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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-053, A-570-073, C-570-054, C-570-074]

Certain Aluminum Foil and Common Alloy Aluminum Sheet from the People's Republic of China: Notice of Initiation and Preliminary Determination of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews

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

SUMMARY: The Department of Commerce (Commerce) is initiating changed circumstances reviews (CCRs) and preliminarily determines that Shanghai Huafon Aluminium Corporation (Shanghai Huafon) is the successor-in-interest to Huafon Nikkei Aluminium Corporation (Huafon Nikkei) and, accordingly, that Shanghai Huafon should be assigned the cash deposit rates established for Huafon Nikkei for purposes of the antidumping duty (AD) and countervailing duty (CVD) orders on certain aluminum foil (aluminum foil) and common alloy aluminum sheet (aluminum sheet) from the People's Republic of China (China).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Joshua A. DeMoss, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3362.

## SUPPLEMENTARY INFORMATION:

### Background

On April 19, 2018, Commerce published in the *Federal Register* the AD and CVD orders on aluminum foil from China, which included Huafon Nikkei.<sup>1</sup> Pursuant to the *Aluminum Foil Orders*, Commerce assigned Huafon Nikkei an AD cash deposit rate, adjusted for subsidy offset, of 73.66 percent, based on the non-selected respondent rate,<sup>2</sup> and the all-others subsidy rate of 18.62 percent.<sup>3</sup>

Commerce published in the *Federal Register* the AD and CVD orders on aluminum sheet from China on February 8, 2019 and February 6, 2019, respectively.<sup>4</sup> Pursuant to the *Aluminum Sheet Orders*, Commerce assigned Huafon Nikkei an AD cash deposit rate, adjusted for a subsidy offset, of 49.85 percent, based on the non-selected respondent rate,<sup>5</sup> and the all-others subsidy rate of 50.75 percent.<sup>6</sup>

On June 12, 2019, Shanghai Huafon informed Commerce that, as of September 25, 2018, Huafon Nikkei changed its name to “Shanghai Huafon Aluminium Corporation.”<sup>7</sup> Shanghai Huafon stated the change was in name only; all other former business operations remain

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<sup>1</sup> See *Certain Aluminum Foil from the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 83 FR 17362 (April 19, 2018) (*Aluminum Foil AD Order*); see also *Certain Aluminum Foil from the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 83 FR 17360 (April 19, 2018) (*Aluminum Foil CVD Order*) (collectively, *Aluminum Foil Orders*).

<sup>2</sup> See *Aluminum Foil AD Order*, 83 FR at 17363.

<sup>3</sup> See *Aluminum Foil CVD Order*, 83 FR at 17361.

<sup>4</sup> See *Common Alloy Aluminum Sheet from the People’s Republic of China: Antidumping Duty Order*, 84 FR 2813 (February 8, 2019) (*Aluminum Sheet AD Order*); see also *Common Alloy Aluminum Sheet from the People’s Republic of China: Countervailing Duty Order*, 84 FR 2157 (February 6, 2019) (*Aluminum Sheet CVD Order*) (collectively, *Aluminum Sheet Orders*).

<sup>5</sup> See *Aluminum Sheet AD Order*, 84 FR at 2814.

<sup>6</sup> See *Aluminum Sheet CVD Order*, 84 FR at 2158.

<sup>7</sup> See Shanghai Huafon’s Letter, “Aluminum Foil from the People’s Republic of China: Request for Changed Circumstances Review,” dated June 12, 2019; see also Shanghai Huafon’s Letter, “Common Alloy Aluminum Sheet from the People’s Republic of China: Request for Changed Circumstances Review,” dated June 12, 2019.

unchanged.<sup>8</sup> Shanghai Huaфон requested that Commerce conduct CCRs and find that Shanghai Huaфон is the successor-in-interest to Huaфон Nikkei, and that it be subject to Huaфон Nikkei’s AD margins and CVD subsidy rates for aluminum foil and aluminum sheet, pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216(b).<sup>9</sup> After finding Shanghai Huaфон did not address the good cause requirement in its initial request pursuant to 19 CFR 351.216(c), Commerce issued a letter to Shanghai Huaфон requesting it demonstrate good cause.<sup>10</sup> On July 8, 2019, Shanghai Huaфон filed its response demonstrating good cause.<sup>11</sup> On July 17, 2019, Commerce extended the time period for determining whether to initiate and/or issue simultaneous preliminary determinations by 45 days, until September 10, 2019.<sup>12</sup> We did not receive comments from other interested parties concerning these requests.

### Scope of the Orders

#### *Aluminum Foil Orders*

The merchandise covered by these orders is aluminum foil having a thickness of 0.2 mm or less, in reels exceeding 25 pounds, regardless of width. For a complete description of the scope, *see* the Preliminary Decision Memorandum.<sup>13</sup>

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<sup>8</sup> See CCRs Requests at 2-3.

<sup>9</sup> *Id.*

<sup>10</sup> See Commerce’s Letter, “Antidumping/Countervailing Duty Investigations of Aluminum Foil and Sheet from China: Request for Changed Circumstances Review,” dated July 1, 2019.

