



A-570-967, C-570-968  
Scope Inquiry: Screen Printing Frames  
**Public Document**  
E&C AD/CVD OIII: AMM

August 7, 2014

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

**THROUGH:** Melissa G. Skinner  
Director, Office III  
Antidumping and Countervailing Duty Operations

Erin Begnal  
Program Manager, Office III  
Antidumping and Countervailing Duty Operations

**FROM:** Andrew Medley  
International Trade Compliance Analyst, Office III  
Antidumping and Countervailing Duty Operations

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

**SUBJECT:** Final Scope Ruling on Rheetech Sales & Services Inc.’s Screen  
Printing Frames with Mesh Screen Attached

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## SUMMARY

Rheetech Sales & Services Inc. (“Rheetech”) filed a Scope Ruling Request seeking that the Department of Commerce (“Department”) determine whether aluminum frames for screen printing, with the mesh screen attached, which it imports, are outside the scope of the AD and CVD orders on aluminum extrusions from the PRC.<sup>1</sup> On the basis of our analysis of the scope request and comments received, we determine that Rheetech’s aluminum screen printing frames with mesh screen attached are excluded from the scope of the *Orders*.

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<sup>1</sup> See Rheetech’s letter to the Department titled “Importer/Applicant: Rheetech Sales & Services, Inc.,” dated March 4, 2014 (“Scope Ruling Request”); see also *Aluminum Extrusions from the People’s Republic of China: Antidumping Duty Order*, 76 FR 30650 (May 26, 2011) and *Aluminum Extrusions from the People’s Republic of China: Countervailing Duty Order*, 76 FR 30653 (May 26, 2011) (collectively, the “Orders”).



## BACKGROUND

Rheetech filed its Scope Ruling Request on March 6, 2014.<sup>2</sup> On April 3, 2014, the Department issued a supplemental questionnaire.<sup>3</sup> On April 15, 2014, Rheetech submitted a response to the Department's supplemental questionnaire.<sup>4</sup> Petitioner submitted comments on May 16, 2014.<sup>5</sup> The Department twice extended the deadline for a final scope ruling, first to July 15, 2014, and then to August 13, 2014.<sup>6</sup>

## 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

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<sup>2</sup> See Scope Ruling Request (though the document is dated March 4, 2014, it was not filed with the Department until March 6, 2014).

<sup>3</sup> See Letter from the Department to Rheetech titled "Aluminum Extrusions from the People's Republic of China – Scope Ruling Request Supplemental Questionnaire," dated April 3, 2014.

<sup>4</sup> See Rheetech's letter to the Department titled "Rheetech Sales & Services, Inc. ('Rheetech') – Screen Printing Frames Response to Request for Information Dated April 3, 2014," dated April 15, 2014 ("Rheetech Supplemental Information").

<sup>5</sup> Petitioner is the Aluminum Extrusions Fair Trade Committee. See Petitioner's letter to the Department titled "Aluminum Extrusions from the People's Republic of China: Comments on Rheetech's Scope Ruling Request and Response to the Department's Questionnaire," dated May 16, 2014 ("Petitioner's Comments").

<sup>6</sup> See Letters from the Department titled "Aluminum Extrusions from the People's Republic of China: Extension of Time for Scope Ruling," dated May 19, 2014 and "Aluminum Extrusions from the People's Republic of China: Second Extension of Time for Scope Ruling," dated July 8, 2014.

