



DEPARTMENT OF COMMERCE

International Trade Administration

[C-351-855]

Common Alloy Aluminum Sheet from Brazil: Final Negative Countervailing Duty

Determination

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

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are not being provided to producers and exporters of common alloy aluminum sheet (aluminum sheet) from the Brazil.

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

FOR FURTHER INFORMATION CONTACT: Jonathan Hall-Eastman or Samuel Brummitt, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1468 or (202) 482-7851, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 14, 2020, Commerce published its *Preliminary Determination*.¹ On December 22, 2020, Commerce released its Post-Preliminary Decision.² In addition to the Government of Brazil, the mandatory respondents in this investigation are Companhia Brasileiro de Alumínio (CBA) and Novelis do Brasil Ltda. (Novelis Brasil). In the *Preliminary*

¹ See *Common Alloy Aluminum Sheet from Brazil: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 85 FR 49634 (August 14, 2020) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, “Countervailing Duty Investigation of Common Alloy Aluminum Sheet from Brazil: Post-Preliminary Decision Memo,” dated December 22, 2020 (Post-Preliminary Decision).

Determination, and in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(b)(4), Commerce aligned the final countervailable duty (CVD) determination with the final antidumping duty determination.³

For a complete description of the events that followed the *Preliminary Determination*, see the Issues and Decision Memorandum.⁴ The Issues and Decision Memorandum is a public document and is made available to the public 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 Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Period of Investigation

The period of investigation (POI) is January 1, 2019, through December 31, 2019.

Scope of the Investigation

The products covered by this investigation are aluminum sheet from Brazil. For a complete description of the scope of this investigation, see Appendix I.

Scope Comments

During the course of this investigation Commerce received scope comments from interested parties. Commerce issued a Preliminary Scope Decision Memorandum to address these comments.⁵ We received comments from interested parties on the Preliminary Scope Decision Memorandum, which we address in the Final Scope Decision Memorandum.⁶

³ See *Preliminary Determination*, 85 FR at 49634.

⁴ See Memorandum, "Issues and Decision Memorandum for the Final Negative Determination of the Countervailing Duty Investigation of Common Alloy Aluminum Sheet from Brazil," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁵ See Memorandum, "Scope Comments Decision Memorandum for the Preliminary Determinations," dated October 6, 2020 (Preliminary Scope Decision Memorandum).

⁶ See Memorandum, "Common Alloy Aluminum Sheet from Bahrain, Brazil, Croatia, Egypt, Germany, Greece, India, Indonesia, Italy, Korea, Oman, Romania, Serbia, Slovenia, South Africa, Spain, Taiwan, and Turkey: Scope Comments Final Decision Memorandum," dated concurrently with, and hereby adopted by, this notice (Final Scope Decision Memorandum).

Commerce is not modifying the scope language as it appeared in the *Preliminary Determination*.

See Appendix I for the final scope of the investigation.

Verification

Commerce was unable to conduct on-site verification of the information relied upon in making its final determination in this investigation. However, we took additional steps in lieu of an on-site verification to verify the information relied upon in making this final determination, in accordance with section 782(i) of the Act.⁷

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in the Issues and Decision Memorandum. For a list of the issues raised by interested parties and addressed in the Issues and Decision Memorandum, see Appendix II to this notice.

Methodology

Commerce conducted this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce determines that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁸ For a full description of the methodology underlying our final determination, see the Issues and Decision Memorandum.

In making this final determination, Commerce relied, in part, on facts available pursuant to section 776(a) of the Act. Additionally, as discussed in the Issues and Decision Memorandum, because one or more respondents did not act to the best of their ability in responding to our requests for information, we drew adverse inferences, where appropriate, in

⁷ See Commerce’s Letters, “Questionnaire in Lieu of Verification for Companhia Brasileira de Alumino;” and “Questionnaire in Lieu of Verification for Novelis do Brasil Ltda.” dated December 2, 2020; see also CBA’s Letter, “Common Alloy Aluminum Sheet from Brazil: Questionnaire in Lieu of Verification,” dated December 10, 2020; and Novelis Brasil’s Letter, “Common Alloy Aluminum Sheet from Brazil: Novelis do Brasil Response to Questionnaire In Lieu of Verification,” dated December 9, 2020.

⁸ 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, pursuant to section 776(b) of the Act. For further information, *see* the section “Use of Facts Otherwise Available and Adverse Inferences” in the accompanying Issues and Decision Memorandum.

Changes Since the Preliminary Determination

Based on our review and analysis of the comments received from parties, we made certain changes to the subsidy rate calculations for CBA. For a discussion of these changes, *see* the Issues and Decision Memorandum.

Final Determination

Commerce determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (<i>ad valorem</i>)
Companhia Brasileiro de Alumínio ⁹	0.22 percent (<i>de minimis</i>)
Novelis do Brasil Ltda. ¹⁰	0.75 percent (<i>de minimis</i>)

Commerce has not calculated an all-others rate because it has not reached an affirmative final determination.

