



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-835]

Furfuryl Alcohol from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2014-2015

AGENCY: Enforcement and Compliance, International Trade Administration, Commerce.

SUMMARY: The Department of Commerce (“Department”) is conducting an administrative review of the antidumping duty order on furfuryl alcohol from the People’s Republic of China (“PRC”). The period of review (“POR”) is June 1, 2014, through May 31, 2015. The review covers one exporter of subject merchandise.¹ The Department preliminarily finds that the mandatory respondent, Qingdao WenKem Co., Ltd. (“WenKem”), has not demonstrated that it is eligible for a separate rate in this segment of the proceeding, and therefore, for the preliminary results, we are treating it as part of the PRC-wide entity.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Mandy Mallott, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6430.

SUPPLEMENTARY INFORMATION:

Background

On August 3, 2015, the Department initiated the first administrative review of the antidumping duty order on furfuryl alcohol from the PRC.² On September 8, 2015, the

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 80 FR 45947 (August 3, 2015) (“*Initiation Notice*”).

² See *Initiation Notice*.

Department issued an antidumping questionnaire to WenKem. WenKem submitted an entry of appearance on September 30, 2015, and on October 22, 2015, WenKem submitted a letter to the Department stating that it did not export furfuryl alcohol to the United States during the POR.³ However, U.S. Customs and Border Protection (“CBP”) import data on the record of this administrative review indicate that WenKem did have exports of subject merchandise to the United States during the POR.⁴ Additionally, PennAKem LLC (“Petitioner”) placed publicly available information on the record of this administrative review indicating that WenKem exported furfuryl alcohol to the United States during the POR.⁵ WenKem did not comment on either the CBP import data or the information placed on the record by the Petitioner (both of which were on the record prior to WenKem’s statement that it had no shipments of furfuryl alcohol to the United States during the POR).

Scope of the Order

The merchandise covered by this order is furfuryl alcohol (C₄H₃OCH₂OH). Furfuryl alcohol is a primary alcohol, and is colorless or pale yellow in appearance. It is used in the manufacture of resins and as a wetting agent and solvent for coating resins, nitrocellulose, cellulose acetate, and other soluble dyes. The product subject to this order is classifiable under subheading 2932.13.00⁶ of the Harmonized Tariff Schedule of the United States (“HTSUS”).

³ See letters from WenKem, “ENTRY OF APPEARANCE A-570-835, Administrative Review of the Antidumping Order on Furfuryl Alcohol from the People’s Republic of China (PRC) for the Period 6/1/2014 through 5/31/2015,” dated September 30, 2015, and “Administrative Review of the Antidumping Order on Furfuryl Alcohol from the People’s Republic of China (PRC) for the Period 6/1/2014 through 5/31/2015,” dated October 22, 2015.

⁴ See letter from the Department, “2014-2015 Administrative Review of the Antidumping Duty Order on Furfuryl Alcohol from the People’s Republic of China: U.S. Customs and Border Protection Import Data, for Use in Respondent Selection,” dated August 19, 2015 (“CBP Import Data”).

⁵ See letter from Petitioner, “Furfuryl Alcohol from the PRC Administrative Review (06.01.14- 05.31.15): Evidentiary Submission,” dated October 13, 2015.

⁶ 29 (“Organic Chemicals”); .32 (“Heterocyclic compounds with oxygen hetero-atom(s) only: Compounds containing an unfused furan ring (whether or not hydrogenated) in the structure.”); .13.00 (“Furfuryl alcohol and tetrahydrofurfuryl alcohol”).

Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope is dispositive.

Nonmarket Economy Country

The Department considers the PRC to be a nonmarket economy (“NME”) country.⁷ In accordance with section 771(18)(C)(i) of the Tariff Act of 1930, as amended (“the Act”), any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. Therefore, we continue to treat the PRC as an NME country for purposes of these preliminary results.

