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**Final Results of Redetermination Pursuant to Court Remand
Floor-Standing Metal-Top Ironing Tables and Certain Parts Thereof from the People's
Republic of China**

***Foshan Shunde Yongjian Housewares & Hardware Co., Ltd., v. United States,*
Court No. 12-00069, Slip. Op. 16-01 (CIT January 8, 2016)**

Summary

The Department of Commerce (Department) has prepared these remand results pursuant to the remand order of the U.S. Court of International Trade (CIT or the Court) in *Foshan Shunde Yongjian Housewares & Hardware Co., Ltd., v. United States*, Court No. 12-00069, Slip. Op. 16-01 (January 8, 2016) (*Foshan Shunde II*). This action arises out of the final results of the August 1, 2009, through July 31, 2010, administrative review of the antidumping duty order on floor-standing metal top ironing tables and certain parts thereof from the People's Republic of China.¹

On April 9, 2015, the Department issued its First Redetermination in which it: 1) reconsidered the Indonesian Harmonized Tariff Schedule (HTS) source used to value Foshan Shunde's steel wire input, 2) reconsidered the brokerage and handling calculation employed in the *Final Results*, and 3) reevaluated the Department's application of zeroing used in the *Final Results*.² In the First Redetermination, the Department determined that Indonesian HTS Category 7217.10 ("Wire of iron or non-alloy steel") represented the appropriate basis to value Foshan Shunde's steel wire.³ In the First Redetermination, the Department also determined that it had appropriately calculated brokerage and handling in the *Final Results*.⁴ Finally, in the First

¹ See *Floor-Standing Metal Top Ironing Tables and Certain Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 77 FR 14499 (March 12, 2012), and accompanying Issues and Decision Memorandum (*Final Results*).

² See *Final Results of Redetermination Pursuant to Court Remand: Floor Standing Metal Top Ironing Tables and Certain Parts Thereof from the People's Republic of China* (First Redetermination) dated April 9, 2015.

³ *Id.*, at 4-8.

⁴ *Id.*, at 8-15.

Redetermination, the Department concluded that it had properly applied zeroing in the *Final Results*.⁵

Upon consideration of the First Redetermination, the Court affirmed our application of zeroing in the *Final Results*. The Court also affirmed a portion of the Department's brokerage and handling calculation. Specifically, the Court sustained the Department's determination that the World Bank data represented the "best available" data and sustained the Department's refusal to subtract a fee for letter of credit expenses. However, the Court remanded our calculations of Foshan Shunde's steel wire input, and the document preparation fee and ports and terminal handling elements of the brokerage and handling calculation.

Accordingly, in this Redetermination, we have revised our calculation of steel wire and brokerage and handling consistent with the Court's opinion. Under protest, and as instructed by the Court, we have used Indonesian HTS category 7217.10.00 to value steel wire. Additionally, in this Redetermination, we have recalculated Foshan Shunde's brokerage and handling expense. Consistent with the Court's instructions, for document preparation fees, we have made no adjustment for any proportionate increase in costs that would result from shipping merchandise in a 40-foot container instead of a 20-foot container. Additionally, with regards to ports and terminal handling charges, in this Redetermination we have used the Indonesian port data provided by Foshan Shunde to calculate the proportionate increase in cost that results from shipment in a 40-foot container instead of a 20-foot container.

On February 29, 2016, the Court granted the Department a three week extension until March 29, 2016 to file the results of this Redetermination.⁶ On March 10, 2016, the Department released to all parties a draft of its determination on remand (Draft Redetermination). We set a

⁵ See *First Redetermination* at 16.

⁶ See Scheduling Order, *Foshan Shunde v. United States* dated February 29, 2016.

deadline of March 17, 2016 for parties to comment on the Draft Redetermination. We received timely comments from Home Products International (HPI), the Petitioner in the underlying administrative review. No other comments were submitted from interested parties.

As a result of the adjustments made in this Final Redetermination, Foshan Shunde's margin has changed from 40.15 percent to 33.43 percent.

Background

In the First Redetermination, the Department argued that Foshan Shunde "has provided no documentation or description with regard to the carbon content of the steel wire it utilizes."⁷ The Department further contested Foshan Shunde's assertion that it had "fact certified" its consumption of low carbon wire.⁸ However, in *Foshan Shunde II*, the Court directed the Department to base its calculation of Foshan Shunde's steel wire on the Indonesian HTS category 7217.10.10 ("Containing by weight less than 0.25% of carbon").⁹ 7217.10.10 is the Indonesian HTS category for low carbon steel.¹⁰ In directing us to use this Indonesian HTS number, the Court determined that the Department did not "provide a reasonable basis to infer that Foshan Shunde, or any ironing board manufacturer for that matter, would choose to source higher cost, high carbon steel wire inputs to make ironing boards."¹¹

As for brokerage and handling, in the First Redetermination, the Department rejected the alternative brokerage and handling data points offered by Foshan Shunde because these data points were from non-World Bank sources.¹² In *Foshan Shunde II*, however, the Court held that the alternative Indonesian data points provided by Foshan Shunde demonstrated that ports and

⁷ See First Redetermination at 7.

