

Dated: September 30, 2011.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 2011-26016 Filed 10-6-11; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

North American Free Trade Agreement (NAFTA), Article 1904 Binational Panel Reviews; Notice of Completion of Panel Review

AGENCY: NAFTA Secretariat, United States Section, International Trade Administration, Department of Commerce.

ACTION: Notice of Completion of Panel Review of the International Trade Commission's final determination of Certain Welded Large Diameter Line Pipe from Mexico (Secretariat File No. USA-MEX-2007-1904-03).

SUMMARY: Pursuant to the Decision of the Binational Panel dated August 29, 2011, affirming the International Trade Commission's final determination on remand described above, the panel review was completed on September 29, 2011.

FOR FURTHER INFORMATION CONTACT: Ellen Bohon, United States Secretary, NAFTA Secretariat, Suite 2061, 14th and Constitution Avenue, Washington, DC 20230, (202) 482-5438.

SUPPLEMENTARY INFORMATION: On August 29, 2011, the Binational Panel issued a Decision of the Panel affirming the International Trade Commission's remand determination concerning Certain Welded Large Diameter Line Pipe from Mexico (Secretariat File No. USA-MEX-2007-1904-03). The Secretariat was instructed to issue a Notice of Completion of Panel Review on the 31st day following the issuance of the Notice of Final Panel Action, if no request for an Extraordinary Challenge Committee was filed. No such request was filed. Therefore, on the basis of the Panel Order and Rule 80 of the *Article 1904 Panel Rules*, the Panel Review was completed and the panelists were discharged from their duties effective September 29, 2011.

Dated: October 3, 2011.

Ellen Bohon,

United States Secretary, NAFTA Secretariat.

[FR Doc. 2011-25952 Filed 10-6-11; 8:45 am]

BILLING CODE 3510-GT-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-942]

Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Preliminary Results of the Countervailing Duty Administrative Review

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

SUMMARY: The Department of Commerce ("the Department") is conducting an administrative review of the countervailable duty order on certain kitchen appliance shelving and racks ("Kitchen Racks") from the People's Republic of China ("PRC"). The period of review ("POR") is January 7, 2009, through December 31, 2009 (*see further explanation in the "Period of Review" section of this notice*). This review covers multiple exporters/producers, two of which are being individually reviewed as mandatory respondents. We preliminarily find that the mandatory respondents, Guangdong Wireking Housewares & Hardware Co., Ltd. ("Wireking") and New King Shan (Zhu Hai) Co., Ltd. ("NKS"), received countervailable subsidies during the POR. Their countervailing duty ("CVD") rates have been used to calculate the rate applied to the other firms subject to this review. If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection ("CBP") to assess countervailing duties as detailed in the "Preliminary Results of Review" section of this notice. Interested parties are invited to comment on these preliminary results.

DATES: *Effective Date:* October 7, 2011.

FOR FURTHER INFORMATION CONTACT: Alexander Montoro or Jennifer Meek, Office of AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; *telephone:* (202) 482-0238 and (202) 482-2778, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 27, 2009, the Department published a CVD order on Kitchen Racks from the PRC. *See Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Countervailing Duty Order*, 74 FR 46973 (September 14, 2009) ("CVD Order"). On September 1, 2010, we published a notice of "Opportunity to Request

Administrative Review" for this CVD order. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 75 FR 53635, 53636 (September 1, 2010). On September 30, 2010, Nashville Wire Products Inc. and SSW Holding Company, Inc. (collectively "Petitioners") requested a review of ten companies. On October 28, 2010, we initiated a review of five of the companies: Wireking; NKS; Leader Metal Industry Co., Ltd. (aka Marmon Retail Services Asia) ("Leader Metal"); Hangzhou Dunli Import and Export Co., Ltd./Hangzhou Dunli Industry Co., Ltd. ("Dunli"); and Jiangsu Weixi Group Co. ("Jiangsu Weixi"). *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 75 FR 66349, 66351 (October 28, 2010), as corrected by *Initiation of Antidumping and Countervailing Duty Administrative Reviews; Correction*, 75 FR 69054 (November 10, 2010) ("Initiation Correction").¹ On November 29, 2010, after receiving further information from Petitioners, we initiated reviews of two additional companies requested by Petitioners: Asia Pacific CIS (Wuxi) Co., Ltd. ("Asia Pacific CIS") and Hengtong Hardware Manufacturing (Huizhou) Co., Ltd. ("Hengtong"). *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 75 FR 73036, 73038 (November 29, 2010).

In order to select mandatory respondents for this review, we issued questionnaires on December 3, 2010, to the seven companies covered by the review, requesting information about the quantity and value ("Q&V") of subject merchandise exports made to the United States during the POR ("Q&V questionnaires"). As in the underlying investigation, we did not rely on CBP data for respondent selection because the Harmonized Tariff Schedule of the United States ("HTSUS") categories that include subject merchandise are broad and contain products other than the subject merchandise. *See Memorandum to Susan H. Kuhnback from Joseph Shuler, regarding "Selection of Respondents for the Countervailing Duty Administrative Review of Certain Kitchen Appliance Shelving and Racks from the People's Republic of China"*

¹ The Department notes that only the POR for the antidumping duty administrative review was included in the November 10, 2010 notice. *See Initiation Correction*, 75 FR at 69059. All notices concerning the administrative review of the countervailing duty order apply to the POR referenced in the initiation notices and this notice, generally January 7, 2009, through December 31, 2009 (*see "Period of Review" section below for further discussion*).

(January 25, 2011) (“Respondent Selection Memorandum”). We received responses from five companies. We confirmed the delivery of the Q&V questionnaires to the two producers/exporters that did not respond, Asia Pacific CIS and Jiangsu Weixi. *See* Memorandum to the File from Joseph Shuler, regarding “Delivery Confirmation of Quantity and Value Questionnaires” (January 10, 2011) (“Delivery Confirmation Memo”).

On January 25, 2011, we selected Wireking and NKS as mandatory respondents. *See* Respondent Selection Memorandum.

On January 28, 2011, we issued CVD questionnaires to the Government of the PRC (“GOC”), Wireking, and NKS. On February 14, 2011, we issued a correction to the CVD questionnaire to Wireking and NKS. We received responses to our questionnaires from NKS on March 14, 2011 (“NQR”) and from the GOC and Wireking on March 22, 2011 (“GQR” and “WQR,” respectively).

On June 15, 2011, we issued supplemental CVD questionnaires to the GOC, Wireking, and NKS. We received a partial response from NKS on June 29, 2011 (“NSQR1a”) and a response to the remaining portion of the supplemental CVD questionnaire on July 15, 2011. On July 13, 2011 we received a response from Wireking (“WSQR1”), and on July 14, 2011, we received a response from the GOC (“GSQR1”).

On April 8, 2011, Petitioners requested that the Department expand its CVD administrative review to include one additional (new) subsidy program. We initiated on this program on June 28, 2011. *See* Memorandum to Susan Kuhbach from Jennifer Meek and Patricia Tran, regarding “Countervailing Duty Administrative Review of Certain Kitchen Appliance Shelving and Racks from the People’s Republic of China: Initiation of New Subsidy Allegation” (June 28, 2011). On July 1, 2011, we issued a questionnaire regarding the new subsidy allegation (“NSA”) to the GOC, Wireking, and NKS. On July 15, 2011, we received responses from the GOC and Wireking regarding the NSA questionnaire, and on July 18, 2011, we received a response to the NSA questionnaire from NKS (“NNSAQR”).

