



A-570-053
Administrative Review
4/1/2019-3/31/2020
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June 29, 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: Decision Memorandum for the Preliminary Results of the
Antidumping Duty Administrative Review of Certain
Aluminum Foil from the People's Republic of China; 2019-
2020

I. SUMMARY

The Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty (AD) order on certain aluminum foil (aluminum foil) from the People's Republic of China (China).¹ The review covers two mandatory respondents: (1) Jiangsu Zhongji Lamination Materials Co., (HK) Ltd.; Jiangsu Zhongji Lamination Materials Stock Co., Ltd.; Jiangsu Zhongji Lamination Materials Co., Ltd.; and Jiangsu Huafeng Aluminum Industry Co., Ltd (collectively, Zhongji),² and (2) Jiangsu Alcha Aluminum Co., Ltd. (Jiangsu Alcha). The review also covers 14 other companies that were not selected for individual examination. The period of review (POR) is April 1, 2019 through March 31, 2020. We preliminarily find that sales of the subject merchandise were made at prices below normal value (NV). The estimated

¹ See *Certain Aluminum Foil from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*: 83 FR 17362 (April 19, 2018) (*Order*).

² Consistent with the methodology employed in the less-than-fair-value (LTFV) investigation, we have continued to collapse Jiangsu Zhongji Lamination Materials Co., (HK) Ltd. (Zhongji HK), and Jiangsu Zhongji Lamination Materials Co., Ltd. (Jiangsu Zhongji), (collectively, Zhongji) and to treat these companies as a single entity. See *Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination and Accompanying Preliminary Decision Memorandum*, 82 FR 50858 (November 2, 2017), and accompanying Preliminary Decision Memorandum at 16-18, unchanged in *Certain Aluminum Foil from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018). We find that record evidence supports treating each of these entities as a collapsed entity in this review. See Memorandum, "Zhongji Analysis for the Preliminary Results," dated concurrently with this memorandum.

weighted-average dumping margins are shown in the “Preliminary Results of Review” section of the accompanying *Federal Register* notice.

II. BACKGROUND

On April 19, 2018, Commerce published in the *Federal Register* the AD order on aluminum foil from China.³ On April 1, 2020, Commerce published a notice of opportunity to request an administrative review of the *Order* for the period April 1, 2019 through March 31, 2020.⁴ On June 8, 2020, Commerce published the initiation of the administrative review of the *Order* with respect to 33 companies.⁵

In the *Initiation Notice*, Commerce notified parties of the application process by which firms may obtain separate rate status in non-market economy (NME) administrative reviews.⁶ The process requires exporters to submit a separate-rate application (SRA) or separate rate certification (SRC), as appropriate, and to demonstrate an absence of both *de jure* and *de facto* government control over their export activities.

Between July 3 and July 16, 2020, we timely received SRAs or SRCs from the following companies: (1) Alcha International Holdings Limited (Alcha); (2) Dingsheng Aluminum Industries (Hong Kong) Trading Co. (Dingsheng Aluminum); (3) Hangzhou Dingsheng Import & Export Co., Ltd. (Hangzhou Dingsheng); (4) Hunan Suntown Marketing Limited (Hunan Suntown); (5) Jiangsu Alcha Aluminum Company (Jiangsu Alcha); (6) Shanghai Huaфон Aluminum Corporation (Shanghai Huaфон); (7) Suntown Technology Group Limited (Suntown Technology); (8) Xiamen Xiashun Aluminum Foil Co., Ltd. (Xiamen Xiashun); and (9) Yinbang Clad Materials Co., Ltd. (Yinbang Clad).⁷ We also received certifications that the following companies had no shipments or sales of subject merchandise during the POR: (1) Granges

³ See *Order*.

⁴ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 85 FR 18191 (April 1, 2020).

⁵ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 34708 (June 8, 2020) (*Initiation Notice*).

⁶ *Id.*, 85 FR at 34709.

⁷ See Alcha International Holdings Limited’s Letter, “Certain Aluminum Foil from the People’s Republic of China: Separate Rate Application,” July 8, 2020 (Alcha Separate Rate Application); Dingsheng Aluminum Industries (Hong Kong) Trading Co., Limited’s Letter, “Separate Rate Certification for HK Dingsheng in the Administrative Review of Certain Aluminum Foil From the People’s Republic of China, A-570-053,” July 8, 2020 (Dingsheng Aluminum SRC); Hangzhou Dingsheng Import & Export Co., Ltd.’s Letter, “Separate Rate Certification for HK Dingsheng in the Administrative Review of Certain Aluminum Foil From the People’s Republic of China, A-570-053,” July 8, 2020 (Hangzhou Dingsheng SRC); Hunan Suntown Marketing Limited’s Letter, “Separate Rate Certification for Suntown Marketing in the Administrative Review of Certain Aluminum Foil from the People’s Republic of China” (Hunan Suntown SRC); Jiangsu Alcha Aluminum Co., Ltd.’s Letter, “Certain Aluminum Foil from the People’s Republic of China: Separate Rate Application,” July 8, 2020 (Jiangsu Alcha Aluminum SRA); Shanghai Huaфон Aluminum Corporation’s Letter, “Aluminum Foil from the People’s Republic of China: Separate Rate Application—Shanghai Huaфон Aluminum Corporation,” July 13, 2020 (Shanghai Huaфон SRA); Suntown Technology Group Corporation Limited’s Letter, “Suntown Technology Response to Separate Rate Application Antidumping Duty Order on Aluminum Foil from the Peoples Republic of China,” July 16, 2020 (Suntown Technology SRA); Xiamen Xiashun’s Letter, “Xiashun Separate Rate Certification,” July 3, 2020 (Xiamen Xiashun SRC); Republic of China: Separate Rate Application for Yinbang Clad Materials Co., Ltd.,” July 8, 2020 (Yinbang Clad SRA).

Aluminum (Shanghai) Co., Ltd. (Granges Aluminum); (2) Jiangsu Dingsheng New Materials Joint-Stock Co., Ltd. (Jiangsu Dingsheng); (3) Hangzhou Teemful Aluminum Co., Ltd. (Hangzhou Teemful); (4) Hangzhou Five Star Aluminum Co., Ltd (Hangzhou Five Star); and (5) Walson (HK) Trading Co., Ltd. (Walson).⁸

On August 27, 2020, we selected Jiangsu Alcha and Zhongji as mandatory respondents in this administrative review.⁹ On September 4, 2020, we issued the standard non-market economy (NME) questionnaire to Jiangsu Alcha and Zhongji, and between December 3, 2020 and May 27, 2021, we issued supplemental questionnaires to Zhongji.¹⁰ Between October 5, 2020, and June 8, 2021, Zhongji submitted timely responses to Commerce's initial and supplemental questionnaires.¹¹

On October 16, 2020, we sent interested parties a letter inviting comments on the non-exhaustive list of countries Commerce determined are at the same level of economic development as China, surrogate country selection, and surrogate value (SV) data, and specified the deadlines for these respective submissions.¹² In November 2020 and June 2021, we received timely SV data and comments from the Aluminum Association Trade Enforcement Group (the petitioner) and Zhongji.¹³

⁸ See Granges Aluminum (Shanghai) Co., Ltd.'s Letter, "Administrative Review of Aluminum Foil from the People's Republic of China: No Shipment Certification," July 10, 2020 (Granges No Shipment Certification); Jiangsu Dingsheng New Materials Joint Stock Co., Ltd.'s Letter, "No Shipment Letter for Jiangsu Dingsheng in the Administrative Review of Aluminum Foil from the People's Republic of China," July 8, 2020 (Jiangsu Dingsheng No-Shipment Certification); Hangzhou Five Star's Letter, "No Shipment Letter for Hangzhou Five Star in the Administrative Review of the Antidumping Duty Order on Aluminum Foil from the People's Republic of China," July 8, 2020 (Hangzhou Five Star No-Shipment Certification); Hangzhou Teemful's Letter, "No Shipment Letter for Hangzhou Teemful in the Administrative Review of the Antidumping Duty Order on Aluminum Foil from the People's Republic of China," July 8, 2020 (Hangzhou Teemful No-Shipment Certification); Walson (HK)'s Letter, "No Shipment Letter for Walson in the Administrative Review of Aluminum Foil from the People's Republic of China," July 8, 2020 (Walson No Shipment Certification).

⁹ See Respondent Selection Memorandum, "Antidumping Duty Administrative Review of Aluminum Foil from the People's Republic of China: Respondent Selection" dated August 27, 2020.

