A-570-967
Administrative Review
05/01/2017-04/30/2018
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April 10, 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 Preliminary Results of Antidumping Duty Administrative Review: Aluminum Extrusions from the People's Republic of China; 2017-2018

Summary

In response to requests from interested parties, the Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty (AD) order on aluminum extrusions from the People's Republic of China (China),[1] in accordance with section 751(a)(1) of the Tariff Act of 1930, as amended (the Act). The period of review (POR) is May 1, 2017, through April 30, 2018. We are rescinding this administrative review, in part, for the companies for which all review requests were timely withdrawn. We preliminarily determine that none of the companies for which an administrative review was requested, and not withdrawn, have demonstrated their eligibility for a separate rate and are, therefore, part of the China-wide entity.

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

[1] *See Aluminum Extrusions from the People's Republic of China: Antidumping Duty Order*, 76 FR 30650 (May 26, 2011) (the *Order*).

Background

On May 26, 2011, Commerce published in the *Federal Register* an antidumping duty (AD) order on aluminum extrusions from China.[2] On May 1, 2018, Commerce published a notice of opportunity to request an administrative review of the *Order*.[3] On May 31, 2018, the Aluminum Extrusions Fair Trade Committee (the petitioner) and domestic interested party Endura Products, Inc. (Endura) (collectively, the petitioner/Endura) timely requested an administrative review of 239 companies.[4] On the same day, Columbia Aluminum Products, LLC (Columbia), an importer, also requested an administrative review of four of its Chinese suppliers.[5] On July 12, 2018, we initiated an administrative review of the 243 companies for which a review was requested.[6]

In the *Initiation Notice*, Commerce stated that if it limited the number of respondents for individual examination in this administrative review, it intended to select respondents based on volume data reported in Q&V questionnaire responses.[7] On July 25, 2018, Commerce posted the Q&V Issuance Memorandum, notifying interested parties that the Q&V questionnaire was available on Commerce's website as of that date.[8] On August 27, 2018, Commerce issued Q&V questionnaires to the companies with the largest import values, as reflected in the CBP data.[9]

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[2] *Id*.

[3] *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 83 FR 19047, 19049 (May 1, 2018).

[4] *See* Petitioner/Endura Letter re: Aluminum Extrusions from the People's Republic of China: Request for Administrative Review, dated May 31, 2018 (Petitioner/Endura's Request for Review). Although in its request, the petitioner/Endura grouped certain companies together (*e.g.*, "Changshu Changshen Aluminum Products Co., Ltd./ Changshu Changsheng Aluminum Products Co., Ltd."), Commerce initiated this segment of the proceeding with respect to each named company (*e.g.*, "Changshu Changshen Aluminum Products Co., Ltd.," and "Changshu Changsheng Aluminium Products Co., Ltd."). This resulted in a larger number of individual companies being listed in the *Initiation Notice*. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 32270, 32274-32277 (July 12, 2018) (*Initiation Notice*), corrected by *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 39688, 39690, n.9 (August 10, 2018) (correcting the *Initiation Notice* with respect to "Asia Alum Group" and "Atlas Integrated Manufacturing Ltd." – two companies that were previously listed together) (*Initiation Notice Correction*).

[5] Columbia requested an administrative review with respect to the following companies: Fukang Aluminum & Plastic Import and Export Co., Ltd. (Fukang), Gaotang Xinhai Economy &Trade Co., Ltd. (Gaotang), Shanghai Top-Ranking New Materials Co., Ltd. (Shanghai Top-Ranking), and Houztek Architectural Products Co., Ltd. (Houztek). These companies were not included in the Petitioner/Endura's Request for Review. *See* Columbia Letter re: Aluminum Extrusions from the People's Republic of China: Request for Administrative Review, dated May 31, 2018; *see also* Petitioner/Endura's Request for Review at Attachment A.

[6] *See Initiation Notice*, 83 FR at 32274-32277; and *Initiation Notice Correction*, 83 FR at 39690, n.9.

[7] *See Initiation Notice*, 83 FR at 32270.