⁸ *Id.*

⁹ See *Foshan Shunde II* at 16.

¹⁰ *Id.*, at 4.

¹¹ *Id.*, at 7.

¹² See First Redetermination at 9-10.

terminal handling charges do not increase proportionally with container size.¹³ Moreover, the Court further determined that the document preparation fee does not vary at all with container size.¹⁴

Pursuant to *Foshan Shunde II*, in this Redetermination we have, under protest, based our calculation of the surrogate value for steel wire on the Indonesian HTS category 7217.10.10. Additionally, consistent with the instructions of the Court, we have recalculated Foshan Shunde's brokerage and handling expense consistent with the Court's order in *Foshan Shunde II*. Our analysis is outlined below.

Valuation of Steel Wire

In addition, and consistent with the order of the Court,¹⁵ in this Redetermination we have, under protest,¹⁶ used HTS subcategory 7217.10.10 to value Foshan Shunde's steel wire.¹⁷

Brokerage and Handling

As noted in the First Redetermination, the *Doing Business 2010: Indonesia* report outlines three components of brokerage and handling expense which are detailed below:¹⁸

Document Preparation Fees	\$210
Customs Clearance Fees	\$169
Ports & Terminal Handling Charges	\$165
Total Brokerage Charges	\$544 ¹⁹

¹³ The Court took note of Foshan Shunde's argument that the ports and terminal handling charge for an Indonesian container increases from \$95 to \$145 which would result in an approximate 50 percent increase from use of a 40-foot container relative to a 20-foot container. See *Foshan Shunde II* at 11-12.

¹⁴ *Id.*, at 11-13.

¹⁵ *Id.*, at 16.

¹⁶ The Department is issuing these remand results under protest. See *Viraj Group, Ltd. v. United States*, 343 F.3d. 1371 (Fed. Cir. 2003). As we argued in the First Redetermination, we continue to maintain that Foshan Shunde has provided no evidence regarding the carbon content of the steel wire that it consumes in its production process. See First Redetermination at 4-8.

¹⁷ See March 29, 2016 Memorandum from Michael J. Heaney to the File Re: Foshan Shunde Second Redetermination Final Analysis (Foshan Shunde Second Remand Final Redetermination Analysis) at 1.

¹⁸ See First Redetermination at 9; see also July 8, 2011 Letter from HPI to the Department Re: Administrative Review of Floor Standing Metal Top Ironing Tables and Certain Parts Thereof from the People's Republic of China: Information Concerning Valuation of Factors of Production For Foshan Shunde Yongjian Housewares & Hardware Co., Ltd. (Sixth Administrative Review) at Exhibit 10 (HPI July 8, 2011 Surrogate Values Submission).

Also, as we noted in the First Redetermination, the Department continues to maintain that data culled from non-World Bank sources “are inherently not comparable” to World Bank data.²⁰

However, in this Redetermination, and consistent with the order of the Court, we have recalculated Foshan Shunde’s brokerage and handling adjustment taking into account the alternative non-World Bank data which the Court noted in *Foshan Shunde II*. With regard to Ports and Terminal handling charges, we have calculated a 52.63 percent increase (rather than a full, proportionate, 100 percent increase) for this component of the brokerage and handling expense.²¹ We base this calculated 52.63 percent increase upon the surrogate value information Foshan Shunde provided in its July 22, 2011 surrogate value submission concerning Indonesian ports charges.²² In *Foshan Shunde II*, the Court concluded that this surrogate value information demonstrates that the ports and terminal handling component of brokerage and handling does not increase proportionally with container size.²³ Accordingly, in this Redetermination, we have based our calculation of the ports and terminal handling component of brokerage and handling on a 52.63 percent increase based on the record evidence provided by Foshan Shunde in its July 22, 2011 surrogate value submission.²⁴

Additionally, and again consistent with the order of the Court, we have made no increase for the document preparation fees element of Indonesian brokerage and handling expense. In

¹⁹ See First Redetermination at 9.

²⁰ See First Redetermination at 10.

²¹ See *Foshan Shunde II* at 11-12.

²² See July 22, 2011 Letter from DeKieffer & Horgan, PLLC to the Secretary of Commerce Re: Surrogate Values for the Preliminary Results (Foshan Shunde Preliminary Surrogate Value Submission) at Exhibit 16.

²³ See *Foshan Shunde II* at 11.