¹⁰ See Commerce's Letter, September 4, 2020 (Zhongji NME Questionnaire); *see also* Commerce's Letter, September 4, 2020 (Jiangsu Alcha Questionnaire); *see also* Commerce's Letter, December 3, 2020 (Zhongji Section A, C & D Supplemental); *see also* Commerce's Letter, May 27, 2021 (Zhongji Second Section D Supplemental). Jiangsu Alcha filed no response to our standard NME questionnaire.

¹¹ See Zhongji October 5, 2020 Section A Questionnaire Response (Zhongji October 5, 2020 AQR); Zhongji October 27, 2020 Section C Questionnaire Response (Zhongji October 27, 2020 CQR); Zhongji October 22, 2020 Section D Questionnaire Response (Zhongji October 22, 2020 DQR); Zhongji December 23, 2020 Supplemental Section A Questionnaire Response (Zhongji Supplemental A); Zhongji December 23, 2020 Supplemental Section C Questionnaire Response (Zhongji Supplemental C); Zhongji December 23, 2020 Supplemental Section D Questionnaire Response (Zhongji Supplemental D); Zhongji June 8, 2021 Second Supplemental Section D Questionnaire Response (Zhongji Second Supplemental D).

¹² See Commerce's Letter, "Aluminum Foil from China: 2019-2020 Administrative Review: Request for Economic Development, Surrogate Country and Surrogate Value Comments and Information," dated October 16, 2020 (Surrogate Country and Values Letter). The countries identified in the Attachment to the Surrogate Country and Values Letter are Brazil, Malaysia, Mexico, Romania, Russia, and Turkey (Surrogate Country List).

¹³ See Petitioner's Letter, "2nd Administrative Review of the Antidumping Duty Order on Certain Aluminum Foil from the People's Republic of China—Petitioner's Preliminary Surrogate Country Comments," dated December 17, 2020 (Petitioner December 17, 2020 SV Comments); *see also* Petitioner's Letter, "2nd Administrative Review of the Antidumping Duty Order on Certain Aluminum Foil from the People's Republic of China – Petitioner's Final

On September 8, 2020, the petitioner withdrew its review requests for 17 companies.¹⁴ On May 17, 2021, we issued the Double Remedies Questionnaire to Zhongji, and on June 4, 2021, Zhongji responded to the Double Remedies Questionnaire.¹⁵

We intend to send no shipment inquiries to U.S. Customs and Border Protection (CBP) to determine whether Jiangsu Dingsheng, Hangzhou Teemful, and Hangzhou Five Star, the only companies with no-shipment certifications which remain under review, had entries of subject merchandise during the POR. We intend to fully analyze the responses to these no shipment inquiries prior to our issuing the final results of this review.

On July 21, 2020, Commerce tolled the deadlines for issuing its preliminary results by 60 days.¹⁶ Pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), Commerce determined that it was not practicable to complete the preliminary results of this review within the 245 days and extended the preliminary results by 120 days.¹⁷ The revised deadline for the preliminary results in this review is June 29, 2021.

Surrogate Value Comments,” dated June 1, 2021 (Petitioner June 1, 2021 SV Comments); Zhongji’s Letter, “Administrative Review of the Antidumping Duty Order on Aluminum Foil from the People’s Republic of China: Surrogate Value Comments,” dated December 17, 2020 (Zhongji December 17, 2020 SV Comments); Zhongji’s Letter, “Administrative Review of the Antidumping Duty Order on Aluminum Foil from the People’s Republic of China: Final Surrogate Value Comments” (Zhongji June 1, 2021 SV Comments.

¹⁴ See Petitioner’s Letter, “2nd Administrative Review of the Antidumping Duty Order on Certain Aluminum Foil from the People’s Republic of China—Petitioner Partial Withdrawal of Review Requests” dated September 8, 2020 (Petitioner’s Withdrawal Letter). The 17 companies for which the petitioner withdrew its request for review are: (1) Baotou Alcha Aluminum Co., Ltd. (Baotou Alcha), (2) Granges Aluminum (Shanghai) Co., Ltd. (Granges Aluminum), (3) Guangxi Baise Xinghe Aluminum Industry Co., Ltd (Guangxi Base), (4) Hangzhou DingCheng Aluminum Co., Ltd. (Hangzhou DingCheng), (5) Hangzhou Dingsheng Industrial Group Co. Ltd. (Hangzhou Dingsheng Industrial), (6) Hangzhou Teemful Aluminum Co., Ltd. (Hangzhou Teemful), (7) Huaфон Nikkei Aluminium Corporation (Huaфон Nikkei), (8) Jiangyin Dolphin Pack Ltd. Co. (Jiangyin Dolphin), (9) Luoyang Longding Aluminium Industries Co., Ltd. (Luoyang Longding), (10) Shandong Yuanrui Metal Material Co., Ltd. (Shandong Yuanrui), (11) Shantou Wanshun Package Material Stock Co., Ltd. (Shantou Wanshun), (12) Suntown Technology Group Corporation Limited (Suntown Technology), (13) Suzhou Manakin Aluminum Processing Technology Co., Ltd. (Suzhou Manakin), (14) Walson (HK) Trading Co., Limited (Walson) (15) Yantai Donghai Aluminum Foil Co., Ltd. (Yantai Donghai) (16) Yantai Jintai International Trade Co., Ltd. (Yantai Jintai) and (17) Zhejiang Zhongjin Aluminum Industry Co., Ltd. (Zhejiang Zhongjin).

¹⁵ See Commerce’s Letter, “Certain Aluminum Foil from the People’s Republic of China—Double Remedies Questionnaire,” dated May 17, 2021 (Zhongji Double Remedies Questionnaire); *see also* Zhongji’s Letter, “Administrative Review of the Antidumping Duty Order on Aluminum Foil from the People’s Republic of China: Double Remedies Questionnaire Response,” dated June 4, 2021 (Zhongji Double Remedies Response).

¹⁶ See Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews,” dated July 21, 2020.

¹⁷ See Memorandum, “Aluminum Foil from the People’s Republic of China: Extension of Time Limit Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated February 26, 2021.

III. SCOPE OF THE *ORDER*

The merchandise covered by the *Order* is aluminum foil having a thickness of 0.2 mm or less, in reels exceeding 25 pounds, regardless of width. Aluminum foil is made from an aluminum alloy that contains more than 92 percent aluminum. Aluminum foil may be made to ASTM specification ASTM B479, but can also be made to other specifications. Regardless of specification, however, all aluminum foil meeting the scope description is included in the scope.

Excluded from the scope of the *Order* is aluminum foil that is backed with paper, paperboard, plastics, or similar backing materials on only one side of the aluminum foil, as well as *etched* capacitor foil and aluminum foil that is cut to shape.

Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above. The products under investigation are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7607.11.3000, 7607.11.6000, 7607.11.9030, 7607.11.9060, 7607.11.9090, and 7607.19.6000. Further, merchandise that falls within the scope of this proceeding may also be entered into the United States under HTSUS subheadings 7606.11.3060, 7606.11.6000, 7606.12.3045, 7606.12.3055, 7606.12.3090, 7606.12.6000, 7606.91.3090, 7606.91.6080, 7606.92.3090, and 7606.92.6080.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

IV. PARTIAL RESCISSION OF ADMINISTRATIVE REVIEW

Section 351.213(d)(1) of Commerce's regulations provides that Commerce will rescind an administrative review, in whole or in part, if the party that requested the review withdraws its request for review within 90 days of the date of publication of the notice of initiation of the requested review.¹⁸

On September 8, 2020, the petitioner timely withdrew its request for review of the following companies: (1) Baotou Alcha; (2) Granges Aluminum; (3) Guangxi Base; (4) Hangzhou DingCheng; (5) Hangzhou Dingsheng Industrial; (6) Hangzhou Teemful; (7) Huafoan Nikkei; (8) Jiangyin Dolphin; (9) Luoyang Longding; (10) Shandong Yuanrui; (11) Shantou Wanshun; (12) Suntown Technology; (13) Suzhou Manakin; (14) Walson; (15) Yantai Donghai; (16) Yantai Jintai; and (17) Zhejiang Zhongjin.¹⁹

Because the review requests for each of the 17 companies named above have been timely withdrawn, and because no other party has requested a review of these companies, we are rescinding this review with respect to these 17 companies.

¹⁸ See *Initiation Notice*, 84 FR at 27587.

¹⁹ See Petitioner's Withdrawal Letter.