[8] *See* Commerce Letter re: Administrative Review of the Antidumping Duty Order on Aluminum Extrusions from the People's Republic of China; 2017-2018: Issuance of Quantity and Value Questionnaire, dated July 25, 2018; s*ee also* Memorandum, "2017-2018 Administrative Review of the Antidumping Duty Order on Aluminum Extrusions from the People's Republic of China: Correction of Initiation Notice and Deadlines for Notice of No Sales, Separate Rate Application/Certifications, and Quantity and Value Questionnaire Responses," dated July 25, 2018.

[9] *See* Commerce Letters to Changzhou Changzheng Evaporator Co., Ltd. (Changzheng Evaporator); Changzhou Tenglong Auto Accessories Manufacturing Co. Ltd. (Tenglong Auto Accessories); Changzhou Tenglong Auto Parts Co., Ltd. (Tenglong Auto Parts); Dynamic Technologies China (Dynamic); Foshan Shanshui Fenglu Aluminum Co., Ltd. (Fenglu); Precision Metal Works Ltd. (Precision), and Sincere Profit Ltd (Sincere Profit), each dated August 27, 2018.

Between August 10 and September 3, 2018, we timely received responses to our Q&V questionnaire from eight companies.[10]

In the *Initiation Notice*, Commerce also notified parties of the application process by which exporters may obtain separate-rate status in an NME proceeding.[11] Between September 4 and September 7, 2018, Cosco (J.M.) Aluminum Co., Ltd. (Cosco) and Houztek Architectural Products Co., Ltd. (Houztek) timely submitted separate rate applications (SRA).[12]

On October 10, 2018, the petitioner/Endura timely withdrew their request for review of all but 25 companies.[13] On the same day, Columbia withdrew its request for administrative review for all but one company.[14] A table listing the 26 companies for which a withdrawal request was not filed by the petitioner/Endura or Columbia (*i.e.*, the companies which remain under review) is included in the attachment to this memorandum. This table indicates that, of the 26 companies for which a review remains in effect, only two applied for separate-rate status (*i.e.*, Cosco[15] and Houztek[16]), and only one of those two submitted a Q&V response (*i.e.*, Cosco).[17]

On December 3, 2018, we identified Cosco as the mandatory respondent in this administrative review,[18] and we issued an antidumping administrative review questionnaire to Cosco.[19] Cosco did not respond to Commerce's questionnaire. On February 26, 2019, the petitioner/Endura submitted comments regarding the preliminary results.[20]

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[10] *See* "Respondent Selection" section, below, for a list of these companies and additional detail.
[11] *See Initiation Notice*, 83 FR at 32271-32272.
[12] *See* Cosco Letter re: Aluminum Extrusions from the People's Republic of China: Quantity and Value Questionnaire (A-570-967); Separate Rate Application, dated September 4, 2018 (Cosco SRA); *see also* Houztek Letter re: Aluminum Extrusions from the People's Republic of China: Separate Rates Application, dated September 7, 2018 (Houztek SRA).
[13] *See* Petitioner/Endura Letter re: Aluminum Extrusions from the People's Republic of China: Withdrawal of Request for Administrative Review, dated October 10, 2018 (Petitioner/Endura's Withdrawal Letter). Petitioner/Endura's Withdrawal Letter only identified the 16 companies for which a request for review was not withdrawn. We note that although Petitioner/Endura's Withdrawal Letter contains company groupings, as stated previously, above, we separated such groupings to reflect individual company names for purposes of initiation. *See Initiation Notice*, 83 FR at 32274-32277; and *Initiation Notice Correction*, 83 FR at 39690, n.9.
[14] *See* Columbia Letter re: Aluminum Extrusions from China, dated October 10, 2018 (Columbia's Withdrawal Letter). Columbia withdrew its request for review with respect to the following companies: Fukang, Gaotang, and Shanghai Top-Ranking. Accordingly, the only company for which a request by Columbia for an administrative review remains is Houztek.
[15] *See* Cosco SRA.
[16] *See* Houztek SRA.
[17] *See* Cosco Letter re: Aluminum Extrusions from the People's Republic of China: Quantity and Value Questionnaire (A-570-967); Q&V Response, dated August 13, 2018 (Cosco Q&V).
[18] *See* Memorandum, "Aluminum Extrusions from the People's Republic of China, 2017-2018 Administrative Review: Memorandum for Identification of Mandatory Respondent," dated December 3, 2018. For additional detail, *see* the "Respondent Selection" section, below.
[19] *See* Commerce Letter to Cosco, containing the standard antidumping duty questionnaire, dated December 3, 2018.
[20] *See* Petitioner/Endura Letter re: Aluminum Extrusions from the People's Republic of China: Comments on Upcoming Preliminary Results, dated February 26, 2019.

