



C-570-094
Investigation
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October 17, 2019

MEMORANDUM TO: Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Determination in
the Countervailing Duty Investigation of Refillable Stainless Steel
Kegs from the People's Republic of China

I. SUMMARY

The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers of refillable stainless steel kegs (kegs) from the People's Republic of China (China), as provided in section 705 of the Tariff Act of 1930, as amended (the Act). The mandatory respondents subject to this investigation are Ningbo Master International Trade Co., Ltd. (Ningbo Master) and Penglai Jinfu Stainless Steel Products Co., Ltd. (Penglai Jinfu). The period of investigation (POI) is January 1, 2017 through December 31, 2017.

Below is the complete list of issues in this investigation for which we received comments from interested parties:

- Comment 1: Whether to Apply AFA to Find Producers of Stainless Steel Coil to be "Authorities"
- Comment 2: Whether to Apply AFA to Find the Provision of Stainless Steel Coil to be Specific
- Comment 3: Whether to Apply AFA to Find the Chinese Stainless Steel Coil Market Distorted
- Comment 4: Whether to Use Data from the American Metal Market for Calculating Stainless Steel Coil Benchmarks
- Comment 5: Whether to Include Import Duties in Calculating the Stainless Steel Coil Benchmark
- Comment 6: Whether Commerce Use Coaster Freight Rates from Metal Expert
- Comment 7: Whether to Apply AFA to the Provision of Electricity for LTAR



- Comment 8: Whether Commerce Should Include Electricity Purchase from a Private Enterprise in the Benefit Calculation for the Provision of Electricity for LTAR Program
- Comment 9: Whether Commerce Errored in the Benefit Calculation for the Provision of Electricity for LTAR Program
- Comment 10: Whether Commerce Properly Determined that the Provision of Policy Loans is Specific

II. BACKGROUND

On June 4, 2019, Commerce published the *Preliminary Determination* in this proceeding.¹ Between April 22 and April 25, 2019, we conducted verification of the questionnaire responses submitted by Ningbo Master.² Interested parties submitted case briefs³ and rebuttal briefs⁴ between May 22 and May 29, 2019.

On May 2, 2019, the American Keg Company LLC (petitioner) alleged that critical circumstances exist with respect to imports of kegs from China, pursuant to sections 703(e) of the Act, and 19 CFR 351.206.⁵ On June 4, 2019, we published our *Preliminary Critical Circumstances Determination*,⁶ in which we preliminarily determined that critical circumstances existed with respect to the Adverse Facts Available (AFA) companies, but not with respect to Ningbo Master or the all other producers/exporters. We established a case briefing schedule, allowing interested parties to address the *Preliminary Critical Circumstances Determination* only. No parties submitted comments regarding our *Preliminary Critical Circumstances Determination*.

III. SCOPE COMMENTS

During the course of this investigation, Commerce received scope comments from interested parties. Commerce issued a Preliminary Scope Memorandum to address these comments and set aside a period of time for parties to address scope issues in case and rebuttal briefs.⁷ For this

¹ See *Refillable Stainless Steel Kegs From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 84 FR 13634 (April 5, 2019) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, "Verification of the Questionnaire Responses of Ningbo Master International Trade Co. Ltd.," dated May 15, 2019.

³ See Ningbo Master's Letter, "Refillable Stainless Steel Kegs from the People's Republic of China - Case Brief," dated May 22, 2019 (Ningbo Master's Case Brief); see also GOC's Letter, "Refillable Stainless Steel Kegs from the People's Republic of China, Case No. C-570-094: Case Brief," dated May 23, 2019 (GOC's Case Brief).

⁴ See Petitioner's Letter, "Refillable Stainless Steel Kegs from the People's Republic of China: Rebuttal Brief," dated May 29, 2019 (Petitioner's Rebuttal Brief).

⁵ See Petitioner's Letter, "Refillable Stainless Steel Kegs from the People's Republic of China: Petitioner's Critical Circumstances Allegation," dated May 2, 2019.

⁶ See *Refillable Stainless Steel Kegs From the People's Republic of China: Preliminary Affirmative Determination, in Part, of Critical Circumstances in the Countervailing Duty Investigation*, 84 FR 25748 (June 4, 2019) (*Preliminary Critical Circumstances Determination*).

⁷ See Memorandum, "Refillable Stainless Steel Kegs from the People's Republic of China, Germany, and Mexico: Scope Comments Decision Memorandum for the Preliminary Determinations," dated March 29, 2019.

final determination, we have made no changes to the scope of this investigation, as published in the *Preliminary Determination*.

IV. FINAL DETERMINATION OF CRITICAL CIRCUMSTANCES

As stated above, we preliminarily determined that critical circumstances exist with respect to the AFA companies, but not with respect to Ningbo Master or all other producers/exporters. No parties submitted comments regarding our *Preliminary Critical Circumstances Determination*. As such, for this final determination, our findings with respect to critical circumstances remain the same as in the *Preliminary Critical Circumstances Determination*.

V. SCOPE OF THE INVESTIGATION

The products covered by this investigation are kegs from China. For a complete description of the scope of this investigation, *see* this memorandum's accompanying *Federal Register* notice at Appendix I.

VI. USE OF FACTS OTHERWISE AVAILABLE AND ADVERSE INFERENCES

In the *Preliminary Determination*, we applied total AFA to calculate a subsidy rate for Penglai Jinfu, the mandatory respondent that failed to respond to our initial questionnaire, and 18 companies that did not respond to our quantity and value (Q&V) questionnaire.⁸ In accordance with section 776(d) of the Act, we updated this AFA rate to reflect changes to the program rates calculated for Ningbo Master.⁹ Additionally, we applied partial AFA with respect to the Government of China (GOC) to find specificity and financial contribution for several programs.¹⁰ We made no changes to the underlying decision to apply AFA for this *Final Determination*.

VII. SUBSIDIES VALUATION INFORMATION

A. Allocation Period

We made no changes to, and interested parties raised no issues in their case briefs regarding, the allocation methodology used in the *Preliminary Determination*. For a description of the allocation period and the methodology used for this final determination, *see* the *Preliminary Determination*.¹¹

B. Attribution of Subsidies

We made no changes to, and interested parties raised no issues in their case briefs regarding, the methodology underlying our attribution of subsidies in the *Preliminary Determination*. For a

⁸ *See* PDM at 15-24.

⁹ *See* Appendix.

¹⁰ *See* PDM. at 24-34.

¹¹ *Id.* at 7.

description of the methodology used for this final determination, *see* the *Preliminary Determination*.¹²

C. Denominators

Interested parties raised no issues in their case briefs regarding the denominators used in the *Preliminary Determination*.¹³ However, as a result of verification, we have revised the sales values for Ningbo Master to calculate the subsidy rates in this final determination.¹⁴

D. Benchmarks and Interest Rates

Interested parties raised issues in their case briefs regarding the benchmarks we used in the *Preliminary Determination*,¹⁵ which are addressed in Comments 4 through 6. Commerce has modified the calculation of the benchmark for stainless steel coil, and as a result, we have included exports from China in the benchmark calculation for this final determination.¹⁶

VIII. ANALYSIS OF PROGRAMS

A. Programs Determined to Be Countervailable

1. Government Policy Lending Program

As discussed in Comment 10, we made no changes to the program rate for Ningbo Master. The final subsidy rate is 0.43 percent *ad valorem*.

2. Provision of Stainless Steel Coil for LTAR

As discussed in Comments 1 through 6, we made no changes to our methodology for calculating a subsidy rate for Ningbo Master under this program.¹⁷ However, as stated above, we modified: (1) the sales denominator; and (2) the benchmark calculation for stainless steel coil. As a result, the final subsidy is 15.01 percent *ad valorem*.

3. Provision of Electricity for LTAR

As discussed in Comments 7 through 9, we made changes to the electricity benchmark. Further, as stated above, we have modified the sales denominator. As a result, the final subsidy rate is 0.38 percent *ad valorem*.

¹² *Id.* at 8.

¹³ *Id.* at 28.

¹⁴ *See* Memorandum, “Analysis Memorandum for the Final Determination of the Countervailing Duty Investigation of Refillable Stainless Steel Kegs from the People’s Republic of China: Ningbo Master,” dated concurrently with this memorandum (Ningbo Master’s Final Analysis Memorandum).

¹⁵ *See* PDM at 10-14.

¹⁶ *See* Ningbo Master’s Final Analysis Memorandum.

¹⁷ *See* PDM at 37-38.

4. *Special Funds for International Market Expansion*

We made no changes to our methodology for calculating a subsidy rate for Ningbo Master under this program.¹⁸ The final subsidy rate is 0.12 percent *ad valorem*

5. *Export Assistance Grants*

We made no changes to our methodology for calculating a subsidy rate for Ningbo Master under this program.¹⁹ The final subsidy rate is 0.15 percent *ad valorem*.

6. *Special Fund for Steady Increase and Promotion of Enterprises in Jiangbei District*

We made no changes to our methodology for calculating a subsidy rate for Ningbo Master under this program.²⁰ The final subsidy rate is 0.03 percent *ad valorem*.

7. *Patent Subsidy in Jiangbei District*

We made no changes to our methodology for calculating a subsidy rate for Ningbo Master under this program.²¹ The final subsidy rate is 0.01 percent *ad valorem*.

