



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-088]

Steel Racks from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation

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

DATES: Applicable July 10, 2018.

FOR FURTHER INFORMATION CONTACT: Jonathan Hill or Patrick O'Connor at (202) 482-3518 or (202) 482-0989, 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 an antidumping duty (AD) Petition concerning imports of steel racks from the People's Republic of China (China), filed in proper form on behalf of the Coalition of Fair Rack Imports (the petitioner).¹ The AD Petition was accompanied by a countervailing duty (CVD) Petition concerning imports of steel racks from China.

On June 22, 2018, Commerce requested supplemental information pertaining to certain

¹ See the petitioner's Letter, "Petitions for the Imposition of Antidumping and Countervailing Duties: Steel Racks from the People's Republic of China," dated June 20, 2018 (the Petition). See Volume I of the Petition, at 1-3.

aspects of the Petition in two separate supplemental questionnaires, one dealing with general issues with the petition and the other with issues related to Volume II of the Petition.²

The petitioner filed its responses to the supplemental questionnaires on June 26.³ On June 28, and June 29, 2018, Commerce requested supplemental information pertaining to certain areas of the Petition.⁴ The petitioner filed responses to Commerce's requests on June 29, and July 2, 2018.⁵ On July 5, 2018, we spoke with the petitioner regarding the scope language submitted in its July 2, 2018 submission.⁶ On July 9, 2018, the petitioner filed an amendment to the scope, further clarifying the scope language.⁷

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of steel racks from China are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing steel racks in the United States. Consistent with section 732(b)(1) of the Act, the Petition is accompanied by information reasonably available to the petitioner supporting its allegation.

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.

² 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.

³ See the petitioner's Letters, "*Steel Racks from the People's Republic of China: Response to Supplemental Questions – Antidumping Duties*," dated June 26, 2018 (AD Supplement). See "*Steel Racks from the People's Republic of China: Response to Supplemental Questions – General Issues*," dated June 26, 2018 (General Issues Supplement).

⁴ See Memoranda, "Phone Call with Counsel to the Petitioner," dated June 28, 2018 and Memorandum, "Phone Call with Counsel to Petitioners," dated June 29, 2018.

⁵ See *Steel Racks from the People's Republic of China: Additional Response to Supplemental Questions - Antidumping Duties*," dated June 29, 2018 (Second AD Supplement). See "*Steel Racks from the People's Republic of China: Response to Second Set of Supplemental Questions – General Issues*," dated July 2, 2018 (Second General Issues Supplement). See "*Steel Racks from the People's Republic of China: Additional Response to Supplemental Questions - Antidumping Duties*," dated July 2, 2018 (Third AD Supplement).

Commerce also finds that the petitioner demonstrated sufficient industry support with respect to the initiation of the AD investigation that the petitioner is requesting.⁸

Period of Investigation

Because China is a non-market economy (NME) country, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) is October 1, 2017, through March 31, 2018.

Scope of the Investigation

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

Scope Comments

During our review of the Petition, Commerce contacted the petitioner regarding the proposed scope language to ensure that the scope language in the Petition is an accurate reflection of the products for which the domestic industry is seeking relief.⁹ As a result, 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 these clarifications.

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).¹⁰ 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 include factual information,¹¹ all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested

⁸ See the "Determination of Industry Support for the Petition" section, *infra*.

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

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

¹¹ See 19 CFR 351.102(b)(21) (defining "factual information").

parties submit scope 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.¹² 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.

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).¹³ 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, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

¹² See 19 CFR 351.303(b).

¹³ 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, effective 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>.

Comments on Product Characteristics for AD Questionnaire

Commerce is providing interested parties an opportunity to comment on the appropriate physical characteristics of steel racks to be reported in response to Commerce's AD questionnaire. This information will be used to identify the key physical characteristics of the merchandise under consideration in order to report the relevant factors of production accurately, as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. In order to consider the suggestions of interested parties in developing and issuing the AD questionnaire, all product characteristics comments must be filed by 5:00 p.m. ET on July 30, 2018, which is 20 calendar days from the signature date of this notice.¹⁴ Any rebuttal comments must be filed by 5:00 p.m. ET on August 9, 2018. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the record of the China less-than-fair-value investigation.

Determination of Industry Support for the Petition

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(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 732(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

¹⁴ See 19 CFR 351.303(b).

