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PUBLIC VERSION

BEFORE THE
INTERNATIONAL TRADE ADMINISTRATION OF THE
U.S. DEPARTMENT OF COMMERCE
AND THE
U.S. INTERNATIONAL TRADE COMMISSION

PETITIONS FOR THE IMPOSITION OF
ANTIDUMPING AND COUNTERVAILING DUTIES PURSUANT TO
SECTION 701 AND 731 OF THE TARIFF ACT OF 1930, AS AMENDED

VOLUME XX:

ITALY AD PETITION

IN THE MATTER OF:

ALUMINUM EXTRUSIONS FROM COLOMBIA, THE DOMINICAN REPUBLIC, ECUADOR, INDIA, INDONESIA, ITALY, MALAYSIA, MEXICO, THE PEOPLE'S REPUBLIC OF CHINA, SOUTH KOREA, TAIWAN, THAILAND, TURKEY, THE UNITED ARAB EMIRATES AND VIETNAM

PETITIONERS:

U.S. ALUMINUM EXTRUDERS COALITION AND THE UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

ECONOMIC CONSULTANTS:

Richard F. DiDonna
Amy Sherman

WILEY TRADE ANALYTICS GROUP
2050 M Street, NW
Washington, DC 20036
(202) 719-7000

COUNSEL:

Alan H. Price
Robert E. DeFrancesco, III
Laura El-Sabaawi

WILEY REIN LLP
2050 M Street, NW
Washington, DC 20036
(202) 719-7000

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I. INTRODUCTION

On behalf of the U.S. Aluminum Extruders Coalition and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (collectively "Petitioners"), this Petition seeks the imposition of antidumping duties on certain aluminum extrusions from Italy. This Petition sets forth below the information relevant to the calculation of export price ("EP") and normal value ("NV") that is reasonably available to Petitioners. As shown below, the application of the Department of Commerce's (the "Department") standard dumping methodology shows that producers and/or exporters in Italy sold, or offered for sale, aluminum extrusions ("extrusions") in the United States at less than fair value.

Petitioners used EP as the basis for U.S. price because producers and/or exporters of subject merchandise located in Italy often sell directly to unaffiliated purchasers located in the United States or through unaffiliated trading companies to unrelated purchasers in the United States. However, in certain situations, an Italian producer and/or exporter may have an affiliated sales or distribution division that is located in the United States. These divisions may take delivery of the goods in the United States, enter the goods into affiliated distribution warehouses, and resell the goods to unaffiliated U.S. customers. However, as described below, information available to Petitioners supports Petitioners' belief that EP is the appropriate comparison basis.

Petitioners first computed the ex-factory EP for each transaction or offer ("ex-factory U.S. price" or "ex-factory EP") in U.S. Dollars by deducting from the quoted transaction prices the costs incident to delivering the merchandise to customers in the United States. Specifically, and where applicable, Petitioners would normally deduct transportation charges from the manufacturing facilities in Italy to the ports of exportation located in Italy, foreign brokerage and

handling fees, international ocean/truck freight and insurance expenses, U.S. port fees, U.S. inland freight expenses, U.S. domestic brokerage and handling expenses, and U.S. duties and taxes.

Petitioners calculated the ex-factory normal value ("ex-factory NV") in the home market currency by deducting from quoted transaction prices those costs that are incident to delivering merchandise to customers located within Italy.

Petitioners next compared each ex-factory EP with the ex-factory NV for identical or similar merchandise. In making these comparisons, Petitioners were required to convert offered home market pricing NVs to U.S. Dollars using the U.S. Dollar-European Euro exchange rate in effect during the period of investigation (October 1, 2022, through September 30, 2023) (the "POI"). Petitioners then subtracted the U.S. price from the ex-factory NV and divided the difference by the U.S. price for each observation to determine the dumping margin.

II. EXPORT PRICE

Italian producers/exporters of aluminum extrusions sell through a variety of channels and to a wide range of customers including original equipment manufacturers, distributors, and directly to end users. As noted above, Italian producers and exporters of aluminum extrusions may not be affiliated with the aforementioned companies, but it is not uncommon for some producers and exporters of extrusions located in Italy to sell subject merchandise to an affiliated U.S. company which takes delivery of the goods in the United States before reselling the goods to the various classes of customers.