8. *Steady Position Subsidy for Enterprise*

We made no changes to our methodology for calculating a subsidy rate for Ningbo Master under this program.²² The final subsidy rate is 0.01 percent *ad valorem*.

9. *Subsidy Fund of Provincial Commerce Improvement*

We made no changes to our methodology for calculating a subsidy rate for Ningbo Master under this program.²³ The final subsidy rate is 0.03 percent *ad valorem*.

10. *Prize for Enterprise's Independent Evaluation*

We made no changes to our methodology for calculating a subsidy rate for Ningbo Master under this program.²⁴ The final subsidy rate is 0.02 percent *ad valorem*.

11. *Supporting Fund Technology Improvement Program in Jiangbei District*

We made no changes to our methodology for calculating a subsidy rate for Ningbo Master under this program.²⁵ The final subsidy rate is 0.02 percent *ad valorem*.

¹⁸ *Id.* at 39.

¹⁹ *Id.* at 39-40.

²⁰ *Id.* at 40-41.

²¹ *Id.* at 41.

²² *Id.* at 41-42.

²³ *Id.* at 42.

²⁴ *Id.* at 43.

²⁵ *Id.* at 43-44.

B. Programs Determined Not to Confer a Measurable Benefit

1. Industrial Economy Subsidy in 2011
2. Subsidy for Ningbo Export Credit Insurance Premium from October 2011 to September 2012
3. Subsidy for Ningbo Import & Export Credit Insurance Premium from October 2012 to March 2013
4. Subsidy for Ningbo Export Credit Insurance Premium from October 2012 to September 2013
5. Safety Production Prize in 2013
6. Social Insurance Subsidy for College Graduates by Small and Micro Enterprises in Jiangbei District in 2013
7. Prize Fund for New Small and Micro Enterprises in 2013
8. Subsidy for Verification Fee of Safety Production Standardization Enterprises in 2013
9. Tax Deduction for New Small and Micro Enterprises in 2013
10. Prize for the State Third Level Safety Standardization
11. Subsidy for Ningbo Export Credit Insurance Premium from October 2013 to September 2014
12. District Subsidy in 2013
13. Municipal Patent Subsidy for April-June 2014
14. District Patent Subsidy for April-June 2014
15. District Patent Subsidy for July-October 2014
16. Prize for Safety Production Verification in 2014
17. Subsidy for Ningbo Import & Export Credit Insurance Premium from October to December 2014
18. Foreign Intelligent Introduction Program Fund in 2014
19. Steady Position Subsidy for Enterprise in 2014
20. Subsidy for Management Consultation and Innovation Program of Small and Middle Enterprises in Ningbo in 2014
21. Deduction of Property Tax for Standardization Small and Micro Enterprises in 2014
22. Deduction of Land Use Tax for Standardization Small and Micro Enterprises in 2014
23. Supporting Fund for the First Batch of Industrial Enterprises in 2015
24. Social Insurance Subsidy for College Graduates by Small and Micro Enterprises in October 2015
25. Prize for Model Enterprises with Improvement of Resources Storage
26. Prize for Model Enterprises in 2015
27. Prize for Safety Production Verification in 2015
28. Prize for the Star Enterprise Taxpayer of Hengjie Town in 2015
29. Foreign Trade Support Fund of Jiangbei District, Ningbo City in 2015
30. Subsidy Fund of Provincial Commerce Improvement in 2015
31. Subsidy for Ningbo Import & Export Credit Insurance Premium in 2015
32. Steady Position Subsidy for Enterprise in 2015
33. Subsidy for Training the Skilled Talent Employees
34. Local Water Works Fund
35. Municipal Technology Plan Program Supporting Fund in 2017

C. Programs Determined to Be Not Used by Ningbo Master

1. Provision of Stainless Steel Ingots and Primary Forms
2. Export Loans
3. Treasury Bond Loans
4. Northeast Area Revitalization Program
5. Preferential Lending to Producers and Exporters Classified as “Honorable Enterprises”
6. VAT and Tariff Exemptions for Purchases of Fixed Assets under the Foreign Trade Development Fund
7. Provision of Land for LTAR to State-Owned Enterprises
8. Provision of Land for LTAR in Economic Development Zones
9. “Famous Brands” Awards
10. State Key Technology Project Fund
11. China State Owned Enterprises Restructuring Fund
12. Guangdong Province HNTE Incubation Program
13. Grants for the Retirement of Capacity
14. Grants for Energy Conservation and Emission Reduction

IX. ANALYSIS OF COMMENTS

Comment 1: Whether to Apply AFA to Find Producers of Stainless Steel Coil to be “Authorities”

GOC’s Comments:

- The GOC disputes Commerce’s practice that “significant” Chinese Communist Party (CCP) presence is indicative of whether a private company is a government authority. Further, the GOC disagrees with the analysis and conclusions made in Commerce’s Public Body Memorandum.
- The Company Law, specifically Articles 36, 37, 46, 49, and 147, demonstrates that the CCP or primary party organization would be in violation of the law if it attempted to interfere in the control of the company. Thus, there are no “facts otherwise available” on the record that Commerce can rely on that suggest that CCP involvement in a private company is relevant to whether an otherwise private company is a government authority.
- Commerce failed to address the record evidence that demonstrates that the stainless coil producers are privately owned and are not directed by the GOC, including the CCP. Thus, Commerce unlawfully determined that these producers are government authorities that provided a financial contribution on the basis of AFA alone.

The Petitioner’s Rebuttal Arguments:

- Commerce, not the respondent, determines what information is relevant, and the GOC’s failure to respond adequately to Commerce’s requests for information constitutes a failure to cooperate that significantly impeded this proceeding. Therefore, Commerce should continue to find that Ningbo Master’s suppliers of stainless steel coil are authorities.

- The GOC misapplied the U.S. Court of International Trade’s opinion in *Changzhou Trina Solar Energy Co., Ltd. v. United States* to argue that Commerce did not substantiate its determination that the stainless steel producers at issue are authorities.
- The GOC’s “evidence to the contrary,” suggesting that the producers are privately owned, is incomplete.
- Commerce already explained its finding that the CCP “exert significant control over economic activities in China.”

Commerce’s Position: In the initial questionnaire, we requested ownership information regarding the companies that produced stainless steel coil purchased by the mandatory respondents.²⁶ We notified the GOC that, in accordance with the analysis contained in the Public Body Memorandum placed on the record of this investigation,²⁷ Commerce generally treats producers that are majority owned by the government or a government entity as controlled by the government and, hence, as “authorities” within the meaning of section 771(5)(B) of the Act. However, with regard to those majority government-owned companies that the GOC argues are not “authorities,” and for each producer that is not majority owned by the government, we instructed the GOC to answer all questions in the “Information Regarding Input Producers in the PRC” Appendix (Input Producer Appendix). For each producer that the GOC claimed was privately owned by individuals during the POI, we requested identification of the owners, members of the board of directors, or managers of the producers who were also government or CCP officials or representatives during the POI.

As discussed in detail in the *Preliminary Determination*, the GOC did not provide the requested necessary information for all of the stainless steel coil producers named by Ningbo Master.²⁸ Further, for the stainless steel coil producers for which the GOC did submit information, we found the information to be incomplete.²⁹ Additionally, the GOC failed to provide information about the owners, members of the board of directors, or managers of the producers who were also government or CCP officials during the POI.³⁰ Finally, the GOC did not indicate that it had attempted to contact the CCP, or that it consulted any other sources.³¹ Consequently, we preliminarily relied on AFA in making our determination as to whether these producers are “authorities” within the meaning of section 771(5)(B) of the Act.

The GOC has objected to Commerce’s questions regarding the role of CCP officials and organizations in the management and operations of raw material suppliers. However, we have explained our understanding of the CCP’s involvement in China’s economic and political

²⁶ See Commerce’s Letter, “Countervailing Duty Investigation of Refillable Stainless Steel Kegs from the People’s Republic of China: Countervailing Duty Questionnaire,” dated November 2, 2018 (Initial Questionnaire) at Section II Input Producer Appendix.

²⁷ See Memorandum, “Countervailing Duty Investigation of Refillable Stainless Steel Kegs from the People’s Republic of China, Placement of Additional Information on the Record” dated March 29, 2019 at Attachment 1 (Public Body Memorandum) and Attachment II (CCP Memorandum).

²⁸ See PDM at 28.

