

We intend to issue the final results of this administrative review, including the results of our analysis of issues raised in the written comments, within 120 days of publication of these preliminary results in the **Federal Register**, unless otherwise extended.<sup>6</sup>

#### Assessment Rates

Upon completion of this administrative review, the Department shall determine and CBP shall assess antidumping duties on all appropriate entries. If Saha Thai's weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.5 percent) in the final results of this review, we will calculate importer-specific *ad valorem* assessment rates on the basis of the ratio of the total amount of dumping calculated for an importer's examined sales and the total entered value of such sales in accordance with 19 CFR 351.212(b)(1). Where Saha Thai did not report the entered value for its sales, we will calculate importer-specific, per-unit duty assessment rates. Where an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties in accordance with 19 CFR 351.106(c)(2). If Saha Thai's weighted-average dumping margin is zero or *de minimis* in the final results of this review, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties in accordance with the *Final Modification for Reviews*.<sup>7</sup>

The Department clarified its "automatic assessment" regulation on May 6, 2003.<sup>8</sup> This clarification applies to entries of subject merchandise during the POR produced by Saha Thai for which it did not know its merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.

Consistent with the *Assessment Policy Notice*, if we continue to find that Pacific Pipe had no shipments of subject merchandise to the United States in the final results of this review, we intend to instruct CBP to liquidate all existing

entries of merchandise produced by Pacific Pipe and exported by other parties at the all-others rate.

We intend to issue instructions to CBP 15 days after publication of the final results of this review.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of circular welded carbon steel pipes and tubes from Thailand entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review, as provided for by section 751(a)(2)(C) of the Act: (1) The cash deposit rate for the company under review will be equal to the weighted-average dumping margin established in the final results of this review (except, if that rate is zero or *de minimis*, then no cash deposit will be required); (2) for previously reviewed or investigated companies not listed above in the Preliminary Results of Review, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding; (3) if the exporter is not a firm covered in this review or another completed segment of this proceeding, but the manufacturer is, then the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previously completed segment of this proceeding, then the cash deposit rate will be the "all-others" rate of 15.67 percent established in the less-than-fair-value investigation.<sup>9</sup> These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

These preliminary results of administrative review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: April 17, 2014.

**Paul Piquado,**

*Assistant Secretary for Enforcement and Compliance.*

#### Appendix—List of Topics Discussed in the Preliminary Decision Memorandum:

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Preliminary Determination of No Shipments
- V. Comparisons to Normal Value
- VI. Product Comparisons
- VII. Discussion of Methodology
  - A. Determination of Comparison Method
  - B. Results of the Differential Pricing Analysis
  - C. Date of Sale
  - D. Export Price
  - E. Normal Value
  - F. Currency Conversion

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#### DEPARTMENT OF COMMERCE

#### International Trade Administration

[A-201-845]

#### Sugar From Mexico: Initiation of Antidumping Duty Investigation

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

**DATES:** Effective Date: April 24, 2014.

**FOR FURTHER INFORMATION CONTACT:** David Lindgren at (202) 482-3870 or Kaitlin Wojnar (202) 482-3857, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On March 28, 2014, the Department of Commerce (the Department) received an antidumping duty (AD) petition<sup>1</sup> concerning imports of sugar from Mexico filed in proper form on behalf of the American Sugar Coalition (ASC) and its individual members (collectively, Petitioners).<sup>2</sup> Petitioners are domestic processors, millers, and refiners of sugar and growers of sugar cane and

<sup>1</sup> See "Petition for the Imposition of Antidumping Duties on Imports of Sugar from Mexico," dated March 28, 2014 (Petition).

<sup>2</sup> Petitioners are ASC and its individual members: American Sugar Cane League, American Sugar Refining, Inc., American Sugarbeet Growers Association, Florida Sugar Cane League, Hawaiian Commercial and Sugar Company, Rio Grande Valley Sugar Growers, Inc., Sugar Cane Growers Cooperative of Florida, and United States Beet Sugar Association.

<sup>6</sup> See section 751(a)(3)(A) of the Act.

<sup>7</sup> See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*) ("Where the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed.").

<sup>8</sup> For a full discussion of this clarification, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment Policy Notice*).

<sup>9</sup> See *Order*.

sugarbeets. On April 2, April 8, and April 9, 2014, the Department requested additional information and clarification of certain areas of the Petition.<sup>3</sup> Petitioners filed responses to these requests on April 7, April 10, and April 14, 2014.<sup>4</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), Petitioners allege that imports of sugar from Mexico are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act and that such imports are materially injuring, or threatening material injury to, an industry in the United States. Also, consistent with section 732(b)(1) of the Act, the Petition is accompanied by information reasonably available to Petitioners supporting their allegations.

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because Petitioners are interested parties as defined in sections 771(9)(C), (E), (F) and (G) of the Act. The Department also finds that Petitioners demonstrated sufficient industry support with respect to the initiation of the AD investigation that Petitioners are requesting. See the "Determination of Industry Support for the Petition" section below.

#### Period of Investigation

Because the Petition was filed on March 28, 2014, the period of investigation (POI) is January 1, 2013 through December 31, 2013.<sup>5</sup>

#### Scope of the Investigation

The product covered by this investigation is sugar from Mexico. For a full description of the scope of the investigation, see the "Scope of the Investigation," in the Appendix of this notice.

