C-570-132
Investigation
Public Document
E&C/OII: Team

February 16, 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 Determination of the Countervailing Duty Investigation of Twist Ties from the People's Republic of China

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I. SUMMARY

The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to the producers of twist ties from the People's Republic of China (China), as provided in section 705 of the Tariff Act of 1930, as amended (the Act). Below is the complete list of issues in this investigation for which we received comments from interested parties:

Comment 1: Countervailability of Currency Exchanges Involving the Allegedly Undervalued Renminbi (RMB)
Comment 2: Export Buyer's Credit Program
Comment 3: Electricity for Less than Adequate Remuneration (LTAR)
Comment 4: The Subsidy Rate Assigned to Tianjin Kyoei Packaging Supplies Co., Ltd. (Kyoei)

II. BACKGROUND

Case History

The mandatory respondents in this investigation are Zhenjiang Hongda Commodity Co. Ltd. (Zhenjiang Hongda) and Zhenjiang Zhonglian I/E Co., Ltd. (Zhenjiang Zhonglian). On December 1, 2020, Commerce published the *Preliminary Determination* in this investigation and aligned this final countervailing duty (CVD) determination with the final antidumping duty (AD)

determination, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4)(i).[1] In December 2020, we received timely-filed case briefs from the Government of China (GOC) and Kyoei, and a timely-filed rebuttal brief from the petitioner.[2] Also in December 2020, the GOC timely filed a request for a hearing.[3] On January 14, 2021, we held a public hearing via videoconference.[4]

Period of Investigation

The period of investigation (POI) is January 1, 2019, through December 31, 2019.

III. USE OF FACTS OTHERWISE AVAILABLE AND ADVERSE INFERENCES

Commerce relied on "facts otherwise available," including adverse facts available (AFA), for all findings in the *Preliminary Determination*. Commerce has made changes to its use of facts otherwise available and AFA, as applied in the *Preliminary Determination.* Those changes are discussed in detail below.

A. Legal Standard

Section 776(a) of the Act provides that Commerce shall, subject to section 782(d) of the Act, select from among the "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.

Section 776(b) of the Act further provides that Commerce may use an adverse inference in selecting from among 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. Further, section 776(b)(2) of the Act states that an adverse inference may include reliance on information derived from the petition, the final determination from the investigation, a previous administrative review, or other information placed on the record.[5] When selecting an AFA rate from among the possible sources of information, Commerce's practice is to ensure that the rate is sufficiently adverse "as to

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[1] *See Twist Ties from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 85 FR 77167 (December 1, 2020) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).
[2] *See* GOC's Letter, "Twist Ties from the People's Republic of China, Case No. C-570-132: GOC's Case Brief" (GOC's Case Brief), dated December 22, 2020; Kyoei's Letter, "Twist Ties from the People's Republic of China: Kyoei's Case Brief" (Kyoei's Case Brief), dated December 22, 2020; and Petitioner's Letter, "Countervailing Duty Investigation of Twist Ties from China; Preliminary Determination – Petitioner's Rebuttal Case Brief" (Petitioner's Rebuttal Brief), dated December 29, 2020.
[3] *See* GOC's Letter, "Twist Ties from the People's Republic of China, Case No. C-570-132: GOC's Hearing Request," dated December 30, 2020.
[4] *See* Public Hearing Transcript regarding "The Investigation of the Antidumping Duty Order {sic} on Twist Ties from the People's Republic of China," dated January 14, 2021.
[5] *See also* 19 CFR 351.308(c).

effectuate the statutory purposes of the AFA rule to induce respondents to provide Commerce with complete and accurate information in a timely manner."[6] Commerce's practice also ensures "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully."[7]

Section 776(c) of the Act provides that, when Commerce relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal.[8] Secondary information is "information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise."[9] It is Commerce's practice to consider information to be corroborated if it has probative value.[10] In analyzing whether information has probative value, it is Commerce's practice to examine the reliability and relevance of the information to be used.[11] However, the SAA emphasizes that Commerce need not prove that the selected facts available are the best alternative information.[12] Furthermore, Commerce is not required to corroborate any countervailing subsidy rate applied in a separate segment of the same proceeding.[13]

In a CVD investigation, Commerce requires information from both the foreign producers and exporters of the merchandise under investigation and the government of the country where those producers and exporters are located. When the government fails to provide requested and necessary information concerning alleged subsidy programs, Commerce, in selecting from among the facts otherwise available with an adverse inference, may find that a financial contribution exists under the alleged program and that the program is specific. However, where possible, Commerce will rely on the responsive producer's or exporter's records to determine the existence and amount of the benefit conferred, to the extent that those records are useable and verifiable.

Otherwise, under section 776(d) of the Act, Commerce may use a countervailable subsidy rate applied for the same or similar program in a CVD proceeding involving the same country, or, if there is no same or similar program, use a CVD rate for a subsidy program from a proceeding that Commerce considers reasonable to use, including the highest of such rates. Additionally, when selecting an AFA rate, Commerce is not required for purposes of section 776(c) of the Act, or any other purpose, to estimate what the countervailable subsidy rate would have been if the non-cooperating interested party had cooperated or to demonstrate that the countervailable

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[6] *See, e.g.*, *Drill Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination, Final Affirmative Critical Circumstances Determination*, 76 FR 1971 (January 11, 2011), and accompanying Issues and Decision Memorandum (IDM); and *Notice of Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors from Taiwan*, 63 FR 8909, 8932 (February 23, 1998).
[7] *See* Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, Vol. 1 (1994) (SAA) at 870, reprinted at 1994 U.S.C.C.A.N. 4040, 4199.
[8] *See also* 19 CFR 351.308(d).
[9] *See*, *e.g.*, SAA at 870.
[10] *Id.* at 870.
[11] *Id.* at 869.
[12] *Id.* at 869-870.
[13] *See* section 776(c)(2) of the Act.

subsidy rate reflects an "alleged commercial reality" of the interested party.[14] Commerce relied on "facts otherwise available," including AFA, for all findings in the *Preliminary Determination*.

Except for our final determination regarding the currency undervaluation program, discussed in Comment 1, below, we did not make any changes to our use of facts otherwise available and AFA from the *Preliminary Determination*. For a description of our methodology, *see* the *Preliminary Determination*.[15] The appendix to this memorandum contains a chart summarizing our calculation of the revised AFA rate.

