DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

C-523-816 and C-489-845

Certain Aluminum Foil from the Sultanate of Oman and the Republic of Turkey: Initiation of Countervailing Duty Investigations

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

DATES:  Applicable October 19, 2020

FOR FURTHER INFORMATION CONTACT:  John Conniff; AD/CVD Operations, Office III (Oman) and Eliza Siordia; AD/CVD Operations, Office V (Turkey), Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone:  (202) 482-1009 and (202) 482-3878, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On September 29, 2020, the Department of Commerce (Commerce) received countervailing duty (CVD) petitions concerning imports of certain aluminum foil (aluminum foil) from the Sultanate of Oman (Oman) and the Republic of Turkey (Turkey), filed in proper form on behalf of the petitioners, 1 domestic producers of aluminum foil. 2 The Petition was accompanied by antidumping duty (AD) petitions concerning imports of aluminum foil from

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Armenia, Brazil, Oman, Russia, and Turkey.

On October 2, 2020, Commerce requested supplemental information pertaining to certain aspects of the Petition in separate supplemental questionnaires. The petitioners filed responses to the supplemental questionnaires on October 6, 2020.

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that the Government of the Sultanate of Oman (GSO) and the Government of Turkey (GOT) are providing countervailable subsidies, within the meaning of sections 701 and 771(5) of the Act, to producers of aluminum foil in Oman and Turkey, and that imports of such products are materially injuring, or threatening material injury to, the domestic aluminum foil 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 petitioners provided reasonably available information in the Petitions to support their allegation.

Commerce finds that the petitioners filed the Petitions on behalf of the domestic industry, because the petitioners are interested parties, as defined in section 771(9)(C) of the Act. Commerce also finds that the petitioners demonstrated sufficient industry support necessary for the initiation of the requested CVD investigations.

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4 See Petitioners’ Letters, “Certain Aluminum Foil from Armenia, Brazil, Oman, Russia, and Turkey – Petitioners’ Amendments to Volume I Relating to General Issues,” dated October 6, 2020; “Certain Aluminum Foil from Armenia, Brazil, Oman, Russia, and Turkey – Petitioners’ Supplement to Volume VII Relating to a Request for the Imposition of Countervailing Duties on Imports from the Sultanate of Oman,” dated October 6, 2020; and “Certain Aluminum Foil from Armenia, Brazil, Oman, Russia, and Turkey – Petitioners’ Supplement to Volume VII Relating to a Request for the Imposition of Countervailing Duties on Imports from the Republic of Turkey,” dated October 6, 2020.

5 See the “Determination of Industry Support for the Petition” section, infra.
Periods of Investigation

Because the Petitions were filed on September 29, 2020, the periods of investigation are January 1, 2019 through December 31, 2019.

Scope of the Investigations

The product covered by these investigations is aluminum foil from Oman and Turkey. For a full description of the scope of these investigations, see the appendix to this notice.

Scope Comments

As discussed in the Preamble to Commerce’s regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (i.e., scope).\(^6\) Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information,\(^7\) 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 November 9, 2020, which is 20 calendar days from the signature date of this notice.\(^8\) Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on November 19, 2020, which is 10 calendar days from the initial comment deadline.

Commerce requests that any factual information parties consider relevant to the scope of the investigations be submitted during this period. However, if a party subsequently finds that

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\(^6\) See Antidumping Duties; Countervailing Duties, 62 FR 27296, 27323 (May 19, 1997) (Preamble).
\(^7\) See 19 CFR 351.102(b) (21) (defining “factual information”).
\(^8\) Commerce practice dictates that where a deadline falls on a weekend or Federal holiday, the appropriate deadline is the next business day (in this instance, April 20, 2020). See Notice of Clarification: Application of “Next Business Day” Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended, 70 FR 24533 (May 10, 2005).
additional factual information pertaining to the scope of the investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must also be filed on the records of the concurrent AD and CVD investigations.

Filing Requirements

All submissions to Commerce must be filed electronically via Enforcement and Compliance’s AD and CVD Centralized Electronic Service System (ACCESS), unless an exception applies. An electronically filed document must be received successfully in its entirety by the time and date it is due.

Consultations

Pursuant to sections 702(b)(4)(A)(i) and (ii) of the Act, Commerce notified representatives of the GSO and the GOT of the receipt of the Petitions and provided them the opportunity for consultations with respect to the Petitions. Consultations were held with the GOT on October 8, 2020. The GOT submitted consultation remarks on October 8, 2020. On October 16, 2020, we received a letter from the GSO acknowledging Commerce’s invitation for consultations, but due to scheduling issues, we were unable to hold consultations prior to the

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initiation of the investigation.\textsuperscript{13} However, we intend to hold consultations with the GSO subsequent to initiation.

