C-570-063
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January 27, 2021

MEMORANDUM TO: Christian Marsh
Acting 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 Results of the 2017-2018 Countervailing Duty Administrative Review of Cast Iron Soil Pipe Fittings from the People's Republic of China

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I. SUMMARY

On October 23, 2020, the Department of Commerce (Commerce) published the *Preliminary Results* in this administrative review of the countervailing duty (CVD) order on cast iron soil pipe fittings (soil pipe fittings) from the People's Republic of China (China) covering the period of review (POR) December 19, 2017, through December 31, 2018.[1]

Having analyzed the case and rebuttal briefs submitted by interested parties since the *Preliminary Results*, we have not made changes for the final results. We recommend that you approve the positions described in the "Analysis of Comments" section of this memorandum.

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

Comment 1: Whether to Use the Value-Added Tax (VAT) Rates Provided by Wor-Biz or the Government of China
Comment 2: Whether to Adjust the Electricity for Less-Than-Adequate-Remuneration (LTAR) Calculation to Reflect a VAT- Exclusive Subsidy Rate

[1] *See Cast Iron Soil Pipe Fittings from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review*, 85 FR 67515 (October 23, 2020) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

II. BACKGROUND

Following publication of the *Preliminary Results*, Wor-Biz Industrial Product Co., Limited (Anhui) (Wor-Biz)[2] submitted a timely case brief on November 23, 2020.[3] On November 30, 2020, the petitioner submitted a timely rebuttal brief.[4] No other parties submitted case or rebuttal briefs. We are conducting this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

III. SCOPE OF THE *ORDER*[5]

The merchandise covered by the scope of this order is cast iron soil pipe fittings, finished and unfinished, regardless of industry or proprietary specifications, and regardless of size. Cast iron soil pipe fittings are nonmalleable iron castings of various designs and sizes, including, but not limited to, bends, tees, wyes, traps, drains (other than drain bodies), and other common or special fittings, with or without side inlets.

Cast iron soil pipe fittings are classified into two major types—hubless and hub and spigot. Hubless cast iron soil pipe fittings are manufactured without a hub, generally in compliance with Cast Iron Soil Pipe Institute (CISPI) specification 301 and/or American Society for Testing and Materials (ASTM) specification A888. Hub and spigot pipe fittings have hubs into which the spigot (plain end) of the pipe or fitting is inserted. Cast iron soil pipe fittings are generally distinguished from other types of nonmalleable cast iron fittings by the manner in which they are connected to cast iron soil pipe and other fittings.

Excluded from this scope are all drain bodies. Drain bodies are normally classified in subheading 7326.90.86.88 of the Harmonized Tariff Schedule of the United States (HTSUS).

The cast iron soil pipe fittings subject to the scope of this order are normally classified in subheading 7307.11.0045 of the HTSUS: Cast fittings of nonmalleable cast iron for cast iron soil pipe. They may also be entered under HTSUS 7324.29.0000 and 7307.92.3010. The HTSUS subheadings and specifications are provided for convenience and customs purposes only; the written description of the scope of this order is dispositive.

IV. PERIOD OF REVIEW

The POR is December 19, 2017, through December 31, 2018.

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[2] On January 8, 2020, Commerce published its final determination in a changed circumstances review, finding that Wor-Biz Industrial Product Co., Ltd. (Anhui) is the successor in interest to Wor-Biz Trading Co., Ltd. (Anhui). *See Cast Iron Soil Pipe Fittings from the People's Republic of China: Final Results of Changed Circumstances Reviews*, 85 FR 881 (January 8, 2020).

[3] *See* Wor-Biz's Letter, "Cast Iron Soil Pipe Fittings from the People's Republic of China: Comments on Preliminary Results," dated November 23, 2020 (Wor-Biz's Case Brief).

[4] *See* Petitioner's Letter, "Cast Iron Soil Pipe Fittings from the People's Republic of China: Rebuttal Brief, dated November 30, 2020 (Petitioner's Rebuttal Brief). The petitioner in this review is the Cast Iron Soil Pipe Institute, which is an association whose members manufacture cast iron soil pipe fittings.

[5] *See Cast Iron Soil Pipe Fittings From the People's Republic of China: Countervailing Duty Order*, 83 FR 44566 (August 31, 2018) (*Order*).