<sup>11</sup> See Shanghai Huaфон’s Letter, “Aluminum Foil from the People’s Republic of China and Common Alloy Aluminum Sheet from the People’s Republic of China: Response to Request for Additional Information – Good Cause,” dated July 8, 2019.

<sup>12</sup> See Commerce’s Letter, “*Changed Circumstances Reviews: Extension of Initiation Deadline*,” dated July 17, 2019.

<sup>13</sup> See Memorandum, “Initiation and Preliminary Determination of the Changed Circumstances Reviews Regarding Successor-In-Interest Analysis: Aluminum Foil/Common Alloy Aluminum Sheet from the People’s Republic of China” dated concurrently with this notice (Preliminary Decision Memorandum).

## *Aluminum Sheet Orders*

The merchandise covered by these orders is aluminum common alloy sheet (common alloy sheet), which is a flat-rolled aluminum product having a thickness of 6.3 mm or less, but greater than 0.2 mm, in coils or cut-to-length, regardless of width. or a complete description of the scope, *see* the Preliminary Decision Memorandum.

### Initiation and Preliminary Determination of Changed Circumstances Reviews

Pursuant to section 751(b)(1)(A) of the Act and 19 CFR 351.216(d), Commerce will conduct a CCR upon receipt of a request from an interested party for a review of an AD or CVD order which shows changed circumstances sufficient to warrant a review of the order. In the past, Commerce has used CCRs to address the applicability of cash deposit rates after there have been changes in the name or structure of a respondent, such as a merger or spinoff (successor-in-interest or successorship determinations).<sup>14</sup> The information submitted by Shanghai Huaфон supporting its claim that it is the successor-in-interest to Huaфон Nikkei demonstrates changed circumstances sufficient to warrant such a review.<sup>15</sup> Therefore, in accordance with 751(b)(1)(A) of the Act and 19 CFR 351.216(d) and (e), we are initiating CCRs based on the information contained in Shanghai Huaфон's submission.

Section 351.221(c)(3)(ii) of Commerce's regulations permits Commerce to combine the notice of initiation of a CCR and the notice of preliminary determination if Commerce concludes that expedited action is warranted.<sup>16</sup> In the instant case, because the record contains information

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<sup>14</sup> *See, e.g., Diamond Sawblades and Parts Thereof from the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 82 FR 51605, 51606 (November 7, 2017), unchanged in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 82 FR 60177 (December 19, 2017).

<sup>15</sup> *See* 19 CFR 351.216(d).

<sup>16</sup> *See* 19 CFR 351.221(c)(3)(ii); *see also Certain Pasta from Italy: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 80 FR 33480-41 (June 12, 2015), unchanged in *Certain Pasta from Italy: Final Results of Changed Circumstances Review*, 80 FR 48807 (August 14, 2015).

necessary to make a preliminary finding, we find that expedited action is warranted and have combined the notice of initiation and notice of preliminary determination. For a full description of the methodology underlying our analysis, *see* the Preliminary Decision Memorandum.

In accordance with 19 CFR 351.216, we preliminarily determine that Shanghai Huafon is the successor-in-interest to Huafon Nikkei. Record evidence, as submitted by Shanghai Huafon, indicates that, based on the totality of the circumstances under Commerce's successor-in-interest criteria, Shanghai Huafon's management and business relations are virtually identical to those of Huafon Nikkei before the name change with respect to the merchandise under review. Moreover, we preliminarily find that Shanghai Huafon's production facilities, supplier relationships, and customer base, with regard to the merchandise under review, are substantially the same as Huafon Nikkei before the name change. For the complete successor-in-interest analysis, *see* the Preliminary Decision Memorandum.

Therefore, based on record evidence, we preliminarily determine that Shanghai Huafon is the successor-in-interest to Huafon Nikkei and the AD margins and CVD subsidy rates assigned to Huafon Nikkei should be the rates for Shanghai Huafon as a result of our successor-in-interest finding.

#### Public Comment

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 30 days of publication of this notice in the *Federal Register*. In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the case briefs, in accordance with 19 CFR 351.309(d). Parties who submit case or rebuttal briefs are encouraged to submit with each argument: (1) a statement of

the issue; (2) a brief summary of the argument; and (3) a table of authorities. All comments are to be filed electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) and must also be served on interested parties. ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, Room B8024 of the main Commerce building. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day on which it is due.<sup>17</sup>

Consistent with 19 CFR 351.216(e), we intend to issue the final determination of this changed circumstances review no later than 270 days after the date on which this review was initiated, or within 45 days if all parties agree to our preliminary finding.

#### Notification to Interested Parties

This notice is published in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216(b), 351.221(b) and 351.221(c)(3).

Dated: September 10, 2019.

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.

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<sup>17</sup> See 19 CFR 351.303(b).

## **Appendix**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Orders
- IV. Good Cause
- V. Successor-In-Interest Determination
- VI. Recommendation

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