**Determination of Industry Support for the Petitions**

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 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,\textsuperscript{14} they do so for different


\textsuperscript{14} See section 771(10) of the Act.
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.\footnote{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)).
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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” (\textit{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 petitioners do not offer a definition of the
domestic like product distinct from the scope of the investigations.\footnote{See Volume I of the Petitions at 12-13 and Exhibit GEN-9 (containing Aluminum Foil From China, Inv. Nos. 701-
TA-570 and 731-TA-1346 (Final), USITC Pub. 4771 (April 2018) (\textit{ITC Aluminum Foil Final}) at 10-16).
}

Based on our analysis of the information submitted on the record, we have determined that aluminum foil, as defined in
the scope, constitutes a single domestic like product, and we have analyzed industry support in
terms of that domestic like product.\footnote{For a discussion of the domestic like product analysis as applied to these cases and information regarding industry
support, see country-specific CVD Initiation Checklists at Attachment II, Analysis of Industry Support for the
Antidumping and Countervailing Duty Petitions Covering Certain Aluminum Foil from Armenia, Brazil, Oman,
Russia, and Turkey (Attachment II). These checklists are dated concurrently with this notice and on file
electronically via ACCESS.

In determining whether the petitioners have standing under section 702(c)(4)(A) of the
Act, we considered the industry support data contained in the Petitions with reference to the
domestic like product as defined in the “Scope of the Investigations,” in the appendix to this
notice. To establish industry support, the petitioners provided the 2019 production of the
domestic like product by U.S. producers that support the Petitions.\textsuperscript{18} The petitioners estimated the production of the domestic like product for the remaining U.S. producers of aluminum foil based on the Aluminum Association’s knowledge of the industry.\textsuperscript{19} We relied on data provided by the petitioners for purposes of measuring industry support.\textsuperscript{20}

Our review of the data provided in the Petitions, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioners have established industry support for the Petitions.\textsuperscript{21} First, the Petitions 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 (\textit{e.g.}, polling).\textsuperscript{22} 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 Petitions account for at least 25 percent of the total production of the domestic like product.\textsuperscript{23} 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 Petitions 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 Petitions.\textsuperscript{24} Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section

\textsuperscript{18} See Volume I of the Petitions at 4-5 and Exhibit GEN-1.
\textsuperscript{19} See Volume I of the Petitions at 4-5 and Exhibits GEN-1, GEN-2, and GEN-3 see also General Issues Supplement at 4-5.
\textsuperscript{20} Id. at 4-5 and Exhibits GEN-1 and GEN-3.
\textsuperscript{21} Id. at 2-5 and Exhibits GEN-1, GEN-2, and GEN-3 see also General Issues Supplement at 4-5.
\textsuperscript{22} Id.; see also section 732(c)(4)(D) of the Act.
\textsuperscript{23} See Volume I of the Petitions at 4-5 and Exhibits GEN-1, GEN-2, and GEN-3 see also General Issues Supplement at 4-5. For further discussion, see Attachment II of the country-specific AD Initiation Checklists.
\textsuperscript{24} Id.
702(b)(1) of the Act.  

Injury Test

Because Oman and Turkey are “Subsidies Agreement Countries” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to these investigations. Accordingly, the ITC must determine whether imports of the subject merchandise from Oman and/or Turkey materially injure, or threaten material injury to, a U.S. industry.

Allegations and Evidence of Material Injury and Causation

The petitioners allege 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 petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.

The petitioners contend 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 revenues; declining domestic production, shipments, and capacity utilization; negative effects on domestic industry employment; and a decline in financial performance and profitability. We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence, and

25 Id.
26 See Volume I of the Petitions at 14-15, and Exhibit GEN-10.
27 See Volume I of the Petitions at 18-32 and Exhibits GEN-7 and GEN-10 through GEN-15.
meet the statutory requirements for initiation.28

Initiation of CVD Investigations

Based upon the examination of the Petitions and supplemental responses, we find that they meet the requirements of section 702 of the Act. Therefore, we are initiating CVD investigations to determine whether imports of aluminum foil from Oman and Turkey benefit from countervailable subsidies conferred by the GSO and the GOT, respectively. 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.

Oman

Based on our review of the petition, we find that there is sufficient information to initiate a CVD investigation on all 8 of the alleged programs. For a full discussion of the basis for our decision to initiate on each program, see the Oman CVD Initiation Checklist. A public version of the initiation checklist for this investigation is available on ACCESS.

Turkey

Based on our review of the petition, we find that there is sufficient information to initiate a CVD investigation on all 25 of the alleged programs. For a full discussion of the basis for our decision to initiate on each program, see the Turkey CVD Initiation Checklist. A public version of the initiation checklist for this investigation is available on ACCESS.