IV. ANALYSIS OF COMMENTS

Comment 1: Countervailability of Currency Exchanges Involving the Allegedly Undervalued RMB

GOC's Case Brief

- Neither international nor U.S. law permits Commerce to treat currency undervaluation as a countervailable subsidy.
- Commerce's *Final Rule* is inconsistent with the Act and was promulgated without statutory authority.[16]
- Commerce's preliminary determination that the exchange of U.S. dollars for RMB results in a countervailable subsidy is not supported by substantial evidence.[17]
- Commerce fails to support its treatment of currency exchange as a financial contribution.[18]
- Commerce cannot determine that the alleged currency undervaluation subsidy is specific.[19]
- The Department of Treasury's (Treasury's) report, on which Commerce's undervaluation determination depends, suffers from serious flaws and fails to demonstrate that the RMB is undervalued. Thus, Commerce's determination of benefit is not supported by substantial evidence.[20]

Petitioner's Rebuttal Brief

- Commerce is permitted to investigate exchanges of undervalued currency as potential countervailable subsidies, and the *Final Rule* is consistent with the Act and with Commerce's international obligations.
- The GOC's argument that currency undervaluation does not result in a direct financial contribution was considered and fully rejected by Commerce in the *Final Rule*.[21]

[14] *See* section 776(d)(3) of the Act.
[15] *See Preliminary Determination* PDM at 25-26.
[16] *See* GOC's Case Brief at 24 (citing *Modification of Regulations Regarding Benefit and Specificity in Countervailing Duty Proceedings*, 85 FR 6031 (February 4, 2020) (*Final Rule*)).
[17] *Id.* at 25.
[18] *Id*. at 31.
[19] *Id*. at 12 and 36.
[20] *Id*. at 36-52.
[21] *See* Petitioner's Rebuttal Brief at 8-9.

- The GOC's currency program is *de facto* specific under section 771(5A)(D)(iii)(II) of the Act.[22]
- Commerce properly determined that countervailable subsidies are being provided to producers and exporters of subject merchandise.[23] Treasury reported that the RMB was undervalued during 2019 because there was a gap between China's real effective exchange rate (REER) and its equilibrium REER.[24] Treasury also noted that it determined China was a currency manipulator during the POI due to concrete steps the GOC took to devalue the RMB.[25]
- Importers and exporters in China benefit from currency undervaluation by receiving more RMB than they otherwise would when U.S. dollars are changed into RMB.[26]

Commerce's Position:

After considering the totality of record evidence and parties' arguments on this issue, Commerce has determined to defer making a finding with respect to the countervailability of currency exchanges for this final determination. However, Commerce will continue to investigate this program in the first administrative review, should this investigation result in a CVD order and a review be requested.

On February 4, 2020, Commerce published the *Final Rule*, clarifying how Commerce planned to determine the existence of a benefit when examining a subsidy resulting from currency undervaluation and explaining that companies in the traded goods sector of the economy can constitute a group of enterprises for purposes of determining whether a subsidy is specific.[27] On July 16, 2020, Commerce initiated this investigation, including the currency undervaluation allegation during the 2019 POI.[28] This investigation marked the second time Commerce initiated an investigation of subsidies resulting from currency undervaluation under the *Final Rule*,[29] and the first time Commerce initiated an investigation of the undervaluation of China's currency as a countervailable subsidy.

While the deadline for the CVD investigation is aligned with the AD investigation, the deadline for the AD final determination was not postponed due to the lack of participating respondents. Without such postponement, the CVD investigation deadline cannot be further extended. As a result of this alignment, even though the *Tires from Vietnam* case was initiated before this investigation, Commerce is making its first final determination under the *Final Rule* in this investigation. Therefore, Commerce faces significant time constraints in this investigation.

[22] *Id*. at 5-6 (citing *Preliminary Determination* PDM at 21-22).
[23] *Id*. at 1-2.
[24] *Id*. at 6.
[25] *Id*.
[26] *Id.* at 10.
[27] *See Final Rule*, 85 FR at 6031.
[28] *See Twist Ties from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 85 FR 45188 (July 27, 2020).
[29] *See Passenger Vehicle and Light Truck Tires From the Socialist Republic of Vietnam: Initiation of Countervailing Duty Investigation*, 85 FR 38850 (June 29, 2020) (*Tires from Vietnam*).

In the *Final Rule*, we recognized Treasury's expertise on matters related to currency for the U.S. government.[30] Currency undervaluation involves a complex and multifaceted analysis involving multiple economic variables.[31] This novel benefit analysis is further complicated by a general lack of transparency and available information with respect to the RMB for the POI.[32] Furthermore, and as Commerce has acknowledged in the past, "because {a subsidy} had not been previously investigated, a complex specificity analysis would have been required."[33] We have determined, therefore, that Commerce needs additional time and, potentially, record evidence before making a final determination on the benefit and specificity elements for this program.

It is not unusual for Commerce to defer consideration of, or a final determination concerning, a subsidy allegation made in an investigation. Commerce has deferred determinations regarding subsidy programs in cases as diverse as *OCTG from China*, *Silicon Metal from Kazakhstan*, *Softwood Lumber from Canada*, and *Shrimp* from various countries, among many others.[34] Specifically, in *Silicon Metal from Kazakhstan*, Commerce deferred making a final determination regarding whether a debt forgiveness program constituted a countervailable subsidy, despite making a preliminary finding of countervailability based on AFA, determining that it needed additional information to analyze the program.[35] Further, the CIT has expressly recognized that the complexity of an alleged subsidy program might necessitate deferral and postponement of a final determination regarding that program. In *Bethlehem Steel*, the CIT acknowledged that "when Commerce is faced with unreasonably late or extraordinarily complex subsidy allegations, it may 'lack the resources or the time necessary to investigate' the new allegations…."[36] Although the currency allegation was not filed unreasonably late by any means, it is an extraordinarily complex allegation which, as described above, requires additional time and resources to analyze. In *RTG*, the CIT placed more emphasis on the complexity of the

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[30] *See Final Rule*, 85 FR at 6037.

