



**BILLING CODE: 3510-DS-P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[C-570-089]**

**Certain Steel Racks from the People's Republic: Initiation of Countervailing Duty Investigation**

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

DATES: Applicable July 10, 2018.

FOR FURTHER INFORMATION CONTACT: Eli Lovely or Robert Galantucci at (202) 482-1593 or (202) 482-2923, respectively, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petition

On June 20, 2018, the U.S. Department of Commerce (Commerce) received a countervailing duty (CVD) Petition concerning imports of certain steel racks (steel racks) from the People's Republic of China (China), filed in proper form on behalf of the Coalition for Fair Rack Imports (the petitioner), the members of which are domestic producers of steel racks.<sup>1</sup> The CVD Petition was accompanied by an antidumping duty (AD) Petition concerning imports of steel racks from China.

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<sup>1</sup> See the petitioner's Letter, "Petitions for the Imposition of Antidumping Duties and Countervailing Duties: Steel Racks from the People's Republic of China," dated June 20, 2018 (the Petition).

On June 22, 2018, Commerce requested supplemental information pertaining to certain aspects of the Petition in two separate supplemental questionnaires, one dealing with CVD programs and one primarily with scope clarification issues.<sup>2</sup> The petitioner filed additional information on June 26, 2018.<sup>3</sup>

On June 28, 2018, Commerce requested supplemental information pertaining to industry support and import statistics.<sup>4</sup> The petitioner filed a response to Commerce's request on July 2, 2018.<sup>5</sup> On July 5, 2018, we spoke with the petitioner regarding the scope language submitted in its July 2, 2018, submission.<sup>6</sup> On July 9, 2018, the petitioner filed an amendment to the scope, further clarifying the scope language.<sup>7</sup>

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that the Government of China (GOC) is providing countervailable subsidies, within the meaning of sections 701 and 771(5) of the Act, to producers of steel racks in China and that imports of such products are materially injuring, or threatening material injury to, the domestic steel racks industry in the United States. Consistent with section 702(b)(1) of the Act and 19 CFR 351.202(b), for those alleged programs on which we are initiating a CVD investigation, the Petition is accompanied by information reasonably available to the petitioner supporting its allegations.

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<sup>2</sup> See Commerce's Letters, both titled, "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Steel Racks from the People's Republic of China: Supplemental Questions," and both dated June 22, 2018.

<sup>3</sup> See the petitioner's Letters, "Steel Racks from the People's Republic of China: Response to Supplemental Questions – Countervailing Duties," dated June 26, 2018 (CVD Supplement). See "Steel Racks from the People's Republic of China: Response to Supplemental Questions – General Issues," dated June 26, 2018 (General Issues Supplement).

<sup>4</sup> See Memoranda, "Phone Call with Counsel to the Petitioner," dated June 28, 2018.

<sup>5</sup> See the petitioner's Letter, "Steel Racks from the People's Republic of China – General Issues," dated July 2, 2018 (Second General Issues Supplement).

<sup>6</sup> See Memorandum, "Phone Call with Counsel to the Petitioner," dated July 5, 2018.

<sup>7</sup> See the petitioner's Letter, "Steel Racks from the People's Republic of China: Scope Clarification," dated July 9, 2018 (Revised Scope).

Commerce finds that the petitioner filed the Petition on behalf of the domestic industry because the petitioner is an interested party as defined in section 771(9)(E) of the Act.

Commerce also finds that the petitioner demonstrated sufficient industry support necessary for the initiation of the requested CVD investigation.<sup>8</sup>

#### Period of Investigation

Because the Petition was filed on June 20, 2018, the period of investigation is January 1, 2017, through December 31, 2017.

#### Scope of the Investigation

The product covered by this investigation is steel racks from China. For a full description of the scope of these investigations, *see* the Appendix to this notice.

#### Scope Comments

During our review of the Petition, Commerce received proposed scope language from the petitioner to ensure that the scope language in the Petition is an accurate reflection of the products for which the domestic industry is seeking relief.<sup>9</sup> As a result of petitioner's submissions, the scope of the Petition was modified to clarify the description of merchandise covered by the Petition. The description of the merchandise covered by this initiation, as described in the Appendix to this notice, reflects this clarification.

As discussed in the Preamble to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).<sup>10</sup> Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determination. If scope comments

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<sup>8</sup> See the "Determination of Industry Support for the Petition" section, *infra*.