V. SUBSIDIES VALUATION INFORMATION

A. Allocation Period

Commerce made no changes to the allocation period and the allocation methodology used in the *Preliminary Results*.[6] No issues were raised by interested parties in case briefs that would lead us to reconsider our preliminary finding regarding the allocation period or the allocation methodology for the mandatory respondent company. For a description of the allocation period and methodology used for these final results, *see* the *Preliminary Results* PDM at 4-5.

B. Attribution of Subsidies

Commerce made no changes to the methodologies used in the *Preliminary Results* for attributing subsidies. No issues were raised by interested parties in case briefs that would lead us to reconsider our preliminary finding regarding the attribution of subsidies. For a description of the methodologies used for these final results, *see* the *Preliminary Results* PDM at 5-6.

C. Benchmarks and Interest Rates

Commerce made no changes to the benchmarks and interest rates used in the *Preliminary Results*. No interested parties raised any issues in case briefs that would lead us to reconsider our preliminary finding regarding the benchmarks and interest rates used in our program-specific subsidy rate calculations. For a description of the benchmarks and interest rates used for these final results, *see* the *Preliminary Results* PDM at 17-20.

D. Denominators

Commerce made no changes to the denominators used in the *Preliminary Results*. No issues were raised by interested parties in case briefs that would lead us to reconsider our preliminary finding regarding the appropriate denominators. For a description of the denominators used for these final results, *see* the *Preliminary Results* PDM at 6-7.

VI. CHANGES SINCE THE PRELIMINARY RESULTS

See the "Analysis of Comments" section below for summaries of the comments and rebuttals from parties, and Commerce's position on the issues raised. As a result of our analysis, we have made no changes to our preliminary results.

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[6] Where Commerce has made no changes to the analysis and determinations in the *Preliminary Results*, we incorporate such explanations and findings by reference for purposes of these final results.

VII. USE OF FACTS OTHERWISE AVAILABLE

A. Legal Standard

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

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

Section 776(b) of the Act provides that Commerce may use an adverse inference (*i.e.*, adverse facts available or AFA) in applying the facts otherwise available when a party fails to cooperate by not acting to the best of its ability to comply with a request for information. In so doing, Commerce is not required to determine, or make any adjustments to, a countervailable subsidy rate based on any assumptions about information an interested party would have provided if the interested party had complied with the request for information.[7] Section 776(b)(2) states that an adverse inference may include reliance on information derived from the petition, the final determination from the investigation, a previous administrative review, or other information placed on the record.[8]

Section 776(c) of the Act provides that, in general, when Commerce relies on secondary information rather than on information obtained in the course of an investigation, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal.[9] Secondary information is defined as information derived from the petition that gave rise to the investigation, the determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.[10]

Finally, under section 776(d) of the Act,[11] Commerce may use any countervailable subsidy rate applied for the same or similar program in a CVD proceeding involving the same country, or, if

[7] *See* section 776(b)(1)(B) of the Act.
[8] *See* 19 CFR 351.308(c).
[9] *See also* 19 CFR 351.308(d).
[10] *See* Statement of Administrative Action (SAA), H.R. Doc. No. 316, 103rd Congress, 2d Session (1994) at 870.
[11] Section 776(c) of the Act requires that a rate being used as AFA be corroborated, unless the CVD rate was "applied in a separate segment of the same proceeding."

there is no same or similar program, use a CVD rate for a subsidy program from a proceeding that the administering authority considers reasonable to use, including the highest of such rates.

B. Application of Facts Otherwise Available

Commerce relied on "facts otherwise available" for several findings in the *Preliminary Results*.[12] For a description of these decisions, *see Preliminary Results* PDM at 13-20. Commerce continues to use facts available, in part, for these final results for Wor-Biz. Also, Commerce continues to apply AFA pursuant to sections 776(a) and (b) of the Act in our analysis of certain programs as a result of the Government of China's (GOC's) failure to cooperate to the best of its ability. In addition, we continue to apply total AFA in calculating the net countervailable subsidy rates of Qinshui Shunshida Casting Co., Ltd. and Wuhu Best Machines Co., Ltd., in accordance with sections 776(a) and (b) of the Act. As a result, we have continued to calculate an AFA net countervailable subsidy rate of 109.32 percent *ad valorem* for these companies.