On August 12, 2011, we issued second supplemental questionnaires to the GOC, Wireking, and NKS. On August 19, 2011, we received a response from the GOC and NKS (“GSQR2” and “NSQR2,” respectively). We received Wireking’s response on August 26, 2011 (“WSQR2”). On August 26, 2011, we issued a third supplemental questionnaire to the GOC. We received

a response from the GOC on September 2, 2011. On September 19, 2011, we issued a third supplemental questionnaire to NKS. We received a response from NKS on September 23, 2011.

On May 13, 2011, we extended the deadline for the preliminary results until September 30, 2011. *See Certain Kitchen Shelving and Racks From the People’s Republic of China: Extension of Time Limit for Preliminary Results of Countervailing Duty Administrative Review*, 76 FR 27990 (May 13, 2011).

Scope of the Order

The scope of the order consists of shelving and racks for refrigerators, freezers, combined refrigerator-freezers, other refrigerating or freezing equipment, cooking stoves, ranges, and ovens. Certain kitchen appliance shelving and racks are defined as shelving, baskets, racks (with or without extension slides, which are carbon or stainless steel hardware devices that are connected to shelving, baskets, or racks to enable sliding), side racks (which are welded wire support structures for oven racks that attach to the interior walls of an oven cavity that does not include support ribs as a design feature), and sub-frames (which are welded wire support structures that interface with formed support ribs inside an oven cavity to support oven rack assemblies utilizing extension slides) with the following dimensions:

- Shelving and racks with dimensions ranging from 3 inches by 5 inches by 0.10 inch to 28 inches by 34 inches by 6 inches; or
- Baskets with dimensions ranging from 2 inches by 4 inches by 3 inches to 28 inches by 34 inches by 16 inches; or
- Side racks from 6 inches by 8 inches by 0.10 inch to 16 inches by 30 inches by 4 inches; or
- Sub-frames from 6 inches by 10 inches by 0.10 inch to 28 inches by 34 inches by 6 inches.

The subject merchandise is comprised of carbon or stainless steel wire ranging in thickness from 0.050 inch to 0.500 inch and may include sheet metal of either carbon or stainless steel ranging in thickness from 0.020 inch to 0.20 inch. The subject merchandise may be coated or uncoated and may be formed and/or welded. Excluded from the scope of the order is shelving in which the support surface is glass.

The merchandise subject to the order is currently classifiable in the HTSUS statistical reporting numbers 8418.99.80.50, 7321.90.50.00, 7321.90.60.40, 7321.90.60.90, 8418.99.80.60, 8419.90.95.20,

8516.90.80.00, and 8516.90.80.10.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

Period of Review

We are conducting our analysis in this review on an annual basis, *i.e.*, for the entire calendar year 2009. However, the duties calculated will be applied as follows: for refrigeration shelving duties will be applied to entries from January 7, 2009 through May 6, 2009, and September 9, 2009, through December 31, 2009; for oven racks duties will apply to entries from September 9, 2009, through December 31, 2009.²

Use of Facts Otherwise Available and Adverse Inferences

Sections 776(a)(1) and (2) of the Tariff Act of 1930, as amended (“the Act”), provide that the Department shall apply “facts otherwise available” if necessary information is not on the record or if an interested party or any other person: (A) Withholds information that has been requested; (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding; or (D) provides information that cannot be verified as provided by section 782(i) of the Act.

Section 776(b) of the Act further provides that the Department may use an adverse inference in applying the facts otherwise available when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information.

1. Non-Cooperative Companies

As explained in the “Background” section above, two companies in this review, Asia Pacific CIS and Jiangsu Weixi, did not provide a response to the Department’s Q&V questionnaire issued during the respondent selection process. We confirmed the delivery of the Q&V questionnaires to these companies. *See* Delivery Confirmation Memo. Accordingly, we determine that these non-cooperating companies withheld requested information and significantly impeded this proceeding. Specifically, by not responding to requests for

² Entries of certain refrigeration shelving occurring during the period May 7, 2009, through September 8, 2009, were not suspended for CVD purposes due to the termination of provisional measures. Entries of certain oven racks occurring before September 9, 2009, were liquidated at the time of the CVD order because the International Trade Commission (“ITC”) found threat of material injury on certain oven racks. *See CVD Order*, 74 FR at 46974–75.

information concerning the Q&V of their sales, the companies impeded the Department's ability to select the most appropriate respondents in this review. Thus, we are basing the CVD rate for these non-cooperating companies on facts otherwise available, pursuant to sections 776(a)(2)(A) and (C) of the Act.

We further preliminarily determine that an adverse inference is warranted, pursuant to section 776(b) of the Act. By failing to submit responses to the Department's Q&V questionnaire, these companies did not cooperate to the best of their ability in this review. Accordingly, we preliminarily find that an adverse inference is warranted to ensure that the non-cooperating companies will not obtain a more favorable result than had they fully complied with our request for information.

In deciding which facts to use as adverse facts available ("AFA"), section 776(b) of the Act and 19 CFR 351.308(c)(1) and (2) authorize the Department to rely on information derived from: (1) The petition; (2) a final determination in the investigation; (3) any previous review or determination; or (4) any other information placed on the record. The Department's practice when selecting an adverse rate from among the possible sources of information is to ensure that the rate is sufficiently adverse "as to effectuate the statutory purposes of the adverse facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner." See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors From Taiwan*, 63 FR 8909, 8932 (February 23, 1998). The Department's practice also ensures "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully." See Statement of Administrative Action ("SAA") accompanying the Uruguay Round Agreements Act, H.R. Rep. No. 103-316, Vol. I, at 870 (1994), reprinted at 1994 U.S.C.A.N. 4040, 4199.

In applying AFA for these non-cooperative companies, we are guided by the Department's approach in recent CVD investigations and reviews. See, e.g., *Aluminum Extrusions From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 76 FR 18521 (April 4, 2011) ("Aluminum Extrusions from the PRC"), and accompanying Issues and Decision Memorandum ("Aluminum Extrusions from the PRC Decision Memorandum") at "Application of Adverse Inferences: Non-Cooperative

Companies" section;³ *Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 74 FR 4936 (January 28, 2009), and accompanying Issues and Decision Memorandum at "Application of Facts Available and Use of Adverse Inferences" section; and *Certain Hot-Rolled Carbon Steel Flat Products from India: Final Results and Partial Rescission of Countervailing Duty Administrative Review*, 74 FR 20923 (May 6, 2009), and accompanying Issues and Decision Memorandum at "SGOC Industrial Policy 2004-2009" section. Under this practice, the Department computes the total AFA rate for non-cooperating companies generally using program-specific rates calculated for the cooperating respondents in the instant review or prior reviews of instant case, or calculated in prior CVD cases involving the country under review (in the instant case, the PRC).

