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**DEPARTMENT OF COMMERCE**
**International Trade Administration**

[C-570-950]

**Wire Decking from the People's Republic of China: Final Affirmative Countervailing Duty Determination**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of wire decking from the People's Republic of China (the PRC). For information on the estimated subsidy rates, see the "Suspension of Liquidation" section of this notice.

**EFFECTIVE DATE:** June 10, 2010.

**FOR FURTHER INFORMATION CONTACT:** Kristen Johnson and John Conniff, AD/CVD Operations, Office 3, Operations, Import Administration, U.S. Department of Commerce, Room 4014, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4793 and (202) 482-1009, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

This investigation covers 32 programs and the following producers/exporters: Dalian Eastfound Metal Products Co., Ltd. (Eastfound Metal) and its affiliate Dalian Eastfound Material Handling Products Co., Ltd. (Eastfound Material) (collectively, the Eastfound Companies) and Dalian Huameilong Metal Products Co., Ltd. (DHMP). The petitioners in this investigation are AWP Industries, Inc., ITC Manufacturing, Inc., J&L Wire Cloth, Inc., Nashville Wire Products Mfg., Co., Inc., and Wireway Husky Corporation (collectively, the petitioners). In addition, the Nucor Corporation is participating as a domestic interested party.

**Period of Investigation**

The period of investigation (the POI) for which we are measuring subsidies is January 1, 2008, through December 31, 2008, which corresponds to the PRC's most recently completed fiscal year at the time we initiated this investigation. See 19 CFR 351.204(b)(2).

**Case History**

The following events have occurred since the Department announced the *Preliminary Determination on November 9, 2009. See Wire Decking From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 74 FR 57629 (November 9, 2009) (*Preliminary Determination*).

From November 17, 2009, through December 23, 2009, we issued supplemental questionnaires to the Government of the PRC (the GOC), the Eastfound Companies, and DHMP. From December 1, 2009, through January 5, 2010, the GOC, the Eastfound Companies, and DHMP submitted supplemental questionnaire responses. On December 4 and 8, 2009, the GOC and the Eastfound Companies submitted requests for a public hearing. From January 8 through January 20, 2010, the Department issued verification outlines to the GOC, the Eastfound Companies, and DHMP. The Department conducted verification of the questionnaire responses submitted by the GOC on January 27 and 29, 2010. The Department conducted verification of the questionnaire responses submitted by the Eastfound Companies from February 1 through February 4, 2010. The Department conducted verification of the questionnaire responses submitted by DHMP from January 25 through 27, 2010. From February 17 through February 24, 2010, the Department released verification reports for the GOC, the Eastfound Companies, and DHMP. Interested parties submitted the case and rebuttal briefs on March 9 and March 19, respectively. On March 19, 2010, and April 6, 2010, the GOC and the Eastfound Companies withdrew their requests for a public hearing, respectively. No other interested party requested a hearing. As such, the Department did not hold a public hearing in this investigation.

As explained in the memorandum from the Deputy Assistant Secretary for Import Administration, the Department has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from February 5, through February 12, 2010. Thus, all deadlines in this segment of the proceeding have been extended by seven days. The revised deadline for this countervailing duty (CVD) investigation is now June 3, 2010. See Memorandum to the Record from Ronald K Lorentzen, Deputy Assistant Secretary for Import Administration,

regarding "Tolling of Administrative Deadlines As a Result of the Government Closure During the Recent Snowstorm," dated February 12, 2010.

**Scope of Investigation**

The scope of the investigation covers welded-wire rack decking, which is also known as, among other things, "pallet rack decking," "wire rack decking," "wire mesh decking," "bulk storage shelving," or "welded-wire decking." Wire decking consists of wire mesh that is reinforced with structural supports and designed to be load bearing. The structural supports include sheet metal support channels, or other structural supports, that reinforce the wire mesh and that are welded or otherwise affixed to the wire mesh, regardless of whether the wire mesh and supports are assembled or unassembled and whether shipped as a kit or packaged separately. Wire decking is produced from carbon or alloy steel wire that has been welded into a mesh pattern. The wire may be galvanized or plated (e.g., chrome, zinc, or nickel coated), coated (e.g., with paint, epoxy, or plastic), or uncoated ("raw"). The wire may be drawn or rolled and may have a round, square or other profile. Wire decking is sold in a variety of wire gauges. The wire diameters used in the decking mesh are 0.105 inches or greater for round wire. For wire other than round wire, the distance between any two points on a cross-section of the wire is 0.105 inches or greater. Wire decking reinforced with structural supports is designed generally for industrial and other commercial storage rack systems.