V. PRELIMINARY DETERMINATION OF NO SHIPMENTS

Granges Aluminum, Jiangsu Dingsheng, Hangzhou Teemful, Hangzhou Five Star, and Walson filed certifications reporting that they had no exports, sales, or entries of aluminum foil from China into the United States during the POR.²⁰ However, because all review requests for two of these companies, (*i.e.*, Granges Aluminum, and Walson) have been withdrawn, we are not making a determination on the no-shipment certifications for these two companies, and we are rescinding the reviews of these two companies, as discussed above.

With respect to Jiangsu Dingsheng, Hangzhou Teemful, and Hangzhou Five Star, we intend to issue no-shipment inquiries to CBP asking whether there is any entry activity during the POR regarding these companies. We intend to fully analyze the responses to these no-shipment inquiries prior to our issuing the final results of this review.

Based on its no-shipment certifications, we preliminarily determine that Jiangsu Dingsheng, Hangzhou Teemful, and Hangzhou Five Star had no shipments of subject merchandise to the United States during the POR. Consistent with Commerce's practice in NME cases, we are not rescinding the review with respect to Jiangsu Dingsheng, Hangzhou Teemful, and Hangzhou Five Star, but we will continue the review of these companies and issue instructions to CBP based on the final results of the review.²¹

VI. DISCUSSION OF THE METHODOLOGY

Non-Market Economy Country

Commerce considers China to be an NME country.²² In accordance with section 771(18)(C)(i) of the Act, any determination that a country is an NME country shall remain in effect until revoked by the administering authority. Further, as part of this administrative review, we have received no request to reconsider Commerce's determination that China is an NME country. Therefore, we will continue to treat China as an NME country for purposes of these preliminary results of review. We calculated NV using a factors of production (FOP) methodology in accordance with section 773(c) of the Act, which applies to NME countries.

Surrogate Country

When Commerce is investigating or reviewing imports from an NME country, section 773(c)(1) of the Act directs us to base NV, in most circumstances, on the NME producer's factors of production (FOPs), valued in a surrogate market economy (ME) country or countries considered

²⁰ See Granges No Shipment Certification, Jiangsu Dingsheng No-Shipment Certification, Hangzhou Five Star No-Shipment Certification, Hangzhou Five Star No-Shipment Certification, Hangzhou Teemful No-Shipment Certification and Walson No Shipment Certification.

²¹ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011).

²² See, *e.g.*, *Certain Aluminum Foil from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018), and accompanying IDM at Comment 1; see also *Certain Steel Nails from the People's Republic of China: Final Results of Third Antidumping Duty Administrative Review*; 2010-2011, 78 FR 16651, 16652 (March 18, 2013), and accompanying IDM at Comment 1.

to be appropriate by Commerce. Specifically, in accordance with section 773(c)(4) of the Act, in valuing the FOPs, Commerce shall utilize, to the extent possible, the prices or costs of FOPs in one or more ME countries that are: (A) at a level of economic development comparable to that of the NME country; and (B) significant producers of comparable merchandise.²³ If there are multiple potential surrogate countries that are at a level of economic development comparable to that of the NME country and are significant producers of comparable merchandise, Commerce will consider which potential surrogate country has the best data available.²⁴

As a general rule, Commerce selects a surrogate country that is at the same level of economic development as the NME unless we determine that none of the countries are viable options because: (a) they either are not significant producers of comparable merchandise; (b) do not provide sufficient reliable sources of publicly available SV data; or (c) are not suitable for use based on other reasons.²⁵ Surrogate countries that are not at the same level of economic development as the NME country, but still at a level of economic development comparable to the NME country, are selected only to the extent that data considerations outweigh the difference in levels of economic development. To determine which countries are at the same level of economic development, Commerce generally relies on *per capita* gross national income (GNI) data from the World Bank's *World Development Report*.²⁶ Further, Commerce normally values all FOPs in a single surrogate country.²⁷ If more than one country satisfies the two criteria noted above, Commerce narrows the field of potential surrogate countries to a single country based on data availability and quality.

1. Economic Comparability

Section 773(c)(4)(A) of the Act states that Commerce “shall utilize, to the extent possible, the prices or costs of {FOPs} in one or more market economy countries that are ... at a level of economic development comparable to that of the {NME} country.” The applicable statute does not expressly define the phrase “level of economic development comparable” or what methodology Commerce must use in evaluating this criterion. The U.S. Court of International Trade (CIT) has found the use of per capita GNI to be a “consistent, transparent, and objective metric to identify and compare a country’s level of economic development” and “a reasonable interpretation of the statute.”²⁸

On October 16, 2020, consistent with our practice, and section 773(c)(4) of the Act, we identified Brazil, Malaysia, Mexico, Romania, Russia, and Turkey as countries at the same level of economic development as China, based on *per capita* GNI data from the World Bank's *World Development Report*.²⁹ Therefore, we consider all six countries as having met this economic comparability prong of the surrogate country selection criteria. The countries identified are not

²³ For a description of our practice, see Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) (*Policy Bulletin 04.1*), available at <https://enforcement.trade.gov/policy/bull04-1.html>.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ See 19 CFR 351.408(c)(2).

²⁸ See *Jiaxing Brother Fastener Co. v. United States*, 961 F. Supp. 2d 1323, 1329 (CIT 2014), *aff'd Jiaxing Brother Fastener Co. v. United States*, 822 F.3d 1289 (Fed. Cir. 2016).

²⁹ See Surrogate Country and Values Letter.

ranked and are considered equivalent in terms of economic comparability. Zhongji argued that Bulgaria is also economically comparable to China, based on per capita GNI.³⁰

We preliminarily find that the Russian SV data are the best information available on the record for valuing FOPs because the record contains complete, publicly available, and contemporaneous Russian data that represent a broad market average, and that are tax and duty-exclusive, and specific to the inputs used by the respondent to produce subject merchandise during the POR.³¹ We preliminarily find that the Russian financial statements are the best information available on the record with which to calculate surrogate financial ratios because they are complete, fully translated, and contemporaneous with the POR. Further, the Russian financial statements are specific to the respondent's financial and market experience because they are from a producer of aluminum foil.³² We preliminarily find that the Bulgarian financial statements on the record are less specific than the Russian financial statements because the line item "hired services" in the Bulgarian financial statements is not broken out to the level of detail necessary for an accurate calculation of labor costs.³³

Further, Russia was among the countries identified on the list of potential surrogate countries that are at the same level of economic development as China, while Bulgaria was not on the list.³⁴ While the omission of Bulgaria from the list of potential surrogate countries in the Surrogate Country and Surrogate Value Comments Invitation Letter does not preclude the use of Bulgaria as a surrogate country, Commerce did not select Bulgaria as the primary surrogate country because the necessary data was available from a surrogate country identified on the surrogate country list and at the same level of economic development as China. As explained in *Shrimp from China* and *Aluminum Foil from China*, absent any compelling arguments, there is no reason for us to select a surrogate country that is not on the surrogate country list, unless the countries on the list are not suitable for use based on other reasons.³⁵ While the respondent has submitted arguments that Russia is not a suitable surrogate country, we preliminarily find that these arguments are not compelling.³⁶ As previously indicated, Commerce was able to identify Russian-sourced SV information for each of the production inputs identified by Zhongji.³⁷ Moreover, Bulgaria was not identified as a country at the same level of economic development;

³⁰ See Zhongji October 23, 2020 Letter "Certain Aluminum Foil from the People's Republic of China: Surrogate Value Comments" at 3.

³¹ See Petitioner December 17, 2020 SV Comments; see also Petitioner June 1, 2021 SV Comments.

³² See Petitioner December 17, 2020 SV Comments at RU-7.

³³ See Zhongji December 17, 2020 SV Comments at SV-10.

³⁴ See Surrogate Country and Values Letter.

³⁵ See *Certain Frozen Warmwater Shrimp from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2018–2019*, 85 FR 12894 (March 5, 2020) (*Shrimp from China*), and accompanying PDM at 15, unchanged in *Certain Frozen Warmwater Shrimp from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2018–2019*, 85 FR 83891 (December 23, 2020); *Certain Aluminum Foil from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, Preliminary Determination of No Shipments, and Partial Rescission; 2017–2019*, 85 FR 37829 (June 24, 2020) (*Foil from China*), and accompanying PDM at 13, unchanged in *Certain Aluminum Foil from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; Final Determination of No Shipments; 2017–2019*, 86 FR 11499 (February 25, 2021).

³⁶ As explained more in depth, *infra* Data Availability.

³⁷ See Petitioner December 17, 2020 SV Comments; see also Petitioner June 1, 2021 SV Comments.

