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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: Final Affirmative Determination and Final Determination of Critical Circumstances, in Part

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

SUMMARY: The Department of Commerce (the "Department") 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. For information on the estimated subsidy rates, see the "Suspension of Liquidation" section of this notice.

DATES: Effective [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:

Background

The petitioner in this investigation is Tensar Corporation ("Petitioner"). In addition to the Government of China ("GOC"), the mandatory respondents in this investigation are BOSTD Geosynthetics Qingdao Ltd. and its crossed-owned company Beijing Orient Science &

Technology Development Co., Ltd. (“BOSTD”), and Taian Modern Plastic Co., Ltd. (“Taian Modern”).

The Department published its Preliminary Determination on June 24, 2016, and its Amended Preliminary Determination on July 26, 2016.¹ A complete summary of the events that occurred since the Preliminary Determination, as well as a full discussion of the issues raised by parties for this final determination, may be found in the “Countervailing Duty Investigation of Certain Biaxial Integral Geogrid Products from the People’s Republic of China: Issues and Decision Memorandum for the Final Affirmative Determination,”² which is dated concurrently with and hereby adopted by this notice. The Issues and Decision Memorandum is a public document and is available electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (“ACCESS”). Access to ACCESS is available to registered users at <https://access.trade.gov> and to all parties in the Central Records Unit, room B8024 of the Department’s main building. In addition, a complete version of the Issues and Decision Memorandum can be viewed at <http://enforcement.trade.gov/frn>. The signed Issues and Decision Memorandum and the electronic version are identical in content.

Methodology

The Department conducted 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 determine that there is a subsidy (*i.e.*, a financial

¹ See 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, 81 FR 41292 (June 24, 2016) (“Preliminary Determination”) and Certain Biaxial Integral Geogrid Products from the People’s Republic of China: Amended Preliminary Results of Countervailing Duty Investigation, 81 FR 48384 (July 26, 2016) (“Amended Preliminary Determination”).

² See Memorandum from Gary Taverman, Associate 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: Issues and Decision Memorandum for the Final Affirmative Determination,” dated concurrently with this notice (“Issues and Decisions Memo”).

contribution by an “authority” that gives rise to a benefit to the recipient) and that the subsidy is specific. For a full description of the methodology underlying our preliminary conclusions, see the Issues and Decisions Memo.

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.

Analysis of Subsidy Programs and Comments Received

All issues raised in the comments filed by interested parties to this proceeding are discussed in the Issues and Decision Memorandum. A list of the issues raised by interested parties and responded to by the Department in the Issues and Decisions Memo are attached at Appendix II to this notice.

Use of Adverse Facts Available

For purposes of this final determination, we relied, in part, on facts available and, because certain 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.³ A full discussion of our decision to rely on adverse facts available is presented in the “Use of Facts Otherwise Available and Adverse Inferences” section of the Issues and Decisions Memo.

³ See sections 776(a) and (b) of the Act.

Final Determination

In accordance with sections 705(c)(1)(B)(i)(I) and 705(c)(5)(A)(i) of the Act, we calculated an estimated countervailable subsidy rate for each producer/exporter of the subject merchandise individually investigated. These rates are:

