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DEPARTMENT OF COMMERCE

International Trade Administration

[C-549-834]

Citric Acid and Certain Citrate Salts from Thailand: Final Negative Countervailing Duty Determination, and Final Negative Critical Circumstances Determination

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

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are not being provided to producers and exporters of citric acid and certain citrate salts (citric acid) from Thailand. The period of investigation is January 1, 2016, through December 31, 2016. In addition, we determine that critical circumstances do not exist with respect to imports of the subject merchandise.

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

FOR FURTHER INFORMATION CONTACT: John Conniff or Jolanta Lawska, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: 202-482-1009 or 202-482-8362, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Determination* on November 3, 2017.¹ We invited interested parties to comment on the *Preliminary Determination*. Commerce exercised its

¹ See *Citric Acid and Certain Citrate Salts from Thailand: Preliminary Negative Countervailing Duty Determination, Preliminary Negative Critical Circumstances Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 82 FR 51216 (November 3, 2017) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. The revised deadline for the final determination of this investigation is now May 29, 2018.² On February 23, 2018, Commerce issued a Post- Preliminary Results Decision Memorandum with respect to New Subsidy Allegations.³

A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum, which is hereby adopted by this notice.⁴

Scope of the Investigation

The product covered by this investigation is citric acid from Thailand. For a full description of the scope of this investigation, see the “Scope of the Investigation” in Appendix I of this notice.

Scope Comments

Prior to the *Preliminary Determination*, we issued a Preliminary Scope Decision Memorandum⁵. We subsequently invited parties to submit additional scope comments in their case briefs, but received none. Therefore, for the final determination, we continue to find that

² See Memorandum for The Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government” (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

³ See Commerce Post-Preliminary Results Decision Memorandum Regarding New Subsidy Allegations dated February 23, 2018.

⁴ See Memorandum from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations to Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance “Decision Memorandum for the Final Negative Countervailing Duty Determination and Final Negative Critical Circumstances Determination of Citric Acid and Certain Citrate Salts from Thailand,” dated concurrently with this notice (Issues and Decision Memorandum).

⁵ See Memorandum “Scope Comments Decision Memorandum for the Preliminary Determinations,” dated December 1, 2017 (Preliminary Scope Decision Memorandum).

the scope of the investigation as defined in the *Initiation Notice*⁶ and the *Preliminary Determination*⁷ remains applicable. See Appendix I.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in November and December 2017, we conducted verification of the information submitted by the Royal Thai Government (RTG); COFCO Biochemical (Thailand) Co., Ltd. (COFCO); Niran (Thailand) Co., Ltd. (Niran); and Sunshine Biotech International Co., Ltd. (Sunshine) for use in our final determination. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by the RTG, COFCO, Niran, and Sunshine.

Analysis of Subsidy Programs and Comments Received

All issues raised in the case and rebuttal briefs submitted by the interested parties are addressed in the Issues and Decision Memorandum accompanying this notice, which is hereby adopted by this notice. A list of the issues addressed in the Issues and Decision Memorandum is attached to this notice at Appendix II. The Issues and 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 it is available to all parties in the Central Records Unit, Room B-8024 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/index.html>. The signed and electronic versions of the Issues and

⁶ See *Citric Acid and Certain Citrate Salts from Belgium, Colombia, and Thailand: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 29828 (June 30, 2017) (*Initiation Notice*) and accompanying Initiation Checklist.

⁷ See *Preliminary Determination*, 82 FR at 51216.

Decision Memorandum are identical in content.

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the respondents' subsidy rate calculations. For a discussion of these changes, *see* the Issues and Decision Memorandum.

Final Negative Determination of Critical Circumstances

In the *Preliminary Determination*, Commerce explained that a finding of critical circumstances is only relevant if, due to an affirmative preliminary or affirmative final determination, there is a suspension of liquidation.⁸ However, Commerce preliminarily determined that the mandatory respondents received *de minimis* net subsidy rates. Thus, Commerce issued a negative *Preliminary Determination*, did not suspend liquidation, and preliminarily found that critical circumstances did not exist.⁹

We continue to find that the mandatory respondents received *de minimis* net subsidy rates and, thus, we have issued a negative final determination. Accordingly, we also continue to find that critical circumstances do not exist.