Brazil, Malaysia, Mexico, Romania, Russia, and Turkey were identified as countries at the same level of economic development as China.³⁸

As previously indicated, Commerce identified Brazil, Malaysia, Mexico, Romania, Russia, and Turkey as countries at the same level of economic development as China.³⁹ Based on the analysis above, pursuant to section 773(c)(4) of the Act, we preliminarily find that Russia best meets our criteria for selection as the primary surrogate country because Russia is: (1) at the level of economic development comparable to that of China; (2) a significant producer of merchandise comparable to the merchandise under consideration; and (3) the source of the best available data for valuing FOPs. An explanation of the SVs upon which Commerce is preliminarily relying can be found in the “Normal Value” section of this memorandum.

2. Significant Producer of Comparable Merchandise

Section 773(c)(4)(B) of the Act requires Commerce, to the extent possible, to value FOPs in a surrogate country that is a significant producer of comparable merchandise. Neither the statute nor Commerce’s regulations provide further guidance on what may be considered “a significant producer” or “comparable merchandise.” To determine whether the above-referenced countries are significant producers of comparable merchandise, Commerce’s practice is to examine which countries on the potential surrogate country list exported merchandise comparable to the merchandise under consideration.⁴⁰

Following our practice, we analyzed exports of comparable merchandise, as defined by the Harmonized Tariff Schedule (HTS) subheadings listed in the scope of the *Order*, from the economically comparable countries during the POR as a proxy for production data.⁴¹ We obtained export data using the Global Trade Atlas (GTA) values for HTS items 7607.11 (*Aluminum Foil, Not Over 0.2 Mm Thick, Not Backed, Rolled but not Further Worked*) and 7607.19 (*Aluminum Foil, Not Over 0.2 Mm Thick, Not Backed, Nesoi*).⁴² Based on these data, we preliminarily find that Brazil, Malaysia, Mexico, Romania, Russia, and Turkey reported export volumes of identical or comparable merchandise in the POR. Therefore, we preliminarily find that Brazil, Mexico, Malaysia, Romania, Russia, and Turkey meet the “significant producer of comparable” requirement of section 773(c)(4) of the Act.⁴³

3. Data Availability

Commerce’s regulatory preference is to select a single surrogate country.⁴⁴ If more than one potential surrogate country satisfies the statutory threshold requirements for selection as a surrogate country, Commerce selects the primary surrogate country based on data availability

³⁸ See Surrogate Country and Values Letter.

³⁹ See Surrogate Country and Values Letter.

⁴⁰ See Policy Bulletin 04.1.

⁴¹ See *Certain Uncoated Paper from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 81 FR 3112 (January 20, 2016), and accompanying IDM at Comment 1.

⁴² See Memorandum, “Surrogate Values for the Preliminary Results,” dated concurrently with this memorandum (Preliminary SV Memorandum) at Attachment 1.

⁴³ See Policy Bulletin 04.1.

⁴⁴ See 19 CFR 351.408(c)(2) (“{Commerce} normally will value all factors in a single surrogate country.”).

and reliability.⁴⁵ When evaluating SV data, Commerce considers several factors, including whether the SV data are publicly available, contemporaneous with the POR, representative of a broad market average, tax and duty-exclusive, and specific to the inputs being valued.⁴⁶ There is no hierarchy among these criteria.⁴⁷ Commerce's preference is to satisfy the breadth of these selection criteria.⁴⁸ Moreover, it is Commerce's practice to consider carefully the available evidence in light of the particular facts of each industry when undertaking its analysis of valuing the FOPs.⁴⁹ Commerce must weigh the available information with respect to each input value and make a product-specific and case-specific decision as to what constitutes the "best" available SV for each input.⁵⁰

The petitioner submitted Russian and Turkish SV information on the record, and Zhongji submitted Bulgarian and Romanian SV information.⁵¹

In this case, the record contains data for all FOPs in Russia, which is at the same level of comparability and is a significant producer of comparable merchandise, and, therefore, the appropriate surrogate country in this review. Absent any compelling arguments, there is no reason why we would select a surrogate country that is not on the Surrogate Country List, unless those countries are not suitable for use based on other reasons. Moreover, although we have a strong regulatory preference for valuing all FOPs in a single surrogate country,⁵² the CIT has held that such a preference must still yield to reason and the sourcing of particular SVs from outside the primary surrogate country.⁵³

For the reasons described above, we preliminarily determine Russia best satisfies Commerce's criteria for selection as the primary surrogate country in this review since (unlike Romania and Turkey) SVs from Russia are available to value all of Zhongji's inputs.

Separate Rate Determinations

In proceedings involving NME countries, Commerce maintains a rebuttable presumption that all companies within the NME country are subject to government control and, therefore, should be assessed a single AD margin unless the company can affirmatively demonstrate an absence of

⁴⁵ *Id.*

⁴⁶ See *Policy Bulletin 04.1*; see also *Electrolytic Manganese Dioxide from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 48195 (August 18, 2008), and accompanying IDM at Comment 2.

⁴⁷ See, e.g., *Certain Preserved Mushrooms from the People's Republic of China: Final Results and Final Partial Rescission of the Sixth Administrative Review*, 71 FR 40477 (July 17, 2006) (*Mushrooms China Final*), and accompanying IDM at Comment 1.

⁴⁸ See, e.g., *Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review and New Shipper Reviews*, 2010-2011, 78 FR 17350 (March 21, 2013), and accompanying IDM at Comment I(C).

⁴⁹ See *Mushrooms China Final* IDM at Comment 1.

⁵⁰ *Id.*

⁵¹ See Petitioner December 17, 2020 SV Comments; Petitioner June 1, 2021 SV Comments; see also Zhongji December 17, 2020 SV Comments; Zhongji June 1, 2021 SV Comments.

⁵² See 19 CFR 351.408(c)(2).

⁵³ See, e.g., *Juancheng Kantai Chem. Co. v. United States*, 2015 Ct. Intl. Trade LEXIS 94, *65-66, 71 (CIT 2015).

government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports.⁵⁴ In the *Initiation Notice*, we notified parties of the application process by which exporters and producers may obtain separate-rate status in NME proceedings.⁵⁵ To establish whether a company is sufficiently independent to be entitled to a separate, company-specific dumping margin, Commerce analyzes each entity's export independence under a test first articulated in *Sparklers*, as amplified by *Silicon Carbide*.⁵⁶ However, if Commerce determines that a company is wholly foreign-owned or located in a market economy (ME) country, then analysis of the *de jure* and *de facto* criteria are not necessary to determine whether the company is independent from government control and eligible for a separate AD margin.⁵⁷

Commerce continues to evaluate its separate rates analysis practice in light of the diamond sawblades from China AD proceeding, and Commerce's determinations therein.⁵⁸ In particular, in litigation involving the *Diamond Sawblades from China* proceeding, the CIT found Commerce's existing separate rates analysis deficient in circumstances where a government-controlled entity had significant ownership in the respondent exporter.⁵⁹ Following the CIT's reasoning, we have concluded that where a government entity holds a majority equity ownership, either directly or indirectly, in the respondent exporter, this interest, in and of itself, means that the government exercises, or has the potential to exercise, control over the company's operations

⁵⁴ See *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People's Republic of China*, 71 FR 53079, 53082 (September 8, 2006); see also *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People's Republic of China*, 71 FR 29303, 29307 (May 22, 2006).

⁵⁵ See *Initiation Notice*, 85 FR at 34709.

⁵⁶ See *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (*Sparklers*); see also *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (*Silicon Carbide*).

⁵⁷ See, e.g., *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles from the People's Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

⁵⁸ See *Final Results of Redetermination Pursuant to Remand Order for Diamond Sawblades and Parts Thereof from the People's Republic of China* (May 6, 2013) in *Advanced Technology & Materials Co., Ltd., et al. v. United States*, 885 F. Supp. 2d 1343 (CIT 2012) (*Advanced Technology I*), *aff'd* *Advanced Technology & Materials Co., Ltd., et al. v. United States*, 938 F. Supp. 2d 1342 (CIT 2013), *aff'd* *Advanced Technology & Materials Co., Ltd., et al. v. United States*, Case No. 2014-1154 (Fed. Cir. 2014); see also *Diamond Sawblades and Parts Thereof from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 77098 (December 20, 2013), and accompanying PDM at 7, unchanged in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 35723 (June 24, 2014), and accompanying IDM at Comment 1.