VIII. ANALYSIS OF PROGRAMS

A. Programs Determined to Be Countervailable

Commerce made no changes to its preliminary methodology with respect to the program-specific subsidy calculations for Wor-Biz, the sole cooperative mandatory respondent involved in this review. For the descriptions, analyses, and calculation methodologies regarding the programs determined to be countervailable, *see* the *Preliminary Results*.[13] Except where noted below, the parties did not raise any issues regarding these programs.

The final program rates are as follows:[14]

1. *Provision of Ferrous Scrap for LTAR*

Commerce made no changes to the *Preliminary Results* regarding this program and calculated a 3.12 percent *ad valorem* subsidy rate for Wor-Biz.

2. *Provision of Electricity for LTAR*

Commerce made no changes to the *Preliminary Results* regarding this program and calculated a 1.51 percent *ad valorem* subsidy rate for Wor-Biz.[15]

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[12] *See Preliminary Results* PDM at 7-8.
[13] *Id.* at 21-25.
[14] *See* Memorandum, "Countervailing Duty Investigation on Cast Iron Soil Pipe Fittings from the People's Republic of China: Preliminary Results Calculations for Wor-Biz International Trading Co., Ltd. (Anhui)," dated concurrently with this decision memorandum (Preliminary Results Calculation Memorandum).
[15] *Id.*

3. *Policy Loans to the Soil Pipe Fittings Industry*

Commerce made no changes to the *Preliminary Results* regarding this program and calculated a 0.35 percent *ad valorem* subsidy rate for Wor-Biz.[16]

4. *Grants*

We continue to find that Wor-Biz received allocable benefits in the POR from certain non-recurring grants: Bonus for Foreign Trade (0.04 percent *ad valorem* subsidy rate), Assistance Fund (0.09 percent *ad valorem* subsidy rate), and Aid for Middle and Small Enterprise for Developing International Market grants (0.02 percent *ad valorem* subsidy rate).[17]

B. Programs Determined Not to Confer a Measurable Benefit

As explained in the *Preliminary Results*, Wor-Biz self-reported certain additional grants, including Bonus for Foreign Trade, Assistance Fund, and Aid for Middle and Small Enterprise for Developing International Market grants, received prior to the POR. For these grants we found no measurable benefit under our practice, either because they do not pass the "0.5 percent test" provided in CFR 351.524(b)(2) and thus are "expensed" to the pre-POR year of receipt, or they are less than 0.005 percent *ad valorem* in the POR.[18] We continue to make the same findings for these grants for the final results.

C. Programs Determined Not to Be Used by Wor-Biz

1. Small Low Profit Enterprise Income Tax Preferential Treatment
2. Promotion Funds for Coordinated Development of Foreign Trade and Economic Region
3. Brand Building Funds for Medium, Small and Micro-Sized Enterprises
4. Interest Discount Funds
5. Foreign Trade Promotion Fund
6. Fund to Middle and Small Enterprise for Developing Markets
7. Bonus for the Company's Sports Brand in Exhibition
8. Certificate of Shanxi Brand Name Product
9. Provision of Pig Iron for LTAR
10. Provision of Metallurgical Coke for LTAR
11. Provision of Iron Ore for LTAR
12. Patent Assistance Funds
13. Party Construction Fund
14. Supporting Funds for Circulating Program
15. Government Awards for Brand Name Product in Shanxi Province
16. Financial Funds Introduction
17. Supporting Funds for Private Economy Development of Small and Medium Enterprises (SME)
18. Funds for Energy Saving Technology Improvement Project in Smelting Section

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[16] *Id.*
[17] *Id.*
[18] *See Preliminary Results* PDM at 24.

