DEPARTMENT OF COMMERCE

International Trade Administration

[C-821-832, C-274-809]

Urea Ammonium Nitrate Solutions from the Russian Federation and the Republic of Trinidad and Tobago: Initiation of Countervailing Duty Investigations

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


FOR FURTHER INFORMATION CONTACT: Kristen Johnson and John Hoffner (Russia) or Ariela Garvett (Trinidad and Tobago), AD/CVD Operations, Offices III and IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4793, (202) 482-3315, and (202) 482-3609, respectively.

SUPPLEMENTARY INFORMATION:

The Petitions

On June 30, 2021, the U.S. Department of Commerce (Commerce) received countervailing duty (CVD) petitions concerning imports of urea ammonium nitrate solutions (UAN) from the Russian Federation (Russia) and the Republic of Trinidad and Tobago (Trinidad and Tobago), filed in proper form on behalf of CF Industries Nitrogen, LLC and its subsidiaries, Terra Nitrogen, Limited Partnership and Terra International (Oklahoma) LLC (collectively, the petitioner), a domestic producer of UAN.¹

On July 6 and 13, 2021, Commerce requested supplemental information pertaining to certain aspects of the Petitions.\(^2\) The petitioner filed responses to these requests on July 8 and 14, 2021.\(^3\)

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that the Government of Russia (GOR) and the Government of Trinidad and Tobago (GOTT) are providing countervailable subsidies, within the meaning of sections 701 and 771(5) of the Act, to producers of UAN in Russia and Trinidad and Tobago, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing UAN in the United States. Consistent with section 702(b)(1) of the Act and 19 CFR 351.202(b), for those alleged programs on which we are initiating CVD investigations, the Petitions were accompanied by information reasonably available to the petitioner supporting its allegations.

Commerce finds that the petitioner filed the Petitions on behalf of the domestic industry because the petitioner is an interested party, as defined in section 771(9)(C) of the Act. Commerce also finds that the petitioner demonstrated sufficient industry support with respect to the initiation of the requested CVD investigations.\(^4\)

**Periods of Investigation**

---


\(^3\) See Petitioner’s Letters, “Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Urea Ammonium Nitrate Solutions from Russia and Trinidad and Tobago: Petitioner’s Response to the Department’s General Issues Questionnaire,” dated July 8, 2021 (General Issues Supplement); “Petition for the Imposition of Countervailing Duties on Imports of Urea Ammonium Nitrate Solutions from Russia: Response to the Department’s Supplemental Questions,” dated July 8, 2021; “Petition for the Imposition of Countervailing Duties on Imports of Urea Ammonium Nitrate Solutions from the Republic of Trinidad and Tobago: Petitioner’s Response to the Department’s Supplemental Questions,” dated July 8, 2021; and “Petition for the Imposition of Countervailing Duties on Imports of Urea Ammonium Nitrate Solutions from Russia: Petitioner’s Response to the Department’s Second Supplemental Questionnaire” dated July 14, 2021.

\(^4\) See “Determination of Industry Support for the Petitions” section, infra.
Because the Petitions were filed on June 30, 2021, the periods of investigation (POI) are January 1, 2020, through December 31, 2020. 5

Scope of the Investigations

The merchandise covered by these investigations are UAN from Russia and Trinidad and Tobago. For a full description of the scope of these investigations, see the Appendix to this notice.

Comments on Scope of the Investigations

On July 6, 2021, Commerce requested further information and clarification from the petitioner regarding the proposed scope to ensure that the scope language in the Petitions is an accurate reflection of the products for which the domestic industry is seeking relief. 6 On July 8, 2021, the petitioner revised the scope. 7 The description of merchandise covered by these investigations, as described in the appendix to this notice, reflects these clarifications.

As discussed in the Preamble to Commerce’s regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (i.e., scope). 8 Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information, 9 all such factual information should be limited to public information.

To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit scope comments by 5:00 p.m. Eastern Time (ET) on August 9, 2021, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on August 19, 2021, which is ten calendar days from the initial comment deadline. 10

---

5 See 19 CFR 351.204(b)(2).
6 See General Issues Questionnaire Russia at 3; see also General Issues Questionnaire Trinidad and Tobago at 3.
7 See General Issues Supplement at I-1 and I-2.
9 See 19 CFR 351.102(b)(21) (defining “factual information”).
10 See 19 CFR 351.303(b).
Commerce requests that any factual information the parties consider relevant to the scope of the investigations be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such comments must be filed on the record of the concurrent antidumping (AD) investigations.

Filing Requirements

All submissions to Commerce must be filed electronically using Enforcement and Compliance’s Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS), unless an exception applies. An electronically filed document must be received successfully in its entirety by the time and date it is due. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.

Consultations

Pursuant to sections 702(b)(4)(A)(i) and (ii) of the Act, Commerce notified the GOR and the GOTT of the receipt of the Petitions and provided it the opportunity for consultations with respect to the Petitions. Commerce held consultations with the GOR and the GOTT on July 12, 2021, and July 14, 2021, respectively.

