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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[C-570-054]**

**Certain Aluminum Foil from the People's Republic of China: Preliminary Results of the Countervailing Duty Administrative Review and Rescission of Review, in Part; 2017-2018**

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

**SUMMARY:** The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain aluminum foil (aluminum foil) from the People's Republic of China (China). The period of review is August 14, 2017 through December 31, 2018.

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

**FOR FURTHER INFORMATION CONTACT:** Yasmin Bordas, Tyler Weinhold or John McGowan, 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) 482-3813, (202) 482-1121 or (202) 482-3019, respectively.

## SUPPLEMENTARY INFORMATION:

### Background

On June 13, 2019, Commerce published a notice of initiation of an administrative review of the countervailing duty (CVD) order<sup>1</sup> on aluminum foil from China.<sup>2</sup> On July 15, 2019, Commerce published a correction of the original *Initiation Notice* to list the correct period of review (POR).<sup>3</sup> Pursuant to the *Corrected Initiation Notice*, the correct POR is August 14, 2017 through December 31, 2018.<sup>4</sup> On December 2, 2020, Commerce fully extended the preliminary results deadline until April 29, 2020.<sup>5</sup> On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days, thereby further extending the deadline for these results until June 18, 2020.<sup>6</sup>

Based on timely requests for withdrawal of administrative review, Commerce intends to partially rescind the administrative review of 14 entities.<sup>7</sup> Therefore, concurrently with these preliminary results, we are rescinding the review with respect to these companies.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>8</sup> A list of topics discussed in the Preliminary Decision

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<sup>1</sup> See *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) (*Order*).

<sup>2</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 27587 (June 13, 2019) (*Initiation Notice*).

<sup>3</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 33739 (July 15, 2019) (*Corrected Initiation Notice*).

<sup>4</sup> See *Corrected Initiation Notice*, 84 FR at 33753.

<sup>5</sup> See Memorandum, "Certain Aluminum Foil from the People's Republic of China: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 08/14/2017 - 12/31/2018," dated December 2, 2019.

<sup>6</sup> See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19," dated April 24, 2020.

<sup>7</sup> See Shandong Yuanrui's Letter, "Withdrawal of Review Request and Withdrawal as Counsel in the Administrative Review of the Countervailing Duty Order on Aluminum Foil from the People's Republic of China (C-570-054)," dated June 24, 2019; Petitioner's Letter, "First Administrative Review of Countervailing Duty Order on Certain Aluminum Foil from the People's Republic of China – Petitioners' Withdrawal of Certain Requests for Administrative Reviews," dated July 15, 2019; and Petitioner's Letter, "1<sup>st</sup> Administrative Review of the Countervailing Duty Order on Certain Aluminum Foil from the People's Republic of China – Petitioners' Partial Withdrawal of Review Requests," dated September 11, 2019.

Memorandum is included at the Appendix to this notice. The Preliminary Decision Memorandum is a public document and 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 <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Scope of the Order

The product covered by the *Order* is aluminum foil from China. For a complete description of the scope of the *Order*, see Appendix I.

#### Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>9</sup> For a full description of the methodology underlying our conclusions, see the accompanying Preliminary Decision Memorandum.

Commerce notes that, in making these findings, it relied, in part, on facts available and, because it finds that the Government of China did not act to the best of its ability to respond to Commerce's requests for information, it drew an adverse inference where appropriate in

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<sup>8</sup> See Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review of Certain Aluminum Foil from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>9</sup> See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

selecting from among the facts otherwise available. For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the party or parties that requested a review withdraw the request within 90 days of the publication date of the notice of initiation of the requested review. As noted above, all requests for administrative review were timely withdrawn for certain companies. Therefore, in accordance with 19 CFR 351.213(d)(1), we are rescinding this administrative review with respect to: Alcha International Holdings Limited; Baotou Alcha Aluminum Co., Ltd.; Granges Aluminum (Shanghai) Co., Ltd.; Guangxi Baise Xinghe Aluminum Industry Co., Ltd.; Huafon Nikkei Aluminium Corporation; Jiangsu Alcha Aluminum Co., Ltd.; Jiangyin Dolphin Pack Ltd. Co.; Luoyang Longding Aluminium Industries Co., Ltd.; Shandong Yuanrui Metal Material Co., Ltd.; Suntown Technology Group Limited; Yantai Donghai Aluminum Foil Co., Ltd.; Yantai Jintai International Trade Co., Ltd.; Yinbang Clad Material Co., Ltd.; and Zhejiang Zhongjin Aluminum Industry Co., Ltd.

Preliminary Results

Commerce preliminarily determines that, during the POR, the following estimated countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate – 2017 (percent <i>ad valorem</i>)</b>	<b>Subsidy Rate – 2018 (percent <i>ad valorem</i>)</b>
Jiangsu Zhongji Lamination Materials Co., Ltd. <sup>10</sup>	45.31	48.26

<sup>10</sup> As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Jiangsu Zhongji Lamination Materials Co., Ltd.: Jiangsu Zhongji Lamination Materials Co., (HK) Ltd. (Zhongji HK); Jiangsu Huafeng Aluminum Industry Co. Ltd (Jiangsu Huafeng); Shantou Wanshun Material Stock Co., Ltd. (Shantou Wanshun); and Anhui Maximum Aluminum Industries Company Limited (Anhui Maximum). The subsidy rates apply to all cross-owned companies.