Producers/exporters of extrusions located in Italy and U.S. producers of extrusions products price subject merchandise based on a number of factors including: (1) the alloy grade of the aluminum, (2) the form of the extrusion (based on the extrusion die form), (3) the degree of

surface processing of the extrusion (*e.g.*, whether it was painted or anodized), (4) whether the extrusion has undergone some further processing through the addition of parts or hardware or through partial conversion into a semifinished good, and (5) other factors.[1] Despite the wide variance in features and options found in the extrusions market place, Italian and U.S. domestic producers of aluminum extrusion products compete for the same customers on a daily basis.

A. U.S. Price

Petitioners obtained the following quoted sales offers for aluminum extrusion products produced in and exported from Italy by Metra SpA ("Metra") and offered for sale to a customer in the United States during the POI.

OBS	Producer	Product	Grade / Specification	Finish	Processing?	Offered Price per Unit (US$)
US-IT-01	Metra	[*Product*		*Finish*		]

Documents certifying the term of these recent sales offers are provided in **Exhibit XX-2B**. Petitioners note that they [*Narrative*

]. The merchandise in question appears to be [*Product*

].[2] This [

Source

Code].[3] Petitioners reviewed [*narrative*] that Metra

[

1 *See* Declaration of [ ], attached as **Exhibit XX-1**.

2 *See* Declaration of [*name*], attached as **Exhibit XX-3**.

3 *See* Official U.S. Import Statistics, attached as **Exhibit XX-2A.**

[*city, state* *narrative*].[4] Petitioners [*company* *city*].[5] Petitioners were able to [*month, year* *narrative* *source*].[6] Therefore, Petitioners believe that Metra's shipments to [*company* *port*]. Resultantly Petitioners believe that the [*narrative*] to Metra.

As Metra offered to sell the goods in question (and indeed did sell) directly to an unaffiliated customer or distributor in the United States, with goods being delivered through the customs district/port of [*city, state*], EP is the proper comparison basis for this offer.

B. Movement and Related Expenses

In order to calculate the ex-factory U.S. prices for sales to the United States, Petitioners deducted the costs associated with exporting and delivering the products to customers in the United States from the quoted transaction prices. These costs normally consist of inland and ocean freight charges from Italian manufacturing facilities to U.S. ports of entry, Italian and U.S. port, wharfage, and/or handling fees, foreign brokerage and handling fees, customs duties and fees paid upon entry of the subject merchandise into the United States, U.S. brokerage and

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4 *See* Offer Match Sheet, attached as **Exhibit XX-2B**.

5 *See* [*source*], attached as **Exhibit XX-4.**

6 *See* [ ], attached as **Exhibit XX-4.**

handling fees, and U.S. inland freight expenses, where applicable. The following sections describe the calculations performed to derive the ex-factory U.S. prices. Petitioners' calculations of the ex-factory U.S. price are provided at **Exhibit XX-5**.

Imports of aluminum extrusions from Italy are typically transported by truck or rail from the manufacturing facilities to the port of export, shipped by ocean vessel to the United States in standard shipping containers, and moved by truck or rail from the port of arrival to the location of the U.S. customer's choosing. The exact method of transportation depends on the proximity of the location of the Italian production factories to the port of exportation, the availability of rivers or rail or road lines in conjunction with the factories' locations, and the location of the U.S. customer's designated delivery location. The following narrative describes the adjustments made to the offered U.S. prices.

C. Country of Manufacture Expenses

1. Foreign Inland Freight

Under normal circumstances, Petitioners would deduct country of manufacture movement expenses such as foreign inland freight (truck or rail or barge), distribution warehouse expenses, brokerage and handling expenses, and port expenses from the quoted transaction price. According to information available to Petitioners, Metra is located in the commune of Rodengo Saiano in the Italian province of Brescia.[7] According to available map information and [*source*],[8] it appears Metra utilizes the Port of Genoa (a distance of approximately 230 kilometers) to export its aluminum goods to the United States.

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7 *See* Profile of Metra, excerpts attached as **Exhibit XX-6**.

8 *See* Metra to Port of Exportation Distance Calculation, attached as **Exhibit XX-7**. *See also* [ ], attached as **Exhibit XX-4**.

Petitioners do not have access to Metra's actual costs incurred in shipping merchandise from Italy to the United States. Given Metra's relative proximity to its seaport and given the available of highway roads nearby, it is highly likely that Metra would utilize trucks to ship goods from its facilities to the port of exportation.

