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DEPARTMENT OF COMMERCE

International Trade Administration

C-570-098, C-533-886

Polyester Textured Yarn from the People's Republic of China and India: Countervailing Duty Orders

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

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing countervailing duty orders on polyester textured yarn from the People's Republic of China (China) and India.

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

FOR FURTHER INFORMATION CONTACT: Janae Martin (India) or Joseph Dowling (China), 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) 482-0238 or (202) 482-1646, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 19, 2019, Commerce published its final determinations in the countervailing duty investigations of polyester textured yarn from China and India.¹

On January 3, 2020, the ITC notified Commerce of its final affirmative determinations pursuant to sections 705(b)(1)(A)(i) and 705(d) of the Act that an industry in the United States is materially injured by reason of subsidized imports of polyester textured yarn from China and India, and of its determination that critical circumstances do not exist with respect to imports of polyester textured yarn from China.²

Scope of the Orders

The product covered by these orders is polyester textured yarn from China and India. For a complete description of the scope of these orders, *see* the Appendix to this notice.

Countervailing Duty Orders

On January 3, 2020, in accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified Commerce of its final determinations in these investigations, in which it found that an industry in the United States is materially injured by reason of subsidized imports of polyester textured yarn from China and India. In accordance with section 705(c)(2) Act, we are publishing these countervailing duty orders.

Therefore, in accordance with section 706(a) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce,

¹ *See Polyester Textured Yarn from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances*, 84 FR 63845 (November 19, 2019), and accompanying Issues and Decision Memorandum (IDM); *see also Polyester Textured Yarn from India: Final Affirmative Countervailing Duty Determination*, 84 FR 63848 (November 19, 2019) and accompanying IDM (collectively, *Final Determinations*).

² *See* ITC Notification Letter, Investigation Nos. 701-TA-612-613 and 731-TA-1429-1430 (January 3, 2020) (ITC Notification).

countervailing duties on unliquidated entries of polyester textured yarn from China and India entered, or withdrawn from warehouse, for consumption on or after May 3, 2019, the date on which Commerce published its preliminary countervailing duty determinations in the *Federal Register*,³ and before August 31, 2019, the effective date on which Commerce instructed CBP to discontinue the suspension of liquidation in accordance with section 703(d) of the Act. Section 703(d) of the Act states that the suspension of liquidation pursuant to an affirmative preliminary determination may not remain in effect for more than four months. Therefore, entries of polyester textured yarn from China and India made on or after August 31, 2019, and prior to the date of publication of the ITC's final determination in the *Federal Register*, are not subject to the assessment of countervailing duties due to Commerce's discontinuation of the suspension of liquidation.

Critical Circumstances

With regards to the ITC's negative critical circumstances determination on imports of polyester textured yarn from China discussed above, we will instruct CBP to lift suspension and to refund any cash deposits made to secure the payment of estimated countervailing duties with respect to entries of polyester textured yarn from China, entered or withdrawn from warehouse, for consumption on or after February 2, 2019 (*i.e.*, 90 days prior to the date of publication of the preliminary determination), but before May 3, 2019 (*i.e.*, the date of the publication of the preliminary determination for this investigation).

Suspension of Liquidation

³ See *Polyester Textured Yarn from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination with Final Antidumping Duty Determination*, 84 FR 19040 (May 3, 2019), and accompanying Preliminary Decision Memorandum (PDM); see also *Polyester Textured Yarn from India: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination with Final Antidumping Duty Determination*, 84 FR 19036, and accompanying PDM (May 3, 2019) (collectively, *Preliminary Determinations*).

