



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-088]

Certain Steel Racks and Parts Thereof from the People's Republic of China: Preliminary Results and Partial Rescission of the Antidumping Duty Administrative Review, and Preliminary Determination of No Shipments; 2021-2022

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that certain steel racks and parts thereof (steel racks) from the People's Republic of China (China) were sold in the United States at prices below normal value (NV) during the period of review (POR) September 1, 2021, through August 31, 2022. Further, we preliminarily determine that two companies had no shipments of subject merchandise during the POR, and two companies do not qualify for a separate rate. Additionally, we are rescinding this review with respect to the four companies for which all review requests were timely withdrawn. We invite interested parties to comment on the preliminary results of this review.

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

FOR FURTHER INFORMATION CONTACT: Jonathan Hill or Elizabeth Bremer, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3518 and (202) 482-4987, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 1, 2022, Commerce published in the *Federal Register* a notice of opportunity to request an administrative review of the antidumping duty order on steel racks

from China.¹ After receiving review requests, Commerce initiated this review with respect to 12 companies.² On May 25, 2023, Commerce extended the deadline for these preliminary results of review by 119 days, to September 29, 2023.³

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included as an 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 <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Order

The merchandise covered by the *Order* is steel racks and parts thereof, assembled, to any extent, or unassembled, including but not limited to, vertical components (*e.g.*, uprights, posts, or columns), horizontal or diagonal components (*e.g.*, arms or beams), braces, frames, locking devices (*e.g.*, end plates and beam connectors), and accessories (including, but not limited to, rails, skid channels, skid rails, drum/coil beds, fork clearance bars, pallet supports, row spacers, and wall ties).

Merchandise covered by the *Order* is classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7326.90.8688, 9403.20.0081, 9403.90.8041, and

¹ *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review and Join Annual Inquiry Service List*, 87 FR 53719 (September 1, 2022); and *Certain Steel Racks and Parts Thereof from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Countervailing Duty Order*, 84 FR 48584 (September 16, 2019) (*Order*).

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 66275 (November 3, 2022); *see also Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 88 FR 50 (January 3, 2023).

³ *See* Memorandum, "Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated May 25, 2023.

⁴ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Certain Steel Racks and Parts Thereof from the People's Republic of China; 2021-2022," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

9403.99.9041.⁵ Subject merchandise may also be classified under subheadings 7308.90.3000, 7308.90.6000, 7308.90.9590, and 9403.20.0090. The HTSUS subheadings are provided for convenience and U.S. customs purposes only. The written description of the scope is dispositive.

A full description of the scope of the *Order* is contained in the Preliminary Decision Memorandum.

Preliminary Determination of No Shipments

On December 5 and 12, 2022, Hebei Minmetals Co., Ltd. (Hebei Minmetals) and Xiamen Luckyroc Industry Co., Ltd. (Luckyroc), respectively, timely filed certifications that they did not export or sell subject merchandise during the POR and that there were no suspended entries of their subject merchandise into the United States during the POR. On August 9, 2023, we requested that CBP identify any POR entries of subject merchandise from Hebei Minmetals or Luckyroc.⁶ Based on an analysis of information from CBP, and each company's certification, we preliminarily determine that Hebei Minmetals and Luckyroc had no shipments of subject merchandise during the POR.⁷

Consistent with Commerce's practice, we are not rescinding this administrative review with respect to Hebei Minmetals and Luckyroc but intend to complete the review of these companies and issue appropriate assessment instructions to CBP based on the final results of the review.⁸

Partial Rescission of the Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in

⁵ On February 9, 2022, Commerce received a request from U.S. Customs and Border Protection (CBP) to update the ACE Case Reference File (CRF) for certain steel racks and parts thereof from the People's Republic of China. Specifically, CBP requested that Commerce add a certain HTSUS subheading to case numbers A-570-088 and C-570-089 to reflect the 2022 updates to the HTSUS. On May 4, 2022, Commerce added the HTSUS subheading 9403.99.9041 to the CRF for case A-570-088. See Memorandum, "Request from Customs and Border Protection to Update the ACE AD/CVD Case Reference File: Certain Steel Racks and Parts Thereof from the People's Republic of China (A-570-088, C-570-089)," dated May 4, 2022.

