



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-845]

Suspension Agreement on Sugar from Mexico; 2018 Administrative Review of the Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico (as amended)

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that the selected respondents Ingenio Adolfo Lopez Mateos S.A. de C.V. and its affiliates (Grupo PIASA) and Ingenio Pánuco S.A.P.I. de C.V. (Pánuco), are in compliance with the Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico (AD Agreement), as amended on June 30, 2017 (collectively, amended AD Agreement), for the period January 1, 2018 through December 31, 2018, when such amended AD Agreement was in effect. Further, Commerce preliminarily determines that the amended AD Agreement in effect during the POR was meeting its statutory requirements under sections 734(c) and (d) of the Tariff Act of 1930, as amended (the Act). The preliminary results are set forth in the section titled “Methodology and Preliminary Results,” *infra*. We intend to issue the final results of review within 120 days after publication of these preliminary results in the *Federal Register*.

DATES: Applicable January 31, 2020.

FOR FURTHER INFORMATION CONTACT: Sally C. Gannon or David Cordell, Bilateral Agreements Unit, Enforcement & Compliance, International Trade Administration, U.S.

Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, telephone: (202) 482-0162 or (202) 482-0408, respectively.

## SUPPLEMENTAL INFORMATION:

### Background

On December 19, 2014, Commerce signed an agreement under section 734(c) of the Act, with a representative of Mexican producers/exporters accounting for substantially all imports of sugar from Mexico, suspending the antidumping duty (AD) investigation on sugar from Mexico.<sup>1</sup>

On June 30, 2017, Commerce and a representative of Mexican producers/exporters accounting for substantially all imports of sugar from Mexico signed an amendment to the AD Agreement.<sup>2</sup>

Consistent with a ruling from the U.S. Court of International Trade, Commerce published in the Federal Register a notice of the termination of the 2017 AD Amendment, with an applicable date of December 7, 2019.<sup>3</sup>

On December 26, 2018, the American Sugar Coalition and its Members<sup>4</sup> (petitioners) filed a timely request for an administrative review of the amended AD Agreement.<sup>5</sup> On January 28, 2019, Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.<sup>6</sup> On February 12, 2019, the petitioners resubmitted their request for an administrative

---

<sup>1</sup> See *Agreement Suspending the Antidumping Duty Investigation of Sugar from Mexico*, 79 FR 78039 (December 29, 2014) (AD Agreement).

<sup>2</sup> See *Sugar From Mexico: Amendment to the Agreement Suspending the Antidumping Duty Investigation*, 82 FR 31945 (July 11, 2017) (AD Amendment).

<sup>3</sup> See *Sugar From Mexico: Notice of Termination of Amendment to the Agreement Suspending the Antidumping Duty Investigation*, 84 FR 67711 (December 11, 2019).

<sup>4</sup> The members of the American Sugar Coalition are as follows: American Sugar Cane League, American Sugarbeet Growers Association, American Sugar Refining, Inc., Florida Sugar Cane League, Rio Grande Valley Sugar Growers, Inc., Sugar Cane Growers Cooperative of Florida, and the United States Beet Sugar Association.

<sup>5</sup> See Letter to Wilbur L. Ross, Jr., Secretary of Commerce, from the American Sugar Coalition and its members, "Sugar from Mexico: Request for Administrative Review" (December 26, 2018).

<sup>6</sup> See Memorandum to the Record, "Deadlines Affected by the Partial Shutdown of the Federal Government" (January 28, 2019). All deadlines in this segment of the proceeding have been extended by 40 days.

review of the amended AD Agreement as a precaution because the initial request was made during the partial federal government closure.<sup>7</sup>

Commerce initiated the review of the amended AD Agreement on March 14, 2019, for the December 1, 2017 through November 30, 2018, period of review (POR).<sup>8</sup> On May 6, 2019, Commerce selected mandatory respondents and issued its questionnaires to the respondent companies: Grupo PIASA and Pánuco.<sup>9</sup> These two companies represented the largest producers/exporters of subject merchandise imported into the United States during the POR.

