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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-018

Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China:
Preliminary Determination of Sales at Less Than Fair Value

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

DATES: Effective Date: (Insert date of publication in the Federal Register.)

SUMMARY: The Department of Commerce ("Department") preliminarily determines that boltless steel shelving units prepackaged for sale from the People's Republic of China ("PRC") are being, or are likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Tariff Act of 1930, as amended ("the Act"). The period of investigation ("POI") is January 1, 2014, through June 30, 2014. The estimated margins of sales at LTFV are shown in the "Preliminary Determination" section of this notice. The final determination will be issued 75 days after publication of this preliminary determination in the Federal Register. Interested parties are invited to comment on this preliminary determination.

FOR FURTHER INFORMATION CONTACT: Kabir Archuletta or Josh Startup, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2593 or (202) 482-5260, respectively.

SUPPLEMENTARY INFORMATION:

Scope of the Investigation

The scope of this investigation covers boltless steel shelving units prepackaged for sale, with or without decks (“boltless steel shelving”). The term “prepackaged for sale” means that, at a minimum, the steel vertical supports (i.e., uprights and posts) and steel horizontal supports (i.e., beams, braces) necessary to assemble a completed shelving unit (with or without decks) are packaged together for ultimate purchase by the end-user. The scope also includes add-on kits. Add-on kits include, but are not limited to, kits that allow the end-user to add an extension shelving unit onto an existing boltless steel shelving unit such that the extension and the original unit will share common frame elements (e.g., two posts). The term “boltless” refers to steel shelving in which the vertical and horizontal supports forming the frame are assembled primarily without the use of nuts and bolts or screws. The vertical and horizontal support members for boltless steel shelving are assembled by methods such as, but not limited to, fitting a rivet, punched or cut tab or other similar connector on one support into a hole, slot or similar receptacle on another support. The supports lock together to form the frame for the shelving unit, and provide the structural integrity of the shelving unit separate from the inclusion of any decking. The incidental use of nuts and bolts or screws to add accessories, wall anchors, tie-bars or shelf supports does not remove the product from scope. Boltless steel shelving units may also come packaged as partially assembled, such as when two upright supports are welded together with front-to-back supports, or are otherwise connected, to form an end unit for the frame. The boltless steel shelving covered by this investigation may be commonly described as rivet shelving, welded frame shelving, slot and tab shelving, and punched rivet (quasi-rivet) shelving as well as by other trade names. The term “deck” refers to the shelf that sits on or fits into the

horizontal supports (beams or braces) to provide the horizontal storage surface of the shelving unit.

The scope includes all boltless steel shelving meeting the description above, regardless of (1) vertical support or post type (including but not limited to open post, closed post and tubing); (2) horizontal support or beam/brace profile (including but not limited to Z-beam, C-beam, L-beam, step beam and cargo rack); (3) number of supports; (4) surface coating (including but not limited to paint, epoxy, powder coating, zinc and other metallic coating); (5) number of levels; (6) weight capacity; (7) shape (including but not limited to rectangular, square, and corner units); (8) decking material (including but not limited to wire decking, particle board, laminated board or no deck at all); or (9) the boltless method by which vertical and horizontal supports connect (including but not limited to keyhole and rivet, slot and tab, welded frame, punched rivet and clip).

Specifically excluded from the scope are:

- wall-mounted shelving, defined as shelving that is hung on the wall and does not stand on, or transfer load to, the floor;¹
- wire shelving units, which consist of shelves made from wire that incorporates both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create the finished shelving unit;
- bulk-packed parts or components of boltless steel shelving units; and
- made-to-order shelving systems.

¹The addition of a wall bracket or other device to attach otherwise freestanding subject merchandise to a wall does not meet the terms of this exclusion.

Subject boltless steel shelving enters the United States through Harmonized Tariff Schedule of the United States (“HTSUS”) statistical subheadings 9403.20.0018 and 9403.20.0020, but may also enter through HTSUS 9403.10.0040. While HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of this investigation is dispositive.

Methodology

The Department conducted this investigation in accordance with section 731 of the Act. We calculated export prices and constructed export prices in accordance with section 772 of the Act. Because the PRC is a non-market economy within the meaning of section 771(18) of the Act, normal value (“NV”) was calculated in accordance with section 773(c) of the Act.

For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum hereby adopted by this notice.² 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>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://trade.gov/enforcement/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

² See “Decision Memorandum for Preliminary Determination for the Antidumping Duty Investigation of Boltless Steel Shelving Units Prepackaged for Sale from the People’s Republic of China from the People’s Republic of China,” from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, dated concurrently with this notice (“Preliminary Decision Memorandum”).

Combination Rates

In the Initiation Notice,³ the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.⁴

Preliminary Determination

The preliminary weighted-average antidumping duty (“AD”) margin percentages are as follows:

Exporter	Producer	Weighted-Average Margin (percent)
Zhongda United Holding Group Co., Ltd.	Jiaxing Zhongda Metalwork Co., Ltd.	22.64
Jiaxing Zhongda Import & Export Co., Ltd.	Jiaxing Zhongda Metalwork Co., Ltd.	22.64
Nanjing Topsun Racking Manufacturing Co., Ltd.	Nanjing Topsun Racking Manufacturing Co., Ltd.	85.26
Ningbo ETDZ Huixing Trade Co., Ltd.	Haifa (Ningbo) Office Equipment Co., Ltd.	50.23
Ningbo ETDZ Huixing Trade Co., Ltd.	Ningbo Decko Metal Products Trade Co., Ltd.	50.23
Ningbo ETDZ Huixing Trade Co., Ltd.	Lianfa Metal Product Co., Ltd.	50.23
Meridian International Co., Ltd.	Zhejiang Limai Metal Products Co. Ltd.	50.23
Zhejiang Limai Metal Products Co., Ltd.	Zhejiang Limai Metal Products Co., Ltd.	50.23
PRC-Wide Entity		112.68

Disclosure and Public Comment

We intend to disclose the calculations performed to parties in this proceeding within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Case briefs

³ See Boltless Steel Shelving Units Prepackaged for Sale from the People’s Republic of China: Initiation of Antidumping Duty Investigation, 79 FR 56562, 56566 (September 22, 2014) (“Initiation Notice”).

