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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; 2016-2017**

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain exporters for which this review was requested did make sales of subject merchandise at prices below normal value (NV) during the period of review (POR) July 1, 2016, through June 30, 2017. We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Aleksandras Nakutis or Eli Lovely, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3147 and (202) 482-1593, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

This administrative review is being conducted in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). On July 3, 2017, Commerce published in the Federal Register a notice of opportunity to request an administrative review of the antidumping duty

(AD) order on xanthan gum from the People’s Republic of China (China).<sup>1</sup> Commerce published the notice of initiation of this administrative review on September 13, 2017.<sup>2</sup> On January 23, 2018, Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018.<sup>3</sup> Commerce extended the preliminary results deadline until August 3, 2018.<sup>4</sup>

### 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>5</sup>

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<sup>1</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 82 FR 30833 (July 3, 2017).

<sup>2</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 42974 (September 13, 2017).

<sup>3</sup> See Memorandum to James Maeder, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations performing the duties of Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Xanthan Gum from the People’s Republic of China: Extension of Deadline for Preliminary Results of Administrative Review,” dated March 14, 2018.

<sup>4</sup> See Memorandum to James Maeder, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations performing the duties of Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Xanthan Gum from the People’s Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated March 14, 2018.

<sup>5</sup> For a complete description of the Scope of the Order, see “Decision Memorandum for the Preliminary Results in the Fourth Antidumping Duty Administrative Review of Xanthan Gum from the People’s Republic of China,” (Preliminary Decision Memorandum) from James Maeder, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, 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.

## Preliminary Determination of No Shipments

On October 10, 2017 and October 13, 2017, Jianlong Biotechnology Co., Ltd. (Jianlong) (previously known as Inner Mongolia Jianlong Biochemical Co., Ltd. (IMJ)), and A.H.A. International Co., Ltd. (AHA), respectively, timely filed certifications that they had no exports, sales, or entries of subject merchandise during the POR. Based on an analysis of the U.S. Customs and Border Protection (CBP) information and Jianlong's, IMJ's, and AHA's no shipment certifications, Commerce preliminarily determines that Jianlong, IMJ, and AHA had no shipments, and, therefore, no reviewable transactions, during the POR.<sup>6</sup> For additional information regarding this determination, *see* the Preliminary Decision Memorandum.

Consistent with our practice in non-market economy (NME) cases, Commerce is not rescinding this administrative review with respect to Jianlong, IMJ, or 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>7</sup>

## Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Act. We calculated, where applicable, export price and constructed export price for the mandatory respondents 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. (collectively Fufeng) and Meihua Group International Trading (Hong Kong) Limited, Langfang Meihua Biotechnology Co., Ltd., and Xinjiang Meihua Amino Acid Co., Ltd. (collectively Meihua) in accordance with section 772 of the Act. Because China is an

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<sup>6</sup> See Memorandum to The File, “Antidumping Duty Administrative Review of Xanthan Gum from the People’s Republic of China: Automated Commercial System Shipment Query,” dated September 15, 2017; *see also* Memorandum to The File, “Xanthan gum from China (A-570-985),” dated June 14, 2018.

<sup>7</sup> See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011) (NME AD Assessment) and the “Assessment Rates” section, below.

NME country 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 topics included in the Preliminary Decision Memorandum is provided at the Appendix to this notice.

#### Preliminary Results of Review

Consistent with prior segments of this proceeding, we have continued to treat Fufeng as a single entity and Meihua as a single entity pursuant to 19 CFR 351.401(f)(1)-(2). For additional information, *see* the Preliminary Decision Memorandum.

Additionally, Commerce preliminary determines that the information placed on the record by Fufeng, Meihua, and the other companies listed in the rate table below demonstrates that these companies are entitled to separate rate status. However, we preliminarily determine that Hebei Xinhe Biochemical Co., Ltd. did not demonstrate their entitlement to separate rates status. Therefore, we are preliminarily treating Hebei Xinhe Biochemical Co., Ltd. as part of the China-wide entity. For additional information, *see* the Preliminary Decision Memorandum.