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, swaged, 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 this order 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”): 7610.10.00, 7610.90.00, 7615.10.30, 7615.10.71, 7615.10.91, 7615.19.10, 7615.19.30, 7615.19.50, 7615.19.70, 7615.19.90, 7615.20.00, 7616.99.10, 7616.99.50, 8479.89.98, 8479.90.94, 8513.90.20, 9403.10.00, 9403.20.00, 7604.21.00.00, 7604.29.10.00, 7604.29.30.10, 7604.29.30.50, 7604.29.50.30, 7604.29.50.60, 7608.20.00.30, 7608.20.00.90, 8302.10.30.00, 8302.10.60.30, 8302.10.60.60, 8302.10.60.90, 8302.20.00.00, 8302.30.30.10, 8302.30.30.60, 8302.41.30.00, 8302.41.60.15, 8302.41.60.45, 8302.41.60.50, 8302.41.60.80, 8302.42.30.10, 8302.42.30.15, 8302.42.30.65, 8302.49.60.35, 8302.49.60.45, 8302.49.60.55, 8302.49.60.85, 8302.50.00.00, 8302.60.90.00, 8305.10.00.50, 8306.30.00.00, 8418.99.80.05, 8418.99.80.50, 8418.99.80.60, 8419.90.10.00, 8422.90.06.40, 8479.90.85.00, 8486.90.00.00, 8487.90.00.80, 8503.00.95.20, 8516.90.50.00, 8516.90.80.50, 8708.29.50.60, 8708.80.65.90, 9401.90.50.81, 9403.90.10.40, 9403.90.10.50, 9403.90.10.85, 9403.90.25.40, 9403.90.25.80, 9403.90.40.05, 9403.90.40.10, 9403.90.40.60, 9403.90.50.05, 9403.90.50.10, 9403.90.50.80, 9403.90.60.05, 9403.90.60.10, 9403.90.60.80, 9403.90.70.05, 9403.90.70.10, 9403.90.70.80, 9403.90.80.10, 9403.90.80.15, 9403.90.80.20, 9403.90.80.30, 9403.90.80.41, 9403.90.80.51, 9403.90.80.61, 9506.11.40.80, 9506.51.40.00, 9506.51.60.00, 9506.59.40.40, 9506.70.20.90, 9506.91.00.10, 9506.91.00.20, 9506.91.00.30, 9506.99.05.10, 9506.99.05.20, 9506.99.05.30, 9506.99.15.00, 9506.99.20.00, 9506.99.25.80, 9506.99.28.00, 9506.99.55.00, 9506.99.60.80, 9507.30.20.00, 9507.30.40.00, 9507.30.60.00, 9507.90.60.00, and 9603.90.80.50.

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: 8418.99.8050 and 8418.99.8060. While HTS subheadings are provided for convenience and customs purposes, the written description of the scope of these *Orders* is dispositive.<sup>7</sup>

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<sup>7</sup> See *Orders*.

## LEGAL FRAMEWORK

When a request for a scope ruling is filed, the Department examines the scope language of the order at issue and the description of the product contained in the scope ruling request.<sup>8</sup> Pursuant to the Department's regulations, the Department may also examine other information, including the description of the merchandise contained in the petition, the records from the investigations, and prior scope determinations made for the same product.<sup>9</sup> If the Department determines that these sources are sufficient to decide the matter, it will issue a final scope ruling as to whether the merchandise is covered by an order.

Conversely, where the descriptions of the merchandise in the sources described in 19 CFR 351.225(k)(1) are not dispositive, the Department will consider the five additional factors set forth at 19 CFR 351.225(k)(2). These factors 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 proceeding is made on a case-by-case basis after consideration of all evidence before the Department.

## DESCRIPTION OF MERCHANDISE SUBJECT TO THIS SCOPE RULING

The products at issue are aluminum frames with a mesh screen attached for screen printing designs onto fabric. Rheetech imports welded 6063-T5 aluminum rectangular frames with polyester woven mesh glued to one side of the frame.<sup>10</sup> The frames are imported completely assembled, with no finishing required before being sold.<sup>11</sup>

The polyester mesh screen, though affixed at the time of importation, may require replacement under the following conditions: (1) After approximately 50,000 imprints; (2) after being used for four or five different designs; (3) if it becomes torn; or (4) if the tension is too loose.<sup>12</sup> Between designs, the mesh can be washed to be re-used; to replace the mesh, the old mesh is removed, new mesh is stretched onto the frame, and epoxy adhesive is applied.<sup>13</sup> The aluminum frames do not generally require replacement during the normal course of use.<sup>14</sup>

## INTERESTED PARTY COMMENTS

### Rheetech's Scope Request

Rheetech argues that its screen printing frames are not within the scope of the *Orders*. Based on a 19 CFR 351.225(k)(1) analysis, Rheetech asserts that its screen printing frames with mesh

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<sup>8</sup> See *Walgreen Co. v. United States*, 620 F.3d 1350, 1357 (Fed. Cir. 2010). See also 19 CFR 351.225(k)(1).