### Scope of Review

Merchandise covered by this amended AD Agreement was typically imported under the following headings of the HTSUS during the POR: 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1010, 1701.99.1025, 1701.99.1050, 1701.99.5010, 1701.99.5025, 1701.99.5050, and 1702.90.4000. The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this amended AD Agreement is dispositive.<sup>10</sup>

### Methodology and Preliminary Results

Commerce has conducted this review in accordance with section 751(a)(1)(C) of the Act, which specifies that Commerce shall “review the current status of, and compliance with, any agreement by reason of which an investigation was suspended.” In this case, Commerce and a

---

<sup>7</sup> See Letter to Wilbur L. Ross, Jr., Secretary of Commerce, from the American Sugar Coalition and its members, “Sugar from Mexico: Resubmission of Request for Administrative Review” (February 12, 2019).

<sup>8</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 9297 (March 14, 2019).

<sup>9</sup> See Memorandum to the File, “Administrative Review of the Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico, as Amended: Placement of CBP Data on the Record for Respondent Selection” (March 18, 2019).

<sup>10</sup> For a complete description of the Scope of the Order, see Memorandum to Jeffrey I. Kessler, Assistant Secretary for Enforcement and Compliance, “Decision Memorandum for Preliminary Results of Administrative Review of the Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico,” dated concurrently with this notice (Preliminary Decision Memorandum).

representative of the Mexican sugar producers/exporters accounting for substantially all imports of sugar from Mexico signed the AD Agreement, which suspended the underlying antidumping duty investigation, on December 19, 2014. Further, on June 30, 2017, Commerce and a representative of the Mexican sugar producers/exporters accounting for substantially all imports of sugar from Mexico signed an amendment to the AD Agreement. Pursuant to the amended AD Agreement, the Mexican signatories agreed that the subject merchandise would be subject to minimum reference prices and that at least 85 percent of the dumping from the original investigation would be eliminated, as outlined in the amended AD Agreement.<sup>11</sup> The Mexican signatories also agreed to other conditions, including the reporting of the polarity testing of Other Sugar<sup>12</sup> and enhanced monitoring.<sup>13</sup>

After reviewing the information received to date from the respondent companies in their questionnaire and supplemental questionnaire responses, we preliminarily determine that the respondents adhered to the terms of the amended AD Agreement in effect during the POR and that the amended AD Agreement was functioning as intended. Further, we preliminarily determine that the amended AD Agreement was meeting the statutory requirements under sections 734(c) and (d) of the Act during the POR. For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum. Issues involving business proprietary information are addressed in separate memoranda.<sup>14</sup>

### Public Comment

---

<sup>11</sup> See *AD Agreement*, 79 FR at 78039, 78042, and 78044, at Price Undertaking. See also *AD Amendment*, 82 FR at 31946-47.

<sup>12</sup> See *AD Agreement*, 79 FR at 78039, 78041 at Definitions. See also *AD Amendment*, 82 FR 31945, 31946-47.

<sup>13</sup> See *AD Agreement*, 79 FR at 78040, 78042-43, at Monitoring of the Agreement. See also *AD Amendment*, 82 FR at 31947.

<sup>14</sup> See Memorandum to the File, “Analysis of Proprietary Information and Argument Regarding Ingenio Aldofo Lopez Mateos S.A. de C.V. and Its Affiliates” (January 31, 2020); Memorandum to the File, “Analysis of Proprietary Information and Argument Regarding Ingenio Pánuco, S.A.P.I. de C.V.” (January 31, 2020).

Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs in accordance with 19 CFR 351.309(d)(1). Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to provide: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>15</sup>

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Standard Time within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

---

<sup>15</sup> See 19 CFR 351.309(c)(2) and (d)(2).

Dated: January 31, 2020.

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.

[FR Doc. 2020-02364 Filed: 2/5/2020 8:45 am; Publication Date: 2/6/2020]