Xiamen Xiashun Aluminum Foil Co., Ltd.	17.04	19.87
Dingsheng Aluminum Industries (Hong Kong) Trading Co. Ltd. <sup>11*</sup>	31.55	41.82
Hunan Suntown Marketing Limited*	31.55	41.82
Inner Mongolia Liansheng New Energy Material Joint-Stock Co., Ltd.*	31.55	41.82
Shanghai Shenyang Packaging Materials Co., Ltd.*	31.55	41.82
SNTO International Trade Limited*	31.55	41.82
Suzhou Manakin Aluminum Processing Technology Co., Ltd. <sup>12*</sup>	31.55	41.82

### Assessment Rates

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review. Commerce intends to issue appropriate assessment instructions directly to CBP 15 days after publication of this notice.

### Cash Deposit Rates

Pursuant to section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we

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<sup>11</sup> We note that in the investigation, Commerce found the following companies to be cross-owned with Dingsheng Aluminum Industries (Hong Kong) Trading Co., Ltd.: Jiangsu Dingsheng New Materials Joint-Stock Co., Ltd.; Hangzhou Teemful Aluminum Co., Ltd.; Hangzhou Five Star Aluminum Co., Ltd.; Hangzhou DingCheng Aluminum Co., Ltd.; Luoyang Longding Aluminum Co., Ltd.; Hangzhou Dingsheng Industrial Group Co., Ltd.; Hangzhou Dingsheng Import & Export Co., Ltd.; and Walson (HK) Trading Co., Limited. The subsidy rates apply to all cross-owned companies.

An “\*” denotes that the company listed in the table is a non-selected company under review.

<sup>12</sup> We note that in the investigation, Commerce found the following company to be cross-owned with Suzhou Manakin Aluminum Processing Technology Co., Ltd.: Manakin Industries, LLC. The subsidy rates apply to the cross-owned company.

will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

### Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.<sup>13</sup> Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within seven days after the time limit for filing case briefs.<sup>14</sup> Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>15</sup> Note that Commerce has modified certain of its requirements for serving documents containing business proprietary information, until July 17, 2020, unless extended.<sup>16</sup>

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system.<sup>17</sup> Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce will inform parties of the scheduled date of the

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<sup>13</sup> See 19 CFR 224(b).

<sup>14</sup> See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

<sup>15</sup> See 19 CFR 351.309(c)(2) and 351.309(d)(2).

<sup>16</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 29615 (May 18, 2020).

<sup>17</sup> See 19 CFR 351.310(c).

hearing.<sup>18</sup> Issues addressed during the hearing will be limited to those raised in the briefs.<sup>19</sup>

Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

#### Notification to Interested Parties

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: June 17, 2020.

**Jeffrey I. Kessler,**

*Assistant Secretary*

*for Enforcement and Compliance.*

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<sup>18</sup> See 19 CFR 351.310.

<sup>19</sup> See 19 CFR 351.310(c).

## Appendix I

### Scope of the *Order*

The merchandise covered by the *Order* is aluminum foil having a thickness of 0.2 mm or less, in reels exceeding 25 pounds, regardless of width. Aluminum foil is made from an aluminum alloy that contains more than 92 percent aluminum. Aluminum foil may be made to ASTM specification ASTM B479, but can also be made to other specifications. Regardless of specification, however, all aluminum foil meeting the scope description is included in the scope.

Excluded from the scope of this *Order* is aluminum foil that is backed with paper, paperboard, plastics, or similar backing materials on only one side of the aluminum foil, as well as etched capacitor foil and aluminum foil that is cut to shape.

Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above. The products covered by the *Order* are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7607.11.3000, 7607.11.6000, 7607.11.9030, 7607.11.9060, 7607.11.9090, and 7607.19.6000. Further, merchandise that falls within the scope of the *Order* may also be entered into the United States under HTSUS subheadings 7606.11.3060, 7606.11.6000, 7606.12.3045, 7606.12.3055, 7606.12.3090, 7606.12.6000, 7606.91.3090, 7606.91.6080, 7606.92.3090, and 7606.92.6080. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the *Order* is dispositive.

## **Appendix II**

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

- I. Summary
- II. Background
- III. Rescission of Administrative Review, in Part
- IV. Non-Selected Companies Under Review
- V. Scope of the Order
- VI. Diversification of China's Economy
- VII. Subsidies Valuation
- VIII. Interest Rates, Discount Rates, and Input, Land, and Electricity Benchmarks
- IX. Use of Facts Otherwise Available and Adverse Inferences
- X. Analysis of Programs
- XI. Disclosure and Public Comment
- XII. Recommendation

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