<sup>9</sup> See 19 CFR 351.225(k)(1).

<sup>10</sup> See Rheetech Supplemental Information at 2-4.

<sup>11</sup> *Id.* at 3.

<sup>12</sup> *Id.* at 3-4.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 4.

screen attached should be considered “finished merchandise” that are fully and permanently assembled and completed at the time of entry and are thus outside the scope of the *Order*.<sup>15</sup> Rheetech cites to the Department’s rulings on EZ Fabric Wall Systems<sup>16</sup> and Banner Stands<sup>17</sup> as cases where the Department found similar products to be outside the scope.<sup>18</sup>

### Petitioner’s Comments

Petitioner cites to the Department’s finding in Event Décor<sup>19</sup> that individual Gorilla Pipes are in-scope, because they were insufficient as imported to construct a complete and final finished trade booth, despite being packaged with non-aluminum materials.<sup>20</sup> Petitioner also cites to Refrigerator/Freezer Trim Kits<sup>21</sup> as an instance where the Department determined that the kits at issue, despite being packaged with non-aluminum materials, were insufficient as imported to create a final finished product with independent utility and functionality, as further confirmed in the Department’s second draft remand determination.<sup>22</sup> Petitioner also cites to Kitchen Appliance Door Handles<sup>23</sup> as a case where the Department found the product at issue to be an in-scope subassembly because it had no stand-alone utility or functionality.<sup>24</sup>

Petitioner also cites to the Court of International Trade’s (“CIT”) ruling on curtain wall units in *Yuanda*,<sup>25</sup> in which the CIT found that “what is significant is whether the product itself . . . is a stand-alone completed and finished product.”<sup>26</sup> According to Petitioner, the CIT held that an excepted final finished good must have practical or consumptive use on its own.<sup>27</sup>

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<sup>15</sup> See Scope Ruling Request at 2-3.

<sup>16</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on EZ Fabric Wall Systems,” dated November 9, 2011 (“EZ Fabric Wall Systems”).

<sup>17</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on Banner Stands and Back Wall Kits,” dated October 19, 2011 (“Banner Stands Scope Ruling”).

<sup>18</sup> See Scope Ruling Request at 2-3.

<sup>19</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on Traffic Brick Network, LLC’s Event Décor Parts and Kits,” dated December 2, 2013 (“Event Décor”).

<sup>20</sup> See Petitioner’s Comments at 6-8 and 14-15 (citing Event Décor at 6, 9-10).

<sup>21</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on Refrigerator/Freezer Trim Kits,” dated December 18, 2012 (“Refrigerator/Freezer Trim Kits”), currently on appeal before the Court of International Trade as *Meridian Products LLC v. United States*, CIT Case No. 13-00018.

<sup>22</sup> See Petitioner’s Comments at 6 and 14-17 (citing Refrigerator/Freezer Trim Kits at 2, 9-11 and Draft Results of Redetermination Pursuant to Court Remand, *Meridian Products, LLC v. United States*, Court No. 13-00018, Slip Op. 14-32 (May 14, 2014) at 17, 18).

<sup>23</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on Meridian Kitchen Appliance Door Handles,” dated June 21, 2013 (“Kitchen Appliance Door Handles”), currently on appeal before the Court of International Trade as *Meridian Products LLC v. United States*, CIT Case No. 13-00246.

<sup>24</sup> See Petitioner’s Comments at 7 (citing Kitchen Appliance Door Handles at 2, 12-15).

<sup>25</sup> *Shenyang Yuanda Aluminum Industry Engineering Co. v. United States*, 961 F. Supp. 2d 1291 (CIT 2014) (“*Yuanda*”).

<sup>26</sup> See Petitioner’s Comments at 8 (citing *Yuanda*, 961 F. Supp. 2d at 1298).

<sup>27</sup> *Id.* (citing *Yuanda*, 961 F. Supp. 2d at 1298-99).