Wire decking is produced to various profiles, including, but not limited to, a flat ("flush") profile, an upward curved back edge profile ("backstop") or downward curved edge profile ("waterfalls"), depending on the rack storage system. The wire decking may or may not be anchored to the rack storage system. The scope does not cover the metal rack storage system, comprised of metal uprights and cross beams, on which the wire decking is ultimately installed. Also excluded from the scope is wire mesh shelving that is not reinforced with structural supports and is designed for use without structural supports.

Wire decking enters the United States through several basket categories in the Harmonized Tariff Schedule of the United States (HTSUS). U.S. Customs and Border Protection (CBP) has issued a ruling (NY F84777) that wire decking is to be classified under HTSUS 9403.90.8040. Wire decking has also been entered under the following HTSUS subheadings:

7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.4030, 7217.10.4090, 7217.10.5030, 7217.10.5090, 7217.10.6000, 7217.10.7000, 7217.10.8010, 7217.10.8020, 7217.10.8025, 7217.10.8030, 7217.10.8045, 7217.10.8060, 7217.10.8075, 7217.10.8090, 7217.10.9000, 7217.20.1500, 7217.20.3000, 7217.20.4510, 7217.20.4520, 7217.20.4530, 7217.20.4540, 7217.20.4550, 7217.20.4560, 7217.20.4570, 7217.20.4580, 7217.20.6000, 7217.20.7500, 7326.20.0010, 7326.20.0020, 7326.20.0070, 7326.90.1000, 7326.90.2500, 7326.90.3500, 7326.90.4500, 7326.90.6000, 7326.90.8505, 7326.90.8510, 7326.90.8530, 7326.90.8535, 7326.90.8545, 7326.90.8560, 7326.90.8575, 7326.90.8576, 7326.90.8577, 7326.90.8588, 9403.20.0020, and 9403.20.0030.<sup>1</sup>

While HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of the investigation is dispositive.

**Injury Test**

Because the PRC is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Tariff Act of 1930, as amended (the Act), the International Trade Commission (the ITC) is required to determine whether imports of the subject merchandise from the PRC materially injure, or threaten material injury to, a U.S. industry. On July 31, 2009, the ITC published its preliminary determination in which it found that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of wire decking from the PRC. *See Wire Decking From China*, Investigation Nos. 701-TA-466 and 731-TA-1162 (Preliminary), 74 FR 38229 (July 31, 2009).

**Analysis of Comments Received**

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Decision Memorandum. Attached to this notice as an Appendix is a list of the issues that parties raised and to which we have responded in the Decision Memorandum. Parties can find a

<sup>1</sup> In the Preliminary Determination, we presented in the scope, certain HTSUS categories that wire decking is also entered under, as a six-digit category number (i.e., 7217.10, 7217.20, 7326.20, and 7326.90). Since the Preliminary Determination, we found that CBP required a 10-digit format for these HTSUS categories. Thus, for the final determination, we have determined that wire decking's scope HTSUS categories will be presented in their full 10-digit format.

complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum, which is on file in the Department's Central Records Unit. In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at <http://ia.ita.doc.gov/frn/>. The paper copy and electronic version of the Decision Memorandum are identical in content.

**Suspension of Liquidation**

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we have calculated individual rates for the Eastfound Companies and DHMP. For the non-cooperative companies, pursuant to sections 776(a)(2)(A) and (C) of the Act, we have based their CVD rates on facts otherwise available.

Section 705(c)(5)(A)(i) of the Act states that for companies not investigated, we will determine an all-others rate equal to the weighted average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and *de minimis* countervailable subsidy rates, and any rates determined entirely under section 776 of the Act.

Notwithstanding the language of section 705(c)(1)(B)(i)(I) of the Act, we have not calculated the all-others rate by weight averaging the rates of the Eastfound Companies and DHMP, because doing so risks disclosure of proprietary information. Therefore, for the all-others rate, we have calculated a simple average of the two responding firms' rates.

Producer/Exporter	Net Subsidy Ad Valorem Rate
Dalian Eastfound Metal Products Co., Ltd. (Eastfound Metal) and its affiliate Dalian Eastfound Material Handling Products Co., Ltd. (Eastfound Material) (collectively, the Eastfound Companies) .....	3.55%
Dalian Huameilong Metal Products Co., Ltd. (DHMP) .....	1.52%
Aceally (Xiamen) Technology Co., Ltd. ....	437.11%
Alida Wire Mesh & Wire Cloth Mfg. ....	37.11%
Anping Ankai Hardware & Mesh Products Co., Ltd. ....	437.11%
Anping County Jincheng Metal Products Co., Ltd. ....	437.11%
Anping County Yuantong Hardware Net Industry Co., Ltd. ....	437.11%

