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Scope Inquiry: Telescoping Poles

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November 3, 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: Paul Stolz

Senior 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 KIK Custom Products' Telescoping Poles

SUMMARY

On May 29, 2013, the Department of Commerce ("Department") received a scope ruling request from KIK Custom Products ("KIK"), to determine whether its telescoping poles are subject to the antidumping ("AD") and countervailing duty ("CVD") orders on aluminum extrusions from the People's Republic of China ("PRC"). On the basis of our analysis of the comments received, we determine that KIK's telescoping poles are not covered by the scope of the *Orders* on aluminum extrusions from the PRC.

¹ See letter from KIK entitled: "Aluminum Extrusions from the People's Republic of China: Scope Ruling Request Regarding Telescoping Poles," dated May 29, 2013 ("Scope Request").

² 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

On May 29, 2013, KIK requested that the Department determine whether its telescoping poles were outside the scope of the *Orders*. On May 31, 2013, the Department issued a supplemental questionnaire to KIK.³ KIK submitted its response to the supplemental questionnaire on June 13, 2013.⁴ We extended the deadline for the scope ruling several times, most recently on September 9, 2014.⁵ No party submitted comments responding to the scope ruling request by KIK.

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-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,

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³ See letter from the Department entitled "Aluminum Extrusions from the People's Republic of China – Scope Ruling Request Supplemental Questionnaire," dated May 31, 2013.

⁴ See the letter from KIK entitled "Supplemental Questionnaire Response, Scope Inquiry: Telescoping Poles — KIK Custom Products, Aluminum Extrusions from China," dated June 13, 2013 ("SQR").

⁵ See letter from the Department entitled: "Aluminum Extrusions from the People's Republic of China: Extension of Time for Scope Ruling," dated September 9, 2014.

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 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 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 ("HTSUS"): 7609.00.0000, 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, 8414.59.6090, 8415.90.8045, 8418.99.80.05, 8418.99.80.50, 8418.99.80.60, 8419.90.10.00, 8422.90.06.40, 8473.30.2000, 8473.30.5100, 8479.90.85.00, 8486.90.00.00, 8487.90.00.80, 8503.00.95.20, 8508.70.0000, 8516.90.50.00, 8516.90.80.50, 8517.70.0000, 8529.90.7300, 8529.90.9760, 8538.10.0000, 8543.90.8880, 8708.29.5060, 8708.80.65.90, 8803.30.0060, 9013.90.5000, 9013.90.9000, 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 HTSUS chapters. In addition, fin evaporator coils may be classifiable under HTSUS numbers: 8418.99.80.50 and 8418.99.80.60. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the *Orders* is dispositive.

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. Pursuant

⁶ See Walgreen Co. v. United States, 620 F.3d 1350, 1357 (Fed. Cir. 2010).

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. 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 REQUEST

KIK states that its telescoping poles consist of an aluminum extrusion poles (Aluminum Association alloy series 6063); a plastic handle, a plastic cap, a plastic connector(s) and a plastic peg(s) to hold the telescoping poles in place when extended. The telescoping poles are imported in two adjustable sizes: 1) 4 feet to 11 feet long and 2) 5.5 feet to 16 feet long. They have an inside diameter of 1-3/16" and an outer diameter of 1-1/4". When imported, each telescoping pole is individually packaged for retail sale. The telescoping pole is then placed in a box containing 4 to 6 telescoping poles depending upon the model. KIK notes that its telescoping poles may be sold individually or as part of a set that may include nets and/or pool skimmers. In addition, the following KIK accessories are compatible with and attach to KIK's telescoping poles: 1) a 5" Algae Brush, 2) an 18" Maintenance Brush, 3) a Large Leaf Rake, 4) a Concrete Pool Vacuum Head, and 5) a Vinyl Pool Vacuum Head. Furthermore, KIK states that "[t]here are hundreds of domestic and foreign brands of accessories that will work with {its} telescoping pole." KIK cites the following brands of accessories as examples that are compatible with KIK's telescoping pole: Swimline, Poolmaster, Pentair, Poolife, JED Pool Tools, Polaris, Clearview, HydroTools, Ocean Blue Water Products, Clear Choice, and Water Tech.

