November 9, 2011

MEMORANDUM TO:  Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

THROUGH:  Melissa G. Skinner
Director
Office 3, Operations

FROM:  John Conniff
Senior Trade Analyst
Eric B. Greynolds
Program Manager

RE:  Antidumping (AD) and Countervailing Duty (CVD) Orders on Aluminum Extrusions from the People’s Republic of China (PRC)

SUBJECT:  Final Scope Ruling on EZ Fabric Wall Systems

Summary

On October 4, 2011, Moss Holding Company d/b/a Moss Inc. (Moss) filed a scope inquiry in which it requested that the Department of Commerce (the Department) determine whether certain EZ fabric wall systems it imports are encompassed within the scope of the Orders.\(^1\) Based on our analysis of the comments received, we have determined that the EZ fabric wall systems at issue are outside the scope of the Orders.

Background

Moss filed its scope request on October 4, 2011. Petitioners submitted rebuttal comments on October 19, 2011.\(^2\)

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\(^2\) Petitioners are the Aluminum Extrusions Fair Trade Committee.
**Applicable Regulations**

The regulations governing the Department’s AD and CVD scope determinations can be found at 19 CFR 351.225. Our initial basis for determining whether a product is included within the scope of an order is the descriptions of the product contained in the petition, the initial investigation, and the prior determinations of the Secretary (such as prior scope rulings) and the International Trade Commission. See 19 CFR 351.225(d) and 351.225(k)(1). Such scope determinations may take place with or without a formal scope inquiry. See 19 CFR 351.225(d). In contrast, where the descriptions of the merchandise are not dispositive, the Department will consider the five additional factors set forth in 19 CFR 351.225(k)(2).

**Scope of the Orders**

The merchandise covered by these Orders is aluminum extrusions which are shapes and forms, produced by an extrusion process, made from aluminum alloys having metallic elements corresponding to the alloy series designations published by The Aluminum Association commencing with the numbers 1, 3, and 6 (or proprietary equivalents or other certifying body equivalents). Specifically, the subject merchandise made from aluminum alloy with an Aluminum Association series designation commencing with the number 1 contains not less than 99 percent aluminum by weight. The subject merchandise made from aluminum alloy with an Aluminum Association series designation commencing with the number 3 contains manganese as the major alloying element, with manganese accounting for not more than 3.0 percent of total materials by weight. The subject merchandise is made from an aluminum alloy with an Aluminum Association series designation commencing with the number 6 contains magnesium and silicon as the major alloying elements, with magnesium accounting for at least 0.1 percent but not more than 2.0 percent of total materials by weight, and silicon accounting for at least 0.1 percent but not more than 3.0 percent of total materials by weight. The subject aluminum extrusions are properly identified by a four-digit alloy series without either a decimal point or leading letter. Illustrative examples from among the approximately 160 registered alloys that may characterize the subject merchandise are as follows: 1350, 3003, and 6060.

Aluminum extrusions are produced and imported in a wide variety of shapes and forms, including, but not limited to, hollow profiles, other solid profiles, pipes, tubes, bars, and rods. Aluminum extrusions that are drawn subsequent to extrusion (drawn aluminum) are also included in the scope.

Aluminum extrusions are produced and imported with a variety of finishes (both coatings and surface treatments), and types of fabrication. The types of coatings and treatments applied to subject aluminum extrusions include, but are not limited to, extrusions that are mill finished (i.e., without any coating or further finishing), brushed, buffed, polished, anodized (including bright-dip anodized), liquid painted, or powder coated. Aluminum extrusions may also be fabricated, i.e., prepared for assembly. Such operations would include, but are not limited to, extrusions that are cut-to-length, machined, drilled, punched, notched, bent, stretched, knurled, swedged, mitered, chamfered, threaded, and spun. The subject merchandise includes aluminum extrusions that are finished (coated, painted, etc.), fabricated, or any combination thereof.
Subject aluminum extrusions may be described at the time of importation as parts for final finished products that are assembled after importation, including, but not limited to, window frames, door frames, solar panels, curtain walls, or furniture. Such parts that otherwise meet the definition of aluminum extrusions are included in the scope. The scope includes the aluminum extrusion components that are attached (e.g., by welding or fasteners) to form subassemblies, i.e., partially assembled merchandise unless imported as part of the finished goods ‘kit’ defined further below. The scope does not include the non-aluminum extrusion components of subassemblies or subject kits.

