



DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-889]

Diethyl Terephthalate from the Republic of Korea: Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review

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

SUMMARY: In response to a request for a changed circumstances review (CCR), the U.S. Department of Commerce (Commerce) is initiating a CCR of the antidumping duty (AD) order on diethyl terephthalate (DOTP) from the Republic of Korea (Korea). Additionally, Commerce preliminarily determines that Aekyung Chemical Co., Ltd. (AKC) is the successor-in-interest to Aekyung Petrochemical Co., Ltd. (AKP). Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Laurel LaCivita, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4243.

SUPPLEMENTARY INFORMATION:

Background

On August 18, 2017, Commerce published the AD order on DOTP from Korea in the *Federal Register*.¹ On December 6, 2022, AKC requested that Commerce conduct an expedited CCR of the *Order*, in accordance with section 751(b) of the Tariff Act of 1930, as amended (the

¹ See *Diethyl Terephthalate from the Republic of Korea: Antidumping Duty Order*, 82 FR 39409 (August 18, 2017) (*Order*).

Act), 19 CFR 351.216(d), and 19 CFR 351.221(c)(3)(ii) to determine that AKC is the successor-in-interest to AKP and is entitled to the cash deposit rate currently in effect for AKP.² On January 5, 2023, Commerce issued a request for supplemental information to AKC, which we determined was necessary for the CCR request to be considered complete.³ On May 24, 2023, AKC resubmitted its initial CCR request with complete responses to Commerce's request for supplemental information included,⁴ at which point Commerce considered the complete CCR request to be submitted in proper form.

AKC explained that it requested a CCR because AKP changed its name pursuant to a merger agreement, in which the companies formerly known as Aekyung Chemical Co., Ltd., and AK ChemTech Co., Ltd., were merged into AKP, under the new company name, AKC.⁵ The legal entity formerly known as AKP continues to exist under the name of AKC.⁶ However, due to the merger, the legal entities formerly known as Aekyung Chemical Co., Ltd., and AK ChemTech Co., Ltd., ceased to exist effective November 1, 2021. Pursuant to the merger agreement, all assets, liabilities, rights, and obligations as well as any intangible rights of proprietary nature (including but not limited to licenses and permits, employment and contractual relationships, and litigations) of the former Aekyung Chemical Co., Ltd., and AK ChemTech Co., Ltd., were transferred to and assumed by post-merger AKC.⁷ AKC explained further that prior to the merger, neither the former Aekyung Chemical Co., Ltd., nor AK ChemTech Co., Ltd., had any involvement in the production, sale, or distribution of DOTP.⁸ In addition, after the merger, the operations of DOTP conducted by AKP prior to the merger continued to be

² See AKC's Letter, "Request for Changed Circumstances Review and Successor-in-Interest Determination," dated December 6, 2022 (Initial CCR Request).

³ See Commerce's Letter, "Request for Additional Information," dated January 3, 2023.

⁴ See AKC's Letter, "Response to the Department's January 5 Request for Additional Information," dated May 23, 2023, inclusive of Volume I (Resubmission of the Initial CCR Request) and Volume II (Response to Request for Supplementary Information) (Complete CCR Request).

⁵ See Complete CCR Request at Volume I, Attachments 1, "Merger Agreement," and 2, "Notice of Merger."

⁶ The business registration number and corporation registration number assigned to AKP continue to be assigned to AKC after the merger. The business registration certificates for pre-merger AKP and post-merger AKC are provided in Attachment 3 of AKC's Initial CCR request and Volume I of AKC's Complete CCR Request.

⁷ See Complete CCR Request at Volume I at 3.

⁸ *Id.*

performed by the company under the new legal name, AKC.⁹ As a result, AKC explained that the merger did not affect the management or internal organization structure of the DOTP business, production, supplier relationships, or customer base.¹⁰

We received no comments from interested parties concerning this request.

Scope of the Order

The merchandise covered by this *Order* is DOTP, regardless of form. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.¹¹

Initiation of CCR

Pursuant to section 751(b)(1) of the Act, and 19 CFR 351.216, Commerce will conduct a CCR of an order upon receipt of information or a review request from an interested party for a review of an AD order which shows changed circumstances sufficient to warrant a review of the order. The information submitted by AKC supporting its claim to be the successor-in-interest to AKP demonstrates changed circumstances sufficient to warrant such a review.¹² Therefore, in accordance with section 751(b)(1)(A) of the Act and 19 CFR 351.216(d) and (e), we are initiating a CCR based upon the information contained in AKC's CCR Request.

Preliminary Results of Review

Section 351.221(c)(3)(ii) of Commerce's regulations permits Commerce to combine the notice of initiation of a CCR and the notice of preliminary results if Commerce concludes that expedited action is warranted.¹³ In this instance, because the record contains information

⁹ *Id.*

¹⁰ *Id.* at 3-4.