Petitioner asserts that subassemblies, on their own, were never meant to stand as final finished goods; but rather are merely “partially assembled merchandise.”<sup>28</sup> Petitioner further avers that the CIT recognized this interpretation as proper when it found that curtain wall units were not final finished goods but merely parts or subassemblies of curtain walls.<sup>29</sup> Therefore, according to Petitioner, for the Department to equate subassemblies with multiple non-extruded parts to a final finished good by applying its “subassemblies test” that does not consider the functionality of the product is incongruous with the scope language, which requires the parts to include all those to assemble a final finished good, and the CIT’s decision interpreting the final finished goods language.<sup>30</sup>

Petitioner further argues that Rheetech’s screen printing frames are nothing more than fabricated aluminum extrusions which do not meet the finished goods exception.<sup>31</sup> Additionally, Petitioner argues that simply pairing the polyester mesh with the extruded aluminum frame does not qualify Rheetech’s products for exclusion from the *Orders*, since the mere existence of non-extruded aluminum parts does not satisfy the final finished product exception from scope coverage.<sup>32</sup>

Petitioner submitted excerpts from multiple screen printing websites showing that the aluminum frames are frequently sold without a screen attached (*i.e.*, as only a frame).<sup>33</sup> Additionally, Petitioner argues that the durable nature of the frame, as opposed to the mesh—which is only attached with glue and which gets consumed during usage—means the mesh is insignificant and the real product that Rheetech is selling is the frame.<sup>34</sup> Petitioner reiterates its arguments that the Department’s previous scope rulings and the CIT’s holding in *Yuanda* require that the screen printing frames be included within the *Orders*.<sup>35</sup> Lastly, Petitioner urges the Department to adopt its decision matrix which has been developed for purposes of the aluminum extrusions scope proceeding.<sup>36</sup>

## **PRIOR SCOPE RULINGS RELEVANT TO THIS PROCEEDING**<sup>37</sup>

### **A. Side Mount Valve Controls**<sup>38</sup>

At issue in the ruling were certain side-mount valve controls (“SMVCs”) that are used in pumping apparatuses that attached to fire engines. The requestor argued that an SMVC, as

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<sup>28</sup> *Id.* at 9.

<sup>29</sup> *Id.* at 9-10 (citing *Yuanda*, 961 F. Supp. 2d at 1297-98).

<sup>30</sup> *Id.* at 10.

<sup>31</sup> *Id.* at 11.

<sup>32</sup> *Id.* at 12.

<sup>33</sup> *Id.* at 13 and Exhibit 1.

<sup>34</sup> *Id.* at 13-14.

<sup>35</sup> *Id.* at 14-18.

<sup>36</sup> *Id.* at 19-21 and Exhibit 2.

<sup>37</sup> See the Department’s memorandum titled “AD/CVD Orders on Aluminum Extrusions from the PRC: Transmittal of Scope Determinations to the File,” dated concurrently with this memorandum.

<sup>38</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Initiation and Preliminary Scope Ruling on Side Mount Valve Controls,” dated September 24, 2012 (“Preliminary SMVCs Ruling”), unchanged in Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on Side Mount Valve Controls,” dated October 26, 2012 (“Final SMVCs Ruling”) (collectively, “Side Mount Valve Controls”).

imported, contains all the components necessary to complete the product and that all SMVC components and hardware are fully fabricated and require no further finishing or fabrication prior to being assembled. On this basis, the requestor argued that the product in question met the exclusion criteria for “finished goods.”<sup>39</sup>

In the ruling, the Department explained that, upon further reflection of the language in the scope of the *Orders*, it was revising the manner in which it determines whether a given product is a “finished good” or “finished goods kit.” The Department explained that it had identified a concern with its prior analysis, namely that it may lead to unreasonable results. The Department explained that an interpretation of “finished goods kit” which requires all parts to assemble the ultimate downstream product may lead to absurd results, particularly where the ultimate downstream product is, for example, a fire truck. The Department explained that such an interpretation may expand the scope of the *Orders*, which are intended to cover aluminum extrusions.<sup>40</sup>

