



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-195]

Active Anode Material from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping 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 active anode material
from the People's Republic of China (China). The period of investigation 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: Benjamin Nathan or Gorden Struck,
AD/CVD Operations, Office II, Enforcement and Compliance, International Trade
Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington,
DC 20230; telephone: (202) 482-3834 or (202) 482-8151, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 703(b) of the Tariff
Act of 1930, as amended (the Act). Commerce published the notice of initiation of this

investigation on January 15, 2025.¹ On February 19, 2025, Commerce postponed the preliminary determination of this investigation until May 19, 2025.²

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included in 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 product covered by this investigation is active anode material 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,⁴ in the *Initiation Notice* Commerce set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁵ Certain interested parties commented on the scope of the less-than-fair-value (LTFV) and countervailing duty (CVD) investigations as it appeared in the *Initiation Notice*. Commerce intends to issue its preliminary decision regarding comments concerning the scope of the LTFV and CVD investigations on or before the preliminary determination of the companion AD investigation.

¹ *See Active Anode Material from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 90 FR 3788 (January 15, 2025) (*Initiation Notice*).

² *See Active Anode Material from the People's Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 90 FR 9888 (February 19, 2025).

³ *See* Memorandum, "Decision Memorandum for the Preliminary Affirmative Determination of the Countervailing Duty Investigation of Active Anode Material from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁵ *See Initiation Notice*, 90 FR 3789.

Methodology

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, in part, on facts available, and, because it finds that one or more respondents did not act to the best of their ability to respond to Commerce’s requests for information, it drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁷ For further information, *see* the “Use of Facts Otherwise Available and Adverse Inferences” section in the Preliminary Decision Memorandum.

Alignment

In accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), Commerce is aligning the final CVD determination in this investigation with the final determination in the concurrent LTFV investigation of active anode material from China based on a request made by American Active Anode Material Producers (*i.e.*, the petitioner).⁸ Consequently, the final CVD determination will be issued on the same date as the final determination in the LTFV investigation, which is currently scheduled to be issued no later than September 29, 2025, unless postponed.

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

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.

⁸ *See* Petitioner’s Letter, “Request to Align Final Countervailing Duty Determination with the Companion Antidumping Duty Final Determination,” dated May 13, 2025.

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.

In this investigation, Commerce preliminarily assigned a rate based entirely on facts available to Shanghai Shaosheng Knitted Sweat (Shaosheng). Therefore, the only rate that is not zero, *de minimis*, or based entirely on facts otherwise available is the rate calculated for Panasonic Global Procurement China Co., Ltd. and Panasonic Corporation of China (collectively, Panasonic). Accordingly, we are assigning the rate calculated for Panasonic to all other producers and exporters, pursuant to section 705(c)(5)(A)(i) of the Act. On that basis, we are assigning 6.55 percent as the *ad valorem* all others rate.

Preliminary Determination

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

Company	Subsidy Rate (percent <i>ad valorem</i>)
Panasonic Global Procurement China Co., Ltd.; Panasonic Corporation of China ⁹	6.55
Shanghai Shaosheng Knitted Sweat	721.03*
Huzhou Kaijin New Energy Technology Corp., Ltd. ¹⁰	721.03*
All Others	6.55

⁹ Panasonic is a trading company that sold subject merchandise produced by an unaffiliated supplier BTR New Material Group Co., Ltd., BTR (Jiangsu) New Energy Material Co., Ltd., and BTR New Material Group Sales Co., Ltd., (collectively, BTR) and BTR’s affiliates. We are preliminarily cumulating the benefits received by BTR and BTR’s affiliates with the benefits received by Panasonic into one rate for Panasonic. For further explanation, see Preliminary Decision Memorandum at 2-4 and 28-29.

¹⁰ Pursuant to 19 CFR 351.304(c)(2), the bracketing of business proprietary information in the original business proprietary document or, if a corrected version is timely filed, the corrected business proprietary document will become final. Once bracketing has become final, Commerce will not accept any further corrections to the bracketing of information in a submission, and the Secretary will treat non-bracketed information as public information. As the name of Huzhou Kaijin New Energy Technology Corp., Ltd. was unbracketed in the public version of Panasonic’s supplemental questionnaire response, Commerce is treating this name as public information. See Panasonic’s Letter, “1st Supplemental Section III Questionnaire Response,” dated May 1, 2025, at Exhibit S-4a (i.e., ACCESS barcode 4754928-01); see also Preliminary Decision Memorandum at 8-9.

*Rate is based on facts available with adverse inferences.

Suspension of Liquidation

In accordance with section 703(d)(1)(B) and (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 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 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the rates indicated above.

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this preliminary determination within five days of its public announcement, or if there is no public announcement, within five days of the date of this notice in accordance with 19 CFR 351.224(b).

Consistent with 19 CFR 351.224(e), Commerce will analyze and, if appropriate, correct any timely-filed allegations of significant ministerial errors by amending the preliminary determination. However, consistent with 19 CFR 351.224(d), Commerce will not consider incomplete allegations that do not address the significance standard under 19 CFR 351.224(g) following the preliminary determination. Instead, Commerce will address such allegations in the final determination together with issues raised in the case briefs or other written comments.

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

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 seven days after the date on which the last verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the date for filing case briefs.¹¹ 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.¹²

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 interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.¹³ Further, we request that interested parties limit their public 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 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).¹⁴

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

¹¹ 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*).

¹² See 19 CFR 351.309(c)(2) and (d)(2).

¹³ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁴ See *APO and Service Final Rule*.

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.

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 determination whether imports of active anode material 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 19, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations,

performing the non-exclusive functions and duties

of the Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is active anode material, which is an anode grade graphite material with a graphite minimum purity content of 90 percent carbon by weight, whether containing synthetic graphite, natural graphite, or a blend of synthetic and natural graphite; with or without coating. Subject merchandise may be in the form of powder, dry, liquid, or block form and is covered irrespective of the form in which it enters. Subject merchandise typically has a maximum size of 80 microns when in powder form. Subject merchandise has an energy density of 330 milliamp hours per gram or greater and a degree of graphitization of 80 percent or greater, where graphitization refers to the extent of the graphite crystal structure.

Subject merchandise is covered regardless of whether it is mixed with silicon based active materials, *e.g.*, silicon-oxide (SiOx), silicon-carbon (SiC), or silicon, or additives such as carbon black or carbon nanotubes. Subject merchandise is covered regardless of the combination of compounds that comprise the graphite material. Subject merchandise is covered regardless of whether it is imported independently, as part of a compound, in a battery, as a component of an anode slurry, or in a subassembly of a battery such as an electrode. Only the anode grade graphite material is covered when entered as part of a mixture with silicon based active materials, as part of a compound, in a battery, as a component of an anode slurry, or in a subassembly of a battery such as an electrode.

Active anode material subject to the investigation may be classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 2504.10.5000 and 3801.10.5000. Subject

merchandise may also enter under HTSUS subheadings 2504.10.1000 and 3801.90.0000. The HTSUS subheadings are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Alignment
- IV. Injury Test
- V. Analysis of China's Financial System
- VI. Diversification of China's Economy
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Subsidies Valuation
- IX. Benchmarks and Interest Rates
- X. Analysis of Programs
- XI. Recommendation

[FR Doc. 2025-09563 Filed: 5/27/2025 8:45 am; Publication Date: 5/28/2025]