



C-570-917
Sunset Review
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June 5, 2019

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

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

RE: Issues and Decision Memorandum for the Final Results of the
Second Expedited Five-Year Sunset Review of the Countervailing
Duty Order on Laminated Woven Sacks from the People's
Republic of China

I. Summary

We have analyzed the substantive response of the Laminated Woven Sacks Fair Trade Coalition and its individual members, Polytex Fibers Corporation and ProAmpac Holdings, Inc. (collectively, the domestic interested parties), in the second expedited five-year sunset review of the countervailing duty (CVD) order on laminated woven sacks from the People's Republic of China (China). We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum. Below is the complete list of issues in this sunset review for which we received a substantive response:

1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
2. Net Countervailable Subsidy Likely to Prevail
3. Nature of the Subsidy

II. Background

On February 5, 2019, in accordance with 751(c) of Tariff Act of 1930, as amended (the Act) and 19 CFR 351.218(c), the Department of Commerce (Commerce) published its notice of initiation of the second five-year sunset review on the *CVD Order*.¹

¹ See *Initiation of Five-Year (Sunset) Reviews*, 84 FR 1704 (February 5, 2019).



On February 6, 2019, the International Trade Commission (ITC) published its notice that it had instituted reviews pursuant to the Act, as amended, to determine whether revocation of the *CVD Order*² on laminated woven sacks from China would be likely to lead to continuation or recurrence of material injury.³

The domestic interested parties filed a timely notice of intent to participate on February 19, 2019, in accordance with 19 CFR 351.218(d)(1).⁴ The domestic interested parties claim interested party status under section 771(9)(C) of the Act, as producers of a domestic like product in the United States, and under section 771(9)(E) and (F) of the Act as a trade association whose members are producers of a domestic like product in the United States. On March 7, 2019, Commerce received a complete substantive response from the domestic interested parties, in accordance with 19 CFR 351.218(d)(3)(i).⁵ Commerce did not receive substantive responses from the Government of China (GOC) or any respondent interested party. On March 20, 2019, Commerce notified the ITC that it did not receive an adequate response from the GOC or respondent interested parties.⁶ As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce is conducting an expedited (120-day) second sunset review of the *CVD Order*.

III. Scope of the Order

The merchandise covered by this order is laminated woven sacks. Laminated woven sacks are bags or sacks consisting of one or more plies of fabric consisting of woven polypropylene strip and/or woven polyethylene strip, regardless of the width of the strip; with or without an extrusion coating of polypropylene and/or polyethylene on one or both sides of the fabric; laminated by any method either to an exterior ply of plastic film such as biaxially-oriented polypropylene (BOPP) or to an exterior ply of paper that is suitable for high quality print graphics;⁷ printed with three colors or more in register; with or without lining; whether or not closed on one end; whether or not in roll form (including sheets, lay-flat tubing, and sleeves); with or without handles; with or without special closing features; not exceeding one kilogram in weight. Laminated woven sacks are typically used for retail packaging of consumer goods such as pet foods and bird seed.

Effective July 1, 2007, laminated woven sacks are classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 6305.33.0050 and 6305.33.0080. Laminated woven sacks were previously classifiable under HTSUS subheading 6305.33.0020. If

² See *Laminated Woven Sacks from the People's Republic of China: Countervailing Duty Order*, 73 FR 45955 (August 7, 2008) (*CVD Order*).² cite to order See *Laminated Woven Sacks from the People's Republic of China: Countervailing Duty Order*, 73 FR 45955 (August 7, 2008) (*CVD Order*).

³ See *Laminated Woven Sacks from China; Institution of Five-Year Reviews*, 84 FR 2249 (February 6, 2019).

⁴ See Laminated Woven Sacks Fair Trade Coalition's (LWSFTC) Letter, "Five-Year ("Sunset") Review of Countervailing Duty Order on Laminated Woven Sacks from the People's Republic of China: Domestic Interested Parties Notice of Intent to Participate," dated February 19, 2019.

