



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-123]

#### **Certain Corrosion Inhibitors from the People's Republic of China: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2020-2021**

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

**SUMMARY:** The U.S. Department of Commerce (Commerce) determines that countervailable subsidies were provided to certain exporters/producers of certain corrosion inhibitors from the People's Republic of China (China) during the period of review (POR) July 13, 2020, through December 31, 2021. Commerce is also rescinding the review with respect to one company.

**DATES:** Applicable [Insert date of publication in the *Federal Register*].

**FOR FURTHER INFORMATION CONTACT:** Ted Pearson, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-2631.

#### **SUPPLEMENTARY INFORMATION:**

##### Background

Commerce published the *Preliminary Results* of this administrative review in the *Federal Register* on April 6, 2023, and invited interested parties to comment.<sup>1</sup> For a complete description of the events that occurred subsequent to the *Preliminary Results*, see the Issues and Decision Memorandum.<sup>2</sup>

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<sup>1</sup> See *Certain Corrosion Inhibitors from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Rescission of Review, in Part; 2020-2021*, 88 FR 20475 (April 6, 2023) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

<sup>2</sup> See Memorandum, "Issues and Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review of Certain Corrosion Inhibitors from the People's Republic of China; 2020-2021," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

### Scope of the *Order*<sup>3</sup>

The products covered by the scope of the *Order* are corrosion inhibitors from China. A full description of the scope of the *Order* is contained in the Issues and Decision Memorandum.

### Analysis of Comments Received

All issues raised by the interested parties in their case and rebuttal briefs are addressed in the Issues and Decision Memorandum. A list of topics discussed in the Issues and Decision Memorandum is provided 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 <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

### Changes Since the *Preliminary Results*

Based on our analysis of comments from interested parties and the evidence on the record, we revised the calculation of the net countervailable subsidy rates for Anhui Trust Chem Co., Ltd. (ATC) and Nantong Botao Chemical Co., Ltd. (Botao). For a discussion of the issues, *see* the Issues and Decision Memorandum.

### Methodology

Commerce conducted this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>4</sup> For a complete description of the methodology underlying all of Commerce's conclusions, including

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<sup>3</sup> *See Certain Corrosion Inhibitors from the People's Republic of China: Antidumping Duty and Countervailing Duty Orders*, 86 FR 14869 (March 19, 2021) (*Order*).

<sup>4</sup> *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

our reliance, in part, on facts otherwise available, including adverse facts available, pursuant to sections 776(a) and (b) of the Act, *see* the Issues and Decision Memorandum.

#### Partial Rescission of Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. In the *Preliminary Results*, Commerce rescinded the review with respect to 29 companies. Included on that list of companies was Dandee Hong Kong Holdings Ltd., a company identified in Wincom, Inc.’s (the petitioner) letter withdrawing the review request.<sup>5</sup> However, that company name did not match the name of the company in the petitioner’s request for review, Dandee Holdings Ltd. (Hk) and for which Commerce initiated a review.<sup>6</sup> Because Commerce initiated a review with respect to Dandee Holdings Ltd. (Hk) and the petitioner’s withdrawal request was for Dandee Hong Kong Holdings Ltd., Commerce invited interested parties to submit comments regarding this issue and did not issue rescission instructions for either company name. In response, the petitioner clarified the appropriate name for the withdrawal of review request is for Dandee Holdings Ltd. (Hk). No other party requested review of Dandee Holdings Ltd. (Hk), and, therefore, we are rescinding this administrative review with respect to Dandee Holdings Ltd. (Hk), pursuant to 19 CFR 351.213(d)(1). For a discussion of the issue, *see* the Issues and Decision Memorandum.

#### Companies Not Selected for Individual Review

The statute and Commerce’s regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides the basis for calculating the all-

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<sup>5</sup> *See* Petitioner’s Letter, “Request for Administrative Review,” dated March 31, 2022.

<sup>6</sup> *See* Petitioner’s Letter, “Partial Withdrawal of Request for Administrative Review,” dated July 6, 2022.

others rate in an investigation. Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate the all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero or *de minimis* countervailable subsidy rates, and any rates determined entirely on the basis of facts available.

There are three companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. In this review, the rates for ATC and Botao were above *de minimis* and not based entirely on facts available. Therefore, we are applying to the non-selected companies the average of the net subsidy rates calculated for ATC and Botao, which we calculated using the publicly-ranged sales data submitted by ATC and Botao.<sup>7</sup>

This is the same methodology Commerce applied in the *Preliminary Results* for determining a rate for companies not selected for individual examination. However, due to changes in the calculation for ATC and Botao, we revised the non-selected rate accordingly. Consequently, for the three non-selected companies for which a review was requested and not rescinded, we are applying *ad valorem* subsidy rates of 66.08 percent for 2020 and 14.37 percent for 2021.

#### Final Results of Review

We determine the following net countervailable subsidy rates exist for the period January 1, 2021, through December 31, 2021:

Company	Subsidy Rate – 2020 (percent <i>ad valorem</i> )	Subsidy Rate – 2021 (percent <i>ad valorem</i> )
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<sup>7</sup> With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted average of the estimated subsidy rates calculated for the examined respondents using each company’s publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. See, e.g., *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010).

Anhui Trust Chem Co., Ltd. <sup>8</sup>	91.45	17.08
Nantong Botao Chemical Co., Ltd. <sup>9</sup>	52.20	10.74
<b>Review-Specific Average Rate Applicable to the Following Companies<sup>10</sup></b>		
Gold Chemical Limited	66.08	14.37
Jiangyin Delian Chemical Co., Ltd.	66.08	14.37
Nantong Kanghua Chemical Co., Ltd.	66.08	14.37

### Disclosure

Commerce intends to disclose calculations and analysis performed for the final results of review within five days after the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b).

### Assessment Requirements

In accordance with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed for the corresponding time periods (*i.e.*, July 13, 2020, to December 31, 2020, and January 1, 2021, to December 31, 2021). Commerce intends to issue assessment instructions to CBP no earlier than 35 days after publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to

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<sup>8</sup> Commerce finds the following companies to be cross-owned with ATC: Nanjing Trust Chem Co., Ltd.; and Jiangsu Trust Chem Co., Ltd.

<sup>9</sup> Commerce finds the following companies to be cross-owned with Botao: Rugao Connect Chemical Co., Ltd.; Rugao Jinling Chemical Co., Ltd.; and Nantong Yutu Group Co., Ltd.

<sup>10</sup> This rate is based on the rate for the respondent that was selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. See section 735(c)(5)(A) of the Act.

liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

#### Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above for the above-listed companies with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results of review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, effective upon publication of these final results, shall remain in effect until further notice.

#### Administrative Protective Order

This notice also serves as a final reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. 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

The final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5).

Dated: September 29, 2023.

Lisa W. Wang,  
Assistant Secretary  
for Enforcement and Compliance.

## Appendix

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Partial Rescission of Administrative Review
- V. Non-Selected Rate
- VI. Subsidies Valuation
- VII. Use of Facts Otherwise Available and Application of Adverse Inferences
- VIII. Interest Rates, Discount Rates, and Benchmarks
- IX. Analysis of Programs
- X. Discussion of the Issues
  - Comment 1: Whether Commerce Erred in the Inputs for Less Than Adequate Remuneration (LTAR) Calculations for a Respondent
  - Comment 2: Benchmarks for the Provision of Electricity for LTAR
  - Comment 3: Whether Commerce Incorrectly Cumulated Benefits for an Export Trading Company
  - Comment 4: Whether Commerce Appropriately Found that a Respondent Used the Export Buyer's Credit (EBC) Program
- XI. Recommendation

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