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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-037]

Countervailing Duty Investigation of Certain Biaxial Integral Geogrid Products 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 biaxial integral geogrid products ("geogrids") from the People's Republic of China (the "PRC"). The period of investigation is January 1, 2015, through December 31, 2015. 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: Bob Palmer or Ryan Mullen, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone 202.482.9068 or 202.482.5260, respectively.

SUPPLEMENTARY INFORMATION:

Scope of the Investigation

The products covered by this investigation are geogrids from the PRC. For a complete description of the scope of this investigation, see Appendix II.

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 a full description of the methodology underlying our preliminary conclusions, *see* the Preliminary Decision Memo.¹ The Preliminary Decision Memo is a public document and is on file electronically *via* Enforcement & 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 Memo can be accessed directly on the Internet at <http://trade.gov/enforcement/frn/index.html>. The signed Preliminary Decision Memo and the electronic versions of the Preliminary Decision Memo are identical in content.

The Department notes that, in making these findings, 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.² For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memo.

Alignment

As noted in the Preliminary Decision Memo, 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

¹ *See* Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Countervailing Duty Investigation of Certain Biaxial Integral Geogrid Products from the People’s Republic of China: Decision Memorandum for the Preliminary Determination,” dated concurrently with this notice (“Preliminary Decision Memo”).

² *See* sections 776(a) and (b) of the Act.

with the final determination in the companion antidumping duty (“AD”) investigation of geogrids from the PRC.³ 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 October 31, 2016, unless postponed.

Preliminary Determination and Suspension of Liquidation

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

Company	Subsidy Rate
BOSTD Geosynthetics Qingdao Ltd. and Beijing Orient Science & Technology Development Co., Ltd.	16.60
Taian Modern Plastic Co., Ltd.	30.65
All Others	23.63
Chengdu Tian Road Engineering Materials Co., Ltd.*	128.27
Chongqing Jiudi Reinforced Soil Engineering Co., Ltd.*	128.27
CNBM International Corporation*	128.27
Dezhou Yaohua Geosynthetics Ltd.*	128.27
Dezhou Zhengyu Geosynthetics Ltd.*	128.27
Hongye Engineering Materials Co., Ltd.*	128.27
Hubei Nete Geosynthetics Ltd.*	128.27
Jiangsu Dingtai Engineering Material Co., Ltd.*	128.27
Jiangsu Jiuding New Material Ltd.*	128.27
Lewu New Material Ltd.*	128.27
Nanjing Jinlu Geosynthetics Ltd.*	128.27
Nanjing Kunchi Composite Material Ltd.*	128.27
Nanyang Jieda Geosynthetics Co., Ltd.*	128.27
Qingdao Hongda Plastics Corp.*	128.27
Shandong Dexuda Geosynthetics Ltd.*	128.27
Shandong Haoyang New Engineering Materials Co., Ltd.*	128.27

³ See *Certain Biaxial Integral Geogrid Products from the People’s Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 81 FR 7755 (February 16, 2016).

Shandong Tongfa Glass Fiber Ltd.*	128.27
Shandong Xinyu Geosynthetics Ltd.*	128.27
Tai'an Haohua Plastics Co., Ltd.*	128.27
Taian Hengbang Engineering Material Co., Ltd.*	128.27
Taian Naite Geosynthetics Ltd.*	128.27
Taian Road Engineering Materials Co., Ltd.*	128.27
Tenax*	128.27
Hengshui Zhongtiejian Group Co.*	128.27
Qingdao Sunrise Dageng Import and Export Co., Ltd.*	128.27

* Non-cooperative company to which an adverse facts available rate is being applied. *See* “Use of Facts Otherwise Available and Adverse Inferences” section in the Preliminary Decision Memorandum.

