



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-904]

Certain Activated Carbon from the People's Republic of China: Notice of Court Decision Not in Harmony with Final Results of Administrative Review and Notice of Amended Final Results

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

SUMMARY: On April 23, 2020, the Court of International Trade (the Court) issued final judgment in *Jacobi Carbons AB et al. v. United States*, Consol. Court No. 16-00185, sustaining the Department of Commerce's (Commerce's) final results of redetermination pursuant to remand pertaining to the eighth administrative review of the antidumping duty order on certain activated carbon from the People's Republic of China (China) covering the period of April 1, 2014 through March 31, 2015. Consistent with the decision of the United States Court of Appeals for the Federal Circuit (Federal Circuit) in *Timken Co. v. United States* (Fed. Cir. 1990) (*Timken*), as clarified by *Diamond Sawblades Mfrs. Coalition v. United States* (Fed. Cir. 2010) (*Diamond Sawblades*), Commerce is notifying the public that the final judgment in this case is not in harmony with the final results of the administrative review, and that Commerce is amending the final results.

DATES: Applicable April 23, 2020.

FOR FURTHER INFORMATION CONTACT: Robert Palmer, AD/CVD Operations Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-9068.

SUPPLEMENTARY INFORMATION:

[Background](#)

On September 8, 2016, Commerce issued its decision in *Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 81 FR 62088 (September 8, 2016) (*AR8 Final Results*) and accompanying Issues and Decisions Memorandum (IDM). Jacobi Carbons AB (Jacobi),¹ a mandatory respondent, and Jacobi Carbons, Inc., its affiliated U.S. importer of subject merchandise, challenged certain aspects of the *AR8 Final Results*. On June 20, 2017, the Court in *Jacobi AR8 I* granted Commerce's request for a voluntary remand of *AR8 Final Results* to reconsider its determinations regarding the economic comparability and significant producer aspects of its surrogate country selection methodology (specifically, its determinations regarding economic comparability generally and significant production of comparable merchandise by Thailand in particular).² In granting this remand, the Court also directed Commerce to reconsider the separate rate assigned to the non-mandatory respondents in accordance with any redetermination of the antidumping margin assigned to the mandatory respondent Jacobi.³

On September 1, 2017, Commerce filed Remand I with the Court.⁴ Based on *Jacobi AR8 I*, which had ordered Commerce to: (1) further explain Commerce's determination regarding Thailand's economic comparability with China; and (2) reconsider and further explain Commerce's determination that Thailand is a significant producer of activated carbon, Commerce addressed and clarified these issues without making any changes to the margin

¹ In the third administrative review of the *Order*, Commerce found that Jacobi, Tianjin Jacobi International Trading Co. Ltd., and Jacobi Carbons Industry (Tianjin) are a single entity and, because there were no changes to the facts which supported that decision since that determination was made, we continued to find these companies part of a single entity for this administrative review. See *Certain Activated Carbon from the People's Republic of China: Final Results and Partial Rescission of Third Antidumping Duty Administrative Review*, 76 FR 67142 (October 31, 2011); *Certain Activated Carbon from the People's Republic of China; 2010-2011; Final Results of Antidumping Duty Administrative Review*, 77 FR 67337 (November 9, 2012); *Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 70533 (November 26, 2013); and *Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2012-2013*, 79 FR 70163 (November 25, 2014).

² See *Jacobi Carbons AB et al. v. United States*, Consol. Court No. 16-00185 (June 20, 2017), ECF 77 (*Jacobi AR8 I*).

³ *Id.* at 6.

⁴ See *Jacobi Carbons AB et al. v. United States*, Consol. Court No. 16-00185, Final Results of Redetermination Pursuant to Court Remand, dated September 1, 2017 (Remand I).