[31] Commerce and the U.S. Court of International Trade (CIT) have recognized that allegations such as equity infusions, debt-to-equity swaps, and the provision of goods for LTAR constitute "complex" allegations, requiring Commerce to devote large amounts of time and resources and that in some extraordinary cases, it is necessary to defer final determinations of countervailability regarding such complex programs. *See Oil Country Tubular Goods From The Republic of China: Final Affirmative Countervailing Duty Determination, Final Negative Critical Circumstances Determination*, 74 FR 64045 (December 7, 2009) (*OCTG from China*), and accompanying IDM at Comment 28; *see also Certain Frozen Warmwater Shrimp From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 78 FR 50391 (August 19, 2013) (*Shrimp from China*), and accompanying IDM at Comment 7; *Bethlehem Steel Corp. v. United States*, 140 F. Supp. 2d 1354 (CIT 2001) (*Bethlehem Steel*); and *Royal Thai Government v. United States*, 341 F. Supp. 2d 1315 (CIT 2004) (*RTG*), *aff'd in part and rev'd in part on other grounds*, 436 F.3d 1330 (CAFC 2006).

[32] *See* Treasury's Letter dated November 9, 2020, at 2-3; and Treasury's Letter dated December 11, 2020, at 4-5 (both citing issues of transparency).

[33] *See OCTG from China* IDM at Comment 28.

[34] *See, e.g.*, *OCTG from China* IDM at Comment 28; *Silicon Metal from the Republic of Kazakhstan: Final Affirmative Countervailing Duty Determination*, 83 FR 9831 (March 8, 2018) (*Silicon Metal from Kazakhstan*), and accompanying IDM at Comment 6; *Notice of Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Certain Softwood Lumber Products From Canada*, 67 FR 15545 (April 2, 2002) (*Softwood Lumber from Canada*), and accompanying IDM; and *Shrimp from China* IDM at Comment 7.

[35] *See Silicon Metal from Kazakhstan* IDM at Comment 6. While Commerce stated its intention to examine this program in a future administrative review, *Silicon Metal from Kazakhstan* did not result in a CVD order.

[36] *See Bethlehem Steel*, 140 F. Supp. 2d at 1361.

subsidy program at issue rather than the time remaining in the investigation since the allegation was filed.[37]

In sum, given the time constraints faced by Commerce to fully consider parties' arguments and determine if additional information is required and available to conduct a more complete and thorough analysis of the novel issues presented with respect to this complex allegation, Commerce has determined to defer making a finding with respect to the countervailability of this program until the first administrative review, should this investigation result in a CVD order and a review be requested. As a result, there is no need for Commerce to address the individual arguments presented by parties on the authority of Commerce to countervail currency-related subsidies, the consistency of the *Final Rule* with the Act, and the existence of a financial contribution, specificity, or benefit at this time. Given that Commerce is deferring making a finding with respect to this program, this program has not been included in the calculation of the total AFA rate for the non-participating respondents for the final determination.

Comment 2: Export Buyer's Credit Program

GOC's Case Brief

- Commerce should not have imitated on this program because the petitioner did not meet the sufficient evidence standard of Article 11.3 of the World Trade Organization (WTO) Agreement on Subsidies and Countervailing Measures (SCM Agreement).[38]
- The record of this proceeding demonstrates that the GOC acted to the best of its ability despite the fact that the mandatory respondents did not participate in this investigation.[39]
- It is not reasonable to expect that the GOC could provide documentation concerning this program without the cooperation and the participation of the mandatory respondents. Therefore, Commerce has no factual basis to find that the GOC failed to cooperate to the best of its ability.[40]
- Commerce did not consider all evidence on the record of this investigation in making its AFA determination regarding this program.[41] The CIT has held that Commerce cannot determine that a government subsidy is available based solely on a respondent's non-cooperation.[42]

[37] *See RTG*, 341 F. Supp. 2d at 1323.
[38] *See* GOC's Case Brief at 71 (citing GOC's Letter, "Twist Ties from the People's Republic of China, Case No. C-570-132: GOC's Second Supplemental Questionnaire Response," dated November 4, 2020 (GOC's Nov. 4, 2020 SQR); and Memorandum, "Twist Ties from the People's Republic of China Countervailing Duty Petition: Consultations with the Government of the People's Republic of China," dated July 15, 2020, at 19-20).
[39] *Id.*(citing GOC's September 21, 2020 Initial Questionnaire Response at 18, 24-25, and Exhibits B-22 and B-23).
[40] *Id*. at 73 (citing section 776(b)(1) of the Act; and *Nippon Steel Corporation v. United States*, 337 F.3d 1373, 1383).
[41] *Id*. at 74 (citing *Changzhou Trina Solar Energy Co., Ltd. v. United States*, 195 F. Supp. 3d 1334, 1349-1350 (CIT 2016) (*Trina Solar 2016*); *RZBC Grp. Shareholding Co. v. United States*, 100 F. Supp. 3d 1288, 1298 (CIT 2015); and *Universal Camera Corp. v. NLRB*, 340 U.S. 474, 484 (1951)).
[42] *Id*. (citing *Trina Solar 2016*, 195 F. Supp. 3d at 1349-1350).

- Commerce, in the *Preliminary Determination*, also ignored recent CIT rulings that have found Commerce's application of AFA to the Export Buyer's Credit Program inappropriate.[43]

Petitioner's Rebuttal Brief

- The GOC ignores the fact that Commerce applied AFA to the Export Buyer's Credit Program because the GOC failed to answer the majority of questions posed by Commerce.[44]
- Commerce's application of AFA was appropriate, and the GOC cannot refuse to answer multiple requests for information from Commerce and then challenge the use of AFA.[45]

Commerce's Position:

As a preliminary matter, we disagree with the GOC that the petitioner's allegation related to this program was without merit and insufficient for initiation. Commerce analyzed the allegation and found that the evidence presented met the requirements of the Act.[46]

We are conducting this investigation pursuant to U.S. CVD law, specifically, the Act and Commerce's regulations. To the extent the GOC is raising arguments concerning certain provisions of the SCM Agreement, the U.S. CVD law fully implements the United States' obligations under the SCM Agreement. As we explained in *Steel Flanges from India*, Commerce has conducted this investigation in accordance with the Act and Commerce's regulations, and U.S. law is fully compliant with our WTO obligations:

> {O}ur CVD laws are consistent with our WTO obligations. Moreover, it is the Act and {Commerce's} regulations that have direct legal effect under U.S. law, and not the WTO Agreements or WTO reports. In this regard, WTO reports "do not have any power to change U.S. law or to order such a change."[47]

Therefore, because our obligations are consistent with the Act and our regulations, they are also consistent with our obligations under the SCM Agreement.