The Department determined that the scope, taken as a whole, indicates that “subassemblies” (*i.e.*, “partially assembled merchandise”) may be excluded from the scope provided that they enter the United States as “finished goods” or “finished goods kits” and that the “subassemblies” require no further “finishing” or “fabrication.” Therefore, the Department analyzed whether the SMVC at issue constituted a subassembly that enters the United States as a “finished goods kit.” In order for such a kit to be excluded from the scope of the *Orders*, the Department found that the SMVC had to be ready for installation and require no further finishing or fabrication.<sup>41</sup>

The Department concluded that the product at issue contained all of the parts necessary to assemble a complete SMVC and that all the components and hardware of the SMVC were fully fabricated, required no further finishing or fabrication prior to being assembled, and was ready for use upon installation. Based on this information, the Department found that the SMVCs at issue met the exclusion criteria for subassemblies that enter the United States as “finished goods kits.”<sup>42</sup>

#### B. Components for Auto Cooling and Heating Systems<sup>43</sup> and Valeo Remand Redetermination<sup>44</sup>

In the Valeo Scope Ruling, the Department determined that Valeo’s T-Series and M-Series parts for heating/cooling systems were covered by the scope of the *Orders* because the products were aluminum extrusions that had undergone further fabrication and such products are specifically

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<sup>39</sup> *Id.* at 2.

<sup>40</sup> *Id.* at 7.

<sup>41</sup> *Id.* at 7.

<sup>42</sup> *Id.* at 7-8.

<sup>43</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on Valeo’s Automotive Heating and Cooling Systems,” dated October 31, 2012 (“Valeo Scope Ruling”).

<sup>44</sup> See *Valeo, Inc. v. United States*, Court No. 12-381, dated February 13, 2013 (“*Valeo*”) and the Final Results of Redetermination Pursuant to Court Remand, Aluminum Extrusions from the People’s Republic of China, *Valeo, Inc., Valeo Engine Cooling Inc., and Valeo Climate Control Corp. v. United States*, Court No. 12-00381, dated May 13, 2013 (“*Valeo Remand Redetermination*”). The *Valeo Remand Redetermination* was affirmed by the CIT. See *Valeo, Inc. et al v. United States*, Court No. 12-00381.



covered by the *Orders*. Subsequently, Valeo, Inc. filed a complaint with the CIT alleging that the Department did not address or apply the “subassemblies test” that was established in Side Mount Valve Controls to the merchandise at issue in Valeo’s initial scope request.<sup>45</sup> In response, the Department requested and was granted a voluntary remand to consider whether components for cooling and heating systems are covered by the *Orders* based upon the Department’s new subassembly test.<sup>46</sup> In the *Valeo Remand Redetermination*, the Department revised its earlier decision and found the parts outside the scope of the *Orders*. In reaching its decision, the Department noted that the subassemblies test is consistent with the scope of the *Orders* because subassemblies that enter the United States as “finished goods” or “finished goods kits” and are later integrated into a larger structure or system are analogous to products that are explicitly excluded from the scope, such as “windows with glass, or doors with glass or vinyl,” each of which includes all of the parts necessary to assemble a complete window or door, but is necessarily integrated into a larger structure.<sup>47</sup>

### C. Assembled Motor Case Housing Stators<sup>48</sup>

At issue in the ruling were certain assembled motor cases and certain assembled motor cases in stators. The assembled motor cases consisted of two extruded aluminum cylinders in which an inner motor case is inserted into an outer motor case. The stator, one of two major components of an electric motor (the other being the rotor), consisted of an extruded aluminum frame around which copper wire is wound using an automatic winding machine. The stator was then pressed into the inner motor case, which was in turn surrounded by the outer motor case.<sup>49</sup> The Department found that the assembled motor cases consisted entirely of extruded aluminum materials, and thus, per the Department’s findings in the Geodesic Domes Scope Ruling, found the motor cases to be inside the scope of the *Orders*.<sup>50</sup> Regarding the assembled motor cases in stators, the Department found that “due to the inclusion of the stator (which contains insulated copper wire) the assembled motor cases housing stators do not consist entirely of extruded aluminum.”<sup>51</sup> As a result, the Department found the assembled motor cases housing stators constituted subassembly finished goods and thus, as in the Side Mount Valve Controls scope ruling, were outside the scope of the *Orders*.<sup>52</sup>

### D. Dock Ladders and Mounting Brackets<sup>53</sup>

At issue in the scope ruling were a finished boat ladder, a strip mounting bracket, and certain boat and dock ladder kits. The Department found that the finished boat ladder which was

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<sup>45</sup> See *Valeo Remand Redetermination* at 1-2.