<sup>9</sup> See General Issues Supplement, at 1-9; *see also* Revised Scope, at Exhibit 1.

<sup>10</sup> See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (Preamble).

include factual information,<sup>11</sup> all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit such comments by 5:00 p.m. Eastern Time (ET) on July 30, 2018, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on August 9, 2018, which is 10 calendar days from the initial comments deadline.<sup>12</sup>

Commerce requests that any factual information parties consider relevant to the scope of the investigation be submitted during this period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigation may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must be filed on the records of the concurrent AD and CVD investigations.

#### Filing Requirements

All submissions to Commerce must be filed electronically using Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>13</sup> An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue,

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<sup>11</sup> See 19 CFR 351.102(b)(21) (defining "factual information").

<sup>12</sup> See 19 CFR 351.303(b).

<sup>13</sup> See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011). See also *Enforcement and Compliance: Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of Commerce's electronic filing requirements, which went into effect on August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx>, and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

### Consultations

Pursuant to sections 702(b)(4)(A)(i) and (ii) of the Act, Commerce notified representatives of the GOC of the receipt of the Petition and provided them the opportunity for consultations with respect to the CVD Petition.<sup>14</sup> The GOC did not request consultations.

### Determination of Industry Support for the Petition

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining

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<sup>14</sup> See Commerce’s Letter, “Countervailing Duty Petition on Certain Steel Racks from China,” dated June 20, 2018.

whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product,<sup>15</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>16</sup>

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigation.<sup>17</sup> Based on our analysis of the information submitted on the record, we have determined that steel racks, as defined in the scope, constitute a single domestic like product, and we have analyzed industry support in terms of that domestic like product.<sup>18</sup>

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<sup>15</sup> See section 771(10) of the Act.

<sup>16</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

<sup>17</sup> See Volume I of the Petition, at 11-13 and Exhibit I-9; see also General Issues Supplement, at 9-10.

<sup>18</sup> For a discussion of the domestic like product analysis as applied to this case and information regarding industry support, see Countervailing Duty Investigation Initiation Checklist: Steel Racks from the People’s Republic of China (China CVD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Steel Racks from the People’s Republic of China (Attachment II). This checklist is dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

In determining whether the petitioner has standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the “Scope of the Investigation,” in the Appendix to this notice. To establish industry support, the petitioner provided its own 2017 shipments of the domestic like product and compared this to the estimated total shipments of the domestic like product for the entire domestic industry.<sup>19</sup> The petitioner explained that it relied on shipment data because production data for the entire domestic industry are not available.<sup>20</sup> In addition, the petitioner contends that shipments are a reasonable proxy for data on production of steel racks.<sup>21</sup> We relied on data the petitioner provided for purposes of measuring industry support.<sup>22</sup>

In its July 3, 2018, letter, Jiaying Zhongda Import & Export Co., Ltd. (Jiaying Zhongda), a Chinese exporter/producer, submitted comments on industry support and requested that Commerce poll the industry to determine industry support.<sup>23</sup> The petitioner responded to these comments in the Industry Support Supplement, dated July 3, 2018.<sup>24</sup> In a letter dated July 5, 2018, Guangdong Wireking Housewares and Hardware Co., Ltd. (Guangdong Wireking), a Chinese exporter/producer, submitted comments on industry support and requested that Commerce poll the industry to determine industry support.<sup>25</sup> The petitioner responded to Guangdong Wireking’s comments on July 6, 2018.<sup>26</sup> In a letter dated July 9, 2018, United

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<sup>19</sup> See Volume I of the Petition, at 3-5 and Exhibits I-2 and I-3; see also General Issues Supplement, at 10-11 and Exhibit 5; see also Second General Issues Supplement, at 3-4 and Exhibits 1 and 2.

<sup>20</sup> See Volume I of the Petition, at 4-5 and Exhibit I-2.

<sup>21</sup> *Id.*, at 4 and Exhibit I-3; see also Second General Issues Supplement, at 4.

<sup>22</sup> See Volume I of the petition, at 4-5 and Exhibit I-2; see also General Issues Supplement, at 10-11 and Exhibit 5; see also Second General Issues Supplement, at 3-4 and Exhibits 1 and 2.