⁵⁹ See, e.g., *Advanced Technology I*, 885 F. Supp. 2d at 1349 ("The court remains concerned that Commerce has failed to consider important aspects of the problem and offered explanations that run counter to the evidence before it."); *Id.* at 1351 ("Further substantial evidence of record does not support the inference that SASAC's {state-owned assets supervision and administration commission}' management' of its 'state-owned assets' is restricted to the kind of passive-investor *de jure* 'separation' that Commerce concludes.") (footnotes omitted); *Id.* at 1355 ("The point here is that 'governmental control' in the context of the separate rate test appears to be a fuzzy concept at least to this court, since a 'degree' of it can obviously be traced from the controlling shareholder, to the board, to the general manager, and so on along the chain to 'day-to-day decisions of export operations, ' including terms, financing, and inputs into finished product for export."); *Id.* at 1357 ("AT&M itself identifies its 'controlling shareholder' as CISRI {owned by SASAC} in its financial statements and the power to veto nomination does not equilibrate the power of control over nomination.") (footnotes omitted).

generally.⁶⁰ This may include control over, for example, the selection of board members and management, a key factor in determining whether a company has sufficient independence in its export activities to merit a separate dumping margin.⁶¹ Consistent with normal business practices, we would expect any majority shareholder, including a government, to have the ability to control, and possess an interest in controlling, the operations of the company that it owns, including the selection of board members, management, and the profitability of the company.

In order to demonstrate eligibility for separate-rate status, Commerce normally requires entities for which a review was requested, and which were assigned a separate rate in a previous segment of this proceeding, to submit an SRC stating that they continue to meet the criteria for obtaining a separate rate.⁶² For entities that were not assigned a separate rate in the previous segment of this proceeding, to demonstrate eligibility, Commerce requires an SRA.⁶³ Companies that submit an SRA or SRC which are subsequently selected as mandatory respondents must respond to all parts of Commerce's questionnaire in order to be eligible for separate-rate status.⁶⁴

Between July 3, 2020, and July 16, 2020, Zhongji, Alcha, Dingsheng Aluminum, Hangzhou Dingsheng, Hunan Suntown, Jiangsu Alcha, Shanghai Huaфон, Suntown Technology, Xiamen Xiashun, and Yinbang Clad applied for separate rate status. Zhongji submitted a response to section A of the NME AD questionnaire, in which it submitted information pertaining to its eligibility for a separate rate.⁶⁵ The other eight companies submitted SRAs or SRCs, as appropriate.⁶⁶

⁶⁰ See *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances, in Part*, 79 FR 53169 (September 8, 2014), and accompanying PDM at 5-9, unchanged in *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part*, 79 FR 68860 (November 19, 2014), and accompanying IDM.

⁶¹ See, e.g., *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances, in Part*, 79 FR 53169 (September 8, 2014), and accompanying PDM at 5-9, unchanged in *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part*, 79 FR 68860 (November 19, 2014), *Truck and Bus Tires from the People's Republic of China: Final Affirmative Determinations of Sales at Less Than Fair Value and Critical Circumstances*, 82 FR 8559 (January 27, 2017), and accompanying IDM at Comment 2; *Diamond Sawblades Manufacturers Coalition v. United States*, 866 F.3d 1304 (Fed. Cir. 2017), and *Diamond Sawblades Manufacturers Coalition v. United States*, Court Nos. 2016-1254, 1255, 2017 WL 3381909, 2017 U.S. App. LEXIS 14472 (Fed. Cir. 2017).

⁶² See *Initiation Notice*, 85 FR at 19731.

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ See Zhongji October 5, 2020 AQR at A-3-A15.

⁶⁶ See Alcha SRA; Dingsheng Aluminum SRC; Hangzhou Dingsheng SRC; Hunan Suntown SRC; Jiangsu Alcha; Shanghai Huaфон SRA; Suntown Technology SRA; Xiamen Xiasun SRC, Yinbang Clad SRA.

Separate-Rate Recipients

We conducted separate-rate analyses for Alcha, Dingsheng Aluminum, Hangzhou Dingsheng, Hunan Suntown, Shanghai Huaфон, Suntown Technology, Xiamen Xiashun, Yinbang Clad, and Zhongji, each of which submitted a timely SRA, SRC, or Section A questionnaire response.

1. Wholly Foreign-Owned Companies

Dingsheng Aluminum and Xiamen Xiashun provided evidence that they are wholly foreign-owned companies.⁶⁷ Because Dingsheng Aluminum and Xiamen Xiashun are wholly foreign-owned, and we have no evidence indicating that these companies are under the control of the Chinese government, an analysis of the *de jure* and *de facto* criteria is not necessary to determine whether they are independent from government control.⁶⁸ Accordingly, we have preliminarily granted a separate rate to Dingsheng Aluminum and Xiamen Xiashun.

2. Wholly or Partially Chinese-Owned Companies

Alcha, Hangzhou Dingsheng, Hunan Suntown, Shanghai Huaфон, Suntown Technology, Yinbang Clad, and Zhongji each reported that they are either wholly or partially owned by a domestic entity/entities located in China.⁶⁹ In accordance with our practice, we analyzed whether these companies demonstrated an absence of *de jure* and *de facto* governmental control over their export activities.

a. Absence of *De Jure* Control

Commerce considers the following *de jure* criteria in determining whether to grant a company a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) legislative enactments decentralizing control over export activities of companies; and (3) other formal measures by the government decentralizing control over export activities of companies.⁷⁰

The evidence provided by Alcha, Hangzhou Dingsheng, Hunan Suntown, Shanghai Huaфон, Suntown Technology, Yinbang Clad and Zhongji, supports a preliminary finding of the absence of *de jure* government control of export activities based on the following: (1) there is an absence of restrictive stipulations associated with the individual exporter's business and export licenses;

⁶⁷ See Dingsheng Aluminum SRC; Xiamen Xiashun SRC.

⁶⁸ See *Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination*, 82 FR 50858 (November 2, 2017) and the accompanying Preliminary Decision Memorandum at 13-14, unchanged in *Order*; see also *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles from the People's Republic of China*, 72 FR 52355 (September 13, 2007) and Accompanying IDM at Comment 2.

⁶⁹ See Alcha SRA at Section III and IV; Hangzhou Dingsheng SRC at A-3-A-18; Hunan Suntown SRC at A11-A23; Shanghai Hufon SRA at A-5-A23; Suntown Technologies SRA at A-11-A23; Yinbang Clad SRA at A-13-A28 and Zhongji September 12, 2019 AQR at A-3-A15.

⁷⁰ See *Sparklers*, 56 FR at 20589.

(2) there are applicable legislative enactments decentralizing control of the companies; and (3) there are formal measures by the government decentralizing control of the companies.⁷¹

b. Absence of *De Facto* Control

Typically, Commerce considers four factors in evaluating whether a company is subject to *de facto* government control of its export functions: (1) whether the export sales prices are set by, or are subject to the approval of, a government agency; (2) whether the company has the authority to negotiate and sign contracts and other agreements; (3) whether the company has autonomy from the government in making decisions regarding the selection of management; and (4) whether the company retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.⁷² Commerce has determined that an analysis of *de facto* control is critical in determining whether a company is, in fact, subject to a degree of government control which would preclude Commerce from assigning the company a separate rate.⁷³

The evidence provided by Alcha, Hangzhou Dingsheng, Hunan Suntown, Shanghai Huaфон, Suntown Technology, Yinbang Clad and Zhongji supports a preliminary finding of the absence of *de facto* government control based on evidence that the companies: (1) set their own export sales prices independent of the government and without the approval of a government authority; (2) have the authority to negotiate and sign contracts and other agreements; (3) maintain autonomy from the government in making decisions regarding the selection of management; and (4) retain the proceeds of their respective export sales and make independent decisions regarding the disposition of profits or financing of losses.⁷⁴

Based on the above analysis, we have preliminarily granted separate rate status to Alcha, Dingsheng Aluminum, Hangzhou Dingsheng, Hunan Suntown, Shanghai Huaфон, Suntown Technology, Xiamen Xiashun, Yinbang Clad, and Zhongji.

⁷¹ See Alcha SRA at Section III and IV; Hangzhou Dingsheng SRC at A-3-A-18; Hunan Suntown SRC at A11-A23; Shanghai Hufon SRA at A-5-A23; Suntown Technologies SRA at A-11-A23; Yinbang Clad SRA at A-13-A28 and Zhongji September 12, 2019 AQR at A-3-A15.

⁷² See *Silicon Carbide*, 59 FR at 22586-87; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China*, 60 FR 22544 (May 8, 1995).

⁷³ *Id.*

⁷⁴ See Alcha SRA at Section III and IV; Hangzhou Dingsheng SRC at A-3-A-18; Hunan Suntown SRC at A11-A23; Shanghai Huaфон SRA at A-5-A23; Suntown Technologies SRA at A-11-A23; Yinbang Clad SRA at A-13-A28 and Zhongji September 12, 2019 AQR at A-3-A15.