Subject extrusions may be identified with reference to their end use, such as fence posts, electrical conduits, door thresholds, carpet trim, or heat sinks (that do not meet the finished heat sink exclusionary language below). Such goods are subject merchandise if they otherwise meet the scope definition, regardless of whether they are ready for use at the time of importation.

The following aluminum extrusion products are excluded: aluminum extrusions made from aluminum alloy with an Aluminum Association series designations commencing with the number 2 and containing in excess of 1.5 percent copper by weight; aluminum extrusions made from aluminum alloy with an Aluminum Association series designation commencing with the number 5 and containing in excess of 1.0 percent magnesium by weight; and aluminum extrusions made from aluminum alloy with an Aluminum Association series designation commencing with the number 7 and containing in excess of 2.0 percent zinc by weight.

The scope also excludes finished merchandise containing aluminum extrusions as parts that are fully and permanently assembled and completed at the time of entry, such as finished windows with glass, doors with glass or vinyl, picture frames with glass pane and backing material, and solar panels. The scope also excludes finished goods containing aluminum extrusions that are entered unassembled in a “finished goods kit.” A finished goods kit is understood to mean a packaged combination of parts that contains, at the time of importation, all of the necessary parts to fully assemble a final finished good and requires no further finishing or fabrication, such as cutting or punching, and is assembled ‘as is’ into a finished product. An imported product will not be considered a ‘finished goods kit’ and therefore excluded from the scope of the investigation merely by including fasteners such as screws, bolts, etc. in the packaging with an aluminum extrusion product.

The scope also excludes aluminum alloy sheet or plates produced by other than the extrusion process, such as aluminum products produced by a method of casting. Cast aluminum products are properly identified by four digits with a decimal point between the third and fourth digit. A letter may also precede the four digits. The following Aluminum Association designations are representative of aluminum alloys for casting: 208.0, 295.0, 308.0, 355.0, C355.0, 356.0, A356.0, A357.0, 360.0, 366.0, 380.0, A380.0, 413.0, 443.0, 514.0, 518.1, and 712.0. The scope also excludes pure, unwrought aluminum in any form.

The scope also excludes collapsible tubular containers composed of metallic elements corresponding to alloy code 1080A as designated by the Aluminum Association where the tubular container (excluding the nozzle) meets each of the following dimensional characteristics: (1) length of 37 mm or 62 mm, (2) outer diameter of 11.0 mm or 12.7 mm, and (3) wall thickness
not exceeding 0.13 mm.

Also excluded from the scope of these Orders are finished heat sinks. Finished heat sinks are fabricated heat sinks made from aluminum extrusions the design and production of which are organized around meeting certain specified thermal performance requirements and which have been fully, albeit not necessarily individually, tested to comply with such requirements.

Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTS): 7604.21.0000, 7604.29.1000, 7604.29.3010, 7604.29.3050, 7604.29.5030, 7604.29.5060, 7608.20.0030, and 7608.20.0090. The subject merchandise entered as parts of other aluminum products may be classifiable under the following additional Chapter 76 subheadings: 7610.10, 7610.90, 7615.19, 7615.20, and 7616.99 as well as under other HTS chapters. In addition, fin evaporator coils may be classifiable under HTS numbers: 8418.99.80.50 and 8418.99.80.60. While HTS subheadings are provided for convenience and customs purposes, the written description of the scope of these Orders is dispositive.