We continue to find that the record evidence of the instant investigation supports the application of AFA to the Export Buyer's Credit Program. We next describe the evolution of Commerce's treatment of the program.

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[43] *Id*. at 74-75 (citing *Yama Ribbons & Bows Co. v. United States*, 419 F. Supp. 3d 1341, 1348 (CIT 2019); *Clearon Corp. v. United States*, 359 F. Supp. 3d 1344, 1359-60 (CIT 2019); and *Jiangsu Zhongji Lamination Materials Co., Ltd. v. United States*, 405 F. Supp. 3d 1317, 1332).

[44] *See* Petitioner's Rebuttal Brief at 12 (citing *Preliminary Determination* PDM at 23-24).

[45] *Id.* at 12-13 (citing *Jindal Poly Films Ltd. of India v. United States*, 439 F. Supp. 3d 1354, 1363 (CIT 2020); and *Mukand, Ltd. v. United States*, 767 F.3d 1300, 1306 (Fed. Cir. 2014)).

[46] *See* "Countervailing Duty Initiation Checklist: Twist Ties from the People's Republic of China (China)," dated July 16, 2020, at 10.

[47] *See Finished Carbon Steel Flanges from India: Final Affirmative Countervailing Duty Determination*, 82 FR 29479 (June 29, 2017) (*Steel Flanges from India*), and accompanying IDM at Comment 1.

Solar Cells from China Initial Investigation of the Export Buyer's Credit Program

Commerce first investigated and countervailed the Export Buyer's Credit Program in the 2012 investigation *Solar Cells*.[48] Our initiation was based on, among other information, the Export-Import Bank of China's (China Ex-Im Bank's) 2010 annual report, demonstrating that the credits provided under this program are "medium – and long-term loans, and have preferential, low interest rates. Included among the projects that are eligible for such preferential financing are energy projects." Commerce initially asked the GOC to complete the "standard questions appendix" for the Export Buyer's Credit Program. The appendix requests, among other information, a description of the program and its purpose, a description of the types of relevant records the government maintains, the identification of the relevant laws and regulations, and a description of the application process (along with sample application documents). The standard questions appendix is intended to help Commerce understand the structure, operation, and usage of the program.

The GOC provided none of the information requested by Commerce in the ensuing investigation, despite being given multiple opportunities to do so, and instead simply stated that "{n}one of the respondents or their reported cross-owned companies applied for, used, or benefited from the alleged programs during the POI." In response to a request from Commerce for information concerning the operation of the Export Buyer's Credit Program and how we might verify usage of the program, the GOC stated that none of the respondents' customers had used the program either. The GOC added: "{t}he GOC understands that this program, including the buyer's credit cannot be implemented without knowledge of the exporters because the program has a substantial impact on the exporter's financial and foreign exchange business matters." Although asked, the GOC provided no additional information concerning exactly how an exporter's financial and foreign exchange matters would be affected. Commerce then gave the GOC another opportunity to provide the information requested. The GOC again refused to provide sample application documents, regulations, or manuals governing the approval process, and instead provided only a short description of the application process which gave no indication of how an exporter might be involved in the provision of export buyer's credits, how it might have knowledge of such credits, or how such credits might be reflected in a company's books and records.

Based on the GOC's responses, Commerce's understanding was that, under this program, loans were provided directly from the China Ex-Im Bank to the borrowers (*i.e.*, a respondent's customers), with no involvement of third parties, such as exporters, or third-party banks. Accordingly, Commerce made clear its understanding that the only way to establish non-use of the program was through the GOC and not the respondent companies. Additionally, Commerce concluded that, even if the respondent company might have some knowledge of loans provided to its customers through its involvement in the application process, such information is not the

[48] *See Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules; from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 77 FR 63788 (October 17, 2012) (*Solar Cells from China Investigation*), and accompanying IDM at 9 and Comment 18. While Commerce's determination with respect to the Export Buyer's Credit Program was initially challenged, the case was dismissed.

type Commerce would examine to verify that the claim of non-use at issue was complete and accurate:

> {E}ven if the {respondent exporter} might have been involved in, or might have received some notification of, its customer's application for receiving such export credits, such information is not the type of information that {Commerce} needs to examine in order to verify that the information is complete and accurate. For verification purposes, {Commerce} must be able to test books and records in order to assess whether the questionnaire responses are complete and accurate, which means that we need to tie information to audited financial statements, as well as to review supporting documentation for individual loans, grants, rebates, *etc*. If all a company received was a notification that its buyers received the export credits, or if it received copies of completed forms and approval letters, we have no way of establishing the completeness of the record because the information cannot be tied to the financial statements. Likewise, if an exporter informs Commerce that it has no binder (because its customers have never applied for export buyer's credits), there is no way of confirming that statement unless the facts are reflected in the books and records of the respondent exporter.

On this basis, Commerce concluded that usage of the program could not be confirmed at the respondent exporters in a manner consistent with its long-standing verification methods. These methods are comparable to those of an auditor, attempting to confirm usage or claimed non-usage by examining books and records which can be traced to audited financial statements, or other credible official company documents, such as tax returns, that provide a credible and complete picture of a company's financial activity for the period under examination. A review of ancillary documents, such as applications, correspondence, emails, *etc*., provides no assurance to Commerce that it has seen all relevant information.

This "completeness" test is an essential element of Commerce's verification methodology. If Commerce were attempting to confirm whether and to what extent a respondent exporter had received loans from a state-owned bank, for example, its first step would be to examine the company's balance sheets to derive the exact amount of lending outstanding during the period of examination. Second, once that figure was confirmed, Commerce would examine subledgers or bank statements containing the details of all individual loans. Because Commerce could tie or trace the subledgers or bank statements to the total amount of outstanding lending derived from the balance sheets, it could be assured that the subledgers were complete and that it therefore had the entire universe of loan information available for further scrutiny. After examining the subledgers for references to the state-owned banks (for example, "Account 201-02: Short-term lending, Industrial and Commercial Bank of China"), Commerce's third step would be to select specific entries from the subledger and request to see underlying documentation, such as applications and loan agreements, in order to confirm the accuracy of the subledger details. Thus, confirmation that a complete picture of relevant information is in front of the verification team, by tying relevant books and records to audited financial statements or tax returns, is critical.