⁵ See LWSFTC's Letter, "Five Year ("Sunset") Review of Countervailing Duty Order on Laminated Woven Sacks from the People's Republic of China: Domestic Interested Parties Substantive Response," dated March 7, 2019 (Domestic Interested Parties' March 7, 2019, Response).

⁶ See Commerce's Letter, "Sunset Review Initiated on February 5, 2019 Applicable February 1, 2019," dated March 20, 2019.

⁷ "Paper suitable for high quality print graphics," as used herein, means paper having an ISO brightness of 82 or higher and a Sheffield Smoothness of 250 or less. Coated free sheet is an example of a paper suitable for high quality print graphics.

entered with plastic coating on both sides of the fabric consisting of woven polypropylene strip and/or woven polyethylene strip, laminated woven sacks may be classifiable under HTSUS subheadings 3923.21.0080, 3923.21.0095, and 3923.29.0000. If entered not closed on one end or in roll form (including sheets, lay-flat tubing, and sleeves), laminated woven sacks may be classifiable under other HTSUS subheadings including 3917.39.0050, 3921.90.1100, 3921.90.1500, and 5903.90.2500.

If the polypropylene strips and/or polyethylene strips making up the fabric measure more than 5 millimeters in width, laminated woven sacks may be classifiable under other HTSUS subheadings including 4601.99.0500, 4601.99.9000, and 4602.90.000. Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

IV. History of the Order

Commerce published the *Final Determination* for the CVD investigation of laminated woven sacks on June 24, 2008.⁸ On August 7, 2008, Commerce published the *CVD Order*, which established net countervailable subsidy rates of 223.74 percent for Han Shing Chemical Co., Ltd. and Ningbo Yong Feng Packaging Co., Ltd., 304.40 percent for Shandong Qilu Plastic Fabric Group, Ltd., 352.82 percent for Shandong Shouguang Jianyuan Chun Co., Ltd./Shandong Longxing Plastic Products Company Ltd., 29.54 percent for Zibo Aifudi Plastic Packaging Co., Ltd. (Aifudi), and 226.85 percent for all others, based on the programs found to be countervailable in the *Final Determination*.⁹

Commerce conducted an anti-circumvention inquiry in 2012-2013, investigating laminated woven sacks from China that used only two ink colors but created the appearance of more than two distinct colors due to the printing process. Commerce determined that imports of the investigated merchandise were not circumventing the *CVD Order* within the meaning of section 781(d) of the Act, finding that the laminated woven sacks at issue were commercially available when the investigation was initiated.¹⁰

There have not been any administrative reviews or new shipper reviews of this case since the publication of the *CVD Order*; however, Commerce amended the rates for the programs found countervailable during the investigation in accordance with section 129(b)(4) of the Uruguay Round Agreements Act (URAA) in response to findings made by the World Trade Organization (WTO) Appellate Body.¹¹ The amended net countervailable subsidy rates from the *WTO Section*

⁸ See *Laminated Woven Sacks from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination, in Part, of Critical Circumstances*, 73 FR 35639 (June 24, 2008) and accompanying Issues and Decision Memorandum (*Final Determination*).

⁹ See (*CVD Order*).

¹⁰ See *Laminated Woven Sacks from the People's Republic of China: Negative Final Determination of Circumvention*, 78 FR 12716 (February 25, 2013).

¹¹ See *Implementation of Determinations Under Section 129 of the Uruguay Round Agreements Act: Certain New Pneumatic Off-the-Road Tires; Circular Welded Carbon Quality Steel Pipe; Laminated Woven Sacks; and Light-Walled Rectangular Pipe and Tube from the People's Republic of China*, 77 FR 52683 (August 30, 2012) (*WTO Section 129 Decision*) and accompanying Memorandum, "Final Determinations: Section 129 Proceedings Pursuant to the WTO Appellate Body's Findings in WTO DS 379 Regarding the Antidumping and Countervailing Duty Investigations of Laminated Woven Sacks from the People's Republic of China," dated July 31, 2012.