⁷ See 19 CFR 351.225(k)(1).

⁸ See Scope Request, at 2.

⁹ See SOR at 2-3.

¹⁰ Id., at 18. KIK markets its telescoping poles and accessories under the brand name "Kem Tek." See id. at 1.

¹¹ Id., at 18-19.

RELEVANT SCOPE DETERMINATIONS¹²

A. Drapery Rail Kits (Redetermination)¹³

In the original drapery rail kits scope ruling, the Department determined that certain drapery rail kits imported by the Rowley Company ("Rowley") were covered by the scope of the *Orders* because the kits were not imported with drapes. The Department subsequently requested a voluntary remand, and on remand, determined that Rowley's drapery rail kits were excluded from the *Orders* as finished goods kits. In its redetermination, the Department noted that the drapery rail kits were designed to be used with readily interchangeable drapes or curtains that could be changed to fit the end customer's needs. The Department found it unreasonable to require that the drapery rail kits be imported with the customizable drapes or curtains and, in determining that Rowley's drapery rail kits were outside the scope of the *Orders*, determined that they contained all the parts necessary to fully assemble a final, finished product.

B. Geodesic Domes Scope Ruling¹⁴

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." 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." 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. ¹⁷

6

¹² See the Department's Memorandum entitled, "Prior Scope Rulings Relevant to this Proceeding", dated concurrently with this memorandum ("Past Scopes Memo").

¹³ See Final Results of Redetermination Pursuant to Court Remand, Aluminum Extrusions from the People's Republic of China, Rowley Company V. United States, Court No. 12-0005 (February 27, 2013) ("Drapery Rail Kits (Redetermination)"); see also Past Scopes Memo at Attachment 1. See also Rowley Company v. United States, Consol. Ct. No. 12-00055 (CIT May 23, 2013) (Court Order affirming Remand Redetermination).

¹⁴ 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 2.

¹⁵ See Geodesic Domes Scope Ruling at 7.

¹⁶ Id.

¹⁷ Id.

C. Solar Panel Scope Ruling18

At issue in this ruling were solar panel mounting systems comprised of extruded aluminum rails as well as extruded and cast aluminum kedges, galvanized steel posts, and various steel bolts, clamps, and brackets. 19 In the ruling, the Department found that the products at issue contained at the time of importation all of the parts necessary to fully assemble a finished good without further fabrication. The Department further found that, like picture frames, banner stands and backwall kits, the mounting systems were designed to work with removable/replaceable components, and need not include these removable/replaceable components to constitute a finished good. These products could be assembled "as is" into finished products for mounting solar panels. Thus, the Department concluded that the products at issue were analogous to picture frames with glass excluded from the scope and exhibition booths that the Department found were outside the scope of the Orders.20

D. Banner Stands and Back Wall Kits²¹

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." Petitioner 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.

The Department found that the banner stands and back wall kits met the exclusion criteria because they contained all of the parts required to assemble a completed exhibition frame on which printed graphical materials may be hung, thereby meeting the exclusion criteria in the scope of the Orders for "finished goods kits." Furthermore, the Department agreed with Skyline's claim that the products at issue were analogous to completed picture frames, which are explicitly excluded from the scope. Specifically, the Department found that the products at issue were designed to incorporate interchangeable graphical materials that can change with users' needs. Therefore, the Department concluded it would be unreasonable to require that the products at issue be accompanied at the time of importation with affixed graphical material that could not be removed or altered at a later date.

¹⁸ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, "Final Scope Ruling on Clenergy (Xiamen) Technology's Solar Panel Mounting Systems," (October 31, 2012) ("Solar Panels Scope Ruling"); see also Past Scopes Memo at Attachment 3. 19 Id.at 6-7.

²⁰ Id. at 8-9, citing 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 and Back Wall Kits").

