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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-985

Xanthan Gum from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2015-2016

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

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on xanthan gum from the People's Republic of China (PRC). The period of review (POR) is July 1, 2015, through June 30, 2016. The review covers two mandatory respondents, Fufeng (which includes Neimenggu Fufeng Biotechnologies Co., Ltd. (a.k.a., Inner Mongolia Fufeng Biotechnologies Co., Ltd.), Xinjiang Fufeng Biotechnologies Co., Ltd., and Shandong Fufeng Fermentation Co., Ltd.) and Deosen (which includes Deosen Biochemical Ltd. and Deosen Biochemical (Ordos) Ltd.).

We preliminarily determine that sales of subject merchandise by Deosen have been made at prices below normal value (NV), and that sales of subject merchandise by Fufeng have not. We also preliminarily grant separate rates to four exporter groupings listed in the "Preliminary Results of Review" section of this notice and included Hebei Xinhe Biochemical Co., Ltd. as part of the PRC-wide entity. Finally, we preliminarily find that A.H.A. International Co., Ltd. (AHA) made no shipments of subject merchandise during the POR. We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Brian Smith, Jesus Saenz, or Michael Bowen, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1766, (202) 482-8184, and (202) 482-0768, respectively.

SUPPLEMENTARY INFORMATION:

Scope of the Order

The product covered by the order includes dry xanthan gum, whether or not coated or blended with other products. Xanthan gum is included in this order regardless of physical form, including, but not limited to, solutions, slurries, dry powders of any particle size, or unground fiber.

Merchandise covered by the scope of the order is classified in the Harmonized Tariff Schedule of the United States at subheading 3913.90.20. This tariff classification is provided for convenience and customs purposes; however, the written description of the scope is dispositive. A full description of the scope of the order is contained in the Preliminary Decision Memorandum.<sup>1</sup>

Preliminary Determination of No Shipments

On October 19, 2016, AHA submitted a timely filed certification that it had no exports, sales, or entries of subject merchandise during the POR.<sup>2</sup> Based on an analysis of U.S. Customs and Border Protection (CBP) information and AHA's no shipment certification, the Department

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<sup>1</sup> For a complete description of the Scope of the Order, *see* "Decision Memorandum for the Preliminary Results of Antidumping Duty Administrative Review: Xanthan Gum from the People's Republic of China; 2015-2016," (Preliminary Decision Memorandum) from James P. Maeder, Jr., Senior Director performing the duties of Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, dated concurrently with, and hereby adopted by, this notice.

<sup>2</sup> *See* letter from AHA, "Xanthan Gum from the People's Republic of China Separate Rate Certification of AHA," dated October 19, 2016.

preliminarily determines that AHA had no shipments, and, therefore, no reviewable transactions, during the POR. For additional information regarding this determination, *see* the Preliminary Decision Memorandum.

Consistent with our practice in non-market economy (NME) cases, the Department is not rescinding this administrative review with respect to AHA, for which it has preliminarily found no shipments during the POR, but intends to complete the review, and issue appropriate instructions to CBP based on the final results of the review.<sup>3</sup>

### Methodology

The Department is conducting this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). We calculated, where applicable, export price and constructed export price for the mandatory respondents, Deosen and Fufeng, in accordance with section 772 of the Act. Because the PRC is a NME within the meaning of section 771(18) of the Act, we calculated NV in accordance with section 773(c) of the Act.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum, which is hereby adopted by this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content. A list of

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<sup>3</sup> *See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011) (*NME AD Assessment*) and the "Assessment Rates" section, below.

topics included in the Preliminary Decision Memorandum is provided as an appendix to this notice.

### Verification

As provided in sections 782(i)(3)(A) and (B) of the Act, we conducted verification of the information upon which we relied in determining the preliminary results of review with respect to the two mandatory respondents, Deosen and Fufeng.

### Preliminary Results of Review

Based on record evidence, the Department preliminarily continues to treat Deosen Biochemical Ltd. and Deosen Biochemical (Ordos) Ltd. as a single entity for AD purposes. Furthermore, based on record evidence, the Department preliminarily finds that Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.), Shandong Fufeng Fermentation Co. Ltd., and Xinjiang Fufeng Biotechnologies Co., Ltd. are affiliated and should be treated as a single entity for AD purposes. For additional information, *see* the Preliminary Decision Memorandum. The Department preliminarily finds that one company, Hebei Xinhe Biochemical Co., Ltd., for which a review was requested, did not establish eligibility for a separate rate because it failed to provide a separate rate certification. As such, we preliminarily find that this company is part of the PRC-wide entity.<sup>4</sup>

In addition to the mandatory respondents, we preliminarily determine that CP Kelco

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<sup>4</sup> Because no interested party requested a review of the PRC-wide entity and the Department no longer considers the PRC-wide entity as an exporter conditionally subject to administrative reviews, we did not conduct a review of the PRC-wide entity. Thus, the rate for the PRC-wide entity is not subject to change as a result of this review and remains at 154.07 percent. *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, 65969-70 (November 4, 2013).