As the best information reasonably available, Petitioners obtained information regarding inland freight costs within Italy from the World Bank publication *Doing Business in Italy 2020*.[9] The publication provides theoretical freight rates based on the exportation and importation of goods by customers located in Rome and exported through overland crossing border ports along the border between Italy and Austria.[10] The reported distances were applied against the average export inland freight rates to yield a cost per kilometer.[11] That cost was then converted to a cost per kilometer per metric ton (and then per ton and per pound) by dividing the quoted rate by the standard container load as specified by the methodology outlined in *DBI 2020* – 15 metric tons.[12] The resulting cost per kilometer per pound was converted to a cost per kilometer multiplied by the calculated distance between Metra's facilities to its likely port of exportation,[13] which in turn was subtracted from the offered U.S. price.[14]

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[9] *See Doing Business in Italy – 2020*, World Bank Group ("*DBI 2020*"), excerpts attached as **Exhibit XX-8A.**

[10] *See id.*; *see Doing Business – Trading Across Borders Methodology*, World Bank Group, attached as **Exhibit XX-8B**.

[11] *See* Calculation of Country of Manufacture Freight, attached as **Exhibit XX-9**.

[12] *See DBI 2020*, excerpts attached as **Exhibit XX-8A**.

[13] *See* Metra to Port of Exportation Distance Calculation, attached as **Exhibit XX-7**. Petitioners note that with respect to the U.S. offer, the offer was made on a U.S. dollars per pound basis. Consequently, Petitioners do not need to account for the weight of the good as the movement expense rates already contemplate a price to ship one unit (*e.g.*, one pound or one kilogram) of goods.

[14] *See* Calculation of Ex-Factory Export Price, attached as **Exhibit XX-5**.

2. Brokerage and Handling

Petitioners calculated the country of manufacture brokerage and handling expenses that producers of aluminum extrusions in Italy would incur in shipping subject merchandise to the United States. Petitioners note that the *DBI* series does not have available specific brokerage and handling costs for Italy itself. As a best alternate, *DBI 2020* does publish average brokerage and handling fees that exporters located in "OECD High Income" countries (like Italy) would likely pay in exporting goods. Specifically, according to *DBI 2020,* exporters in OECD High Income countries are likely to incur up to US$170.20 in brokerage and handling fees.[15] This rate was converted to a price per metric ton (and then price per net ton and price per pound) by dividing the brokerage and handling fee rate by the standard container load as specified by the methodology outlined in *DBI 2020* – the 15 metric tons referenced above.[16] The cost per pound was then subtracted from the offered U.S. price.[17]

D. International Movement Expenses

With respect to ocean freight and relevant marine insurance expenses, Petitioners obtained from the U.S. International Trade Commission information relating to aluminum extrusions imported into the United States during the POI.[18,19] Utilizing the Harmonized Tariff

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[15] *See DBI 2020*, excerpts attached as **Exhibit XX-8A**.

[16] *See Doing Business – Trading Across Borders Methodology*, World Bank Group, attached as **Exhibit XX-8B**; *see also* Calculation of Country of Manufacture Brokerage and Handling, attached as **Exhibit XX-10**.

[17] *See* Calculation of Ex-Factory Export Price, attached as **Exhibit XX-5**.

[18] *See* Official U.S. Import Statistics, attached as **Exhibit XX-2A**. This is the most current data available to Petitioners.

[19] Petitioners note that official U.S. import statistics base movement expense data on reported expenses "incurred while bringing the merchandise from alongside the carrier at the port of exportation in the country of exportation and placing it alongside the carrier at the first U.S. port of entry." *See* U.S. Customs and Border Protection Agency, Instructions accompanying CBP form 7501 at 18, attached as **Exhibit XX-11**. Based upon this, it is clear that foreign inland freight expenses are not captured in official U.S. import statistics and must be

Schedule of the United States codes that most closely reflect entries of the goods that were offered by Metra, Petitioners subtracted the reported Customs values for entries of merchandise entered into [*port*] from the reported C.I.F. values for the same port and divided the difference by quantity of merchandise imported into the port for the same time period.[20] This result was subtracted from the U.S. price quote as shown in **Exhibit XX-5**. This is the best information available to Petitioners.

E. U.S. Domestic Movement Expenses

[*narrative*

]

Metra offer to account for U.S. domestic movement and brokerage and handling expenses.

F. Computation of Ex-Factory U.S. Price

Petitioners subtracted the calculated movement expenses, brokerage and handling expenses, fees, and duties from the reported U.S. prices to obtain the following ex-factory U.S. price for aluminum extrusion products exported from Italy and offered for sale in the United States:

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calculated separately. This conclusion is confirmed by the U.S. Customs and Border Protection Agency, which stipulates that freight charges reportable on Customs Form 7501 at Block 32 are to be "port to port" based expenses. *See id.* at 12-13.