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

structure.³² Commerce has determined that “available information and record evidence indicates that the CCP meets the definition of the term ‘government’ . . . for the limited purpose of applying the U.S. CVD law to China.”³³ Additionally, publicly available information indicates that Chinese law requires the establishment of CCP organizations “in all companies, whether state, private, domestic, or foreign-invested” and that such organizations may wield a controlling influence in the company’s affairs.³⁴ With regard to the GOC’s claim that Chinese law prohibits GOC officials from taking positions in private companies, we have previously found that this particular law does not pertain to CCP officials.³⁵ The GOC’s argument is also contradicted by past Commerce findings that CCP officials can, in fact, serve as owners, members of the board of directors, or senior managers of companies.³⁶ More broadly, Commerce has found that, even in non-state-owned enterprises, “CCP primary organizations . . . ensure those entities ‘carry out social responsibilities,’ {and} maintain and implement the Party’s (*i.e.*, the government’s) line and principles.”³⁷

Thus, Commerce finds, as it has in other China CVD proceedings,³⁸ that the information requested regarding the role of CCP officials and CCP committees in the management and operations of the stainless steel coil producers, and in the management and operations of the producers’ owners, is necessary to our determination of whether the producer is an authority within the meaning of section 771(5)(B) of the Act. Because the GOC did not fully respond to the Input Producer Appendix for each producer that is not majority-owned by the government, we continue to find that the GOC has withheld necessary information that was requested of it and, thus, that Commerce must rely on “facts otherwise available” in conducting our analysis of the stainless steel coil producers.³⁹ Additionally, for those input producers identified by the GOC as majority government-owned, we find, consistent with the Public Body Memorandum, that these producers are “authorities” within the meaning of section 771(5)(B) of the Act because they possess, exercise, or are vested with governmental authority. Specifically, as explained in the Public Body Memorandum, such producers are used by the GOC as implements to uphold the socialist market economy and to fulfill other government functions.

Further, we disagree that the GOC responded to Commerce’s request for information to the best of its ability. As noted in the *Preliminary Determination*, the GOC previously has been able to

³² See CCP Memorandum.

³³ *Id.* at 33.

³⁴ *Id.* at 35.

³⁵ See *Certain Uncoated Paper From the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 81 FR 3110 (January 20, 2016) and accompanying Issues and Decision Memorandum (IDM) at 16.

³⁶ 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 IDM at Comment 8 (“In the instant investigation, the information on the record indicates that certain company officials are members of the Communist Party and National Party Conference as well as members of certain town, municipal, and provincial level legislative bodies.”); and *Drawn Stainless Steel Sinks from the People’s Republic of China: Final Results of Countervailing Duty Administrative Review and Rescission in Part; 2012-2013*, 80 FR 69638 (November 10, 2015).

³⁷ See *Citric Acid and Certain Citrate Salts from the People’s Republic of China: Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 78799 (December 31, 2014) (*2012 Citric Acid Review*) and accompanying IDM at Comment 1.

³⁸ See, e.g., *2012 Citric Acid Review*.

³⁹ See section 776(a)(2)(A) of the Act.

provide the information requested.⁴⁰ The GOC did not provide information regarding all of the producers of stainless steel coil purchased by Ningbo Master.⁴¹ Moreover, when requested to provide information on the role of CCP officials in the management and operations of these producers, the GOC provided no information on the role of the CCP officials in these private enterprises.⁴²

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 China demonstrates that it is, in fact, able to access information similar to what was requested in this proceeding. Moreover, as explained in the CCP Memorandum, the CCP is part of the "government" in China, within the meaning of the CVD law.⁴³ Thus, we continue to find, for this final determination, that the GOC did not act to the best of its ability.

Finally, we disagree with the GOC's argument regarding *Changzhou Trina Solar Energy Co., Ltd. v. United States*. That case involved numerous subsidies that were discovered late in the proceeding, and for which the GOC provided no information.⁴⁴ The Court found that Commerce properly resorted to AFA, but that Commerce's determination was factually unsupported because Commerce pointed to no "facts available" on the record indicating countervailability.⁴⁵ In contrast, in this investigation, there is no absence of information on the record regarding the role of the CCP. In fact, the CCP Memorandum explains in detail the role of the CCP, its influence on the Chinese economy and corporate actors in the economy, and its status as – in effect – part of the "government" in China. Therefore, there are "facts available" on the record in this investigation that support our determination that the input producers at issue are "authorities" within the meaning of section 771(5)(B) of the Act.

Comment 2: Whether to Apply AFA to Find the Provision of Stainless Steel Coil to be Specific

GOC's Comments:

- Commerce should not apply AFA to determine specificity for the provision of stainless steel coil for LTAR because the GOC acted to the best of its ability with respect to providing information on specificity.

The Petitioner's Rebuttal Arguments:

- Commerce should continue to find the provision of stainless steel coil specific because the record demonstrates that the GOC failed to meet the standard to act to the best of its ability in

⁴⁰ See PDM at 28-29.

⁴¹ See, e.g., Commerce's Letter, "Investigation of Countervailing Duty on Refillable Stainless Steel Kegs from the People's Republic of China: Supplemental Questionnaire" dated February 15, 2019 (GOC Supplemental Questionnaire) at 1 ("In the Input Producer Appendix of your questionnaire response you provided information related to Ningbo Major's suppliers of stainless steel coil.").

⁴² See, e.g., GOC's Letter, "Refillable Stainless Steel Kegs from the People's Republic of China, Case No. C-570-094: Government of China's Initial Questionnaire Response" (December 27, 2018) (GOC IQR) at 12.

⁴³ See CCP Memorandum at 33.

⁴⁴ See *Changzhou Trina Solar Energy Co. v. United States*, 195 F. Supp. 3d 1334, 1347-50 (CIT 2016).

⁴⁵ See *id.* at 1347-48.

providing responses. The GOC repeatedly responded that it doesn't maintain the requested data and failed to explain the efforts it made to compile the information.

- Further, the GOC is incorrect that there are no facts on the record with respect to specificity; the petition explains that Commerce previously determined specificity based on evidence provided by the GOC indicating that a limited number of industries use stainless steel coil.

Commerce's Position: We continue to find, relying on AFA, the provision of stainless steel coil to be specific. As explained in the *Preliminary Determination*, we sought information from the GOC that would allow us to determine whether the provision of inputs at LTAR is specific within the meaning of section 771(5A)(D)(iii)(I) of the Act, but the GOC did not adequately provide information requested by Commerce.⁴⁶ Specifically, Commerce asked the GOC to provide a list of industries in China that purchase stainless steel coil directly, and to provide the amounts (volume and value) purchased by each of the industries.⁴⁷

As discussed in the *Preliminary Determination*, the GOC did not provide this information, nor did it explain the efforts it made to compile this information or an alternative method to provide the required information. Instead, the GOC stated that the number of industries that may consume stainless steel coil "are too numerous to list, as stainless steel coil touches all sectors of the Chinese economy," and thus it was unable to provide a list of industries.⁴⁸ We found this information to be insufficient because it did not include relevant data regarding the industries in China that actually purchased stainless steel coil, nor did it include the volume or value of purchases by industry during the POI and the prior two years, as we requested.⁴⁹ As such, consistent with past proceedings,⁵⁰ we preliminarily determined that necessary information was not available on the record. Moreover, because the GOC withheld information that was requested, we relied upon "facts available" in making our preliminary finding, in accordance with sections 776(a)(1) and 776(a)(2)(A) of the Act. We determined that the GOC failed to cooperate by not acting to the best of its ability to comply with our requests for information, and therefore found that an adverse inference was warranted in the application of facts available. In drawing an adverse inference, we found that the purchasers of stainless steel coil provided for LTAR are limited in number within the meaning of section 771(5A)(D)(iii)(I) of the Act.

We agree with the petitioner that the application of AFA pursuant to sections 776(a) and (b) of the Act in finding the provision of stainless steel coil for LTAR to be *de facto* specific was appropriate, because the GOC withheld necessary information that was requested of it and failed to act to the best of its ability to provide the requested information. We requested information from the GOC regarding the provision of stainless steel coil to companies by industry, which was necessary for Commerce to conduct its analysis.⁵¹ It is Commerce's established practice to

⁴⁶ See PDM 29-30.

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ See, e.g., *Utility Scale Wind Towers from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 77 FR 33422 (June 6, 2012) unchanged in *Utility Scale Wind Towers from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 77 FR 75978 (December 26, 2012) (*Wind Towers from China Final*).

⁵¹ See Initial Questionnaire at Section II, Standard Questions Appendix, at page 7.

examine the government’s provision of an input, such as stainless steel coil, to recipients by industry for the year in which the provision of the benefit was approved and the prior two years.⁵² In response to Commerce’s request for information, the GOC stated that the number of industries that may consume stainless steel coil are too numerous to list.⁵³

Commerce finds that no new information has been submitted on the record of this proceeding to warrant revisiting our preliminary finding regarding the application of AFA in our specificity analysis of the provision of stainless steel coil at LTAR. As such, we continue to find, consistent with sections 776(a)(1) and (a)(2)(A) of the Act, that we must rely on facts available because the GOC withheld necessary information that was requested of it. We further find that the GOC failed to act to the best of its ability and, therefore, in selecting from among the facts otherwise available,⁵⁴ we have drawn adverse inferences pursuant to section 776(b) of the Act. Specifically, we find that the provision of stainless steel coil to producers of kegs by GOC authorities is *de facto* specific within the meaning of section 771(5A)(D)(iii)(I) of the Act. Therefore, we made no changes to our specificity finding for this final determination.

Comment 3: Whether to Apply AFA to Find the Chinese Stainless Steel Coil Market Distorted

GOC’s Comments:

- The record evidence demonstrates that the stainless steel coil market is not distorted and thus Commerce had no reason to resort to AFA and thus, its determination is unlawful. Information that has or has not been provided in other cases about different inputs is not sufficient evidence to support the conclusion that the GOC has failed to cooperate by not acting to the best of its ability in this investigation.