In these preliminary results, for the income tax rate reduction or exemption programs, we are applying an adverse inference that the non-cooperating companies paid no income taxes during 2009. For programs other than those involving income tax rate reduction or exemption programs, we have first sought to apply, where available, the highest, above *de minimis* subsidy rate calculated for an *identical* program from any segment of this proceeding. Absent such a rate, we have applied, where available, the highest, above *de minimis* subsidy rate calculated for a *similar* program from any segment of this proceeding. Absent an above *de minimis* subsidy rate calculated for the same or similar program in this proceeding, we have applied the highest non-*de minimis* rate calculated for the same or similar program (based on treatment of the benefit) in another PRC CVD proceeding. Absent an above *de minimis* subsidy rate calculated for the same or similar program in any PRC CVD

proceeding, we applied the highest calculated subsidy rate for any program otherwise listed from any prior PRC CVD cases, so long as the non-cooperating companies conceivably could have used the program for which the rate was calculated. See *Aluminum Extrusions from the PRC Decision Memorandum* at "Application of Adverse Inferences: Non-Cooperative Companies" section; see also *Lightweight Thermal Paper From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 73 FR 57323 (October 2, 2008), and accompanying Issues and Decision Memorandum at "Selection of the Adverse Facts Available Rate" section. On this basis, we preliminarily determine the AFA subsidy rate for Asia Pacific CIS and Jiangsu Weixi to be 239.33 percent *ad valorem*.

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is "information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise." See SAA at 870. The Department considers information to be corroborated if it has probative value. *Id.* To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used. The SAA emphasizes, however, that the Department need not prove that the selected facts available are the best alternative information. *Id.* at 869.

With regard to the reliability aspect of corroboration, we note that the rates were calculated in this review or in recent final CVD determinations. Further, the calculated rates were based upon information about the same or similar programs. Moreover, no information has been presented that calls into question the reliability of these calculated rates that we are applying as AFA. Finally, unlike other types of information, such as publicly available data on the national inflation rate of a given country or national average interest rates, there typically are no independent sources for data on company-specific benefits resulting from countervailable subsidy programs.

With respect to the relevance aspect of corroborating the rates selected, the Department will consider information

³ In the underlying investigation, the Department excluded from its AFA calculation for non-cooperative Q&V companies sub-national programs alleged after respondent selection. See *Certain Kitchen Shelving and Racks from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 74 FR 37012 (July 27, 2009), and accompanying Issues and Decision Memorandum ("Kitchen Racks Decision Memorandum") at 5. Consistent with Aluminum Extrusions from the PRC, we determine it appropriate to now include newly alleged and self-reported programs in the AFA calculation for non-cooperative respondents, including non-cooperative Q&V companies. See *Aluminum Extrusions from the PRC Decision Memorandum* at Comment 8. We find that this approach prevents non-cooperative respondents from successfully avoiding being associated with newly alleged subsidy programs and subsidies discovered during the course of the investigation or review.

reasonably at its disposal in considering the relevance of information used to calculate a countervailable subsidy benefit. Where circumstances indicate that the information is not appropriate as AFA, the Department will not use it. *See Fresh Cut Flowers From Mexico; Final Results of Antidumping Duty Administrative Review*, 61 FR 6812, 6814 (February 22, 1996).

In the absence of record evidence concerning these programs due to the non-cooperative Q&V companies' decision not to participate in the review, we have reviewed the information concerning PRC subsidy programs in this and other cases. For those programs for which the Department has found a program-type match, we find that, because these are the same or similar programs, they are relevant to the programs of this case. For the programs for which there is no program-type match, we have selected the highest calculated subsidy rate for any PRC program from which the non-cooperative Q&V companies could receive a benefit to use as AFA. The relevance of these rates is that they are actual calculated CVD rates for a PRC program from which the non-cooperative Q&V companies could actually receive a benefit. Further, these rates were calculated for periods close to the POR in the instant case. Moreover, the failure of these companies to respond to requests for information has "resulted in an egregious lack of evidence on the record to suggest an alternative rate." *Shanghai Taoen Int'l Trading Co., Ltd. v. United States*, 360 F. Supp. 2d 1339, 1348 (Ct. Int'l Trade 2005). Due to the lack of participation by the non-cooperative Q&V companies and the resulting lack of record information concerning their use of programs under review, the Department has corroborated the rates it selected to the extent practicable.

For a detailed discussion of the AFA rates selected for each program under review, see Memorandum to the File from Jennifer Meek and Alexander Montoro, regarding "Application of Adverse Facts Available Rates for Preliminary Results" (September 30, 2011).

2. GOC—Wire Rod

The Department sought information from the GOC about the producers of the wire rod purchased by Wireking and NKS. In particular, for any of the wire rod producers that are not majority-owned by the GOC, the GOC was asked, *inter alia*, to trace back the ownership to the ultimate individual or state owners. See the Department's January 28, 2011 questionnaire at Section II/

Appendix 3. The GOC provided information indicating that several wire rod producers were owned in whole or in part by other companies, but failed to provide the ownership of those other companies. For one wire rod producer, the GOC failed to provide any ownership information.

We preliminarily determine that the GOC has withheld necessary information that was requested of it and, thus, that the Department may rely on "facts available" in making our preliminary determination. See sections 776(a)(1) and (a)(2)(A) of the Act. Moreover, we preliminarily determine that the GOC has failed to cooperate by not acting to the best of its ability to comply with our request for information. Consequently, an adverse inference is warranted in the application of facts available. See section 776(b) of the Act. We are applying the adverse inference that the producers of wire rod used by Wireking and NKS are government authorities that provided a financial contribution as described under section 771(5)(D)(iv) of the Act.

Subsidies Valuation Information

Allocation Period

The average useful life period in this proceeding, as described in 19 CFR 351.524(d)(2), is 12 years according to the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System, as revised. See U.S. Internal Revenue Service Publication 946 (2008), *How to Depreciate Property*, at Table B-2: Table of Class Lives and Recovery Periods. No party in this proceeding has disputed this allocation period.

Attribution of Subsidies

The Department's regulations at 19 CFR 351.525(b)(6)(i) state that the Department will normally attribute a subsidy to the products produced by the corporation that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)–(v) directs that the Department will attribute subsidies received by certain other companies to the combined sales of the recipient and other companies if: (1) Cross-ownership exists between the companies; and (2) the cross-owned companies produce the subject merchandise, are a holding or parent company of the subject company, produce an input that is primarily dedicated to the production of the downstream product, or transfer a subsidy to a cross-owned company.

According to 19 CFR 351.525(b)(6)(vi), cross-ownership exists between two or more corporations where one corporation can use or direct

the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. This section of the Department's regulations states that this standard will normally be met where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. The Preamble to the Department's regulations further clarifies the Department's cross-ownership standard. According to the Preamble, relationships captured by the cross-ownership definition include those where

the interests of two corporations have merged to such a degree that one corporation can use or direct the individual assets (or subsidy benefits) of the other corporation in essentially the same way it can use its own assets (or subsidy benefits) * * * Cross-ownership does not require one corporation to own 100 percent of the other corporation. Normally, cross-ownership will exist where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. In certain circumstances, a large minority voting interest (for example, 40 percent) or a "golden share" may also result in cross-ownership.

See *Countervailing Duties; Final Rule*, 63 FR 65348, 65401 (November 25, 1998).