In accordance with section 703(d)(2) of the Act, we will direct U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of geogrids from the PRC as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. Section 703(e)(2) of the Act provides that, given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the later of (a) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or (b) the date on which notice of initiation of the investigation was published. We preliminarily found that critical circumstances exist for imports produced or exported by BOSTD Geosynthetics Qingdao Ltd. and the all other companies. Therefore, in accordance with section 703(e)(2)(A) of the Act, suspension of liquidation of geogrids from the PRC, as described in the “Scope of the Investigation” section, shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice, the date suspension of liquidation is first ordered. Because we preliminarily found critical circumstances do not exist for Taian Modern Plastic Co., Ltd., we will begin suspension of liquidation for such

firms on the date of publication of this notice in the **Federal Register**. Pursuant to 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit equal to the amounts indicated above.

In accordance with sections 703(d) and 705(c)(5)(A) of the Act, for companies not investigated, we apply an “all-others” rate, which is normally calculated by weighting the subsidy rates of the individual companies selected as mandatory respondents by those companies’ exports of the subject merchandise to the United States. Under section 705(c)(5)(i) of the Act, the all-others rate should exclude zero and *de minimis* rates calculated for the exporters and producers individually investigated as well as rates based entirely on facts otherwise available. Notwithstanding the language of section 705(c)(5)(A)(i) of the Act, we have not calculated the “all-others” rate by weighted 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 firms’ rates.

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.⁴ A table of contents, list of authorities used and an

⁴ See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

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, or to participate if one is requested, 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 document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5:00 p.m. Eastern Standard Time, within 30 days after the date of publication of this notice.⁵ Requests should contain the party's name, address, and telephone number; the number of participants; and 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, time and location to be determined. Parties will be notified of the date, time and location of any hearing.

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.

⁵ See 19 CFR 351.310(c).

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

Dated: June 17, 2016.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Appendix I

List of Topics Discussed in the Preliminary Decision Memo

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Alignment
- VI. Respondent Selection
- VII. Preliminary Determination of Critical Circumstances
- VIII. Injury Test
- IX. Application of Countervailing Duty Law to Imports from the PRC
- X. Subsidies Valuation
- XI. Benchmarks and Interest Rates
- XII. Use of Facts Otherwise Available and Adverse Inferences
- XIII. Analysis of Programs
- XIV. Verification
- XV. Conclusion

Appendix II

The merchandise covered by the investigation is certain biaxial integral geogrid products. Biaxial integral geogrid products are a polymer grid or mesh material (whether or not finished, slit, cut-to-length, attached to woven or non-woven fabric or sheet material, or packaged) in which four-sided openings in the form of squares, rectangles, rhomboids, diamonds, or other four-sided figures predominate. The products covered have integral strands that have been stretched to induce molecular orientation into the material (as evidenced by the strands being thinner toward the middle between the junctions than at the junctions themselves) constituting the sides of the openings and integral junctions where the strands intersect. The scope includes products in which four-sided figures predominate whether or not they also contain additional strands intersecting the four-sided figures and whether or not the inside corners of the four-sided figures are rounded off or not sharp angles. As used herein, the term “integral” refers to strands and junctions that are homogenous with each other. The products covered have a tensile strength of greater than 5 kilonewtons per meter (“kN/m”) according to American Society for Testing and Materials (“ASTM”) Standard Test Method D6637/D6637M in any direction and average overall flexural stiffness of more than 100,000 milligram-centimeter according to the ASTM D7748/D7748M Standard Test Method for Flexural Rigidity of Geogrids, Geotextiles and Related Products, or other equivalent test method standards.

Subject merchandise includes material matching the above description that has been finished, packaged, or otherwise further processed in a third country, including by trimming, slitting, coating, cutting, punching holes, stretching, attaching to woven or non-woven fabric or sheet material, or any other finishing, packaging, or other further processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the biaxial integral geogrid.

The products subject to the scope are currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under the following subheading: 3926.90.9995. Subject merchandise may also enter under subheadings 3920.20.0050 and 3925.90.0000. The HTSUS subheadings set forth above are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.

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