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.[21] If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. On March 11, 2019, we extended the deadline for the preliminary results by 30 days.[22] The revised deadline for the preliminary results is now April 11, 2019.

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,

[21] *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 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.
[22] *See* Memorandum, "Aluminum Extrusions from the People's Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated March 11, 2019.

swedged, mitered, chamfered, threaded, and spun. The subject merchandise includes aluminum extrusions that are finished (coated, painted, *etc.*), fabricated, or any combination thereof.

Subject aluminum extrusions may be described at the time of importation as parts for final finished products that are assembled after importation, including, but not limited to, window frames, door frames, solar panels, curtain walls, or furniture. Such parts that otherwise meet the definition of aluminum extrusions are included in the scope. The scope includes the aluminum extrusion components that are attached (*e.g.*, by welding or fasteners) to form subassemblies, *i.e.*, partially assembled merchandise unless imported as part of the finished goods 'kit' defined further below. The scope does not include the non-aluminum extrusion components of subassemblies or subject kits.

Subject extrusions may be identified with reference to their end use, such as fence posts, electrical conduits, door thresholds, carpet trim, or heat sinks (that do not meet the finished heat sink exclusionary language below). Such goods are subject merchandise if they otherwise meet the scope definition, regardless of whether they are ready for use at the time of importation. The following aluminum extrusion products are excluded: aluminum extrusions made from aluminum alloy with an Aluminum Association series designations commencing with the number 2 and containing in excess of 1.5 percent copper by weight; aluminum extrusions made from aluminum alloy with an Aluminum Association series designation commencing with the number 5 and containing in excess of 1.0 percent magnesium by weight; and aluminum extrusions made from aluminum alloy with an Aluminum Association series designation commencing with the number 7 and containing in excess of 2.0 percent zinc by weight.

The scope also excludes finished merchandise containing aluminum extrusions as parts that are fully and permanently assembled and completed at the time of entry, such as finished windows with glass, doors with glass or vinyl, picture frames with glass pane and backing material, and solar panels. The scope also excludes finished goods containing aluminum extrusions that are entered unassembled in a "finished goods kit." A finished goods kit is understood to mean a packaged combination of parts that contains, at the time of importation, all of the necessary parts to fully assemble a final finished good and requires no further finishing or fabrication, such as cutting or punching, and is assembled "as is" into a finished product. An imported product will not be considered a "finished goods kit" and therefore excluded from the scope of the *Order* merely by including fasteners such as screws, bolts, *etc.* in the packaging with an aluminum extrusion product.

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

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

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

Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): 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.[23]

[23] *See* the *Order*.

Respondent Selection

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

In the *Initiation Notice*, Commerce stated that if it limited the number of respondents for individual examination in this administrative review, it intended to select respondents based on volume data reported in Q&V questionnaire responses.[24] Commerce further stated that it intended to limit the number of Q&V questionnaires issued in the review based on import values in the CBP data for aluminum extrusions from China.[25] Specifically, Commerce explained that the wide variety of products covered by the scope of the *Order* would preclude meaningful results in attempting to ascertain the largest Chinese exporters of subject merchandise using import volumes in the CBP data.[26]

We posted the Q&V Issuance Memorandum on the record on July 25, 2018, notifying interested parties that the Q&V questionnaire was available on Commerce's website as of that date.[27] We queried CBP's Automated Commercial System for all entries of subject merchandise suspended pursuant to the *Order*, for the period May 1, 2017, through April 30, 2018, manufactured or exported by the companies on which we initiated this administrative review. On August 29, 2018, we placed the proprietary results of the data query on the administrative record of this proceeding, and stated that we intended to issue Q&V questionnaires to the 10 companies with the largest import values as shown in the CBP data.[28] Consistent with the *Initiation Notice*, we provided a period of five days for interested parties to comment on the CBP data.[29] On September 4, 2018, the petitioner/Endura submitted comments on the CBP data.[30]

