



Billing Code: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-982]

Utility Scale Wind Towers from the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on utility scale wind towers (wind towers) from the People's Republic of China (China) would likely lead to the continuation or recurrence of a countervailable subsidy at the levels indicated in the Final Results of Review section of this notice.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Kristen Johnson, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4793.

SUPPLEMENTARY INFORMATION:

Background

The *Order* on wind towers from China was published in the *Federal Register* on February 15, 2013.¹ On January 2, 2018, Commerce initiated this sunset review of the *Order* on wind

¹ See *Utility Scale Wind Towers from the People's Republic of China: Countervailing Duty Order*, 78 FR 11152 (February 15, 2013) (*Order*).

towers from China pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).² On January 17, 2018, Commerce received a notice of intent to participate from the Wind Tower Trade Coalition (the petitioner) within the deadline specified in 19 CFR 351.218(d)(1)(i).³ The petitioner claimed interested party status under section 771(9)(C) and (F) of the Act, as manufacturers, producers, or wholesalers in the United States of the domestic like product and as an association composed of domestic manufacturers, producers, or wholesalers. On February 5, 2018, Commerce received an adequate substantive response from the petitioner within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).⁴ Commerce did not receive a substantive response from the Government of China or a respondent interested party to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B)(2) and (C)(2), Commerce conducted an expedited review of the *Order*.

Commerce has exercised its discretion to toll all deadlines affected by the duration of the closure of the Federal Government from January 20 through 22, 2018. The revised deadline for the final results of this expedited sunset review is May 7, 2018.⁵

Scope of the Order

The merchandise covered by this *Order* are certain wind towers, whether or not tapered, and sections thereof. Certain wind towers are designed to support the nacelle and rotor blades in a wind turbine with a minimum rated electrical power generation capacity in excess of 100 kilowatts and with a minimum height of 50 meters measured from the base of the tower to the

² See *Initiation of Five-Year (Sunset) Reviews*, 83 FR 100 (January 2, 2018).

³ See Letter from the petitioner regarding “Notice of Intent to Participate in Sunset Review,” dated January 17, 2018.

⁴ See Letter from the petitioner regarding “Substantive Response to Notice of Initiation of Sunset Review,” dated February 5, 2018.

⁵ See Memorandum for The Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government,” dated January 23, 2018. All deadlines in this segment of the proceeding affected by the closure of the Federal Government have been extended by three days.

bottom of the nacelle (*i.e.*, where the top of the tower and nacelle are joined) when fully assembled.

A wind tower section consists of, at a minimum, multiple steel plates rolled into cylindrical or conical shapes and welded together (or otherwise attached) to form a steel shell, regardless of coating, end-finish, painting, treatment, or method of manufacture, and with or without flanges, doors, or internal or external components (*e.g.*, flooring/decking, ladders, lifts, electrical buss boxes, electrical cabling, conduit, cable harness for nacelle generator, interior lighting, tool and storage lockers) attached to the wind tower section. Several wind tower sections are normally required to form a completed wind tower.

Wind towers and sections thereof are included within the scope whether or not they are joined with nonsubject merchandise, such as nacelles or rotor blades, and whether or not they have internal or external components attached to the subject merchandise.

Specifically excluded from the scope are nacelles and rotor blades, regardless of whether they are attached to the wind tower. Also excluded are any internal or external components which are not attached to the wind towers or sections thereof.

Merchandise covered by the *Order* is currently classified in the Harmonized Tariff System of the United States (HTSUS) under subheadings 7308.20.0020⁶ or 8502.31.0000.⁷ Prior to 2011, merchandise covered by the *Order* was classified in the HTSUS under subheading 7308.20.0000 and may continue to be to some degree. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the *Order* is dispositive.

⁶ Wind towers are classified under HTSUS 7308.20.0020 when imported as a tower or tower section(s) alone.

⁷ Wind towers may also be classified under HTSUS 8502.31.0000 when imported as part of a wind turbine (*i.e.*, accompanying nacelles and/or rotor blades).

Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum, which is dated concurrently with and adopted by this notice.⁸ The issues discussed in the Issues and Decision Memorandum include the likelihood of continuation or recurrence of a countervailable subsidy and the net countervailable subsidy likely to prevail if the *Order* were revoked. Parties can find a complete discussion of all issues raised in this expedited sunset review and the corresponding recommendations in this public memorandum, which is on file electronically *via* Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

⁸ See Memorandum from James Maeder, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the duties of the Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, regarding “Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Countervailing Duty Order on Utility Scale Wind Towers from the People’s Republic of China,” dated concurrently with and adopted by this notice (Issues and Decision Memorandum).

Final Results of Review

Pursuant to sections 752(b)(1) and (3) of the Act, we determine that revocation of the *Order* on wind towers from China would be likely to lead to continuation or recurrence of a net countervailable subsidy at the rates listed below:

| Manufacturer/Producer/Exporter | Net Countervailable Subsidy <i>Ad Valorem</i> Rate |
|---|---|
| CS Wind China Co., Ltd., CS Wind Tech (Shanghai) Co., Ltd., and CS Wind Corporation (collectively, CS Wind) | 21.86 percent |
| Titan Wind Energy (Suzhou) Co. Ltd. (Titan Wind), Titan Lianyungang Metal Product Co. Ltd. (Titan Lianyungang), Baotou Titan Wind Power Equipment Co., Ltd. (Titan Baotou), and Shenyang Titan Metal Co., Ltd. (Titan Shenyang) (collectively, Titan Companies) | 34.81 percent |
| All Others | 28.34 percent |

Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Commerce is issuing and publishing these final results and this notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act.

Dated: May 4, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

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