The statute and Commerce's regulations do not address what rate to apply to respondents not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for non-selected respondents that are not examined individually in an administrative review. Section 735(c)(5)(A) of the Act states that the all-others rate should be calculated by averaging the weighted-average dumping margins for individually-examined respondents, excluding rates that are zero, *de minimis*, or based entirely on facts available. Where the rates for the individually examined companies are all zero, *de minimis*, or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use "any reasonable method" to establish the all others rate. In this instant, we have assigned the rate calculated to Fufeng (*i.e.*, 1.18 percent) to all separate rate entities.

Commerce preliminarily determines that the following weighted-average dumping margins exist for the period July 1, 2016, through June 30, 2017:

<b>Exporter</b>	<b>Weighted-Average Dumping Margin (Percent)</b>
Meihua Group International Trading (Hong Kong) Limited/ Langfang Meihua Biotechnology Co., Ltd., /Xinjiang Meihua Amino Acid Co., Ltd.	0.00
Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.)/Shandong Fufeng Fermentation Co., Ltd./Xinjiang Fufeng Biotechnologies Co., Ltd.	1.18
CP Kelco (Shandong) Biological Company Limited	1.18
Deosen Biochemical Ltd./Deosen Biochemical (Ordos) Ltd.	1.18
Shanghai Smart Chemicals Co., Ltd.	1.18

Disclosure and Public Comment

Commerce intends to disclose the calculations performed for these preliminary results of review within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). 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 of review, unless the Secretary alters the time limit.<sup>8</sup> Rebuttal briefs, limited to responding to issues raised in case briefs, may be submitted no later than five days after the deadline 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 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, Commerce 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, Commerce 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*,

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

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

pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

Upon issuance of the final results of review, Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.<sup>10</sup> Commerce intends to issue appropriate assessment instructions to CBP 15 days after the publication of the final results of this review. We will calculate importer-specific assessment rates equal to the ratio of the total amount of dumping calculated for examined sales with a particular importer to the total entered value of the sales in accordance with 19 CFR 351.212(b)(1).<sup>11</sup> 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 which qualified for a separate rate, the assessment rate will be equal to the weighted-average dumping margin assigned to the respondents 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, Commerce will instruct CBP to liquidate such entries at the China-wide rate. In addition, if we continue to find that Jianlong, IMJ, and AHA had no

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

<sup>11</sup> We 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).

<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).

shipments of subject merchandise during the POR, any suspended entries of subject merchandise from either Jianlong, IMJ, or AHA will be liquidated at the China-wide rate.<sup>14</sup>

#### Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of xanthan gum from China entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the final results of this administrative review, 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 previously investigated or reviewed China and non-China 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 China 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 China-wide entity, which is 154.07 percent; and (4) for all non-China exporters of subject merchandise that have not received their own rate, the cash deposit rate will be the rate applicable to China exporter(s) that supplied that non-China 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

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

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)(l) and 777(i)(l) of the Act and 19 CFR 351.213.

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James Maeder  
Associate Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations  
performing the duties of Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

August 3, 2018

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Date

## **Appendix**

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

- I. Summary
- II. Background
- III. Period of Review
- IV. Extension of the Preliminary Results
- V. Scope of the Order
- VI. Selection of Respondents
- VII. Duty Absorption
- VIII. Preliminary Determination of No Shipments
- IX. Single Entity Treatment
- X. Discussion of the Methodology
  - A. Non-Market Economy Country
  - B. Separate Rates
  - C. Separate Rate Analysis
    - 1. Wholly Foreign-Owned Applicant
    - 2. Joint Ventures Between Chinese and Foreign Companies or Wholly Chinese-Owned Companies
      - a. Absence of *De Jure* Control
      - b. Absence of *De Facto* Control
    - 3. Companies Not Receiving a Separate Rate
  - D. Dumping Margin for the Separate Rate Companies Not Individually Examined
  - E. Surrogate Country
    - 1. Same Level of Economic Development
    - 2. Significant Producers of Identical or Comparable Merchandise
    - 3. Data Availability
  - F. Date of Sale
  - G. Comparisons to Normal Value
    - 1. Determination of Comparison Method
    - 2. Results of the Differential Pricing Analysis
  - H. U.S. Price
    - 1. Export Price
    - 2. Constructed Export Price
    - 3. Value-Added Tax
  - I. Normal Value
    - 1. Factor Valuations
      - 1. Direct and Packing Materials
      - 2. Energy
      - 3. Labor
      - 4. Movement Services
      - 5. Financial Ratios
  - J. Currency Conversion
  - XI. Recommendation

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