²⁴ See Foshan Shunde Preliminary Surrogate Value Submission at Exhibit 16. Multiplying the reported \$145 charge for shipment in a 40-foot container by the \$95 charge for shipment in a 20-foot container and dividing by 2 results in a 52.63 percent increase (\$145/\$95) in the Ports and Terminal Handling component of Foshan Shunde’s B&H expense.

Foshan Shunde II,²⁵ the Court took note of the evidence pertaining to the document preparation fee component of brokerage and handling, which are detailed in a 2001 *Association of Southeast Asian Nations* report (*ASEAN 2001 Study*).²⁶ In summarizing the document fees associated with shipment in 20-foot and 40-foot containers, the *ASEAN 2001 Study* notes, “[a]ll destinations are charged with US \$20 document fee” regardless of the container size.²⁷ Accordingly, after considering this evidence, and consistent with the Court’s order in *Foshan Shunde II*, in this redetermination we have made no increase in document preparation fees for shipment in a 40-foot container instead of a 20-foot container.

As for the customs clearance component of brokerage and handling, in the draft remand we made no increase in customs clearance fees for shipment in a 40-foot container instead of a 20-foot container.²⁸ However, as discussed below, after considering HPI’s comments, we reexamined the Court’s order in *Foshan Shunde II* and have again adopted the approach we took in the First Redetermination. Accordingly, in this redetermination, we have assigned a value of \$169 to the customs clearance element of Foshan Shunde’s brokerage and handling calculation.

This results in the application of the following pool of brokerage and handling expense for Foshan Shunde:

Document Preparation Fees	\$105
Customs Clearance Fees	\$169
Ports & Terminal Handling Charges	\$125.92 ²⁹
Total Brokerage Charges	\$399.92

²⁵ “Foshan Shunde, though, identified several record documents . . . that document preparation fees do not increase at all with container size.” See *Foshan Shunde II* at 11.

²⁶ See *Facts and Figures: Cost of Investing and Doing Business in ASEAN 2001 Edition (ASEAN 2001 Study)*. The ASEAN 2001 Study is contained at Attachment 7 of the August 31, 2011 Memorandum From Michael J. Heaney to the File Re: Antidumping Duty Administrative Review of Floor Standing Metal Top Ironing Tables, and Certain Parts Thereof from the People’s Republic of China (Preliminary Results Factors of Production Memorandum).

²⁷ *Id.*

²⁸ See Draft Redetermination at 5-6.

²⁹ $\$165 \times (\$145/\$95)/2 = \125.92 . For more detail, see the discussion below regarding the change in calculation.

In this final redetermination, we have used this revised total of \$399.92 to determine Foshan Shunde's brokerage and handling expense.³⁰

Analysis of Comments Received

Comment 1: Valuation of Steel Wire

HPI agrees with the Department's decision to value Foshan Shunde's steel wire input using Indonesian HTS subcategory 7217.10.10. HPI argues that due to the Court's "explicit order," the Department properly determined, under protest, to use the low carbon Indonesian HTS subcategory to value Foshan Shunde's steel wire input.³¹

Department's Position:

We agree with HPI. In this final redetermination, we have under protest, continued to use HTS subcategory 7217.10.10 to value Foshan Shunde's steel wire input.

Comment 2: Second Redetermination Brokerage and Handling Calculation

HPI argues that in *Foshan Shunde II*, the Court remanded only two elements of the brokerage and handling calculation: 1) document preparation fees and 2) ports and terminal handling fees. HPI argues that *Foshan Shunde II* found no fault with the customs clearance portion of the brokerage and handling calculation. HPI cites to *Foshan Shunde II* at 13 wherein the Court states "{w}ith Foshan Shunde's demonstration that *two of the three components* do not increase proportionately with container size, the court cannot sustain Commerce's approach."³² Additionally, HPI cites to the Court's opinion at 16, which indicates that the Court sustained the Department's margin calculation "with the exception of Commerce's surrogate value selection for steel wire and Commerce's adjustment of the document preparation and ports and terminal

³⁰ See Foshan Shunde Second Final Redetermination Analysis Memorandum at Attachment 1.

³¹ See HPI March 17, 2016 Letter to the Secretary of Commerce Re: *Foshan Shunde Yongjian Housewares & Hardware Co., Ltd. v. United States*, Court Int'l Trade No., 12-00069 (Second Remand): Comments of Home Products International Inc. on Department's Draft Results of Redetermination" (HPI Draft Redetermination Comments) at 3.

