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DEPARTMENT OF COMMERCE

International Trade Administration

[C-549-836]

Rubber Bands from Thailand: Preliminary Negative Countervailing Duty 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 (Commerce) preliminarily determines that countervailable subsidies are not being provided to producers and exporters of rubber bands from Thailand for the period of investigation of January 1, 2017, through December 31, 2017.

Interested parties are invited to comment on this preliminary determination.

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

FOR FURTHER INFORMATION CONTACT: Emily Halle or Shanah Lee, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone 202-482-0176 or 202-482-6386, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). On February 20, 2018, we initiated a countervailing duty (CVD) investigation of rubber bands from Thailand.¹ On April 12, 2018, in accordance with

¹ See *Rubber Bands from Thailand, the People's Republic of China, and Sri Lanka: Initiation of Countervailing Duty Investigations*, 83 FR 8429 (February 27, 2018) (*Initiation Notice*).

section 703(c)(1)(A) of the Act, we postponed the preliminary determination of this investigation to July 2, 2018.²

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included as an Appendix to this notice. The Preliminary 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 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 Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The products subject to this investigation are rubber bands from Thailand. For a complete description of the scope of this investigation, *see* Appendix I.

Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an "authority" that gives rise to a benefit to

² *See Rubber Bands from Thailand and the People's Republic of China: Postponement of Preliminary Determinations in the Countervailing Duty Investigations*, 83 FR 15789 (April 12, 2018).

³ *See* Memorandum, "Decision Memorandum for the Preliminary Negative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination of Citric Acid and Certain Citrate Salts from Thailand," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

the recipient, and that the subsidy is specific.⁴

Alignment

As noted in the Preliminary Decision Memorandum, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4)(i), we are aligning the final CVD determination in this investigation with the final determination in the companion antidumping duty (AD) investigation of rubber bands based on a request made by the petitioner.⁵ 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 November 13, 2018, unless postponed.⁶

Preliminary Determination

For this preliminary determination, Commerce calculated *de minimis* estimated countervailable subsidies for all individually examined producers/exporters of the subject merchandise. Consistent with section 703(b)(4)(A) of the Act, Commerce has disregarded the *de minimis* rates. Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (percent)
Liang Hah Heng International Rubber Co., Ltd.	0.23% (<i>de minimis</i>)

⁴ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁵ The petitioner in this investigation is Alliance Rubber Co. See Letter from the petitioner, “Petition for the Imposition of Antidumping and Countervailing Duties on Rubber Bands from Thailand and China – Petitioner’s Request for Postponement of the Preliminary Determinations,” dated March 27, 2018.

⁶ The AD preliminary determination was postponed to no later than August 29, 2018, see *Rubber Bands from the People’s Republic of China and Thailand: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 83 FR 29748 (June 26, 2018). Therefore, the AD final determination is currently due for signature no later than Monday, November 12, 2018, which is a federal holiday. Commerce’s practice dictates that where a deadline falls on a weekend or federal holiday, the appropriate deadline is the next business day (see *Notice of Clarification: Application of “Next Business Day” Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005)). As such, the AD final determination signature date rolls to Tuesday, November 13, 2018.

U. Yong Industry Co., Ltd.	0.37% (<i>de minimis</i>)
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Consistent with section 703(d) of the Act, Commerce has not calculated an estimated weighted-average subsidy rate for all other producers/exporters because it has not made an affirmative preliminary determination.

Suspension of Liquidation

Because Commerce preliminarily determines that no countervailable subsidies are being provided to the production or exportation of subject merchandise, Commerce will not direct U.S. Customs and Border Protection to suspend liquidation of any such entries.

Public Comment

Interested parties may submit case and rebuttal briefs, as well as request a hearing. Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.⁷ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.⁸ This summary should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after

⁷ See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

⁸ See 19 CFR .309(c)(2) and (d)(2).

the date of publication of this notice in the *Federal Register* via ACCESS. Hearing requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Prior to the date of the hearing, Commerce will contact all parties that submitted case or rebuttal briefs to determine if they wish to participate in the hearing. Commerce will then provide a hearing schedule to the parties prior to the hearing and only those parties listed on the schedule may present issues raised in their briefs. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Electronically filed documents must be received successfully in their entirety by 5:00 p.m. Eastern Time,⁹ on the due dates established above.

International Trade Commission (ITC) Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, Commerce will make available to the ITC all non-privileged and non-proprietary information relating to this investigation. Commerce will allow the ITC access to all privileged and business proprietary information in the files, provided the ITC confirms that it will not disclose such information, either publicly or under an APO, without the written consent of the Assistant Secretary for Enforcement and Compliance.

Pursuant to section 705(b)(2) of the Act, if Commerce's final determination is affirmative, the ITC will make its final determination before the later of 120 days after the date of this preliminary determination, or 45 days after Commerce's final determination.

⁹ See 19 CFR 351.303(b)(1).

Notification to Interested Parties

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

Disclosure

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

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

Dated: July 2, 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 products subject to this investigation are bands made of vulcanized rubber, with a flat length, as actually measured end-to-end by the band lying flat, no less than ½ inch and no greater than 10 inches; with a width, which measures the dimension perpendicular to the length, actually of at least 3/64 inch and no greater than 2 inches; and a wall thickness actually from 0.020 inch to 0.125 inch. Vulcanized rubber has been chemically processed into a more durable material by the addition of sulfur or other equivalent curatives or accelerators. Subject products are included regardless of color or inclusion of printed material on the rubber band's surface, including but not limited to, rubber bands with printing on them, such as a product name, advertising, or slogan, and printed material (*e.g.*, a tag) fastened to the rubber band by an adhesive or another temporary type of connection. The scope includes vulcanized rubber bands which are contained or otherwise exist in various forms and packages, such as, without limitation, vulcanized rubber bands included within a desk accessory set or other type of set or package, and vulcanized rubber band balls. The scope excludes products that consist of an elastomer loop and durable tag all-in-one, and bands that are being used at the time of import to fasten an imported product. Merchandise covered by this investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 4016.99.3510. Merchandise covered by the scope may also enter under HTSUS subheading 4016.99.6050. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Alignment
- VI. Injury Test
- VII. Subsidies Valuation
- VIII. Use of Facts Otherwise Available and Adverse Inferences
- IX. Analysis of Programs
- X. Verification
- XI. Calculation of the All Others Rate
- XII. Conclusion

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