**Relevant Scope Determination**

A. **Shower Doors and Enclosures**

In comments submitted prior to the AD and CVD preliminary determinations on aluminum extrusions from the PRC, the Shower Door Manufacturers and Shower Enclosures Alliance (Shower Door Manufacturers) requested clarification of the scope language covering “kits” and “finishes.” With regard to a “kit,” the Shower Door Manufacturers noted that it is normal industry practice to purchase glass panels and shower door kits from different suppliers. Therefore, any kit purchased from the shower door manufacturer would not include glass panels but, nonetheless, is considered in the industry to be a complete finished product. The Shower Door Manufacturers argued that the Department should clarify the scope language to be explicit that a kit for shower door enclosures does not include the glass so as to avoid confusion on the part of importers and the United States Customs and Border Protection.3

Petitioners rebutted the assertions of the Shower Door Manufacturers, arguing that unassembled shower door frames without glass did not qualify for the scope exclusion for “kits” because they are not final finished goods. As an example, Petitioners note that the scope specifically references “windows with glass” as a finished good. Therefore, aluminum frames without glass would only be considered a “complete finished product” from the perspective of the dealer or distributor, but not a final finished good according to the scope language. Petitioners urged the Department to conclude that unassembled shower door frames without glass panels do not qualify for the “kit” scope exclusion.4

The Department stated that the scope language as articulated in the Petition and the Notices of Initiation clearly defined a kit as “a packaged combination of parts that contains, at the time of importation, all of the necessary parts to fully assemble a final finished good.” Thus, at the time

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3 See Preliminary Determinations: Comments on the Scope of the Investigations, October 27, 2010 at Comment 7.
4 Id.
of importation, the Shower Door Manufacturers’ unassembled shower door frames did not constitute a kit because they did not contain all of the necessary parts to create a final finished good, i.e., a shower door.\(^5\)

**B. Exhibition Frames and Unassembled Pavilion Kits**

In comments submitted prior to the AD and CVD preliminary determinations on aluminum extrusions from the PRC, Nexxt Show, an importer, argued that its exhibition frames and unassembled pavilion kits consisted of all the components necessary to assemble a “finished goods kit” and so should be excluded from the Orders.\(^6\) Nexxt Show provided assembly illustrations to demonstrate that all necessary components are included in each kit.

The Department found that it was unable to determine whether Nexxt Show’s kits included all the necessary materials to assemble a finished product. The Department further stated that “if at the time of importation, however, the kits do contain all of the necessary parts to fully assemble a final finished good then they would be excluded from the scope of these proceedings.”\(^7\)

**C. Banner Stands and Back Wall Kits**

In its scope inquiry request, Skyline Displays Inc. (Skyline) argued that banner stands and back wall kits, used to showcase graphics and other marketing materials, fell outside the scope of the Orders because they met the exclusion criteria of the scope of the Orders, namely that the products at issue constituted “finished merchandise containing aluminum extrusions as parts that are fully and permanently assembled and completed at the time of entry.”

Petitioners argued that Skyline had not provided sufficient evidence that its products constitute a finished good and thus are outside the scope of the Orders. It urged the Department to seek more information regarding the extent to which Skyline produced and sold the graphical materials that users attach to the products at issue. Petitioners further argued that the fact that additional accessories could be added to the products at issue (e.g., shelving and lighting) called into question Skyline’s claim that the products constituted finished goods.

In the Banner Stands Scope Ruling, the Department found that the banner stands and back wall kits described in Skyline’s scope inquiry request met the exclusion criteria.\(^8\) The Department explained that the products at issue contained all of the parts required to assemble a completed exhibition frame on which printed graphical materials may be hung and, thus, met the exclusion criteria in the scope of the Orders for “finished goods kits.”\(^9\) The Department further explained that in the Preliminary Scope Comments it found that Nexxt Show’s exhibition kits would be excluded if the kits contained all necessary parts to be fully assembled finished good. Thus, in the Banner Stands Scope Ruling, the Department found that because Skyline’s merchandise

\(^5\) Id.
\(^6\) See Preliminary Determinations: Comments on the Scope of the Investigations, October 27, 2010 at Comment 8.
\(^7\) Id. at Comment 8.
\(^8\) See the Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on Banner Stands and Back Wall Kits,” (October 19, 2011) (Banner Stands Scope Ruling).
\(^9\) Id. at 9 – 10.
contained all the necessary parts, it was excluded as a “finished goods kit.”