3. China-Wide Entity

Because Jiangsu Alcha did not respond to Commerce's AD questionnaire, as required, and because SNTD did not file a separate rate application, we preliminarily find that these two companies are not eligible for a separate rate. Accordingly, we preliminarily consider these companies to be part of the China-wide entity.

Under Commerce's policy regarding conditional review of the China-wide entity,⁷⁵ the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the China-wide entity in this review, the entity is not under review, and the entity's rate of 105.80 percent is not subject to change.⁷⁶

Date of Sale

In identifying the date of sale of subject merchandise, in accordance with 19 CFR 351.401(i), Commerce will normally "use the date of invoice, as recorded in the exporter or producer's records kept in the normal course of business" unless a different date better reflects the date on which the material terms of sale (*e.g.*, price and quantity) are established.⁷⁷ Furthermore, we have a long-standing practice of finding that, where shipment date precedes invoice date, shipment date better reflects the date on which the material terms of sale are established.⁷⁸

Zhongji reported the date of the invoice issued to its unaffiliated U.S. customer as the date of sale.⁷⁹ Commerce found no evidence contrary to Zhongji's claim that the invoice date reflected the date on which the material terms of sale were established. Additionally, Zhongji's invoice and shipment dates were the same. Thus, because record evidence does not demonstrate that the material terms of sale were established on another date, Commerce used the invoice date as the date of sale for these preliminarily results, in accordance with 19 CFR 351.401(i).⁸⁰

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

⁷⁶ See Order at 17363.

⁷⁷ See, *e.g.*, *Notice of Final Determinations of Sales at Less Than Fair Value; Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products from Turkey*, 65 FR 15123 (March 21, 2000), and accompanying IDM at Comment 1.

⁷⁸ See, *e.g.*, *Certain Cut-to-Length Carbon-Quality Steel Plate Products from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 10670 (March 12, 2018), and accompanying Preliminary Decision Memorandum (PDM) at 6-7, unchanged in *Certain Cut-to-Length Carbon-Quality Steel Plate Products from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 32629 (July 13, 2018).

⁷⁹ See Zhongji October 27, 2020 CQR at C-11.

⁸⁰ See, *e.g.*, *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp from Thailand*, 69 FR 76918 (December 23, 2004), and accompanying IDM at Comment 10; see also *Allied Tube and Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090-92 (CIT 2001) (upholding Commerce's rebuttable presumption that invoice date is the appropriate date of sale).

Fair Value Comparisons

Pursuant to section 773(a) of the Act and 19 CFR 351.414(c)(1) and (d), to determine whether Zhongji's sales of subject merchandise from China to the United States were made at less than NV, we compared the EP to the NV as described in the "Export Price" and "Normal Value" sections of this memorandum.

1. Comparison Method

Pursuant to 19 CFR 351.414(c)(1), Commerce calculates dumping margins by comparing weighted-average NVs to weighted-average EPs or CEPs (the average-to-average comparison method) unless Commerce determines that another method is appropriate in a particular situation. In AD investigations, Commerce examines whether to compare weighted-average NVs to the prices of individual export transactions (the average-to-transaction comparison method) as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern Commerce's examination of this question in the context of administrative reviews, Commerce nevertheless finds that the issue arising under 19 CFR 351.414(c)(1) in administrative reviews is, in fact, analogous to the issue in AD investigations.⁸¹

In recent investigations and reviews, Commerce applied a "differential pricing" analysis to determine whether the application of average-to-transaction comparisons is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1) and consistent with section 777A(d)(1)(B) of the Act.⁸² Commerce finds the differential pricing analysis used in those recent investigations and reviews may be instructive for purposes of examining whether to apply an alternative comparison method in this administrative review.⁸³ Commerce will continue to develop its approach in this area based on comments received in this and other proceedings, and on Commerce's additional experience with addressing the potential masking of dumping that can occur when Commerce uses the average-to-average comparison method in calculating weighted-average dumping margins.

⁸¹ See *Ball Bearings and Parts Thereof from France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010–2011*, 77 FR 73415 (December 10, 2012), and accompanying IDM at Comment 1; see also *JBF RAK LLC v. United States*, 790 F.3d 1358, 1363–65 (Fed. Cir. 2015) ("the fact that the statute is silent with regard to administrative reviews does not preclude Commerce from filling gaps in the statute to properly calculate and assign antidumping duties") (citations omitted).

⁸² See *Hardwood and Decorative Plywood from the People's Republic of China: Antidumping Duty Investigation*, 78 FR 25946 (May 3, 2013), unchanged in *Hardwood and Decorative Plywood*; see also *Certain Steel Threaded Rod from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011–2012*, 78 FR 21101 (April 9, 2013), unchanged in *Certain Steel Threaded Rod from the People's Republic of China: Final Results of Third Antidumping Duty Administrative Review; 2011–2012*, 78 FR 66330 (November 5, 2013); see also *Certain Lined Paper Products from the People's Republic of China: Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review; 2011–2012*, 78 FR 34640 (June 10, 2013), unchanged in *Certain Lined Paper Products from the People's Republic of China: Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review; 2011–2012*, 78 FR 65274 (October 31, 2013).

⁸³ See, e.g., *Activated Carbon from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011–2012*, 78 FR 26748 (May 8, 2013), unchanged in *Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011–2012*, 78 FR 70533 (November 26, 2013), and accompanying IDM at Comment 4.

The differential pricing analysis that we used in these preliminary results of review requires a finding of a pattern of prices (*i.e.*, EPs or CEPs) for comparable merchandise that differs significantly among purchasers, regions, or time periods. If such a pattern is found, then the differential pricing analysis evaluated whether such differences can be taken into account when using the average-to-average comparison method to calculate the weighted-average dumping margin. In the differential pricing analysis used here, we evaluated all purchasers, regions, and time periods to determine whether a pattern of prices that differ significantly exists. In our analysis, we incorporated default group definitions for purchasers, regions, time periods, and comparable merchandise. We based purchasers on the reported customer names. We defined regions using the reported destination code (*i.e.*, city name, zip code, *etc.*) and they were grouped based upon standard definitions published by the U.S. Census Bureau. We defined time periods by the quarter within the POR being examined based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region and time period, comparable merchandise is considered using the product control number and any characteristics of the sales, other than purchaser, region, and time period, that Commerce uses in making comparisons between EP or CEP and NV for the individual dumping margins.

In the first stage of the differential pricing analysis used here, we applied the “Cohen’s *d* test.” The Cohen’s *d* test is a generally recognized statistical measure of the extent of the difference between the mean of a test group and the mean of a comparison group. First, for comparable merchandise, we applied the Cohen’s *d* test when the test and comparison groups of data each have at least two observations, and when the sales quantity for the comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. Then, we calculated the Cohen’s *d* coefficient to evaluate the extent to which the net prices to a particular purchaser, region, or in a time period differ significantly from the net prices of all other sales of comparable merchandise. The extent of these differences can be quantified by one of three fixed thresholds defined by the Cohen’s *d* test: small, medium, or large. Of these thresholds, the large threshold provides the strongest indication that there is a significant difference between the means of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, we considered the difference significant, and the sales in the test group were found to have passed the Cohen’s *d* test, if the calculated Cohen’s *d* coefficient is equal to or exceeds the large (*i.e.*, 0.8) threshold.

Next, we used the “ratio test” to assess the extent of the significant price differences for all sales, as measured by the Cohen’s *d* test. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test account for 66 percent or more of the value of total sales, then the identified pattern of prices that differ significantly supports the consideration of the application of the average-to-transaction comparison method to all sales as an alternative to the average-to-average comparison method. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test accounts for more than 33 percent and less than 66 percent of the value of total sales, then the results support consideration of the application of an average-to-transaction comparison method to those sales identified as passing the Cohen’s *d* test as an alternative to the average-to-average comparison method, and application of the average-to-average comparison method to those sales identified as not passing the Cohen’s *d* test. If 33 percent or less of the

value of total sales passes the Cohen's *d* test, then the results of the Cohen's *d* test do not support consideration of an alternative to the average-to-average comparison method.

If both tests in the first stage (*i.e.*, the Cohen's *d* test and the ratio test) demonstrate the existence of a pattern of prices that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, we examined whether using only the average-to-average comparison method can appropriately account for such differences. In considering this question, we tested whether using an alternative method, based on the results of the Cohen's *d* and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the average-to-average comparison method only. If the difference between the two calculations is meaningful, this demonstrates that the average-to-average comparison method cannot account for differences such as those observed in this analysis, and, therefore, an alternative method would be appropriate. A difference in the weighted-average dumping margins is considered meaningful if: (1) there is a 25 percent relative change in the weighted-average dumping margin between the average-to-average comparison method and the appropriate alternative method where both rates are above the *de minimis* threshold; or (2) the resulting weighted-average dumping margin moves across the *de minimis* threshold.

