



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-907]

Ultra-High Molecular Weight Polyethylene from the Republic of Korea: Preliminary Affirmative Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that ultra-high molecular weight polyethylene (ultra-high polyethylene) from the Republic of Korea (Korea) is being, or is likely to be, sold in the United States at less than fair value. The period of investigation is January 1, 2019 through December 31, 2019. Interested parties are invited to comment on this preliminary determination.

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

FOR FURTHER INFORMATION CONTACT: Ian Hamilton, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4798.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this

investigation on March 31, 2020.¹ On July 20, 2020, Commerce postponed the preliminary determination of this investigation, and the revised deadline is now September 30, 2020.² For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.³ A list of topics included in the Preliminary Decision Memorandum is included as Appendix II 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>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://enforcement.trade.gov/frn/summary/korea-south/korea-south-fr.htm>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The product covered by this investigation is ultra-high polyethylene from Korea. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the preamble to Commerce's regulations,⁴ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁵ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation*

¹ *See Ultra-High Molecular Weight Polyethylene from the Republic of Korea: Initiation of Less-Than-Fair-Value Investigation*, 85 FR 17861 (March 31, 2020) (*Initiation Notice*).

² *See Ultra-High Molecular Weight Polyethylene from the Republic of Korea: Postponement of Preliminary Determination in the Less-Than-Fair-Value Investigation*, 85 FR 43813 (July 20, 2020).

³ *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Ultra-High Molecular Weight Polyethylene from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁵ *See Initiation Notice*, 85 FR at 17862.

Notice. For a summary of the product coverage and rebuttal comments submitted on the record for this investigation, *see* the Preliminary Decision Memorandum. Commerce has preliminarily modified the scope language as it appeared in the *Initiation Notice*. *See* revised scope in Appendix I to this notice.

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Commerce has calculated export price in accordance with section 772(a) of the Act. Normal value is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying the preliminary determination, *see* the Preliminary Decision Memorandum.

All-Others Rate

Sections 733(d)(1)(ii) and 735(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for all exporters and producers not individually examined. This rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely under section 776 of the Act.

Commerce calculated an individual estimated weighted-average dumping margin for Korea Petrochemical Ind. Co., Ltd./KPIC Corporation (collectively, KPIC), the only individually examined exporter/producer in this investigation.⁶ Because the only individually calculated

⁶ On September 2, 2020, Commerce determined to collapse Korea Petrochemical Ind. Co., Ltd. and KPIC Corporation and treat them as a single entity. *See* Memorandum, “Antidumping Duty Investigation of Ultra-High Molecular Weight Polyethylene from the Republic of Korea: Korea Petrochemical Ind. Co., Ltd. Preliminary Affiliation and Collapsing Memorandum,” dated September 2, 2020.

dumping margin is not zero, *de minimis*, or based entirely on facts otherwise available, the estimated weighted-average dumping margin calculated for KPIC is the margin assigned to all other producers and exporters, pursuant to section 735(c)(5)(A) of the Act.

Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)
Korea Petrochemical Ind. Co., Ltd./KPIC Corporation	7.80
All Others	7.80

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise, as described in Appendix I, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the estimated weighted-average dumping margin or the estimated all-others rate, as follows: (1) the cash deposit rate for the respondent listed above will be equal to the company-specific estimated weighted-average dumping margin determined in this preliminary determination; (2) if the exporter is not the respondent identified above, but the producer is, then the cash deposit rate will be equal to the company-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin.

Disclosure

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

Verification

Commerce is currently unable to conduct on-site verification of the information relied upon in making its final determination in this investigation. Accordingly, we intend to take additional steps in lieu of on-site verification. Commerce will notify interested parties of any additional documentation or information required.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Interested parties will be notified of the timeline for the submission of case briefs and written comments at a later date. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven 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.

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 the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and

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

a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Parties are reminded that briefs and hearing requests are to be filed electronically using ACCESS and that electronically filed documents must be received successfully in their entirety by 5 p.m. Eastern Time on the due date. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.⁸

Postponement of Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. Section 351.210(e)(2) of Commerce's regulations requires that a request by exporters for postponement of the final determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

On September 2, 2020, pursuant to 19 CFR 351.210(e), KPIC requested that Commerce postpone the final determination and that provisional measures be extended to a period not to

⁸ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

exceed six months.⁹ On September 8, 2020, the petitioner submitted a letter supporting KPIC's request to postpone the final determination.¹⁰ In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because: (1) the preliminary determination is affirmative; (2) KPIC accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, Commerce will make its final determination by no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.

International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its preliminary determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

⁹ See KPIC's Letter, "Ultra-High Molecular Weight Polyethylene from the Republic of Korea: Request to Postpone Final Determination and Extend Provisional Measures," dated September 2, 2020.

¹⁰ See Petitioner's Letter, "Petitioners {sic} for the Imposition of Antidumping Duties on Imports of Ultra-High Molecular Weight Polyethylene from the Republic of Korea: Petitioner's Consent to Postponement of the Final Determination," dated September 8, 2020.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: September 30, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by the scope is ultra-high molecular weight polyethylene. Ultra-high molecular weight polyethylene is a linear polyethylene, in granular or powder form is defined by its molecular weight, as defined by Margolie's Equation, of greater than 1.0×10^6 g/mol. Ultra-high molecular weight polyethylene may also be defined by its melt mass-flow rate of <0.1 g/10 min, measured at 190°C and 21.6 kg load, based on the methods and calculations set forth in the International Organization for Standardization (ISO) standards 21304-1 and 21304-2. Ultra-high molecular weight polyethylene has a Chemical Abstract Service (CAS) registry number of 9002-88-4.

The scope includes all ultra-high molecular weight polyethylene in granular or powder forms meeting the above specifications regardless of additives introduced in the manufacturing process. Ultra-high molecular weight polyethylene blended with other products is included in the scope of this investigation where ultra-high molecular weight polyethylene accounts for more than 50 percent, by actual weight, of the blend and the resulting blend maintains a molecular weight, as defined by Margolie's Equation, of greater than 1.0×10^6 g/mol and/or a melt mass-flow rate of <0.1 g/10 min.

Excluded from the scope of the investigation is medical-grade ultra-high molecular weight polyethylene. Medical grade ultra-high molecular weight polyethylene has a minimum viscosity of 2000 ml/g at a concentration of 0.02% at 135°C (275°F) in decahydronaphthalene and an elongational stress of 0.2 MPa or greater. Medical-grade ultra-high molecular weight polyethylene is further defined by its ash and trace element content, which shall not exceed the following maximum quantities as set forth in ISO-5834-1: ash (125 mg/kg), titanium (40 mg/kg), calcium (5 mg/kg), chlorine (30 mg/kg), and aluminum (20 mg/kg). ISO 5834-1 further defines medical grade ultra-high molecular weight polyethylene by its particulate matter content, which requires that there shall be no more than three particles of contaminant per 300 ± 20 g tested. Each of the above criteria is calculated based on the standards and methods used in ISO 5834-1.

Ultra-high molecular weight polyethylene is classifiable under the HTSUS subheadings 3901.10.1000 and 3901.20.1000. Although the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope Comments
- V. Discussion of the Methodology
- VI. Date of Sale
- VII. Product Comparisons
- VIII. Export Price
- IX. Normal Value
- X. Currency Conversion
- XI. Recommendation

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