In *Solar Cells*, however, despite Commerce's repeated requests for information, the GOC failed to offer any guidance as to how Commerce could search for Export Buyer's Credit Program lending in the respondent exporters' books and records that could be tied to financial statements, tax returns, or other relevant company documents. Therefore, Commerce concluded in that investigation that it could not verify usage of the program at the respondent exporters and instead attempted verification of usage of the program at the China Ex-Im Bank itself because it "possessed the supporting records needed to verify the accuracy of the reported non-use of the EBC program {and} would have complete records of all recipients of export buyer's credits." We noted our belief that "{s}uch records could be tested by {Commerce} to check whether the U.S. customers of the company respondents had received export buyer's credits, and such records could then be tied to the {China} Ex-Im Bank's financial statements." However, the GOC refused to allow Commerce to query the databases and records of the China Ex-Im Bank. Furthermore, there was no information on the record of *Solar Cells* from the respondent exporters' customers.

Chlorinated Isos Investigation of the Export Buyer's Credit Program

Two years later, in *Chlorinated Isos*,[49] the respondents submitted certified statements from all customers claiming that they had not used the Export Buyer's Credit Program. This was the first instance of respondents submitting such customer certifications. At that point in time, as explained in detail above, based on the limited information provided by the GOC in earlier investigations, it was Commerce's understanding that the Export Buyer's Credit Program provided medium- and long-term loans and that those loans were provided directly from the China Ex-Im Bank to the borrowers (*i.e.*, the respondent exporters' customers) only. Because the respondents' customers were participating in the proceeding, verification of non-use appeared to be possible through examining the financial statements and books and records of the U.S. customers for evidence of loans provided directly from the China Ex-Im Bank to the U.S. customers pursuant to verification steps similar to the ones described above. Based on the GOC's explanation of the program, we had expected to be able to verify non-use of this program through review of the participating U.S. customers' subledgers themselves. Therefore, despite being "unable to conduct a complete verification of non-use of this program at China Ex-Im,…{w}e conducted verification... in the United States of the customers of {the respondents}, and confirmed through an examination of each selected customer's accounting and financial records that no loans were received under this program."

2013 Amendments to the Export Buyer's Credit Program

Our understanding of the operation of the Export Buyer's Credit Program began to change after *Chlorinated Isos* was completed in September 2014. In *Citric Acid 2012*, Commerce began to gain a better understanding of how the China Ex-Im Bank disbursed funds under the program

[49] *See Chlorinated Isocyanurates from the People's Republic of China: Final Affirmative Countervailing Duty Determination; 2012*, 79 FR 56560 (September 22, 2014) (*Chlorinated Isos*), and accompanying IDM.

and the corresponding timeline;[50] however, Commerce's attempts to verify the program's details, and to obtain accurate statements concerning the operation and use of the program, were thwarted by the GOC. In subsequent proceedings, Commerce continued to investigate and evaluate this program.

For example, in *Silica Fabric* conducted in 2016-2017, based on what we had learned in *Citric Acid 2012*, we asked the GOC about certain changes to the Export Buyer's Credit Program, including changes in 2013 that eliminated the U.S. dollar 2 million minimum business contract requirement.[51] In response, the GOC stated that there were three relevant documents pertaining to the Export Buyer's Credit Program: (1) "Implementing Rules for the Export Buyer's Credit of the {China Ex-Im Bank}" which were issued by the China Ex-Im Bank on September 11, 1995 (referred to as "1995 Implementation Rules"); (2) "Rules Governing Export Buyer's Credit of the {China Ex-Im Bank}" which were issued by the China Ex-Im Bank on November 20, 2000 (referred to as "2000 Rules Governing Export Buyer's Credit" or "Administrative Measures"); and (3) 2013 internal guidelines of the China Ex-Im Bank. According to the GOC, "{t}he {China Ex-Im Bank} has confirmed to the GOC that... its 2013 guidelines are internal to the bank, non-public, and not available for release." The GOC further stated that "those internal guidelines do not formally repeal or replace the provisions of the {Administrative Measures} which remain in effect."

However, we found the GOC's responses incomplete and unverifiable, explaining:

> Through its response to {Commerce's} supplemental questionnaire, the GOC has refused to provide the requested information or any information concerning the 2013 program revision, which is necessary for {Commerce} to analyze how the program functions.
>
> We requested the 2013 Administrative Measures revisions (2013 Revisions) because information on the record of this proceeding indicated that the 2013 Revisions affected important program changes. For example, the 2013 Revisions may have eliminated the USD 2 million contract minimum associated with this lending program. By refusing to provide the requested information, and instead asking {Commerce} to rely upon unverifiable assurances that the 2000 Rules Governing Export Buyer's Credit remained in effect, the GOC impeded {Commerce}'s understanding of how this program operates and how it can be verified.
>
> Additional information in the GOC's supplemental questionnaire response also indicated that the loans associated with this program are not limited to direct

[50] *See Citric Acid and Certain Citrate Salts: Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 78799 (December 31, 2014) (*Citric Acid 2012*), and accompanying IDM at Comment 6 ("{N}otwithstanding the non-use claims of the RZBC Companies and the GOC, we find that the GOC's refusal to allow the verifiers to examine the EXIM Bank database containing the list of foreign buyers that were provided assistance under the program during the POR precluded the Department from verifying the non-use claims made by the RZBC Companies and the GOC.").

[51] *See Countervailing Duty Investigation of Certain Amorphous Silica Fabric from the People's Republic of China: Final Affirmative Determination*, 82 FR 8405 (January 25, 2017), and accompanying IDM at Comment 17.

> disbursements through the EX-IM Bank. Specifically, the GOC stated that customers can open loan accounts for disbursements through this program with other banks. The funds are first sent from the EX-IM Bank to the importer's account, which could be at the EX-IM Bank or other banks, and that these funds are then sent to the exporter's bank account. Given the complicated structure of loan disbursements for this program {Commerce's} complete understanding of how this program is administrated is necessary. Thus, the GOC's refusal to provide the most current 2013 Revisions, which provide internal guidelines for how this program is administrated by the EX-IM Bank, impeded {Commerce's} ability to conduct its investigation of this program.

