



DEPARTMENT OF COMMERCE

International Trade Administration

[C-201-846]

Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico; Preliminary Results of the 2022 Administrative Review

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that the signatory, the Government of Mexico (GOM), and the respondent companies selected for individual examination, respectively, Compañía Industrial Azucarera S.A. de C.V. and its affiliates and Ingenio Presidente Benito Juarez S.A. de C.V., were in compliance with the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, as amended (*CVD Agreement*) during the period of review (POR). Commerce also preliminarily determines that the *CVD Agreement* met the applicable statutory requirements during the POR.

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

FOR FURTHER INFORMATION CONTACT: Jill Buckles or Walter Schaub, Enforcement & Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, telephone: (202) 482-6230 or (202) 482-0907, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce and the GOM signed the *CVD Agreement* under section 704(c) of the Tariff Act of 1930, as amended (the Act), which suspended the underlying countervailing duty investigation on sugar from Mexico, on December 19, 2014, and which was subsequently

amended on January 15, 2020.¹

On December 20, 2022, the American Sugar Coalition and its members (the petitioners)² filed a timely request for an administrative review of the *CVD Agreement*.³ On February 2, 2023, Commerce initiated an administrative review for the period January 1, 2022, through December 31, 2022.⁴

On March 31, 2023, Commerce selected two companies as mandatory respondents, listed in alphabetic order: Compañía Industrial Azucarera S.A. de C.V. and its affiliates and Ingenio Presidente Benito Juárez S.A. de C.V.⁵ In addition, the review covered the GOM, which is the signatory to the *CVD Agreement*.

Scope of the *CVD Agreement*

The product covered by this *CVD Agreement* is raw and refined sugar of all polarimeter readings derived from sugar cane or sugar beets. Merchandise covered by this *CVD Agreement* is typically imported under the following subheadings of the HTSUS: 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1020, 1701.14.1040, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1015, 1701.99.1017, 1701.99.1025, 1701.99.1050, 1701.99.5015, 1701.99.5017, 1701.99.5025, 1701.99.5050, and 1702.90.4000.⁶ The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this *CVD Agreement* is dispositive.⁷

Methodology and Preliminary Results

¹ See *Agreement Suspending the Countervailing Duty Investigation of Sugar from Mexico*, 79 FR 78044 (December 29, 2014); see also *Sugar from Mexico: Amendment to the Agreement Suspending the Countervailing Duty Investigation*, 85 FR 3613 (January 22, 2020) (collectively, *CVD Agreement*).

² The members of the American Sugar Coalition are: 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, "Request for Administrative Review," dated December 20, 2022.

⁴ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 88 FR 7060 (February 2, 2023).

⁵ See Memorandum, "Respondent Selection," dated March 31, 2023.

⁶ Prior to July 1, 2016, merchandise covered by the *AD Agreement* was also classified in the HTSUS under subheading 1701.99.1010. Prior to January 1, 2020, merchandise covered by the *AD Agreement* was also classified in the HTSUS under subheadings 1701.14.1000 and 1701.99.5010.

⁷ For a complete description of the Scope of the *CVD Agreement*, see Memorandum, "Decision Memorandum for the Preliminary Results of the 2022 Administrative Review: Sugar from Mexico," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Commerce has conducted this review in accordance with section 751(a)(1)(C) of the Act, which specifies that Commerce shall “review the current status of, and compliance with, any agreement by reason of which an investigation was suspended.” Pursuant to the *CVD Agreement*, the GOM agrees that subject merchandise is subject to export limits.⁸ The GOM also agrees to other conditions including limits on exports of Refined Sugar⁹ and restrictions on shipping patterns for exports.¹⁰ The *CVD Agreement* also requires the GOM to issue contract-specific export licenses,¹¹ submit compliance monitoring reports to Commerce,¹² and institute penalties for non-compliance with certain key terms of the *CVD Agreement* and the companion Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico, as amended (*AD Agreement*).¹³

After reviewing the information received from the GOM and respondent companies in their questionnaire and supplemental questionnaire responses, we preliminarily determine that the GOM and respondent companies adhered to the terms of the *CVD Agreement* during the POR and that the *CVD Agreement* is functioning as intended. Further, we preliminarily determine that the *CVD Agreement* continued to meet the statutory requirements under sections 704(c) and (d) of the Act during the POR.

For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum. A list of the topics discussed in the Preliminary Decision Memorandum is included as the appendix to 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

⁸ See *CVD Agreement* at Section V.

⁹ “Refined Sugar” is defined in Section II.L of the *CVD Agreement*.

¹⁰ *Id.* at Section V.C.

¹¹ *Id.* at Section VI and Appendix I.

¹² *Id.* at Section VIII.B.1 and Appendix II.

¹³ *Id.* at Section VIII.B.4; see also *See Sugar from Mexico: Suspension of Antidumping Investigation*, 79 FR 78039 (December 29, 2014); and *Sugar from Mexico: Amendment to the Agreement Suspending the Antidumping Duty Investigation*, 85 FR 3620 (January 22, 2020) (collectively, *AD Agreement*).

Decision Memorandum can be accessed directly at
<https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Public Comment

Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs to Commerce no later than 30 days from the publication of these preliminary results in the *Federal Register*. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹⁴ Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.¹⁵

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their brief that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁶ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁷

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. Requests should contain: (1) the party's name, address, and

¹⁴ See 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Final Service Rule*).

¹⁵ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁶ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁷ See *APO and Final Service Rule*.

telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. An electronically filed hearing request must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.

Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act, unless extended.

Notification to Interested Parties

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

Dated: December 20, 2023.

James Maeder,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Agreement
- IV. Preliminary Results of Review
- V. Recommendation

[FR Doc. 2023-28491 Filed: 12/26/2023 8:45 am; Publication Date: 12/27/2023]