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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-045

1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2016-2018

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

SUMMARY: The Department of Commerce (Commerce) finds that exporters of 1-Hydroxyethylidene-1, 1-Diphosphonic Acid (HEDP) from the People's Republic of China (China) sold subject merchandise in the United States at prices below normal value during the period of review (POR) November 4, 2016 through April 30, 2018.

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

FOR FURTHER INFORMATION CONTACT: Jasun Moy, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-8194.

SUPPLEMENTARY INFORMATION:

Background

Commerce is conducting an administrative review of the antidumping duty order on HEDP from China in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).¹ This review covers one producer/exporter of subject merchandise, Henan Qingshuiyuan Technology Co., Ltd. (Qingshuiyuan). On July 12, 2019, Commerce published the *Preliminary*

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 32270 (July 12, 2018); see also *1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value, and Antidumping Duty Order*, 82 FR 22807 (May 18, 2017).

Results of this review.² On August 19, 2019, Commerce received case briefs from Compass Chemical International LLC (the petitioner) and Qingshuiyuan.³ On August 28, 2019, we received rebuttal briefs from the petitioner and Qingshuiyuan.⁴ On September 25, 2019, Commerce postponed the final results to 151 days after the *Preliminary Results*.⁵ The revised deadline for the final results in this review is now December 10, 2019.

Scope of the Order

The products covered by this order are HEDP. For a full description of the scope, *see* the Issues and Decision Memorandum.⁶

Analysis of Comments Received

All issues raised in the case briefs filed by parties are listed in the appendix to this notice and are addressed in the Issues and Decision Memorandum. The Issues and Decision Memorandum is a public document and is made available to the public 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 B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum is available at

² *See 1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2016-2018*, 84 FR 33236 (July 12, 2019) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

³ *See* Petitioner's Case Brief, "1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China," dated August 19, 2019; *see also* Qingshuiyuan's Case Brief, "1-Hydroxyethylidene-1, 1-Diphosphonic Acid (HEDP) from the People's Republic of China, A-570-045; Case Brief," dated August 19, 2019.

⁴ *See* Petitioner's Rebuttal Brief, "1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China," dated August 28, 2019; *see also* Qingshuiyuan's Rebuttal Brief, "1-Hydroxyethylidene-1, 1-Diphosphonic Acid (HEDP) from the People's Republic of China, A-570-045; Rebuttal Brief," dated August 28, 2019.

⁵ *See* Memorandum, "1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated September 25, 2019.

⁶ *See* Memorandum, "Issues and Decision Memorandum for the Antidumping Duty Administrative Review of 1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China; 2016-2018," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties, and for the reasons explained in the Issues and Decision Memorandum, Commerce made two changes to the *Preliminary Results*. First, instead of converting U.S. price to a metric ton basis, we converted normal value to a kilogram basis, to match the U.S. price unit of measure, before calculating the weighted-average dumping margin. Second, there were multiple variants of the name for the same importer. Thus, we adjusted the name of the importers to make the names consistent. For a more detailed discussion of these changes, *see* the Final Analysis Memorandum.⁷

Separate Rate

In the *Preliminary Results*, we found that information placed on the record by Qingshuiyuan demonstrated that this entity is entitled to separate rate status, which we preliminarily granted.⁸ We received no information since the issuance of the *Preliminary Results* that provides a basis for reconsidering the determination with respect to the separate rate status of this entity. Therefore, for the final results, we continue to find that Qingshuiyuan is eligible for a separate rate.

Final Results of the Review

Commerce determines that the following weighted-average dumping margin exists for the POR from November 4, 2016 through April 30, 2018:

⁷ See Memorandum, “Antidumping Duty Administrative Review of 1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People’s Republic of China; 2016-2018: Final Results Analysis Memorandum,” dated concurrently with this notice (Final Analysis Memorandum).

⁸ See *Preliminary Results*, 84 FR at 32634, and accompanying PDM at 3-5.

Exporter	Weighted-Average Dumping Margin (Percent)
Henan Qingshuiyuan Technology Co., Ltd.	397.20

China-Wide Entity

Commerce’s policy regarding conditional review of the China-wide entity applies to this administrative review.⁹ Under this policy, the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the China-wide entity in this review, the entity is not under review and the entity’s rate (*i.e.*, 167.58 percent) is not subject to change.¹⁰

Assessment Rates

Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b). In accordance with 19 CFR 351.212(b)(1), we have calculated importer-specific (or customer-specific) assessment rates for merchandise subject to this review. For these final results, we divided the total dumping margins (calculated as the difference between normal value and export price or constructed export price) for Qingshuiyuan’s importers or customers by either the total number of kilograms the exporter sold to that importer or customer or by the total entered value. We intend to direct CBP to assess the resulting per-kilogram dollar amount or the *ad valorem* assessment rate against each kilogram of merchandise in each of that importer’s/customer’s entries during the review period.

⁹ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

¹⁰ See *1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value, and Antidumping Duty Order*, 82 FR 22807 (May 18, 2017).

For entries that were not reported in the U.S. sales data submitted by Qingshuiyuan during this review, Commerce will instruct CBP to liquidate such entries at the rate for the China-wide entity.¹¹

Commerce intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of this review in the *Federal Register*.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) for Qingshuiyuan, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this review (except, if the *ad valorem* rate is *de minimis*, then the cash deposit rate will be zero); (2) for previously investigated or reviewed Chinese and non-Chinese exporters not listed above that have received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific cash deposit rate published for the completed segment of the most recent period; (3) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the China-wide entity (*i.e.*, 167.58 percent); and (4) for all non-Chinese exporters of subject merchandise which have not received their own separate rate, the cash deposit rate will be the rate applicable to the Chinese exporter that supplied that non-Chinese exporter. These cash deposit requirements, when imposed, shall remain in effect until further notice.

¹¹ See 19 CFR 351.212(b)(1).

Notification to Importers

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties has occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Orders

This notice also serves as a final 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), which continues to govern business proprietary information in this segment of the proceeding. Timely written 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 terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing these final results of administrative review in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5) and 19 CFR 351.213(h)(1).

Dated: December 6, 2019

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Changes Since the Preliminary Results
- V. Discussion of the Issues
 - Comment 1: Whether to Adjust Qingshuiyuan's Reported Factors of Production (FOPs)
 - Comment 2: Whether to Include Brokerage and Handling (B&H) Expenses for Surrogate Values
 - Comment 3: Whether the Dumping Margin is Commercially or Economically Realistic
 - Comment 4: Whether Commerce's Erroneous Calculation Prevents Effective Comment
 - Comment 5: Whether the Liquidation Instructions are Incorrect
 - Comment 6: Whether the Financial Statements from CYDSA, S.A.B. de C.V. Are Unusable
 - Comment 7: Whether to Use Mexico as the Surrogate Country
 - Comment 8: Whether the Surrogate Value (SV) for Yellow Phosphorus is Aberrational
 - Comment 9: Whether the Deductions from Constructed Export Price (CEP) Were Excessive
 - Comment 10: Whether Non-Deductible Value-Added Tax Should be Deducted from U.S. Price

VI. Recommendation

[FR Doc. 2019-26797 Filed: 12/11/2019 8:45 am; Publication Date: 12/12/2019]