[20] *See* Official U.S. Import Statistics, attached as **Exhibit XX-2A**. Petitioners also converted the rate to a price per pound as the official import statistics report goods on a per-kilogram basis.

OBS	Producer		Product	Grade / Specification	Finish	Processing?	Ex-Factory EP (US$)	
US-IT-01	Metra	[	*product*		*finish*		*$1.88888*	]

Detailed calculations of the ex-factory U.S. prices for imports of aluminum extrusion products from Italy are provided in **Exhibit XX-5**.

III. NORMAL VALUE

The preferred method for determining the NV of imported products is to examine sales or offers of sales of the identical or similar product in the home market of the exporting country. Petitioners [ ] regarding the prices at which Metra sold the identical or similar merchandise in the Italian domestic market [ ].

A. Home Market Price

Petitioners obtained the following quoted sales offers for aluminum extrusion products produced in Italy by Metra and offered for sale to a customer located in the same country.[21]

OBS	Producer		Product	Grade / Specification	Finish	Processing?	Offered Price per Unit (US$)	
HM-IT-01	Metra	[	*product*		*finish*			]

Documents certifying the term of these recent sales offers are provided in **Exhibit XX-12**. [*narrative*]. However, the [ ] is similar to the kind used in building and construction applications like window and door parts. The price

[21] *See* Declaration of [*name*], attached as **Exhibit XX-12**.

in question [*cptions*

].[22]

B. Movement and Related Expenses

In order to calculate the ex-factory HM price for sales to customers located in Italy, Petitioners deducted the costs associated with delivering the products to customers in the same country from the quoted transaction prices. These costs normally consist of inland freight charges from Italian manufacturing facilities the location of the home market customers, and brokerage and handling fees, where applicable. The following sections describe the calculations performed to derive the ex-factory HM price. Petitioners' calculations of the ex-factory HM price are provided at **Exhibit XX-13**. However, [

terms].

IV. LESS THAN NORMAL VALUE COMPARISON

In order to calculate the margin of dumping, Petitioners matched the U.S. transaction offer to its corresponding NV. Petitioners first converted the Italian HM which was offered on a price per kilogram to a price per pound.[23] Petitioners also converted the HM price to a price denominated in U.S. Dollars using the U.S. Dollar – European Euro exchange rate in effect during the POI.[24] Petitioners subtracted the ex-factory U.S. price from its corresponding NV and then divided the difference by the EP for each offered product to determine a dumping margin for the U.S. transaction offer, yielding a transaction-specific dumping margin.[25]

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22 *See* **Exhibit XX-12**.

23 *See* Calculation of Dumping Margin, attached as **Exhibit XX-15**.

24 *See* **Exhibit XX-14**.

25 *See* Calculation of Dumping Margin, attached as **Exhibit XX-15**.

This comparison demonstrates that producers/exporters in Italy sold, or offered for sale, subject merchandise in the United States at prices below NV. The calculated *ad valorem* dumping margin for Metra is 37.52 percent.[26]

V. CONCLUSION

Petitioners request that antidumping duties be imposed on imports of aluminum extrusions from Italy in an amount sufficient to offset the unfair pricing described above.

[26] *See* Calculation of Dumping Margin, attached as **Exhibit XX-15.**

EXHIBIT LIST		
Exhibit No.	**Description**	**Security**
XX-1	Declaration of [*name*]	Public Version
XX-2A	Official U.S. Import Statistics	Public Version
XX-2B	Offer Match Sheet	Public Version
XX-3	Declaration of [*name*]	Public Version
XX-4	[ ] data	Public Version
XX-5	Ex-factory Export Price Calculation	Public Version
XX-6	Profile of Metra (excerpts)	Public
XX-7	Metra to Port of Exportation Distance Calculation	Public
XX-8A	*Doing Business in Italy – 2020*, World Bank Group (excerpts)	Public
XX-8B	*Doing Business – Trading Across Borders Methodology*, World Bank Group	Public
XX-9	Calculation of Country of Manufacture Inland Freight	Public
XX-10	Calculation of Country of Manufacture Brokerage and Handling	Public
XX-11	U.S. Customs and Border Protection Agency, Instructions accompanying CBP form 7501	Public
XX-12	Declaration of [*name*]	Public Version
XX-13	Calculation of Ex-Factory Normal Value	Public Version
XX-14	U.S. Dollar – European Euro Exchange Rates	Public
XX-15	Calculation of Dumping Margin	Public Version