19. Bonus to Middle and Small Enterprise
20. Assistance on Credit Insurance
21. Special Fund for Foreign Economic Development (on International Operation Capacity Enhancement)
22. Export Loans
23. Treasury Bond Loans
24. Preferential Loans for State-Owned Enterprises (SOEs)
25. Preferential Lending to Cast Iron Soil Pipe Fittings (CISPF) Producers and Exporters Classified as "Honorable Enterprises"
26. Loans and Interest Subsidies Provided Pursuant to the Northeast Revitalization Program
27. Debt-to-Equity Swaps
28. Exemptions for SOEs from Distributing Dividends to the State
29. Loan and Interest Forgiveness for SOEs
30. Preferential Income Tax Program for High and New Technology Enterprises
31. Preferential Deduction of Research and Development (R&D) Expenses for High and New Technology Enterprises
32. Income Tax Benefits for Domestically Owned Enterprises Engaging in Research and Development
33. Preferential Income Tax Policy for Enterprises in the Northeast Region
34. Reduction in Exemption from Fixed Assets Investment Orientation Regulatory Tax
35. Preferential Income Tax Subsidies for Foreign Invested Enterprises (FIEs) – Export Oriented FIEs
36. Income Tax Credits for Domestically Owned Companies Purchasing Domestically Produced Equipment
37. VAT and Tariff Exemptions for Purchases of Fixed Assets under the Foreign Trade Development Fund
38. Import Tariff and VAT Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries
39. Deed Tax Exemption for SOEs Undergoing Mergers or Restructuring
40. Provision of Land to SOEs for LTAR
41. The State Key Technology Fund
42. Foreign Trade Development Fund Grant
43. Export Assistance Grants
44. Subsidies for Development of Famous Export Brands and China World Top Brands
45. Grants to Loss-Making SOEs
46. Export Interest Subsidies
47. Grants for Energy Conservation and Emission Reduction
48. Grants for Retirement of Capacity
49. Grants for Relocating Production Facilities
50. Financial Support for Xuanshi Soil Pipe Project (Shanxi Xuanshi)
51. Hefei City Special Financial Support for Exporters: Loans (Wor-Biz)
52. Provision of Coking Coal for LTAR
53. Tax Incentives for Businesses in China (Shanghai) Pilot Free Trade Zone, and
54. VAT Refunds for FIEs on Purchases of Chinese-Made Equipment

IX. ANALYSIS OF COMMENTS

Comment 1: Whether to Use the VAT Rates Provided by Wor-Biz or the Government of China

Wor-Biz's Case Brief:

- In the *Preliminary Results*, Commerce used the VAT rate provided by the GOC for the benchmark used in the ferrous scrap for LTAR program subsidy rate calculation.[19] Wor-Biz explained that its supplier, Guang Zhou Premier & Pinan Foundry Co., Ltd., had paid two different VAT rates for ferrous scrap during different periods of the POR and that Commerce should use these rates in the calculations.[20]

Petitioner's Rebuttal Brief:

- Commerce should continue to use the VAT rate provided by the GOC for the VAT used in the benchmark for the ferrous scrap for LTAR program subsidy rate calculation. The petitioner contends that Wor-Biz has not explained why Commerce should use a VAT rate other than the VAT rate provided by the GOC. Therefore, absent any information as to why a rate other than that specified by the GOC would be appropriate, Commerce should continue to use the official VAT rate reported by the GOC in the final results.[21]

Commerce's Position:

We agree with the petitioner that it is not appropriate to revise the ferrous scrap for LTAR program benefit calculation as suggested by Wor-Biz. On page 8 of the GOC's response, the GOC reported that the VAT rate in effect for ferrous scrap during the entire POR was 17 percent.[22] Furthermore, Wor-Biz provided no explanation for why the VAT rate for certain purchases during the POR differed from the VAT rate provided in the GOC's response.[23] Accordingly, we are continuing to use the VAT rate for ferrous scrap provided by the GOC in the benchmark for the ferrous scrap for LTAR program benefit calculation because the GOC is the authority responsible for setting the VAT rate and the GOC submitted a government certification by which it certified the accuracy of its response in accordance with 19 CFR 351.303.[24]

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[19] *See* Wor-Biz's Case Brief at 2 (citing Memorandum, "Preliminary Results Calculations for Wor-Biz International Trading Co., Ltd. (Anhui)," dated October 16, 2020, at 3).
[20] *Id.* (citing Wor-Biz's Letter, "Cast Iron Soil Pipe Fittings from the People's Republic of China: Submission of Section III Response," dated December 31, 2019 (Guangzhou Premier IQR), at Exhibit 9).
[21] *See* Petitioner's Rebuttal Brief at 1.
[22] *See* the GOC's December 13, 2019 Initial Questionnaire Response (GOC IQR) at 8.
[23] *See* Guangzhou Premier IQR at 12-14.
[24] *See* GOC IQR.

