest non-*de minimis* rate for a similar/comparable program from another proceeding. If that option is not available, we apply the highest calculated rate from any non-company specific program, but we do not use a rate from a program if the industry in the proceeding cannot use that program.²⁸

Section 776(c) of the Act provides that, when Commerce 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.”²⁹ The SAA provides that to “corroborate” secondary information, Commerce will satisfy itself that the secondary information to be used has probative value.³⁰ However, Commerce is not required to corroborate any CVD rate applied in a separate segment of the same proceeding.³¹

The SAA emphasizes that Commerce need not prove that the selected facts available are the best alternative information.³² Furthermore, Commerce 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.³³

Because we have found it appropriate to apply AFA in determining the net subsidy rate for Anshan, Foshan, Jangho H.K., Sihui Shi and Sincere Profit due to their failure to cooperate in providing information in this proceeding, we have selected AFA rates for all subsidy programs listed below according to Commerce’s CVD AFA hierarchy.³⁴ The rates selected in this review

²⁷ For purposes of selecting AFA program rates, we normally treat rates less than 0.5% 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 “Grant Under the Tertiary Technological Renovation Grants for Discounts Program” and “Grant Under the Elimination of Backward Production Capacity Award Fund.”

²⁸ See, e.g., *Aluminum Extrusions from the People’s Republic of China: Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 78788 (December 31, 2014), and accompanying Issues and Decision Memorandum at 15-16. See also *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People’s Republic of China: Final Results of Countervailing Duty Administrative Review; 2012*, 80 FR 41003 (July 14, 2015), and accompanying Issues and Decision Memorandum at 14.

²⁹ See SAA, at 870.

³⁰ *Id.*, at 870.

³¹ See section 776(c)(2) of the Act.

³² *Id.*, at 869-870.

³³ See section 776(d) of the Act.

³⁴ See AFA Calculation Memorandum.

as AFA rates were also selected as AFA rates in a prior administrative review and were previously corroborated to the extent practicable.³⁵ We are using those same rates as the AFA rates in this review. Because we are selecting CVD rates that were applied in a separate segment of the same proceeding, pursuant to section 776(c)(2) of the Act, we are not required to corroborate those rates in this review.³⁶

Loan Programs

Export Buyer's Credit

Export Seller's Credit

Loans and Interest Subsidies Provided Pursuant to the Northeast Revitalization Program

Policy Loans to Chinese Aluminum Extrusions Producers

Provision of Goods and Services for LTAR

Allocated Land-Use Rights for SOEs

Provision of Aluminum Extrusions for LTAR

Provision of Electricity for LTAR to FIEs Located in the Nanhai District of Foshan City

Provision of Glass for LTAR

Provision of Land-Use Rights and Fee Exemptions To Enterprises Located in the Zhaoqing New and High-Tech Industrial Development Zone (ZHTDZ) for LTAR

Provision of Land-Use Rights for LTAR for Enterprises Located in the Yongji Circular Economic Park

Provision of Land-Use Rights in the Liaoyang High-Tech Industry Development Zone

Provision of Land-Use Rights to Enterprises Located in the South Sanshui Science & Technology Industrial Park for LTAR

Provision of Primary Aluminum for LTAR

Provision of Steam Coal for LTAR

Purchase of Goods and Services for More than Adequate Remuneration (MTAR)

Purchases of Aluminum Extrusions for MTAR

Income Tax Programs

Preferential Tax Policies for the Development of Western Regions of China (aka, Go West Campaign)

Preferential Tax Policies for the Opening and Development of Beibu Gulf Economic Zone of Guangxi Zhuang Autonomous Region (Local Income Tax Exemption)

Preferential Tax Program for FIEs Recognized as HNTes

Preferential Tax Program for High or New Technology Enterprises

Provincial Tax Exemptions and Reductions for "Productive" FIEs

Tax Reduction for Export-Oriented FIEs

Tax Reductions for FIEs in Designated Geographic Locations

Tax Reductions for FIEs Purchasing Chinese-Made Equipment

Tax Reductions for Technology- or Knowledge-Intensive FIEs

³⁵ See Aluminum Extrusions 2015 Preliminary Results; *see also* Aluminum Extrusions 2015 Final Results.

³⁶ See section 776(c)(2) of the Act.