<sup>46</sup> *Id.* at 2.

<sup>47</sup> *Id.* at 8-9.

<sup>48</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on Motor Cases, Assembled and Housing Stators,” dated November 19, 2012 (“Housing Stators”).

<sup>49</sup> *Id.* at 3.

<sup>50</sup> *Id.* at 12.

<sup>51</sup> *Id.* at 13-14.

<sup>52</sup> *Id.* at 14.

<sup>53</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on Asia Sourcing Corporation’s Boat and Dock Ladders and Strip Door Mounting Brackets,” dated March 20, 2013 (“Boat Ladders and Brackets”).

permanently and fully assembled and included a non-aluminum extrusion component (plastic step) was excluded from the scope of the *Orders* as a finished good, but the strip mounting bracket did not satisfy the finished goods exclusion because, although permanently and fully assembled, “the Department will not find a simple aluminum extrusion, without non-extruded aluminum parts, to be an excluded finished product regardless of whether it is ready for use upon importation.”<sup>54</sup> In addition, the Department found that a boat ladder kit was excluded from the scope as a finished goods kit because it contained all parts to fully assemble a final finished good and consisted of non-extruded aluminum parts other than fasteners. In contrast, the Department found that certain dock ladder kits did not meet the finished goods kit exclusion because, although containing all parts to fully assemble a final finished good, they consisted solely of aluminum extrusions and did not include any non-extruded aluminum parts other than fasteners.<sup>55</sup>

#### E. Geodesic Domes Scope Ruling<sup>56</sup>

At issue in the ruling were certain geodesic dome frame kits consisting solely of extruded aluminum parts along with nuts, bolts, and washers. The requestor argued that the products at issue constituted finished goods kits because the kits contained all the components necessary to assemble a final finished geodesic dome playground set. It further argued that the products at issue required no further fabrication and are assembled “as is” from the components provided in the kits.

In the Ruling, the Department explained that the product at issue met the “initial requirements for inclusion into the finished goods kit exclusion.”<sup>57</sup> However, the Department noted that the scope of the *Orders* states that an “imported product will not be considered a ‘finished goods kit’ . . . merely by including fasteners such as screws, bolts, *etc.* in the packaging with an aluminum extrusion product.”<sup>58</sup> The Department found that since the products at issue consisted solely of extruded aluminum and fasteners, the exception to the exclusion provision applied. Accordingly, the Department found that the products at issue did not meet the exclusion criteria for a finished goods kit.<sup>59</sup>

### DEPARTMENT’S POSITION

We examined the description of the product in the Scope Ruling Request, the scope language of the *Orders*, and the Department’s prior relevant scope rulings summarized above. Pursuant to 19 CFR 351.225(k)(1), we find that the scope and the Department’s prior rulings are dispositive as to whether aluminum screen printing frames with the mesh screen attached are outside of the scope of the *Orders*. Accordingly, for this determination, the Department finds it unnecessary to consider the additional factors specified in 19 CFR 351.225(k)(2). For the reasons set forth

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<sup>54</sup> *Id.* at 8.

<sup>55</sup> *Id.*

<sup>56</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Final Scope Ruling on J.A. Hancock, Inc.’s Geodesic Structures,” (July 17, 2012) (“Geodesic Domes Scope Ruling”).

<sup>57</sup> *Id.* at 7.

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

below, we find that Rheetech's Screen Printing Frames at issue meet the exclusion criteria for finished goods.

The scope of the *Orders* describes aluminum extrusions as “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).”<sup>60</sup> Taken by itself, the aluminum frame of the screen printing frames would fall within this description. However, the scope of the *Orders* excludes “finished merchandise containing aluminum extrusions as parts that are fully and permanently assembled and completed at the time of entry.” The information provided by Rheetech (*e.g.*, narrative statements, photographs, and product invoices) indicates that the screen printing frames at issue include a mesh screen, and thus, the screen printing frames do not consist entirely of extruded aluminum.<sup>61</sup> Because the screen printing frames contain non-extruded aluminum material parts other than fasteners, we find the screen printing frames with mesh screen attached meet the Department's first test for determining whether a good constitutes an excluded finished good, as established in the Geodesic Domes Scope Ruling.<sup>62</sup>

Based on our findings in the Side Mount Valve Controls scope ruling, we disagree with Petitioner's arguments that the screen printing frames constitute parts for final finished merchandise, which are expressly covered by the scope, as opposed to final finished goods. For the same reasons, we also disagree with Petitioner that the scope language clearly recognizes that extrusions that are subassemblies are not finished goods and remain subject to the *Orders*.

In Side Mount Valve Controls, the Department explained that “the scope includes the aluminum extrusions 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.*”<sup>63</sup> We further examined the enumerated exclusions for finished goods and finished goods kits. Taken together, the Department found that these passages from the scope indicate that “subassemblies” (*i.e.*, “partially assembled merchandise” which were inherently part of a larger whole) may be excluded from the scope provided that they enter the United States as “finished goods” or “finished goods kits” and that they require no further “finishing” or “fabrication” prior to being assembled.<sup>64</sup>

The Side Mount Valve Controls ruling also concluded that the “subassemblies test” is consistent with the scope of the *Orders* because subassemblies that enter the United States as “finished goods” and are later integrated into a larger structure or system, are analogous to products that are explicitly excluded from the scope, such as “windows with glass” or “doors with glass or vinyl,” which are necessarily integrated into a larger structure.<sup>65</sup>

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<sup>60</sup> See, *e.g.*, CVD Order, 76 FR at 30653.

<sup>61</sup> See Rheetech Supplemental Information at 2-4 and Exhibits A and C.

<sup>62</sup> See Geodesic Domes Scope Ruling at 7, where the Department found that since the products at issue consisted solely of extruded aluminum and fasteners, the exception to the exclusion provision applied. Accordingly, the Department found that the products at issue did not meet the exclusion criteria for a finished goods kit.

<sup>63</sup> See, Preliminary SMVCs Ruling at 7, unchanged in the Final SMVCs Ruling (emphasis in original).

<sup>64</sup> *Id.*

<sup>65</sup> *Id.*

As described by Rheetech, the screen printing frames are placed in screen printing machines and are inherently part of a larger whole.<sup>66</sup> The screen printing frames are fully and permanently assembled and completed, and are ready for installation into the screen printing machines, at the time of entry.<sup>67</sup> As such, these products are fully assembled subassemblies ready for immediate installation and use in a larger system, thus analogous to the merchandise considered in the prior Side Mount Valve Controls, *Valeo Remand Redetermination*, and Housing Stators rulings, and are eligible for the finished goods exclusion based on the same principles enumerated in these prior rulings.

Additionally, the description of the screen printing frames in question indicates that they are comprised of aluminum extrusions and non-aluminum components. Thus, we find the mesh affixed by adhesive to be a non-extruded aluminum component (beyond fasteners). As such, the exclusion of this product from the scope is consistent with our determination in, *e.g.*, Boat Ladders and Brackets, where the inclusion of non-extruded components (beyond fasteners) in a finished product was sufficient to exclude the product from the scope of the *Orders* where the other criteria for exclusion were met.

Rheetech's citations to EZ Fabric Wall Systems and Banner Stands rulings are inapposite because those rulings examined whether the products at issue met the criteria for exclusion as finished goods kits; in this scope proceeding, we are examining whether the screen printing frames satisfy the criteria for the finished goods exclusion.

Petitioner's citation to our determination concerning Gorilla Pipes in Event Décor does not support its position because that ruling was for certain products (*i.e.*, Gorilla Pipes) that, at the time of importation, did not contain all the components necessary to assemble a complete and final finished trade booth, and thus did not meet the exclusion for finished goods kits.<sup>68</sup> Rheetech's screen printing frames, however, come fully assembled and complete at the time of entry, thus are distinguishable from the Gorilla Pipes.