Thus, the Department's regulations make clear that the agency must look at the facts presented in each case in determining whether cross-ownership exists.

The U.S. Court of International Trade ("CIT") has upheld the Department's authority to attribute subsidies based on whether a company could use or direct the subsidy benefits of another company in essentially the same way it could use its own subsidy benefits. See *Fabrique de Fer de Charleroi, SA v. United States*, 166 F. Supp. 2d 593, 600–604 (CIT 2001).

Wireking stated that it is a wholly foreign-owned company, with its parent companies located outside of the PRC. Wireking also responded that it has no affiliates that are cross-owned within the meaning of 19 CFR 351.525(b)(6). See WQR at 4–5. Therefore, we are limiting our analysis to Wireking.

NKS also stated that it is wholly owned by entities located outside of the PRC. NKS identified several affiliated companies and reported that none of them are located in the PRC. See NQR at 3–5. Therefore, we are limiting our analysis to NKS.

Analysis of Programs

Based upon our analysis and the responses to our questionnaires, we determine the following:

I. Programs Preliminarily Determined To Be Countervailable

A. Two Free, Three Half Program

Under Article 8 of the *FIE Tax Law*, a foreign-invested enterprise (“FIE”) that is “productive” and is scheduled to operate for more than ten years may be exempted from income tax in the first two years of profitability and pay income taxes at half the standard rate for the subsequent three years. *See* GQR at 23. The GOC claims that the “Two Free, Three Half” program was terminated effective January 1, 2008, by the Enterprise Income Tax Law but companies already enjoying the preference were permitted to continue. *See* GQR at 23–24 and Exhibits 1, 3 and 4.

The Department has previously found this program countervailable. *See* CFS Decision Memorandum at 11–12; *see also Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the People’s Republic of China: Final Affirmative Countervailing Duty Determination, Final Affirmative Critical Circumstances Determination*, 75 FR 57444 (September 21, 2010), and accompanying Issues and Decision Memorandum at 25.

NKS reported that it used this program during 2009. *See* NQR at 12.

We preliminarily determine that the exemption or reduction of the income tax paid by productive FIEs under this program confers a countervailable subsidy. The exemption/reduction is a financial contribution in the form of revenue forgone by the GOC, and it provides a benefit to the recipient in the amount of the tax savings. *See* section 771(5)(D)(ii) of the Act and 19 CFR 351.509(a)(1). We also preliminarily determine that the exemption/reduction afforded by this program is limited as a matter of law to certain enterprises, *i.e.*, “productive” FIEs and, hence, is specific under section 771(5A)(D)(i) of the Act.

To calculate the benefit, we treated the income tax savings received by NKS as a recurring benefit, consistent with 19 CFR 351.524(c)(1). To compute the amount of the tax savings, we compared the income tax that NKS would have paid in the absence of the program with the income tax that NKS actually paid during 2009.

We divided the benefits received in 2009 by NKS’s 2009 total sales, in accordance with 19 CFR 351.525(b)(6)(i). On this basis, we

preliminarily determine that NKS received a countervailable subsidy of 1.00 percent *ad valorem* under this program.

B. Income Tax Reduction for FIEs Based on Geographic Location

To promote economic development and attract foreign investment, “productive” FIEs located in coastal economic zones, special economic zones or economic and technical development zones in the PRC were subject to preferential tax rates of 15 percent or 24 percent, depending on the zone. *See* GQR at 5. This program was created on June 15, 1988, pursuant to the *Provisional Rules on Exemption and Reduction of Corporate Income Tax and Business Tax of FIEs in Coastal Economic Development Zone* issued by the Ministry of Finance, and continued under Article 7 of the *FIE Tax Law* on July 1, 1991. *See* GQR at Exhibit 3.

As a result of the transition provisions of the new Enterprise Income Tax Law, which came into force on January 1, 2008, enterprises that were eligible for the reduced rates of 15 percent or 24 percent are to be gradually transitioned to the uniform rate of 25 percent over a five-year period. *See* GQR at 6 and Exhibit 2.

In the underlying investigation, we determined that this program conferred a countervailable benefit. *See* Kitchen Racks Decision Memorandum at 11–12. No interested party provided new evidence that would lead us to reconsider our earlier finding. *See, e.g., Live Swine from Canada; Final Results of Countervailing Duty Administrative Reviews*, 61 FR 52408, 52420 (October 7, 1996) (“[I]t is the Department’s policy not to re-examine the issue of that program’s countervailability in subsequent reviews unless new information or evidence of changed circumstances is submitted which warrants reconsideration.”). Therefore, we continue to find that these tax benefits confer a countervailable subsidy.

NKS reported paying a reduced income tax rate during the POR under the program. *See* NQR at 10–11.

To calculate the benefit, we treated the income tax savings received by NKS as a recurring benefit, consistent with 19 CFR 351.524(c)(1). To compute the amount of the tax savings, we compared the income tax NKS would have paid in the absence of the program (*i.e.*, at the 25 percent rate) with the income tax that NKS actually paid during the 2009 (*i.e.*, at the reduced rate).

We divided the benefits received by NKS in 2009 by its 2009 total sales, in accordance with 19 CFR

351.525(b)(6)(i). On this basis, we preliminarily determine that NKS received a countervailable subsidy of 0.77 percent *ad valorem* under this program.

C. Exemption From City Maintenance and Construction Taxes and Education Fee Surcharges for FIEs in Guangdong Province

Pursuant to the *Circular on Temporarily Not Collecting City Maintenance and Construction Tax and Education Fee Surcharge for FIEs and Foreign Enterprises* (GUOSHUIFA {1994} No. 38), the local tax authorities exempt all FIEs and foreign enterprises from the city maintenance and construction tax and the education fee surcharge. *See* GQR at 10 at Exhibit 6 and KASR Decision Memorandum at 7.

In the underlying investigation, we determined that this program conferred a countervailable benefit, where this program was referred to as “Exemption from City Construction Tax and Education Tax for FIEs in Guangdong Province.” *See* Kitchen Racks Decision Memorandum at 13. No interested party provided new evidence that would lead us to reconsider our earlier finding. Therefore, we continue to find that these tax exemptions confer a countervailable subsidy.

Both NKS and Wireking stated they have never paid the City Maintenance and Construction Taxes or Education Fee Surcharges. *See* WQR at 10 and NKS at 11. These taxes are calculated as a percentage of the value added tax (“VAT”) and business and consumption taxes paid by enterprises. Wireking reported the amount it would have paid during the POR had it been subject to the City Maintenance and Construction Taxes or Education Fee Surcharges. *See* WSQR1 at 5. NKS states it did not pay any VAT, business or consumption tax and therefore, would not have paid this tax even if had not been exempted under this program. *See* NKSQR3 at 1.

To calculate the benefit, we treated Wireking’s tax savings as a recurring benefit, consistent with 19 CFR 351.524(c)(1), and divided the company’s savings received during 2009 by the company’s total 2009 sales. To compute the amount of the city maintenance and construction tax savings, we compared what Wireking would have paid in the absence of the program (seven percent of the total of VAT, business tax, and consumption tax paid during 2009) with what it paid (zero). To calculate the amount of the savings from the educational fee surcharge exemption, we compared what Wireking would have paid in the absence of the program (three percent of

total of VAT, business tax, and consumption tax paid during 2009) with what it paid (zero). *Id.* On this basis, we preliminarily determine the countervailable subsidy to be 0.54 percent *ad valorem* for Wireking.

