



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-134]

### **Certain Metal Lockers and Parts Thereof from the People's Republic of China: Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review; 2020-2021**

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

**SUMMARY:** The U.S. Department of Commerce (Commerce) preliminarily determines that  
countervailable subsidies are being provided to producers and exporters of certain metal lockers  
and parts thereof (metal lockers) from the People's Republic of China (China) during the period  
of review (POR) from December 14, 2020, through December 31, 2021. Additionally,  
Commerce is rescinding the review with respect to four companies. Interested parties are invited  
to comment on these preliminary results.

**DATES:** Applicable [Insert date of publication in the *Federal Register*].

**FOR FURTHER INFORMATION CONTACT:** Alex Cipolla, 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-  
4956.

### **SUPPLEMENTARY INFORMATION:**

#### Background

On August 20, 2021, Commerce published the countervailing duty (CVD) order on  
metal lockers from China.<sup>1</sup> On August 31, 2022, List Industries, Inc. (the petitioner), a petitioner

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<sup>1</sup> See *Certain Metal Lockers and Parts Thereof from the People's Republic of China: Antidumping and  
Countervailing Duty Orders*, 86 FR 46826 (August 20, 2021) (*Order*).

from the underlying investigation, made a timely review request for four companies.<sup>2</sup> Also on August 31, 2022, Commerce received timely review requests from Hangzhou Evernew Machinery & Equipment Company Limited (Hangzhou Evernew),<sup>3</sup> Hangzhou Xline Machinery & Equipment Co., Ltd. (Hangzhou Xline),<sup>4</sup> Hangzhou Zhuoxu Trading Co., Ltd. (Hangzhou Zhuoxu),<sup>5</sup> Kunshan Dongchu Precision Machinery Co., Ltd. (Kunshan Dongchu),<sup>6</sup> Tianjin Jia Mei Furniture Ltd. (Tianjin Jia Mei),<sup>7</sup> Xingyi Metalworking Technology (Zhejiang) Co., Ltd. (Xingyi Metalworking),<sup>8</sup> and Zhejiang Xingyi Metal Products Co., Ltd. (Zhejiang Xingyi).<sup>9</sup> On October 11, 2022, in accordance with 19 CFR 351.221(c)(1)(i), Commerce initiated an administrative review for Hangzhou Evernew, Hangzhou Xline, Hangzhou Zhuoxu, Kunshan Dongchu, Pinghu Chenda Storage Office Co., Ltd. (Pinghu Chenda), Tianjin Jia Mei, Xingyi Metalworking, and Zhejiang Xingyi.<sup>10</sup> On April 3, 2023, Commerce extended the deadline for the preliminary results of this administrative review until August 31, 2023.<sup>11</sup> For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>12</sup>

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 <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision

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<sup>2</sup> *See* Petitioner's Letter, "Request for Initiation of First Administrative Review," dated August 31, 2022.

<sup>3</sup> *See* Hangzhou Evernew's Letter, "Request for Administrative Review," dated August 31, 2022.

<sup>4</sup> *See* Hangzhou Xline's Letter, "Request for Administrative Review," dated August 31, 2022.

<sup>5</sup> *See* Hangzhou Zhuoxu's Letter, "Request for Administrative Review," dated August 31, 2022.

<sup>6</sup> *See* Kunshan Dongchu's Letter, "Request for Administrative Review," dated August 31, 2022.

<sup>7</sup> *See* Tianjin Jia Mei's Letter, "Request for Administrative Review," dated August 31, 2022.

<sup>8</sup> *See* Xingyi Metalworking and Zhejiang Xingyi's Letter, "Request for Administrative Review," dated August 31, 2022.

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

<sup>10</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 61278 (October 11, 2022) (*Initiation Notice*).

<sup>11</sup> *See* Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated April 3, 2023.

<sup>12</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review of Certain Metal Lockers and Parts Thereof from the People's Republic of China and Rescission of Administrative Review, in Part; 2020-2021," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Memorandum can be accessed at <https://access.trade.gov/public/FRNoticesListLayout.aspx>. A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I to this notice.

### Scope of the Order

The products covered by the *Order* are metal lockers from China. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

### Rescission of Administrative Review, In Part

Based on our analysis of U.S. Customs and Border Protection (CBP) information, we determine that four companies had no entries of subject merchandise during the POR.<sup>13</sup> On December 2, 2022, we notified parties of our intent to rescind the administrative review with respect to the four companies because there are no reviewable suspended entries.<sup>14</sup> No parties commented on the notification of intent to rescind the review, in part. Pursuant to 19 CFR 351.213(d)(3), we are rescinding the administrative review of these companies. We have included a list of these four companies in Appendix II of this notice. For additional information regarding this determination, see the Preliminary Decision Memorandum.