Interested parties may present arguments and justifications in relation to the above-described differential pricing approach used in these preliminary results of review, including arguments for modifying the group definitions used in this review.⁸⁴

2. Results of the Differential Pricing Analysis

For Zhongji, based on the results of the differential pricing analysis, Commerce preliminarily finds that 91.10 percent of the value of U.S. sales pass the Cohen's *d* test,⁸⁵ and confirms the existence of a pattern of prices that differ significantly among purchasers, regions, or time periods. Further, Commerce preliminarily determines that there is no meaningful difference between the weighted-average dumping margin calculated using the average-to-average method and the weighted-average dumping margin calculated using an alternative comparison method based on applying the average-to-transaction method to all U.S. sales. Thus, for these preliminary results, Commerce is applying the average-to-average method for all U.S. sales to calculate the weighted-average dumping margin for Zhongji.

U.S. Price

Section 772(a) of the Act defines EP as “the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an

⁸⁴ The U.S. Court of Appeals for the Federal Circuit (CAFC) has affirmed much of Commerce's differential pricing methodology. See *Apex Frozen Foods Private Ltd. v. United States*, 862 F. 3d 1322 (Fed. Cir. 2017). We ask that interested parties present only arguments on issues which have not already been decided by the CAFC.

⁸⁵ See Memorandum, “Zhongji Analysis for the Preliminary Results,” dated concurrently with this memorandum (Zhongji Preliminary Analysis Memorandum) at Section V.

unaffiliated purchaser for exportation to the United States,” as adjusted under section 772(c) of the Act.

Commerce considers the U.S. prices of all sales by Zhongji, in accordance with section 772(a) of the Act, because they were the prices at which the subject merchandise was first sold before the date of importation by the exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States and CEP methodology was not otherwise warranted based on the facts of this record. For this review, Zhongji reported EP for all their sales during the POR.⁸⁶

1. Export Price

We based EP on packed prices to unaffiliated purchasers in the United States. In accordance with 19 CFR 351.401(c) we adjusted the starting price, where appropriate, in accordance with section 772(c)(2)(A) of the Act. We also deducted domestic and international movement expenses (*i.e.*, domestic and foreign inland freight, domestic and foreign brokerage and handling, marine insurance, and international freight and commissions) in accordance with section 772(c)(2)(A) of the Act.⁸⁷ Where movement expenses were provided by Chinese service providers or paid for in an NME currency, we valued these services using SVs.⁸⁸

2. Value-Added Tax (VAT)

Commerce’s practice, in calculating EP and CEP in NME cases, is to subtract from the gross U.S. sales price the amount of any un-refunded (irrecoverable) VAT, in accordance with section 772(c)(2)(B) of the Act.⁸⁹ Where the irrecoverable VAT is a fixed percentage of the U.S. price, Commerce performs a tax-neutral dumping calculation by reducing the U.S. price by this percentage.⁹⁰ Thus, Commerce’s methodology essentially amounts to performing two basic steps: (1) determining the amount (or rate) of the irrecoverable VAT tax on subject merchandise; and (2) reducing U.S. price by the amount (or rate) determined in step one.

Record information indicates that for the POR, the VAT rate and the rate for rebating VAT on subject merchandise upon exportation were the same.⁹¹ Thus, the record indicates that there is no irrecoverable VAT associated with the exportation of subject merchandise during this time period.

Normal Value

Section 773(c)(1) of the Act provides that Commerce shall determine the NV using an FOP methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home market prices, third country prices, or constructed value under

⁸⁶ See Zhongji October 27, 2020 CQR at C-10.

⁸⁷ See Zhongji Preliminary Analysis Memorandum.

⁸⁸ See Preliminary SV Memorandum.

⁸⁹ See *Methodological Change for Implementation of Section 772(c)(2)(B) of the Tariff Act of 1930, as Amended, In Certain Non-Market Economy Antidumping Proceedings*, 77 FR 36481, 36483-84 (June 19, 2012).

⁹⁰ *Id.*

⁹¹ See Zhongji October 27, 2020 CQR at C-35.

section 773(a) of the Act. Commerce bases NV in an NME case on FOPs, because the presence of government controls on various aspects of NME countries renders price comparisons and the calculation of production costs invalid under Commerce's normal methodologies.⁹² Under section 773(c)(3) of the Act, FOPs include, but are not limited to: (1) hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs.⁹³

1. Factor Valuations

We used the FOPs reported by Zhongji for materials, energy, labor, by-products, packing, and freight. In accordance with section 773(c) of the Act and 19 CFR 351.408(c)(1), we calculated the cost of FOPs by multiplying the reported per-unit FOP consumption rates by publicly available SVs.⁹⁴ We summed the FOP and freight costs to derive NV.

When selecting from among the available information for valuing FOPs, we considered, among other criteria, whether the SVs are publicly available, broad market averages, contemporaneous with the POR or closest in time to the POR, product-specific, and tax-exclusive.⁹⁵ As appropriate, we adjusted FOP costs by including freight costs to make them delivered values. Specifically, we added a surrogate freight cost, where appropriate, to surrogate input values using the shorter of the reported distance from the domestic supplier to the respondent's factory or the distance from the nearest seaport to the respondent's factory.⁹⁶ In those instances where we could not value FOPs using SVs that are contemporaneous with the POR, we adjusted the SVs using inflation indices. An overview of the SVs used to calculate weighted-average dumping margins for the mandatory respondent is described below. For a detailed description of all SVs used to calculate the weighted-average dumping margins, *see* the Preliminary SV Memorandum.

a. Direct and Packing Materials

Except as noted below, we based SVs for direct materials, packing materials, and by-products on import values from the GTA for Russia, the primary surrogate country selected for this review. These values are generally publicly available, representative of a broad market average, contemporaneous with the POR, product-specific, and tax-exclusive.⁹⁷

⁹² See, e.g., *Preliminary Determination of Sales at Less Than Fair Value, Affirmative Critical Circumstances, In Part, and Postponement of Final Determination: Certain Lined Paper Products from the People's Republic of China*, 71 FR 19695, 19703 (April 17, 2006), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People's Republic of China*, 71 FR 53079 (September 8, 2006).

⁹³ See section 773(c)(3)(A)-(D) of the Act.

⁹⁴ See Preliminary SV Memorandum.

⁹⁵ See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004), unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004).

⁹⁶ See *Sigma Corp. v. United States*, 117 F. 3d 1401, 1407-08 (Fed. Cir. 1997) (*Sigma Corp.*).

⁹⁷ See Preliminary SV Memorandum.

Pursuant to section 773(c)(5) of the Act and the legislative history of the Omnibus Trade and Competitiveness Act of 1988, Commerce continues to apply its long-standing practice of disregarding certain prices as SVs if it has reason to believe or suspect that those prices may have been dumped or subsidized.⁹⁸ In this regard, Commerce previously found that it is appropriate to disregard such prices from India, Indonesia, South Korea, and Thailand because we determined that these countries maintain broadly available, non-industry specific, export subsidies.⁹⁹ Based on the existence of these subsidy programs that were generally available to all exporters and producers in these countries at the time of the POR, Commerce finds that it is reasonable to infer that all exporters from India, Indonesia, South Korea, and Thailand may have benefitted from these subsidies. Therefore, we have not used the prices of goods imported into Russia from India, Indonesia, South Korea, and Thailand to calculate import-based SVs. Commerce similarly disregarded prices from NME countries. Finally, imports that were labeled as originating from an “unspecified” country were excluded from the average value, since Commerce could not be certain that these imports were not from either an NME country or a country with generally available export subsidies.¹⁰⁰

We adjusted the SVs, as appropriate, for exchange rates and taxes. As appropriate, we adjusted FOP costs by including freight costs to make them delivered values. Specifically, Commerce added a surrogate freight cost, where appropriate, to surrogate input values using the shorter of the reported distance from the domestic supplier to the respondent’s factory or the distance from the nearest seaport to the respondent’s factory.¹⁰¹

b. Energy

We valued electricity using purchase prices for electricity as reported by *Doing Business 2020: Russia*.¹⁰² We valued natural gas and steam using statistics published by Index Mundi.¹⁰³ We valued liquid gas from GTA data for Russia.