In accordance with section 706 of the Act, Commerce will direct CBP to reinstitute the suspension of liquidation of polyester textured yarn from China and India, effective the date of publication of the ITC's notice of final determinations in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. On or after the date of publication of the ITC's final injury determinations in the *Federal Register*, CBP must require, at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the rates noted below:

| Country | Company | Subsidy Rate (percent) |
|----------------|--|-------------------------------|
| China | Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd. ⁴ | 32.18 percent |
| | Suzhou Shenghong Fiber Co., Ltd. ⁵ | 473.09 percent |
| | Suzhou Shenghong Garmant Development Co | 472.51 percent |
| | All Others | 32.18 percent |
| India | JBF Industries Limited | 21.83 percent |
| | Reliance Industries Limited | 4.29 percent |
| | All Others | 4.65 percent |

Provisional Measures

Section 703(d) of the Act states that the suspension of liquidation pursuant to an affirmative preliminary determination may not remain in effect for more than four months. Therefore, entries of polyester textured yarn from China and India made on or after August 31, 2019, and prior to the date of publication of the ITC's final determination in the *Federal Register*, are not subject to the assessment of countervailing duties due to Commerce's discontinuation of the suspension of liquidation.

In accordance with section 733(d) of the Act, Commerce instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to CVD duties, unliquidated entries of polyester textured yarn from China and India entered, or withdrawn from warehouse, for

⁴ As discussed in the PDM, Commerce has found the following companies to be cross-owned with Fujian Billion: (1) Billion Development (Hong Kong) Limited, and (2) Billion Industrial Investment Limited.

⁵ As discussed in the PDM, Commerce has found the following companies to be cross-owned with Suzhou Shenghong Fiber Co., Ltd.: (1) Jiangsu Zhonglu Technology Development Co., Ltd., (2) Jiangsu Guowang High-Technique Fiber Co., Ltd., (3) Jiangsu Shenghong Science and Technology Co., Ltd., (4) Jiangsu Honggang Petrochemical Co., Ltd., (5) Shenghong Group Co., Ltd., (6) Shenghong Holding Group, Co., Ltd., (7) Shenghong (Suzhou) Group Co., Ltd., (8) Jiangsu Shenghong Investment Development Co., Ltd., (9) Jiangsu Shenghong New Material Co., Ltd., and (10) Jiangsu Shenghong Textile Imp & Exp Co. and its successor Jiangsu Huahui Import and Export Co., Ltd.

consumption on or after August 31, 2019, the date on which the provisional CVD measures expired, through the day preceding the date of publication of the ITC final injury determinations in the Federal Register. Suspension of liquidation will resume on the date of publication of the ITC final injury determination in the *Federal Register*.

Notifications to Interested Parties

This notice constitutes the countervailing duty orders with respect to polyester textured yarn from China and India pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at

<http://enforcement.trade.gov/stats/iastats1.html>.

These orders are issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

Dated: January 6, 2020

Jeffrey I. Kessler
Assistance Secretary
for Enforcement and Compliance

APPENDIX

Scope of the Orders

The merchandise covered by these orders, polyester textured yarn, is synthetic multifilament yarn that is manufactured from polyester (polyethylene terephthalate). Polyester textured yarn is produced through a texturing process, which imparts special properties to the filaments of the yarn, including stretch, bulk, strength, moisture absorption, insulation, and the appearance of a natural fiber. This scope includes all forms of polyester textured yarn, regardless of surface texture or appearance, yarn density and thickness (as measured in denier), number of filaments, number of plies, finish (luster), cross section, color, dye method, texturing method, or packing method (such as spindles, tubes, or beams).

Excluded from the scope of these orders is bulk continuous filament yarn that: (a) is polyester synthetic multifilament yarn; (b) has denier size ranges of 900 and above; (c) has turns per meter of 40 and above; and (d) has a maximum shrinkage of 2.5 percent.

The merchandise subject to these orders is properly classified under subheadings 5402.33.3000 and 5402.33.6000 of the Harmonized Tariff Schedule of the United States (HTSUS). Merchandise subject to these orders may also enter under HTSUS subheading 5402.52.00.⁶ Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

⁶ HTSUS subheading 5402.52 includes subheadings 5402.52.10.00 and 5402.52.90.00.

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