The Petitioner’s Rebuttals Arguments:

- Commerce gave the GOC two opportunities to demonstrate that it responded with maximum effort and instead the GOC responded without further elaboration that the closest statistical category to stainless steel coil that it could identify is steel. The GOC failed to adequately explain the limitation in its data availability given its demonstrated ability to respond more fully in prior investigations.
- Contrary to the GOC’s claims, the record contains information that a number of stainless steel producers are authorities and Commerce has previously determined the GOC’s involvement in the stainless steel market to be predominant and distortive.
- The GOC mischaracterized the percentage of stainless steel production by state-owned stainless steel producers. Regardless, the GOC withheld necessary information and Commerce made a reasonable determination based on adverse facts available that the

⁵² See, e.g., *Circular Welded Carbon Steel Pipes and Tubes from Turkey: Preliminary Results of Countervailing Duty Administrative Review; Calendar Year 2015*, 82 FR 16994 (April 7, 2017) and accompanying PDM at 13, unchanged in *Circular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Countervailing Duty Administrative Review; Calendar Year 2015*, 82 FR 47479 (October 12, 2017) and accompanying IDM at 6-7.

⁵³ See GOC IQR at page 17 (“Stainless steel coil basically touches all sectors of the Chinese economy, which is why the GOC is unable to provide a list of industries.”).

⁵⁴ We note that the facts available on the record include the information contained in the petition, which supported the allegation of specificity for this program.

stainless steel market is distorted, and Commerce should continue to do so for the final determination.

Commerce's Position: We continue to find, relying on AFA, that the GOC's involvement in the markets for stainless steel coil in China results in the significant distortion of prices. Thus, we cannot calculate a benefit for the provision of inputs at LTAR by using a tier-one benchmark. As a result, the use of an external benchmark, as described under 19 CFR 351.511(a)(2)(ii), is warranted to calculate the benefit for the provision of stainless steel coil for LTAR.

As stated in the *Preliminary Determination*, we requested information regarding the inputs in China during the POI and the prior two years.⁵⁵ We specifically requested information on the number of producers, the total volume and value of domestic consumption and production in China, the total volume and value of imports of the input, as well as other information.⁵⁶

The GOC stated that it does not maintain records on the stainless steel coil industry,⁵⁷ and as such, was unable to identify the producers in which the GOC maintains an ownership or management interest. We provided the GOC with another opportunity to provide additional information regarding the stainless steel coil industry in our supplemental questionnaire.⁵⁸ In its supplemental questionnaire response, the GOC indicated that the closest category to stainless steel coil for which it could obtain data was "steel."⁵⁹

Given the lack of information, Commerce was unable to perform a complete analysis of the stainless steel coil industry in China. Nevertheless, evidence on the record indicates that the GOC's involvement in the market is distortive.⁶⁰ On this basis, we preliminarily determined that the GOC, having failed to provide such data, has withheld information that was requested of it, and that the use of facts available is warranted, pursuant to section 776(a)(2)(A) of the Act.⁶¹ Further, we found the application of AFA pursuant to section 776(b) of the Act to be warranted.⁶² Therefore, we preliminarily determined, relying on AFA, that the domestic market for stainless steel coil was distorted through the intervention of the GOC, and we relied on an

⁵⁵ See Initial Questionnaire, Section II, Standard Questions Appendix, at page 6.

⁵⁶ *Id.*

⁵⁷ See GOC IQR at 14.

⁵⁸ See GOC Supplemental Questionnaire at 1.

⁵⁹ See GOC's Letter, "Refillable Stainless Steel Kegs from the People's Republic of China: Supplemental Questionnaire Response," (March 7, 2019) (GOC SQR) at 3 ("According to the State Statistics Bureau ("SSB"), the closest category to stainless-steel coil for which GOC could obtain data is steel.").

⁶⁰ See GOC SQR at 16 (indicating the GOC did levy tariffs up to 40 percent on imports of stainless steel coil during the 2015-2017 period); see also Petitioner's Letter, "Petitions for the Imposition of Antidumping Duties on Imports of Refillable Stainless Steel Kegs from Germany, Mexico, and the People's Republic Of China and Countervailing Duties on Imports of Refillable Stainless Steel Kegs from the People's Republic Of China," dated September 20, 2018 at Exhibits CVD-2 (*Steel Industry Adjustment and Upgrade Plan (2016-2020)*) and CVD-7 (*Iron and Steel Industry Twelfth Five-Year Development Plan*) (both of which emphasized the reform and development of the steel industry, including manufacturing stainless steel products).

⁶¹ See PDM at 32.

⁶² *Id.*

external benchmark to determine the benefit from the provision of stainless steel coil at LTAR, in accordance with 19 CFR 351.511(a)(2)(ii).⁶³

The GOC argues that the fact that it is unable to provide the market distortion statistical data is not a basis to find that it failed to cooperate by not acting to the best of its ability in this investigation. We disagree. As detailed in the *Preliminary Determination*, the GOC has demonstrated in other instances that such information is likely available.⁶⁴ In *Sinks from China*, the GOC was able to provide statistics for cold-rolled steel or strip for this identical program;⁶⁵ the GOC has failed to provide this information in this proceeding. Nevertheless, the GOC argues that Commerce should ignore past case examples of such information being available for purposes of evaluating the GOC's inability and/or unwillingness to provide such information in this investigation. Given that the GOC has historically been able to provide such information in combination with the fact that it did not explain to Commerce the attempts it undertook to obtain this information and/or proposed alternative forms of providing the information, we find the GOC did not act to the best of its ability.

Thus, we continue to find that the GOC withheld the information necessary to our analysis and it did not cooperate to the best of its ability. Consequently, in making our distortion finding, an adverse inference is warranted in the application of facts available, pursuant to section 776(b) of the Act.

Finally, as we explained in the *Preliminary Determination*, Commerce has determined that the Chinese steel industry – which includes the stainless steel coil market – is characterized by significant government intervention and distortion.⁶⁶ We placed the Market Distortion Memo on the record, which analyzes in detail the Chinese steel industry and concludes:

{Commerce} finds that the record information indicates that China's steel industry is characterized by significant government ownership, control and intervention. This broad government intervention across the entire market, extending to all enterprises, coupled with {Commerce's} findings regarding the leading role for SIEs in the steel sector as envisioned and implemented by the

⁶³ *Id.*

⁶⁴ See, e.g., *Certain Crystalline Silicon Photovoltaic Products from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 79 FR 33174 (June 10, 2014) and accompanying PDM at 14-15 unchanged in *Countervailing Duty Investigation of Certain Crystalline Silicon Photovoltaic Products from the People's Republic of China: Final Affirmative Countervailing Determination*, 79 FR 76962 (December 23, 2014) (*Crystalline Silicon Photovoltaic Products from China*); see also *Drawn Stainless Steel Sinks from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Rescission in Part, and Intent To Rescind the Review in Part; 2012-2013*, 80 FR 26226 (May 7, 2015) and accompanying PDM at 20-21 unchanged in *Drawn Stainless Steel Sinks From the People's Republic of China: Final Results of Countervailing Duty Administrative Review and Rescission in Part; 2012-2013*, 80 FR 69638 (November 10, 2015) (*Sinks from China*).

⁶⁵ See *Sinks from China*, (finding the GOC's involvement in the stainless steel market to be predominant and distortive).

⁶⁶ See Memorandum, "Countervailing Duty Investigation of Refillable Stainless Steel Kegs from the People's Republic of China: Market Distortion – Inputs for LTAR," dated March 29, 2019 at Attachment 1 (Market Distortion Memo).

GOC, distorts and diminishes the signals faced by all enterprises. Therefore, {Commerce} finds that based on the record of these proceedings, there are no potential benchmarks from the domestic industry that can be considered ‘market based’ in accordance with the SCM Agreement.⁶⁷

The GOC has not rebutted this finding. Therefore, particularly in light of the GOC’s non-cooperation in this investigation, we determine that the market for stainless steel coil is distorted by GOC intervention and that it is necessary to use a “tier two” benchmark for measuring the adequacy of remuneration for this program.

Comment 4: Whether to Use Data from the American Metal Market for Calculating Stainless Steel Coil Benchmarks

Ningbo Master Comments:

- Commerce should rely upon the American Metal Market (AMM) stainless steel coil data as the benchmark for stainless steel coil. Commerce has relied upon AMM in other CVD cases as a benchmark.⁶⁸
- The AMM data is more specific to the stainless steel inputs that Ningbo Master purchases than the United Nations Commodity Trade Statistics Database (UN ComTrade) that was used in the *Preliminary Determination*. The UN ComTrade data are less reliable and representative than the AMM data, because the UN Comrade data excludes seven exporting countries.
- Alternatively, if Commerce continues to find the UN Comtrade data to be reliable, it should average the AMM data and the UN Comtrade data for this final determination.

Petitioner’s Rebuttal:

- Commerce should continue to rely solely on UN ComTrade data for the stainless steel coil benchmark. There is nothing on the record to support Ningbo Master’s contention that the AMM data are more specific and reliable than the UN ComTrade.⁶⁹
- Neither Ningbo Master nor the GOC has demonstrated in this investigation that the absence of seven countries from the monthly UN ComTrade data renders those global monthly prices unreliable or unusable, or that the monthly prices themselves are otherwise distorted.