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[24] *See Initiation Notice*, 83 FR at 32270.
[25] *Id*.
[26] *Id*.
[27] *See* Commerce Letter re: Administrative Review of the Antidumping Duty Order on Aluminum Extrusions from the People's Republic of China; 2017-2018: Issuance of Quantity and Value Questionnaire, dated July 25, 2018; *see also* Memorandum, "2017-2018 Administrative Review of the Antidumping Duty Order on Aluminum Extrusions from the People's Republic of China: Correction of Initiation Notice and Deadlines for Notice of No Sales, Separate Rate Application/Certifications, and Quantity and Value Questionnaire Responses," dated July 25, 2018.
[28] *See* Memorandum, "2017-2018 Administrative Review of the Antidumping Duty Order on Aluminum Extrusions from the People's Republic of China: U.S. Customs and Border Protection Data," dated August 29, 2018 (CBP Data Memorandum). The results of Commerce's data query are proprietary and contained in the Attachment to the CBP Data Memorandum.
[29] *Id*. at 2, citing *Initiation Notice*, 83 FR at 32271.
[30] *See* Petitioner/Endura Letter re: Aluminum Extrusions from the People's Republic of China: Comments on CBP Data and Respondent Selection dated September 4, 2018. As explained below, the issues raised by the petitioner/Endura in its comments were rendered moot by its subsequent withdrawal of request for administrative review.

On August 27, 2018, we issued Q&V questionnaires to the companies with the ten largest import values, as reflected in the CBP data.[31] We timely received Q&V responses from the following companies: (1) Shenyang Yuanda Aluminium Industry Engineering Co. Ltd. (Yuanda);[32] (2) Tai-Ao Aluminum (Taishan) Co., Ltd. (Tai-Ao);[33] (3) Changshu Changsheng Aluminium Products Co., Ltd. (Changsheng Aluminium);[34] (4) Cosco;[35] (5) Guangdong Xin Wei Aluminum Products Co., Ltd.;[36] (6) Xin Wei Aluminum Co.;[37] (7) Xin Wei Aluminum Company Limited;[38] and (8) Sincere Profit Ltd (Sincere Profit).[39]

On December 3, 2018, Commerce identified Cosco as the sole producer or exporter eligible for individual examination as a mandatory respondent in this administrative review, because: (1) no review request was withdrawn for Cosco, (2) Cosco was one of only two remaining companies which filed an SRA or SRC, and (3) Cosco was the only remaining company that submitted a response to Commerce's Q&V questionnaire.[40]

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), the Secretary will rescind an administrative review, in whole or in part, if the party that requested the review withdraws its request within 90 days of the date of publication of the notice of initiation of the requested review. On October 10, 2018, the petitioner/Endura and Columbia timely withdrew their requests for review of 217 companies.[41] Commerce is rescinding this review, in part, with respect to the 217 companies for which all requests for review were timely withdrawn, in accordance with 19 CFR 351.213(d)(1).[42]

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[31] *See* Commerce Letters to Changzheng Evaporator, Tenglong Auto Accessories, Tenglong Auto Parts, Dynamic, Fenglu, Precision, and Sincere Profit, each dated August 27, 2018. Three of the 10 companies with the largest import values had already provided voluntary Q&V responses, as set out above; therefore, we did not issue a Q&V questionnaire to these three companies.

[32] *See* Yuanda Letter re: Aluminum Extrusions from the People's Republic of China: Quantity and Value Questionnaire Response, dated August 20, 2018.

[33] *See* Tai-Ao Letter re: Q&V Response for Tai-Ao in the 2017-18 Administrative Review of the Antidumping Duty Order on Aluminum Extrusions from the People's Republic of China, dated August 20, 2018.

[34] *See* Changsheng Aluminium Letter re: Aluminum Extrusions from the People's Republic of China: Quantity and Value Response, dated August 20, 2018.

[35] *See* Cosco Q&V.