calculations for Jacobi.⁵

On April 19, 2018, the Court in *Jacobi AR8 II*⁶ remanded six issues to Commerce: (1) to further explain or reconsider Commerce's determination that Thailand is a significant producer of activated carbon;⁷ (2) to reconsider or further explain Commerce's position with respect to whether the proposed carbonized material surrogate value (SV) represents commercial quantities and, if appropriate, to reconsider its carbonized material SV selection;⁸ (3) to reconsider or further explain Commerce's position with respect to proposed hydrochloric acid (HCl) benchmarks and, if appropriate, to reconsider its HCl SV selection;⁹ (4) to reconsider or further explain Commerce's position with respect to proposed coal tar benchmarks and, if appropriate, to reconsider its coal tar SV selection;¹⁰ (5) to further explain or reconsider Commerce's determination that the Thai financial statements used in the final results contain evidence of a countervailable subsidy or otherwise provide suitable surrogate financial data, and to reevaluate the relative merits of each proposed source of financial ratios;¹¹ and (6) to further explain and reconsider Commerce's value-added tax (VAT) methodology and calculation with respect to Jacobi, including addressing evidence suggesting Jacobi's ability to offset input VAT against output VAT collected from foreign customers, whether the VAT adjustment is properly made on the basis of an estimated customs value instead of a reported free-on-board (FOB) value, and the evidence supporting the rejection of the calculation methodology proposed by Datong Juqiang Activated Carbon Co., Ltd. (Datong Juqiang).¹² The Court also directed Commerce to reconsider the separate rate assigned to the non-mandatory respondents in accordance with any

⁵ See Remand I at 1-2, 39-40.

⁶ See *Jacobi Carbons AB et al. v. United States et al.*, 313 F. Supp. 3d 1344 (CIT 2018) (*Jacobi AR8 II*).

⁷ See *Jacobi AR8 II* at 23-24.

⁸ *Id.* at 29-31.

⁹ *Id.* at 36.

¹⁰ *Id.* at 42-44.

¹¹ *Id.* at 47-48.

¹² *Id.* at 50-51.

redetermination of the antidumping margin assigned to Jacobi.¹³ Further, on August 22, 2018, the Court also directed Commerce to consider CIT Slip Opinion No. 18-97 entered in *Aristocraft of America LLC v. United States*, CIT 15-00307, 2018 WL 3816781 (not reported in Fed Reporter) (CIT August 9, 2018) as it relates to the Chinese irrecoverable VAT.¹⁴

On October 23, 2018, Commerce filed Remand II with the Court.¹⁵ Commerce affirmed its determination that Thailand is a significant producer of comparable merchandise and its carbonized material and HCl SV selections. Additionally, Commerce reconsidered its selection of surrogate financial statements, the coal tar SV, and the VAT calculation methodology. Consequently, Commerce made changes to the margin calculations for Jacobi, as well as to the margin calculations for the separate rate companies. Accordingly, Jacobi's final margin was revised to \$0.44/kg. The separate rate was revised to \$0.34/kg for: (1) Beijing Pacific Activated Carbon Products Co., Ltd.; (2) Datong Municipal Yunguang Activated Carbon Co., Ltd.; (3) Jilin Bright Future Chemicals Co., Ltd.; (4) Ningxia Guanghua Cherishmet Activated Carbon Co., Ltd.; (5) Ningxia Huahui Activated Carbon Co., Ltd.; (6) Ningxia Mineral and Chemical Ltd.; (7) Shanxi DMD Corp.; (8) Shanxi Industry Technology Trading Co., Ltd.; (9) Shanxi Sincere Industrial Co., Ltd.; (10) Tianjin Channel Filters Co., Ltd.; and (11) Tianjin Maijin Industries Co., Ltd. Commerce used the same methodology for calculating the separate rate that was used in *AR8 Final Results*.¹⁶

On March 5, 2019, the Court in *Jacobi AR8 III* remanded to Commerce its determination that Thailand is a significant producer of comparable merchandise and directed Commerce to reconsider its selection of a primary surrogate country.¹⁷ The Court further ordered that Commerce must identify a surrogate country, whether from its list of countries at the same level

¹³ *Id.* at 52.

¹⁴ See *Jacobi Carbons AB et al. v. United States et al.*, Ct. No. 16-00185, ECF No. 120 (August 22, 2018).

¹⁵ See *Jacobi Carbons AB et al. v. United States*, Consol. Court No. 16-00185, Slip Op. 18-47, Final Results of Redetermination Pursuant to Court Remand, dated October 23, 2018 (Remand II).

¹⁶ See Remand II at 52.

