



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-580-890

Emulsion Styrene-Butadiene Rubber from the Republic of Korea: Final Affirmative Determination of Sales at Less Than Fair Value, and Final Affirmative 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 emulsion styrene-butadiene rubber (ESB rubber) from the Republic of Korea (Korea) is being, or is likely to be, sold in the United States at less than fair value (LTFV).

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

FOR FURTHER INFORMATION CONTACT: Carrie Bethea or Kabir Archuletta, 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) 482-1491 or (202) 482-2593, respectively.

SUPPLEMENTARY INFORMATION:

#### Background

On February 24, 2017, the Department of Commerce published the *Preliminary Determination* of this antidumping duty investigation, as provided by section 735 of the Tariff Act of 1930, as amended (Act), in which the Department found that ESB rubber from Korea was sold at LTFV.<sup>1</sup> A summary of the events that occurred since the Department published the

---

<sup>1</sup> See *Emulsion Styrene-Butadiene Rubber from the Republic of Korea: Preliminary Affirmative Determination*

*Preliminary Determination*, as well as a full discussion of the issues raised by interested parties for this final determination, may be found in the Issues and Decision Memorandum.<sup>2</sup> The Issues and Decision 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 <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

### Scope of the Investigation

The product covered by this investigation is ESB rubber from Korea. For a complete description of the scope of this investigation, *see* Appendix I.

### Scope Comments

No interested party commented on the scope of the investigation as it appeared in the *Initiation Notice*.<sup>3</sup> Therefore, the scope of this investigation remains unchanged for this final determination.

### Verification

As provided in section 782(i) of the Act, in April and June 2017, the Department conducted verification of the information reported by a mandatory respondent, LG Chem, Ltd. (LG Chem), and its U.S. affiliate, LG Chem America, Ltd., for use in the Department’s final

---

*of Sales at Less Than Fair Value, Affirmative Determination of Critical Circumstances, in Part, Postponement of Final Determination, and Extension of Provisional Measures*, 82 FR 11536 (February 24, 2017) and accompanying Preliminary Decision Memorandum (Preliminary Decision Memroandum) (collectively, *Preliminary Determination*).

<sup>2</sup> *See* Memorandum, “Issues and Decision Memorandum for the Final Determination in the Less-Than-Fair-Value Investigation of Emulsion Styrene-Butadiene Rubber from the Republic of Korea,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>3</sup> *See Emulsion Styrene-Butadiene Rubber from Brazil, the Republic of Korea, Mexico and Poland: Initiation of Less Than Fair Value Investigations*, 81 FR 55438 (August 19, 2016) (*Initiation Notice*).

determination. The Department used standard verification procedures, including an examination of relevant accounting and production records and original source documents provided by the respondent.<sup>4</sup>

Because Daewoo International Corporation (Daewoo) and Kumho Petrochemical Co, Ltd (Kumho), mandatory respondents in this investigation, did not provide information requested by the Department, and the Department preliminarily determined Daewoo and Kumho to have been uncooperative, the Department did not verify their books and records and facilities.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of these issues is attached to this notice as Appendix II. Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculation for LG Chem, and also the all-others rate.

#### Use of Adverse Facts Available

The Department found in the *Preliminary Determination* that it was appropriate to apply facts available with adverse inferences to Daewoo and Kumho. No interested parties commented on the preliminary application of adverse facts-available dumping margins to Daewoo and Kumho. For the final determination, the Department has not altered its analysis or decision to apply adverse facts-available to Daewoo and Kumho. For a full discussion of the Department's adverse facts available determination, see the *Preliminary Determination*.

---

<sup>4</sup> Memorandum, "Verification of the Cost Response of LG Chem, Ltd. in the Antidumping Duty Investigation of Emulsion Styrene-Butadiene Rubber from the Republic of South Korea," dated April 13, 2017; Memorandum, "Verification of U.S. Sales of LG Chem America, Inc., in the Antidumping Duty Investigation of Emulsion Styrene-Butadiene Rubber from the Republic of Korea," dated May 3, 2017; Memorandum, "Verification of LG Chem, Ltd., in the Antidumping Duty Investigation of Emulsion-Styrene Butadiene Rubber from the Republic of Korea," dated June 14, 2017.

All-Others Rate

Section 735(c)(5)(A) of the Act provides that in the final determination the Department shall determine an estimated all-others rate for all exporters and producers not individually examined. This rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely under section 776 of the Act.