129 Decision are noted below in the “Final Results of Review,” section of this memorandum and are based on the following countervailable programs:

1. Government Provision of Land for Less Than Adequate Remuneration;
2. Government Provision of Inputs for Less Than Adequate Remuneration;
3. Government Policy Lending;
4. Value-Added Tax (VAT) Rebate for Foreign Invested Enterprises (FIE) Purchases of Domestically Produced Equipment;
5. VAT and Tariff Exemptions for FIEs Using Imported Technology and Equipment in Encouraged Industries;
6. VAT and Tariff Exemptions on Imported Equipment (Domestic Enterprises);
7. Preferential Tax Policies for Enterprises with Foreign Investment (Two Free, Three Half Program);
8. Preferential Tax Policies for Export-Oriented FIEs;
9. Corporate Income Tax Refund Program for Reinvestment of FIE Profits in Export-Oriented Enterprises;
10. Tax Benefits for FIEs in Encouraged Industries that Purchase Domestic Origin Machinery;
11. Tax Program for FIEs Recognized as High or New Technology Enterprises;
12. Preferential Tax Policies for Research & Development;
13. Tax Subsidies to FIEs in Specially Designated Geographic Areas;
14. Preferential Tax Policies for Township Enterprises by FIEs;
15. Local Income Tax Exemption and Reduction Programs for "Productive" FIEs;
16. The State Key Technologies Renovation Project;
17. Grants and Other Funding for High Technology Equipment for the Textile Industry;
18. Grants to Loss-Making, State-Owned Enterprises;
19. Export Interest Subsidy Funds for Enterprises Located in Zhejiang and Guangdong Provinces;
20. Technology Innovation Funds Provided by Zhejiang Province;
21. Programs to Rebate Antidumping Legal Fees;
22. Loan Forgiveness for LWS Producers by the Government of China (GOC);
23. Grants for Market Exploration (Shandong Province);
24. Grants for Attending International Trade Fairs (Shandong Province);
25. Grants Key Export Enterprises (Shandong Province);
26. Interest Discount to Export Enterprises (Shandong Province);
27. Grants Covering Export Credit Insurance Fees (Shandong Province);
28. Grants to Enterprises Exporting Key Products (Shandong Province);
29. Interest Discounts for Export Enterprises (Shouguang Municipality);
30. Grants for Attending International Trade Fairs (Shouguang Municipality);
31. Preferential Treatment for Key Exporting Enterprises (Shouguang Municipality); and
32. Grants for Exporting Key Enterprises (Shouguang Municipality).

During the investigation, the Government Provision of Electricity for LTAR program was determined to be not countervailable and the Exemption from Payment of Staff and Worker Benefits for Export-Oriented Industries program was determined to be terminated.

Pursuant to sections 751(c)(1) of the Tariff Act of 1930, as amended (the Act), Commerce conducted the first five-year sunset review and, on November 19, 2013, published its final results

which found that revocation of the *CVD Order* would likely lead to the continuation or recurrence of net countervailing subsidies at the amended net countervailable subsidy rates from the *WTO Section 129 Decision*.¹² In addition, on March 18, 2014, the ITC published its final results which found that revocation of the *CVD Order* would be likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹³ As a result of both determinations, on March 27, 2014, pursuant to section 751(d)(2) of the Act and 19 CFR 351.218(a), Commerce published a notice of continuation of the *CVD Order*.¹⁴ The *CVD Order* remains in effect for all manufacturers, producers, and exporters of laminated woven sacks from China.