¹⁷ *Jacobi Carbons AB et al. v. United States et al.*, 365 F.Supp.3d 1344 (CIT 2018) (*Jacobi AR8 III*) at 6.

of economic development as the People's Republic of China (China) or another country at a comparable level of economic development not on the list, which meets the statutory criteria and is supported by substantial evidence.¹⁸ Further, the Court instructed that Commerce must revisit the SVs for carbonized materials and HCL because Commerce justified the selection of these SVs substantially on the basis that they are from Thailand, the primary surrogate country.¹⁹ The Court also directed Commerce to reconsider the separate rate assigned to the non-mandatory respondents in accordance with any redetermination of the antidumping margin assigned to Jacobi.²⁰ In accordance with *Jacobi AR8 III*, Commerce reconsidered its selection of the primary surrogate country, and selected a new primary surrogate country (Malaysia).²¹ As a result of selecting a new primary surrogate country, Commerce revisited the SV selection for all inputs, including the SVs for carbonized materials and HCl that the Court specifically directed Commerce to reconsider.²² Consequently, Commerce made changes to the margin calculations for Jacobi, as well as to the margin calculations for the separate rate companies. Therefore, Jacobi's final margin was revised to \$0.51/kg. The separate rate was revised to \$0.40/kg for: (1) Beijing Pacific Activated Carbon Products Co., Ltd.; (2) Datong Municipal Yunguang Activated Carbon Co., Ltd.; (3) Jilin Bright Future Chemicals Co., Ltd.; (4) Ningxia Guanghua Cherishmet Activated Carbon Co., Ltd.; (5) Ningxia Huahui Activated Carbon Co., Ltd.; (6) Ningxia Mineral and Chemical Ltd.; (7) Shanxi DMD Corp.; (8) Shanxi Industry Technology Trading Co., Ltd.; (9) Shanxi Sincere Industrial Co., Ltd.; (10) Tianjin Channel Filters Co., Ltd.; and (11) Tianjin Maijin Industries Co., Ltd. Commerce used the same methodology for calculating the separate rate that was used in *AR8 Final Results*.²³

¹⁸ *Id.* at 16.

¹⁹ *Id.* at 6, 16.

²⁰ *Id.* at 36.

²¹ See *Jacobi Carbons AB et al. v. United States*, Consol. Court No. 16-00185, Slip Op. 19-28, Final Results of Redetermination Pursuant to Court Remand, dated June 17, 2019 (Remand III) at 2.

²² *Id.* at 2, 3.

²³ See Remand III at 28.

On December 17, 2019, the Court in *Jacobi AR8 IV* remanded to Commerce its Remand III redetermination to reconsider or further address the inconsistencies between its statements in the third draft results of redetermination and those in its third final results of redetermination regarding the viability of the various carbonized material data sources on the record.²⁴ The Court ordered Commerce to more fully address arguments that it did not directly or fully analyze the commercial significance of the Malaysian import quantity or account for Commerce’s preference for selecting SVs from a single surrogate country and address arguments made by parties based on *Luoyang Bearing*.²⁵ In accordance with *Jacobi AR8 IV*, Commerce reconciled inconsistencies between the third draft and final results of redetermination regarding Commerce’s selection of the carbonized materials SV, without making any changes to the determination in Remand III as a result of this further analysis.

On March 20, 2020, Commerce filed Remand IV with the Court.²⁶ On April 23, 2020, the Court sustained Remand IV in *Jacobi AR8 V*.²⁷

Timken Notice

In its decision in *Timken*,²⁸ as clarified by *Diamond Sawblades*,²⁹ the Federal Circuit held that, pursuant to section 516A(e) of the Tariff Act of 1930, as amended (the Act), Commerce must publish a notice of a court decision that is not “in harmony” with a Commerce determination and must suspend liquidation of entries pending a “conclusive” court decision. The Court’s April 23, 2020 judgment in *Jacobi AR8 IV* constitutes a final decision of the Court

²⁴ *Jacobi Carbons AB et al. v. United States et al.*, Consol. Court No. 16-00185, Slip Op. 19-160 (CIT December 17, 2019) (*Jacobi AR8 IV*) at 10.

²⁵ *Id.*; see also *Luoyang Bearing Corp. (Grp.) v. United States*, 358 F. Supp. 2d 1296 (CIT 2005) (*Luoyang Bearing*).

²⁶ See *Jacobi Carbons AB et al. v. United States*, Consol. Court No. 16-00185, Slip Op. 19-160, Final Results of Redetermination Pursuant to Court Remand, dated March 20, 2020 (Remand IV).

²⁷ See *Jacobi Carbons AB v. United States*, Consol. Court No. 16-00815, Slip Op. 20-55 (CIT 2020) (*Jacobi AR8 V*).

