



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-045]

1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value, and Antidumping Duty Order

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

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Department) and the International Trade Commission (ITC), the Department is issuing an antidumping duty order on 1-Hydroxyethylidene-1, 1-Diphosphonic Acid (HEDP) from the People's Republic of China (PRC). We are also amending our *Final Determination* to correct ministerial errors with respect to Nanjing University of Chemical Technology Changzhou Wujin Water Quality Stabilizer Factory and Nantong Uniphos Chemicals Co., Ltd. (collectively, WW Group).

DATES: Effective [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Omar Qureshi or Kenneth Hawkins, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-5307 or (202) 482-6491, respectively.

SUPPLEMENTARY INFORMATION:

PERIOD OF INVESTIGATION

The period of investigation (POI) is July 1, 2015, through December 30, 2015.<sup>1</sup>

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<sup>1</sup> See 19 CFR 351.204(b)(1).

## BACKGROUND

On March 23, 2017, the Department published in the *Federal Register* the *Final Determination* that HEDP from the PRC is being, or is likely to be, sold in the United States at LTFV, as provided in section 735 of the Tariff Act of 1930, as amended (Act).<sup>2</sup> From March 23, 2017, to March 24, 2017, WW Group, Henan Qingshuiyuan Technology Co., Ltd. (Qingshuiyuan), and Compass Chemical International LLC (the petitioner) respectively submitted ministerial allegations concerning the *Final Determination*.<sup>3</sup> On May 8, 2017, the ITC notified the Department of its affirmative determination that an industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act, by reason of subsidized imports of subject merchandise from the PRC.<sup>4</sup> On May 12, 2017, the ITC published its final determination in the *Federal Register*.<sup>5</sup>

## SCOPE OF THE ORDER

For a complete description of the scope of the order, *see* Appendix.

## AMENDMENT TO FINAL DETERMINATION

After considering parties' comments and reviewing the record, pursuant to section 735(e) of the Act and 19 CFR 351.224(e) and (f), the Department is amending the *Final Determination* to reflect the correction of ministerial errors it made in calculating the final margin assigned to the

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<sup>2</sup> See *1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 82 FR 14876 (March 23, 2017) (*Final Determination*).

<sup>3</sup> See Letter from WW Group to the Department, regarding "1-Hydroxyethylidene-1, 1-Diphosphonic Acid ("HEDP") from the People's Republic of China, A-570-045; Request for Correction of Ministerial Error Pursuant to 19 CFR 351.224 (f)" (March 23, 2017) (WW Group's Ministerial Allegations); *see also*, Letter from QY to the Department, regarding "Request for Correction of Ministerial Error Pursuant to 19 C.F.R. 351.224 (f)" (March 24, 2017) (QY's Ministerial Allegations); *see also* Letter from Petitioner to the Department, regarding "1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China" (March 24, 2017) (Petitioner's Ministerial Allegation).

<sup>4</sup> See Letter to Ronald Lorentzen, Acting Assistant Secretary of Commerce for Enforcement and Compliance, from Rhonda K. Schmidlein, Chairman of the U.S. International Trade Commission, regarding HEDP from the PRC, (May 8, 2017) (ITC Letter).

<sup>5</sup> See *1-Hydroxyethylidene-1, 1-Diphosphonic Acid ("HEDP") from China; Determinations*, 82 FR 22017 (May 11, 2017) (*ITC Final*).

WW Group.<sup>6</sup> In addition, because the rates for Qingshuiyuan, Jianghai Environmental Protection Co., Ltd., and the PRC-Wide Entity are based on the margins for WW Group and/or Shandong Taihe Chemicals Co., Ltd. (Taihe), we are also revising these rates.<sup>7</sup>

As a result of this amended final determination, we have revised the estimated weighted-average dumping margins and the export subsidy adjustments applied to the final weighted-average dumping margins as follows:

Producer	Exporter	Weighted-Average Dumping Margin (Percent)	Cash Deposit Rate (Percent)
Nanjing University of Chemical Technology Changzhou Wujin Water Quality Stabilizer Factory	Nanjing University of Chemical Technology Changzhou Wujin Water Quality Stabilizer Factory and Nantong Uniphos Chemicals Co., Ltd.	63.80	63.80
Shandong Taihe Water Treatment Technologies Co., Ltd.	Shandong Taihe Chemicals Co., Ltd.	167.58	167.28
Henan Qingshuiyuan Technology Co., Ltd.	Henan Qingshuiyuan Technology Co., Ltd.	90.64	90.34
Jianghai Environmental Protection Co., Ltd.	Jianghai Environmental Protection Co., Ltd.	90.64	90.34
PRC-Wide Entity		167.58	167.58

## ANTIDUMPING DUTY ORDER

<sup>6</sup> For a detailed discussion of the ministerial error allegations, *see* Memorandum to James Maeder, Senior Director, Antidumping and Countervailing Duty Operations, through James C. Doyle, Director, Office V, Enforcement and Compliance, Subject: Antidumping Duty Investigation of 1-Hydroxyethylidene-1, 1-Diphosphonic Acid People's Republic of China: Ministerial Error Memorandum, dated concurrently with this notice (Amended Final Memorandum).