Final Determination

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we have calculated individual rates for the three producers/exporters of subject merchandise that are under investigation. We determine that the total net countervailable subsidy rates are as follows:

⁸ *See* Preliminary Decision Memorandum at 5.

⁹ *Id.* at 5; *see also Preliminary Determination*, 82 FR at 51217.

Company	<i>Ad Valorem Rate</i>
COFCO Biochemical (Thailand) Co., Ltd. (COFCO)	0.00 % <i>de minimis</i>
Niran (Thailand) Co., Ltd. (Niran)	0.00 % <i>de minimis</i>
Sunshine Biotech International Co., Ltd. (Sunshine)	0.21 % <i>de minimis</i>

The Department has not calculated an all-others rate because it has not reached an affirmative final determination. In the *Preliminary Determination*, the total net countervailable subsidy rates for the three companies were *de minimis* and, therefore, we did not suspend liquidation. Because the rates for the three companies remain *de minimis*, we are not directing U.S. Customs and Border Protection to suspend liquidation of entries of citric acid from Thailand.

Disclosure

Commerce intends to disclose to interested parties its calculations and analysis performed in this final determination within five days of any public announcement in accordance with 19 CFR 351.224(b).

International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. As our final determination is negative, this proceeding is terminated.

Notification Regarding Administrative Protective Orders (APOs)

This notice serves as the only reminder to parties subject to Administrative Protective Order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

Notification to Interested Parties

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

Dated: May 29, 2018.

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

The merchandise covered by this investigation includes all grades and granulation sizes of citric acid, sodium citrate, and potassium citrate in their unblended forms, whether dry or in solution, and regardless of packaging type. The scope also includes blends of citric acid, sodium citrate, and potassium citrate; as well as blends with other ingredients, such as sugar, where the unblended form(s) of citric acid, sodium citrate, and potassium citrate constitute 40 percent or more, by weight, of the blend.

The scope also includes all forms of crude calcium citrate, including dicalcium citrate monohydrate, and tricalcium citrate tetrahydrate, which are intermediate products in the production of citric acid, sodium citrate, and potassium citrate.

The scope includes the hydrous and anhydrous forms of citric acid, the dihydrate and anhydrous forms of sodium citrate, otherwise known as citric acid sodium salt, and the monohydrate and monopotassium forms of potassium citrate. Sodium citrate also includes both trisodium citrate and monosodium citrate which are also known as citric acid trisodium salt and citric acid monosodium salt, respectively.

The scope does not include calcium citrate that satisfies the standards set forth in the United States Pharmacopeia and has been mixed with a functional excipient, such as dextrose or starch, where the excipient constitutes at least 2 percent, by weight, of the product.

Citric acid and sodium citrate are classifiable under 2918.14.0000 and 2918.15.1000 of the Harmonized Tariff Schedule of the United States (HTSUS), respectively. Potassium citrate and crude calcium citrate are classifiable under 2918.15.5000 and, if included in a mixture or blend, 3824.99.9295 of the HTSUS. Blends that include citric acid, sodium citrate, and

potassium citrate are classifiable under 3824.99.9295 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Appendix II

List of Topics Discussed in the Final Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. New Subsidy Allegation
- V. Subsidies Valuation
- VI. Benchmark and Discount Rates
- VII. Analysis of Programs
- VIII. Discussion of the Issues

Comment 1: Whether Commerce Should Include Respondents' Imports of Chinese-Origin Machinery and Equipment Made Pursuant to the Association of Southeast Asian Nations (ASEAN)-China Free Trade Area (FTA) in the Benefit Calculation of the IPA Section 28 Program

Comment 2: Whether Subsidies Received by COFCO Biochemical (Thailand) Co., Ltd.'s (COFCO) Predecessor, World Best Biochemical (Thailand) Co., Ltd., (World Best), Are Countervailable

Comment 3: Whether Commerce Should Find Duty Exemptions on Imports of Raw Materials Under the Section 36 IPA Program to be Countervailable

- IX. Recommendation