(Shandong) Biological Company Limited, Jianlong Biotechnology Co., Ltd. (a.k.a. Inner Mongolia Jianlong Biochemical Co., Ltd.), Meihua Group International Trading (Hong Kong) Limited/Xinjiang Meihua Amino Acid Co., Ltd./Langfang Meihua Bio-Technology Co., Ltd. (“collectively” Meihua), and Shanghai Smart Chemicals Co., Ltd., also demonstrated their eligibility for a separate rate in this administrative review. Consistent with the Department's practice, we preliminarily assigned these companies a rate equal to the weighted-average dumping margin assigned to Deosen in this review. We preliminarily determine that Deosen did not cooperate to the best of its ability in this administrative review with regards to a portion of its sales to AHA, and as a result, we have based its dumping margin for those sales on adverse facts available for these preliminary results.<sup>5</sup> For companies subject to this review that have established their eligibility for a separate rate, the Department preliminarily determines that the following weighted-average dumping margins exist for the period July 1, 2015, through June 30, 2016:

<b>Exporters</b>	<b>Weighted-Average Dumping Margin (Percent)</b>
Deosen Biochemical Ltd./Deosen Biochemical (Ordos) Ltd.	9.30
Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.)/Shandong Fufeng Fermentation Co., Ltd./Xinjiang Fufeng Biotechnologies Co., Ltd.	0.00
CP Kelco (Shandong) Biological Company Limited*	9.30
Jianlong Biotechnology Co., Ltd. (aka Inner Mongolia Jianlong Biochemical Co., Ltd.)*	9.30
Meihua Group International Trading (Hong Kong) Limited/ Langfang Meihua Bio-Technology Co., Ltd./Xinjiang Meihua Amino Acid Co., Ltd.*	9.30

<sup>5</sup> See Preliminary Decision Memorandum.

Shanghai Smart Chemicals Co., Ltd. (Shanghai Smart)*	9.30
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\* This company demonstrated that it qualified for a separate rate in this administrative review. Consistent with the Department's practice, we preliminarily assigned this company a weighted-average dumping margin of 9.30 percent – the rate calculated for the mandatory respondent Deosen in this review.<sup>6</sup> See the Preliminary Decision Memorandum.

#### Disclosure

The Department intends to disclose to the parties the calculations performed for these preliminary results within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review.<sup>7</sup> Rebuttals to case briefs may be filed no later than five days after the written comments are filed, and all rebuttal comments must be limited to comments raised in the case briefs.<sup>8</sup>

#### Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the publication of these preliminary results, unless the Secretary alters the time limit. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>9</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant

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<sup>6</sup> See *Stainless Steel Bar From India: Final Results of the Antidumping Duty Administrative Review*, 77 FR 39467 (July 3, 2012) and accompanying Issues and Decision Memorandum at 12.

<sup>7</sup> See 19 CFR 351.309(c).

<sup>8</sup> See 19 CFR 351.309(d).

<sup>9</sup> See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Unless otherwise extended, the Department intends to issue the final results of this administrative review, which will include the results of our analysis of the 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.<sup>10</sup> The Department intends to issue appropriate assessment instructions to CBP 15 days after the publication of the final results of this review.

For each individually-examined respondent in this review, if we continue to calculate a weighted-average dumping margin that is not zero or *de minimis* (i.e., less than 0.5 percent) in the final results, we will calculate importer-specific assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales and the total entered value of those sales, in accordance with 19 CFR 351.212(b)(1).<sup>11</sup> We will instruct CBP to assess

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<sup>10</sup> See 19 CFR 351.212(b)(1).

<sup>11</sup> In these preliminary results, the Department applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

antidumping duties on all appropriate entries covered by this review when the importer-specific *ad valorem* assessment rate calculated in the final results of this review is not zero or *de minimis*. Where either the respondent's *ad valorem* weighted-average dumping margin is zero or *de minimis*, or an importer-specific *ad valorem* assessment rate is zero or *de minimis*,<sup>12</sup> we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

For the respondents that were not selected for individual examination in this administrative review but qualified for a separate rate, the assessment rate will be equal to the weighted-average dumping margin assigned to Deosen in the final results of this review.<sup>13</sup>

For entries that were not reported in the U.S. sales databases submitted by the companies individually examined during this review, the Department will instruct CBP to liquidate such entries at the PRC-wide rate. In addition, if we continue to find that AHA had no shipments of the subject merchandise, any suspended entries of subject merchandise from AHA will be liquidated at the PRC-wide rate.<sup>14</sup>

#### 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 from the PRC 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) for the companies listed above that have a separate rate, the cash deposit rate will be that rate established in the final results of this review (except, if the rate is zero or *de minimis*, then a cash deposit rate of zero will be required); (2) for

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<sup>12</sup> See 19 CFR 351.106(c)(2).

<sup>13</sup> See *Drawn Stainless Steel Sinks from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review and Preliminary Determination of No Shipments: 2014-2015*, 81 FR 29528 (May 12, 2016) and accompanying Decision Memorandum at 10-11; unchanged in *Drawn Stainless Steel Sinks from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; Final Determination of No Shipments: 2014-2015*, 81 FR 54042 (August 15, 2016).

<sup>14</sup> For a full discussion of this practice, see *NME AD Assessment*.

previously investigated or reviewed PRC and non-PRC exporters not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (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 rate for the PRC-wide entity, which is 154.07 percent; and (4) for all non-PRC exporters of subject merchandise that 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) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these preliminary results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Gary Taverman  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance

Dated: July 31, 2017

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(Date)

## Appendix

### List of Topics Discussed in the Preliminary Decision Memorandum

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