⁶ See Memorandum, "Information from U.S. Customs and Border Protection Regarding No Shipment Claims," dated concurrently with this notice.

⁷ See Preliminary Decision Memorandum.

⁸ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011); see also the "Assessment Rates" section, *infra*.

whole or in part, if all parties who requested a review withdraw their requests within 90 days of the date that the notice of initiation of the requested review was published in the *Federal Register*. All requests to review the following companies were timely withdrawn: (1) Guangdong Wireking Housewares and Hardware Co., Ltd.;⁹ (2) Suzhou (China) Sunshine Hardware & Equipment Imp. & Exp. Co. Ltd.;¹⁰ (3) Jiangsu Starshine Industry Equipment Co., Ltd. (Starshine);¹¹ and (4) Suntop (Xiamen) Display System Inc.¹² Therefore, consistent with 19 CFR 351.213(d)(1), Commerce is rescinding this review, in part, with respect to these companies.

Preliminary Affiliation and Single Entity Determination

Based on record evidence in this review, Commerce preliminarily determines that the following companies are affiliated, pursuant to section 771(33)(F) of the Tariff Act of 1930, as amended (the Act), and that they should be treated as a single collapsed entity (*i.e.*, Xinguang Rack), pursuant to 19 CFR 351.401(f)(1)-(2): (1) Ningbo Xinguang Rack Co., Ltd.; (2) Ningbo Jiabo Rack Co., Ltd.; and (3) Ningbo Lede Hardware Co., Ltd. For additional information, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Act. We calculated export and constructed export prices in accordance with section 772 of the Act. Further, because China is a non-market economy (NME) country within the meaning of section 771(18) of the Act, we calculated NV in accordance with section 773(c) of the Act. For a full description of the methodology underlying our preliminary results, *see* the Preliminary Decision Memorandum.

⁹ See Coalition for Fair Rack Imports' Letter, "Partial Withdrawal of Request for Administrative Review," dated December 19, 2022.

¹⁰ *Id.*

¹¹ See Starshine's Letter, "Request for Review," dated January 5, 2023.

¹² See Aladdin Manufacturing Corporation and Mohawk Home's Letter, "Withdrawal of Request for Administrative Review (Administrative Review 9/1/2021 – 8/31/2022)," dated February 1, 2023.

Separate Rates

In all proceedings involving an NME country, Commerce maintains a rebuttable presumption that all companies are subject to government control and, thus, should be assessed a single weighted-average dumping margin unless the company can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to its exports (*i.e.*, can affirmatively demonstrate that it is eligible for a separate rate).¹³ Commerce has preliminarily determined that information placed on the record by Jiangsu JISE Intelligent Storage Equipment Co., Ltd. (Jiangsu Storage), Jiangsu Nova Intelligent Logistics Equipment Co., Ltd. (Jiangsu Nova), Nanjing Kingmore Logistics Equipment Manufacturing Co., Ltd. (Kingmore), and Xinguang Rack demonstrates that these companies are eligible for separate rate status.¹⁴

However, Commerce has preliminarily determined that Nanjing Dongsheng Shelf Manufacturing Co., Ltd. and Nanjing Ironstone Storage Equipment Co., Ltd. have not demonstrated their eligibility for a separate rate because each company did not file a timely separate rate application or separate rate certification with Commerce. Therefore, we have preliminarily treated these companies as part of the China-wide entity.

Because no party requested a review of the China-wide entity, the China-wide entity is not under review. Accordingly, the weighted-average dumping margin determined for the China-wide entity (*i.e.*, 144.50 percent)¹⁵ is not subject to change in this review. For additional information, *see* the Preliminary Decision Memorandum.