Comment 2: Whether to Adjust the Electricity for LTAR Calculation to Reflect a VAT-Exclusive Subsidy Rate

Wor-Biz's Case Brief:

- In the *Preliminary Results*, Commerce included VAT in Wor-Biz's prices as well as the benchmark prices used in the electricity for LTAR program benefit calculation. Wor-Biz contends that the VAT a seller collects from the sales of goods is to be offset by the VAT it pays in the purchase of goods, such as raw materials and electricity.[25]
- In *Collated Steel Staples*, Commerce states that "VAT is an indirect, *ad valorem* consumption tax imposed on the purchase (sale) of goods. It is levied on the purchase (sale) price of the good, *i.e.*, it is paid by the buyer and collected by the seller."[26]
- Furthermore, the VAT a seller collects from the sales of goods is offset by the VAT it pays in the purchase of goods (*e.g.*, raw material and electricity), resulting in no cost from the VAT paid on purchases. Therefore, Commerce should determine the benefit net of VAT.[27]

Petitioner's Rebuttal Brief:

- Commerce correctly calculated the benefit because Commerce compares the price Wor-Biz actually paid, which is VAT inclusive, with a benchmark price that also includes VAT, resulting in an apples-to-apples comparison. Thus, no adjustment is needed. Furthermore, Commerce has rejected similar arguments, in the past.[28]

Commerce Position:

We agree with the petitioner that it is not necessary to revise the electricity for LTAR program benefit calculation to exclude VAT. Pursuant to 19 CFR 351.511(a)(2)(iv), "the Secretary will adjust the comparison price to reflect the price that a firm actually paid." We have considered and rejected this argument before. As we have previously explained:

> This argument fails to consider {Commerce's} obligation to conduct a comparison between a market price and the price paid by the respondent. Section 351.511(a)(2) of {Commerce's} regulations does not contemplate future reimbursements for refunds or taxes, but instead requires us to evaluate the purchases in the form in which they are made. Whether a firm recovers VAT

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[25] *See* Wor-Biz's Case Brief at 3.
[26] *Id.* (citing *Certain Collated Steel Staples from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, Postponement of Final Determination and Extension of Provisional Measures*, 85 FR 882 (January. 8, 2020) (*Collated Steel Staples*), and accompanying Issues and Decision Memorandum (IDM)).
[27] *See* Wor-Biz's Case Brief at 3. The precise calculation formula proposed is BPI.
[28] *See* Petitioner's Rebuttal Brief at 2 (citing *Certain Crystalline Silicon Photovoltaic Products from the People's Republic of China: Final Results of Countervailing Duty Administrative Review, and Partial Rescission of Countervailing Duty Administrative Review; 2014-2015*, 82 FR 42792 (September 12, 2017) (*Solar Products 2014-2015*), and accompanying IDM at Comment 8).

> after delivery of the input is immaterial to the delivered price that {Commerce} must use as the comparison price under 19 CFR 351.511(a)(2)(iv).[29]

Accordingly, Commerce's regulations require us to consider all adjustments necessary to ensure an accurate comparison, and the regulations do not limit the comparison price to a VAT-exclusive price. To exclude VAT from the electricity benchmark or to adjust the reported electricity purchases by removing VAT would result in a less accurate comparison and, therefore, would be inconsistent with Commerce's regulations.[30] Moreover, with respect to Wor-Biz's citation to *Collated Steel Staples*, Wor-Biz references a required VAT adjustment to the U.S. price in an antidumping proceeding which is not relevant to a countervailable duty proceeding. In a countervailable duty proceeding, Commerce is required to ensure that the comparison price reflects the actual price paid.[31] As such, Commerce made no changes to the benefit calculation for the electricity for LTAR program with respect to VAT for the final results in this review.

X. RECOMMENDATION

We recommend approving all of the above positions. If these Commerce positions are accepted, we will publish the final results in the *Federal Register*.

