



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-201-846]

Sugar from Mexico: Final Results of the Expedited First Sunset Review of the Agreement Suspending the Countervailing Duty Investigation

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

SUMMARY: As a result of this sunset review, the Department of Commerce (Commerce) finds that termination of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico (Agreement) and the suspended countervailing duty (CVD) investigation would be likely to lead to the continuation or recurrence of a countervailable subsidy at the levels indicated in the “Final Results of Review” section of this notice.

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

FOR FURTHER INFORMATION: Sally C. Gannon, Bilateral Agreements, Office of Policy, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0162.

SUPPLEMENTARY INFORMATION:

Background

On December 3, 2019, Commerce published the notice of initiation of the first sunset review of the agreement suspending the countervailing duty investigation on sugar from Mexico, pursuant to section 751(c)(2) of the Tariff Act of 1930, as amended (the Act).¹ We

¹ See *Initiation of Five-Year (Sunset) Reviews*, 84 FR 58687 (November 1, 2019); see also *Initiation of Five-Year (Sunset Review); Correction*, 84 FR 66153 (December 3, 2019).

received notice of intent to participate in the review from the following parties, both domestic interested parties: Imperial Sugar Company and the American Sugar Coalition (ASC).²

Commerce received complete substantive responses from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).³ We rejected untimely submissions filed by Sweetener Users Association (SUA) on January 21, 2020 and January 23, 2020.⁴ We received no substantive responses from any other interested parties, nor was a hearing requested. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B)-(C), Commerce conducted an expedited (120-day) sunset review of the Agreement and suspended investigation.⁵

Scope of the Agreement

The merchandise subject to the Agreement is raw and refined sugar of all polarimeter readings derived from sugar cane or sugar beets. The chemical sucrose gives sugar its essential character. Sucrose is a nonreducing disaccharide composed of glucose and fructose linked by a glycosidic bond via their anomeric carbons. The molecular formula for sucrose is C₁₂H₂₂O₁₁; the International Union of Pure and Applied Chemistry (IUPAC) International Chemical Identifier (InChI) for sucrose is 1S/C12H22O11/c13-1-4-6(16)8(18)9(19)11(21-4)23-12(3-15)10(20)7(17) 5(2-14)22-12/h4-11,13-20H,1-3H2/t4-,5-,6-,7-,8+,9-,10+,11-,12+/m1/s1; the InChI Key for sucrose is CZMRCDWAGMRECN-UGDNZRGBSA-N; the U.S. National

² See Letter, American Sugar Coalition, “Sugar from Mexico: Notice of Intent to Participate”, dated December 18, 2019; Letter, Imperial Sugar Company, “Sugar from Mexico, Case Nos. C-201-846 and A-201-845 (Five-Year Sunset Reviews): Notice of Intent to Participate”, dated December 18, 2019.

³ See Letter, American Sugar Coalition, “Sugar from Mexico: Substantive Response to Notice of Initiation of Five-Year (Sunset) Reviews of the Antidumping and Countervailing Duty Suspension Agreements,” dated January 2, 2020; Letter, “Sugar from Mexico: Substantive Response of the Imperial Sugar Company to Commerce’s Notice of Initiation of Five-Year (“Sunset”) Reviews”, dated January 2, 2020.

⁴ See Letter to Wilbur Ross, Secretary of Commerce, from Sweetener Users Association. re: “Sugar from Mexico” (January 21, 2020); Letter to Wilbur Ross, Secretary of Commerce, from Sweetener Users Association, re: “Sugar from Mexico” (January 23, 2020); Letter, “Rejection on January 21 and January 23 Filings”, dated February 5, 2020.

⁵ See Letter, “Sunset Reviews Initiated on December 2, 2019”, dated January 22, 2020.

Institutes of Health PubChem Compound Identifier (CID) for sucrose is 5988; and the Chemical Abstracts Service (CAS) Number of sucrose is 57-50-1.

Sugar includes products of all polarimeter readings described in various forms, such as raw sugar, estandar or standard sugar, high polarity or semi-refined sugar, special white sugar, refined sugar, brown sugar, edible molasses, de-sugaring molasses, organic raw sugar, and organic refined sugar. Other sugar products, such as powdered sugar, colored sugar, flavored sugar, and liquids and syrups that contain 95 percent or more sugar by dry weight are also within the scope of this Agreement. Merchandise covered by this Agreement is typically imported under the following headings of the HTSUS: 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 scope of the Agreement excludes sugar imported under the Refined Sugar Re-Export Programs of the U.S. Department of Agriculture, sugar products produced in Mexico that contain 95 percent or more sugar by dry weight that originated outside of Mexico, inedible molasses (other than inedible desugaring molasses noted above), beverages, candy, certain specialty sugars, and processed food products that contain sugar (e.g., cereals). Specialty sugars excluded from the scope of this Agreement are limited to the following: Caramelized slab sugar candy, pearl sugar, rock candy, dragees for cooking and baking, fondant, golden syrup, and sugar decorations.⁶

Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice. The issues discussed in the Issues and Decision Memorandum include the likelihood of continuation or recurrence of a countervailable subsidy

⁶ See “Sugar from Mexico: Suspension of Antidumping Investigation”, 79 FR 78039 (December 29, 2014).

and the net countervailable subsidy likely to prevail if the order were revoked.⁷ 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 <http://access.trade.gov> and 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 can be accessed directly at <http://enforcement.trade.gov/frn>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Final Results of Review

Pursuant to sections 751(c)(1) and 752(b) of the Act, Commerce determines that termination of the Agreement and suspended countervailing duty investigation on sugar from Mexico is likely to lead to the continuation or recurrence of a countervailable subsidy at the rates listed below:

Company	Net Countervailable Subsidy (percent)
Fondo de Empresas Expropiadas del Sector Azucarero	43.93
Ingenio Tala S.A. de C.V. and certain affiliated sugar mills of Grupo Azucarero Mexico S.A. de C.V.	5.78
All Others	38.11 ⁸

Administrative Protective Order (APO)

This notice serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of

⁷ See Memorandum, “Issues and Decision Memorandum for the Expedited First Sunset Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁸ *Id.*

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 and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act and 19 CFR 351.218.

Dated: March 31, 2020.

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 Orders
- IV. History of the Orders
- V. Legal Framework
- VI. Discussion of the Issues
 - 1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
 - 2. Net Countervailable Subsidy Rates Likely to Prevail
 - 3. Nature of the Subsidy
- VII. Final Results of Review
- VIII. Recommendation

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