Weighted-Average Dumping Margin for the Non-Examined Companies Granted a Separate Rate

¹³ See Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People's Republic of China, 71 FR 53079, 53082 (September 8, 2006); see also Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People's Republic of China, 71 FR 29303, 29307 (May 22, 2006).

¹⁴ See Preliminary Decision Memorandum.

¹⁵ See Order, 84 FR at 48586.

The statute and Commerce’s regulations do not address what weighted-average dumping margin to apply to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act for guidance regarding establishing a weighted-average dumping margin for respondents which were not individually examined in an administrative review.

Section 735(c)(5)(A) of the Act provides that Commerce will base the all-others rate in an investigation on the weighted average of the estimated weighted-average dumping margins calculated for the individually examined respondents, excluding rates that are zero, *de minimis*, or based entirely on facts available. Where the weighted-average dumping margin for each of the individually examined companies is zero, *de minimis*, or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use “any reasonable method” to establish the estimated all-others rate.

Because the preliminary weighted-average dumping margins calculated for the individually examined companies (Jiangsu Nova and Xinguang Rack) in this administrative review are not zero, *de minimis*, or based entirely on facts available, we have preliminarily assigned Jiangsu Storage and Kingmore – which have been found to be eligible for a separate rate, but were not selected for individual examination – a weighted-average dumping margin equal to the average, weighted by the publicly ranged total sales quantities, of the weighted-average dumping margins calculated for Jiangsu Nova and Xinguang Rack, consistent with the guidance in section 735(c)(5)(B) of the Act.¹⁶

Preliminary Results of Review

We are assigning the following weighted-average dumping margins to the companies listed below for the period September 1, 2021, through August 31, 2022:

¹⁶ See Memorandum, “Calculation of the Weighted-Average Dumping Margin for Respondents Not Selected for Individual Examination,” dated concurrently with this notice.

Exporter	Weighted-Average Dumping Margin (percent)
Jiangsu Nova Intelligent Logistics Equipment Co., Ltd.	50.31
Ningbo Xinguang Rack Co., Ltd./Ningbo Jiabo Rack Co., Ltd./Ningbo Lede Hardware Co., Ltd.	27.59
Review-Specific Rate Applicable to the Following Non-Examined Companies	
Jiangsu JISE Intelligent Storage Equipment Co., Ltd.	48.41
Nanjing Kingmore Logistics Equipment Manufacturing Co., Ltd.	48.41

Disclosure and Public Comment

Commerce intends to disclose to parties to the proceeding the calculations performed for these preliminary results of review under administrative protective order within five days of the date of publication of this notice in the *Federal Register*.¹⁷

Interested parties may submit case briefs to Commerce no later than 30 days after the date of publication of these preliminary results of review in the *Federal Register*.¹⁸ Rebuttal briefs may be filed with Commerce no later than seven days after case briefs are due and may respond only to arguments raised in the case briefs.¹⁹ A table of contents, list of authorities used, and an executive summary of issues should accompany any briefs submitted to Commerce. The summary should be limited to five pages total, including footnotes.²⁰

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, within 30 days after the date of publication of this notice in the *Federal Register*. Requests for a hearing should contain: (1) the requesting party's name, address, and telephone number; (2) the number of individuals associated with the requesting party that will attend the hearing and whether any of those individuals is a foreign national; and (3) a list of the issues the party intends to discuss at the hearing. Oral arguments at the hearing will be limited to issues raised in the case and rebuttal briefs. If a request for a hearing is made, Commerce will announce the date and time of the

¹⁷ See 19 CFR 351.224(b).

¹⁸ See 19 CFR 351.309(c)(1)(ii).

¹⁹ See 19 CFR 351.309(d).

²⁰ See 19 CFR 351.309(c)(2) and (d)(2).

hearing. Parties should confirm the date and time of the hearing two days before the scheduled hearing date.

All submissions to Commerce, with limited exceptions, must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time on the due date.²¹ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.²²

Final Results of Review

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

Assessment Rates

In accordance with section 751(a)(2)(C) of the Act, the assessment of antidumping duties on entries of merchandise covered by the review shall be based on the final results of this review. Therefore, upon issuance of the final results of review, Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise covered by this review.²³

Commerce intends 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).