Producer/Exporter	Net Subsidy Ad Valorem Rate
Anping Ruiqilong Wire Mesh Co., Ltd. ....	437.11%
Anping Web Wire Mesh Co., Ltd. ....	437.11%
Anping Yilian Metal Products Co., Ltd. ....	437.11%
Aplus Industrial (HK) Ltd. ....	437.11%
Beijing Jiuwei Storage Equipment Co., Ltd. ..	437.11%
Dalian Aipute Industry & Trade Co., Ltd. ....	437.11%
Dalian Best Metal Products Co., Ltd. ....	437.11%
Dalian Jianda Metal Products Co., Ltd. ....	437.11%
Dalian Litaier Logistic Equipment Co., Ltd. ..	437.11%
Dalian Litaier Metal Products Co., Ltd. ....	437.11%
Dalian Pro Metal Co., Ltd. ....	437.11%
Dalian Traction Motor Co., Ltd. ....	437.11%
Dalian Yutein Storage Manufacture Co., Ltd. ....	437.11%
Dalian Zengtian Metal-Net Production Co., Ltd. ....	437.11%
Dandong Riqian Equipment Co., Ltd. ....	437.11%
Deyoma Wire Decking Factory .....	437.11%
Global Storage Equipment Manufacturer Ltd. (Huade Industries) .....	437.11%
Hebei Dongshengyuan Trading Co., Ltd. ....	437.11%
Hebei Tengyue Trading Co., Ltd. ....	437.11%
High Hope Int'l Group Jiangsu Native Produce Imp & Exp Corp. Ltd. ....	437.11%
Imex China Ltd. ....	437.11%
Jiangdong Xinguang Metal Product Co. ....	437.11%5
Jiangsu Nova Logistics System Co., Ltd. ....	437.11%
Jiangsu Sainty Shengtong Imp & Exp Co. ....	437.11%
JP Metal Works Processing Factory .....	437.11%
Kule (Dalian) Co., Ltd. ..	437.11%
Kunshan Maxshow Industry Trade Co., Ltd. ....	437.11%
Lanxuan Metal Product Co., Ltd. ....	437.11%
Longkou Forever Developed Metal Product Co., Ltd. ....	437.11%
Nanjing Better Metallic Products Co., Ltd. ....	437.11%
Nanjing Better Storage Equipment Manufacturing Co., Ltd. ....	437.11%
Nanjing Dongtuo Logistics Equipment Co., Ltd. ....	437.11%
Nanjing Ebil Metal Products Co., Ltd. ....	437.11%

Producer/Exporter	Net Subsidy Ad Valorem Rate	Producer/Exporter	Net Subsidy Ad Valorem Rate
Nanjing Huade Storage Equipment Manufacture Co., Ltd. ....	437.11%	Wuyi Tianchi Mechanical & Electrical Manufacture Co., Ltd. ....	437.11%
Nanjing Jiangrui International Logistics Co.	437.11%	Xiamen E-Soon Machinery Co., Ltd. ....	437.11%
Nanjing Jiangrui Metal Products Co., Ltd. ....	437.11%	Xiamen GaoPing Co., Ltd. ....	437.11%
Nanjing Jiangrui Racking Manufacture Co., Ltd. ....	437.11%	Xiamen Luckyroc Industry Co., Ltd. ....	437.11%
Nanjing Youerda Logistic Equipment Engineering Co. Ltd. ....	437.11%	Xiangshan Ningbo General Steel Metal Structure Co., Ltd. ....	437.11%
Nanjing Youerda Metallic Products Co., Ltd.	437.11%	Yuyao Sanlian Goods Shelves Manufacture Co., Ltd. ....	437.11%
National Sourcing Co., Ltd. ....	437.11%	All Others .....	2.54%
Ningbo Beilun Songyi Storage Equipment Manufacturer Co., Ltd. ....	437.11%	<p>As a result of our <i>Preliminary Determination</i> and pursuant to section 703(d) of the Act, we instructed CBP to suspend liquidation of all entries of subject merchandise from the PRC which were entered or withdrawn from warehouse, for consumption on or after November 9, 2009, the date of the publication of the <i>Preliminary Determination</i> in the <b>Federal Register</b>. In accordance with section 703(d) of the Act, we subsequently issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after March 9, 2010, but to continue the suspension of liquidation of all entries from November 9, 2009, through March 8, 2010.</p> <p>We will issue a CVD order and reinstate the suspension of liquidation under section 706(a) of the Act if the ITC issues a final affirmative injury determination, and will require a cash deposit of estimated CVDs for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.</p> <p><b>ITC Notification</b></p> <p>In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of</p>	
Ningbo Huixing Metal Product, Co., Ltd. ....	437.11%		
Ningbo Telingtong Metal Products Co., Ltd. ....	437.11%		
Ningbo United Group Imp & Exp Co. Ltd. ...	437.11%		
Pinghu Dong Zhi Metal Products .....	437.11%		
Schenker International China Ltd. (Dalian Branch) .....	437.11%		
Shanghai Boracs Logistics Equipment Manufacturing Co., Ltd. ....	437.11%		
Shanghai Bright Imp & Exp Co., Ltd. ....	437.11%		
Shanghai Flory Industries Co., Ltd. ....	437.11%		
Shanghai Hesheng Hardware Products Co. ....	437.11%		
Shanghai Jingxing Storage Equipment Engineering Co., Ltd. (formerly Shanghai Jinxing Rack Factory)	437.11%		
Shanghai Yibai Int'l Trading Co. ....	437.11%		
Summit Storage Systems Ltd. ....	437.11%		
Suzhou (China) Sunshine Hardware Equipment Imp & Exp Co., Ltd. ....	437.11%		
Suzhou Jinta Metal Working Co., Ltd. ....	437.11%		
Suzhou Z-TAK Metal and Technology Co., Ltd. ....	437.11%		
Tianjin Dingxing Furniture Company .....	437.11%		
Tianjin Machinery Imp & Exp Corp. ....	437.11%		
Tianjin Mandarin Import & Export Co., Ltd. ....	437.11%		
Tianjin Zhonglian Metals Ware Co., Ltd. ....	437.11%		
TMC Logistic Products	437.11%		
Vida Logistics System Co., Ltd. ....	437.11%		
Wuxi Puhui Metal Products Co., Ltd. ....	437.11%		