Determination of Industry Support for the Petitions

---

12 See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period, 85 FR 41363 (July 10, 2020).
Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product, they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an
investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that UAN, as defined in the scope, constitutes a single domestic like product, and we have analyzed industry support in terms of that domestic like product.

In determining whether the petitioner has standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in the appendix to this notice. To establish industry support, the petitioner provided its own 2020 production of the domestic like product. Additionally, the petitioner provided letters of support from other producers of UAN, stating their support for the Petitions and providing their own production, or estimated production, of the domestic like product in 2020. The petitioner also provided the 2020 production of the entire U.S. industry using published monthly 2020 U.S. UAN production data. The petitioner added its 2020 UAN production to that of the domestic producers expressing support for the petitions, and compared the total to the 2020 U.S. UAN production data. We relied on the data provided by the petitioner for purposes of measuring industry

---

18 For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, see Checklists, “Countervailing Duty Investigation Initiation Checklists: Urea Ammonium Nitrate Solutions from the Russian Federation and the Republic of Trinidad and Tobago (Country-Specific CVD Initiation Checklists) at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Urea Ammonium Nitrate Solutions from the Russian Federation and the Republic of Trinidad and Tobago (Attachment II). These checklists are dated concurrently with this notice and on file electronically via ACCESS.
19 See Volume I of the Petitions at I-4 through I-5 and Exhibit I-6.
20 See Volume I of the Petitions at I-4 and Exhibits I-5 and I-6.
21 See Volume I of the Petitions at I-4 and Exhibit I-6; see also General Issues Supplement at I-3 through I-4 and Exhibits I-49, I-51, and I-52.
22 See Volume I of the Petitions at I-4 through I-5 and Exhibits I-6 and I-7; see also General Issues Supplement at I-3 through I-4 and Exhibits I-51 and I-52.
Our review of the data provided in the Petitions, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions.\(^{24}\) First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (\textit{e.g.}, polling).\(^{25}\) Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.\(^{26}\) Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.\(^{27}\) Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act.\(^{28}\)

\textbf{Injury Test}

Because Russia and Trinidad and Tobago are “Subsidies Agreement Countries” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to this investigation. Accordingly, the ITC must determine whether imports of the subject merchandise from Russia and Trinidad and Tobago materially injure, or threaten material injury to, a U.S. industry.

\(^{23}\) \textit{See} Volume I of the Petitions at I-4 through I-5 and Exhibits I-1, I-2, and I-5 through I-7; \textit{see also} General Issues Supplement at I-3 through I-4 and Exhibits I-49 through I-52.

\(^{24}\) \textit{Id.} For further discussion, \textit{see} Attachment II of the Country-Specific CVD Initiation Checklists.

\(^{25}\) \textit{Id.; see also} section 702(c)(4)(D) of the Act.

\(^{26}\) \textit{See} Attachment II of the Country-Specific CVD Initiation Checklists.

\(^{27}\) \textit{Id.}

\(^{28}\) \textit{Id.}
Allegations and Evidence of Material Injury and Causation

The petitioner alleges that imports of the subject merchandise are benefitting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury to the U.S. industry producing the domestic like product. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.29

The petitioner contends that the industry’s injured condition is illustrated by a significant and increasing volume of subject imports; impacts on market share; underselling and price suppression; lost sales and revenues; flatlined production, capacity utilization, and employment variables; and declining financial performance.30 We assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.31 In accordance with section 771(7)(G)(ii)(III) of the Act, which provides an exception to the mandatory cumulation provision for imports from any country designated as a beneficiary country under the Caribbean Basin Economic Recovery Act (CBERA), we considered the petitioner’s allegation of injury with respect to Trinidad and Tobago, a designated beneficiary under CBERA, independently of the allegation for Russia and found that the information provided satisfies the requirements for initiation.32

Initiation of CVD Investigations

Based upon the examination of the Petitions on UAN from Russia and Trinidad and Tobago, we find that the Petitions meet the requirements of section 702 of the Act. Therefore, we are initiating CVD investigations to determine whether imports of UAN from Russia and

29 See Volume I of the Petitions at I-24 through I-25 and Exhibit I-32.
32 Id.
Trinidad and Tobago benefit from countervailable subsidies conferred by the GOR and the GOTT, respectively. In accordance with section 703(b)(1) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 65 days after the date of this initiation.

Russia

Based on our review of the Petitions, we find that there is sufficient information to initiate a CVD investigation on all the alleged programs. For a full discussion of the basis for our decision to initiate on each program, see the Russia Initiation Checklist. A public version of the initiation checklist for this investigation is available on ACCESS.

Trinidad and Tobago

Based on our review of the Petitions, we find that there is sufficient information to initiate a CVD investigation on all the alleged programs. For a full discussion of the basis for our decision to initiate on each program, see the Trinidad and Tobago Initiation Checklist. A public version of the initiation checklist for this investigation is available on ACCESS.