In the Banner Stands Scope Ruling, the Department agreed that the products at issue were analogous to completed picture frames, which are explicitly excluded from the scope.\(^\text{10}\) The Department disagreed with Petitioners’ claim that the products at issue failed to meet the exclusion criteria because they lacked printed graphical materials at the time of entry. The Department found that the products at issue were designed to incorporate interchangeable graphical materials that can change with users’ needs. Therefore, the Department found that it would be unreasonable to require that the products at issue be accompanied at the time of importation with affixed graphical material that cannot be removed or altered at a later date.\(^\text{11}\)

D. Certain Retractable Awning Mechanisms

In its scope inquiry request, Tri Vantage argued that its retractable awning mechanisms are imported, ready for use, and constitute a final finished good. Therefore, it argued, the products at issue meet the exclusion criteria concerning “finished merchandise containing aluminum extrusions as parts that are fully and permanently assembled at the time of entry.” Tri Vantage explained that the products at issue are manufactured from over 24 components of a variety of materials that are aluminum and not derived from the aluminum extrusion process.

Petitioner countered that Tri Vantage acknowledged that the textile awning, which is purchased separately, is assembled and attached onto the product at issue after importation. Thus, Petitioner argued that a retractable awning mechanism without the textile awning serves no function as an awning and, thus, cannot be considered a “final finished good.” Instead, argues Petitioner, the Department should consider the product at issue as “subassemblies, i.e., partially assembled merchandise,” which is explicitly covered by the scope.

The Department found that the scope of the order defined an excluded “finished goods kit” as a “packaged combination of parts that contains, at the time of importation, all of the necessary parts to fully assemble a final finished good and requires no further finishing or fabrication, such as cutting or punching, and is assembled ‘as is’ into such a finished product.” Tri Vantage itself acknowledged that the textile covers designed for attachment to the retractable awning mechanisms at issue, and necessary to assemble a fully functioning awning, are purchased separately and are not included with such awning mechanisms at the time of importation. Thus, the Department concluded that a finished retractable awning mechanism or complete retractable awning mechanism kit would require inclusion of a textile cover at the time of importation to meet the exclusionary language that defines a finished goods kit or finished product.\(^\text{12}\)

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\(^\text{10}\) Id.  
\(^\text{11}\) Id.  
\(^\text{12}\) See the Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on Certain Retractable Awning Mechanisms” (October 14, 2011) (Awnings Scope Ruling).
The products subject to the scope inquiry request are EZ fabric wall systems consisting of the wall units, headers, and columns necessary to assemble complete lightweight, portable, and temporary commercial displays. Moss explains that while such additional options (e.g., lights, video, display monitors, shelves, counters, doors, and canopies) are available, all of the EZ fabric wall systems included in their scope inquiry request contain the following basic components: wall units (with or without fabric coverings), headers, columns, and a wooden shipping container.

Moss explains that the EZ fabric wall systems are available in two assembly options, either locked or welded corners. Moss states that walls with locked corners break down into smaller components that can be easily and repeatedly assembled and disassembled, which facilitates transportation. Moss explains that walls with welded corners can be more quickly and easily assembled and disassembled at the display site, and are slightly lighter in weight, but break down into larger packages that generally require surface transportation methods. Moss states that it provides a shipping crate for walls with lock corners and walls with welded corners. Moss provides information on the dimensions as well as pictures and schematics of the products at issue in Exhibits A and B of its October 4, 2011, submission. Moss states that all of the items necessary to assembly a finished EZ fabric wall system are included at the time of importation.

Moss explains that whichever assembly option is chosen, the wall systems are designed to use fabric panels with printed graphics to create the customer’s desired visual display. Examples of the fabric colors and patterns offered by Moss are provided in Exhibit B of its October 4, 2011, submission. Moss notes that in any particular shipment the wall systems at issue may be imported with or without fabric covers.

Moss explains that the products at issue are currently classifiable under Harmonized Tariff Classification (HTS) headings 9403.20.0020, which provides for “other furniture and parts thereof . . . other metal furniture . . . other: counters, lockers, racks, display cases, shelves, partitions, and similar fixtures.”