### 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 financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.<sup>15</sup> For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, see the Preliminary Decision Memorandum.<sup>16</sup>

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<sup>13</sup> See Appendix II (listing the four companies).

<sup>14</sup> See Memorandum, “Notice of Intent to Rescind Review, In Part,” dated December 2, 2022.

<sup>15</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.

<sup>16</sup> See Preliminary Decision Memorandum at 8-38.

## Preliminary Rate for Non-Selected Companies Under Review

As discussed above, Commerce initiated this administrative review for eight producers/exporters and is rescinding this administrative review, in part, with respect to four producers/exporters. In addition, Commerce selected Xingyi Metalworking and Zhejiang Xingyi for individual examination. In these preliminary results, we are finding Xingyi Metalworking and Zhejiang Xingyi to be cross-owned pursuant to 19 CFR 351.525(b)(6)(vi), and attributed subsidies received by Xingyi Metalworking and Zhejiang Xingyi to the combined sales of both companies, *i.e.*, we calculated one subsidy rate for the combined entity of Xingyi Metalworking and Zhejiang Xingyi. For the remaining two companies subject to this review, because the preliminary subsidy rate calculated for Xingyi Metalworking and Zhejiang Xingyi is above *de minimis* and not based entirely on facts available, we are preliminarily applying to the two non-selected companies, identified below, Xingyi Metalworking and Zhejiang Xingyi's subsidy rate. The methodology to establish the rate for non-selected companies is applied pursuant to section 705(c)(5)(A) of the Act, which governs the calculation of the "all-others" rate in an investigation, as guidance. For additional information, *see* the Preliminary Decision Memorandum.<sup>17</sup>

## Preliminary Results of the Review

We preliminarily find the following countervailable subsidy rates exist for the period of December 14, 2020, through December 31, 2021:

<b>Producer/Exporter</b>	<b>2020 Subsidy Rate (percent)</b>	<b>2021 Subsidy Rate (percent)</b>
Xingyi Metalworking Technology (Zhejiang) Co., Ltd.; Zhejiang Xingyi Metal Products Co., Ltd.	25.78	31.81
Hangzhou Evernew Machinery & Equipment Company Limited	25.78	31.81
Hangzhou Xline Machinery & Equipment Co. Ltd.	25.78	31.81

## Disclosure and Public Comment

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<sup>17</sup> *Id.* at 39.

We intend to disclose to interested parties the calculations performed for these preliminary results within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the publication of these preliminary results of review in the *Federal Register*.<sup>18</sup> Rebuttal comments, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline for filing case briefs.<sup>19</sup> Parties who submit case or rebuttal briefs in this administrative review 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.<sup>20</sup> Case and rebuttal briefs must be filed using ACCESS. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the established deadline. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>21</sup>

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using ACCESS. An electronically-filed request must be received successfully, and in its entirety, by ACCESS by 5 p.m. Eastern Time, within 30 days after the date of publication of this notice. Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. If a request for a hearing is made, parties will be notified of the date and time for the hearing to be determined.

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<sup>18</sup> See 19 CFR 351.309(c)(1)(ii).

<sup>19</sup> See 19 CFR 351.309(d).

<sup>20</sup> See 19 CFR 351.309(c)(2) and 351.309(d)(2).

<sup>21</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

For the companies for which this review is rescinded with these preliminary results, we will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period December 14, 2020, through December 31, 2021, in accordance with 19 CFR 351.212(c)(1)(i).

#### Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown (*i.e.*, the rate calculated for calendar year 2021) for each of the respondents listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. If the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required on shipments of the 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, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: August 31, 2023.

Lisa W. Wang,  
Assistant Secretary  
for Enforcement and Compliance.

## Appendix I

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

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the *Order*
- V. Rescission of Administrative Review, In Part
- VI. Diversification of China's Economy
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Subsidies Valuation
- IX. Benchmarks
- X. Analysis of Programs
- XI. Rate for Non-Selected Companies
- XII. Recommendation

## **Appendix II**

### **List of Companies Subject to Rescission of Review**

1. Hangzhou Zhuoxu Trading Co., Ltd.
2. Kunshan Dongchu Precision Machinery Co., Ltd.
3. Pinghu Chengda Storage Office Co., Ltd.
4. Tianjin Jia Mei Metal Furniture Ltd.

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