Tax Credit and Tax Rebate Programs

Accelerated Depreciation for Enterprises Located in the Northeast Region
Forgiveness of Tax Arrears for Enterprises in the Old Industrial Bases of Northeast China
Tax Offset for Research & Development
Tax Refunds for Enterprises Located in the ZHTDZ
Tax Refunds for Tax Refunds for Reinvesting of FIE Profits in Export-Oriented Enterprises

Other Tax Programs

Import Tariff and VAT Exemptions for FIEs and Certain Domestic Enterprises using Imported Equipment in Encouraged Industries
Refund of Value Added Tax on Products Made through Comprehensive Utilization of Resources
VAT Rebates on FIE Purchases of Chinese-Made Equipment

Grant Programs

Advantaged Traditional Manufacturing Industry Transformation and Upgrading Model Enterprise Award (Industry Upgrading Model Award)
Assistance for Science Research and Technology Development Planning Projects of Nanning Municipality
Assistance for R&D projects under Funds of Nanning Municipality for Foreign Trade Development
Assistances for R&D projects under Funds of Nanning Municipality for Foreign Trade Development
Awards of Guangxi Autonomous Region for Advancement of Science and Technology
Awards of Guangxi Autonomous Region for Emission Reduction of Main Pollutants
Awards of Guangxi Autonomous Region for New Products
Awards of Nanning Municipality for New Products
Awards to Key Enterprises for Large Consumption of Electricity
Beijing Industry Development Fund
Clean Production Technology Fund
Development Assistance Grants from the ZHTDZ Local Authority
Enterprise Technology Center Fund
Exemptions from Administrative Charges for Companies in the ZHTIDZ
Expanding Production and Stabilizing Jobs Fund of Jiangsu Province
Export Increase Fund
Export Rebate for Mechanic, Electronic, and High-Tech Products
Financial Supporting Funds of Nanning Municipality for Technology Renovation for Production Safety
Financial Assistance (interest subsidy) of Nanning Municipality for Key Technology Renovation Fund for Economic, Scientific, and Technology Development
Fund for SME Bank-Enterprise Cooperation Projects
Funds for Projects of Science and Technology Professionals serving the Enterprises
Funds of Guangxi Autonomous Region for Enterprises' Technology Renovation
Funds of Nanning Municipality for Technology Innovation
GOC and Sub-Central Government Grants, Loans, and Other Incentives for Development of Famous Brands and China World Top Brands

Grants for Listing Shares: Liaoyang City (Guangdong Province), Wenzhou Municipality (Zhejiang Province), and Quanzhou Municipality (Fujian Province)
 Grants to Cover Legal Fees in Trade Remedy Cases in Zhenzhen
 Guangxi Awards for Private Enterprises designated as Pilot Innovation-oriented Enterprises
 Guangxi Technology R&D Funds
 Guangzhou Engineering Technology R&D Center Fund
 Guangzhou Innovation Enterprise Fund from Guangzhou
 Import and Export Credit Insurance Supporting Development Fund for Changzhou
 Industrial Development Fund
 Intellectual Property Reward
 International Market Exploration Fund (SME Fund)
 Nanhai District Grants to High and New Technology Enterprises
 National Funds for Construction of Ten “Key Energy Saving Projects”, “Key Demonstration Bases for Recycling Economy and Resource Saving” and “Key Industrial Pollution Control Projects”
 National Funds for the Industry Revitalization and Technology Renovation of the Key Fields
 Northeast Region Foreign Trade Development Fund
 PGOG Science and Technology Bureau Project Fund (aka, Guangdong Industry, Research, University Cooperating Fund)
 PGOG Special Fund for Energy Saving Technology Reform
 Private Enterprise Award
 Provincial Fund for Fiscal and Technological Innovation
 Provincial Loan Discount Special Fund for SMEs
 Refund of Land-Use Tax for Firms Located in the ZHTDZ
 Special Fund for External Economy
 Special Fund for Significant Science and Technology in Guangdong Province
 Special Funds for the Development of Five Industries
 Special Funds of Guangxi Autonomous Region for Production Safety (Supporting Fund for Eliminating Potential and Seriously Dangerous Projects)
 Special Funds of Guangxi Autonomous Region for Small Highland of Talents
 Special Funds of Guangxi Beibu Gulf Economic Zone for the Development of Key Industries
 Special Funds of Nanning Municipality for Academic and Technical Leaders of the New Century
 Special Funds of Nanning Municipality for Small Highland of Talents
 Special Reward Fund for Industrial Economy Transformation and Upgrading of the Whole District
 State Key Technology Renovation Project Fund
 Supporting Funds for Trade with the Minority Nationalities and Production of Goods Specially Needs by Minority Nationalities
 Supporting Funds of Nanning Municipality for “Informatization-industrialization Integration” and Development of Information Industry
 Technical Standards Awards
 Technology Innovation Assistance Fund (Niulanshan Industrial Development Center - Technology Products Fund)
 Trade Promotion and Brand Building Fund
 Working Capital Loans Discount

VI. Ad Valorem Rate for Non-Cooperative Companies Under Review

Based on the methodology described above, we preliminarily determine the AFA countervailable subsidy rate for Anshan, Foshan, Jangho H.K., Sihui Shi, and Sincere Profit to be 201.09 percent *ad valorem*.³⁷

VII. Conclusion

We recommend applying the above methodology for these preliminary results.

Agree

Disagree

3/7/2019

X



Signed by: GARY TAVERMAN

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

³⁷ See AFA Calculation Memorandum for a table detailing the derivation of the AFA rate applied.