Further, we determined that we could not rely on declarations from customers claiming non-use of the program because "we are unable to verify the accuracy of these documents as the primary entity that possesses such supporting records is the Export Import Bank of China."

Additionally, we explained that "we now have information on the record that demonstrates the GOC updated certain measures of the program, but the GOC refused to provide the updated measures{, }" and "{b}because the GOC withheld critical information regarding this program, we are unable to determine how the program now operates, and, thus, we cannot verify ACIT's declarations as submitted."

The Instant Investigation

As explained in the *Preliminary Determination*, information on the record indicates that the GOC issued revised administrative measures in 2013 for the Export Buyer's Credit Program.[52] In response to our request that it provide the documents pertaining to the 2013 program revisions (2013 Revisions), the GOC refused to provide them, stating that "the GOC sees no necessity to respond to this question."[53] As a result, the GOC refused to provide the requested information, which is necessary for Commerce to analyze how the program functions.

Moreover, record information also indicates that the credits and funds associated with the program are not limited to direct disbursements from the China Ex-Im Bank.[54] Specifically, the record information indicates that customers can open loan accounts for disbursements through other banks.[55] The funds are first sent from the China Ex-Im Bank to the importer's account, which could be at the Chin Ex-Im Bank or a partner bank and then sent to the exporter's bank account.[56] Given this complicated structure of loan disbursements under the program, a complete understanding of how it operates is necessary. Thus, the GOC's refusal to provide the 2013 Revisions, which provide internal guidelines for how the program is administered, impeded Commerce's ability to conduct its investigation of the program. In addition, the GOC also

[52] *See Preliminary Determination* PDM at 18 (citing Memorandum, "Placing Documents on the Record," dated November 23, 2020 (Additional Documents Memorandum)).
[53] *See* GOC's Nov. 4, 2020 SQR at 7.
[54] *See* Additional Documents Memorandum.
[55] *Id*.
[56] *Id*.

refused to provide a list of all partner/correspondent banks involved in the disbursement of credits and funds under the program.[57]

Pursuant to sections 776(a)(2)(A) and (2)(C) of the Act, when an interested party withholds information requested by Commerce or significantly impedes a proceeding, Commerce uses facts otherwise available in reaching the applicable determination. We find that the use of facts otherwise available is appropriate in light of the GOC's refusal to provide the 2013 Revisions. Further, section 776(b) of the Act provides that Commerce may use an adverse inference 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. Pursuant to section 776(b), we find that the GOC, by virtue of its withholding of information and significantly impeding this proceeding, failed to cooperate and act to the best of its ability. Accordingly, the application of AFA is warranted.

Specifically, the GOC has not provided complete information concerning the administration and operation of the program, such as how exactly loans are disbursed under the program (*e.g.*, the 2013 Revisions), possibly through intermediate or correspondent banks, the identities of which the GOC has withheld from Commerce, or whether the China Ex-Im Bank employs threshold criteria, such as a minimum U.S. dollar 2 million contract value.[58] Such information is critical to understanding how the Export Buyer's Credit Program operates.

Therefore, we continue to find that necessary information is missing from the record, the GOC withheld information that was requested, and significantly impeded this proceeding, pursuant to sections 776(a)(1) and (2) of the Act, and that the GOC has failed to cooperate to the best of its ability by not providing necessary information to Commerce, pursuant to section 776(b) of the Act. Thus, Commerce's use of an adverse inference when selecting from among the facts otherwise available is reasonable and supported by substantial evidence on the record.

As AFA, we continue to determine that this program provides a financial contribution and a benefit to the company respondents that is specific within the meaning of sections 771(5)(D), 771(5)(E), and 771(5A)(A) and (B), respectively, of the Act.

Comment 3: Electricity for LTAR

GOC's Case Brief

- Commerce should terminate investigation of the provision of electricity for LTAR program because the investigation was initiated based on an outdated view of the Chinese electricity market and pricing system. Commerce's reliance on previous cases is particularly problematic with respect to the provision of electricity because Commerce fails to recognize that the electricity price in China is based on market dynamics and reflects the equilibrium between supply and demand.[59]

[57] *See* GOC's Nov. 4, 2020 SQR at 7.
[58] *Id*.
[59] *See* GOC's Case Brief at 66-67.

- The GOC acted to the best of its ability to provide the requested information regarding the provision of electricity.[60]
- Commerce's determination regarding electricity for LTAR is contradicted by evidence on the record. Commerce has provided no factual support for its conclusion that the GOC's provision of electricity was specific under section 771(5A) of the Act. Commerce must search the far reaches of the record for facts that support the elements of a countervailable subsidy, even when relying on AFA.[61]

Petitioner's Rebuttal Brief

- The most recently available evidence continues to support the conclusion that the GOC directly or indirectly controls electricity rates in China. The GOC has failed to overcome the fact that local governments/provinces must comport their electricity rates with the supervision of the National Development and Reform Commission (NDRC).[62]
- Commerce has repeatedly found that the GOC's subsidization of electricity is specific and countervailable.[63]
- The CIT has sustained Commerce's determination that the NDRC is still involved in price setting in some capacity.[64]

Commerce's Position:

We continue to find that the GOC did not act to the best of its ability to provide the requested information for this program. As explained in the *Preliminary Determination*, the GOC did not provide complete responses to Commerce's questions regarding the alleged provision of electricity for LTAR.[65] In the initial questionnaire, Commerce requested information from the GOC that was needed to determine whether the provision of electricity constituted a financial contribution within the meaning of section 771(5)(D) of the Act and whether such a provision was specific within the meaning of section 771(5A) of the Act. The GOC did not provide this information. Consequently, in the *Preliminary Determination*, we relied on facts available pursuant to sections 776(a)(1) and (2)(A) and (C) of the Act because necessary information was missing from the record and because the GOC withheld information that was requested of it for our analysis and significantly impeded the proceeding. Furthermore, we applied AFA pursuant to section 776(b) of the Act because the GOC failed to cooperate by not acting to the best of its ability to comply with our requests for information.[66] Consistent with the Act and our practice, Commerce is continuing to apply AFA with respect to the provision of electricity for this final determination.