[36] *See* Xin Wei Aluminum Company Limited / Guangdong Xin Wei Aluminum Products Co., Ltd. / Xin Wei Aluminum Co. Letter re: Aluminum Extrusions from the People's Republic of China: Certification of No Sales, Shipments, or Entries, dated August 10, 2018 (this submission, jointly filed by these three companies, specifically included a response to the Q&V questionnaire).

[37] *Id.*

[38] *Id.*

[39] *See* Sincere Profit Letter re: Sincere Profit Limited (the 'Company') – Response to Quantity & Value Questionnaire, dated September 3, 2018.

[40] *See* Memorandum, "Aluminum Extrusions from the People's Republic of China, 2017-2018 Administrative Review: Memorandum for Identification of Mandatory Respondent," dated December 3, 2018.

[41] *See* Petitioner/Endura's Withdrawal Letter. *See also* Columbia's Withdrawal Letter; Columbia timely withdrew its request with respect to all but one of the companies for which it had requested review. A request for an administrative review therefore remains in place for 26 companies.

[42] *See* Appendix II of the *Federal Register* notice for a complete list of the 217 companies.

Non-Market Economy Country

Commerce considers China to be a non-market economy (NME) country.[43] In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by Commerce.[44] None of the parties to this proceeding contested such treatment. Therefore, we continue to treat China as an NME country for purposes of these preliminary results.

Separate Rates

Pursuant to section 771(18)(C)(i) of the Act, a designation of a country as an NME remains in effect until it is revoked by Commerce. Accordingly, there is a rebuttable presumption that all companies within China are subject to government control and, thus, should be assessed a single AD duty rate.[45]

In the *Initiation Notice*, Commerce notified parties of the application process by which exporters may obtain separate-rate status in an NME proceeding.[46] It is Commerce's policy to assign all exporters of the merchandise subject to review in NME countries a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, Commerce analyzes each exporting entity in an NME country under the test established in *Sparklers*,[47] as further developed by *Silicon Carbide*.[48] However, if Commerce determines that a company is wholly foreign-owned, then an analysis of the *de jure* and *de facto* criteria is not necessary to determine whether it is independent from government control.[49]

In order to demonstrate eligibility for separate-rate status, Commerce requires entities for which a review was requested, and which were assigned a separate rate in the most recent segment of this proceeding in which they participated, to submit an SRC stating that they continue to meet

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[43] *See Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination,* 82 FR 50858, 50861 (November 2, 2017) and accompanying decision memorandum, *China's Status as a Non-Market Economy*.

[44] *See*, *e.g.*, *Brake Rotors from the People's Republic of China: Preliminary Results and Partial Rescission of the 2004/2005 Administrative Review and Preliminary Notice of Intent To Rescind the 2004/2005 New Shipper Review*, 71 FR 26736 (May 8, 2006), unchanged in *Brake Rotors from the People's Republic of China: Final Results and Partial Rescission of the 2004/2005 Administrative Review and Notice of Rescission of 2004/2005 New Shipper Review*, 71 FR 66304 (November 14, 2006).

[45] *See*, *e.g.*, *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People's Republic of China*, 71 FR 53079, 53082 (September 8, 2006).

[46] *See Initiation Notice*, 83 FR at 32271-32272.

[47] *See Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (*Sparklers*).

[48] *See Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (*Silicon Carbide*).

[49] *See*, *e.g.*, *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles from the People's Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

the criteria for obtaining a separate rate.[50] For entities which currently do not have a separate rate from a completed segment of the proceeding, to demonstrate eligibility for a separate rate, Commerce requires a SRA.[51] Companies that submit a SRA or SRC which are subsequently selected as mandatory respondents must respond to all parts of Commerce's questionnaire in order to be eligible for separate rate status.[52]

As stated previously, Cosco submitted its SRA on September 4, 2018.[53] On September 17, 2018, the petitioner/Endura submitted comments on the Cosco SRA.[54] On December 3, 2018, we identified Cosco as the mandatory respondent in this administrative review,[55] and we issued an antidumping questionnaire to Cosco.[56] Cosco did not respond to Commerce's antidumping questionnaire and is, therefore, ineligible for a separate rate.[57]