For the final determination, the Department assigned a rate based entirely on facts available to Daewoo and Kumho. Therefore, the only rate that is not zero, *de minimis* or based entirely on facts otherwise available is the rate calculated for LG Chem. Consequently, the rate calculated for LG Chem is also assigned as the rate for all-other producers and exporters, pursuant to section 735(c)(5)(A) of the Act.

Final Determination

The Department determines that the following estimated weighted-average dumping margins exist:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)
Daewoo International Corporation	**44.30
Kumho Petrochemical Co, Ltd	**44.30
LG Chem, Ltd.	9.66
All-Others	9.66

\*\*(AFA)

### Final Affirmative Determination of Critical Circumstances, in Part

In accordance with section 733(e) of the Act, the Department preliminarily found critical circumstances exist with respect to Daewoo and Kumho and do not exist with respect to LG Chem and the non-individually examined companies receiving the “All-Others” rate in this investigation. The Department did not receive comments concerning the preliminary affirmative determination of critical circumstances. For the final determination, the Department continues to find that, in accordance with 735(a)(3) of the Act, critical circumstances exist for Daewoo and Kumho. A discussion of the determination can be found in the “Critical Circumstances” section of the Issues and Decision Memorandum.

### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of ESB rubber from Korea as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after, February 24, 2017, the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*. Further, pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), the Department will instruct CBP to require a cash deposit equal to the estimated weighted-average dumping margin or the estimated all-others rate, as follows: (1) The cash deposit rate for the respondents listed above will be equal to the respondent-specific estimated weighted-average dumping margins determined in this final determination; (2) if the exporter is not a respondent identified above, but the producer is, then the cash deposit rate will be equal to the respondent-specific estimated weighted-average dumping margin established for that producer of the subject

merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin.

Because of the Department's affirmative determination of critical circumstances for Daewoo and Kumho, in accordance with section 735(a)(3) and (c)(4)(A) of the Act, suspension of liquidation of ESB rubber from Korea, shall continue to apply, for Daewoo and Kumho, 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 the *Preliminary Determination*.

#### Disclosure

The Department intends to disclose to interested parties its calculations and analysis performed in this final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

#### International Trade Commission Notification

In accordance with section 735(d) of the Act, the Department will notify the International Trade Commission (ITC) of its final determination. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of ESB rubber from Korea no later than 45 days after the Department's final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on appropriate imports of the subject

merchandise entered, or withdrawn from warehouse, for consumption on or after the date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders

This notice serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: July 10, 2017.

Gary Taverman

Deputy Assistant Secretary

for Antidumping and Countervailing Duty Operations  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance

## Appendix I

### Scope of the Investigation

For purposes of this investigation, the product covered is cold-polymerized emulsion styrene-butadiene rubber (ESB rubber). The scope of the investigation includes, but is not limited to, ESB rubber in primary forms, bales, granules, crumbs, pellets, powders, plates, sheets, strip, *etc.* ESB rubber consists of non-pigmented rubbers and oil-extended non-pigmented rubbers, both of which contain at least one percent of organic acids from the emulsion polymerization process.

ESB rubber is produced and sold in accordance with a generally accepted set of product specifications issued by the International Institute of Synthetic Rubber Producers (IISRP). The scope of the investigation covers grades of ESB rubber included in the IISRP 1500 and 1700 series of synthetic rubbers. The 1500 grades are light in color and are often described as “Clear” or “White Rubber.” The 1700 grades are oil-extended and thus darker in color, and are often called “Brown Rubber.”

Specifically excluded from the scope of this investigation are products which are manufactured by blending ESB rubber with other polymers, high styrene resin master batch, carbon black master batch (*i.e.*, IISRP 1600 series and 1800 series) and latex (an intermediate product).

The products subject to this investigation are currently classifiable under subheadings 4002.19.0015 and 4002.19.0019 of the Harmonized Tariff Schedule of the United States (HTSUS). ESB rubber is described by Chemical Abstract Services (CAS) Registry No. 9003-55-8. This CAS number also refers to other types of styrene butadiene rubber. Although the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Issues and Decision Memorandum**

I. Summary

II. Background

III. Scope Comments

IV. Scope of the Investigation

V. Margin Calculations

VI. Discussion of the Issues

    Comment 1: CEP Offset

    Comment 2: Cost Adjustments Based on Transactions Disregarded Rule

    Comment 3: Cost Adjustments Based on Verification Findings

    Comment 4: Sales Expense Adjustments Based on Verification Findings

    Comment 5: Duty Drawback Adjustment

VII. Recommendation

[FR Doc. 2017-14950 Filed: 7/18/2017 8:45 am; Publication Date: 7/19/2017]