<sup>23</sup> See Jiaying Zhongda’s Letter, “Steel Racks from the People’s Republic of China: Pre-Initiation Industry Support Comments,” dated July 3, 2018 (Jiaying Zhongda Letter).

<sup>24</sup> See the petitioner’s Letter, “Steel Racks from the People’s Republic of China: Response to Industry Support Comments,” dated July 3, 2018 (Industry Support Supplement).

<sup>25</sup> See Guangdong Wireking’s Letter, “Steel Racks from the People’s Republic of China: Pre-Initiation Industry Support Comments,” dated July 5, 2018 (Guangdong Wireking Letter).

<sup>26</sup> See the petitioner’s Letter, “Steel Racks from the People’s Republic of China: Response to Industry Support

Material Handling (UMH), a U.S. importer of subject merchandise, submitted comments on industry support and requested that Commerce poll the industry to determine industry support.<sup>27</sup> The petitioner responded to these comments on July 10, 2018.<sup>28</sup> For further discussion of these comments, *see* Attachment II of the China CVD Initiation Checklist.

Our review of the data provided in the Petition, the General Issues Supplement, the Second General Issues Supplement, letters from Jiaxing Zhongda, Guangdong Wireking, and UMH, the Industry Support Supplement, the Second Industry Support Supplement, the Third Industry Support Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petition.<sup>29</sup> First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling).<sup>30</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product.<sup>31</sup> Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product

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Comments,” dated July 6, 2018 (Second Industry Support Supplement).

<sup>27</sup> *See* UMH’s Letter, “Steel Racks from the People’s Republic of China Pre-Initiation Comments on Industry Support,” dated July 9, 2018 (UMH Letter).

<sup>28</sup> *See* Petitioner’s Letter, “Steel Racks from the People’s Republic of China: Response to Industry Support Comments,” dated July 10, 2018 (Third Industry Support Supplement).

<sup>29</sup> *See* China CVD Initiation Checklist, at Attachment II.

<sup>30</sup> *Id.*; *see also* section 702(c)(4)(D) of the Act.

<sup>31</sup> *See* China CVD Initiation Checklist, at Attachment II.

produced by that portion of the industry expressing support for, or opposition to, the Petition.<sup>32</sup>

Accordingly, Commerce determines that the Petition was filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act.

Commerce finds that the petitioner filed the Petition on behalf of the domestic industry because it is an interested party as defined in section 771(9)(E) of the Act, and it has demonstrated sufficient industry support with respect to the CVD investigation that it is requesting that Commerce initiate.<sup>33</sup>

### Injury Test

Because China is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to this investigation. Accordingly, the ITC must determine whether imports of the subject merchandise from China materially injure, or threaten material injury to, a U.S. industry.

### Allegations and Evidence of Material Injury and Causation

The petitioner alleges that imports of the subject merchandise are benefitting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury to the U.S. industry producing the domestic like product. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>34</sup>

The petitioner contends that the industry’s injured condition is illustrated by a significant and increasing volume of subject imports; reduced market share; underselling and price depression or suppression; lost sales and lost revenues; decline in production, quantity of U.S.

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<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> *See* Volume I of the Petition, at 17 and Exhibit I-13.

shipments, and capacity utilization rate; and decline in the domestic industry's profitability.<sup>35</sup>

We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.<sup>36</sup>

#### Initiation of CVD Investigation

Based on the examination of the Petition, we find that the Petition meets the requirements of section 702 of the Act. Therefore, we are initiating a CVD investigation to determine whether imports of steel racks from China benefit from countervailable subsidies conferred by the GOC. In accordance with section 703(b)(1) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 65 days after the date of this initiation.

Based on our review of the Petition, we find that there is sufficient information to initiate a CVD investigation on 25 of the 28 subsidy programs alleged in the petition. For a full discussion of the basis for our decision to initiate or not on each program, *see* China CVD Initiation Checklist. A public version of the initiation checklist for this investigation is available on ACCESS.

#### Respondent Selection

The petitioner named 93 producers/exporters as accounting for the majority of exports of steel racks to the United States from China.<sup>37</sup> In the event Commerce determines that the number of companies is large and it cannot individually examine each company based upon

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<sup>35</sup> See Volume I of the Petition, at 14-28 and Exhibits I-3, I-13, and I-15 through I-24; *see also* General Issues Supplement at 11-12 and Exhibit 6; and Second General Issues Supplement, at 4-5.