V. Discussion of the Issues

In accordance with section 751(c)(1) of the Act, Commerce is conducting this review to determine whether revocation of the *CVD Order* would be likely to lead to continuation or recurrence of a countervailable subsidy. Section 752(b) of the Act provides that in making this determination Commerce consider: (1) the net countervailable subsidy determined in the investigation and any subsequent reviews, and (2) whether any changes in the programs which gave rise to the net countervailable subsidy have occurred that are likely to affect the net countervailable subsidy.

Pursuant to section 752(b)(3) of the Act, Commerce shall provide to the ITC the net countervailable subsidy likely to prevail if the *CVD Order* were revoked. In addition, consistent with section 752(a)(6) of the Act, Commerce shall provide to the ITC information concerning the nature of the subsidy and whether the subsidy is a subsidy described in Article 3 or Article 6.1 of the 1994 World Trade Organization Agreement on Subsidies and Countervailing Measures (SCM Agreement). We note that Article 6.1 of the SCM Agreement expired effective January 1, 2000.

1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy

Interested Parties' Comments

The domestic interested parties argue for a continuation of the *CVD Order* because the subsidy programs determined to be countervailable in the original investigation still exist and have not been terminated or suspended.¹⁵ In addition, the domestic interested parties note that the investigation rates were amended and increased pursuant to the *WTO Section 129 Decision*.¹⁶ The domestic interested parties further note that because there have been no administrative or new shipper reviews of the *CVD Order* completed, the investigation rates, as amended from the *WTO Section 129 Decision*, remain in effect for all exporters.¹⁷ Also, the domestic interested

¹² See *Laminated Woven Sacks from the People's Republic of China: Final Results of the Expedited Sunset Review of the Countervailing Duty Order*, 78 FR 69369 (November 19, 2013) (*First Sunset Review Final Results*).

¹³ See *Laminated Woven Sacks from China*, 79 FR 15140 (March 18, 2014).

¹⁴ See *Laminated Woven Sacks from the People's Republic of China: Continuation of Countervailing Duty Order*, 79 FR 17134 (March 27, 2014) (*First CVD Order Continuation Notice*).

¹⁵ See Domestic Interested Parties' March 7, 2019, Response.

¹⁶ *Id.*

¹⁷ *Id.*

parties argue that the benefits from the GOC's Government Provision of Land for Less Than Adequate Remuneration program will continue because the subsidy stream won't be fully allocated until 2020.¹⁸

The domestic interested parties state just as in the first sunset review, the ITC should be notified by Commerce that the following subsidies as described in Article 3 or Article 6.1 of the WTO Agreement on Subsidies and Countervailing Measures are likely to continue or recur:

- Government Provision of Land for Less Than Adequate Remuneration;
- Government Provision of Inputs for Less Than Adequate Remuneration;
- Government Policy Lending; and
- The other 29 programs found to be countervailable based on adverse facts available.¹⁹

Commerce Position: As stated above, in determining the likelihood of continuation or recurrence of a countervailable subsidy, section 752(b)(1) of the Act directs Commerce to consider the net countervailable subsidy determined in the investigation and subsequent reviews and whether there has been any change in a program found to be countervailable that is likely to affect the net countervailable subsidy.

According to the Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act, Commerce will consider the net countervailable subsidies in effect after the issuance of the order and whether the relevant subsidy programs have been continued, modified, or eliminated.²⁰ The SAA adds that continuation of a program will be highly probative of the likelihood of continuation or recurrence of countervailable subsidies.²¹ Additionally, the presence of programs that have not been used, but also have not been terminated without residual benefits or replacement programs, is also probative of the likelihood of continuation or recurrence of a countervailable subsidy.²² Where a subsidy program is found to exist, Commerce will normally determine that revocation of the CVD order is likely to lead to continuation or recurrence of a countervailable subsidy regardless of the level of subsidization.²³

As Commerce has stated in other sunset determinations, two conditions must be met in order for a subsidy program not to be included in determining the likelihood of continued or recurring subsidization: (1) the program must be terminated; and (2) any benefit stream must be fully allocated.²⁴ Commerce has further stated that, in order to determine whether a program has been terminated, it will consider the legal method by which the government

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ See Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, vol 1 (1994) at 888 (SAA).