Respondent Selection

Turkey

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28 See country-specific CVD Initiation Checklists at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Certain Aluminum Foil from Armenia, Brazil, Oman, Russia, and Turkey (Attachment III).
In the Petition, the petitioners named ten companies from Turkey as producers/exporters of aluminum foil.\(^{29}\) Commerce intends to follow its standard practice in CVD investigations and calculate company-specific subsidy rates in these investigations. In the event Commerce determines that the number of companies is large and it cannot individually examine each company based upon its resources, where appropriate, Commerce intends to select mandatory respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports under the appropriate Harmonized Tariff Schedule of the United States numbers listed in the appendix to this notice.

On October 15, 2020, Commerce released CBP data on imports of aluminum foil from Turkey under Administrative Protective Order (APO) to all parties with access to information protected by APO and indicated that interested parties wishing to comment on the CBP data must do so within three business days of the publication date of the notice of initiation of these investigations.\(^{30}\) Commerce will not accept rebuttal comments regarding the CBP data or respondent selection.

**Oman**

In the Petition, the petitioners named only one company as a producer/exporter of aluminum foil in Oman, Oman Aluminum Rolling Company.\(^{31}\) Furthermore, we placed CBP import data onto the record of this proceeding, which corroborates the existence of Oman Aluminum Rolling Company as the sole producer/exporter in the foreign market,\(^{32}\) and we

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\(^{29}\) See Volume VIII of the Petition for Turkey at 2 and Exhibit GEN-6.


\(^{31}\) See Volume VII of the Petition for Oman at 2 and Exhibit GEN-6.

\(^{32}\) See Memorandum, “Release of Customs Data from U.S. Customs and Border Protection,” dated October 15, 2020 (Oman CBP Import Data Release Memo).
currently know of no additional producers/exporters of subject merchandise from Oman. Accordingly, Commerce intends to examine all known producers/exporters in this investigation (i.e., the company cited above). As noted in the aforementioned Oman CBP Import Data Release Memo, we invite interested parties to comment on this issue within three days of the publication of this notice in the Federal Register. Commerce will not accept rebuttal comments regarding respondent selection for Oman. Because we intend to examine all known producers, if no comments are received or if comments received further support the existence of only this sole producer/exporter in Oman, we do not intend to conduct respondent selection and will proceed to issuing the forthcoming initial countervailing duty questionnaire to the company identified. However, if comments are received which compel the necessity of the respondent selection process, we otherwise intend to finalize our decisions regarding respondent selection within 20 days of publication of this notice.

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 Commerce’s website at http://enforcement.trade.gov/apo.

Distribution of Copies of the Petitions

In accordance with section 702(b)(4)(A)(i) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the GSO and the GOT via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions 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 Petitions were filed, whether there is a reasonable indication that imports of aluminum foil from Oman and Turkey are materially injuring, or threatening material injury to, a U.S. industry.\(^{33}\) A negative ITC determination in any country will result in the investigation being terminated with respect to that country.\(^{34}\) Otherwise, these investigations will proceed according to the 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; 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\(^{35}\) 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.\(^{36}\) 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.

\(^{33}\) See section 703(a)(2) of the Act.
\(^{34}\) See section 703(a)(1) of the Act.
\(^{35}\) See 19 CFR 351.301(b).
\(^{36}\) See 19 CFR 351.301(b)(2).
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 Commerce. 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 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, 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. Parties must use the certification formats provided in 19 CFR 351.303(g). Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

37 See section 782(b) of the Act.
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)). Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information.39

This notice is issued and published pursuant to sections 702(c)(2) and 777(i) of the Act and 19 CFR 351.203(c).

Dated: October 19, 2020

Jeffrey I. Kessler
Assistant Secretary for Enforcement and Compliance

39 See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19, 85 FR 17006 (March 26, 2020); see also Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19: Extension of Effective Period, 85 FR 41363 (July 10, 2020).
Appendix

Scope of the Investigations

The merchandise covered by these investigations 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, including aluminum foil to which lubricant has been applied to one or both sides of the foil.

Excluded from the scope of these investigations is aluminum foil that is backed with paper, paperboard, plastics, or similar backing materials on one side or both sides 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 under investigation are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7607.11.3000, 7607.11.6090, 7607.11.9030, 7607.11.9060, 7607.11.9090, and 7607.19.6000.

Further, merchandise that falls within the scope of these proceedings may also be entered into the United States under HTSUS subheadings 7606.11.3060, 7606.11.6000, 7606.12.3045, 7606.12.3055, 7606.12.3091, 7606.12.3096, 7606.12.6000, 7606.91.3095, 7606.91.6095, 7606.92.3035, and 7606.92.6095. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

[FR Doc. 2020-23926 Filed: 10/26/2020 11:15 am; Publication Date: 10/28/2020]