<sup>36</sup> See China Initiation Checklist at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Steel Racks from the People's Republic of China.

<sup>37</sup> See Volume I of the Petition, at Exhibit I-6; *see also* General Issues Supplement, at 1 and Exhibit 1.

Commerce's resources, where appropriate, Commerce intends to select mandatory respondents based on quantity and value (Q&V) questionnaires issued to potential respondents. Commerce normally selects mandatory respondents in a CVD investigation using U.S. Customs and Border Protection (CBP) entry data, and on July 5, 2018, we released CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO and indicated that interested parties wishing to comment regarding the CBP data and respondent selection must do so within three business days of the publication date of the notice of initiation of this CVD investigation.<sup>38</sup> However, for this investigation, the Harmonized Tariff Schedule of the United States (HTSUS) numbers of the subject merchandise would enter under (7326.90.8688, 9403.20.0080, and 9403.90.8041) are basket categories containing products unrelated to steel racks, and much of the reported entry data do not contain quantity information. We, therefore, cannot rely on CBP entry data in selecting respondents. We instead intend to issue Q&V questionnaires to each potential respondent, for which the petitioner has provided a complete address, that is; 1) named in the Petition, and 2) appears in the CBP entry data, and base respondent selection on the responses received. Commerce will post the Q&V questionnaire along with the filing instructions on the Enforcement and Compliance Web site at <http://trade.gov/enforcement/news.asp>.

Exporters and producers of steel racks from China that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V questionnaire from the Enforcement and Compliance Web site. The Q&V questionnaire must be submitted by the relevant Chinese exporters/producers no later than 5:00 p.m. ET on July 24, 2018, which is two weeks from the signature date of this notice. All Q&V

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<sup>38</sup> See Memorandum, "Steel Racks from the People's Republic of China Countervailing Duty Petition: Release of Customs Data from U.S. Customs and Border Protection," dated July 5, 2018.

responses must be filed electronically via ACCESS.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on the Commerce's Web site at <http://enforcement.trade.gov/apo>.

Comments must be filed electronically using ACCESS. An electronically filed document must be received successfully, in its entirety, by ACCESS no later than 5:00 p.m. ET on the date noted above. We intend to finalize our decisions regarding respondent selection within 20 days of publication of this notice.

#### Distribution of Copies of the Petition

In accordance with section 702(b)(4)(A)(i) of the Act and 19 CFR 351.202(f), copies of the public versions of the Petition have been provided to the GOC *via* ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petition to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

#### ITC Notification

We will notify the ITC of our initiation, as required by section 702(d) of the Act.

#### Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petition was filed, whether there is a reasonable indication that imports of steel racks from China are materially injuring, or threatening material injury to, a U.S. industry.<sup>39</sup> A negative ITC determination will result in the investigation being terminated.<sup>40</sup> Otherwise, this investigation will proceed according to statutory and regulatory time limits.

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<sup>39</sup> See section 703(a)(2) of the Act.

<sup>40</sup> See section 703(a)(1) of the Act.

### Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). 19 CFR 351.301(b) requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted<sup>41</sup> and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.<sup>42</sup> Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in these investigations.

### Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from

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<sup>41</sup> See 19 CFR 351.301(b).

<sup>42</sup> See 19 CFR 351.301(b)(2).

multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in these investigations.

#### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>43</sup> Parties must use the certification formats provided in 19 CFR 351.303(g).<sup>44</sup> Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

#### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, Commerce published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in this investigation should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

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<sup>43</sup> See section 782(b) of the Act.

<sup>44</sup> See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (“*Final Rule*”); see also frequently asked questions regarding the *Final Rule*, available at [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).

This notice is issued and published pursuant to sections 702 and 777(i) of the Act and 19 CFR 351.203(c).

Dated: July 10, 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.*

## Appendix

### Scope of the Investigation

The merchandise covered by this investigation is steel racks and parts thereof, assembled, to any extent, or unassembled, including but not limited to, vertical components (*e.g.*, uprights, posts, or columns), horizontal or diagonal components (*e.g.*, arms or beams), braces, frames, locking devices (*i.e.*, end plates and beam connectors), and accessories (including, but not limited to, rails, skid channels, skid rails, drum/coil beds, fork clearance bars, pallet supports, column and post protectors, end row and end aisle protectors, corner guards, row spacers, and wall ties). Subject steel racks and parts thereof are made of steel, including, but not limited to, cold and/or hot-formed steel, regardless of the type of steel used to produce the components and may, or may not, include locking tabs, slots, or bolted, clamped, or welded connections.