⁶⁷ *Id.*; see also *Forged Steel Fittings from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 83 FR 50342 (October 5, 2018) (*Forged Steel Fittings from China*) and accompanying IDM at Comment 3.

⁶⁸ See *Countervailing Duty Investigation of Stainless Steel Sheet and Strip From the People’s Republic of China: Preliminary Affirmative Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 81 FR 46443 (July 18, 2016) unchanged in *Countervailing Duty Investigation of Stainless Steel Sheet and Strip From the People’s Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part*, 82 FR 9714 (February 8, 2017); see also *Forged Steel Fittings from China; Boltless Steel Shelving Units Prepackaged for Sale From the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 80 FR 51775 (August 26, 2015); and *Certain Tool Chests and Cabinets From the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 82 FR 56582 (November 29, 2017).

⁶⁹ See Ningbo Master Case Brief at 4-7.

- Commerce should continue not to use AMM prices because they do not satisfy Commerce’s requirements for benchmark information. The GOC failed to submit information regarding how the submitted “monthly averages” for stainless steel 304 coiled plate for calendar year 2017 were compiled.
- There is no reason in this investigation to rely on proprietary subscription data when reliable alternative UN ComTrade data are available, and when the record lacks necessary information about the AMM subscription data.

Commerce’s Position: We continue to find the UN Comtrade data to be the best available information on the record of this investigation for determining a stainless steel coil benchmark. As discussed in the *Preliminary Determination*, to derive a benchmark price for stainless steel coil, we used the UN Comtrade data instead of the AMM data.⁷⁰ Our decision for finding that the UN ComTrade data were the most appropriate information was based on the fact that the AMM data provided by the GOC was provided in the form of monthly average prices, and it was not accompanied by the underlying data.⁷¹ As such, Commerce could not determine how the monthly average price data was determined and prepared from the source data.

While Ningbo Master has made arguments contending that the UN Comtrade data are less representative than the AMM data, it has not addressed the primary concern that caused us to reject the AMM data for the *Preliminary Determination*, specifically, the fact that the AMM data were not accompanied with the underlying data to support the summarized data. There are only “tier-two” benchmark data on the record: (1) the UN Comtrade Data, submitted by the petitioner; and (2) the AMM data, submitted by the GOC. When providing the UN Comtrade data, the petitioner included a monthly summary sheet of world export prices of stainless steel coil,⁷² as well as the complete data set that underlies the monthly summary.⁷³ For the AMM data, the GOC has provided only a monthly summary sheet of stainless steel coil prices, without the underlying data.⁷⁴ Further, the GOC has not provided any explanation as to how this summary sheet was derived. In other words, the GOC provided a one-page worksheet for stainless steel coil prices, with no details regarding what the data represents (*i.e.*, import/export data, spot prices, etc.); further, because there is no underlying data, we are unable to determine how the summary worksheet was derived, if it is accurate according to the (missing) explanation, and whether the methodology for preparing the summary sheet is reasonable. On the other hand, with regard to the UN Comtrade data, because the petitioner has provided the underlying export prices, Commerce is able to recreate the summary sheets to ensure the information is accurate, and the methodology is reasonable.

As such, we continue find that the UN Comtrade data provides the best information available on the record of this investigation. We recognize that Commerce has used AMM data in previous

⁷⁰ See PDM at 13-14.

⁷¹ *Id.*

⁷² See Petitioner’s Letter, “Refillable Stainless Steel Kegs from the People’s Republic of China: Benchmark Information,” (February 27, 2019) (Petitioner’s Benchmark Submission) at Exhibit 1.

⁷³ *Id.* at Exhibit 2.

⁷⁴ See GOC’s Letter, “Refillable Stainless Steel Kegs from the People’s Republic of China, Case No. C-570-094: GOC’s Rebuttal Factual Information to Petitioners’ Submission of Factual Information to Measure the Adequacy of Remuneration” (March 6, 2019) (GOC’s Rebuttal Benchmark Submission) at Exhibit 1.

proceedings,⁷⁵ however, we determine the appropriate benchmarks on a case-by-case basis. For purposes of this investigation, because the underlying AMM data were not provided, we continue to find that the UN Comtrade data provide the best available data. Finally, because we find the UN Comtrade data are more reliable than the AMM data on the record, we disagree that an average of the two data sources is appropriate for this final determination.

Comment 5: Whether to Include Import Duties in Calculating the Stainless Steel Coil Benchmark

Ningbo Master's Comments:

- Commerce inappropriately added import duties on stainless steel coil in calculating the benchmark for the *Preliminary Determination*. Commerce calculated the benchmark on the assumption that the respondent purchased the raw material from the international market. However, a firm exporting its finished goods would use inward processing to avoid paying import duties. Inward processing allows a firm to import raw materials without paying import duties when the resulting manufactured goods will be exported.
- A company that exported the majority of its products (such as Ningbo Master), when importing its primary raw material, would take advantage of inward processing. Therefore, if Ningbo Master had imported stainless steel coil, it would have used inward processing and would not have paid the import duties.

The Petitioner's Rebuttal Arguments:

- Commerce has repeatedly rejected the argument that a company exporting its finished product would use inward processing to avoid paying import duties, explaining that adjustments to a benchmark need only be representative of the rates that an importer would have paid, and does not necessarily need to be specific to the respondent.⁷⁶
- The regulations are clear in requiring the use of delivered prices which include “all delivery charges and import duties.”⁷⁷ Accordingly, Ningbo Master’s argument is without merit, and Commerce should continue to include import duties in the benchmark calculation.

Commerce's Position: For this final determination, we continue to include import duties in our world price benchmark. The regulations, at 19 CFR 351.511(a)(2)(iv), direct Commerce to include delivery charges and import duties when developing benchmarks based on world market prices for the purposes of evaluating whether and to what extent, a government has provided a good or service for less than adequate remuneration. Commerce has consistently interpreted this to require that we ensure that the benchmark reflects the price that “a firm

⁷⁵ See e.g., *Countervailing Duty Investigation of Stainless Steel Sheet and Strip From the People's Republic of China: Preliminary Affirmative Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 81 FR 46443 (July 18, 2016) (unchanged in final); see also *Forged Steel Fittings from China*.

⁷⁶ See *Certain Oil Country Tubular Goods from the People's Republic of China: Final Affirmative Countervailing Duty Determination, Final Negative Critical Circumstances Determination*, 74 FR 64045 (December 7, 2009) and accompanying Issues and Decision Memorandum at Comment 13.D.

⁷⁷ See *High Pressure Steel Cylinders from China*, IDM at Comment 9.

actually paid or would have paid if it imported the product” as required by the regulations.⁷⁸ If we were relying on a price that “a firm actually paid” on the world market (*i.e.*, if, in this investigation, we found that Ningbo Master had actually imported stainless steel coil comparable to that provided by the GOC), we would ensure that world market price included all of the expenses related to the *actual* importation. In the absence of actual import prices paid by a respondent to import the input, we develop a benchmark based on world market prices that represents a price a firm “would have paid if it imported the product”; to do so, we ensure that the benchmark includes market rates for ocean freight, any import duties or other charges that apply, and is representative of the rates an importer would pay.⁷⁹ Accordingly, we will continue to include import duties in the calculation of the stainless steel coil benchmark for this final determination.

Comment 6: Whether Commerce Should Use Coaster Freight Rates from Metal Expert

GOC’s/Ningbo Master’s Comments:

- Commerce should utilize rates from bulk ship carriers, known as “coaster freight”, from Metal Expert data to calculate the benchmark for stainless steel coil. The coaster freight data are more specific to the freight costs a company would pay to import steel coil.
- The Maersk data is for 20-foot standard containers, which is not the typical manner of shipping steel coil.

The Petitioner’s Rebuttal Arguments:

- Commerce has appropriately declined to use rates from Metal Expert because these rates are for shipments to Hong Kong, and ocean freight rates directly to China are available on the record.
- Neither Ningbo Master nor GOC provide a basis for Commerce to abandon its long-standing policy to consider Hong Kong a separate customs territory within China.

Commerce’s Position: In the *Preliminary Determination*, Commerce used the Maersk ocean freight container rates in our benchmark calculation for stainless steel coil. For purposes of this final determination, we continue to find the Maersk rates represent the best information on the record of this investigation. The Maersk ocean freight rates submitted by the petitioner are based on routes to mainland China,⁸⁰ whereas the coaster freight rates submitted by the GOC are for routes to Hong Kong,⁸¹ which is a separate customs territory from the rest of China. Thus, the coaster freight rates to Hong Kong do not reflect the price that an importer in China would pay if it imported stainless steel coil, as required by 19 CFR 351.511(a)(2)(iv). Therefore, for the purposes of the final determination, we find that the Maersk ocean freight container rates

⁷⁸ See, e.g., *Certain Oil Country Tubular Goods from the People’s Republic of China: Final Affirmative Countervailing Duty Determination, Final Negative Critical Circumstances Determination*, 74 FR 64045 (December 7, 2009) and accompanying IDM at Comment 13.