D. Shunde Famous Brands

According to the GOC, this program was established in June 2003 and was terminated in December 2008. The purpose of this program was to increase the popularity and competitiveness of the product brands and, to be eligible for awards, an enterprise must have been designated as a “Famous Trademark of China,” “Chinese Famous Product,” “Famous Trademark of Guangdong province,” or “Guangdong Famous Product.” See GSQR1 at 12–13 and Exhibit 4. The GOC stated that the government authority responsible for administering this program was the Shunde Economic and Trade Bureau (currently known as Shunde Economic Promotion Bureau). *Id.*; see also GSQR2 at Exhibit 1.

Wireking was approved for a grant under this program in 2008 and received these funds in 2009. See GSQR2 at Exhibit 1 and WQR at 13.

We preliminarily determine that Wireking received a countervailable subsidy during the POR under this program. We find the grant to be a direct transfer of funds within the meaning of section 771(5)(D)(i) of the Act, providing a benefit in the amount of the grant. See 19 CFR 351.504(a). Based on information provided on the record, we further preliminarily determine that grants under this program are *de facto* specific based on the limited number of users. See section 771(5A)(D)(iii)(I) of the Act. See also GSQR2 at Exhibit 1.

To calculate the countervailable subsidy, we used our standard methodology for non-recurring grants. See 19 CFR 351.524(b). As Wireking was approved for the funds in 2008 and received payment in 2009, we first applied the “0.5 percent test,” pursuant to 19 CFR 351.524(b)(2) using Wireking’s 2008 total sales. The grant amount was less than 0.5 percent of Wireking’s 2008 total sales. Thus, in accordance with 19 CFR 351.524(b)(2), we expensed the entire amount of the grant and attributed the benefit to Wireking’s total sales in the year of receipt (*i.e.*, 2009). On this basis, we preliminarily find a countervailable subsidy of 0.10 percent *ad valorem* for Wireking.

E. International Market Exploration Fund

The GOC confirmed that the International Market Exploration Fund

program under which Wireking received assistance in 2009 is the same program as the “International Market Development Fund Grants for Small and Medium Sized Enterprises” program (also known as “SME Fund”, “Medium & Small Size Enterprise International Market Expansion Assistance” program or “International Exhibition Show Assistance” program) previously investigated by the Department and found countervailable; *inter alia*, in Aluminum Extrusions from the PRC. See the Department’s August 12, 2011, GOC second supplemental questionnaire at Attachment 1 and GSQR2 at 2.

Wireking reported receiving funds under this program in 2009. See WQR at 13.

We preliminarily determine that Wireking received a countervailable subsidy during the POR under this program. We find the grant to be a direct transfer of funds within the meaning of section 771(5)(D)(i) of the Act, providing a benefit in the amount of the grant. See 19 CFR 351.504(a). Further, we find the grant to be specific under section 771(5A)(B) of the Act because receipt of the grant is contingent upon export performance.

To calculate the countervailable subsidy, we used our standard methodology for non-recurring grants. See 19 CFR 351.524(b). Treating the year of receipt as the year of approval, we applied the “0.5 percent test,” pursuant to 19 CFR 351.524(b)(2). The 2009 grant amount was less than 0.5 percent of Wireking’s 2009 export sales. Thus, in accordance with 19 CFR 351.524(b)(2), we expensed the entire amount of the grant to 2009 and attributed the benefit to Wireking’s 2009 export sales. On this basis, we preliminarily find a countervailable subsidy of 0.02 percent *ad valorem* for Wireking.

F. Foshan Shunde Export Rebate

Wireking reported that it received a grant but was unable to identify the program under which it was given. See WSQR1 at 4. Wireking claims the only information it has regarding this grant is what is listed on the receipt from a local finance bureau. See WSQR2 at 2–3. Wireking also states it has been unable to gather more information from the local finance bureau that distributed the funds. Based on the information it has, Wireking believes the grant was related to exports. We will continue to gather information regarding this program for the final results.

Based on the translated information provided by Wireking regarding the receipt of this grant, we preliminarily find that the grant under this program

conferred a countervailable subsidy. We find the grant to be a direct transfer of funds within the meaning of section 771(5)(D)(i) of the Act, providing a benefit in the amount of the grant. See 19 CFR 351.504(a). Further, we find the grant to be specific under section 771(5A)(B) of the Act because receipt of the grant is contingent upon export performance.

To calculate the countervailable subsidy, we used our standard methodology for non-recurring grants. See 19 CFR 351.524(b). As the approval date is unknown, we are treating the year of receipt, 2009, as the year of approval as facts available under section 776(a)(1) of the Act. We applied the “0.5 percent test,” pursuant to 19 CFR 351.524(b)(2). The grant amount was less than 0.5 percent of Wireking’s 2009 export sales. Thus, in accordance with 19 CFR 351.524(b)(2), we expensed the entire amount of the grant to 2009 and attributed the benefit to Wireking’s 2009 export sales. On this basis, we preliminarily determine the countervailable subsidy attributable to Wireking to be 0.06 percent *ad valorem* under this program.

G. Zhuhai Export Trade Grant

According to the GOC, the Zhuhai Export Trade Grant program was established pursuant to ZWJM (2009) No. 28 and came into effect in November 2008. The purpose of the program is to maintain the stable development of international trade. See GSQR1 at 39–44 and Exhibit 9. The GOC stated that the government authorities responsible for approving and administering the program are the Zhuhai Foreign Economic and Trade Corporation Bureau and the Zhuhai Finance Department. See GSQR1 at 39 and Exhibit SGQ–9. To be eligible for assistance under this program, a company must be registered in the Department of Industry and Commerce of Zhuhai City, must not have committed a significant unlawful act or behaved illegally in the last two years, must have exported at least USD 1 million in 2008 and 2009, and must have increased its exports in 2009 over 2008. See GSQR1 at 43.

NKS reported that it received a grant under this program during 2009. See NSQR1a at 3.

We preliminarily determine that NKS received a countervailable subsidy during the POR under this program. We find the grant to be a direct transfer of funds within the meaning of section 771(5)(D)(i) of the Act, providing a benefit in the amount of the grant. See 19 CFR 351.504(a). Further, we find the grant to be specific under section

771(5A)(B) of the Act, because receipt of the grant is contingent upon export performance.

To calculate the countervailable subsidy, we used our standard methodology for non-recurring grants. See 19 CFR 351.524(b). As NKS was approved for the funds in 2009, we applied the “0.5 percent test,” pursuant to 19 CFR 351.524(b)(2) using NKS’s 2009 total export sales. The 2009 grant amount was less than 0.5 percent of NKS’s 2009 total export sales. Thus, in accordance with 19 CFR 351.524(b)(2), we expensed the entire amount of the grant to 2009. In accordance with 19 CFR 351.525(b)(2), we attributed the benefit to NKS’s 2009 total export sales. On this basis, we preliminarily find a countervailable subsidy of 0.02 percent *ad valorem* for NKS.

