

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

China Custom Manufacturing Inc. v. United States

China Custom · No. 22-1345 · Decided March 2, 2023

SUMMARY

The United States Court of Appeals for the Federal Circuit affirmed the Court of International Trade’s decision sustaining the Department of Commerce’s ruling that China Custom Manufacturing’s solar panel mounts were subject to antidumping and countervailing duty orders covering aluminum extrusions from China. The court held that the mounts were parts or subassemblies of a downstream solar panel mounting system and therefore did not qualify for the orders’ finished merchandise or finished goods kit exclusions.

CASE DETAILS

COURT	United States Court of Appeals for the Federal Circuit
WRITING FOR THE COURT	Chen, Circuit Judge; Newman, Circuit Judge; Cunningham, Circuit Judge
JURISDICTION	Federal
DECIDED	March 2, 2023
DOCKET	22-1345
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from the United States Court of International Trade's decision sustaining the Department of Commerce's final scope ruling concerning antidumping and countervailing duty orders covering aluminum extrusions from the People's Republic of China.
STANDARD OF REVIEW	The Federal Circuit reviews the trial court's decision de novo and applies anew the same standard used by the trial court. Commerce's determination must be upheld unless unsupported by substantial evidence on the record or otherwise not in accordance with law. Commerce receives substantial deference in interpreting its own duty orders.
PRECEDENTIAL VALUE	published and precedential
PARTIES	China Custom Manufacturing Inc., Greentec Engineering LLC v. United States, Aluminum Extrusions Fair Trade Committee

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QUESTIONS PRESENTED

1. Whether CCM's solar panel mounts qualified for the finished merchandise exclusion from the antidumping and countervailing duty orders.
2. Whether Commerce properly treated the solar panel mounts as parts or subassemblies of a downstream solar panel mounting system.
3. Whether Commerce's scope ruling was supported by substantial evidence and in accordance with law.

HOLDINGS

1. A part or subassembly of a downstream product cannot qualify as a finished product or for the orders' finished merchandise exclusion.
2. Subassemblies may be excluded from the orders only when imported as part of a finished goods kit containing all required components to assemble the final finished good and ready for assembly as is.
3. Commerce's determination that CCM's solar panel mounts were within the orders' scope and ineligible for the finished merchandise exclusion was supported by substantial evidence and in accordance with law.

KEY QUOTATIONS

“A decision is supported by substantial evidence if “a reasonable mind might accept it as adequate to support a conclusion.”” (at 8)

“This appeal is governed squarely by our holding in Shenyang I that “[a] part or subassembly . . . cannot be a finished product.”” (at 8)

“The Orders exclude finished merchandise containing aluminum extrusions as parts that are fully and permanently assembled, not the parts themselves.” (at 10)

“The solar panel mounts at issue are parts or subassemblies for a downstream product—the EcoFasten solar panel mounting system—and thus are not a finished product that qualifies for the finished merchandise exclusion.” (at 12)

FACTUAL BACKGROUND

China Custom Manufacturing and Greentec imported Rock-it Mount 3.0 solar panel mounts used with other components in the EcoFasten 3.0 Rock-it solar panel mounting system. The mounts were aluminum-extrusion components and were designed to function as parts or subassemblies of the downstream mounting system rather than as an independent finished product. Commerce found that the mounts did not include all components needed to assemble the final mounting system and therefore were within the scope of the orders and outside both relevant exclusions.

PROCEDURAL HISTORY

Commerce issued a final scope ruling determining that CCM's solar panel mounts were subject to the antidumping and countervailing duty orders and did not qualify for either the finished merchandise or finished goods kit exclusions. The Court of International Trade sustained Commerce's ruling. CCM appealed to the Federal Circuit, which affirmed.

DISPOSITION

affirmed

CASES CITED

- Shenyang Yuanda Aluminum Indus. Eng'g Co. v. United States, 918 F.3d 1355, 1358 (Fed. Cir. 2019)
- Whirlpool Corp. v. United States, 890 F.3d 1302, 1305 n.1 (Fed. Cir. 2018)
- Shenyang Yuanda Aluminum Indus. Eng'g Co. v. United States, 776 F.3d 1351, 1358 (Fed. Cir. 2015)
- Shenyang Yuanda Aluminum Indus. Eng'g Co. v. United States, 279 F. Supp. 3d 1209, 1212 n.3 (Ct. Int'l Trade 2017)
- Shenyang Yuanda Aluminum Indus. Eng'g Co. v. United States, 918 F.3d 1355, 1367 (Fed. Cir. 2019)
- Sunpreme Inc. v. United States, 946 F.3d 1300, 1308 (Fed. Cir. 2020) (en banc)
- China Custom Mfg., Inc. v. United States, No. 20-cv-00121, 2021 WL 5822715, at *6, *10 (Ct. Int'l Trade Dec. 6, 2021)