⁷⁹ See *Beijing Tianhai Indus. Co. v. United States*, 52 F. Supp. 3d 1351, 1373-75 (CIT 2015)

⁸⁰ See Petitioner’s Letter, “Refillable Stainless Steel Kegs from the People’s Republic of China: Benchmark Information,” (February 27, 2019) at Exhibit 3.

⁸¹ See GOC’s Letter, “Refillable Stainless Steel Kegs from the People’s Republic of China, Case No. C-570-094: GOC’s Rebuttal Factual Information to Petitioners’ Submission of Factual Information to Measure the Adequacy of Remuneration” (March 6, 2019) at Exhibits 4 and 5.

represent the best available information on the record of this investigation and will continue to use these rates in our calculation of the stainless steel coil benchmark.

Comment 7: Whether to Apply AFA to the Provision of Electricity for LTAR

GOC's Comments:

- The GOC acted to best of its ability with respect to providing information on the provision of electricity for LTAR, and therefore AFA should not be applied.
- Commerce disregarded record evidence that directly contradicted its finding that electricity was provided for LTAR and that any benefit received was specific; there are no facts on the record that support specificity. Therefore, in the final determination, Commerce should reverse its finding that the GOC provides electricity to Ningbo Master for LTAR.

The Petitioner's Rebuttal Arguments:

- Commerce's adverse inference with respect to specificity is both justified pursuant to the statute and, contrary to the GOC's assertions, is adequately supported by the record.
- The petition contained information establishing the specificity of the provision of electricity, including information that the NDRC uses electricity as an industrial policy tool.
- Although the GOC contends that it provided responses to "each and every question," it did not respond to those questions adequately. In the *Preliminary Determination*, Commerce correctly recognized that certain NDRC notices on the record contradict the GOC's description of the NDRC's role. Therefore, Commerce should continue to find that the provision of electricity for LTAR is specific based on adverse facts available on the record.

Commerce's Position: We continue to find that the GOC did not act to the best of its ability to provide requested information. As we explained in the *Preliminary Determination*, the GOC did not provide complete responses to Commerce's questions regarding the alleged provision of electricity for LTAR.⁸² In the original questionnaire, Commerce requested information from the GOC that was needed to determine whether the provision of electricity constituted a financial contribution within the meaning of section 771(5)(D) of the Act and whether such a provision was specific within the meaning of section 771(5A) of the Act. Consequently, in the *Preliminary Determination*, we relied on facts available pursuant to section 776(a)(2)(A) of the Act because the GOC withheld information that was requested of it for our analysis and applied AFA pursuant to section 776(b) of the Act because the GOC failed to cooperate by not acting to the best of its ability to comply with our requests for information.⁸³ Consistent with the Act and our practice, Commerce is continuing to apply AFA with respect to the provision of electricity for this final determination.

Commerce requested information regarding the derivation of electricity prices at the provincial level, the procedure for adjusting retail electricity tariffs, and the role of the NDRC and the provincial governments in this process.⁸⁴ Specifically, we asked how increases in cost elements led to retail price increases, the derivations of those cost increases, how cost increases were

⁸² See PDM at 27.

⁸³ *Id.*

⁸⁴ *Id.* at 24-26.

calculated, and how cost increases impacted final prices.⁸⁵ Additionally, we requested that the GOC explain, for each province in which a respondent or cross-owned company is located, how increases in labor costs, capital expenses, and transmission and distribution costs are factored into Price Proposals, and how cost element increases, and final price increases were allocated across the province and across tariff end-user categories.⁸⁶

As explained in detail in the *Preliminary Determination*, the GOC failed to fully explain the roles and nature of the cooperation between the NDRC and the provincial governments in deriving electricity price adjustments. As a result of the GOC's refusal to provide the requested information and unwillingness to cooperate, Commerce was unable to evaluate whether the electricity rates included in the electricity schedules submitted by the GOC were calculated based on market principles.⁸⁷ Accordingly, Commerce applied facts available with an adverse inference to the determination of the appropriate benchmark.⁸⁸ Specifically, because the GOC provided the provincial electrical tariff schedules, Commerce relied on this information for the application of facts available and, in making an adverse inference, Commerce identified the highest rates amongst these schedules for each reported electrical category and used those rates as the benchmarks in the benefits calculations.⁸⁹

While the GOC argues that its electricity tariffs are not specific because the same price is charged to each type of end-user within a province, Commerce's analysis and its specificity determination are not based on a conclusion that different users within a province are treated differently or that preferential rates otherwise exist within the province. Rather, the GOC's failure to cooperate requires that both our specificity determination and our benchmark determination must rely on the facts available on the record, with appropriate adverse inferences. As we explained in the *Preliminary Determination*, we attempted to obtain information on how Chinese provincial electricity rate schedules are calculated and why they differ; this information could have contributed to Commerce's analysis of an appropriate benchmark for the benefit calculation for this program.⁹⁰ The GOC's failure to provide complete responses to our questions regarding this program is the reason Commerce is applying AFA in this case with respect to the selection of an electricity benchmark. The GOC's refusal to answer Commerce's questions completely with respect to the roles and nature of cooperation between the NDRC and provinces in deriving electricity price adjustments and failure to explain both the derivation of the price reductions directed to the provinces by the NDRC and the derivation of prices by provinces themselves, leaves Commerce unable to carry out a specificity analysis. The GOC has failed to explain the reason for these differences in this and previous cases, claiming without support that the provincial governments set the rates for each province in accordance with market principles.

For the reasons stated above, we continue to find this program countervailable and to rely on our findings in the *Preliminary Determination* that the GOC's provision of electricity confers a

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ *Id.*

⁹⁰ *Id.*

financial contribution and is specific within the meaning of sections 771(5)(D) and 771(5A) of the Act, respectively. The GOC failed to provide certain requested information regarding the relationship (if any) between provincial tariff schedules and cost, as well as requested information regarding cooperation (if any) in price setting practices between the NDRC and provincial governments. Therefore, for the final determination, we continue to apply facts available with an adverse inference with regard to this program, including in our selection of the benchmark for determining the existence and amount of the benefit.⁹¹

Comment 8: Whether Commerce Should Include Electricity Purchased from a Private Enterprise in the Benefit Calculation for the Provision of Electricity for LTAR Program

Ningbo Master Comments:

- Commerce should not calculate a benefit for the electricity purchased by Major Technology from the workshop renter because the workshop renter is a private enterprise. If Commerce were to calculate a benefit for this, it should average the electricity benchmark rates for valley, peak, and high peak, because the workshop renter charged Major Technology average prices.

The Petitioner’s Rebuttal Arguments:

- Inputs produced by an authority and sold through private companies are countervailable and Commerce appropriately relied on the highest electricity rates on the record for the applicable rate and user categories to calculate the benefit received by Ningbo Master.
- Commerce should not rely on an average of benchmark rates as suggested by Ningbo Master. The workshop renter’s use of an average of various electricity rates to determine the prices it charged Major Technology has no bearing on the benchmark rate and Commerce has no reason to assume that those average rates were based on market rates, in the absence of necessary information from the GOC.

Commerce’s Position: In its questionnaire responses, Ningbo Master reported that Major Technology, one of its cross-owned input providers, purchased electricity from a private “workshop renter” during the POI.⁹² The workshop renter had purchased the electricity from the local state grid before reselling it to Major Technology.⁹³ In the *Preliminary Determination*, Commerce included these electricity purchases from the workshop renter to Major Technology in our benefit calculation.⁹⁴

⁹¹ See section 776(b)(4) of the Act.

⁹² See e.g., Zhejiang Major Technology Co., Ltd.’s Letter, “*Refillable Stainless Steel Kegs from the People’s Republic of China*–Section III Questionnaire Response – Major Technology” (December 19, 2018) (Major Technology IQR) at Exhibit 6.

⁹³ See Commerce’s Letter, “Investigation of Countervailing Duty on Refillable Stainless Steel Kegs from the People’s Republic of China: Ningbo Master Supplemental Questionnaire,” dated February 23, 2019 (Ningbo Master Supplemental Questionnaire) at 8.

⁹⁴ See Memorandum, “Countervailing Duty Investigation of Refillable Stainless Steel Kegs from the People’s Republic of China: Preliminary Determination Calculations for Ningbo Master International Trade Co., Ltd.,” (March 29, 2019) (Preliminary Calculation Memorandum) at 5.

Ningbo Master argues that the purchases from the workshop renter to Major Technology should be excluded from the benefit calculation because the workshop renter is a private company with no affiliation with Ningbo Master. We disagree with Ningbo Master. In prior CVD proceedings involving China, Commerce has determined that when a respondent purchases an input from a trading company or non-producing supplier, a subsidy is conferred if the producer of the input is an “authority” within the meaning of section 771(5)(B) of the Act and that the price paid by the respondent for the input was for LTAR.⁹⁵ Based on the response, the electricity that was purchased through the Ningbo Master was provided by the state electricity grid.⁹⁶ As such, for this final determination, we are continuing to include Major Technology’s electricity purchases from the workshop renter in our benefit calculation for the provision of electricity for LTAR program.