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

[60] *Id*. at 67-68.
[61] *Id*. at 69 (citing *Trina Solar 2016*, 195 F. Supp. 3d at 1334, 1350).
[62] *See* Petitioner's Rebuttal Brief at 13.
[63] *Id*. (citing *Changzhou Trina Solar Energy Co. v. United States*, 466 F. Supp. 3d 1287, 1302 (CIT 2020)).
[64] *Id*. at 13-14 (citing *Canadian Solar Inc. v. United States*, No. 18-00184, 2020 WL 6129754 (Oct. 19, 2020)).
[65] *See Preliminary Determination* PDM at 15.
[66] *Id*. at 17.

led to retail price increases, the derivations of those cost increases, how cost increases were calculated, and how cost increases impacted final prices. Additionally, we requested that the GOC explain, for each province in which a respondent or cross-owned company is located, how increases in labor costs, capital expenses, and transmission and distribution costs are factored into Provincial Price Proposals, and how cost element increases and final price increases were allocated across both the province and tariff end-user categories.[67]

As explained in detail in the *Preliminary Determination*, the GOC failed to fully explain the roles and nature of the cooperation between the NDRC and the provincial governments in deriving electricity price adjustments. As a result of the GOC's refusal to provide the requested information and unwillingness to cooperate, Commerce was unable to evaluate whether the electricity rates included in the electricity schedules submitted by the GOC were calculated based on market principles.[68] Accordingly, Commerce drew an adverse inference in selecting from among the facts otherwise available.[69]

While the GOC argues that its electricity tariffs are not specific because the same price is charged to each type of end user within a province, Commerce's analysis and its specificity determination are not based on the conclusion that different end users receive different rates within the province. Rather, given the GOC's failure to cooperate fully, Commerce must rely on the facts available on the record, with appropriate adverse inferences, in making our specificity determination. As we explained in the *Preliminary Determination*, we attempted to obtain information on how Chinese provincial electricity rate schedules are calculated and why they differ.[70] The GOC's failure to provide complete responses to our questions regarding this program is the reason Commerce is applying AFA in this case with respect to the provision of electricity. The GOC's refusal to answer Commerce's questions completely with respect to the roles and nature of cooperation between the NDRC and the provinces in deriving electricity price adjustments and failure to explain both the derivation of the price reductions directed to the provinces by the NDRC and the derivation of prices by the provinces themselves, leaves Commerce unable to carry out a specificity analysis. The GOC has failed to explain the reason for these differences in this and previous cases, claiming without support that the provincial governments set the rates for each province in accordance with market principles.

Thus, for the reasons stated above and consistent with the *Preliminary Determination*, we continue to find this program countervailable and to determine that the GOC's provision of electricity confers a financial contribution and is specific within the meaning of sections 771(5)(D) and 771(5A) of the Act, respectively. The GOC failed to provide certain requested information regarding the relationship (if any) between provincial tariff schedules and cost, as well as requested information regarding cooperation (if any) in price setting practices between the NDRC and provincial governments. Therefore, for the final determination, we continue to apply facts available with an adverse inference with regard to this program.

[67] *Id*. at 15.
[68] *Id*. at 16.
[69] *Id*. at 17.
[70] *Id*. at 15.

Comment 4: The Subsidy Rate Assigned to Kyoei

Kyoei's Case Brief

- There is no statutory or factual basis for assigning the AFA subsidy rate to Kyoei. Kyoei cooperated and provided information to the best of its ability.[71]
- None of the provisions in sections 776(a) or 776(b) of the Act related to the application of AFA apply to Kyoei as it did not withhold information, fail to provide information by established deadlines, or impede a proceeding, and the information it provided is verifiable. Kyoei timely provided its quantity and value (Q&V) response; therefore, the AFA rate should not be assigned to Kyoei.[72]
- Commerce should have had sufficient time to select another mandatory respondent and collect necessary information for calculating a reasonable subsidy rate. Commerce should have selected proper mandatory respondents after Zhenjiang Hongda's and Zhenjiang Zhonglian's withdrawal, rather than simply applying AFA to all companies, including cooperative respondents like Kyoei.[73]
- The rate assigned to Kyoei, a fully cooperative respondent, should be different than the rate assigned to companies that did not cooperate with Commerce in this proceeding.[74]

Petitioner's Rebuttal Brief

- Kyoei's provision of sales and value information in response to a Q&V questionnaire does not entitle it to a separate CVD rate.[75]
- Kyoei argues that Commerce had sufficient time to select other mandatory respondents; however, Kyoei did not offer to provide the same information that was requested from the Hongda entities and, therefore, is not entitled to an individual rate.[76]
- Unlike other cases involving the application of AFA to a cooperating respondent, Kyoei did not provide any evidence that it did not benefit from a program Commerce found to be countervailable.[77]

Commerce's Position:

We disagree with Kyoei and find that Commerce was justified in not selecting an additional mandatory respondent.

Section 777A(e)(1) of the Act directs Commerce to determine an individual countervailable subsidy rate for each known exporter and producer of the subject merchandise. However, section 777A(e)(2)(A)(ii) of the Act and 19 CFR 351.204(c)(2) state that Commerce may limit its examination to exporters and producers accounting for the largest volume of the subject merchandise from the exporting country that can be reasonably examined. As discussed in our

[71] *See* Kyoei's Case Brief at 2.
[72] *Id*. at 2-3.
[73] *Id*. at 3.
[74] *Id*. at 5.
[75] *See* Petitioner's Rebuttal Brief at 14.
[76] *Id*. at 15.
[77] *Id*. (citing *Clearon Corp. And Occidental Chemical Corp. v. United States*, 474 F. Supp. 3d 1339 (October 8, 2020)).