³² See HPI Draft Redetermination Comments at 4 citing *Foshan Shunde II* at 13 (HPI's emphasis).

handling components of the *Doing Business 2010: Indonesia* data point {i.e., the B&H adjustment}.³³ Based on the foregoing, HPI argues that there is nothing in *Foshan Shunde II*, which would “invite a reopening” of the customs clearance component of the brokerage and handling calculation.³⁴ HPI therefore asserts that the Department should make no change in the customs clearance component of the brokerage and handling calculation from that which was presented in the first redetermination.³⁵

With regard to ports and terminal handling charges, HPI asserts that there is an error in the Department’s assignment of a 52.63 percent increase to account for shipment in a 40-foot container instead of shipment in a 20-foot container. HPI asserts that instead of multiplying the World Bank’s \$165 reported amount for ports and terminal handling charges by \$95/\$145, the Department should have instead multiplied \$165 by \$145/\$95 and then divided by 2. HPI argues that such an approach would be consistent with the Department’s calculation of document preparation fees.³⁶ HPI further notes that its proposed calculation of ports and terminal handling charges would result in a calculation of \$125.92 rather than the \$108.10 figure utilized in the Draft Redetermination.³⁷

Lastly, in lieu of using the theoretical weight of a 20-foot container to calculate brokerage and handling expense,³⁸ HPI argues that the Department should instead base its brokerage and handling calculation directly on the weight of a 40-foot container.³⁹ HPI contends that such an

³³ See HPI Draft Redetermination Comments at 16 (HPI’s emphasis).

³⁴ See HPI Draft Redetermination Comments at 4.

³⁵ *Id.*, at 5.

³⁶ *Id.*, at 6.

³⁷ *Id.*

³⁸ In the Analysis Memorandum accompanying the draft redetermination, the Department inadvertently labeled the weight used in its brokerage and handling calculation as the weight of a 40-foot container. That amount, in actuality, represents the theoretical weight of a 20-foot container. See Memorandum from Michael J. Heaney to the File Re: Foshan Shunde Second Remand Draft Analysis at Attachment 1.

³⁹ See HPI Draft Redetermination Comments at 6.

approach results in a per kilogram calculation of brokerage and handling expense that is “more straightforward and easier to follow.”⁴⁰

Department’s Position:

We agree, in part, with HPI. In this final redetermination, we determine that the instructions set forth in *Foshan Shunde II* are confined to the document preparation fees and ports and terminal handling elements of the brokerage and handling calculation. As HPI notes, in *Foshan Shunde II*, the Court specifically sustained all elements of the Department’s calculation other than the surrogate value used to derive steel wire and the document preparation fees and ports and terminal handling components of the brokerage and handling calculation.⁴¹ Accordingly, in this final redetermination, we have assigned a value of \$169 to the customs clearance element of Foshan Shunde’s brokerage and handling calculation. We note that this \$169 amount is the same value that was utilized in the First Redetermination and represents a full 100 percent increase in this component of brokerage and handling expense.⁴²

We also agree with HPI that the ports and terminal handling component of brokerage and handling expense component should properly be calculated using the formula $\$165 \times (145/95)/2$. Calculation of ports and terminal handling expenses in this manner is consistent with the methodology that the Department used to recalculate the document preparation fees component of Foshan Shunde’s brokerage and handling calculation. We further note that such a recalculation results in a value of \$125.92 for this element of brokerage and handling expense.⁴³

⁴⁰ See HPI Draft Redetermination Comments at 6.

⁴¹ See HPI Draft Redetermination Comments at 4 citing *Foshan Shunde II* at 16 (“{T}he court sustains the Remand Results with the exception of Commerce’s surrogate value selection for steel wire and Commerce’s adjustment of the documents preparation and ports and terminal handling components of the *Doing Business 2010: Indonesia* data point”).


⁴² See First Redetermination at 9.

⁴³ See *Foshan Shunde Second Final Redetermination Analysis Memorandum* at Attachment 1.

Finally, we disagree with HPI's assertion that the Department should base its brokerage and handling calculation on the weight of a 40-foot container rather than upon the weight of a 20-foot container. As HPI has noted, in *Foshan Shunde II*, the Court sustained all elements of the Department's margin calculation other than the surrogate value used to determine steel wire and the document preparation fees and ports and terminal handling components of the brokerage and handling calculation.⁴⁴ In sustaining the document preparation fees component, the Court agreed with the Department's use of the theoretical weight of a 20-foot container to calculate brokerage and handling. Accordingly, in this final redetermination, we have continued to base our calculation of brokerage and handling upon the theoretical weight of a 20-foot container.⁴⁵

Results of Redetermination

As a result of our Redetermination, Foshan Shunde's margin changes from 40.15 percent to 33.43 percent. Upon a final and conclusive decision in this case, the Department will instruct U.S. Customs and Border Protection to liquidate appropriate entries for the August 1, 2009 through July 31, 2010 period of review consistent with our Final Results of Redetermination.



 Paul Piquado
 Assistant Secretary
 for Enforcement and Compliance

29 MARCH 2016

 Date

⁴⁴ See *Foshan Shunde II* at 16.

⁴⁵ See *Foshan Shunde Second Final Redetermination Analysis Memorandum* at Attachment 1.