Further, Ningbo Master argues that if Commerce calculates a benefit for these electricity purchases, it should average the electricity benchmark rates for valley, peak, and high peak, because the workshop renter charged Major Technology average prices, rather than the “peak” rates used in the *Preliminary Determination*.⁹⁷ However, as discussed above, Commerce is applying AFA in this case in accordance with section 776(b) of the Act. Section 776(b) of the Act clearly states that Commerce “in reaching the applicable determination . . . may use an inference that is adverse to the interests of that party in selecting from among the facts otherwise available” and provides the basis for which an adverse inference may be made. The statute also describes the various sources upon which Commerce may rely to obtain the information for making the adverse inference, including information placed on the record of the proceeding. As such, the selection of the “peak” electricity rate to calculate the benefit for Major Technology’s electricity purchases from the workshop renter is reasonable and permissible under section 776(b) of the Act.

Comment 9: Whether Commerce Erred in the Benefit Calculation for the Provision of Electricity for LTAR Program

Ningbo Master’s Comments:

- Commerce used the incorrect fee to calculate a portion of Ningbo Master’s electricity benefit. Specifically, for Ningbo Master’s basic fee (identified as “transformer capacity”), Commerce used the benchmark for “max demand” instead of applying the benchmark for “transformer capacity” benchmark.

No other parties commented on this issue.

Commerce’s Position: We have examined the electricity sales schedule for the Zhejiang grid submitted in the GOC questionnaire response,⁹⁸ and we agree that the English translations for the

⁹⁵ See e.g., *Common Alloy Aluminum Sheet from the People’s Republic of China: Preliminary Affirmative Countervailing Duty (CVD) Determination, Alignment of Final CVD Determination With Final Antidumping Duty Determination, and Preliminary CVD Determination of Critical Circumstances*, 83 FR 17651 (April 23, 2018), and accompanying PDM at 18.

⁹⁶ See Ningbo Master Supplemental Questionnaire at 8.

⁹⁷ See Preliminary Calculation Memorandum at 5.

⁹⁸ See GOC IQR at Exhibit 7.

two column headings “Maximum demand” and “Transformer capacity” appear to have been transposed. Specifically, we find that the original Chinese version of the Zhejiang electricity sales schedule for “Transformer capacity- yuan/KVA/month” for large industry reports “30” as the rate and the “Maximum demand-yuan/KW/month” heading for large industry reads “40.” Commerce has corrected the electricity calculations accordingly.⁹⁹

Comment 10: Whether Commerce Properly Determined that the Provision of Policy Loans is Specific

GOC comments:

- There is no evidence on the record that supports finding loans issued by SOCBs to the stainless steel kegs industry to be *de jure* or *de facto* specific.
- Commerce lacked substantial evidence for the specificity determination, because the evidence cited addressed either the Chinese industry at-large or the steel and iron industry at-large, rather than the stainless steel keg industry.

The Petitioner’s Rebuttal Arguments:

- Commerce should maintain its specificity findings in the final determination.
- Commerce’s review of the record demonstrated that the GOC placed emphasis on targeting the industries that encompass kegs production, such as the steel industry, and the narrower stainless steel products industry.
- The statute does not require that the subsidy at issue is specific to the keg industry, rather, it is sufficient that the subsidy is specific to a broader industry that includes the keg industry, *i.e.*, the iron and steel industry.
- The National plans on the record, the *National 11th Five-Year Plan for Economic and Social Development (2006-2010)* and the *13th Five-Year Plan for Economic and Social Development of The People’s Republic of China (2016-202)* provide substantial evidence concerning the GOC’s policy goals and plans with respect to the steel industry – of which stainless steel keg production is a part – and demonstrate that the GOC uses financial tools such as preferential lending to effectuate those plans.

Commerce’s Position: In the *Preliminary Determination*, Commerce found these loans to be *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act because of GOC policy, as articulated in various government plans and directives, which encourages and supports the growth and development of the kegs industry. We continue to find that loans received by the kegs industry from SOCBs are *de jure* specific because they were made pursuant to government directives for the reasons discussed in the *Preliminary Determination*.¹⁰⁰

We disagree with the GOC’s position that the record lacks evidence of a Policy Loan program that is *de jure* specific to the kegs industry. As discussed in the *Preliminary Determination*, Commerce examined various plans, policies and government documents that indicate a *de jure* program of preferential lending to steel manufacturing and the consumer goods industry.¹⁰¹

⁹⁹ See Ningbo Master’s Final Analysis Memorandum.

¹⁰⁰ See PDM at 34-37.

¹⁰¹ *Id.*

Specifically, the *National 11th Five-Year Plan for Economic and Social Development (2006-2010)* (11th FYP), the GOC promises to “accelerate the structural readjustment of superior industries such as iron and steel.”¹⁰² The *Twelfth Five-Year Outline of the Guidelines for National Economic and Social Development of the People’s Republic of China* (12th FYP), the GOC promises to “encourage enterprises to build up international sales channels to increase their ability to expand international market shares....and actively develop emerging markets and promote the diversification of the export market.”¹⁰³ The 12th FYP also seeks to maintain “current advantage{s} in export markets” while “{supporting} new advantages based on technology, branding, quality and service” to “extend the value-added chain in China.”¹⁰⁴ Further, the 12th FYP seeks to create a “favorable environment to activate the development of SMEs... {by} increase{ing} the size and percentage of lending to SMEs, and broaden{ing} channels of direct financing.”¹⁰⁵

The *13th Five-Year Plan For Economic And Social Development Of The People’s Republic Of China (2016-2020)* (13th FYP), the GOC pledges to “set up a fund to provide rewards and subsidies for structural adjustments in industrial enterprises.”¹⁰⁶ The 13th FYP further encourages the “transform{ation} and upgrade {of} major manufacturing technologies and improv{ing} policies to support enterprises... thereby helping key manufacturing sectors move into the medium-high end {and} improv{ing} the supply of consumer goods.”¹⁰⁷ To achieve this goal, the 13th FYP states support for the development of “specialized small and medium enterprises,” such as downstream processors.¹⁰⁸ The 13th FYP promotes the development of “a number of competitive, well-known brands” through improvements in both product quality and product supervision.¹⁰⁹ Finally, the 13th FYP calls for lowering business costs by reducing taxes and fees, “maintain{ing} proper liquidity and interest rates,” and extending credit by creating a “national financing guaranty fund.”¹¹⁰

In the *Ningbo City Iron and Steel Industry Adjustment and Revitalization Action Plan (2009)*, the Ningbo City provincial government wrote that the 11th FYP “turned the steel industry into one of the five key harbor heavy and chemical industries in Ningbo city and laid a solid foundation for its future development, making Ningbo’s steel industry become an integral part of Zhejiang’s plan to build itself into a steel production base.”¹¹¹ The action plan further pledges to “strengthen the efforts to protect the large steel companies and increase the loans provided by policy banks and commercial banks to new projects of steel companies.”¹¹² In the *13th Five-Year Plan for National Economic and Social Development of Ningbo City* (Ningbo City 13th

¹⁰² See GOC IQR at Exhibit LOAN-6 at 11th FYP at 23.

¹⁰³ *Id.* at 12th FYP at 59.

¹⁰⁴ *Id.*

¹⁰⁵ *Id.* at 12th FYP at 11.

¹⁰⁶ *Id.* at LOAN-6 at 13th FYP at Section 5.

¹⁰⁷ *Id.* at 13th FYP at Chapter 22, Section 3, “Transformation and Upgrading of Traditional Industries.”

¹⁰⁸ *Id.*

¹⁰⁹ *Id.* at 13th FYP at Chapter 22, Section 4 “Quality and Brand Development.”

¹¹⁰ *Id.* at 13th FYP at Chapter 22, Section 6 “Lower Business Costs in the Real Economy.”

¹¹¹ *Id.* at Exhibit LOAN-13 at I. Current Situation of the Steel Industry.

¹¹² *Id.* at V. Safeguard Measures.

FYP), the Ningbo government states that it wants to “improv{e}the key competitiveness of manufacturing.”¹¹³

Finally, in the *Preliminary Determination*, we found that a key tool in the GOC’s economic development plans is preferential lending.¹¹⁴ Specifically, the GOC uses preferential lending to pursue economic development goals through the 13th FYP, which sets a target of maintaining “proper liquidity and interest rates, creat{ing} new direct financing product suitable to the needs of enterprises and establishing a national financing guaranty fund.”¹¹⁵ Thus, given the policies and plans discussed above, we preliminarily determined there is a program of preferential policy lending specific to producers of kegs within the meaning of section 771(5A)(D)(i) of the Act.¹¹⁶

The GOC argues that the information Commerce used to determine *de jure* specificity in the *Preliminary Determination* addressed the steel and/or iron industries at-large. However, the GOC states, there is no evidence on the record supporting a finding that loans issued by SOCBs to the kegs industry are *de jure* specific. As we stated in the *Preliminary Determination*, when examining a policy lending program, Commerce looks to whether government plans or other policy directives lay out objectives or goals for developing the industry and call for lending to support such objectives or goals.¹¹⁷ Where such plans or policy directives exist, then it is our practice to find that a policy lending program exists that is *de jure* specific to the targeted industry (or producers that fall under that industry) within the meaning of section 771(5A)(D)(i) of the Act.

The evidence cited above demonstrates that the GOC encourages compliance with the development policies for the iron and steel industry, which includes the kegs industry, and that it encourages these development policies via finance policy and banks. Accordingly, we continue to find that there is a program of preferential policy lending specific to the iron and steel industry, including kegs producers, within the meaning of section 771(5A)(D)(i) of the Act.

