



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-191]

Sol Gel Alumina-Based Ceramic Abrasive Grains from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that
countervailable subsidies are being provided to producers and exporters of sol gel alumina-based
ceramic abrasive grains (ceramic abrasive grains) from the People's Republic of China (China).
The period of investigation (POI) is January 1, 2023, through December 31, 2023. Interested
parties are invited to comment on this preliminary determination.

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

FOR FURTHER INFORMATION CONTACT: Suresh Maniam, 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-
1603.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 703(b) of the Tariff
Act of 1930, as amended (the Act). On January 14, 2025, Commerce published the notice of
initiation of this countervailing duty (CVD) investigation.¹ For a complete description of the
events that followed the initiation of this investigation, *see* the Preliminary Decision

¹ *See Sol Gel Alumina-Based Ceramic Abrasive Grains from the People's Republic of China: Initiation of
Countervailing Duty Investigation*, 90 FR 3175 (January 14, 2025) (*Initiation Notice*); *see also Sol Gel Alumina-
Based Ceramic Abrasive Grains from the People's Republic of China: Initiation of Countervailing Duty
Investigation; Correction*, 90 FR 7659 (January 22, 2025) (*Correction Initiation Notice*). We corrected a
typographical error in the Scope in the *Correction Initiation Notice*.

Memorandum.² A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II 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 Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Investigation

The products covered by this investigation are ceramic abrasive grains from China. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the *Preamble* to Commerce's regulations,³ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage, (*i.e.*, scope).⁴ One interested party commented on the scope of the investigation as it appeared in the *Correction Initiation Notice*. Commerce intends to issue its preliminary decision regarding comments concerning the scope of the less-than-fair-value (LTFV) and CVD investigations in the preliminary determination of the companion LTFV investigation. We will incorporate the scope decision from the LTFV investigation into the scope of the final CVD determination for this investigation after considering any relevant comments submitted in scope case and rebuttal briefs.⁵

Methodology

² See Memorandum, "Decision Memorandum for the Preliminary Affirmative Determination in the Countervailing Duty Investigation of Sol Gel Alumina-Based Ceramic Abrasive Grains from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

³ See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁴ See *Initiation Notice*.

⁵ The deadline for interested parties to submit scope case and rebuttal briefs will be established in the preliminary scope decision memorandum accompanying preliminary determination of the LTFV investigation.

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶ For a full description of the methodology underlying our preliminary determination, *see* the Preliminary Decision Memorandum.

Commerce notes that, in making these findings, it relied on facts available and, because Commerce finds that necessary information was missing from the record and because respondents did not act to the best of their ability to respond to Commerce’s requests for information, it drew an adverse inference (AFA) where appropriate in selecting from among the facts otherwise available.⁷ For further information, *see* the “Use of Facts Available and Adverse Inferences” section in the Preliminary Decision Memorandum.

All-Others Rate

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

Pursuant to section 705(c)(5)(A)(ii) of the Act, if the individual estimated countervailable subsidy rates established for all exporters and producers individually examined are zero, *de minimis*, or determined based entirely on facts otherwise available, Commerce may use any reasonable method to establish the estimated subsidy rate for all other producers or exporters. In this investigation, Commerce has preliminarily determined the estimated subsidy rate for the individually examined respondents under section 776 of the Act. This is the only rate available in this proceeding for deriving the all-others rate. Consequently, pursuant to sections 703(d) and

⁶ *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.

⁷ *See* sections 776(a) and (b) of the Act.

705(c)(5)(A)(ii) of the Act, Commerce established the all-others rate by applying the countervailable subsidy rate assigned to the non-responsive companies listed below.

Preliminary Determination

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Qingdao SISA Abrasives Co., Ltd.	165.05*
Shandong Imerys Mount Tai Co., Ltd.	165.05*
Futong Industry Co., Ltd.	165.05*
Guangzhou Qianyang Metals & Machine	165.05*
Kumthai Abrasives Co., Ltd.	165.05*
Luoyang Runbao Super Abrasives Co.	165.05*
More Superhard Products Co., Ltd.	165.05*
Qingdao Roy Grinding MaterialCo.	165.05*
Reckel Advanced Materials Co., Ltd.	165.05*
Zhengshou Haixu Abrasives Co.	165.05*
All Others	165.05

* Rate is based on facts available with adverse inferences.

Suspension of Liquidation

In accordance with section 703(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to 19 CFR section 703(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the rates indicated above.