Moss argues that the products at issue, as imported, contain all the components necessary to assemble a complete wall system because all of the components are fully fabricated and do not require any additional work prior to their assembly into a finished wall system. Citing to the scope of the Orders, Moss explains that the Department has found shower door kits without glass panels to be included in the scope because the lack of a panel disqualifies the products from being “finished goods kits.” According to Moss, the Department’s rationale in this regard is based on the notion that glass is a permanent fixture in shower doors and is not intended to be removed. Moss asserts that the fabric covers in the EZ wall systems at issue are distinct from the glass in shower door kits because the fabric coverings attached to the wall units are designed to be easily replaced by the purchaser with fabric covers of different colors and designs. Thus,
argues Moss, since the interchangeability of the fabric is a key characteristic of the wall units, the presence of the fabric cover is not required for the unit to be a complete product.

Moss argues that the products at issue are in a form ready for use by the consumer at the time of importation and that the EZ fabric wall systems which are imported without fabric panels do not need any additional parts prior to the addition of the fabric panels. Moss further contends that the products at issue are analogous to picture frames, which are explicitly excluded from the scope. Moss argues that like picture frames, which are designed to allow buyers to add a picture of their choice, the wall units are imported and designed to allow buyers to add the fabric or graphic design of their choice. Moss asserts that, as with picture frames, in which a photograph or picture may be easily changed the wall units are designed to allow the fabric on the wall units to be easily changed. Moss further argues that, while it is true that the wall unit has no use without the panels, neither does a picture frame without a picture. Thus, argues Moss, the glass and backing of picture frames and the fabric used with the products at issue are unlike the glass in shower doors, which forms an integral, permanent, part of the part of the door.

Petitioners’ October 19, 2011, Submission

Petitioners dispute the claim that Moss’ products, which do not contain fabric covers, are distinct from glass panels for shower doors. They argue that glass panels for shower doors, like the fabric panels, can be ordered separately and replaced at the users’ discretion. Petitioners further argue that the Awnings Scope Ruling should lead the Department to find that the products which do not contain the fabric covers are within the scope of the Orders. According to Petitioners, the textile covers for retractable awning mechanisms, like the fabric covers at issue here, were sold separately and could be replaced and affixed by the customer to the aluminum frame. Petitioners argue that the fact that a part can be purchased separately or replaced by the customer means that an imported product omitting that part may not be considered a “final finished product” under the scope of the Orders. Therefore, contend Petitioners, the products at issue, like retractable awning mechanisms, are not “finished goods” when imported without the fabric covers and, therefore, fall within the scope of the Orders.

Moss’ October 26, 2011, Submission

Moss takes issue with Petitioners’ claim that the products at issue are akin to the products addressed in the Awnings Scope Ruling. Moss argues that the correct analogy is to the Banner Stands Scope Ruling, which involved a product that is very similar to the products at issue in the instant scope ruling request. Moss argues that, like banner stands kits, its EZ wall systems essentially combine extruded aluminum structural elements, plastic and non-aluminum elements, and interchangeable fabric graphics to create portable display spaces. Moss further argues that its EZ wall systems compete with the banner stands and back wall kits produced by Skyline. On this basis, Moss argues that the Banner Stands Scope Ruling should lead the Department to find that the products at issue are outside the scope of the Orders.

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13 See Petitioner’s Oct. 19, 2011, comments at Exhibit 1, Awnings Scope Ruling.
14 Id. at 7 – 8.
**Department’s Position:** The Department examines scope ruling requests in accordance with the Department’s scope regulations. See 19 CFR 351.225. On matters concerning the scope of an antidumping duty order, the Department first examines the language of the order(s) at issue and the description of the product contained in the scope request. If the language in the order(s) is not dispositive, the Department will then examine the description of the merchandise contained in the petition, the initial investigation, the determinations of the Secretary (including prior scope determinations) and the International Trade Commission. See 19 CFR 351.225(k)(1). This determination may take place with or without a formal inquiry. See 19 CFR 351.225(d)-(e). If the Department determines that these descriptions are dispositive of the matter, the Department will issue a final scope ruling as to whether or not the subject merchandise is covered by the order(s). See 19 CFR 351.225(d).

Conversely, where the descriptions of the merchandise are not dispositive, the Department will consider the five additional factors set forth at 19 CFR 351.225(k)(2). These criteria are: (i) the physical characteristics of the merchandise; (ii) the expectations of the ultimate purchasers; (iii) the ultimate use of the product; (iv) the channels of trade in which the product is sold; and (v) the manner in which the product is advertised and displayed. The determination as to which analytical framework is most appropriate in any given scope inquiry is made on a case-by-case basis after consideration of all evidence before the Department.

