



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-985]

Xanthan Gum from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review, and Partial Rescission; 2018-2019

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that the exporters under review did not make sales of subject merchandise at prices below normal value (NV) during the period of review July 1, 2018 through June 30, 2019. We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Aleksandras Nakutis or Abdul Alnoor, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3147 and (202) 482-4554, respectively.

SUPPLEMENTARY INFORMATION:

Background

This administrative review is being conducted in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). On July 1, 2019, Commerce published in the Federal Register a notice of opportunity to request an administrative review of the antidumping duty (AD) order on xanthan gum from the People's Republic of China (China).¹ Commerce published the notice of initiation of this administrative review on September 9, 2019.² On March 17, 2020, Commerce extended the deadline for the preliminary results of this review by a total of

¹ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 84 FR 31295 (July 1, 2019).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 47242 (September 9, 2019).

120 days, to July 30, 2020.³ On April 24, 2020, and July 21, 2020, Commerce tolled all deadlines in administrative reviews by 50 days and 60 days respectively, thereby extending the deadline for these preliminary results of review until November 17, 2020.⁴

Scope of the Order

The product covered by the order includes dry xanthan gum, whether or not coated or blended with other products. Xanthan gum is included in this order regardless of physical form, including, but not limited to, solutions, slurries, dry powders of any particle size, or unground fiber.

Merchandise covered by the scope of the order is classified in the Harmonized Tariff Schedule of the United States at subheading 3913.90.20. This tariff classification is provided for convenience and customs purposes; however, the written description of the scope is dispositive. A full description of the scope of the order is contained in the Preliminary Decision Memorandum.⁵

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Act. We calculated export prices for the mandatory respondent Meihua Group International Trading (Hong Kong) Limited, Langfang Meihua Biotechnology Co., Ltd., and Xinjiang Meihua Amino Acid Co., Ltd. (collectively Meihua)⁶ in accordance with section 772 of the Act. Because China is a non-market economy (NME) country within the meaning of section 771(18) of the Act, we calculated NV in accordance with section 773(c) of the Act.

³ See Memorandum to James Maeder, “Antidumping Duty Administrative Review of Xanthan Gum from the People’s Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated March 17, 2020.

⁴ See Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19,” dated April 24, 2020; *see also* Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews,” dated July 21, 2020.

⁵ See “Decision Memorandum for the Preliminary Results in the Sixth Antidumping Duty Administrative Review of Xanthan Gum from the People’s Republic of China,” (Preliminary Decision Memorandum), dated concurrently with, and hereby adopted by, this notice.

⁶ Consistent with prior segments of this proceeding, we have continued to treat these companies as a single entity pursuant to 19 CFR 351.401(f)(1)-(2). For additional information, *see* the Preliminary Decision Memorandum.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum, which is hereby adopted by 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 <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content. A list of topics included in the Preliminary Decision Memorandum is provided in the Appendix to this notice.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the party or parties that requested a review withdraws their request(s) within 90 days of the publication date of the notice of initiation of the requested review. Between September 15, 2019 and December 9, 2019, parties timely withdrew their requests for an administrative review of A.H.A. International Co., Ltd.; Deosen Biochemical (Ordos) Ltd./Deosen Biochemical Ltd.; Green Health International; Greenhealth International Co., Ltd. (Hong Kong); Hebei Xinhe Biochemical Co.; Inner Mongolia Jianlong Biochemical Co., Ltd./Jianlong Biotechnology Co., Ltd.; Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.)/Shandong Fufeng Fermentation Co., Ltd./Xinjiang Fufeng Biotechnologies Co., Ltd.; and Shanghai Smart Chemicals Co., Ltd.⁷ Because all

⁷ *See* Green Health International (GHI) and Green Health International Co., Ltd. (Hong Kong)'s Letter, "Xanthan Gum from China," submitted September 15, 2019 (the document is dated July 31, 2019); Petitioner's Letter, "Xanthan Gum from the People's Republic of China: Petitioner's Withdrawal of Request for Review of Deosen Biochemical Ltd/Deosen Biochemical (Ordos) Ltd.," dated September 20, 2019; Deosen's Letter, "Administrative Review of Antidumping Order on Xanthan Gum from the People's Republic of China: Withdrawal of Review Request and Request to Rescind Review," dated September 24, 2019; Petitioner's Letter, "Xanthan Gum from the People's Republic of China: Petitioner's Rebuttal Comments on Respondent Selection and Withdrawal of Request for Review of Jianlong Biotechnology Co., Ltd. and Inner Mongolia Jianlong Biochemical Co. Ltd.," dated September 30, 2019; and Petitioner's Letter, "Xanthan Gum from the People's Republic of China: Petitioner's Partial Withdrawal of Request for Administrative Review" dated December 9, 2019.

requests for reviews of these companies were timely withdrawn, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the AD order on xanthan gum from China with respect to these companies.

