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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-025]

Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin from the People's Republic of China: Preliminary Determination and Alignment of Final Determination with Final Antidumping Duty Determination

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

SUMMARY: The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain polyethylene terephthalate (PET) resin from the People's Republic of China (the PRC). We invite interested parties to comment on this preliminary determination.

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

FOR FURTHER INFORMATION CONTACT: Yasmin Nair or Ilissa Shefferman, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone 202.482.3813 or 202.482.4684, respectively.

SUPPLEMENTARY INFORMATION:

*Scope of the Investigation*

The merchandise covered by this investigation is PET resin. The merchandise subject to this investigation is properly classified under subheading 3907.60.00.30 of the Harmonized

Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.<sup>1</sup>

### *Methodology*

The Department is conducting this countervailing duty (CVD) investigation in accordance with section 701 of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>2</sup> For a full description of the methodology underlying our preliminary conclusions, *see* the Preliminary Decision Memorandum. 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 <http://access.trade.gov>, and is available 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://trade.gov/enforcement>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

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<sup>1</sup> For a complete description of the Scope of the Order, *see* Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, “Decision Memorandum for the Preliminary Determination in the Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin from the People’s Republic of China,” dated concurrently with this notice (Preliminary Decision Memorandum).

<sup>2</sup> *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

The Department notes that, in making this preliminary determination, we relied, in part, on facts available and, because one or more respondents did not act to the best of their ability to respond to the Department's requests for information, we drew an adverse inference where appropriate in selecting from among the facts otherwise available.<sup>3</sup> For further information, *see* "Use of Facts Otherwise Available and Adverse Inferences" in the Preliminary Decision Memorandum.

#### *Alignment*

As noted in the Preliminary Decision Memorandum, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), we are aligning the final CVD determination in this investigation with the final determination in the companion antidumping duty (AD) investigation of PET resin from the PRC based on a request made by Petitioners.<sup>4</sup> Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than December 21, 2015,<sup>5</sup> unless postponed.

#### *Preliminary Determination and Suspension of Liquidation*

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated an individual rate for each exporter/producer of the subject merchandise individually investigated. We preliminarily determine the countervailable subsidy rates to be:

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<sup>3</sup> *See* sections 776(a) and (b) of the Act.

<sup>4</sup> DAK Americas, LLC, M&G Chemicals, and Nan Ya Plastics Corporation, America (collectively, Petitioners); *see also* Letter from Petitioners dated, July 31, 2015.

<sup>5</sup> We note that the current deadline for the final AD determination is December 20, 2015, which is a Sunday. Pursuant to Department practice, the signature date will be the next business day, which is Monday, December 21, 2015. *See Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

Exporter/Producer	Subsidy Rate (Percent)
Jiangyin Xingyu New Material Co., Ltd., Jiangsu Xingye Plastic Co., Ltd., Jiangyin Xingjia Plastic Co., Ltd., Jiangyin Xingtai New Material Co., Ltd., Jiangsu Xingye Polarization Co., Ltd., Jiangsu Sanfangxiang Group Co., Ltd., Jiangyin Hailun Petrochemicals Co., Ltd., Jiangyin Xinlun Chemical Fiber Co., Ltd., Jiangyin Huasheng Polymer Co., Ltd., Jiangsu SanFangxiang International Trading Co., Ltd., Jiangyin HuaYi Polymerization Co., Ltd., Jiangyin Xingsheng Plastic Co., Ltd., Jiangyin Chemical Fiber Co., Ltd., Jiangyin Huaxing Synthetic Co., Ltd., Jiangyin Bolun Chemical Fiber Co., Ltd., (collectively, Xingyu)	4.27
Dragon Special Resin (Xiamen) Co., Ltd.; Xiang Lu Petrochemicals Co., Ltd.; Xianglu Petrochemicals (Zhangzhou) Co., Ltd.; and Xiamen Xianglu Chemical Fiber Company Limited (collectively, Dragon)	18.88
All-Others	11.58

In accordance with sections 703(d)(1)(B) and (d)(2) of the Act, we are directing U.S. Customs and Border Protection to suspend liquidation of all entries of PET resin from the PRC that are entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the **Federal Register**, and to require a cash deposit for such entries of merchandise in the amounts indicated above.

Sections 703(d) and 705(c)(5)(A) of the Act state that, for companies not investigated, we determine an “all-others rate,” by weighting the subsidy rates of the individual company subsidy rate of each of the companies investigated by each company’s exports of subject merchandise to the United States excluding rates that are zero or *de minimis* or any rates determined entirely on the facts available. Notwithstanding the language of section 705(c)(5)(A)(i) of the Act, we have not calculated the “all-others” rate by weight-averaging the rates of the two individually investigated respondents, because doing so risks disclosure of proprietary information.

Therefore, for the “all-others” rate, we calculated a simple average of the two responding companies’ rates.

### *Verification*

As provided in section 782(i)(1) of the Act, we intend to verify the information submitted by the respondents prior to making our final determination.

### *Disclosure and Public Comment*

The Department will disclose calculations performed for this preliminary determination to the parties within five days of the date of public announcement of this determination in accordance with 19 CFR 351.224(b). Case briefs or other written comments for all non-scope issues may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued in this proceeding, and 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>6</sup> A table of contents, list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. This summary should be limited to five pages total, including footnotes.

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using ACCESS. An electronically filed request for a hearing must be received successfully in its entirety by the Department’s electronic records system, ACCESS, by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice.<sup>7</sup> Requests should contain the party’s name, address, and telephone number; the number of participants; and

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<sup>6</sup> See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

<sup>7</sup> See 19 CFR 351.310(c).

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, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined. Parties will be notified of the date and time of any hearing. The hearing will be limited to issues raised in the respective briefs.<sup>8</sup>

*International Trade Commission Notification*

In accordance with section 703(f) of the Act, we will notify the International Trade Commission (ITC) of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

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<sup>8</sup> *Id.*

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act and 19 CFR 351.205(c).

Dated: August 7, 2015.

Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

## Appendix

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15. Income Tax Deduction for New High-Technology Enterprise (HNTE)
16. Project Subsidy from Haicang Bureau of Science and Technology
17. Other Subsidy: Bounty for Enterprise with production and sales growth: 0.02 percent *ad valorem*
18. Other Subsidy: 2013 Enterprise financing subsidy: 0.02 percent *ad valorem*
19. Other Subsidy: Subsidy Income in the fourth quarter of 2013: 0.01 percent *ad valorem*
20. Other Subsidy: Subsidy for Social Security: 0.03 percent *ad valorem*
21. Other Subsidy: Bounty for enterprise with production and sales growth: 0.01 percent *ad valorem*
22. Other Subsidy: 2013 Export Credit Insurance Premium Subsidy: 0.01 percent *ad valorem*
23. Other Subsidy: Subsidy for social security premium of employees: 0.01 percent *ad valorem*

B. Programs Preliminary Determined Not to Be Used During the POI

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8. Income Tax Credits for Foreign Invested Enterprises (FIEs) and Certain Domestically-Owned Companies Purchasing Domestically-Produced Equipment
9. VAT Subsidies for FIEs
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