²¹ *Id.*

²² See, e.g., *Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil: Final Results of Full Sunset Review of Countervailing Duty Order*, 75 FR 75455 (December 3, 2010), and accompanying Issues and Decision Memorandum at Comment 1.

²³ *Id.*

²⁴ See, e.g., *Preliminary Results of Full Sunset Review: Certain Corrosion-Resistant Carbon Steel Flat Products from France*, 71 FR 30875 (May 31, 2006) and accompanying Issues and Decision Memorandum at 5-7, unchanged in *Corrosion-Resistant Carbon Steel Flat Products from France; Final Results of Full Sunset Review*, 71 FR 58584 (October 4, 2006).

eliminated the program and whether the government is likely to reinstate the program.²⁵ Commerce normally expects a program to be terminated by means of the same legal mechanism used to institute it.²⁶ Where a subsidy is not bestowed pursuant to a statute, regulation or decree, Commerce may find no likelihood of continued or recurring subsidization if the subsidy in question was a one-time, company-specific occurrence that was not part of a broader government program.²⁷

As indicated above, other than the *WTO Section 129 Decision*, there have been no reviews since issuance of the *CVD Order*. We note that the Government Provision of Land for Less Than Adequate Remuneration subsidy program found countervailable during the investigation provides recurring benefits through 2020.²⁸ Moreover, neither the GOC or other respondent interested parties participated in this sunset review. There is no information indicating any changes in the programs.

Commerce determines that there is a likelihood of continuation or recurrence of countervailable subsidies because the record in this proceeding indicates that the subsidy programs found countervailable during the investigation continue to exist and be used.

2. Net Countervailable Subsidy Rates Likely to Prevail

Interested Parties' Comments

The domestic interested parties contend that Commerce is required by statute to determine and report to the ITC the magnitude of the rates that is likely to prevail if an order is revoked.²⁹ The domestic interested parties also note that the original CVD rates (as amended by the *WTO Section 129 Decision*) represent the best evidence of the behavior of the GOC and exporters in the absence of an order and that there have been no administrative reviews.³⁰ Thus, the domestic interested parties argue, Commerce should find that the likely CVD rates in the event of revocation of the *CVD Order* are 277.54 percent for Han Shing Chemical Co., Ltd. and Ningbo Yong Feng Packaging Co., Ltd.; 406.62 percent for Shandong Shouguang Jianyuan Chun Co., Ltd. / Shandong Longxing Plastic Products Company Ltd.; 358.20 percent for Shandong Qilu Plastic Fabric Group, Ltd.; 83.34 percent for Zibo Aifudi Plastic Packaging Co., Ltd; and 280.65 percent for all other companies.³¹

²⁵ See, e.g., *Fresh and Chilled Atlantic Salmon from Norway: Final Results of Full Third Sunset Review of Countervailing Duty Order*, 76 FR 70411 (November 14, 2011), and accompanying Issues and Decision Memorandum at Comment 1.

²⁶ See, e.g., *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from India*, 66 FR 49635 (September 28, 2001), and accompanying *Issues and Decision Memorandum* at Comment

²⁷ See, e.g., *Stainless Steel Plate in Coils from Belgium: Final Results of Full Sunset Review and Revocation of the Countervailing Duty Order*, 76 FR 25666 (May 5, 2011), and accompanying Issues and Decision Memorandum at Comment 1.

²⁸ See *Final Determination* and accompanying Issues and Decision Memorandum at “Programs Determined to Be Countervailable: Government Provision of Land for Less Than Adequate Remuneration.”

²⁹ See Domestic Interested Parties’ March 7, 2019, Response at 7.