Disclosure

Commerce intends to disclose to interested parties the calculations and analysis performed in this final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of the publication of this notice in proceeding in accordance with 19 CFR 351.224(b).

Suspension of Liquidation

As a result of our *Preliminary Determination*, and pursuant to sections 703(d)(1)(B) and (d)(2) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation

⁹ Commerce has found the following companies to be cross-owned with CBA: Votorantim S.A. and its holding company; Votorantim Comercializadora de Energia Ltda.; CBA Machadinho Geração de Energia Ltda.; and CBA Energia Participações S.A.

¹⁰ Commerce has found the following company to be cross-owned with Novelis: Novelis Inc.

section entered, or withdrawn from warehouse, for consumption on August 14, 2020, the date of publication of the *Preliminary Determination* in the *Federal Register*. In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation of subject merchandise entered, or withdrawn from warehouse, on or after December 12, 2020, but to continue the suspension of liquidation of all entries from August 14, 2020, through December 11, 2020 for CBA and all producers/exporters not individually examined. Because Commerce has made a final negative determination of countervailing subsidies with regard to the subject merchandise, Commerce will direct CBP to refund or cancel all estimated duties deposited or securities posted as a result of the suspension of liquidation.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission of our final determination. As our final determination is negative, this proceeding is terminated in accordance with section 735(c)(2) of the Act.

Notification Regarding Administrative Protective Orders

This notice serves as the only reminder to parties subject to Administrative Protective Order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act, and 19 CFR 351.210(c).

Dated: March 1, 2021.

Christian Marsh,

Acting Assistant Secretary

for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The products covered by this investigation are common alloy aluminum 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. Common alloy sheet within the scope of this investigation includes both not clad aluminum sheet, as well as multi-alloy, clad aluminum sheet. With respect to not clad aluminum sheet, common alloy sheet is manufactured from a 1XXX-, 3XXX-, or 5XXX-series alloy as designated by the Aluminum Association. With respect to multi-alloy, clad aluminum sheet, common alloy sheet is produced from a 3XXX-series core, to which cladding layers are applied to either one or both sides of the core. The use of a proprietary alloy or non-proprietary alloy that is not specifically registered by the Aluminum Association as a discrete 1XXX-, 3XXX-, or 5XXX-series alloy, but that otherwise has a chemistry that is consistent with these designations, does not remove an otherwise in-scope product from the scope.

Common alloy sheet may be made to ASTM specification B209-14 but can also be made to other specifications. Regardless of specification, however, all common alloy sheet meeting the scope description is included in the scope. Subject merchandise includes common alloy sheet that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the common alloy sheet.

Excluded from the scope of this investigation is aluminum can stock, which is suitable for use in the manufacture of aluminum beverage cans, lids of such cans, or tabs used to open such cans. Aluminum can stock is produced to gauges that range from 0.200 mm to 0.292 mm, and has an H-19, H-41, H-48, H-39, or H-391 temper. In addition, aluminum can stock has a lubricant applied to the flat surfaces of the can stock to facilitate its movement through machines used in the manufacture of beverage cans. Aluminum can stock is properly classified under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7606.12.3045 and 7606.12.3055.

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 for the above.

Common alloy sheet is currently classifiable under HTSUS subheadings 7606.11.3060, 7606.11.6000, 7606.12.3096, 7606.12.6000, 7606.91.3095, 7606.91.6095, 7606.92.3035, and 7606.92.6095. Further, merchandise that falls within the scope of this investigation may also be entered into the United States under HTSUS subheadings 7606.11.3030, 7606.12.3015, 7606.12.3025, 7606.12.3035, 7606.12.3091, 7606.91.3055, 7606.91.6055, 7606.92.3025, 7606.92.6055, 7607.11.9090. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Application of Adverse Facts Available (AFA) Concerning the Specificity of the Ex-Tarifario and Lei do Bem Programs
- V. Subsidies Valuation
- VI. Analysis of Programs
- VII. Analysis of Comments
 - Comment 1: Whether Commerce Applied Appropriate Negligibility and *De Minimis* Thresholds
 - Comment 2: Whether Commerce Correctly Analyzed Benefit for the Integrated Drawback Program
 - Comment 3: Whether the Integrated Drawback Program Provides Excessive Remission
 - Comment 4: Whether Furnas' Sales of Electricity to Companhia Brasileiro de Alumínio (CBA) are a Countervailable Subsidy
 - Comment 5: Whether the Ex-Tarifario Program Provides a Financial Contribution and is Specific
 - Comment 6: Whether Commerce was Correct to Apply Adverse Facts Available (AFA) to Find the Lei do Bem Program *De Facto* Specific
 - Comment 7: Whether the BNDES Finame Program is Specific
 - Comment 8: Whether the Espírito Santo ICMS Reduction Program is Specific or Tied to Non-Subject Merchandise
- VIII. Recommendation

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