Steel rack components can be assembled into structures of various dimensions and configurations by welding, bolting, clipping, or with the use of devices such as clips, end plates, and beam connectors, including, but not limited to the following configurations: 1) racks with upright frames perpendicular to the aisles that are independently adjustable, with positive locking beams parallel to the aisle spanning the upright frames with braces; and 2) cantilever racks with vertical components parallel to the aisle and cantilever beams or arms connected to the vertical components perpendicular to the aisle. Steel racks may be referred to as pallet racks, storage racks, stacker racks, retail racks, pick modules, selective racks, or cantilever racks and may incorporate moving components and be referred to as pallet-flow racks, carton-flow racks, push-back racks, movable-shelf racks, drive-in racks, and drive-through racks. While steel racks may be made to ANSI MH16.1 or ANSI MH16.3 standards, all steel racks and parts thereof meeting the description set out herein are covered by the scope of this investigation, whether or not produced according to a particular standard.

The scope includes all steel racks and parts thereof meeting the description above, regardless of

- (1) dimensions, weight, strength, gauge, or load rating;
- (2) vertical components or frame type (including structural, roll-form, or other);
- (3) horizontal support or beam/brace type (including but not limited to structural, roll-form, slotted, unslotted, Z-beam, C-beam, L-beam, step beam, and cantilever beam);
- (4) number of supports;
- (5) number of levels;
- (6) surface coating, if any (including but not limited to paint, epoxy, powder coating, zinc, or other metallic coatings);
- (7) shape (including but not limited to rectangular, square, corner, and cantilever);
- (8) the method by which the vertical and horizontal supports connect (including but not limited to locking tabs or slots, bolting, clamping, and welding); and
- (9) whether or not the steel rack has moving components (including but not limited to rails, wheels, rollers, tracks, channels, carts, and conveyors).

Subject merchandise includes merchandise matching the above description that has been finished or packaged in a third country. Finishing includes, but is not limited to, coating, painting, or

assembly, including attaching the merchandise to another product, or any other finishing or assembly operation that would not remove the merchandise from the scope of the investigation if performed in the country of manufacture of the steel racks and parts thereof. Packaging includes packaging the merchandise with or without another product or any other packaging operation that would not remove the merchandise from the scope of the investigation if performed in the country of manufacture of the steel racks and parts thereof.

Steel racks and parts thereof are included in the scope of this investigation whether or not imported attached to, or included with, other parts or accessories such as wire decking, nuts, and bolts. If steel racks and parts thereof are imported attached to, or included with, such non-subject merchandise, only the steel racks and parts thereof are included in the scope.

The scope of this investigation does not cover: 1) decks, *i.e.*, shelving that sits on or fits into the horizontal supports to provide the horizontal storage surface of the steel racks; 2) wire shelving units, *i.e.*, shelves made from wire that incorporate both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create a finished unit; 3) pins, nuts, bolts, washers, and clips used as connecting devices; and 4) non-steel components.

Specifically excluded from the scope of this investigation are any products covered by Commerce's existing antidumping and countervailing duty orders on boltless steel shelving units prepackaged for sale from the People's Republic of China. *See Boltless Steel Shelving Units Prepackaged for Sale From the People's Republic of China: Antidumping Duty Order*, 80 Fed. Reg. 63,741 (October 21, 2017); *Boltless Steel Shelving Units Prepackaged for Sale From the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 Fed. Reg. 63,745 (October 21, 2017). Also excluded from the scope of this investigation are bulk-packed parts or components of boltless steel shelving units that were specifically excluded from the scope of the *Boltless Steel Shelving Orders* because such bulk-packed parts or components do not contain the steel vertical supports (*i.e.*, uprights and posts) and steel horizontal supports (*i.e.*, beams, braces) packaged together for assembly into a completed boltless steel shelving unit.

Merchandise covered by this investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the following subheadings: 7326.90.8688, 9403.20.0080, and 9403.90.8041. Subject merchandise may also enter under subheadings 7308.90.3000, 7308.90.6000, 7308.90.9590, and 9403.20.0090. The HTSUS subheadings are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.

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