Respondent Selection Memorandum, after a careful examination of our available resources, we determined that it was not practicable to examine all known producers or exporters of subject merchandise. Therefore, in accordance with section 777A(e)(2)(A)(ii) of the Act and our normal practice, we selected the maximum number of mandatory respondents that we could reasonably investigate, which in this case was two. In the Respondent Selection Memorandum, Commerce selected Zhenjiang Hongda and Zhenjiang Zhonglian as mandatory respondents because they accounted for the largest volume of imports of subject merchandise.[78] We noted in the Respondent Selection Memorandum that no interested party had requested voluntary treatment.[79]

On August 24, 2020, Zhenjiang Hongda and Zhenjiang Zhonglian withdrew their participation from this investigation.[80] Although the mandatory respondents notified Commerce on the record in this case that they would not be participating in this investigation, neither Kyoei nor any other interested party requested that Commerce select another mandatory respondent. Further, Kyoei did not at any time request voluntary treatment. Section 782(a) of the Act and 19 CFR 351.204(d) provide explicit details on the treatment of voluntary responses, which allows an entity to request an individual countervailable subsidy rate separate from the all-others rate. Had Kyoei requested voluntary treatment, we note that Commerce would have reviewed Kyoei's request pursuant to 19 CFR 351.204(d)(2) to determine whether or not to accept a voluntary respondent. Further, Kyoei could have continued to participate as a voluntary respondent by requesting voluntary treatment before Commerce selected mandatory respondents or if it had submitted a response to the initial questionnaire on the established deadline of September 14, 2020. As stated in *Prime Time Commerce*,

> …a questionnaire response filed by a voluntary respondent is solicited. Voluntary respondents are subject to the same requirements as mandatory respondents. Commerce's regulations, therefore, imply that questionnaires should be answered by respondents.[81]

Moreover, section 782(a)(1) of the Act provides that Commerce shall establish an individual countervailable subsidy rate for any exporter or producer not initially selected for individual examination under section 777A(e)(2)(A) of the Act who submits the information requested from exporters or producers selected for examination, if such information is so submitted by the date specified for exporters and producers that were initially selected for examination, and the number of exporters or producers subject to the investigation or review is not so large that any additional individual examination of such exporters or producers would be unduly burdensome to Commerce and inhibit the timely completion of the investigation. Therefore, if Kyoei wanted to receive a rate other than the all-others rate, it could have requested voluntary treatment, which, if accepted under 19 CFR 351.204(d)(2), would have subjected Kyoei to the same requirements as the mandatory respondents initially selected, including section 782(a) of the Act.

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[78] *See* Memorandum, "Countervailing Duty Investigation of Twist Ties from the People's Republic of China: Respondent Selection," dated August 7, 2020 (Respondent Selection Memorandum), at 3-5.
[79] *See* Respondent Selection Memorandum at 2.
[80] *See* Zhenjiang Hongda and Zhenjiang Zhonglian's Letter, "Twist Ties from the People's Republic China: Withdrawal of Zhenjiang Hongda and Zhenjiang Zhonglian from the Countervailing Duty Investigation and Counsel's Certification of Compliance with the Terms of the APO," dated August 24, 2020.
[81] *See Prime Time Commerce LLC v. United States*, 396 F. Supp. 3d 1319, 1328 (CIT 2019) (*Prime Time Commerce*).

Furthermore, we note that the Act is silent as to whether Commerce must reselect mandatory respondents. Kyoei did not provide evidence to support its allegation that Commerce impeded the investigation by not selecting additional mandatory respondents. Moreover, this case is rendered even more complicated by the fact that it is an investigation, rather than an administrative review; thus, not only are the companies and the product unfamiliar, but this is also the first time that any of the exporters named in the Respondent Selection Memorandum have participated in an CVD proceeding. In such a situation, it is important to recognize that there is a learning curve for both Commerce and the respondents. As a consequence, the analysis of each company's response, the collection and analysis of information about the alleged subsidy programs obtained from the responding government, as well as the CVD rate calculations themselves, require an enormous expenditure of resources.

Finally, we note that we have not eliminated Kyoei's right to obtain its own subsidy rate. Specifically, we note that Kyoei will have a chance to request a review and obtain its own rate, if an order is issued after the completion of this investigation and the International Trade Commission's injury investigation.

V. RECOMMENDATION

Based on our analysis of the comments received, we recommend adopting the above positions. If this recommendation is accepted, we will publish the final determination in the *Federal Register* and notify the U.S. International Trade Commission of our determination.

☒ ☐

Agree Disagree

2/16/2021

X

Signed by: CHRISTIAN MARSH

Christian Marsh
Acting Assistant Secretary
for Enforcement and Compliance

APPENDIX
AFA Rate Calculation

Program Name	AFA Rate (percent)
Income Tax Programs	
Income Tax Deductions for R&D Expenses	**25.00**[82]
Preferential Lending	
Export Policy Loans from Chinese State-Owned Banks	**10.54**[83]
Export Seller's Credits	**10.54**[84]
Export Credit Guarantees	**10.54**[85]
Export Buyer's Credits	**10.54**[86]
Grant Programs	
GOC and Sub-Central Government Subsidies for the Development of Famous Brands and China World Top Brands	**1.27**[87]
SME International Market Exploration/ Development Fund	**1.27**[88]
SME Technology Innovation Fund	**1.27**[89]
Export Assistance Grants	**1.27**[90]
Grants for Energy Conservation and Emission Reduction	**1.27**[91]
LTAR Programs	
Provision of Wire Rod for LTAR	**9.17**[92]
Provision of Zinc for LTAR	**9.17**[93]
Provision of Electricity for LTAR	**20.06**[94]
Export Credit Insurance Subsidies	
Export Credit Insurance	**0.05**[95]
Total AFA Rate:	**111.96**

[82] The standard income tax rate for corporations in China is 25 percent. Thus, the highest possible benefit for income tax programs is 25 percent.
[83] *See Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 FR 70201 (November 17, 2010), and accompanying Ministerial Error Memorandum at "Revised Net Subsidy Rate for the Gold Companies" (regarding "Preferential Lending to the Coated Paper Industry").
[84] *Id.*
[85] *Id*.
[86] *Id*.
[87] *See High Pressure Steel Cylinders from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2017*, 84 FR 71373 (December 27, 2019), and accompanying IDM at Comment 6 ("Production Base Construction for Gas Storage and Transportation Equipment" grant program).
[88] *Id*.
[89] *Id*.
[90] *Id*.
[91] *Id*.
[92] *See Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 85 FR 8833 (February 18, 2020).
[93] *Id*.
[94] *See Chlorinated Isos* IDM at 22.
[95] *Id*. at 12-13.