



DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-845]

Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico: Preliminary Results of the 2021-2022 Administrative Review and Postponement of Final Results

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that
the respondents 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 terms of the Agreement Suspending the Antidumping Duty
Investigation on Sugar from Mexico, as amended (*AD Agreement*) during the period of review
(POR) from December 1, 2021, through November 30, 2022. Commerce also preliminarily
determines that the *AD 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
and 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 Mexican producers/exporters accounting for substantially all imports of
sugar from Mexico signed the *AD Agreement* under section 734(c) of the Tariff Act of 1930, as

amended (the Act), which suspended the underlying antidumping duty investigation, 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 (petitioners)² filed a timely request for an administrative review of the *AD Agreement*.³ On February 2, 2023, Commerce initiated an administrative review for the period December 1, 2021, through November 30, 2022.

On March 31, 2023, Commerce selected two companies as mandatory respondents, listed in alphabetical order: Compañía Industrial Azucarera S.A. de C.V. and its affiliates and Ingenio Presidente Benito Juárez S.A. de C.V.

Scope of the *AD Agreement*

The product covered by this *AD Agreement* is raw and refined sugar of all polarimeter readings derived from sugar cane or sugar beets. Merchandise covered by this *AD Agreement* is typically imported under the following headings 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 1702.90.4000.⁴ The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this *AD Agreement* is dispositive.⁵

Methodology and Preliminary Results

¹ See *Sugar from Mexico: Suspension of Antidumping Investigation*, 79 FR 78039 (December 29, 2014); see also *Sugar from Mexico: Amendment to the Agreement Suspending the Antidumping Duty Investigation*, 85 FR 3620 (January 22, 2020) (collectively, *AD Agreement*).

² The members of the American Sugar Coalition are as follows: 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 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.

⁵ For a complete description of the Scope of the *AD Agreement*, see Memorandum, "Decision Memorandum for the Preliminary Results of the 2021-2022 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 *AD Agreement*, each signatory producer/exporter individually agrees that it will not sell subject merchandise at prices less than the reference prices established in Appendix I to the *AD Agreement*.⁶ Each signatory producer/exporter also individually agrees that for each entry, the amount by which the estimated normal value exceeds the export price (or the constructed export price) will not exceed 15 percent of the weighted average amount by which the estimated normal value exceeded the export price (or constructed export price) for all less-than-fair-value entries of the producer/exporter examined during the course of the investigation.⁷ The signatory producers/exporters also individually agree to provide documentation upon request from Commerce⁸ and provide certifications each quarter⁹ to allow Commerce to monitor the *AD Agreement*. In addition, the signatory producers/exporters agree to incorporate into their sales contracts with Intermediary Customers¹⁰ the obligation that such customers will abide by the terms of the *AD Agreement*.¹¹ Lastly, the signatory producers/exporters agree to ensure that Other Sugar¹² is tested for polarity by a laboratory approved by CBP upon entry into the United States and that the importers of record report the polarity test results for each entry to Commerce within 30 days of entry.¹³

After reviewing the information received from the respondent companies in their questionnaire and supplemental questionnaire responses, we preliminarily determine that the respondents adhered to the terms of the *AD Agreement* during the POR and that the *AD Agreement* is functioning as intended. Further, we preliminarily determine that the *AD*

⁶ See *AD Agreement* at Section VI and Appendix I.

⁷ *Id.* at Section VI.

⁸ *Id.* at Sections VII.B.1, VII.B.2, and VII.B.4.

⁹ *Id.* at Section VII.C.4.

¹⁰ “Intermediary Customer” is defined in Section II.N of the *AD Agreement*.

¹¹ See *AD Agreement* at Section VII.C.5.

¹² “Other Sugar” is defined Section II.F of the *AD Agreement*.

¹³ See *AD Agreement* at Section VII.C.6.

Agreement continued to meet the statutory requirements under sections 734(c) and (d) of the Act during the POR.

We were not able to complete our review of one respondent for one aspect of the *AD Agreement*, the requirement in Section VI to eliminate at least 85 percent of the dumping found in the investigation, and we therefore intend to address this issue in a post-preliminary analysis. We find that we require additional information in order to complete our examination. Therefore, we will continue our examination after the issuance of these preliminary results as to whether the respondents complied with the requirement to eliminate at least 85 percent of the dumping found in the investigation during the POR, and we intend to issue a post-preliminary analysis addressing the issue as soon as practicable.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. 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 <https://access.trade.gov/public/FRNoticesListLayout.aspx>. Commerce also addresses certain issues, which require discussion of business proprietary information, in separate memoranda which we incorporate into the Preliminary Decision Memorandum.¹⁴

Public Comment

Commerce intends to issue a post-preliminary analysis memorandum subsequent to the publication of this notice with respect to the requirement to eliminate at least 85 percent of the dumping found in the investigation. Thus, Commerce will announce the briefing schedule to interested parties at a later date. Interested parties may submit case briefs on the deadline that Commerce will announce. Rebuttal briefs, limited to issues raised in the case briefs, may be

¹⁴ See Preliminary Decision Memorandum at 6-8 and fn. 47 and 59.

filed not later than five days after the date for filing case briefs.¹⁵ 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.¹⁶ 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.¹⁷ 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).¹⁸

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 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.

¹⁵ 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).

¹⁶ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁷ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁸ See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings; Final Rule*, 88 FR 67069 (September 29, 2023).

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

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