Application of Separate Rates in NME Proceedings

In the *Initiation Notice*, the Department notified parties of the application process by which exporters may obtain separate rate status in an NME proceeding.⁸ It is the Department’s policy to assign all exporters of the merchandise subject to review in NME countries a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, the Department analyzes each exporting entity in an NME country under the test established in *Sparklers*,⁹ as further developed by *Silicon Carbide*.¹⁰ However, if the Department determines that a company

⁷ See, e.g., *Certain Kitchen Appliance Shelving and Racks From the People’s Republic of China: Preliminary Results of the First Administrative Review, Preliminary Rescission, in Part, and Extension of Time Limits for the Final Results*, 76 FR 62765, 62767-68 (October 11, 2011), unchanged in *Certain Kitchen Appliance Shelving and Racks From the People’s Republic of China: Final Results and Partial Rescission of First Antidumping Duty Administrative Review*, 77 FR 21734 (April 11, 2012).

⁸ See *Initiation Notice*.

⁹ See *Final Determination of Sales at Less Than Fair Value: Sparklers From the People’s Republic of China*, 56 FR 20588 (May 6, 1991) (“*Sparklers*”).

¹⁰ See *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People’s Republic of China*, 59 FR 22585 (May 2, 1994) (“*Silicon Carbide*”).

is wholly foreign-owned, then an analysis of the *de jure* and *de facto* criteria is not necessary to determine whether it is independent from government control.¹¹

Separate Rates

Although WenKem reported it had no shipments of furfuryl alcohol to the United States during the POR, we received a response from CBP contrary to this claim.¹² Because WenKem did not address evidence contrary to its no shipments claim (*i.e.*, that it in fact shipped subject merchandise to the United States during the POR), the uncontroverted evidence on the record of this segment of the proceeding is that this company had shipments of subject merchandise to the United States during the POR and, thus, is properly under review. Furthermore, WenKem did not submit a separate rate application or certification to demonstrate that it was eligible to receive a separate rate. Thus, consistent with our practice in NME proceedings discussed above, we are treating WenKem as part of the PRC-wide entity for the preliminary results of this review. In this regard, we note that our determination with respect to WenKem is not the result of adverse facts available.

PRC-Wide Entity

The Department's change in policy regarding conditional review of the PRC-wide entity applies to this administrative review.¹³ Under this policy, the PRC-wide entity will not be under review unless a party specifically requests, or the Department self-initiates, a review of the entity. Because no party requested a review of the PRC-wide entity in this review, the entity is not under review, and the entity's rate is not subject to change (*i.e.*, 45.27 percent).

¹¹ See, e.g., *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles From the People's Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

¹² See CBP Import Data.

¹³ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

Preliminary Results of Review

The Department preliminarily determines that Qingdao WenKem Co., Ltd. is part of the PRC-wide entity and that the following weighted-average dumping margin applies for the period June 1, 2014, through May 31, 2015:

Exporter	Weighted-Average Dumping Margin (percent)
PRC-Wide Entity	45.27

Public Comment and Opportunity to Request a Hearing

Interested parties may submit case briefs within 30 days after the date of publication of these preliminary results of review in the *Federal Register*.¹⁴ Rebuttals to case briefs, which must be limited to issues raised in the case briefs, must be filed within five days after the time limit for filing case briefs.¹⁵ Parties who submit arguments are requested to submit with the argument (a) a statement of the issue, (b) a brief summary of the argument, and (c) a table of authorities.¹⁶ Parties submitting briefs should do so pursuant to the Department's electronic filing system, ACCESS.¹⁷

Any interested party may request a hearing within 30 days of publication of this notice.¹⁸ Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If a request for a hearing is made,

¹⁴ See 19 CFR 351.309(c)(1)(ii).

¹⁵ See 19 CFR 351.309(d)(1)-(2).

¹⁶ See 19 CFR 351.309(c)(2), (d)(2).

¹⁷ See 19 CFR 351.303 (for general filing requirements).

¹⁸ See 19 CFR 351.310(c).

parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230.¹⁹

The Department intends to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) As described above, we preliminarily determine that WenKem is not eligible for a separate rate, and therefore, as part of the PRC-wide entity, its exports to the U.S. are subject to the PRC-wide rate of 45.27 percent; (2) for previously investigated or reviewed PRC and non-PRC exporters who are not under review in this segment of the proceeding but who have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 45.27 percent; and (4) for all non-PRC exporters of subject merchandise

¹⁹ See 19 CFR 351.310(d).

which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter(s) that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.213.

Dated: March 7, 2016.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

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