⁹⁸ See Omnibus Trade and Competitiveness Act of 1988, Conf. Report to Accompany H.R. 3, H.R. Rep. No. 576, 100th Cong., 2nd Sess. (1988) at 590.

⁹⁹ See, e.g., *Carbazole Violet Pigment 23 from India: Final Results of the Expedited Five-year (Sunset) Review of the Countervailing Duty Order*, 75 FR 13257 (March 19, 2010), and accompanying IDM at 4-5; see also *Certain Cut-to-Length Carbon-Quality Steel Plate from Indonesia: Final Results of Expedited Sunset Review*, 70 FR 45692 (August 8, 2005), and accompanying IDM at 4; *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 74 FR 2512 (January 15, 2009), and accompanying IDM at 17, 19-20; and *Certain Frozen Warmwater Shrimp from Thailand: Final Negative Countervailing Duty Determination*, 78 FR 50379 (August 19, 2013), and accompanying IDM at IV.

¹⁰⁰ See, e.g., *Polyethylene Terephthalate Film, Sheet, and Strip from the People’s Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 73 FR 24552, 24559 (May 5, 2008), unchanged in *Polyethylene Terephthalate Film, Sheet, and Strip from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 55039 (September 24, 2008); see also Preliminary SV Memorandum.

¹⁰¹ See *Sigma Corp.*, 117 F. 3d at 1407-08.

¹⁰² See Petitioner December 17, 2020 SV Comments at RU-3; see also Preliminary SV Memorandum.

¹⁰³ *Id*

c. Labor

In *Labor Methodologies*,¹⁰⁴ Commerce determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country. Commerce does not, however, preclude other sources for valuing labor.¹⁰⁵ Rather, we continue to follow our practice of selecting the best available information. Here, we determined that the best data source from the primary surrogate country was the labor data from the Russian Federal State Statistics Service and minimum wage data compiled by the Russian Federal State Statistics Services.¹⁰⁶

d. Movement Services

We used *Doing Business 2020: Russia* to value foreign inland freight and brokerage and handling (B&H).¹⁰⁷ Additionally, we used data from Maersk to value Ocean Freight and data from P.A.F. to value marine insurance.¹⁰⁸

e. Financial Ratios

Pursuant to 19 CFR 351.408(c)(4), Commerce values selling, general and administrative (SG&A) expenses, factory overhead expenses, and profit using publicly available information gathered from producers of comparable merchandise in the surrogate country. To value factory overhead, SG&A expenses, and profit for these preliminary results, we relied on the 2019 financial statements from Rusal, a Russian producer usual of aluminum foil, which represents the best available information on the record.¹⁰⁹

VI. ADJUSTMENT UNDER SECTION 777A(F) OF THE ACT

In applying section 777A(f) of the Act, the Commerce examines: (1) whether a countervailable subsidy (other than an export subsidy) has been provided with respect to a class or kind of merchandise; (2) whether such countervailable subsidy has been demonstrated to have reduced the average price of imports of the class or kind of merchandise during the relevant period; and (3) whether Commerce can reasonably estimate the extent to which that countervailable subsidy, in combination with the use of NV determined pursuant to section 773(c) of the Act, has increased the weighted-average dumping margin for the class or kind of merchandise.¹¹⁰ For a subsidy meeting these criteria, the statute requires Commerce to reduce the AD cash deposit rate by the estimated amount of the increase in the weighted-average dumping margin subject to a specified cap.¹¹¹

¹⁰⁴ See *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092-36094 (June 21, 2011) (*Labor Methodologies*).

¹⁰⁵ See *Steel Wire Garment Hangers from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2012–2013*, 79 FR 65616 (November 5, 2014), and accompanying IDM at 11.

¹⁰⁶ See Petitioner December 17, 2020 SV Comments at RU-2; see also Preliminary SV Memorandum.

¹⁰⁷ See Petitioner December 17, 2020 SV Comments at RU-5; see also Preliminary SV Memorandum.

¹⁰⁸ See Petitioner December 17, 2020 SV Comments at Attachment; see also Preliminary SV Memorandum.

¹⁰⁹ See Petitioner December 17, 2020 SV Comments at RU-7; see also Preliminary SV Memorandum.

¹¹⁰ See section 777A(f)(1)(A)-(C) of the Act.

¹¹¹ See section 777A(f)(1)-(2) of the Act.

Since Commerce has relatively recently started conducting an analysis under section 777A(f) of the Act, Commerce is continuing to refine its practice in applying this section of the law. We examined whether Zhongji demonstrated: (1) a subsidies-to-cost link, *e.g.*, subsidy impact on cost of manufacture (COM); and (2) a cost-to-price link, *e.g.*, respondent's prices changed as a result of changes in the COM.

Based upon information submitted to Commerce, we preliminarily find that Zhongji failed to substantiate a subsidies-to-cost link and a cost-to-price link.¹¹² As noted in *Wooden Cabinets and Vanities from China*, a "subsidy to cost link" occurs where there exists a subsidy effect to the cost of manufacture (COM) regarding the merchandise under consideration.¹¹³ Additionally, a "cost to price link" occurs where a change in the COM results in change to the prices charged to the customer."¹¹⁴ Here, Zhongji has failed to demonstrate that the programs discussed in its double remedies questionnaires have led to a decrease to either input costs or COM.¹¹⁵ We find unpersuasive Zhongji's claim that London Metal Exchange (LME) prices establish the existence of a "subsidy-to-cost link" for its aluminum inputs.¹¹⁶ As noted in *Glass Containers from China*, in determining whether there has been a monthly decline in import prices, Commerce typically looks to AUV data rather than to respondent's specific price data.¹¹⁷ Moreover, Zhongji has offered no convincing explanation as to how quoted LME prices for primary aluminum ingot establish a monthly decline in aluminum jumbo rolls which are the source of Zhongji's aluminum inputs and a distinctly different production input than is primary aluminum ingot.¹¹⁸

We also continue to find that Zhongji failed to establish a "cost-to-price link," as set forth in Section 777A(f) of the Act. As noted in *Wooden Cabinets and Vanities from China*, to establish such a "cost-to-price link," a company must demonstrate a connection between subsidies received and COM."¹¹⁹ Zhongji's demonstration concerning how it tracks primary aluminum, aluminum plate, and electricity in its accounting records,¹²⁰ merely establish how Zhongji tracks its usage of these three consumption inputs. This accounting information, however, fails to establish a link between the subsidies received by Zhongji and the COM of the merchandise. Based on the foregoing, we have preliminarily denied Zhongji's claim for a double remedies

¹¹² See generally, Zhongji Double Remedies Response.

¹¹³ See *Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures*, 84 FR 54106 (October 9, 2019), and accompanying Preliminary Decision Memorandum at 48, unchanged in *Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 85 FR 11953 (February 28, 2020) (*Wooden Cabinets and Vanities from China*).

¹¹⁴ *Id.*

¹¹⁵ See generally Zhongji Double Remedies Response.

¹¹⁶ See Zhongji Double Remedies Response at Exhibit DR-2.

¹¹⁷ See *Glass Containers from China* IDM at 27.

¹¹⁸ See Zhongji's October 22, 2020 DQR at D-3 through D-4 and Exhibits D-1, D-2 and D-3.

¹¹⁹ See *Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures* 84 FR 54106 (October 9, 2019), and accompanying Preliminary Decision Memorandum at 48, unchanged in *Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 85 FR 11953 (February 28, 2020) (*Wooden Cabinet Vanities from China*).

¹²⁰ See Zhongji Double Response at DR-4.

adjustment. We, therefore, find that Zhongji has failed to demonstrate the required “cost to price” and “subsidy to cost” links between to the programs for which Zhongji claims adjustment and the reported price and cost data which is maintained in Zhongji’s accounting systems.¹²¹

Moreover, to determine whether to grant a domestic pass-through adjustment for non-selected separate rate respondents, Commerce relies on the experience of the mandatory respondent examined in this administrative review. Because Zhongji did not establish eligibility for this adjustment, we did not make an adjustment pursuant to section 777A(f) of the Act for countervailable domestic subsidies for Zhongji, or the non-selected separate rate respondents.¹²²

VII. CURRENCY CONVERSION

Where appropriate, we made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales, as certified by the Federal Reserve Bank.

VIII. RECOMMENDATION

We recommend applying the above methodology for these preliminary results.

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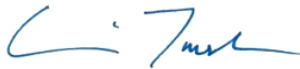
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Agree

Disagree

6/29/2021

X



Signed by: CHRISTIAN MARSH

Christian Marsh
Acting Assistant Secretary
for Enforcement and Compliance

¹²¹ *Id.*

¹²² See Zhongji Preliminary Analysis Memorandum.