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Agree Disagree

1/27/2021

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Signed by: CHRISTIAN MARSH

Christian Marsh
Acting Assistant Secretary
for Enforcement and Compliance

[29] *See Solar Products 2014-2015*, and accompanying IDM at Comment 8; *see also Multilayered Wood Flooring from the People's Republic of China: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2015*, 83 FR 27750 (June 14, 2018), and accompanying IDM at Comment 2.
[30] *See* 19 CFR 351.511(a)(2).
[31] *Id.*

APPENDIX

AFA Rate Calculation

<table>
<tr><th></th><th>Program Name</th><th>AFA Rate</th><th>Source</th><th>Citation</th></tr>
<tr><td>1.</td><td>Policy Loans to Soil Pipe Fittings Industry</td><td rowspan="6">5.01%</td><td rowspan="6">Highest non-de minimis Rate for Identical Program from any Segment of Proceeding (Calculated – Shanxi Xuanshi)</td><td rowspan="6">Cast Iron Soil Pipe Fittings From the People’s Republic of China: Final Affirmative Countervailing Duty Determination, 83 FR 32075 (July 11, 2018) (Soil Pipe Fittings Investigation Final).</td></tr>
<tr><td>2.</td><td>Export Loans</td></tr>
<tr><td>3.</td><td>Treasury Bond Loans</td></tr>
<tr><td>4.</td><td>Preferential Loans for SOEs</td></tr>
<tr><td>5.</td><td>Preferential Lending to CISPF Producers and Exporters Classified as “Honorable Enterprises”</td></tr>
<tr><td>6.</td><td>Loans and Interest Subsidies Provided Pursuant to the Northeast Revitalization Program</td></tr>
<tr><td>7.</td><td>Debt-to-Equity Swaps</td><td>0.09%</td><td>Highest non-de minimis Rate for Similar Program from within Segment of Proceeding – Assistance Fund</td><td>Current Review</td></tr>
<tr><td>8.</td><td>Exemptions for SOEs from Distributing Dividends to the State</td><td>0.09%</td><td>Highest non-de minimis Rate for Similar Program from within Segment of Proceeding –</td><td>Current Review</td></tr>
</table>

			Assistance Fund	
9.	Loan and Interest Forgiveness for SOEs	2.32%	Highest non-*de minimis* Rate for Similar Program within Country	*Lightweight Thermal Paper from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 73 FR 57323 (October 2, 2008).
10.	Preferential Income Tax Program for High and New Technology Enterprises	25%	Income Tax Rate	*Certain Tool Chests and Cabinets From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 82 FR 43331 (September 15, 2017).
11.	Preferential Deduction of R&D Expenses for High and New Technology Enterprises			
12.	Income Tax Benefits for Domestically Owned Enterprises Engaging in Research and Development			
13.	Preferential Income Tax Policy for Enterprises in the Northeast Region			
14.	Reduction in Exemption from Fixed Assets Investment Orientation Regulatory Tax			
15.	Preferential Income Tax Subsidies for Foreign Invested Enterprises – Export Oriented FIEs			
16.	Small Low-Profit Enterprise Income Tax Preferential Treatment			
17.	Income Tax Credits for Domestically Owned Companies Purchasing			

	Domestically Produced Equipment			
18.	VAT and Tariff Exemptions for Purchases of Fixed Assets Under the Foreign Trade Development Fund	9.71%	Highest non-*de minimis* Rate for Similar Program within the Country	*New Pneumatic Off-the-Road Tires From the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review*, 75 FR 64268 (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) (*Off-the-Road Tires China*).
19.	Import Tariff and VAT Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries	1.07%	Highest non-*de minimis* rate for Similar Program within Country	*Forged Steel Fittings From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 83 FR 50342 (October 5, 2018), and accompanying IDM at 5.
20.	Deed Tax Exemption for SOEs Undergoing Mergers or Restructuring	9.71%	Highest non-*de minimis* Rate for Similar Program within the Country	*Off-the-Road Tires China.*
21.	Provision of Land to SOEs for LTAR	2.15%	Highest non-*de minimis* rate for Identical Program within Country	*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), and accompanying IDM at 13.
22.	Provision of Pig Iron for LTAR	0.49%	Highest non-*de minimis* Rate for	*Soil Pipe Fittings Investigation Final.*

			Identical Program from any Segment of Proceeding (Calculated – Wor-Biz)	
23.	Provision of Ferrous Scrap for LTAR	4.45%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Wor-Biz and Shanxi Xuanshi)	*Soil Pipe Fittings Investigation Final.*
24.	Provision of Electricity for LTAR	3.44%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Shanxi Xuanshi)	*Soil Pipe Fittings Investigation Final.*
25.	The State Key Technology Fund	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
26.	Foreign Trade Development Fund Grant	0.09%	Highest non-*de minimis* Rate for Similar Program from within	Current Review