21 See Banner Stands and Back Wall Kits; see also Past Scopes Memo at Attachment 4.

ARGUMENTS FROM INTERESTED PARTIES

KIK's Comments

KIK argues that the telescoping poles, as described in its scope ruling request, whether sold individually, or as part of a set with attachments, are not covered by the scope of the *Orders* because the telescoping poles it imports constitute finished merchandise, which is specifically excluded from the scope of the *Orders*. KIK argues that the telescoping poles contain aluminum extrusions as parts and are fully and permanently assembled and completed at the time of entry into the United States. KIK maintains that, when imported, no further processing or manufacturing is needed. Furthermore, KIK argues that telescoping poles are final finished products whether imported on a stand-alone-basis or as part of a set, that telescoping pool poles imported as part of a set also are excluded from the scope of the order as a finished goods kit. In addition, KIK argues that the fact that the telescoping poles may be sold and/or used with accessories in no way diminishes or changes their status as final finished products.

Petitioner's Comments

Petitioner did not comment.

DEPARTMENT'S POSITION

The Department examined the language of the *Orders* and the description of the products contained in KIK's Scope Request, as well as previous rulings made by the Department. We find that the description of the products, the scope language, and prior rulings are, together, dispositive as to whether the products at issue are subject merchandise, in accordance with 19 CFR 351.225(k)(1). 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 below, we find that the telescoping poles imported by KIK meet the exclusion criteria for "finished goods" as provided for in the scope of the *Orders*.

We are not finding that telescoping pool poles imported as part of a set are excluded from the scope of the order as a finished goods kit, as requested by KIK, because information on the record of this segment of the proceeding demonstrates that KIK does not import telescoping poles as part of a kit. Rather, KIK states that "{t}elescoping pool poles are individually packaged for retail sale at the time of import." In addition, KIK states that "{t}he goods are not repackaged after import by KIK or any third party..." and that "{a}t times, KIK's customer may sell the telescoping pool pole as part of a set that includes an accessory..."

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."²⁴

²² See KIK's supplemental questionnaire response entitled "Supplemental Questionnaire Response Scope Inquiry: Telescoping Poles — KIK Custom Products Aluminum Extrusions from China," dated June 13, 2013 at 1.
²³ Id., at 3 - 4.

²⁴ See Orders.

The list of components in KIK's Scope Request demonstrates that in addition to extruded aluminum components, the telescoping poles are comprised of non-aluminum extruded components such as a plastic handle, a plastic cap, plastic connector(s) and plastic peg(s), which go beyond mere as fasteners.²⁵ Therefore we find that KIK's telescoping poles meet our first test for determining whether a good constitutes a finished good or finished goods kit, as established in the Geodesic Domes Scope Ruling.²⁶

Further, information in KIK's Scope Request (e.g., narrative statements and photographs), indicates that KIK's telescoping poles are merchandise containing aluminum extrusions as parts that are fully and permanently assembled and completed at the time of entry.²⁷

In addition, similar to the Drapery Rail Kits (Redetermination), ²⁸ Banner Stands and Back Wall Kits, ²⁹ and Solar Panels, ³⁰ these products are designed to work with removable/interchangeable attachments. ³¹ The various accessories that may be attached to KIK's telescoping pole by end users after importation are interchangeable and are available from KIK and a wide variety of other suppliers. ³² Further, each end user chooses which product to use as an attachment. ³³ Therefore, consistent with Drapery Rail Kits (Redetermination), Banner Stands and Back Wall Kits, and Solar Panels, the Department finds that it would be unreasonable to require KIK's telescoping poles to be imported with interchangeable attachments in order to meet the provisions of the finished goods exclusion stated in the scope of the *Orders*. Consequently, we determine that KIK's telescoping poles are fully and permanently assembled and completed at the time of entry, and therefore we find that KIK's telescoping poles are excluded from the scope of the *Orders* as finished goods.

²⁵ See Scope Request, at Ex. 14 – 18.

²⁶ 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.

²⁷ See Scope Request, at 2 and Exhibit 2.

²⁸ See Drapery Rail Kits (Redetermination).

²⁹ See Banner Stands and Back Wall Kits.

³⁰ See Solar Panels Scope Ruling.

³¹ See Scope Request, at 2 and KIK's SQR, at 3-8.

³² See SQR, at 18-21.

³³ Id., at 2.

RECOMMENDATION

For the reasons discussed above, and in accordance with 19 CFR 351.225(d) and 351.225(k)(1), we recommend finding that KIK's telescoping pole is a finished good and, thus, not subject to the scope of the AD and CVD orders on aluminum extrusions from the PRC. 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

Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

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Date