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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-985

Xanthan Gum from the People's Republic of China: Preliminary Rescission of 2014 – 2015 Antidumping Duty New Shipper Review

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

SUMMARY: The Department of Commerce (“the Department”) is conducting a new shipper review (“NSR”) of the antidumping duty order on xanthan gum from the People’s Republic of China (“PRC”). The NSR covers one exporter and producer of subject merchandise, Inner Mongolia Jianlong Biochemical Co., Ltd. (“IMJ”). The period of review (“POR”) is July 1, 2014 through June 30, 2015. The Department preliminarily determines that IMJ did not satisfy the regulatory requirements to request an NSR and did not make a *bona fide* sale during the POR; therefore, we are preliminarily rescinding this NSR. Interested parties are invited to comment on the preliminary results of this review.

DATES: Effective: Insert date of publication in the *Federal Register*.

FOR FURTHER INFORMATION CONTACT: Cara Lofaro or Brandon Farlander, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5720 and (202) 482-0182, respectively.

## SUPPLEMENTARY INFORMATION:

### Background

On August 27, 2015, the Department published a notice of initiation of a new shipper review of the antidumping duty order on xanthan gum from the PRC.<sup>1</sup> The Department subsequently issued an antidumping duty questionnaire, and supplemental questionnaires, to IMJ and received timely responses thereto. Also, interested parties submitted comments on surrogate country and surrogate value selection.

The Department has exercised its discretion to toll all administrative deadlines due to the recent closure of the Federal Government because of Snowstorm “Jonas.” Thus, all of the deadlines in this segment of the proceeding have been extended by four business days. The revised deadline for the preliminary results of this review, after the four business-day extension, was February 23, 2016.<sup>2</sup> However, on February 17, 2016, the Department extended the time period for issuing the preliminary results of this NSR by 21 days, until March 15, 2016.<sup>3</sup>

### Scope of the Order

The scope of the order covers dry xanthan gum, whether or not coated or blended with other products. Further, 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 this order is classified in the Harmonized Tariff Schedule (“HTS”) of the United States at subheading 3913.90.20. This tariff classification is

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<sup>1</sup> See *Xanthan Gum From the People’s Republic of China: Initiation of Antidumping Duty New Shipper Review*, 80 FR 52031 (August 27, 2015) (“*Initiation Notice*”).

<sup>2</sup> See Memorandum to the Record from Ron Lorentzen, Acting Assistant Secretary for Enforcement & Compliance, regarding “Tolling of Administrative Deadlines as a Result of the Government Closure during Snowstorm Jonas,” dated January 27, 2016.

<sup>3</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “New Shipper Review of Xanthan Gum from the People’s Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty New Shipper Review,” dated February 17, 2016.

provided for convenience and customs purposes; however, the written description of the scope is dispositive.<sup>4</sup>

### Methodology

The Department is conducting this review in accordance with section 751(a)(2)(B) of the Tariff Act of 1930, as amended (the “Act”) and 19 CFR 351.214. 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 <http://access.trade.gov> and is available 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.

### Preliminary Rescission of the Antidumping New Shipper Review of IMJ

As discussed in the *Bona Fide Sales Analysis Memorandum*,<sup>5</sup> the Department preliminarily finds that the sale made by IMJ’s affiliate in the United States, Jianlong USA, is not a *bona fide* sale. The Department reached this conclusion based on the totality of the

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<sup>4</sup> For a complete description of the scope of the order, *see* “Decision Memorandum for the Preliminary Rescission of the 2014-2015 Antidumping Duty New Shipper Review of Xanthan Gum from the People’s Republic of China,” from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado Assistant Secretary for Enforcement and Compliance (“Preliminary Decision Memorandum”), dated concurrently with this notice.