The Department examined the language of the Orders and finds that the scope is not dispositive as to whether the products at issue are subject merchandise. Accordingly, for this case, the Department evaluated the instant scope inquiry request in accordance with 19 CFR 351.225(k)(1) because it finds that a determination by the Secretary in the investigation and prior scope determinations is helpful in reaching its determination. Because the Department finds this evidence dispositive with respect to products at issue, the Department finds it unnecessary to consider the additional factors in 19 CFR 351.225(k)(2).

In the Banner Stands Scope Ruling, the Department found that the products at issue were analogous to picture frames, which are explicitly excluded from the scope of the Orders, because they incorporated interchangeable graphical material that could change with users’ needs. In the Banner Stands Scope Ruling, the Department disagreed with the notion that the products at issue failed to meet the exclusion criteria because they lacked printed graphical materials at the time of entry:

> . . . it is evident that the banner stands and back wall kits at issue are designed to incorporate interchangeable graphic materials that can change with users’ needs. Therefore, we find it would be unreasonable to require that the products at issue must be accompanied with affixed graphical material that cannot be removed or altered at a later date…. The fact that certain models may enter the United States with additional shelving or lighting configurations does not alter our finding in this regard, because the banner stands and back wall kits are finished goods which do not require the additional accessories to be considered “a packaged combination of parts to fully assemble a final finished good.”

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15 See Banner Stands Scope Ruling at 10.
16 Id.
We find that the products at issue are similar to the products examined in the Banner Stands Scope Ruling which were imported without readily interchangeable graphic materials. Specifically, the products at issue contain all of the parts required to assemble a completed exhibition frame on which readily interchangeable fabric covers with graphics may be attached. As in the Banner Stands Scope Ruling, we find that it would be unreasonable to require that the fabric covers with graphics accompany the EZ wall systems. Thus, we find that they meet the exclusion criteria in the scope of the Orders for “finished goods kits.” Furthermore, consistent with the Banner Stands Scope Ruling, our finding that the products at issue are outside the scope of the Orders applies regardless of whether the products include fabric panels at the time of entry.

We disagree with Petitioners’ claim that the finding in the Awning Scope Ruling should lead the Department to find that the products at issue are within the scope of the Orders. The retractable awning mechanisms addressed in the Awning Scope Ruling lacked a textile covering, which the Department determined was an “integral component” “necessary to assemble a full and complete ‘finished goods kit.’” Moss’ products are not lacking any integral components necessary to assemble a complete mounting system at the time of importation. The fabric covers are akin to the pictures in picture frames or the graphical materials affixed to banner stands and back wall kits, all of which are designed to be readily interchangeable and to be modified according to the end user’s needs and specifications. Thus, because the fabric coverings are designed to be readily interchangeable, we find that they do not constitute “integral components” “necessary to assemble a full and complete ‘finished goods kit.’”

We find that the EZ wall systems are distinct from the shower doors the Department considered during the investigation because, unlike shower doors which did not contain the necessary permanent components, the products at issue contain all necessary parts to assemble a mounting system and the graphic element is intended to be replaceable and interchangeable depending upon the end user’s specific needs.

**Department’s Recommendation**

For the reasons discussed above, we recommend finding that the EZ fabric wall systems addressed by the instant scope request constitute “finished goods kits.” Accordingly, we recommend finding that the products at issue are not subject to the scope of the Orders pursuant to 19 CFR 351.225(k)(1) based on the language of the scope of the Orders and prior scope rulings by the Department. We recommend finding that the scope request does not present a significant difficulty within the meaning of 19 CFR 351.225(f)(3) and, thus, we further recommend that this scope ruling constitutes a final ruling as provided under 19 CFR 351.225(f)(4).

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17 See Awnings Scope Ruling at 9.
If the recommendation in this memorandum is accepted, we will serve a copy of this memorandum to all interested parties on the scope service list via first class mail as directed by 19 CFR 351.303(f).

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Agree                      Disagree

________________________________________
Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

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Date