Company	Subsidy Rate
BOSTD Geosynthetics Qingdao Ltd. and Beijing Orient Science & Technology Development Co., Ltd.	15.61
Taian Modern Plastic Co., Ltd.	56.24
All-Others	35.93
Chengdu Tian Road Engineering Materials Co., Ltd.*	152.50
Chongqing Jiudi Reinforced Soil Engineering Co., Ltd.*	152.50
CNBM International Corporation*	152.50
Dezhou Yaohua Geosynthetics Ltd.*	152.50
Dezhou Zhengyu Geosynthetics Ltd.*	152.50
Hongye Engineering Materials Co., Ltd.*	152.50
Hubei Nete Geosynthetics Ltd.*	152.50
Jiangsu Dingtai Engineering Material Co., Ltd.*	152.50
Jiangsu Jiuding New Material Ltd.*	152.50
Lewu New Material Ltd.*	152.50
Nanjing Jinlu Geosynthetics Ltd.*	152.50
Nanjing Kunchi Composite Material Ltd.*	152.50
Nanyang Jieda Geosynthetics Co., Ltd.*	152.50
Qingdao Hongda Plastics Corp.*	152.50
Shandong Dexuda Geosynthetics Ltd.*	152.50
Shandong Haoyang New Engineering Materials Co., Ltd.*	152.50
Shandong Tongfa Glass Fiber Ltd.*	152.50
Shandong Xinyu Geosynthetics Ltd.*	152.50
Tai'an Haohua Plastics Co., Ltd.*	152.50
Taian Hengbang Engineering Material Co., Ltd.*	152.50
Taian Naite Geosynthetics Ltd.*	152.50
Taian Road Engineering Materials Co., Ltd.*	152.50
Tenax*	152.50
Hengshui Zhongtiejian Group Co.*	152.50
Qingdao Sunrise Dageng Import and Export Co., Ltd.*	152.50

* 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 Issues and Decisions Memo.

In accordance with sections 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 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 firms’ rates.

Suspension of Liquidation As a result of our Preliminary Determination and pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of geogrids from the PRC, that were entered, or withdrawn from warehouse, for consumption on or after March 26, 2016, for BOSTD and all other companies, for which we found critical circumstances exist, and on or after June 24, 2016, the date of the publication of the Preliminary Determination in the Federal Register, for Taian Modern. In accordance with section 703(d) of the Act, we instructed CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after October 22, 2016, but to continue the suspension of liquidation of all entries from June 24, 2016, or March 26, 2016, as applicable, through October 21, 2016.

If the U.S. International Trade Commission (“ITC”) issues a final affirmative injury determination, we will issue a CVD order and will reinstate the suspension of liquidation under

section 706(a) of the Act and will require a cash deposit of estimated CVDs for such entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the 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 (“APO”), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties such to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or, alternatively, conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation that is subject to sanction.

This determination is published pursuant to section 705(d) and 777(i) of the Act.

/S/ Paul Piquado

__Dated: January 4, 2017_____

Paul Piquado

Assistant Secretary

for Enforcement and Compliance

Appendix I

List of Topics Discussed in the Preliminary Decision Memo

- I. Summary
- II. Background
- III. Final Determination of Critical Circumstances, in Part
- IV. Scope of the Investigation
- V. Application of the Countervailing Duty Law to Imports from the PRC
- VI. Subsidy Valuation
- VII. Benchmarks and Discount Rates
- VIII. Use of Facts Otherwise Available and Adverse Inferences
- IX. Analysis of Programs
- X. Analysis of Comments
 - Comment 1: Whether the Export Buyer's Credit Program was Used by Respondents
 - Comment 2: Policy Loans for Geogrids Industry
 - Comment 3: Whether the Provision of Polypropylene for LTAR is Specific
 - Comment 4: Whether to Attribute Polypropylene LTAR Benefits to Only Polypropylene Products
 - Comment 5: Whether to Use a Different Polypropylene Benchmark
 - Comment 6: Whether to Remove Certain Freight Expenses from the Polypropylene Benchmark
 - Comment 7: Whether to Exclude Non-Production Related Income from the Denominator
 - Comment 8: Whether to Exclude Negative Offsets in the Benefit Calculation for Electricity
 - Comment 9: Whether to Apply AFA to BOSTD's Electricity
 - Comment 10: Whether to Include Certain Loans in the Subsidy Calculations
 - Comment 11: Whether to Include Certain Electricity Funds
 - Comment 12: Whether the Department's Finding of Critical Circumstance For BOSTD is Contrary to Law
 - Comment 13: Land-Use Rights for LTAR, Plant and Equipment for LTAR, and Installment Plans for Land-Use Rights
- XI. Recommendation

Appendix II

The products covered by the scope are 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 in width 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 investigations 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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