



This document is scheduled to be published in the Federal Register on 04/20/2015 and available online at <http://federalregister.gov/a/2015-09004>, and on FDsys.gov

BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-021]

Melamine from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination with Final Antidumping Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce ("Department") preliminarily determines that countervailable subsidies are being provided to producers/exporters of melamine from the People's Republic of China ("PRC"). The period of investigation is January 1, 2013, through December 31, 2013. Interested parties are invited to comment on this preliminary determination.

DATES: EFFECTIVE DATE: INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.

FOR FURTHER INFORMATION CONTACT: Eve Wang or Andrew Medley, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6231 and (202) 482-4987, respectively.

SUPPLEMENTARY INFORMATION:

Alignment of Final Countervailing Duty Determination With Final Antidumping Duty

Determination

The Department published its notice of initiation of this countervailing duty (“CVD”) investigation on December 9, 2014; on the same day, the Department published its notice of initiation of an antidumping duty (“AD”) investigation of melamine from the PRC.¹ The CVD and AD investigations cover the same merchandise. On April 1, 2015, in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (“the Act”), Cornerstone Chemical Company (“Petitioner”) requested alignment of the final CVD determination with the final AD determination of melamine from the PRC.² Therefore, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), we are aligning the final CVD determination with the final AD determination. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than August 24, 2015, unless postponed.

Scope of the Investigation

The product covered by this investigation is melamine from the PRC. For a complete description of the scope of the investigation, *see* Appendix 1 to this notice.

Methodology

The Department is conducting this CVD investigation in accordance with section 701 of the Act. For a full description of the methodology underlying our preliminary conclusions, *see*

¹ *See Melamine From the People’s Republic of China and Trinidad and Tobago: Initiation of Countervailing Duty Investigations*, 79 FR 73030 (December 9, 2014). *See also Melamine From the People’s Republic of China and Trinidad and Tobago: Initiation of Less-Than-Fair-Value Investigations*, 79 FR 73037 (December 9, 2014).

² *See* Letter from Petitioner entitled “Melamine From The People’s Republic of China And The Republic of Trinidad And Tobago/Request For Alignment,” dated April 1, 2015.

the Preliminary Decision Memorandum.³ The Preliminary Decision Memorandum is a public document and is made available to the public *via* Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (“ACCESS”).⁴ ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Department’s Central Records Unit, located at room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

For this preliminary determination, we relied on facts available pursuant to section 776(a) of the Act because the Government of the PRC and the five companies selected for individual examination—*i.e.*, the mandatory respondents: Far-Reaching Chemical Co., Ltd. (“Far-Reaching Chemical”), Zhongyuan Dahua Group Co., Ltd. (“Zhongyuan Dahua”), Qingdao Unichem International Trade Co., Ltd. (“Qingdao Unichem”), M and A Chemicals Corp China (“M&A Chemicals”), and Shandong Liaherd Chemical Industry Co., Ltd. (“Shandong Liaherd”). failed to provide information requested by the Department and, by refusing to participate as respondents, significantly impeded the investigation.⁵ Further, because they failed to cooperate by not acting to the best of their ability to respond to the Department’s requests for necessary information, pursuant to section 776(b) of the Act, in selecting from among the facts otherwise available, we have drawn an adverse inference. Specifically, the Department applied an adverse

³ See Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, From Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, titled “Decision Memorandum for Preliminary Determination of Countervailing Duty Investigation: Melamine from the People’s Republic of China,” dated concurrently with this notice (“Preliminary Decision Memorandum”).

⁴ On November 24, 2014, Enforcement and Compliance changed the name of Enforcement and Compliance’s AD and CVD Centralized Electronic Service System (“IA ACCESS”) to AD and CVD Centralized Electronic Service System (“ACCESS”). The website location was changed from <http://iaaccess.trade.gov> to <http://access.trade.gov>. The Final Rule changing the references to the Regulations can be found at 79 FR 69046 (November 20, 2014).

⁵ See sections 776(a)(2)(A) and (C) of the Act.

inference to find that the programs on which the Department initiated this investigation and the programs which the Department subsequently included in this investigation pursuant to allegations made by Petitioner,⁶ are countervailable. Further, the Department applied an adverse inference in its calculation of the *ad valorem* estimated countervailable subsidy rate for Far-Reaching Chemical, Zhongyuan Dahua, Qingidau Unichem, M&A Chemicals, and Shandong Liaherd. For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” section in the Preliminary Decision Memorandum.