²¹ See 19 CFR 351.303 (for general filing requirements); *see also Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011).

²² See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

²³ See 19 CFR 351.212(b)(1).

We will calculate importer or customer-specific assessment rates for the individually examined respondents, in accordance with 19 CFR 351.212(b)(1).²⁴ Where the respondent reported reliable entered values, we will calculate importer or customer-specific *ad valorem* assessment rates by dividing the total amount of dumping calculated in the final results of this review for all reviewed U.S. sales to the importer/customer by the total entered value of the merchandise sold to the importer/customer.²⁵ Where the respondent did not report entered values, we will calculate importer or customer-specific per-unit assessment rates by dividing the total amount of dumping calculated in the final results of this review for all reviewed U.S. sales to the importer/customer by the total quantity of those sales. While we will calculate estimated *ad valorem* importer or customer-specific assessment rates to determine whether the per-unit assessment rates are *de minimis*, we will use the per-unit assessment rates where entered values were not reported.²⁶ Where either the respondent's *ad valorem* weighted-average dumping margin is zero or *de minimis*, or an importer or customer-specific *ad valorem* assessment rate is zero or *de minimis*,²⁷ we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

The assessment rate for a company not individually examined that qualifies for a separate rate will be equal to the weighted-average dumping margin determined for the company in the final results of this review.²⁸ If that rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

²⁴ We applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

²⁵ See 19 CFR 351.212(b)(1).

²⁶ *Id.*

²⁷ See 19 CFR 351.106(c)(2).

²⁸ See *Drawn Stainless Steel Sinks from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2014-2015*, 81 FR 29528 (May 12, 2016), and accompanying Preliminary Decision Memorandum at 10-11, unchanged in *Drawn Stainless Steel Sinks from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; Final Determination of No Shipments; 2014-2015*, 81 FR 54042 (August 15, 2016).

The assessment rate for companies that are not eligible for a separate rate, which are therefore considered to be part of the China-wide entity, will be equal to the weighted-average dumping margin for the China-wide entity, *i.e.*, 144.50 percent.²⁹

Pursuant to a refinement to Commerce's assessment practice, where sales of subject merchandise exported by an individually examined respondent were not reported in the U.S. sales data submitted by the respondent, but the merchandise was entered into the United States during the POR, we will instruct CBP to liquidate any entries of such merchandise at the antidumping duty assessment rate for the China-wide entity.³⁰ Additionally, where Commerce determines that an exporter under review had no shipments of subject merchandise during the POR, any suspended entries of subject merchandise that entered under that exporter's CBP case number during the POR will be liquidated at the antidumping duty assessment rate for the China-wide entity.

Cash Deposit Requirements

The following cash deposit requirements will be in effect for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on, or after, the date of publication of the notice of the final results of this administrative review in the *Federal Register*, as provided for by section 751(a)(2)(C) of the Act: (1) for an exporter granted a separate rate in the final results of this review, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this review for the company (except, if the rate is *de minimis*, then a cash deposit rate of zero will be required); (2) for a previously investigated or reviewed exporter of subject merchandise not listed in the final results of review that has a separate rate, the cash deposit rate will continue to be the exporter's existing cash deposit rate; (3) for all China exporters of subject merchandise that do not have a separate rate, the cash deposit rate will be equal to the weighted-average dumping margin assigned to the China-wide

²⁹ See *Order*, 84 FR at 48586.

³⁰ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011), for a full discussion of this practice.

entity, which is 144.50 percent; and (4) for a non-China exporter of subject merchandise that does not have a separate rate, the cash deposit rate will be equal to the weighted-average dumping margin applicable to the China exporter(s) that supplied that non-China exporter.

These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties, and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

Notification to Interested Parties

We are issuing and publishing these preliminary results of review 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: September 29, 2023.

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

List of Topics in the Preliminary Decision Memorandum

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