On September 7, 2018, Houztek submitted its SRA.[58] Between October 26, 2018 and January 31, 2019, the petitioner/Endura and Houztek submitted comments on the Houztek SRA.[59]

- The petitioner/Endura requested that we reject Houztek's SRA and deny it a separate rate because Houztek's SRA had numerous deficiencies, including a failure to demonstrate that the company had a Type 3 entry of subject merchandise during the period of review.[60]

- Houztek responded that certain scope requests made by parties other than Houztek were (at that time) still pending before Commerce.[61] Three separate requests by Worldwide

[50] *See Initiation Notice*, 83 FR at 32271-32272.
[51] *Id.*
[52] *Id.*
[53] *See* Cosco Letter re: Aluminum Extrusions from the People's Republic of China: Quantity and Value Questionnaire (A-570-967); Separate Rate Application, dated September 4, 2018 (Cosco SRA).
[54] *See* Petitioner/Endura Letter re: Aluminum Extrusions from the People's Republic of China: Comments on Cosco Aluminum's Separate Rate Application, dated September 17, 2018.
[55] *See* Memorandum, "Aluminum Extrusions from the People's Republic of China, 2017-2018 Administrative Review: Memorandum for Identification of Mandatory Respondent," dated December 3, 2018.
[56] *See* Commerce Letter to Cosco, containing the standard antidumping duty questionnaire, dated December 3, 2018.
[57] *See Initiation Notice*, 83 FR at 32272.
[58] *See* Houztek SRA.
[59] *See* Petitioner/Endura Letter re: Aluminum Extrusions from the People's Republic of China: Comments on Houztek's Separate Rate Application, dated October 26, 2018 (Petitioner/Endura's Houztek SRA Comments); *see also* Houztek Letter re: Aluminum Extrusions from China: Antidumping (AD), dated November 26, 2018 (Houztek's SRA Comments Rebuttal); *see also* Petitioner/Endura Letter re: Aluminum Extrusions from the People's Republic of China: Comments on Houztek's November 26, 2018 Letter, dated December 6, 2018 (Petitioner/Endura's SRA Comments Surrebuttal); *see also* Houztek Letter re: Aluminum Extrusions from the People's Republic of China, dated December 13, 2018 (Houztek's Second SRA Comments Rebuttal); *see also* Petitioner/Endura Letter re: Aluminum Extrusions from the People's Republic of China: Response to Houztek's December 13, 2018 Comments, dated January 31, 2019 (Petitioner/Endura's Second SRA Comments Surrebuttal).
[60] Petitioner/Endura's Houztek SRA Comments, at 2-3. The petitioner/Endura stated that deficiencies existed with regard to the name or names of the company (at 3-4), the names of shareholders of the company (at 4), and the legibility of the SRA (at 4).
[61] *See* Memorandum: "Aluminum Extrusions from the People's Republic of China, 2017-2018 Administrative Review: Placement of Final Scope Ruling on the Record" (Scope Ruling Memorandum) dated concurrently with this memorandum.

Door Components Inc. (Worldwide), MJB Wood Group Inc. (MJB), and Columbia Aluminum Products (Columbia Aluminum) were consolidated; each company requested that Commerce determine that certain door threshold products imported by Worldwide, MJB, or Columbia were not subject to the *Order*. Houztek stated, "Until a decision by Commerce thereon, it does not seem that Columbia Aluminum itself can unilaterally classify its U.S. imports from Houztek as "03" within the scope of the AD/CVD Order."[62] Houztek also replied, "If instead Houztek sales to the U.S. are found by Commerce to be within the scope of the AD/CVD Order, then with that Commerce instruction Columbia Aluminum needs to revise the U.S. import entry documents to so indicate."[63]

- The petitioner/Endura replied that the scope requests made by parties other than Houztek have no bearing on whether Houztek should be granted a separate rate, since Commerce's practice is to only conduct administrative reviews on suspended entries of subject merchandise.[64] The petitioner/Endura reiterated that Houztek had failed to demonstrate its eligibility for separate rate status and that Commerce should deny separate rate status to the company, as Houztek had offered no meaningful argument otherwise.[65]

- Houztek's rejoinder stated that it had period of review entries which were suspended due to an EAPA[66] investigation, "irrespective of any 01 or 03 designation."[67] Houztek repeated its statement, "Commerce is currently determining whether Houtzek's finished thresholds are within the scope of the AD/CVD order or not."[68]

- The petitioner/Endura's answer argued that Houztek was conflating the entity requesting a separate rate, *i.e.*, the exporter (Houztek), with the importer which was the subject of the EAPA investigation and the scope proceeding.[69] The petitioner/Endura stated that whether parties other than Houztek requested scope rulings or were investigated for evasion of the *Order* does not demonstrate that Houztek is eligible for a separate rate.[70] The petitioner/Endura maintained, "Designation of an entry of merchandise as Type 1 is a claim that such merchandise is not subject to antidumping/countervailing duties and thus that such entry should not be suspended."[71] The petitioner/Endura pointed out that the EAPA investigation had a period which widely varied from that of this administrative review, and that Houztek had placed no evidence on this record that any of its entries in this POR had been suspended.[72]

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[62] *See* Houztek's SRA Comments Rebuttal, at 2.
[63] *Id.*
[64] Petitioner/Endura's SRA Comments Surrebuttal, at 3.
[65] *Id.* at 4-5.
[66] Title IV, Section 421 of the Trade Facilitation and Trade Enforcement Act of 2015 is commonly referred to as The Enforce and Protect Act of 2015 (or EAPA); it establishes formal procedures for submitting and investigating antidumping or countervailing allegations of evasion against U.S. importers by U.S. Customs and Border Protection (CBP).
[67] *See* Houztek's Second SRA Comments Rebuttal, at 1.
[68] *Id.*
[69] *See* Petitioner/Endura's Second SRA Comments Surrebuttal, at 2.
[70] *Id.* at 2-3.
[71] *Id.* at 3.
[72] *Id.* at 4-5.

As an initial matter, regarding the scope inquiries raised by Houztek, we note that Commerce ruled that the requested products were within the scope of the *Order*.[73] Though that ruling is now subject to litigation, the ruling stands until amended by the courts.

We also note that Houztek was neither a requesting party, nor listed as a manufacturer, nor even mentioned in any of the requests that resulted in that scope ruling. Nor has Houztek established any specific nexus between the requested products and its products on this record. Therefore, Houztek would not be able to avail itself of that scope ruling in any case, but would rather need to submit its own request for a scope ruling – which it has not done.

Furthermore, Houztek states the reverse of the correct course of action when it claims, "Until a decision by Commerce thereon, it does not seem that Columbia Aluminum itself can unilaterally classify its U.S. imports from Houztek as "03" within the scope of the AD/CVD Order."[74] On the one hand, it is up to Houztek (rather than any other company) to do so, as it is Houztek (rather than any other company) which has applied for a separate rate. On the other hand, it would have been reasonable to expect that Houztek, knowing that the *Order* was in place and that there was an open issue with respect to the applicability of the *Order* to certain door threshold products, would classify whatever entries it might have had as dutiable until it had before it a Commerce scope ruling stating otherwise. CBP or Commerce would not expect Houztek (or its importer) to ignore the fact that there was a scope issue involving products similar to the merchandise it was exporting to the United States in classifying its own merchandise.

Lastly, we note that Houztek clearly realized that it could place evidence on the record demonstrating that it has reclassified its entry documents subsequent to Commerce's scope ruling, if indeed there was a legitimate suspended entry within the POR of this administrative review. The record contains no such evidence.

With regard to the EAPA investigation, the petitioner/Endura's statement that the EAPA period of investigation is considerably longer than the POR of this administrative review remains unchallenged on the record of this review by Houztek. Indeed, Houztek has not placed any evidence on the record to demonstrate that any of its entries within the POR of this administrative review were suspended.

Consequently, based on Houztek's SRA, as well as the comments in Houztek's SRA Comments Rebuttal and Houztek's Second SRA Comments Rebuttal, we preliminarily find that Houztek provided no evidence of a "type 3" (for consumption and subject to antidumping or countervailing duty) entry during the POR. Because Houztek has not submitted evidence establishing at least one dutiable entry during the POR upon which to base its application for a separate rate, we preliminarily find that it is not eligible for a separate rate.

Aside from Cosco and Houztek, none of the remaining 24 companies under review submitted an SRA, SRC, or certification of no shipments. Based on the above, we preliminarily determine

[73] *See* Scope Ruling Memorandum.
[74] *See* Houztek's SRA Comments Rebuttal, at 2.

that the following companies (listed in alphabetical order) have not demonstrated eligibility for a separate rate in this administrative review:

1. Activa International Inc.
2. Belton (Asia) Development Ltd.
3. Belton (Asia) Development Limited
4. Changzhou Changzhen Evaporator Co., Ltd.
5. Changzhou Changzheng Evaporator Co., Ltd.
6. Changzhou Tenglong Auto Parts Co., Ltd.
7. Changzhou Tenglong Auto Accessories Manufacturing Co. Ltd
8. Changzhou Tenglong Auto Parts Co Ltd
9. China Square
10. China Square Industrial Co.
11. China Square Industrial Ltd
12. Cosco (J.M.) Aluminum Co., Ltd.
13. Cosco (JM) Aluminum Development Co. Ltd
14. Dynamic Technologies China
15. ETLA Technology (Wuxi) Co. Ltd
16. Foshan Shanshui Fenglu Aluminum Co., Ltd.
17. Global Hi- Tek Precision Co. Ltd
18. Houztek Architectural Products Co., Ltd.
19. Jangho Curtain Wall Hong Kong Ltd.
20. Kromet International Inc.
21. Kromet Intl Inc
22. Kromet International
23. Kunshan Giant Light Metal Technology Co., Ltd.
24. Precision Metal Works Ltd.
25. Sihui Shi Guo Yao Aluminum Co., Ltd.
26. Summit Heat Sinks Metal Co, Ltd

The China-Wide Entity

We preliminarily find that the 26 companies listed above are part of the China-wide entity in this administrative review because 25 of the companies failed to submit a valid SRA, SRC, or certification of no shipments, and Cosco failed to respond to Commerce's antidumping questionnaire after being selected as a mandatory respondent.

Commerce's policy regarding conditional review of the China-wide entity applies to this administrative review.[75] Under this policy, the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party

[75] *See Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65970 (November 4, 2013).

requested a review of the China-wide entity in the instant review, the entity is not under review, and the entity's current rate, *i.e.*, 86.01 percent,[76] is not subject to change.

Adjustments for Countervailable Subsidies

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

Conclusion

We recommend applying the above methodology for these preliminary results.

☒ ☐

Agree Disagree

4/10/2019

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

[76] *See Aluminum Extrusions from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2015-2016*, 82 FR 52265, 52267 (November 13, 2017); *see also Aluminum Extrusions from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2016–2017,* 83 FR 35614 (July 27, 2018).

ATTACHMENT

Companies Remaining Under Review

1. Activa International Inc.
2. Belton (Asia) Development Ltd.
3. Belton (Asia) Development Limited
4. Changzhou Changzhen Evaporator Co., Ltd.
5. Changzhou Changzheng Evaporator Co., Ltd.
6. Changzhou Tenglong Auto Parts Co., Ltd.
7. Changzhou Tenglong Auto Accessories Manufacturing Co. Ltd
8. Changzhou Tenglong Auto Parts Co Ltd
9. China Square
10. China Square Industrial Co.
11. China Square Industrial Ltd
12. Cosco (J.M.) Aluminum Co., Ltd.
13. Cosco (JM) Aluminum Development Co. Ltd
14. Dynamic Technologies China
15. ETLA Technology (Wuxi) Co. Ltd
16. Foshan Shanshui Fenglu Aluminum Co., Ltd.
17. Global Hi- Tek Precision Co. Ltd
18. Houztek Architectural Products Co., Ltd.
19. Jangho Curtain Wall Hong Kong Ltd.
20. Kromet International Inc.
21. Kromet Intl Inc
22. Kromet International
23. Kunshan Giant Light Metal Technology Co., Ltd.
24. Precision Metal Works Ltd.
25. Sihui Shi Guo Yao Aluminum Co., Ltd.
26. Summit Heat Sinks Metal Co, Ltd