<sup>5</sup> *See* Memorandum from Cara Lofaro and Brandon Farlander, International Trade Analysts, Office IV AD/CVD Operations, to Abdelali Elouaradia, Director, Office IV, AD/CVD Operations entitled “2014-2015 Antidumping Duty New Shipper Review of Xanthan Gum From the People’s Republic of China: Preliminary *Bona Fide* Sales Analysis for Inner Mongolia Jianlong Biochemical Co., Ltd.” dated concurrently with and hereby adopted by this notice (“*Bona Fide Sales Analysis Memorandum*”).

circumstances surrounding the reported sale, including the sales price, in conjunction with the timing of the sale and the facts surrounding the establishment and operations of IMJ's U.S. affiliate, Jianlong USA. Because the non-*bona fide* sale was the only reported sale of subject merchandise during the POR, and thus there are no reviewable transactions on this record, we are preliminarily rescinding this NSR.<sup>6</sup> Because the factual information used in our *bona fides* analysis of IMJ's sale involves business proprietary information, for a full discussion of the basis for our preliminary determination see the *Bona Fide Sales Analysis Memorandum*.

#### Public Comment

Interested parties may submit case briefs no later than 30 days after the date of publication of the preliminary results of review.<sup>7</sup> Rebuttals to case briefs may be filed no later than five days after the briefs are filed. All rebuttal comments must be limited to comments raised in the case briefs.<sup>8</sup>

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement & Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice.<sup>9</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. Oral argument presentations will be limited to issues raised in the briefs. 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

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<sup>6</sup> See 19 CFR 351.213(d)(3).

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

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

<sup>9</sup> See 19 CFR 351.310(c).

time to be determined.<sup>10</sup> Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

All submissions, with limited exceptions, must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5 p.m. Eastern Time ("ET") on the due date. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with the APO/Dockets Unit in Room 18022, and stamped with the date and time of receipt by 5 p.m. ET on the due date.<sup>11</sup>

The Department intends to issue the final results of this NSR, which will include the results of its analysis of issues raised in any briefs received, no later than 90 days after the date these preliminary results of review are issued pursuant to section 751(a)(2)(B) of the Act.

#### Assessment Rates

If the Department proceeds to a final rescission of IMJ's NSR, the assessment rate to which IMJ's shipments will be subject will not be affected by this review. However, the Department initiated an administrative review of the antidumping duty order on xanthan gum from the PRC covering numerous exporters, including IMJ, for the period of July 1, 2014 through June 30, 2015, which is the period covered by this NSR.<sup>12</sup> Thus, if the Department proceeds to a final rescission, we will instruct U.S. Customs and Border Protection ("CBP") to continue to suspend subject merchandise exported by IMJ and entered into the United States during the period July 1, 2014 through June 30, 2015 until CBP receives instructions relating to the administrative review of this order covering that period.

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<sup>10</sup> See 19 CFR 351.310(d).

<sup>11</sup> See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011).

<sup>12</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 80 FR 53106-53111 (September 2, 2015).

If the Department does not proceed to a final rescission of this new shipper review, pursuant to 19 CFR 351.212(b)(1), we will calculate importer-specific (or customer-specific) assessment rates based on the final results of this review. However, pursuant to the Department's refinement to its assessment practice in NME cases,<sup>13</sup> for entries that were not reported in the U.S. sales database submitted by IMJ, the Department will instruct CBP to liquidate such entries at the PRC-wide rate.

#### Cash Deposit Requirements

Effective upon publication of the final rescission or the final results of this NSR, the Department will instruct CBP to discontinue the option of posting a bond or security in lieu of a cash deposit for entries of IMJ's subject merchandise. If the Department proceeds to a final rescission of this NSR, the cash deposit rate will continue to be the PRC-wide rate for IMJ because the Department will not have determined an individual margin of dumping for IMJ. If the Department issues final results for this NSR, the Department will instruct CBP to collect cash deposits, effective upon the publication of the final results, at the rates established therein.

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

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<sup>13</sup> See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties, 76 FR 65694, 65694-95 (October 24, 2011).

We are issuing and publishing these results in accordance with sections 751(a)(2)(B) and 777(i)(1) of the Act.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

\_\_\_\_March 15, 2016\_\_\_\_\_  
Date

## Appendix I

### List of Sections in the Preliminary Decision Memorandum

1. Summary
2. Background
3. Scope of the Order
4. Discussion of the Methodology
5. Conclusion

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