H. Guangdong Supporting Fund

According to the GOC, the Guangdong Supporting Fund program was established in 2009 with the purpose of helping enterprises affected by the economic crisis and maintaining employment. The GOC stated that the government authorities responsible for administering the program are the Guangdong Labor and Social Security Department, the Guangdong Financial Department and the local tax bureau. See GSQR1 at Exhibit 11. The Zhuhai Human Resource and Social Security Bureau is responsible for disbursing payments from the fund. See GSQR1 at 45. To be eligible, a company should be among the industries affected heavily by the financial crisis or the company must be in difficult position. See GSQR1 at 47. The GOC provided Yuelaoshefa (2009) No. 6, which defines “enterprises in difficulty” as enterprises in the “Clothing, textile, toys, printing, packing, electronics, house appliance, hardware and plastics, and furniture business which have been significantly influenced by the international financial crisis * * * and have passed the identification of enterprises in difficulty.” See GSQR1 at Exhibit 11.

NKS reported that it received a benefit during 2009. See NSQR1a at 3. According to the GOC, NKS received funding from the “enterprise in a difficult position fund.” See GSQR2 at 3.

We preliminarily determine that NKS received a countervailable subsidy during the POR under this program. We find the grant to be a direct transfer of funds within the meaning of section 771(5)(D)(i) of the Act, providing a benefit in the amount of the grant. See 19 CFR 351.504(a). We further determine preliminarily that grants under this program are limited to

specific industries (*i.e.*, enterprises in difficulty such as clothing, textile, toys, printing, packing, electronics, house appliance, hardware and plastics, and furniture business). Hence, the grants are *de jure* specific under section 771(5A)(D)(i) of the Act.

To calculate the countervailable subsidy, we used our standard methodology for non-recurring grants. See 19 CFR 351.524(b). We applied the “0.5 percent test,” pursuant to 19 CFR 351.524(b)(2) using NKS’s 2009 total sales. The 2009 grant amount was less than 0.5 percent of NKS’s 2009 total sales. Thus, in accordance with 19 CFR 351.524(b)(2), we expensed the entire amount of the grant to 2009 and attributed the benefit to NKS’s 2009 total sales. On this basis, we preliminarily find a countervailable subsidy of 0.06 percent *ad valorem* for NKS.

I. Provision of Wire Rod for Less Than Adequate Remuneration (“LTAR”)

In the underlying investigation, we determined that this program conferred a countervailable subsidy. See Kitchen Racks Decision Memorandum at 14–16. No interested party provided new evidence that would lead us to reconsider our earlier findings that the GOC’s predominant role in the PRC’s wire rod market renders domestic prices unusable as benchmarks or that the subsidy conferred is specific. See Kitchen Racks Decision Memorandum at 15–16. Therefore, our analysis focuses on whether the producers of the wire rod used by Wireking and NKS during the POR were authorities within the meaning of section 771(5)(B) of the Act and the extent of the benefit provided.

As discussed in the “Use of Facts Otherwise Available and Adverse Inferences” section, above, we preliminarily determine that the wire rod producers for whom the GOC did not provide complete ownership information are authorities. For one wire rod producer, the ownership information submitted by the GOC indicates majority state ownership. In tires from the PRC, the Department determined that majority government ownership of an input producer is sufficient to qualify it as an “authority.” See *Certain New Pneumatic Off-the-Road Tires From the People’s Republic of China: Final Affirmative Countervailing Duty Determination and Final Negative Determination of Critical Circumstances*, 73 FR 40480 (July 15, 2008) and accompanying Issues and Decision Memorandum at 10. Thus, we preliminarily determine this supplier is an authority. For the final wire rod producer, which is owned by

individuals, the GOC has submitted incomplete information. Consistent with section 782(d) of the Act, we intend to seek further information. See “Programs for Which More Information is Required” section of this notice, below. For these preliminary results, however, as we are still gathering information on this wire rod producer, we are not including purchases of wire rod produced by this company in the calculation. Based on our findings that certain wire rod producers are authorities, we preliminarily determine that the GOC is providing a good and, hence, a financial contribution under section 771(5)(D)(iii) of the Act.

To determine whether this financial contribution results in a subsidy to the Kitchen Racks producers, we followed 19 CFR 351.511(a)(2) for identifying an appropriate market-based benchmark for measuring the adequacy of the remuneration for the wire rod. As in the underlying investigation, we have relied upon tier two benchmarks, *i.e.*, world market prices available to purchasers in the PRC, to determine the existence and extent of the benefit to Wireking and NKS. See Kitchen Racks Decision Memorandum at 8. Petitioners submitted U.S. domestic prices for wire rod, but we have not included these in our benchmark because they do not represent world market prices available to purchasers in the PRC. Instead, we have used the Steel Business Briefing export prices for wire from Turkey, Black Sea, and Latin America which were submitted by Wireking. See Wireking’s Comments on Benchmarking, June 15, 2011, and Memorandum to the File, regarding “Wire Rod Benchmark Prices” (September 30, 2011). This is consistent with the Department’s use of data from industry publications such as the Steel Business Briefing in other recent CVD proceedings involving the PRC. See, *e.g.*, *Wire Decking From the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 32902 (June 10, 2010), and accompanying Issues and Decision Memorandum at “Provision of HRS Steel for LTAR” section.

Under 19 CFR 351.511(a)(2)(iv), when measuring the adequacy of remuneration under tier one or tier two, the Department will adjust the benchmark price to reflect the price that a firm actually paid or would pay if it imported the product, including delivery charges and import duties. Regarding delivery charges, we have included the freight charges that would be incurred to deliver wire rod to the respondents’ plants. We have also added import duties, as reported by the

GOC, and VAT applicable to imports of wire rod into the PRC. We have compared these prices to the respondents' actual purchase prices, including any taxes and delivery charges incurred to deliver the product to their plants.

Comparing the adjusted benchmark prices to the prices paid by the respondents for the wire rod they purchased, we preliminarily determine that the GOC provided wire rod for LTAR, and that a benefit exists in the amount of the difference between the benchmark and what the respondents paid. See 19 CFR 351.511(a). We divided the difference between the amounts actually paid by Wireking and NKS for wire rod and what they would have paid under the benchmark in 2009, by the two companies' respective total sales in 2009. On this basis, we preliminarily determine the countervailable subsidy to be .82 percent and 0.46 percent *ad valorem* for Wireking and NKS, respectively.

J. Provision of Electricity for LTAR

In the underlying investigation, we determined that this program conferred a countervailable benefit. See Kitchen Racks Decision Memorandum at 5–6 and 13. No interested party provided new evidence that would lead us to reconsider our earlier finding that there is a financial contribution that is specific. Therefore, our analysis is focused on whether a benefit was conferred during the POR.

Both Wireking and NKS purchased electricity and provided monthly usage and payment data. See NQR at 12, NSQR1a at 8, NSQR2 at 3; WQR at 11, WSQR1 at 6, WSQR2 at 6.

To determine the existence and amount of any benefit from this program, we selected the highest electricity rates that were in effect during the POR, consistent with our approach in the investigation. The GOC provided electricity rate schedules for 2009, including the new rates based on the price adjustment that occurred in November 2009. See GQR at 23 and Exhibit GQ8–9. Based on these rate schedules, we have constructed benchmark peak, normal, and valley rates for the “large industrial” user category, including the highest provincial rate for the base rate.