Preliminary Determination and Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated estimated subsidy rates for each individually examined producer/exporter of the subject merchandise: Far-Reaching Chemical, Zhongyuan Dahua, Qingidau Unichem, M&A Chemicals, and Shandong Liaherd.

In accordance with sections 703(d)(1)(A)(i) and 705(c)(5)(A) of the Act, for companies not individually examined, we calculated an “all-others” rate by weighting the subsidy rates of the individual companies selected as respondents by those companies’ exports of the subject merchandise to the United States, not including zero and *de minimis* rates or any rates based solely on facts available. With respect to the all-others rate, section 705(c)(5)(A)(ii) of the Act provides that, if the countervailable subsidy rates established for all exporters and producers individually investigated are determined entirely in accordance with section 776 of the Act, the Department may use any reasonable method to establish an all-others rate for exporters and producers not individually examined. In this case, the countervailable subsidy rate calculated for each of the investigated companies is based entirely on facts available under section 776 of the

⁶ *See* the Department’s memorandum entitled “Countervailing Duty Investigation on Melamine from the People’s Republic of China: January 27, 2015 New Subsidy Allegations,” dated March 25, 2015.

Act. There is no other information on the record upon which to determine an all-others rate. As a result, we assigned the simple average of the five rates assigned for Far-Reaching Chemical, Zhongyuan Dahua, Qingidau Unichem, M&A Chemicals, and Shandong Liaherd as the all-others rate. This method is consistent with the Department's past practice.⁷

We preliminarily determine the countervailable subsidy rates to be:

Company	Subsidy Rate (percent)
Far-Reaching Chemical Co., Ltd.	147.62
M and A Chemicals Corp China	147.62
Qingdao Unichem International Trade Co., Ltd.	147.62
Shandong Liaherd Chemical Industry Co., Ltd.	150.52
Zhongyuan Dahua Group Co., Ltd.	147.62
All Others	148.20

In accordance with sections 703(d)(1)(B) and (2) of the Act, we are directing U.S. Customs and Border Protection to suspend liquidation of all entries of melamine from the PRC that are entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the *Federal Register*, and to require a cash deposit for such entries of merchandise in the amounts indicated above.

Disclosure and Public Comment

Because the Department has reached its conclusions on the basis of adverse facts available, the calculations performed in connection with this preliminary determination are not proprietary in nature, and are described in the Preliminary Decision Memorandum. Interested parties may submit case and rebuttal briefs, as well as request a hearing.⁸ For a schedule of the

⁷ See, e.g., *Carbon and Certain Alloy Steel Wire Rod From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 79 FR 68858 (November 19, 2014); see also *Calcium Hypochlorite From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 79 FR 74064 (December 15, 2014).

⁸ See 19 CFR 351.309(c)-(d) and 19 CFR 351.310(c).

deadlines for filing case briefs, rebuttal briefs, and hearing requests, *see* the Preliminary Decision Memorandum.

U.S. International Trade Commission (“ITC”) Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act and 19 CFR 351.205(c).

Dated: April 13, 2015.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

Appendix 1

Scope of the Investigation

The merchandise subject to this investigation is melamine (Chemical Abstracts Service (“CAS”) registry number 108-78-01, molecular formula $C_3H_6N_6$).⁹ Melamine is a crystalline powder or granule typically (but not exclusively) used to manufacture melamine formaldehyde resins. All melamine is covered by the scope of this investigation irrespective of purity, particle size, or physical form. Melamine that has been blended with other products is included within this scope when such blends include constituent parts that have been intermingled, but that have not been chemically reacted with each other to produce a different product. For such blends, only the melamine component of the mixture is covered by the scope of this investigation. Melamine that is otherwise subject to this investigation is not excluded when commingled with melamine from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of this investigation.

The subject merchandise is provided for in subheading 2933.61.0000 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.

⁹ Melamine is also known as 2,4,6-triamino-s-triazine; 1,3,5-Triazine-2,4,6-triamine; Cyanurotriamide; Cyanurotriamine; Cyanuramide; and by various brand names.

Appendix 2

List of Topics Discussed in the Preliminary Decision Memorandum

1. Summary
2. Background
3. Scope Comments
4. Scope of the Investigation
5. Respondent Selection
6. Voluntary Respondent Treatment
7. Injury Test
8. Application of the Countervailing Duty Law to Imports from the PRC
9. Use of Facts Otherwise Available and Adverse Inferences
10. ITC Notification
11. Disclosure and Public Comment
12. Conclusion

[FR Doc. 2015-09004 Filed: 4/17/2015 08:45 am; Publication Date: 4/20/2015]