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DEPARTMENT OF COMMERCE

International Trade Administration

[C-201-846]

Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico: Final Results of the 2018 Administrative Review

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

SUMMARY: The Department of Commerce (Commerce) continues to find that the respondents selected for individual examination were in compliance with the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico (CVD Agreement), as amended on June 30, 2017 (collectively, amended CVD Agreement), and that the amended CVD Agreement is meeting the statutory requirements under sections 704(c) and (d) of the Tariff Act of 1930, as amended (the Act), during the period of review (POR) from January 1, 2018, through December 31, 2018.

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

FOR FURTHER INFORMATION CONTACT: Sally C. Gannon or David Cordell, Enforcement and 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.

SUPPLEMENTARY INFORMATION:

Background

On February 6, 2020, Commerce published the *Preliminary Results* of this administrative review.¹ On March 6, 2020, the American Sugar Coalition and its members (collectively ASC),² the petitioners, filed a request for a hearing, which they later withdrew.³ On June 24, 2020, Commerce set the briefing schedule for the final results of this review.⁴ On July 6, 2020, the ASC filed a case brief and the Government of Mexico (GOM) filed a letter in lieu of a case brief.⁵ On July 13, 2020, the respondents filed a letter in lieu of a rebuttal brief.⁶

On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days.⁷ On July 14, 2020, Commerce extended the deadline for the final results of this review by 30 days.⁸ On July 21, 2020, Commerce tolled all deadlines in administrative reviews by an

¹ See *Suspension Agreement on Sugar From Mexico; 2018 Administrative Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar From Mexico (as Amended)*, 85 FR 6906 (February 6, 2020) (*Preliminary Results*).

² The members of the ASC 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.

³ See Petitioners' Letter, "Sugar from Mexico: Request for Hearing" dated March 6, 2020; see also "Sugar from Mexico: Withdrawal of Request for a Hearing," dated July 16, 2020.

⁴ See Memorandum, "Establishment of Briefing Schedule for the 2017- 2018 Administrative Reviews of the Agreement Suspending the Antidumping Investigation on Sugar from Mexico and the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico," dated June 24, 2020.

⁵ See GOM Letter, "Administrative Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico: Letter in Lieu of Case Brief," dated July 6, 2020; see also ASC Case Brief, "Case Brief filed by the American Sugar Coalition and its Members," dated July 6, 2020.

⁶ See Letter in Lieu of Rebuttal brief filed by Cámara Nacional de Las Industrias Azucarera y Alcohólera (Cámara) "Sugar from Mexico – Rebuttal Brief," dated July 13, 2020.

⁷ See Memorandum to the Record, from Jeffrey I. Kessler, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19," dated April 24, 2020.

⁸ See Memorandum to Joseph A. Laroski Jr., Deputy Assistant Secretary for Policy & Negotiations, "Extension of Deadlines for Final Results of the Administrative Review of the Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico and for Final Results of the Administrative Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico," dated July 14, 2020.

additional 60 days.⁹ As a result, the final results of this administrative review are due no later than October 23, 2020.

Scope of Amended CVD Agreement

The product covered by this amended CVD Agreement is raw and refined sugar of all polarimeter readings derived from sugar cane or sugar beets.

Merchandise covered by this amended CVD Agreement is typically imported under the following headings of the Harmonized Tariff Schedule of the United States (HTSUS):

1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.1020, 1701.14.1040, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1010, 1701.99.1015, 1701.99.1017, 1701.99.1025, 1701.99.1050, 1701.99.5010, 1701.99.5015, 1701.99.5017, 1701.99.5025, 1701.99.5050, 1702.90.4000, and 1703.10.3000. The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this amended CVD Agreement is dispositive.

A full description of the scope of the amended CVD Agreement is contained in the Issues and Decision Memorandum.¹⁰

Analysis

Commerce continues to find that the GOM and selected respondents, Ingenio Adolfo López Mateos S.A. de C.V. and its affiliates¹¹ (Grupo PIASA) and Ingenio Pánuco S.A.P.I. de

⁹ See Memorandum to the Record, from Jeffrey I. Kessler, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews,” dated July 21, 2020.

¹⁰ See Memorandum to Jeffrey I. Kessler, Assistant Secretary for Enforcement and Compliance, from Joseph A. Laroski, Jr., Deputy Assistant Secretary for Policy & Negotiations, “Issues and Decision Memorandum for the Final Results of the Administrative Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, for the period January 1, 2018 through December 31, 2018,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

¹¹ The affiliates of Ingenio Adolfo López Mateos, S.A. de C.V. are Ingenio Tres Valles, S.A. de C.V. and Piasa Ingenio Plan de San Luis, S.A. de C.V. (collectively, Grupo PIASA).

C.V. (Pánuco), were in compliance with the terms of the amended CVD Agreement¹² during the POR, and that the amended CVD Agreement is functioning as intended. Further, we continue to determine that the amended CVD Agreement is meeting its statutory requirements under sections 704(c) and (d) of the Act. Finally, we determine that the amended CVD Agreement can be effectively monitored, and there have been no violations by the selected respondents of the amended CVD Agreement during the POR.

The issue raised in the case and rebuttal briefs is addressed in the accompanying Issues and Decision Memorandum and business proprietary memorandum.¹³ The issue is also identified in the Appendix to this notice. 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>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://trade.gov/enforcement/frn/index.html>. The signed Issues and Decision Memorandum and electronic versions of the Issues and Decision Memorandum are identical in content.

Notification Regarding Administrative Protective Order

¹² See *Agreement Suspending the Countervailing Duty Investigation of Sugar from Mexico*, 79 FR 78044 (December 29, 2014) and *Sugar From Mexico: Amendment to the Agreement Suspending the Countervailing Duty Investigation*, 82 FR 31942 (July 11, 2017) (CVD Amendment). Consistent with a ruling from the Court of International Trade, Commerce published in the *Federal Register* a notice of the termination of the 2017 CVD Amendment (which was in effect during period of review), with an applicable date of December 7, 2019. See *Sugar from Mexico: Notice of Termination of Amendment to the Agreement Suspending the Countervailing Duty Investigation*, 84 FR 67718 (December 11, 2019).

¹³ See Issues and Decision Memorandum; see also Memorandum to the File from David Cordell, through Sally C. Gannon, Director for Bilateral Agreements, "Proprietary Analysis of Final Results of the Administrative Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, for the Period January 1, 2018, through December 31, 2018" dated concurrently with, and hereby adopted by, this notice.

This notice also serves as a 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). 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 sanctionable violation.

Notification to Interested Parties

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

Dated: October 21, 2020.

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

APPENDIX

Issues and Decision Memorandum

I. Summary

II. Scope of the Agreement

III. Background

IV. Discussion of the Issues

Comment 1: Whether Certain Behavior of Mexican Sugar Mills Violated the Terms of the Amended CVD Agreement

V. Recommendation

[FR Doc. 2020-23924 Filed: 10/28/2020 8:45 am; Publication Date: 10/29/2020]