²⁸ See *Timken Co. v. United States*, 893 F.2d 337, 341 (Fed. Cir. 1990) (*Timken*).

²⁹ See *Diamond Sawblades Mfrs. Coalition v. United States*, 626 F.3d 1374 (Fed. Cir. 2010) (*Diamond Sawblades*).

that is not in harmony with Commerce's *AR8 Final Results*. This notice is published in fulfillment of the publication requirement of *Timken*.

Amended Final Results

Because there is now a final court decision, Commerce amends the *AR8 Final Results* with respect to the companies identified below. Based on Remand III, as affirmed by the Court in *Jacobi AR8 IV*, the revised weighted-average dumping margins for the companies listed below during the period April 1, 2014 through March 31, 2015 are as follows:

Exporter	Margin (Dollars Per Kilogram) ³⁰
Jacobi Carbons AB	0.51
Beijing Pacific Activated Carbon Products Co., Ltd.	0.40
Datong Municipal Yunguang Activated Carbon Co., Ltd.	0.40
Jilin Bright Future Chemicals Company, Ltd.	0.40
Ningxia Guanghua Cherishmet Activated Carbon Co., Ltd.	0.40
Ningxia Huahui Activated Carbon Co., Ltd.	0.40
Ningxia Mineral and Chemical Limited	0.40
Shanxi DMD Corporation	0.40
Shanxi Industry Technology Trading Co., Ltd.	0.40
Shanxi Sincere Industrial Co., Ltd.	0.40
Tianjin Channel Filters Co., Ltd.	0.40
Tianjin Maijin Industries Co., Ltd.	0.40

Accordingly, Commerce will continue the suspension of liquidation of the subject merchandise at issue pending expiration of the period to appeal or, if appealed, a final and conclusive court decision. In the event that the Court's ruling is not appealed or, if appealed, is upheld by a final and conclusive court decision, Commerce will instruct U.S. Customs and

³⁰ In the second administrative review, Commerce determined that it would calculate per-unit assessment and cash deposit rates for all future reviews. See *Certain Activated Carbon from the People's Republic of China: Final Results and Partial Rescission of Second Antidumping Duty Administrative Review*, 75 FR 70208, 70211 (November 17, 2010); see also *AR7 Final Results*, 80 FR at 61174 n.21.

Border Protection to assess antidumping duties on unliquidated entries of subject merchandise based on the revised dumping margins listed above.

Cash Deposit Requirements

Because there have been subsequent administrative reviews for the companies identified above, the cash deposit rates will remain the rates established in the most recently-completed *AR11 Final Results*, which is \$0.89/kg for Jacobi, and \$0.89/kg for Beijing Pacific Activated Carbon Products Co., Ltd. Ningxia Guanghua Cherishmet Activated Carbon Co., Ltd., Ningxia Huahui Activated Carbon Co., Ltd., Ningxia Mineral & Chemical Limited, and Shanxi Sincere Industrial Co., Ltd.³¹ For the companies that Commerce determined had no shipments in *AR11 Final Results*, the cash deposit rates will remain the rates established in the most recently-completed *AR9 Final Results*,³² which is \$0.22/Kg for Datong Municipal Yunguang Activated Carbon Co., Ltd., Jilin Bright Future Chemicals Company, Ltd., Shanxi Industry Technology Trading Co., Ltd., and Tianjin Channel Filters Co., Ltd. For the companies determined not to be eligible for a separate rate in subsequent reviews, *i.e.*, Shanxi DMD Corporation³³ and Tianjin Maijin Industries Co., Ltd.,³⁴ the cash deposit rate will remain the rate established for the China-wide entity.

Notification to Interested Parties

This notice is issued and published in accordance with sections 516A(e)(1), 751(a)(1), and 777(i)(1) of the Act.

Dated: May 4, 2020.

Jeffrey I. Kessler,

³¹ See *Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2017-2018*, 84 FR 68881 (December 17, 2019) (*AR11 Final Results*).

³² See *Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2015-2016*, 82 FR 51607 (November 7, 2017) (*AR9 Final Results*).

³³ See *AR9 Final Results*, 82 FR at 51611.

³⁴ See *Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2015-2016*, 83 FR 58229, 58231 (November 19, 2018) (*AR10 Final Results*).

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