DEPARTMENT OF COMMERCE

International Trade Administration

[C-201-846]

Sugar from Mexico: Final Results of the Expedited First Sunset Review of the Agreement Suspending the Countervailing Duty Investigation

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

SUMMARY: As a result of this sunset review, the Department of Commerce (Commerce) finds that termination of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico (Agreement) and the suspended countervailing duty (CVD) investigation would be likely to lead to the continuation or recurrence of a countervailable subsidy at the levels indicated in the “Final Results of Review” section of this notice.

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


SUPPLEMENTARY INFORMATION:

Background

On December 3, 2019, Commerce published the notice of initiation of the first sunset review of the agreement suspending the countervailing duty investigation on sugar from Mexico, pursuant to section 751(c)(2) of the Tariff Act of 1930, as amended (the Act).1 We

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1 See Initiation of Five-Year (Sunset) Reviews, 84 FR 58687 (November 1, 2019); see also Initiation of Five-Year (Sunset Review); Correction, 84 FR 66153 (December 3, 2019).
received notice of intent to participate in the review from the following parties, both domestic interested parties: Imperial Sugar Company and the American Sugar Coalition (ASC).  

Commerce received complete substantive responses from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We rejected untimely submissions filed by Sweetener Users Association (SUA) on January 21, 2020 and January 23, 2020. We received no substantive responses from any other interested parties, nor was a hearing requested.

As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B)-(C), Commerce conducted an expedited (120-day) sunset review of the Agreement and suspended investigation.

Scope of the Agreement

The merchandise subject to the Agreement is raw and refined sugar of all polarimeter readings derived from sugar cane or sugar beets. The chemical sucrose gives sugar its essential character. Sucrose is a nonreducing disaccharide composed of glucose and fructose linked by a glycosidic bond via their anomeric carbons. The molecular formula for sucrose is C12H22O11; the International Union of Pure and Applied Chemistry (IUPAC) International Chemical Identifier (InChI) for sucrose is 1S/C12H22O11/c13-1-4-6(16)8(18)9(19)11(21-4)23-12(3-15)10(20)7(17) 5(2-14)22-12/h4-11,13-20H,1-3H2/t4-,5-,6-,7-,8+,9-,10+,11-,12+/m1/s1; the InChI Key for sucrose is CZMRCDWAGMRECNUGDNZRGBSA-N; the U.S. National

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Institutes of Health PubChem Compound Identifier (CID) for sucrose is 5988; and the Chemical Abstracts Service (CAS) Number of sucrose is 57-50-1.

Sugar includes products of all polarimeter readings described in various forms, such as raw sugar, estandar or standard sugar, high polarity or semi-refined sugar, special white sugar, refined sugar, brown sugar, edible molasses, de-sugaring molasses, organic raw sugar, and organic refined sugar. Other sugar products, such as powdered sugar, colored sugar, flavored sugar, and liquids and syrups that contain 95 percent or more sugar by dry weight are also within the scope of this Agreement. Merchandise covered by this Agreement is typically imported under the following headings of the HTSUS: 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1010, 1701.99.1025, 1701.99.1050, 1701.99.5010, 1701.99.5025, 1701.99.5050, and 1702.90.4000.

The scope of the Agreement excludes sugar imported under the Refined Sugar Re-Export Programs of the U.S. Department of Agriculture, sugar products produced in Mexico that contain 95 percent or more sugar by dry weight that originated outside of Mexico, inedible molasses (other than inedible desugaring molasses noted above), beverages, candy, certain specialty sugars, and processed food products that contain sugar (e.g., cereals). Specialty sugars excluded from the scope of this Agreement are limited to the following: Caramelized slab sugar candy, pearl sugar, rock candy, dragees for cooking and baking, fondant, golden syrup, and sugar decorations.

Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice. The issues discussed in the Issues and Decision Memorandum include the likelihood of continuation or recurrence of a countervailable subsidy.

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and the net countervailable subsidy likely to prevail if the order were revoked.\textsuperscript{7} The Issues and 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 http://access.trade.gov and to all parties in the Central Records Unit, Room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at http://enforcement.trade.gov/frn. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Final Results of Review

Pursuant to sections 751(c)(1) and 752(b) of the Act, Commerce determines that termination of the Agreement and suspended countervailing duty investigation on sugar from Mexico is likely to lead to the continuation or recurrence of a countervailable subsidy at the rates listed below:

<table>
<thead>
<tr>
<th>Company</th>
<th>Net Countervailable Subsidy (percent)</th>
</tr>
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<tbody>
<tr>
<td>Fondo de Empresas Expropiadas del Sector Azucarero</td>
<td>43.93</td>
</tr>
<tr>
<td>Ingenio Tala S.A. de C.V. and certain affiliated sugar mills of Grupo Azucarero Mexico S.A. de C.V.</td>
<td>5.78</td>
</tr>
<tr>
<td>All Others</td>
<td>38.11\textsuperscript{8}</td>
</tr>
</tbody>
</table>

Administrative Protective Order (APO)

This notice serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of

\textsuperscript{7} See Memorandum, “Issues and Decision Memorandum for the Expedited First Sunset Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

\textsuperscript{8} Id.
APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

**Notification to Interested Parties**

We are issuing and publishing these final results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act and 19 CFR 351.218.


Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.
Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the Orders
IV. History of the Orders
V. Legal Framework
VI. Discussion of the Issues
   1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
   2. Net Countervailable Subsidy Rates Likely to Prevail
   3. Nature of the Subsidy
VII. Final Results of Review
VIII. Recommendation

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