<sup>7</sup> *Id.*

In accordance with section 735(d) of the Act, the ITC has notified the Department of its final determination in this investigation, in which it found that an industry in the United States is materially injured within the meaning of section 735(b)(1)(A)(i) of the Act. Therefore, in accordance with section 735(c)(2) of the Act, we are publishing this antidumping duty order. Because the ITC determined that imports of HEDP from the PRC are materially injuring a U.S. industry, unliquidated entries of such merchandise from the PRC entered or withdrawn from warehouse for consumption, are subject to the assessment of antidumping duties. In accordance with section 736(a)(1) of the Act, the Department will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by the Department, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the export price (or constructed export price) of the merchandise, for all relevant entries of HEDP from the PRC. Antidumping duties will be assessed on unliquidated entries of HEDP from the PRC entered, or withdrawn from warehouse, for consumption on or after November 4, 2016, the date of publication of the *Preliminary Determination*.<sup>8</sup>

#### SUSPENSION OF LIQUIDATION

In accordance with section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation on all relevant entries of HEDP from the PRC. These instructions suspending liquidation will remain in effect until further notice.

Pursuant to section 735(c)(1)(B)(ii) of the Act, the Department will instruct CBP to require a cash deposit<sup>9</sup> equal to the weighted-average amount by which normal value (NV) exceeds U.S. price as follows: (1) the cash deposit rate for the exporter/producer combination listed in the table

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<sup>8</sup> See *1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less Than Fair Value, and Postponement of Final Determination*, 81 FR 76916 (November 4, 2016) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

<sup>9</sup> See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

above will be the rate identified for that combination in the table; (2) for all combinations of PRC exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash deposit rate will be the cash deposit rate established for the PRC-wide entity; and (3) for all non-PRC exporters of the merchandise under consideration which have not received their own separate rate above, the cash deposit rate will be the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter.

We normally adjust antidumping duty cash deposit rates by the amount of export subsidies, where appropriate. In the companion countervailing duty (CVD) investigation, we have found that the WW Group did not receive export subsidies.<sup>10</sup> Therefore, no offset to the WW Group's cash deposit rate for export subsidies is necessary.<sup>11</sup> With respect to Taihe, because its CVD rate in the companion investigation included an amount for export subsidies, an offset of 0.30 percent will be made to its cash deposit rate.<sup>12</sup> With respect to the separate-rate companies, we find that an export subsidy adjustment of 0.30 percent to the cash deposit rate is warranted because this is the export subsidy rate included in the CVD "all-others" rate to which the separate-rate companies are subject. For the PRC-wide entity, which continues to receive an adverse facts available (AFA) rate in this amended final determination, as an extension of the adverse inference found necessary pursuant to section 776(b) of the Act, the Department has not adjusted the PRC-wide entity's AD cash deposit rate by the lowest export subsidy rate determined for any party in the companion CVD proceeding, because the lowest export subsidy rate determined in the companion CVD proceeding is 0.00 percent.<sup>13, 14</sup>

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<sup>10</sup> See *Countervailing Duty Investigation of 1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Final Affirmative Determination*, 82 FR 14872 (March 23, 2017).

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> See, e.g., *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value; Preliminary Affirmative Determination of Critical Circumstances; In*

Pursuant to section 777A(f) of the Act, we normally adjust preliminary cash deposit rates for estimated domestic subsidy pass-through, where appropriate. However, in this case there is no basis to grant a domestic subsidy pass-through adjustment.<sup>15</sup>

#### PROVISIONAL MEASURES

Section 733(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months, except where exporters representing a significant proportion of exports of the subject merchandise request the Department to extend that four-month period to no more than six months.

At the request of the exporters that account for a significant portion of HEDP from the PRC, we extended the four-month period to six months in this case.<sup>16</sup> In the underlying investigation, the Department published the *Preliminary Determination* on November 4, 2016. Therefore, the extended period beginning on the date of publication of the *Preliminary Determination*, ended May 2, 2017. Furthermore, section 737(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final injury determination, *i.e.*, May 11, 2017.<sup>17</sup>

Therefore, in accordance with section 733(d) of the Act and our practice, we will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to antidumping duties, unliquidated entries of HEDP from the PRC entered, or withdrawn from warehouse, for consumption on or after May 2, 2017, the date on which the provisional measures expired, until and through the day preceding the date of publication of the ITC's final injury determinations, *i.e.*, May

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*Part and Postponement of Final Determination*, 80 FR 4250 (January 27, 2015) and accompanying Issues and Decision Memorandum at 35.

<sup>14</sup> See *Countervailing Duty Investigation of 1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Preliminary Affirmative Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 81 FR 62084 (September 8, 2016).

<sup>15</sup> See Preliminary Decision Memorandum at 28-29.

<sup>16</sup> See *Preliminary Determination*.

<sup>17</sup> See *ITC Final*.

10, 2017, in the *Federal Register*. Suspension of liquidation will resume on May 11, 2017, the date of publication of the *ITC Final*.

#### NOTIFICATION TO INTERESTED PARTIES

This notice constitutes the antidumping duty order with respect to HEDP from the PRC pursuant to section 736(a) of the Act. Interested parties can find a list of antidumping duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order and amended final determination are published in accordance with sections 735(e), 736(a) and 777(i) of the Act, and 19 CFR 351.211 and 351.224(e).

Dated: May 12, 2017.

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Ronald K. Lorentzen,  
Acting Assistant Secretary  
for Enforcement and Compliance.

## Appendix

The merchandise covered by this investigation includes all grades of aqueous acidic (non-neutralized) concentrations of 1-hydroxyethylidene-1, 1-diphosphonic acid (HEDP), also referred to as hydroxyethylidenediphosphonic acid, hydroxyethanediphosphonic acid, acetodiphosphonic acid, and etidronic acid. The Chemical Abstract Service (CAS) registry number for HEDP is 2809-21-4.

The merchandise subject to this investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 2931.90.9043. It may also enter under HTSUS subheadings 2811.19.6090 and 2931.90.9041. While HTSUS subheadings and the CAS registry number are provided for convenience and customs purposes only, the written description of the scope of this investigation is dispositive.

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