¹¹³ *Id.* at Exhibit LOAN-14 at Ningbo City 13th FYP at

¹¹⁴ *See* PDM at 35.

¹¹⁵ *See* GOC SQR at 13th FYP at Chapter 22, Section 6 “Lower Business Costs in the Real Economy.”

¹¹⁶ *See* PDM at 35.

¹¹⁷ *Id.*

X. RECOMMENDATION

We recommend approving all of the above positions. If these positions are accepted, we will publish the final determination in the *Federal Register* and will notify the U.S. International Trade Commission of our determination.

Agree

Disagree

10/17/2019

X 

Signed by: JEFFREY KESSLER

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

APPENDIX

Program Name	Rate	Source
Preferential Lending		
Preferential Loans to “Honorable Enterprises”	10.54%	<i>See Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order, 75 FR 70201 (November 17, 2010) (Coated Paper from China)</i>
Treasury Bond Loans	10.54%	<i>Coated Paper from China</i>
Loans & Interest Subsidies Provided Pursuant to The Northeast Revitalization Program	10.54%	<i>Coated Paper from China</i>
Policy Loans to the Refillable Stainless Steel Keg Industry	0.43%	Rate calculated for Ningbo Master
Discounted Loans for Export-Oriented Enterprises	10.54%	<i>Coated Paper from China</i>
Provision of Goods and Services for Less Than Adequate Remuneration (LTAR)		
Provision of Stainless Steel Coil for LTAR	15.01%	Rate calculated for Ningbo Master
Provision of Stainless Steel Inputs for LTAR	15.01%	Rate calculated for Ningbo Master (Stainless Steel Coil for LTAR)
Provision of Electricity For LTAR	0.38%	Rate calculated for Ningbo Master
Government Provision of Land to SOEs	5.24%	<i>See Countervailing Duty Investigation of Certain Hardwood Plywood Products from the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in</i>

		<i>Part, 82 FR 53473 (November 16, 2017) (Hardwood Plywood).</i>
Provision of Land-Use Rights in Certain Industrial and Other Special Economic Zones	5.24%	<i>Hardwood Plywood</i>
Direct Tax Exemptions and Reductions		
Preferential Income Tax Policy for Enterprises in The Northeast Region	25.00%	The standard income tax rate for corporations in China during the period of investigation was 25 percent. Thus, the highest possible benefit for all income tax reduction or exemption programs combined is 25 percent. Accordingly, we are applying the 25 percent AFA rate on a combined basis (<i>i.e.</i> , finding that the three programs, combined, provide a 25 percent benefit)
Enterprise Income Tax Law, Research and Development (R&D) Program		
Income Tax Reductions for High-And New-Technology Enterprises (HNTEs)		
Indirect Tax Exemptions and Reductions		
VAT and Tariff Exemptions for Purchases of Fixed Assets under the Foreign Trade Development Fund	9.71%	<i>See New Pneumatic Off-the-Road Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, 75 FR 64268, 64275 (October 19, 2010) unchanged in New Pneumatic Off-the-Road Tires from the People's Republic of China: Final Results of Countervailing Duty Administrative Review, 76 FR 23286 (April 26, 2011) (OTR Tires from China).</i>
Grants¹¹⁸		
Famous Brands Award	0.62%	<i>Isos from China-2014</i>
State Key Technology Renovation Project Fund	0.62%	<i>Isos from China-2014</i>
China State Owned Enterprises Restructuring Fund	0.62%	<i>Isos from China-2014</i>
Special Funds for International Market Expansion	0.12%	Rate calculated for Ningbo Master

¹¹⁸ For all grant programs, we assigned a rate of 0.62. *See Isos from China-2014.*

Export Assistance Grants	0.15%	Rate calculated for Ningbo Master
Grants for the Retirement of Capacity	0.62%	<i>Isos from China-2014</i>
Guangdong Province HNTE Incubation Program	0.62%	<i>Isos from China-2014</i>
Grants for Energy Conservation and Reduction	0.62%	<i>Isos from China-2014</i>
Self-Reported Subsidies		
Prize for Enterprise's Independent Evaluation	0.02%	Rate calculated for Ningbo Master
Subsidy Fund of Provincial Commerce Improvement	0.03%	Rate calculated for Ningbo Master
Supporting Fund for Technology Improvement in Jiangbei District	0.02%	Rate calculated for Ningbo Master
Steady Position Subsidy for Enterprise	0.01%	Rate calculated for Ningbo Master
Patent Subsidy in Jiangbei District	0.01%	Rate calculated for Ningbo Master
Special Fund for Steady Increase and Promotion of Enterprises in Jiangbei District	0.03%	Rate calculated for Ningbo Master
Special Fund for Foreign Trade Development of Jiangbei District	0.62%	<i>See Chlorinated Isocyanurates from the People's Republic of China: Final Results of Countervailing Duty Administrative Review, and Partial Rescission of Countervailing Duty Administrative Review; 2014, 82 FR 27466 (June 15, 2017) (Isos from China-2014).</i>
Industrial Economy Subsidy in 2011	0.62%	<i>Isos from China-2014</i>
Subsidy for Ningbo Export Credit Insurance Premium from October 2011 to September 2012	0.62%	<i>Isos from China-2014</i>
Subsidy for Ningbo Import & Export Credit Insurance Premium from October 2012 to March 2013	0.62%	<i>Isos from China-2014</i>

Subsidy for Ningbo Export Credit Insurance Premium from October, 2012 to September, 2013	0.62%	<i>Isos from China-2014</i>
Safety Production Prize in 2013	0.62%	<i>Isos from China-2014</i>
Social Insurance Subsidy for College Graduates by Small and Micro Enterprises in Jiangbei District in 2013	0.62%	<i>Isos from China-2014</i>
Prize Fund for New Small and Micro Enterprises in 2013	0.62%	<i>Isos from China-2014</i>
Subsidy for Verification Fee of Safety Production Standardization Enterprises in 2013	0.62%	<i>Isos from China-2014</i>
Tax Deduction for New Small and Micro Enterprises in 2013	0.62%	<i>Isos from China-2014</i>
Prize for the State Third Level Safety Standardization	0.62%	<i>Isos from China-2014</i>
Subsidy for Management Consultation and Innovation Program of Small and Middle Enterprises in Ningbo in 2014	0.62%	<i>Isos from China-2014</i>
Deduction of Property Tax for Standardization Small and Micro Enterprises in 2014	0.62%	<i>Isos from China-2014</i>
Deduction of Land Use Tax for Standardization Small and Micro Enterprises in 2014	0.62%	<i>Isos from China-2014</i>
Subsidy for Ningbo Export Credit Insurance Premium from October 2013 to September 2014	0.62%	<i>Isos from China-2014</i>
District Subsidy in 2013	0.62%	<i>Isos from China-2014</i>
Municipal Patent Subsidy for April-June 2014	0.62%	<i>Isos from China-2014</i>
District Patent Subsidy for April-June 2014	0.62%	<i>Isos from China-2014</i>
District Patent Subsidy for July-October 2014	0.62%	<i>Isos from China-2014</i>
Prize for Safety Production Verification in 2014	0.62%	<i>Isos from China-2014</i>
Subsidy for Ningbo Import & Export Credit Insurance Premium from October to December 2014	0.62%	<i>Isos from China-2014</i>
Local Water Works Fund	0.62%	<i>Isos from China-2014</i>

Foreign Intelligent Introduction Program Fund in 2014	0.62%	<i>Isos from China-2014</i>
Steady Position Subsidy for Enterprise in 2014	0.62%	<i>Isos from China-2014</i>
Social Insurance Subsidy for College Graduates by Small and Micro Enterprises in October 2015	0.62%	<i>Isos from China-2014</i>
Prize for Model Enterprises with Improvement of Resources Storage	0.62%	<i>Isos from China-2014</i>
Prize for Model Enterprises in 2015	0.62%	<i>Isos from China-2014</i>
Supporting Fund for the First Batch of Industrial Enterprises in 2015	0.62%	<i>Isos from China-2014</i>
Prize for Safety Production Verification in 2015	0.62%	<i>Isos from China-2014</i>
Prize for the Star Enterprise Taxpayer of Hengjie Town in 2015	0.62%	<i>Isos from China-2014</i>
Foreign Trade Development Fund of Taizhou City in 2015	0.62%	<i>Isos from China-2014</i>
Foreign Trade Support Fund of Jiangbei District, Ningbo City in 2015	0.62%	<i>Isos from China-2014</i>
Subsidy Fund of Provincial Commerce Improvement in 2015	0.62%	<i>Isos from China-2014</i>
Subsidy for Ningbo Import & Export Credit Insurance Premium in 2015	0.62%	<i>Isos from China-2014</i>
Steady Position Subsidy for Enterprise in 2015	0.62%	<i>Isos from China-2014</i>
Subsidy for Training the Skilled Talent Employees	0.62%	<i>Isos from China-2014</i>
Municipal Technology Plan Program Supporting Fund in 2017	0.62%	<i>Isos from China-2014</i>

Total AFA Subsidy Rate: 145.23%