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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-061, C-533-876]

Fine Denier Polyester Staple Fiber from the People's Republic of China and India: Amended Final Affirmative Countervailing Duty Determination for the People's Republic of China and Countervailing Duty Orders for the People's Republic of China and India

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

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing countervailing duty orders on fine denier polyester staple fiber (fine denier PSF) from the People's Republic of China (China) and India. Also, as explained in this notice, Commerce is amending its final affirmative determination with respect to China to correct the rates assigned to Jiangyin Hailun Chemical Fiber Co. Ltd. (Hailun Chemical) and All-Others.

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

FOR FURTHER INFORMATION CONTACT: Yasmin Bordas at (202) 482-3813 and Davina Friedmann at (202) 482-0698 (China); Trisha Tran at (202) 482-4852 and Eli Lovely at (202) 482-1593 (India); AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

In accordance with section 705(d) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(c), on January 23, 2018, Commerce published its affirmative final determinations

in the countervailing duty investigations of fine denier PSF from China and India.<sup>1</sup> On January 30, 2018, Commerce received a timely allegation from Hailun Chemical that Commerce made ministerial errors in the final determination of fine denier PSF from China.<sup>2</sup> Commerce analyzed Hailun Chemical's allegation and determined that ministerial errors exist, as defined by section 705(e) of the Act and 19 CFR 351.224(f). See "Amendment to China PSF Final Determination" section below for further discussion.

On March 7, 2018, the ITC notified Commerce of its final affirmative determination, pursuant to section 705(d) of the Act, that an industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act, by reason of subsidized imports of fine denier PSF from China and India.<sup>3</sup>

#### Scope of the Orders

The product covered by these orders is fine denier PSF from China and India. For a complete description of the scope of these orders, see the Appendix to this notice.

#### Amendment to the China PSF Final Determination

As discussed above, after analyzing Hailun Chemical's allegation, we determined, in accordance with section 705(e) of the Act and 19 CFR 351.224(f), that ministerial errors were made in certain calculations for the *China Final Determination*.<sup>4</sup> This amended final CVD determination corrects these errors and revises the *ad valorem* subsidy rate for Hailun

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<sup>1</sup> See *Countervailing Duty Investigation of Fine Denier Polyester Staple Fiber from the People's Republic of China: Final Affirmative Determination*, 83 FR 3120 (January 23, 2018) (*China Final Determination*); and *Countervailing Duty Investigation of Fine Denier Polyester Staple Fiber from India: Final Affirmative Determination*, 83 FR 3122 (January 23, 2018) (*India Final Determination*).

<sup>2</sup> See Letter from Hailun Chemical, "Fine Denier Polyester Staple Fiber from the People's Republic of China - Ministerial Error Allegation," dated January 30, 2018 (Hailun Chemical's Ministerial Error Allegation).

<sup>3</sup> See Letter from the ITC concerning imports of fine denier PSF from China and India (Investigation Nos. 701-TA-579-580 (Final)), dated March 7, 2018 (ITC Notification Letter).

<sup>4</sup> See Hailun Chemical's Ministerial Error Allegation.

Chemical. The amended *ad valorem* subsidy rate for Hailun Chemical is 37.75 percent.<sup>5</sup> The *ad valorem* subsidy rate for Hailun Chemical was used to calculate the subsidy rate for all-other producers/exporters from China, and, as such, the amended *ad valorem* subsidy rate for all-other producers/exporters in the PRC is 42.66 percent.<sup>6</sup> All other countervailing duty rates remain unchanged from the *China Final Determination*.

### Countervailing Duty Orders

As stated above, on March 7, 2018, in accordance with section 705(d) of the Act, the ITC notified Commerce of its final determination that an industry in the United States is materially injured by reason of subsidized imports of fine denier PSF from China and India.<sup>7</sup> Therefore, in accordance with section 705(c)(2) of the Act, Commerce is issuing these countervailing duty orders. Because the ITC determined that an industry in the United States is materially injured by reason of imports of such merchandise that are subsidized by the governments of China and India, unliquidated entries of such merchandise from China and India, entered or withdrawn from warehouse for consumption, are subject to the assessment of countervailing duties.

As a result of the ITC's final determination, in accordance with section 706(a) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, countervailing duties on unliquidated entries of fine denier PSF from China and India entered, or withdrawn from warehouse, for consumption on or after November

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<sup>5</sup> See Memorandum from Davina Friedmann to James Maeder, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations performing the duties of Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations regarding, "Fine Denier Polyester Staple Fiber from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value Pursuant to Ministerial Error Allegation, and Countervailing Duty Order (Amended Final Determination and Order Memorandum).

<sup>6</sup> *Id.*

<sup>7</sup> See ITC Notification Letter.

6, 2017, the date of publication of the *Preliminary Determinations*,<sup>8</sup> but will not include entries occurring after the expiration of the provisional measures period and before publication in the *Federal Register* of the ITC’s final injury determination.

Suspension of Liquidation

In accordance with section 706 of the Act, Commerce will instruct CBP to reinstitute liquidation on all entries of subject merchandise from China and India, applicable the date of publication of the ITC’s notice of final affirmative injury determination in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. We will also instruct CBP to require cash deposits for each entry of subject merchandise as indicated below. These instructions suspending liquidation will remain in effect until further notice. The all-others rate applies to all producers or exporters not specifically listed, as appropriate.

<b>Exporter/Producer from China</b>	<b>Subsidy Rate (Percent)</b>
Jiangyin Hailun Chemical Fiber Co. Ltd.	37.75
Jiangyin Huahong Chemical Fiber Co. Ltd.	47.57
All-Others	42.66
<b>Exporter/Producer from India</b>	<b>Subsidy Rate (Percent)</b>
Bombay Dyeing & Mfg. Co. Ltd.	13.38
Reliance Industries Limited	27.36
All-Others	24.80

<sup>8</sup> See *Fine Denier Polyester Staple Fiber from the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 82 FR 51396 (November 6, 2017); see also *Fine Denier Polyester Staple Fiber from India: Preliminary Affirmative Countervailing Duty Determination*, 82 FR 51387 (November 6, 2017) (collectively, *Preliminary Determinations*).

### Provisional Measures

Section 703(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months. In the underlying investigations, Commerce published the *Preliminary Determinations* on November 6, 2017. As such, the four-month period beginning on the date of the publication of the *Preliminary Determinations* ended on March 5, 2018. Furthermore, section 707(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 703(d) of the Act and our practice, we will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of fine denier PSF from China and India entered, or withdrawn from warehouse, for consumption, after March 5, 2018, the date the provisional measures expired, until and through the day preceding the date of publication of the ITC's final injury determination in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC's final determination in the *Federal Register*.

### Notification to Interested Parties

This notice constitutes the countervailing duty orders with respect to fine denier PSF from China and India pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders at <http://enforcement.trade.gov/stats/iastats1.html>.

These orders are issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

*Dated: March 12, 2018.*

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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**

### **Scope of the Orders**

The merchandise covered by these orders is fine denier polyester staple fiber (fine denier PSF), not carded or combed, measuring less than 3.3 decitex (3 denier) in diameter. The scope covers all fine denier PSF, whether coated or uncoated. The following products are excluded from the scope:

(1) PSF equal to or greater than 3.3 decitex (more than 3 denier, inclusive) currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 5503.20.0045 and 5503.20.0065.

(2) Low-melt PSF defined as a bi-component polyester fiber having a polyester fiber component that melts at a lower temperature than the other polyester fiber component, which is currently classifiable under HTSUS subheading 5503.20.0015.

Fine denier PSF is classifiable under the HTSUS subheading 5503.20.0025. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.

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