⁴ See Enforcement and Compliance’s Policy Bulletin No. 05.1, regarding, “Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries,” (April 5, 2005) (“Policy Bulletin 05.1”), available on the Department’s Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.⁵ A table of contents, list of authorities used, and an executive summary of issues should accompany any briefs submitted to the Department.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically at Enforcement and Compliance's electronic records system, ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5:00 p.m. Eastern Standard Time, within 30 days after the date of publication of this notice.⁶ Hearing requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues you intend to present at the hearing. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Pursuant to section 735(a)(1) of the Act, we will make our final determination no later than 75 days after the date of publication of this preliminary determination.

⁵ See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

⁶ See 19 CFR 351.310(c).

Suspension of Liquidation

In accordance with section 733(d) of the Act the Department will instruct U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of boltless steel shelving units prepackaged for sale from the PRC, as described in the “Scope of the Investigation” section, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register.

Pursuant to 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit⁷ equal to the weighted-average amount by which NV exceeds U.S. price, adjusted where appropriate for export subsidies and estimated domestic subsidy pass-through,⁸ as follows: (1) the cash deposit rate for the exporter/producer combinations listed in the table above will be the rate the Department determines in this preliminary determination; (2) for all combinations of PRC exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the PRC-wide entity; and (3) for all non-PRC exporters of merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter.

Furthermore, consistent with our practice, where the product under investigation is also subject to a concurrent countervailing duty investigation, we instruct CBP to require a cash deposit equal to the amount by which the normal value exceeds the export price or constructed export price, less the amount of the countervailing duty determined to constitute an export

⁷ See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

⁸ See sections 772(c)(1)(C) and 777A(f) of the Act, respectively. Unlike in administrative reviews, the Department calculates the adjustment for export subsidies in investigations not in the margin calculation program, but in the cash deposit instructions issued to CBP. See Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India, 71 FR 45012 (August 8, 2006), and accompanying Issues and Decision Memorandum at Comment 1.

subsidy. In this LTFV investigation, export subsidies constitute 3.03 percent⁹ of the preliminarily calculated countervailing duty rate in the concurrent countervailing duty investigation, and, thus, we will offset the calculated rates for the mandatory respondents and the PRC-wide rate of 112.68 percent by the countervailing duty rate attributable to export subsidies (i.e., 3.03 percent) to calculate the cash deposit rate for this LTFV investigation. Additionally, the Department did not adjust the preliminary determination AD margins for estimated domestic subsidy pass-through because respondents provided no information to support an adjustment pursuant to section 777A(f) of the Act.¹⁰

International Trade Commission (“ITC”) Notification

In accordance with section 733(f) of the Act, we notified the ITC of our preliminary affirmative determination of sales at LTFV. Section 735(b)(2) of the Act requires the ITC to make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of boltless steel shelving units prepackaged for sale, or sales (or the likelihood of sales) for importation, of the merchandise under consideration within 45 days of our final determination.

⁹ The following subsidy programs in the preliminary determination of the concurrent countervailing duty investigation are export subsidies: Export Seller’s Credits and Export Buyer’s Credits from the Export-Import Bank of China (1.76 percent), GOC and Sub-Central Government Subsidies for the Development of Famous Brands and World Top Brands (0.58 percent), International Market Exploration (SME) Fund (0.58 percent), Export Assistance/Outward Expansion Grants in Guangdong Province (0.08 percent), Export Credit Insurance (0.01 percent), Export Subsidy for High-Tech Merchandise (0.02 percent). See Countervailing Duty Investigation of Boltless Steel Shelving Units Prepackaged for Sale From the People’s Republic of China: Preliminary Determination and Alignment of Final Determination With Final Antidumping Duty Determination, 80 FR 5089 (January 30, 2015), and accompanying Preliminary Decision Memorandum at 14-15.

¹⁰ See Preliminary Decision Memorandum.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

Dated: March 24, 2015.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

List of Topics Discussed in the Preliminary Decision Memorandum:

1. Initiation
2. Period of Investigation
3. Postponement of Preliminary Determination
4. Scope of the Investigation
5. Scope Comments
6. Selection of Respondents
7. Discussion of the Methodology
 - a. Non-market Economy Country
 - b. Surrogate Country and Surrogate Value Comments
 - c. Separate Rates
 - d. Margin for the Separate Rate Companies
 - e. Combination Rates
 - f. The PRC-wide Entity
 - g. Application of Facts Available and Adverse Facts Available
 - h. Corroboration of Information
 - i. Affiliation/Single Entity
 - j. Date of Sale
 - k. Fair Value Comparisons
 - l. Export Price
 - m. Value-Added Tax
 - n. Normal Value
 - o. Factor Valuation Methodology
 - p. Comparison to Normal Value
 - q. Currency Conversion
8. Verification
9. Section 777A(f) of the Act
10. International Trade Commission Notification
11. Conclusion