³⁰ *Id.*

³¹ *Id.*

Commerce Position: Consistent with the SAA and legislative history, Commerce normally will provide the ITC the net countervailable subsidy that was determined in the investigation as the subsidy rate likely to prevail if the order is revoked because that is the only calculated rate that reflects the behavior of exporters and foreign governments without the discipline of an order in place.³²

Section 752(b)(1) of the Act provides, however, that Commerce will consider whether any change in the program which gave rise to the net countervailable subsidy determination in the investigation or subsequent reviews has occurred that is likely to affect the net countervailable subsidy. Therefore, although the SAA and House Report provide that Commerce normally will select a rate from the investigation, this rate may not be the most appropriate if, for example, the rate was derived (in whole or part) from subsidy programs which were found in subsequent reviews to be terminated, there has been a program-wide change, or the rate ignores a program found to be countervailable in a subsequent administrative review.³³

Consistent with the SAA and the *Sunset Policy Bulletin*,³⁴ Commerce has used the rates found in the investigation, as amended in the *WTO Section 129 Decision*, as the net countervailable subsidy rates likely to prevail in finding that countervailable subsidies would be likely to continue or recur in the event that the *CVD Order* was revoked for all of the programs determined to be countervailable in the investigation and listed above under the “History of the Order,” section.

Consistent with section 752(b)(3) of the Act, Commerce will provide to the ITC the net countervailable subsidy rates shown in the section entitled “Final Results of Review.”

3. Nature of the Subsidy

Consistent with section 752(a)(6) of the Act, Commerce is providing the following information to the ITC concerning the nature of the subsidies and whether the subsidies are subsidies as described in Article 3 or Article 6.1 of the WTO SCM Agreement. We note that Article 6.1 of the SCM Agreement expired effective January 1, 2000.

The programs listed below do not fall within the meaning of Article 3.1 of the SCM Agreement. However, they could be subsidies described in Article 6.1 of the SCM Agreement if the amount of the subsidy exceeds five percent, as measured in accordance with Annex IV of the SCM Agreement. They also could fall within the meaning of Article 6.1 if they constitute debt forgiveness or are subsidies to cover operating losses sustained by an industry or enterprise. Because there is insufficient information on the record of this review in order for Commerce to make such a determination, Commerce is providing to the ITC a list of the programs for which we calculated a rate for Aifudi (the sole cooperative company during the investigation) as well as programs for which we assigned adverse facts available rates to the non-cooperative respondents.

³² See SAA at 890, and House Report, H.R. Rep. No. 103-826 (1994) (House Report) at 64.

³³ See *Stainless Steel Sheet and Strip in Coils from the Republic of Korea: Final Results of Expedited Second Sunset Review*, 75 FR 62101 (October 7, 2010) and accompanying Issues and Decision Memorandum at Comment 2.

³⁴ See *Policies Regarding the Conduct of Five-Year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871, 18874 (April 16, 1998) (*Sunset Policy Bulletin*).

Countervailed Programs used by Aifudi

1. Government Provision of Land for Less Than Adequate Remuneration: Aifudi is located in Huantai New Century Industry Park in Shandong province. The company received a reduced price for its land from the local and county governments to induce it to locate in the area. According to Aifudi, after negotiations with the local town of Guoli, its application for land-use rights was first approved by the Huantai County Land Resource Bureau, which issued a temporary land-use certificate, and then approved at a higher level by the provincial authority, which issued a permanent certificate. Thus, the sale of these land-use rights constitutes a benefit to the extent that such government provided goods or services are provided for less than adequate remuneration pursuant to section 771(5)(E)(iv) of the Act.
2. Government Provision of Inputs for Less Than Adequate Remuneration: The provision of biaxially-oriented polypropylene (BOPP) for less than adequate remuneration from state-owned petrochemical producers to manufacturers of laminated woven sacks constitutes a benefit to the extent that such government-provided goods are provided for less than adequate remuneration pursuant to section 771(5)(E)(iv) of the Act.
3. Government Policy Lending: The GOC provides loans to manufacturers in the textile industry (laminated woven sacks are considered textiles) at below market interest rates. This loan program is specific in law because the GOC has a policy in place to encourage and support the growth and development of the textile industry and the laminated woven sack producers pursuant to section 771(5A)(D)(i) of the Act. This program also provides a direct financial contribution by the GOC and a benefit to loan recipients equal to the difference between what recipients paid on loans from government-owned banks and the amount they would have paid on comparable commercial loans pursuant to sections 771(5)(D)(i) and 771(5)(E)(ii) of the Act.