¹¹ See Memorandum, "Decision Memorandum for Initiation and Preliminary Results of Changed Circumstances Review: Dioctyl Terephthalate from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

¹² See 19 CFR 351.216(d).

¹³ See 19 CFR 351.221(c)(3)(ii); see also *Certain Pasta from Italy: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 80 FR 33480, 33480-41 (June 12, 2015) (*Pasta from Italy Preliminary Results*), unchanged in *Certain Pasta from Italy: Final Results of Changed Circumstances Review*, 80 FR 48807 (August 14, 2015) (*Pasta from Italy Final Results*).

necessary to make a preliminary finding, we find that expedited action is warranted and have combined the notice of initiation and the notice of preliminary results.¹⁴

In this CCR, pursuant to section 751(b) of the Act, Commerce conducted a successor-in-interest analysis. In making a successor-in-interest determination, Commerce examines several factors, including, but not limited to, changes in the following: (1) ownership and management; (2) production facilities; (3) supplier relationships; and (4) customer base.¹⁵ While no single factor or combination of factors will necessarily provide a dispositive indication of a successor-in-interest relationship, generally, Commerce will consider the new company to be the successor to the previous company if the new company's resulting operation is not materially dissimilar to that of its predecessor.¹⁶ Thus, if the record evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the predecessor company, Commerce may assign the new company the cash deposit rate of its predecessor.¹⁷

In accordance with 19 CFR 351.216, we preliminarily determine that AKC is the successor-in-interest to AKP. Record evidence, as submitted by AKC, indicates that AKC operates as essentially the same business entity as AKP with respect to the subject merchandise.¹⁸

¹⁴ See, e.g., *Pasta from Italy Preliminary Results*, 80 FR at 33480-41, unchanged in *Pasta from Italy Final Results*, 80 FR at 48807.

¹⁵ See, e.g., *Certain Frozen Warmwater Shrimp from India: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 81 FR 75376 (October 31, 2016) (*Shrimp from India Preliminary Results*), unchanged in *Certain Frozen Warmwater Shrimp from India: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 81 FR 90774 (December 15, 2016) (*Shrimp from India Final Results*).

¹⁶ See, e.g., *Shrimp from India Preliminary Results*, 81 FR at 75377, unchanged in *Shrimp from India Final Results*, 81 FR at 90774.

¹⁷ *Id.*; see also *Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review: Polychloroprene Rubber from Japan*, 67 FR 58, 59 (January 2, 2002); *Ball Bearings and Parts Thereof from France: Final Results of Changed-Circumstances Review*, 75 FR 34688, 34689 (June 18, 2010); and *Circular Welded Non-Alloy Steel Pipe from the Republic of Korea: Preliminary Results of Antidumping Duty Changed Circumstances Review*, 63 FR 14679 (March 26, 1998), unchanged in *Circular Welded Non-Alloy Steel Pipe from Korea: Final Results of Antidumping Duty Changed Circumstances Review*, 63 FR 20572 (April 27, 1998), in which Commerce found that a company which only changed its name and did not change its operations is a successor-in-interest to the company before it changed its name.

¹⁸ See AKC's Complete CCR Request.

For the complete successor-in-interest analysis, *see* the Preliminary Decision Memorandum. A list of the topics discussed in the Preliminary Decision Memorandum is included as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is made available to the public 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 is available at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Public Comment

In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 14 days after the date of publication of this notice.¹⁹ Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the case briefs, in accordance with 19 CFR 351.309(d). Parties who submit case or rebuttal briefs 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.²⁰

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request *via* ACCESS within 14 days of publication of this notice.²¹ Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing, in accordance with 19 CFR 351.310(d).

All submissions are to be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS)

¹⁹ Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs.

²⁰ *See* 19 CFR 351.309(c)(2).

²¹ Commerce is exercising its discretion under 19 CFR 351.310(c) to alter the time limit for requesting a hearing.

available to registered users at <https://access.trade.gov>. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the established deadline.²² Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.²³

Final Results of Review

Should our final results remain unchanged from these preliminary results, we will instruct U.S. Customs and Border Protection to assign entries of subject merchandise produced or exported by AKC the AD cash deposit rate applicable to AKP.

Consistent with 19 CFR 351.216(e), we will issue the final results of this CCR no later than 270 days after the date on which this review was initiated, or within 45 days if all parties agree to our preliminary finding.

Notification to Interested Parties

This notice is published in accordance with sections 751(b)(1) and 777(i) of the Act and 19 CFR 351.216(b), 351.221(b) and 351.221(c)(3).

Dated: July 7, 2023.

Lisa W. Wang,

Assistant Secretary

for Enforcement and Compliance.

²² See 19 CFR 351.303(b).

²³ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Initiation and Preliminary Results of Changed Circumstances Review
- V. Successor-in-Interest Determination
- VI. Recommendation

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