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 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,¹⁵ 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.¹⁶

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).

¹⁵ See section 771(10) of the Act.

¹⁶ 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)).

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.¹⁷ 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.¹⁸

In determining whether the petitioner has standing under section 732(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.¹⁹ The petitioner explained that it relied on shipment data because production data for the entire domestic industry were not available.²⁰ In addition, the petitioner contends that shipments are a reasonable proxy for data on production of steel racks.²¹ We relied on data the petitioner provided for purposes of measuring industry support.²²

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

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

¹⁸ For a discussion of the domestic like product analysis as applied to this case and information regarding industry support, *see* Antidumping Duty Investigation Initiation Checklist: Steel Racks from the People’s Republic of China (China AD 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.

¹⁹ 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.

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

²¹ *Id.* at 4 Exhibit I-3; *see also* Second General Issues Supplement, at 4.

²² 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.

Commerce poll the industry to determine industry support.²³ The petitioner responded to these comments in the Industry Support Supplement, dated July 3, 2018.²⁴ 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.²⁵ The petitioner responded to Guangdong Wireking's comments on July 6, 2018.²⁶ In a letter dated July 9, 2018, United 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.²⁷ The petitioner responded to these comments in the Third Industry Support Supplement, dated July 10, 2018.²⁸ For further discussion of these comments, *see* Attachment II of the China AD 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.²⁹ First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent

²³ *See* Jiaxing Zhongda's Letter, "Steel Racks from the People's Republic of China: Pre-Initiation Industry Support Comments, dated July 3, 2018 (Jiaxing Zhongda Letter).

²⁴ *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).

²⁵ *See* Guangdong Wireking Letter, "Steel Racks from the People's Republic of China: Pre-Initiation Industry Support Comments," dated July 5, 2018 (Guangdong Wireking Letter).

²⁶ *See* the petitioner's Letter, "Steel Racks from the People's Republic of China: Response to Industry Support Comments," dated July 6, 2018 (Second Industry Support Supplement).

²⁷ *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).

²⁸ *See* the petitioner's Letter, "Steel Racks from the People's Republic of China: Response to UMH's Industry Support Comments," dated July 10, 2018 (Third Industry Support Supplement).

²⁹ *See* China AD Initiation Checklist, at Attachment II.

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).³⁰ Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(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.³¹ Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(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 produced by that portion of the industry expressing support for, or opposition to, the Petition.³² Accordingly, Commerce determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(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 AD investigation that it is requesting that Commerce initiate.³³

Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.³⁴

³⁰ *Id.*; *see also* section 732(c)(4)(D) of the Act.

³¹ *See* China AD Initiation Checklist, at Attachment II.

³² *Id.*

³³ *Id.*

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

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. shipments, and capacity utilization rate; and decline in the domestic industry's profitability.³⁵ 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.³⁶

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which Commerce based its decision to initiate an AD investigation of imports of steel racks from China. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the China AD Initiation Checklist.

Export Price

The petitioner based U.S. export prices (EP) on price quotes.³⁷ Where applicable, the petitioner made deductions from U.S. price for distributor markup, movement and other expenses, consistent with the terms of sale.³⁸

Normal Value

Commerce considers China to be an NME country.³⁹ In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall

³⁵ 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.

³⁶ See China AD 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.

³⁷ See China AD Initiation Checklist.

³⁸ *Id.*

remain in effect until revoked by Commerce. Therefore, we continue to treat China as an NME country for purposes of the initiation of this investigation. Accordingly, NV in China is appropriately based on factors of production (FOPs) valued in a surrogate market economy country, in accordance with section 773(c) of the Act.⁴⁰

The petitioner claims that Brazil is an appropriate surrogate country for China because it is a market economy country that is at a level of economic development comparable to that of China and it is a significant producer of comparable merchandise.⁴¹ The petitioner provided publicly available information from Brazil to value all FOPs.⁴² Therefore, based on the information provided by the petitioner, we determine that it is appropriate to use Brazil as the primary surrogate country for initiation purposes.

Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

Factors of Production

Based on its assertion that information regarding the FOPs and volume of inputs consumed by Chinese producers/exporters of steel racks was not reasonably available to the petitioner, the petitioner used the consumption rates of a U.S. steel racks producer to estimate the

³⁹ 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*, 82 FR 50858, 50861 (November 2, 2017), and accompanying decision memorandum, *China's Status as a Non-Market Economy*, 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).