Programs Determined to Be Not Used by Aifudi but Assigned Rates as Adverse Facts Available for Non-Cooperating Respondents

1. VAT Rebate for FIE Purchases of Domestically Produced Equipment
2. VAT and Tariff Exemptions for FIEs Using Imported Technology and Equipment in Encouraged Industries
3. VAT and Tariff Exemptions on Imported Equipment (Domestic Enterprises)
4. Preferential Tax Policies for Enterprises with Foreign Investment (Two Free, Three Half)
5. Preferential Tax Policies for Export-Oriented FIEs
6. Corporate Income Tax Refund Program for Reinvestment of FIE Profits in Export-Oriented Enterprises
7. Tax Benefits for FIEs in Encouraged Industries that Purchase Domestic Origin Machinery
8. Tax Program for FIEs Recognized as High or New Technology Enterprises
9. Preferential Tax Policies for Research & Development
10. Tax Subsidies to FIEs in Specially Designated Geographic Areas
11. Preferential Tax Policies for Township Enterprises by FIEs
12. Local Income Tax Exemption and Reduction Programs for "Productive" FIEs
13. The State Key Technologies Renovation Project
14. Grants and Other Funding for High Technology Equipment for the Textile Industry

15. Grants to Loss-Making, State-Owned Enterprises
16. Export Interest Subsidy Funds for Enterprises Located in Zhejiang and Guangdong Provinces
17. Technology Innovation Funds Provided by Zhejiang Province
18. Programs to Rebate Antidumping Legal Fees
19. Loan Forgiveness for LWS Producers by the GOC
20. Grants for Market Exploration (Shandong Province)
21. Grants for Attending International Trade Fairs (Shandong Province)
22. Grants Key Export Enterprises (Shandong Province)
23. Interest Discount to Export Enterprises (Shandong Province)
24. Grants Covering Export Credit Insurance Fees (Shandong Province)
25. Grants to Enterprises Exporting Key Products (Shandong Province)
26. Interest Discounts for Export Enterprises (Shouguang Municipality)
27. Grants for Attending International Trade Fairs (Shouguang Municipality)
28. Preferential Treatment for Key Exporting Enterprises (Shouguang Municipality)
29. Grants for Exporting Key Enterprises (Shouguang Municipality)

VI. FINAL RESULTS OF REVIEW

Commerce finds that revocation of the *CVD Order* would be likely to lead to continuation or recurrence of countervailable subsidies at the rates listed below:

Manufacturers/Exporters	Subsidy Rates
Zibo Aifudi Plastic Packaging Co., Ltd.	83.34% <i>ad valorem</i>
Han Shing Chemical Co., Ltd.	277.54% <i>ad valorem</i>
Ningbo Yong Feng Packaging Co., Ltd.	277.54% <i>ad valorem</i>
Shandong Shouguang Jianyuan Chun Co., Ltd./	
Shandong Longxing Plastic Products Company Ltd.	406.62% <i>ad valorem</i>
Shandong Qilu Plastic Fabric Group, Ltd.	358.20% <i>ad valorem</i>
All Others	280.65% <i>ad valorem</i>

VII. RECOMMENDATION

Based on our analysis of the substantive response received, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish the final results of this review in the *Federal Register* and notify the ITC of our findings.



Agree



Disagree

6/5/2019

X 

Signed by: JEFFREY KESSLER
Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance