

UNITED STATES DEPARTMENT OF COMMERCE International Trade Administration Washington, D.C. 20230

> A-570-967 / C-570-968 Scope Proceeding: Cam-Lock Support Poles **PUBLIC Document** E&C AD/CVD OIII: JRT

September 12, 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;	James Terpstra Sr. International Trade Compliance Analyst, Office III Antidumping and Countervailing Duty Operations
RE:	Antidumping and Countervailing Duty Orders on Aluminum Extrusions from the People's Republic of China
SUBJECT:	Final Scope Ruling on Vico Plastic Inc.'s Cam-Lock Support Poles

SUMMARY

On October 20, 2013, the Department of Commerce ("Department") received a scope ruling request from Vico Plastics Inc. ("Vico") to determine whether its Cam-lock Support Poles are finished merchandise and thus outside the scope of the antidumping ("AD") and ("CVD") *Orders* on aluminum extrusions from the People's Republic of China ("PRC").¹ For the reasons described below, we determine that Vico's Cam-lock Support Poles are not covered by the scope of the AD and CVD *Orders* on aluminum extrusions from the PRC.

¹ See 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

Vico filed its Scope Ruling Request on October 20, 2013.² On February 28, 2014, we issued a deficiency letter to Vico, to which it responded on March 7, 2014.³ Vico provided additional information on August 6, 2014.⁴ The Department extended the deadline for ruling on Vico's Cam-lock Support Poles various times, most recently on July 23, 2014, until October 3, 2014.⁵ No interested party submitted comments in response to the Scope Ruling Request.

SCOPE OF THE ORDERS

The merchandise covered by the 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-

² See Letter from Vico "Scope Ruling Request, Aluminum Extrusion from the People's Republic of China (A-570-967, C-570-968), Cam-Lock Support Poles" (October 20, 2013) ("Scope Ruling Request"). The Scope Ruling Request was dated September 27, 2013, but was not formally filed until October 20, 2013.

³ See Letter from Vico "Aluminum Extrusions from the People's Republic of China - Scope Ruling Request Supplemental Questionnaire" (March 7, 2014) ("Supplemental Questionnaire Response"). ⁴ See Letter from Vico "Aluminum Extrusions from the People's Republic of China - Scope Ruling Request

Additional Comments" (August 6, 2014) ("Additional Comments").

⁵ See Letter from James Terpstra, Senior Analyst, Office III, to Vico Regarding Extending the Scope Deadline (July 23, 2014).

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 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 millimeters ("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"): 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, 8708.80.65.90, 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, 9506.51.40.00, 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 is dispositive.⁶

⁶ 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.⁷ 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.⁸ 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 analyze the 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 REQUEST

The Cam-lock Support Poles are composed of three aluminum extrusion poles, along with a variety of fasteners (such as screws and locknuts) and non-extruded parts (such as stainless steel springs, a nylon cam lever, rubber crutch tips, and die-cast aluminum collars, and some models come with a plastic swivel base and ball).⁹ The Cam-lock Support Poles are used to support canvas covers on boats and function by keeping the canvas cover tight and raised to prevent snow and water from building up on the cover. In its initial scope ruling request, Vico stated that its Cam-lock Support Poles can also be used as extension handles for other items, such as paint rollers, brooms, brushes and mops.¹⁰ However, in its August 6, 2014, submission, Vico indicated that it has no plans to sell, produce, or import poles for these uses.¹¹

At the time of importation, the Cam-lock Support Poles are completely assembled and ready to use.¹² No additional parts are needed, nor is any fabrication required.¹³

⁷ See Walgreen Co. v. United States, 620 F.3d 1350, 1357 (Fed. Cir. 2010).

⁸ 19 CFR 351.225(k)(1).

⁹ See Scope Ruling Request at 2.

¹⁰ See Supplemental Questionnaire at 2.

¹¹ See Additional Comments at 1.

¹² See Scope Ruling Request at 2.
¹³ Id.

RELEVANT SCOPE DETERMINATIONS¹⁴

Geodesic Domes Scope Ruling¹⁵ Α.

J.A. Hancock Co., Inc. ("J.A. Hancock"), an importer of geodesic structure kits (a set of aluminum poles and assembly hardware that can be assembled into landscaping structures or climbing structures for children), argued that its kits contained all parts necessary to fully assemble a final geodesic structure. J.A. Hancock further noted that the components in its kits required no further fabrication or additional parts. The Department found that the geodesic structure kits met the initial requirements for exclusion as a "finished goods kit," as they are a packaged combination of parts containing all necessary components to fully assemble a final finished good.¹⁶ 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 extrusions product."¹⁷ However, the Department noted an exception to the "finished goods kits" exclusion, which states that a product will not be considered a "finished goods kit" simply by including fasteners in the packaging. As J.A. Hancock's kits only consist of extruded aluminum poles and fasteners, the Department found that the exception to the "finished goods kit" exclusion applies. Therefore, the Department found J.A. Hancock's kits to not be excluded finished goods kits, and hence covered by the scope of the Orders.

Cutting and Marking Edges¹⁸ B.

Plasticoid Manufacturing Inc. ("Plasticoid") argued that its cutting and marking straight edges were covered by the "finished merchandise" exclusion described in the scope of the Orders because they were imported ready for use, as evidenced by the fact that their end-use application required only the cutting and marking edge itself.¹⁹ The Department found that the physical characteristics of the products at issue (aluminum extrusion of a rectangular shape) match the physical description of subject merchandise, which includes aluminum extrusions in a wide variety of shapes and forms, including, but not limited to, hollow profiles, other solid profiles, pipes, tubes, bars, and rods.²⁰ The Department also disagreed that the product at issue constituted a "finished good." The Department explained that like the door thresholds or carpet trim, both of which are provided as examples of subject extrusions, Plasticoid's products are merely aluminum extrusions that meet the physical description of subject merchandise, referred to by their end use: as cutting and marking edges.²¹

¹⁴ See the Department's memorandum entitled, "Transmittal of Past Scope Determinations to the File," dated concurrently with the memorandum ("Past Scopes Memo").

¹⁵ 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"); see also Past Scopes Memo, at Attachment 1.

¹⁶ See Geodesic Domes Scope Ruling at 7.

 $^{^{17}}$ Id.

¹⁸ See the Department's memorandum entitled, "Aluminum Extrusions from the People's Republic of China: Final Scope Ruling on Cutting and Marking Edges," dated November 13, 2012 ("Cutting and Marking Edges"); see also Past Scopes Memo, at Attachment 2.

¹⁹ *Id.* at 8-10. ²⁰ *Id.* at 10.

 $^{^{21}}$ Id. at 10-11

The Department also found Plasticoid's cutting and marking straight edges to be analogous to Geodesic Domes.²² In particular, the Department found that Plasticoid's products, like geodesic domes, consisted solely of aluminum extrusions.

TACO Boat Cover Poles, Fishing Rod Holders, and Fishing Rod Racks²³ C.

At issue in the ruling were poles designed to support a boat cover and prevent it from collecting water: accessory-ready rod holders and weld-on rod holders (imported as a kit), both designed to store or hold a fishing rod and reel; and fishing rod racks.²⁴ The Department found that all products at issue contained non-extruded aluminum materials beyond mere fasteners.²⁵ With respect to the boat cover poles, the Department found that the poles enter the United States ready to use on the boat with no further assembly or completion, and thus satisfied the definition of finished goods, which are excluded from the Orders.²⁶ With respect to the accessory-ready rod holders and rod racks, the Department applied its analysis from Side Mount Valve Controls²⁷ to find that these products were "subassemblies" that were fully and permanently assembled and completed products at the time of entry, and were ready for installation with no further finishing or fabrication, and thus satisfied the definition of finished goods, which are excluded from the Orders.²⁸ Similarly, the Department found that the weld-on rod holders kits were subassemblies that contain, at the time of importation, all of the necessary parts to fully assemble a final finished good and require no further finishing or fabrication, such as cutting or punching, and are assembled "as is" into a finished product and, therefore, meet the exclusion criteria for finished goods kits.²⁹

ARGUMENTS FROM INTERESTED PARTIES

Vico's Arguments

Vico argues that its Cam-lock Support Poles are in final finished form, ready to be used by the customer, and as such they are excluded from the orders because they satisfy the finished goods exclusion. The Cam-lock Support Pole products are advertised and shown as complete products, and they are used for supporting a boat cover to keep the interior of a boat dry during storage. These Cam-lock Support Pole products are sold directly to end users, can be purchased by individual boat owners directly from Vico, and do not need to be installed by the boat manufacturer. Though Vico originally stated that its Cam-lock support poles can be used as

²² Id.

²³ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, "Final Scope Ruling on Telescoping Boat Cover Poles, Fishing Rod Holders, and Fishing Rod Racks" dated August 19, 2014 ("TACO Boat Poles Scope Ruling"); see also Past Scopes Memo, at Attachment 3.

²⁴ See TACO Boat Poles Scope Ruling at 5-6.

²⁵ Id. at 12.

²⁶ Id.

²⁷ See Memorandum to Christian Marsh entitled "Initiation and Preliminary Scope Ruling on Side Mount Valve Controls," dated September 24, 2012 ("Side Mount Valve Controls"), unchanged in Memorandum to Christian Marsh entitled "Final Scope Ruling on Side Mount Valves Controls," dated October 26, 2012.

²⁸ See TACO Boat Poles Scope Ruling at 13-14.
²⁹ Id.

extension handles for items such as paint rollers, brooms, brushes and mops, in its August 6, 2014, submission, Vico stated that it has no plans to sell, produce, or import poles for these uses.

Petitioner did not comment.

DEPARTMENT'S POSITION

Pursuant to 19 CFR 351.225(k)(1), the Department examined the language of the *Orders* and the description of the products contained in this scope request, as well as previous rulings made by the Department. We find that the scope and the Department's prior rulings are dispositive as to whether the products at issue are subject merchandise. Accordingly, for this determination, the Department finds it unnecessary to consider additional factors specified in 19 CFR 351.225(k)(2). For the reasons set forth below, we find that Vico's Cam-Lock Support Poles meet the exclusion criteria for "finished goods" and are not covered by the scope of the *Orders*.

As noted above, 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."³⁰ Information in Vico's scope request (*e.g.*, narrative statements, photographs, and schematics), indicates that the Cam-Lock Support Poles include non-extruded aluminum materials such as springs, nylon cam levers, rubber crutch tips, die-cast aluminum collars, and some models include a plastic swivel base and ball, which go beyond mere fasteners. Therefore, we find that the poles meet our first test for determining whether a good constitutes a finished good or finished goods kit within the context of the *Orders*, as established in the Geodesic Domes Scope Ruling.³¹ Similarly, because the Cam-Lock Support Poles include the aforementioned non-extruded materials, we find that the poles are not akin to finished goods which consist solely of extruded aluminum, which were found in-scope in the Cutting and Marking Edges Scope Ruling.³²

In addition, we find that the Cam-lock Support Poles at issue enter the United States as poles that are immediately ready, with no further assembly or completion, to stand alone and be used to prop up a tarp that covers the deck of a boat.³³ Thus, we find that the Cam-lock Support Poles constitute finished merchandise containing aluminum extrusions as parts that are fully and permanently assembled and completed at the time of entry, and are excluded from the *Orders*.

Furthermore, we find Vico's Cam-lock Support Poles are similar to the boat cover poles that the Department examined in the TACO Boat Poles Ruling in that they contain telescoping tubes made of extruded aluminum and a variety of non-extruded aluminum materials beyond mere fasteners.³⁴ Like TACO's boat cover poles, the poles at issue enter the United States ready to be used by the customer, with no further assembly or completion required, to stand alone and be

³⁰ See Orders.

³¹ 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.

³² See Cutting and Marking Edges at 10-11.

³³ See Scope Ruling Request at 2; Supplemental Questionnaire at 1-2.

³⁴ See TACO Boat Poles Ruling at 12.

used to prop up a boat cover that covers the deck of a boat. Thus, we find that the poles are "finished goods" which are excluded from the scope of the *Orders*.

RECOMMENDATION

For the reasons discussed above, and in accordance with 19 CFR 351.225(d) and 351.225(k)(1), we recommend finding that the Cam-lock Support Poles addressed by the instant request are not subject to the scope of the *Orders*. 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

and

Christian Marsh Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations

9/12/14

Date