Respondent Selection

The petitioner named four companies in Russia and one company in Trinidad and Tobago as producers/exporters of UAN. Commerce intends to follow its standard practice in CVD investigations and calculate company-specific subsidy rates in these investigations.

With respect to Russia, in the event Commerce determines that the number of companies is large and it cannot individually examine each company based upon Commerce’s resources, Commerce intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports of UAN from Russia during the POI under the appropriate Harmonized Tariff Schedule of the United States numbers listed in the “Scope of the Investigation,” in the appendix.

---

33 See Volume III of the Petitions at III-2; see also Volume V of the Petitions at V-2.
On July 9, 2021, Commerce released CBP data for U.S. imports of UAN from Russia under Administrative Protective Order (APO) to all parties with access to information protected by APO and indicated that interested parties wishing to comment regarding the CBP data and respondent selection must do so within three business days of the publication date of the notice of initiation.\footnote{See Memorandum, “Countervailing Duty Petition on UAN from Russia: Release of Customs Data from U.S. Customs and Border Protection,” dated July 9, 2021.} Commerce will not accept rebuttal comments regarding the CBP data or respondent selection. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on Commerce’s website at https://enforcement.trade.gov/apo.

With respect to Trinidad and Tobago, although Commerce normally relies on import data from CBP to determine whether to select a limited number of producers/exporters for individual examination in CVD investigations, the petitioner identified only one company as a producer/exporter of UAN in Trinidad and Tobago, Methanol Holdings (Trinidad) Limited (MHTL), and provided information from independent sources as support.\footnote{See Volume V of the Petitions at V-1.} Furthermore, we currently know of no additional producers/exporters of UAN from Trinidad and Tobago. Accordingly, Commerce intends to examine the only known producer/exporter in the Trinidad and Tobago investigation \textit{(i.e., MHTL)}. Interested parties wishing to comment on respondent selection for the Trinidad and Tobago investigation must do so within three business days of the publication date of this notice of initiation.

Comments must be filed electronically using ACCESS. An electronically filed document must be received successfully, in its entirety, by ACCESS no later than 5:00 p.m. ET on the date noted above, unless an exception applies. Commerce intends to finalize its decision regarding respondent selection within 20 days of the publication of this notice.
Distribution of Copies of the Petitions

In accordance with section 702(b)(4)(A) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petitions has been provided to the GOR and GOTT via ACCESS.

Furthermore, to the extent practicable, Commerce will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

ITC Notification

Commerce will notify the ITC of its initiation, as required by section 702(d) of the Act.

Preliminary Determination by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of UAN from Russia and Trinidad and Tobago are materially injuring or threatening material injury to a U.S. industry.\textsuperscript{36} A negative ITC determination for any country will result in the investigation being terminated with respect to that country.\textsuperscript{37} Otherwise, the investigations will proceed according to statutory and regulatory time limits.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). Any party, when submitting factual information, must specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted\textsuperscript{38} and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the

\textsuperscript{36} See section 703(a) of the Act.
\textsuperscript{37} Id.
\textsuperscript{38} See 19 CFR 351.301(b).
information already on the record that the factual information seeks to rebut, clarify, or correct.\(^{39}\) Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Parties wishing to submit factual information in these investigations are asked to review the regulations prior to submitting factual information in these investigations.

### Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by Commerce. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, Commerce may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, Commerce will inform parties in a letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, standalone submission; under limited circumstances Commerce will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at [https://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm](https://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm), prior to submitting extension requests or factual information in these investigations.

### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.\(^{40}\) Parties must use the certification formats

---

\(^{39}\) See 19 CFR 351.301(b)(2).

\(^{40}\) See section 782(b) of the Act.
provided in 19 CFR 351.303(g).\textsuperscript{41} Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Instructions for filing such applications may be found on the Commerce website at \url{https://enforcement.trade.gov/apo}. Parties wishing to participate in these investigations should ensure that they meet the requirements of 19 CFR 351.103(d) (\textit{e.g.}, by filing a letter of appearance).

This notice is issued and published pursuant to sections 702 and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: July 20, 2021.

Ryan Majerus,
Deputy Assistant Secretary
for Policy and Negotiations.

\textsuperscript{41} See Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings, 78 FR 42678 (July 17, 2013) (\textit{Final Rule}); see also frequently asked questions regarding the \textit{Final Rule}, available at \url{https://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf}. 
Appendix

Scope of the Investigations

The merchandise covered by these investigations is all mixtures of urea and ammonium nitrate in aqueous or ammonia solution, regardless of nitrogen concentration by weight, and regardless of the presence of additives, such as corrosion inhibitors and soluble micro or macronutrients (UAN).

Subject merchandise includes merchandise matching the above description that has been processed in a third country, including by commingling, diluting, adding or removing additives, or performing any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the subject country.

The scope also includes UAN that is commingled with UAN from sources not subject to these investigations. Only the subject component of such commingled products is covered by the scope of these investigations.

The covered merchandise is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 3102.80.0000. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope is dispositive.

[FR Doc. 2021-15890 Filed: 7/23/2021 8:45 am; Publication Date: 7/26/2021]