the Assistant Secretary for Import Administration.

**Return or Destruction of Proprietary Information**

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/ destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: June 3, 2010.

**Ronald K. Lorentzen,**  
Deputy Assistant Secretary for Import Administration.

**APPENDIX**

**List of Comments and Issues in the Decision Memorandum**

*Comment 1:* Whether the Department May Apply the CVD Law to an NME Country

*Comment 2:* Whether Producer A Constitutes a GOC Authority Capable of Providing a Financial Contribution As Defined by the Act

*Comment 3:* Whether Producer B Constitutes a GOC Authority Capable of Providing a Financial Contribution As Defined by the Act

*Comment 4:* Whether Producer C Constitutes a GOC Authority Capable of Providing a Financial Contribution As Defined by the Act

*Comment 5:* Whether DHMP's Zinc Supplier(s) Is a GOC Authority

*Comment 6:* Whether Actual Wire Rod and HRS Market Prices in the PRC Are Appropriate Benchmarks

*Comment 7:* Whether Benchmark Prices Should Include Freight

*Comment 8:* Whether Benchmark Prices Should Include Insurance Costs

*Comment 9:* Whether the GOC and DHMP Withheld Information Concerning the Location of DHMP's Facilities and Whether Information They Submitted is Reliable

*Comment 10:* Whether DHMP Is Located in an Industrial Zone Thereby Making Its Purchase of Land from the GOC Regionally Specific Under the Act

*Comment 11:* Whether DHMP Benefitted from an Interest-Free Deferral of its Land-Use Rights Payment

*Comment 12:* Whether the Eastfound Material's Land Acquisitions Are Countervailable

*Comment 13:* Whether the Department Should Countervail Eastfound Material's Alleged Unreported Land Payment Refund Discovered at Verification

*Comment 14:* Whether the Department Should Countervail Eastfound Metal's Land-Use

*Comment 15:* Whether the Department Should Use Year 2001 as the Cut-off Date or Use the AUL Methodology to Value Subsidies

*Comment 16:* Whether the GOC Terminated the Income Tax Exemption for Investors In Designated Geographical Regions Within Liaoning Program

*Comment 17:* Whether the GOC Terminated the Income Tax Benefits for FIEs Based on Geographic Location

*Comment 18:* Whether the GOC Terminated the VAT Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment Program

*Comment 19:* Whether the GOC Terminated the Import Tariff and VAT Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries Program

*Comment 20:* Whether the Department Should Initiate an Investigation of the PRC's Currency Manipulation

*Comment 21:* Benefit Calculation Under the Two Free, Three Half Income Tax Program

*Comment 22:* Whether DHMP received a Subsidy Under the Income Tax Credits for FIES on Purchases of Domestically Produced Equipment Program

*Comment 23:* Whether DHMP Failed To Report VAT Deductions on Fixed Assets

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