Consistent with our approach in drill pipe from the PRC we first calculated the variable electricity costs of NKS and Wireking by multiplying the monthly kilowatt hours (“KWH”) consumed at each price category (peak, normal, and valley) by the corresponding electricity rates they paid. See *Drill Pipe From the People's Republic of China; Final*

Affirmative Countervailing Duty Determination, Final Affirmative Critical Circumstances Determination, 76 FR 1971 (January 11, 2011), and accompanying Issues and Decision Memorandum at “Provision of Electricity for LTAR” section. Next, we calculated the benchmark variable electricity cost by multiplying the monthly KWH consumed at each price category (peak, normal, and valley) by the highest electricity rate charged for each price category. To calculate the benefit for each month, we subtracted the variable electricity charge paid by each respondent during the POR from the monthly benchmark variable electricity cost.

To measure whether the respondents received a benefit with regard to their transmitter capacity charge (a.k.a., base charge), we first multiplied the monthly transmitter capacity charged to the companies by the corresponding consumption quantity, where appropriate. Next, we calculated the benchmark transmitter capacity cost by multiplying companies' consumption quantities by the highest transmitter capacity rate reflected in the electricity rate benchmark chart. To calculate the benefit, we subtracted the transmitter costs paid by the companies during the POR from the benchmark transmitter costs.

We then calculated the total benefit received during the POR under this program by summing the benefits stemming from the respondents' variable electricity payments and transmitter capacity payments.

We divided the benefit by the respondents' total sales in POR. On this basis, we preliminarily determine net countervailable subsidy rates of 0.62 percent *ad valorem* for Wireking and 0.58 percent *ad valorem* for NKS.

II. Programs Preliminarily Determined Not To Confer a Measurable Benefit During the POR

A. Shunde Patent Application

According to the GOC, this program was established in January 2001 and is intended to encourage investors in the Shunde district, and to promote the development of the economy and technology. The GOC has reported that any enterprise or public institution, government organ, public organization, or individual, that resides in this district and applies for a domestic patent for an invention, utility model patent, or invention authorization, can receive this reward. See GSQR1 at 26.

Shunde Science and Technology Bureau (currently the Shunde Economic

Promotion Bureau) administers the program. See *id.* at 25 and Exhibit 7.

Wireking applied for and received a grant under this program in 2009. See WQR at 11.

Based on our analysis, any potential benefit to Wireking under this program is less than 0.005 percent *ad valorem*. To determine this, we divided the amount received by Wireking in 2009 by Wireking's total sales in 2009. Where the countervailable subsidy rate for a program is less than 0.005 percent, the Department's practice is to not include that program in the total CVD rate. See, e.g., CFS Decision Memorandum at “Analysis of Programs, Programs Determined Not To Have Been Used or Not To Have Provided Benefits During the POR for GE” section. Thus, without prejudice to the question of whether this program confers a countervailable subsidy, and consistent with our practice, we determine that any potential benefit under this program is not measurable. See CFS Decision Memorandum at 15.

We examined the following programs and preliminarily determine that the producers and/or exporters of the subject merchandise under review did not apply for or receive benefits under these programs during the POR:

III. Programs Found To Be Not Used or That Provided No Benefit During the POR

1. Income Tax Refund for Reinvestment of Profits in Export-Oriented Enterprises.
2. Income Tax Reduction for Export-Oriented FIEs.
3. Local Income Tax Exemption or Reduction Program for “Productive” FIEs.
4. Preferential Tax Subsidies for Research and Development by FIEs.
5. Income Tax Credits on Purchases of Domestically-Produced Equipment by FIEs.
6. Income Tax Credits for Purchases of Domestically-Produced Equipment by Domestically-Owned Companies.
7. Reduction in or Exemption from Fixed Assets Investment Orientation Regulatory Tax.
8. VAT Rebates for FIEs Purchasing Domestically-Produced Equipment.
9. Import Tariff and VAT Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries.
10. Import Tariff Exemptions for the “Encouragement of Investment by Taiwanese Compatriots”.
11. Provision of Nickel for LTAR by the GOC.
12. Government Provision of Water at LTAR to Companies Located in

Development Zones in Guangdong Province.

13. Exemption from Land Development Fees for Enterprises Located in Industrial Cluster Zones.

14. Reduction in Farmland Development Fees for Enterprises Located in Industrial Zones.

15. Special Subsidy from the Technology Development Fund to Encourage Technology Development.

16. Exemption from District and Township Level Highway Construction Fees for Enterprises Located in Industrial Cluster Zones.

17. Exemptions from or Reductions in Educational Supplementary Fees and Embankment Defense Fees for Enterprises Located in Industrial Cluster Zones.

18. Exemption from Real Estate Tax and Dike Maintaining Fee for FIEs in Guangdong Province.

19. Import Tariff Refunds and Exemptions for FIEs in Guangdong Province.

20. Preferential Loans and Interest Rate Subsidies in Guangdong Province.

21. Direct Grants in Guangdong Province.

22. Funds for "Outward Expansion" of Industries in Guangdong Province.

23. Land-related Subsidies to Companies Located in Specific Regions of Guangdong Province.

24. Import Tariff and VAT Refunds and Exemptions for FIEs in Zhejiang.

25. Grants to Promote Exports from Zhejiang Province.

26. Land-related Subsidies to Companies Located in Specific Regions of Zhejiang.

27. Special Subsidy from the Technology Development Fund to Encourage Technology Innovation.

28. Subsidies to Encourage Enterprises in Industrial Cluster Zones to Hire Post-Doctoral Workers.

29. Land Purchase Grant Subsidy to Enterprises Located in Industrial Cluster Zones and Encouraged Enterprises.

30. Exemption from Accommodating Facilities Fees for High-Tech and Large-Scale FIEs.

31. Income Tax Deduction for Technology Development Expenses of FIEs.

32. Preferential Land-Use Charges for Newly-Established, Industrial Projects in Zhongshan's Industrial Zones.

33. Reduction of Land Price at the Township Level for Newly-Established, Industrial Projects in Zhongshan's Industrial Zones.

34. Reduction in Urban Infrastructure Fee for Industrial Enterprises in Industrial Zones.

35. Income Tax Rebate for "Superior Industrial Enterprises" in Zhongshan.

36. Accelerated Depreciation for New Technological Transformation Projects "Superior Industrial Enterprises" in Zhongshan.

37. Exemption from the Tax on Investments in Fixed Assets for "Superior Industrial Enterprises" in Zhongshan.

IV. Programs for Which More Information Is Required

A. Provision of Steel Strip for LTAR

The GOC has provided certain information requested by the Department regarding this newly alleged subsidy. In particular, the GOC has identified the producers of steel strip used by Wireking and NKS as state-owned and has provided more general information regarding the hot-rolled steel industry in the PRC. However, information on the record shows that NKS used cold-rolled strip and that Wireking may have used cold-rolled strip. See NNSAQR at Exhibit 2, WSQR3 at Exhibit 3, and Petitioners' submission regarding benchmarks for the NSA (July 26, 2011). Wireking did not distinguish its purchases of hot- and cold-rolled strip. See WSQR3 at Exhibit 3. To date, the GOC has not provided information about the cold-rolled steel industry in the PRC or about the specificity of any possible subsidy arising from the provision of cold-rolled strip for LTAR. Consistent with section 782(d) of the Act, we intend to seek further information on these issues. Also, we intend to ask Wireking to distinguish its purchases of hot- and cold-rolled strip.