⁴⁰ See China AD Initiation Checklist.

⁴¹ See Volume II of the Petition, at 1-2 and Exhibits II-1 and II-2.

⁴² *Id.* at 5-7 and Exhibits II-7 through II-15.

Chinese manufacturers' FOPs.⁴³ The petitioner valued the estimated FOPs using surrogate values from Brazil, as noted above.⁴⁴ The petitioner used the average POI exchange rate to convert surrogate values expressed in Brazilian reals to U.S. dollars.⁴⁵

Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of steel racks from China are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for steel racks from China are 130.0 – 144.5 percent.⁴⁶

Initiation of Less-than-Fair-Value Investigation

Based upon the examination of the Petition, we find that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an AD investigation to determine whether imports of steel racks from China are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determination no later than 140 days after the date of this initiation.

Respondent Selection

The petitioner named 93 producers/exporters as accounting for the majority of exports of steel racks to the United States from China.⁴⁷ In accordance with our standard practice for respondent selection in AD cases involving NME countries, we intend to issue quantity and value (Q&V) questionnaires to producers/exporters of merchandise subject to this investigation.

⁴³ See Volume II of the Petition at 5-7 and Exhibit II-7 and AD Supplement at 2-3 and Exhibit 3.

⁴⁴ *Id.* at 5-7 and Exhibits II-7 through II-15.

⁴⁵ *Id.* at Exhibit II-9.

⁴⁶ See China AD Initiation Checklist.

⁴⁷ See Volume I of the Petition at Exhibit I-6; see also General Issues Supplement, at 1 and Exhibit 1.

In the event Commerce determines that it cannot individually examine each company, where appropriate, Commerce intends to select mandatory respondents based on the responses received to its Q&V questionnaire. Commerce will request Q&V information from known exporters and producers identified with complete contact information in the Petition. In addition, Commerce will post the Q&V questionnaires along with filing instructions on Enforcement and Compliance's website at <http://www.trade.gov/enforcement/news.asp>.

Producers/exporters 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 Enforcement & Compliance's website. The Q&V questionnaire response 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 responses must be filed electronically via ACCESS.

Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.⁴⁸ The specific requirements for submitting a separate-rate application in this investigation are outlined in detail in the application itself, which is available on Commerce's web site at <http://enforcement.trade.gov/nme/nme-sep-rate.html>. The separate-rate application will be due 30 days after publication of this initiation notice.⁴⁹

Exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will be eligible for consideration for separate-rate status only if they

⁴⁸ See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005), available at <http://enforcement.trade.gov/policy/bull05-1.pdf> (Policy Bulletin 05.1).

⁴⁹ Although in past investigations this deadline was 60 days, consistent with 19 CFR 351.301(a), which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

respond to all parts of Commerce's AD questionnaire as mandatory respondents. Commerce requires that companies from China submit a response to both the Q&V questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. Companies not filing a timely Q&V questionnaire response will not receive separate-rate consideration.

Use of Combination Rates

Commerce will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.⁵⁰

⁵⁰ See Policy Bulletin 05.1 at 6 (emphasis added).

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petition have been provided to the government of China *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 Petition, as provided under 19 CFR 351.203(c)(2).

ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determination 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. A negative ITC determination will result in the investigation being terminated.⁵¹ Otherwise, the investigation will proceed according to statutory and regulatory time limits.

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;

⁵¹ *Id.*

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 submitted⁵² 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.⁵³ 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 this investigation.

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 multiple parties simultaneously. In such a case, we will inform parties in a letter or memorandum of 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

⁵² See 19 CFR 351.301(b).

⁵³ See 19 CFR 351.301(b)(2).

(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 this investigation.

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.⁵⁴ Parties must use the certification formats provided in 19 CFR 351.303(g).⁵⁵ 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)).

This notice is issued and published pursuant to sections 732(c)(2) 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

⁵⁴ See section 782(b) of the Act.

⁵⁵ See also *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*). Answers to frequently asked questions regarding the *Final Rule* are available at http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.

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.

[FR Doc. 2018-15225 Filed: 7/16/2018 8:45 am; Publication Date: 7/17/2018]