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in connection with a preliminary determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of the notice of preliminary determination in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, because Commerce preliminarily applied total AFA to the individually examined

companies, Qingdao SISA Abrasives Co., Ltd. and Shandong Imerys Mount Tai Co., Ltd., in this investigation in accordance with section 776 of the Act, there are no calculations to disclose.

Verification

Because the mandatory respondents in this investigation did not participate in this investigation and the Government of China did not provide requested information, Commerce preliminarily determines each of these parties has been uncooperative; thus, verification will not be conducted.

Public Comment

All interested parties will have the opportunity to submit scope case and rebuttal briefs on the preliminary decision regarding the scope of the LTFV and CVD investigations. The deadlines to submit scope case and rebuttal briefs will be provided in the preliminary scope decision memorandum accompanying the preliminary determination of the LTFV investigation. For all scope case and rebuttal briefs, parties must file identical documents simultaneously on the records of the ongoing LTFV and CVD investigations. No new factual information or business proprietary information may be included in either scope case or rebuttal briefs.

Case briefs or other written comments on non-scope issues may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 20 days after the date of publication of the preliminary determination. 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.⁸ 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.⁹

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 investigation, we instead request that

⁸ 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 Service Final Rule*).

⁹ See 19 CFR 351.309(c)(2) and (d)(2).

interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁰ 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 public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final determination in this investigation. We request that interested parties include footnotes for relevant citations in the public 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).¹¹

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after the date of publication of this notice. Requests should contain 1) the party's name, address, and telephone number; 2) the number of participants and whether any participant is a foreign national; and 3) a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Final Determination

Section 705(a)(1) of the Act and 19 CFR 351.210(b)(1) provide that Commerce intends to issue the final determination within 75 days after the date of its preliminary determination.

U.S. International Trade Commission (ITC) Notification

In accordance with section 703(f) of the Act, Commerce will notify the ITC of its determination. If the final determination is affirmative, the ITC will determine, before the later of 120 days after the date of this preliminary determination or 45 days after the final

¹⁰ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹¹ See *APO and Service Final Rule*.

determination, whether imports of ceramic abrasive grains from China are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act, and 19 CFR 351.205(c).

Dated: May 16, 2025.

Scot Fullerton,
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is sol gel alumina-based ceramic abrasive grains which are comprised of minimum 94% aluminum oxide (Al₂O₃), and may contain other compounds, including, but not limited to, titanium dioxide, silicon dioxide, calcium oxide, sodium superoxide, ferric oxide, magnesium oxide, di-aluminum magnesium tetroxide, lanthanum oxide, lanthanum magnesium oxide, zirconium dioxide, or zirconium carbonate. Grain sizes of sol gel alumina-based ceramic abrasive grains range from 0.85 mm to 0.0395 mm (which corresponds to American National Standards Institute (ANSI) grit sizes from 20 to 280).

Shapes include but are not limited to angular, sharp, extra sharp, blocky, splintery, round stripped, triangular or shaped like extruded rods or stars.

Ceramic abrasive grains have unique crystalline structures that impart certain advanced properties, such as their extreme hardness and strength ranging between 16 and 22 gigapascals by the Vickers Diamond Indent Method, high melting point (2050°C), and a single- or multi-phase microstructure, which may contain multiple phases, having crystalline sizes ranging from 0.05 to 30 µm. These ceramic abrasive grains include but are not limited to blue, white, white-translucent, or off-white opaque colors.

Sol gel alumina-based ceramic abrasive grains are covered by the scope of this investigation, whether or not incorporated into downstream articles, including but not limited to, abrasive papers, grinding wheels, grinding cylinders, and grinding discs. When incorporated into downstream articles, only the sol gel alumina-based ceramic abrasive grains component of such articles is covered by the product scope, and not the downstream product as a whole.

The merchandise subject to this investigation is properly classified under subheadings 2818.10.2010 and 2818.10.2090 of the Harmonized Tariff Schedule of the United States (HTSUS). Other merchandise subject to the current scope, including when incorporated into the abovementioned downstream articles, may be classified under HTSUS subheadings 2818.10.1000, 2818.20.0000, 2818.30.0000, 3824.99.1100, 3824.99.1900, 6805.10.0000, 6805.20.0000, 6805.30.1000, 6805.30.5000, 6804.22.1000, 6804.22.4000, 6804.22.6000, 8204.12.0000, 8474.90.0010, 8474.90.0020, 8474.90.0050, and 8474.90.0090. Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Injury Test
- IV. Analysis of China's Financial System
- V. Diversification of China's Economy
- VI. Use of Facts Available and Adverse Inferences
- VII. Analysis of Programs
- VIII. Recommendation

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