Separate Rates

Commerce preliminarily determines that the information placed on the record by CP Kelco (Shandong) Biological Company Limited (CP Kelco Shandong) and Meihua, demonstrates that these companies are entitled to separate rate status. For additional information, *see* the Preliminary Decision Memorandum.

Dumping Margin For Non-Individually Examined Companies Granted a Separate Rate

The statute and Commerce's regulations do not address what rate to apply to respondents not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for non-selected respondents that are not examined individually in an administrative review. Section 735(c)(5)(A) of the Act states that the all-others rate should be calculated by averaging the weighted-average dumping margins for individually-examined respondents, excluding rates that are zero, *de minimis*, or based entirely on facts available. Where the rates for the individually examined companies are all zero, *de minimis*, or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use "any reasonable method" to establish the all others rate.

We preliminarily calculated a zero percent dumping margin for Meihua, the sole mandatory respondent in this review and have assigned this rate (*i.e.*, 0.00 percent) to CP Kelco Shandong. For additional information, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

We are assigning the following dumping margin to the firms listed below for the period July 1, 2018 through June 30, 2019:

Producers/Exporters	Weighted-Average Dumping Margin (Percent)
Meihua Group International Trading (Hong Kong) Limited/ Langfang Meihua Biotechnology Co., Ltd., /Xinjiang Meihua Amino Acid Co., Ltd.	0.00
Review-Specific Average Rate Applicable to the Following Companies:	
CP Kelco (Shandong) Biological Company Limited	0.00

Disclosure and Public Comment

Commerce intends to disclose the calculations performed for these preliminary results of review within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the publication of these preliminary results of review, unless the Secretary alters the time limit.⁸ Rebuttal briefs, limited to responding to issues raised in case briefs, may be submitted no later than seven days after the deadline for case briefs.⁹ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review 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. Case and rebuttal briefs should be filed using ACCESS.¹⁰ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information.¹¹

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

⁸ See 19 CFR 351.309(c).

⁹ See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

¹⁰ See 19 CFR 351.303.

¹¹ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 41363 (July 10, 2020).

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

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results of review, Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this review.¹² Commerce intends to issue appropriate assessment instructions to CBP 15 days after the publication of the final results of this review. We will calculate importer-specific or customer-specific assessment rates equal to the ratio of the total amount of dumping calculated for examined sales with a particular importer or customer to the total entered value of the sales in accordance with 19 CFR 351.212(b)(1).¹³ Where either the respondent's *ad valorem* weighted-average dumping margin is zero or *de minimis*, or an importer-specific or customer-specific *ad valorem* assessment rate is zero or *de minimis*,¹⁴ we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

For the respondent that was not selected for individual examination in this administrative review but which qualified for a separate rate, the assessment rate will be equal to the weighted-average dumping margin assigned to the respondent in the final results of this review.¹⁵

¹² See 19 CFR 351.212(b)(1).

¹³ We applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

¹⁴ See 19 CFR 351.106(c)(2).

¹⁵ See *Drawn Stainless Steel Sinks from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review and Preliminary Determination of No Shipments: 2014-2015*, 81 FR 29528 (May 12, 2016), and accompanying Preliminary Decision Memorandum at 10-11, unchanged in *Drawn Stainless Steel Sinks from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; Final Determination of No Shipments; 2014-2015*, 81 FR 54042 (August 15, 2016).

For entries that were not reported in the U.S. sales databases submitted by the company individually examined during this review, Commerce will instruct CBP to liquidate such entries at the China-wide rate.

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of xanthan gum from China entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the final results of this administrative review, as provided for by section 751(a)(2)(C) of the Act: (1) for the companies listed above that have a separate rate, the cash deposit rate will be that rate established in the final results of this review (except, if the rate is zero or *de minimis*, then a cash deposit rate of zero will be required); (2) for previously investigated or reviewed China and non-China exporters not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all China exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the China-wide entity, which is 154.07 percent; and (4) for all non-China exporters of subject merchandise that have not received their own rate, the cash deposit rate will be the rate applicable to China exporter(s) that supplied that non-China exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties.

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

Dated: November 16, 2020.

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

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the Order
- V. Selection of Respondents
- VI. Single Entity Treatment
- VII. Discussion of Methodology
- VIII. Recommendation

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