			Segment of Proceeding – Assistance Fund	
27.	Export Assistance Grants	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
28.	Subsidies for Development of Famous Export Brands and China World Top Brands	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
29.	Grants to Loss-Making SOEs	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
30.	Export Interest Subsidies	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review

31.	Grants for Energy Conservation and Emission Reduction	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
32.	Grants for Retirement of Capacity	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
33.	Grants for Relocating Production Facilities	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
34.	Patent Assistance Funds	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
35.	Brand Building Funds for Medium, Small and Micro-sized Enterprises, 2016	0.02%	Highest non-*de minimis* Rate for Identical Program from any	*Soil Pipe Fittings Investigation Final.*

			Segment of Proceeding (Calculated – Shanxi Xuanshi)	
36.	Party Construction Fund for the year 2015	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
37.	Special Fund for Foreign Economic Development (on International Operation Capacity Enhancement) the First Tranche of the year 2015	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
38.	Special Fund for Foreign Economic Development (on International Operation Capacity Enhancement), the Second Tranche of the year 2015	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
39.	Promotion Funds for Coordinated Development of Foreign Trade and Economic Region	0.09%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Shanxi Xuanshi)	*Soil Pipe Fittings Investigation Final.*

40.	Supporting Funds for Circulating Program	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
41.	Government Awards for Brand Name Product in Shanxi Province	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
42.	Financial Funds Introduction	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
43.	Supporting Funds for Private Economy Development of SME	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
44.	Funds for Energy Saving Technology Improvement Project in Smelting Section	0.09%	Highest non-*de minimis* Rate for Similar Program from within	Current Review

			Segment of Proceeding – Assistance Fund	
45.	Aid for Middle and Small Enterprise for Developing International Market	0.09%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Wor-Biz)	*Soil Pipe Fittings Investigation Final.*
46.	Bonus to Middle and Small Enterprise	0.04%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Wor-Biz)	*Soil Pipe Fittings Investigation Final.*
47.	Bonus for Foreign Trade	0.04%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Wor-Biz)	*Soil Pipe Fittings Investigation Final.*
48.	Assistance on Credit Insurance	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review
49.	Assistance Fund	0.09%	Highest non-*de minimis*	Current Review

			Rate for Identical Program from within Segment of Proceeding	
50.	Foreign Trade Promotion Fund in 2016	0.01%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Wor-Biz)	*Soil Pipe Fittings Investigation Final.*
51.	Fund to Middle and Small Enterprise for Developing Markets	0.01%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Wor-Biz)	*Soil Pipe Fittings Investigation Final.*
52.	Bonus for the Company's Sports Brand in Exhibition	0.04%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Wor-Biz)	*Soil Pipe Fittings Investigation Final.*
53.	Certificate of Shanxi Brand Name Product	0.09%	Highest non-*de minimis* Rate for Similar Program from within Segment of Proceeding – Assistance Fund	Current Review

54.	Interest Discount Funds	0.01%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Shanxi Xuanshi)	*Soil Pipe Fittings Investigation Final.*
55.	Provision of Iron Ore for LTAR	11.99%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Shanxi Xuanshi)	*Soil Pipe Fittings Investigation Final.*
56.	Provision of Metallurgical Coke for LTAR	9.86%	Highest non-*de minimis* Rate for Identical Program from any Segment of Proceeding (Calculated – Shanxi Xuanshi)	*Soil Pipe Fittings Investigation Final.*
57.	Provision of Coking Coal for LTAR	11.99%	Highest non-*de minimis* Rate for Similar Program from any Segment of Proceeding (Calculated – Shanxi Xuanshi – Iron Ore)	*Soil Pipe Fittings Investigation Final.*

58.	VAT Refunds for FIEs on Purchases of Chinese-Made Equipment	9.71%	Highest non-*de minimis* rate for Similar Program within the Country	*Off-the-Road Tires China.*
59.	Tax Incentives for Businesses in China (Shanghai) Pilot Free Trade Zone[32]	*See* footnote below.	Income Tax Rate	
Total *Ad Valorem* Rate		109.32%		

[32] The AFA rate for this program is included as part of the AFA rate for income tax programs, which is 25 percent.