Moreover, our ruling on Refrigerator/Freezer Trim Kits does not support Petitioner's position. In that ruling, we found that a product that consists entirely of extruded aluminum, aside from fasteners, assembly tool, and an instruction booklet, does not meet the exclusions for finished goods or finished goods kits merely by including fasteners or other extraneous materials.<sup>69</sup> We continued to reach this conclusion in our Second Remand, which is pending before the court.<sup>70</sup> Here, the screen printing frames do not consist entirely of extruded aluminum because they contain a mesh screen. The mesh screen is not akin to a fastener or other extraneous material, but is similar to the glass in a window or glass in a door. Doors with glass and windows with glass are expressly excluded from the scope.

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<sup>66</sup> See Rheetech Supplemental Information at 2.

<sup>67</sup> *Id.* at 3.

<sup>68</sup> See Event Décor at 10.

<sup>69</sup> See Refrigerator/Freezer Trim Kits at 11.

<sup>70</sup> See Second Remand Redetermination from Lynn Fischer Fox, Deputy Assistant Secretary for Policy and Negotiations, "Final Results of Redetermination Pursuant to Court Remand, Meridian Products, LLC v. United States, Court No. 13-0018, Slip Op. 14-32," dated June 13, 2014, at 14.

Contrary to Petitioner’s arguments,<sup>71</sup> our ruling on Kitchen Appliance Door Handles did not rely on the Petitioner’s proposed “essential function” test (*i.e.*, that the handles had no stand-alone utility or functionality) and ruled instead that the handles in question were in-scope kits consisting entirely of aluminum extrusions and fasteners.<sup>72</sup>

In any event, we disagree with Petitioner’s argument that screen printing frames are not “final finished goods” because they have no stand-alone functionality. As explained above, based on our examination of the language of the scope and our determination in the Side Mount Valve Controls, we find that the product in question is a “subassembly” that meets the criteria for a finished good and is therefore excluded from the scope of the *Orders*. In addition, the Department has not required that the non-extruded aluminum parts of a good define the functionality of the product at issue in order for the product to qualify as an excluded finished good. We also find that Petitioner’s citation to the CIT’s ruling on curtain wall units in *Yuanda* is inapposite. Unlike screen printing frames, the curtain wall units at issue in that case were expressly included within the scope of the *Orders*. In addition, we disagree with Petitioner’s reading of *Yuanda* as effectively precluding the Department’s subassemblies test. That issue was not before the court. Therefore, we disagree that a finished good must have a consumptive use on its own in order to be excluded from the scope of the *Orders*.

Petitioners argue that the scope contemplates that products containing extruded and non-extruded aluminum are covered within the scope, and therefore, the mere existence of non-extruded aluminum parts does not satisfy the exclusions for final finished goods or finished goods kits. We agree that the mere existence of non-extruded parts along with extruded aluminum parts does not necessarily render merchandise outside of the scope; the scope includes additional criteria in the finished good exclusion that must be satisfied for merchandise to fall outside the scope. Thus, we believe that our above analysis of the scope and our prior scope rulings supports our determination that a finished good subassembly which contains non-aluminum extrusion parts beyond fasteners is excluded from the scope. In other words, we find there to be a distinction between the inclusion of a non-aluminum extruded component of a finished good, like a mesh screen, and mere fasteners.

Lastly, contrary to Petitioner’s argument that screen printing frames are frequently imported without the mesh screen and must be included in the scope, we note that our ruling only applies to screen printing frames matching the description of this scope request, *i.e.*, Rheetech’s screen printing frames with the affixed mesh screen. Screen printing frames without the mesh screen are not considered in this scope ruling.

## **RECOMMENDATION**

For the reasons discussed above, and in accordance with 19 CFR 351.225(d), and 351.225(k)(1), we recommend finding that Rheetech’s screen printing frames with mesh screen attached, as described in its request, are not subject to the scope of the *Orders*.

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<sup>71</sup> See Petitioner’s Comments at 7 and Kitchen Appliance Door Handles at 8 and 10.

<sup>72</sup> See Kitchen Appliance Door Handles at 14-15.

If the recommendation in this memorandum is accepted, we will serve a copy of this determination to all interested parties on the scope service list via first-class mail, as directed by 19 CFR 351.225(d).

Agree  Disagree

  
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Christian Marsh  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

8/7/14  
\_\_\_\_\_

Date