B. Provision of Wire Rod for LTAR

As discussed above in the "I.I. Provision of Wire Rod for LTAR" section, the information submitted by the GOC regarding one wire rod producer is incomplete. Therefore, we intend to seek further information. In particular, we intend to ask the GOC to provide complete translations of the information submitted in its most recent supplemental response, to confirm and establish the completeness of that information, to establish the reliability of the information already provided to gather information on whether the owners are officials of a village committee or other village-level government entity and to seek information regarding the individual owners status as Communist Party of China ("CCP") officials directly from the CCP or, alternatively, why the GOC cannot obtain or request this information from the CCP.

C. Zhuhai Farmer Training Subsidy

According to the GOC, the Zhuhai Farmer Training Subsidy program was established in 2007 to promote the hiring and training of migrant rural workers. The GOC identified the municipal or district labor and social security department as the administrators of the program. See GSQR1 at 32 and Exhibit SGQ-8. To receive benefits an enterprise must employ more than fifty migrant rural workers from other provinces, have no arrears in the payment of wages, must sign employment contracts with migrant rural workers for more than one year, and have the necessary training place and equipment. See GSQR1 at 32-37.

The GOC's response requires clarification with regard to the information provided on whether this program is administered specific. Consistent with section 782(d) of the Act, we intend to seek further information on this issue.

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated individual subsidy rates for the mandatory respondents, Wireking and NKS.

For the non-selected respondents which responded to our requests for Q&V information (*i.e.*, Leader Metal, Dunli, and Hengtong), we have followed the Department's practice, which is to base the margin on an average of the margins calculated for those companies selected for individual review, excluding *de minimis* rates or rates based entirely on AFA. See, *e.g.*, *Certain Pasta From Italy: Preliminary Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 18806, 18811 (April 13, 2010), unchanged in *Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386 (June 29, 2010). Therefore, we have preliminarily assigned to Leader Metal, Hangzhou Dunli, and Hengtong the simple average of the rates calculated for Wireking and NKS. We have used a simple average rather than a weighted average because weight averaging the rates of the mandatory respondents risks disclosure of proprietary information.

For the non-selected respondents which did not respond to our requests for Q&V information (*i.e.*, Jiangsu Weixi and Asia Pacific CIS), we are applying an AFA rate, as described above.

We preliminarily find the net subsidy rate for the producers/exporters under review to be as follows:

Producer/Exporter	Net subsidy rate (percent)
Guangdong Wireking Housewares & Hardware Co., Ltd	2.16
New King Shan (Zhu Hai) Co., Ltd	2.89
Leader Metal Industry Co., Ltd. (aka Marmon Retail Services Asia)	2.53
Hangzhou Dunli Import and Export Co., Ltd/Hangzhou Dunli Industry Co., Ltd	2.53
Hengtong Hardware Manufacturing (Huizhou) Co., Ltd	2.53
Jiangsu Weixi Group Co.	239.33
Asia Pacific CIS (Wuxi) Co., Ltd	239.33

Assessment Rates

If these preliminary results are adopted in our final results of this review, the Department intends to issue appropriate assessment instructions (as described below) directly to CBP 15 days after publication of the final results of this review.

Oven Racks

For certain oven racks from the PRC entered, or withdrawn from warehouse for consumption from September 9, 2009, through December 31, 2009, the Department will instruct CBP to assess countervailing duties at the rates applicable to each company shown above and to liquidate such entries. Entries of certain oven racks occurring before September 9, 2009, were already liquidated at the time of the CVD order due to the ITC's finding of threat of material injury on certain oven racks. *See CVD Order*, 74 FR at 46974–75.

Refrigeration Shelving

For certain refrigeration shelving from the PRC entered, or withdrawn from warehouse, for consumption from January 7, 2009, through May 6, 2009, and September 9, 2009, through December 31, 2009, the Department will instruct CBP to assess countervailing duties at the rates applicable to each company shown above and to liquidate such entries. Entries of certain refrigeration shelving occurring during the period May 7, 2009, through September 8, 2009, were not suspended for CVD purposes due to the termination of provisional measures. *See CVD Order*, 74 FR at 46974–75.

Cash Deposit Instructions

The Department also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. These cash deposit

requirements, when imposed, shall remain in effect until further notice.

Public Comment

Interested parties may submit written arguments in case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, limited to issues raised in case briefs, may be filed not later than five days after the date of filing the case briefs. Parties who submit briefs in this proceeding should provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

In accordance with 19 CFR 351.310(c), interested parties may request a hearing within 30 days after the date of publication of this notice. Unless otherwise specified, the hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs.

Pursuant to section 751(a)(3)(A) of the Act, the Department will publish a notice of the final results of this administrative review within 120 days from the publication of these preliminary results.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: September 30, 2011.

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

[FR Doc. 2011–26013 Filed 10–6–11; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

Notice of Public Meeting—Cloud Computing Forum & Workshop IV

AGENCY: National Institute of Standards and Technology (NIST), Commerce.

ACTION: Notice.

SUMMARY: NIST announces the Cloud Computing Forum & Workshop IV to be held on November 2, 3 and 4, 2011. This

workshop will provide information on the U.S. Government (USG) Cloud Computing Technology Roadmap initiative. This workshop will also provide an updated status on NIST efforts to help develop open standards in interoperability, portability and security in cloud computing. This event is open to the public. In addition, NIST invites organizations to participate as Exhibitors as described in the **SUPPLEMENTARY INFORMATION** section below.

DATES: The Cloud Computing Forum & Workshop IV will be held November 2, 3, and 4, 2011.

ADDRESSES: On the first and second day of the event, November 2 & 3, panel discussions will be held at the National Institute of Standards and Technology, 100 Bureau Drive, Gaithersburg, MD 20899 in the Red Auditorium of the Administration Building, Building 101. The third day, November 4, will feature workshops held at the Crown Plaza, 3 Research Court, Rockville, MD 20850. Please note admittance instructions under the **SUPPLEMENTARY INFORMATION** section of this notice.

FOR FURTHER INFORMATION CONTACT: To submit a response to this request for exhibitors, and for further information contact Romaine Hines by e-mail at romayne.hines@nist.gov or by phone at (301) 975–4500.

SUPPLEMENTARY INFORMATION: NIST hosted three prior Cloud Computing Forum & Workshop events in May 2010, November 2010, and April 2011. The purpose of these workshops was to respond to the request of the Federal Chief Information Officer to NIST to lead federal efforts on standards for data portability, cloud interoperability, and security. The workshops' goals were to initiate engagement with industry to accelerate the development of cloud standards for interoperability, portability, and security; discuss the Federal Government's experience with cloud computing, report on the status of the NIST Cloud Computing efforts, launch and report progress on the NIST led initiative to collaboratively develop a USG Cloud Computing Technology Roadmap among multiple federal and