<sup>3</sup> See Letter from the Department titled, "Petition for the Imposition of Antidumping Duties on Imports of Sugar from Mexico: Supplemental Questions," dated April 2, 2014; Letter from the Department titled, "Petition for the Imposition of Antidumping and Countervailing Duties on Imports of Sugar from Mexico: Supplemental Questions," dated April 2, 2014 (General Issues Questionnaire); Phone Call with Petitioners Ex Parte Memorandum, dated April 8, 2014; Phone Call with Petitioners Ex Parte Memorandum, dated April 9, 2014.

<sup>4</sup> See Letters from Petitioners titled, "Sugar from Mexico; Response to General Issues Questionnaire," dated April 7, 2014 (General Issues Supplement); "Sugar from Mexico; Response to Supplemental Antidumping Questions," dated April 7, 2014; "Sugar from Mexico; Response to Supplemental General Issues Questions," dated April 10, 2014 (Second General Issues Supplement); "Sugar from Mexico; Response to Supplemental Antidumping Questions," dated April 10, 2014 (Second AD Supplement); and "Sugar from Mexico; Response to Supplemental Scope Questions," dated April 14, 2014 (Scope Supplement).

<sup>5</sup> See 19 CFR 351.204(b)(1).

#### Comments on Scope of Investigation

During our review of the Petition, the Department issued questions to, and received responses from, Petitioners pertaining to the proposed scope in order to ensure that the scope language in the Petition would be an accurate reflection of the products for which the domestic industry is seeking relief.<sup>6</sup> As discussed in the Preamble to the regulations,<sup>7</sup> we are setting aside a period for interested parties to raise issues regarding product coverage. The period of scope comments is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations. All comments must be filed by 5:00 p.m. Eastern Daylight Time (EDT) on May 7, 2014, which is twenty calendar days from the signature date of this notice. Any rebuttal comments must be filed by 5:00 p.m. EDT on May 14, 2014. All such comments must be filed on the records of the AD investigation, as well as the concurrent CVD investigation.

#### Filing Requirements

All submissions to the Department must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS).<sup>8</sup> An electronically filed document must be received successfully in its entirety by the time and date noted above. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets United, Room 1870, Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230, and stamped with the date and time of receipt by the established deadline.<sup>9</sup>

<sup>6</sup> See General Issues Questionnaire; see also General Issues Supplement, at 3–8; Phone Call with Petitioners Ex Parte Memorandum, dated April 9, 2014; Second General Issues Supplement, at 1–4; and Scope Supplement.

<sup>7</sup> See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>8</sup> For general filing requirements, see 19 CFR 351.303.

<sup>9</sup> See 19 CFR 351.303(b). For details regarding the Department's electronic filing requirements, see *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011). Information regarding IA ACCESS assistance can be found at <https://iaaccess.trade.gov/help.aspx>, and a handbook can be found at <https://iaaccess.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

#### Comments on Product Characteristics for Antidumping Questionnaires

The Department requests comments from interested parties regarding the appropriate physical characteristics of sugar to be reported in response to the Department's AD questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors and costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: (1) General product characteristics and (2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, while there may be some physical product characteristics utilized by manufacturers to describe sugar, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, we must receive comments on product characteristics by May 8, 2014. Rebuttal comments must be received by May 19, 2014.<sup>10</sup> All comments and submissions to the Department must be filed electronically using IA ACCESS, as referenced above.

#### Determination of Industry Support for the Petition

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the

<sup>10</sup> Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) if there is a large number of producers in the industry, the Department may determine industry support using a statistically valid sampling method to poll the industry.

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. In investigations involving processed agricultural products, the statute allows the Department also to include growers or producers of the raw agricultural product within the definition of the industry.<sup>11</sup> Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The U.S. International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product,<sup>12</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>13</sup>

<sup>11</sup> See section 771(4)(E) of the Act. For a full discussion of this provision of the Act and the Department’s analysis, see Antidumping Duty Investigation Initiation Checklist: Sugar from Mexico (AD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Sugar from Mexico (Attachment II). This checklist is dated concurrently with, and hereby adopted by, this notice and is on file electronically via IA ACCESS. Access to documents filed via IA ACCESS is also available in the Central Records Unit (CRU), Room 7046 of the main Department of Commerce building.

<sup>12</sup> See section 771(10) of the Act.

<sup>13</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, Petitioners do not offer a definition of domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we determined that sugar, as defined in the scope of the investigation, constitutes a single domestic like product and we analyzed industry support in terms of that domestic like product.<sup>14</sup>

In determining whether Petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the “Scope of Investigation” section above. To establish industry support, Petitioners provided their production of the domestic like product in crop year 2012/2013,<sup>15</sup> and compared this to the total production of the domestic like product for the entire domestic industry.<sup>16</sup> We relied upon data Petitioners provided for purposes of measuring industry support.<sup>17</sup>

On April 10, 2014, we received comments on industry support from the Grocery Manufacturers Association (GMA).<sup>18</sup> We also received comments on industry support from Archer Daniels Midland Company (ADM)<sup>19</sup> and Camara Nacional de Las Industrias

<sup>14</sup> See AD Initiation Checklist, at Attachment II.

<sup>15</sup> Data on the domestic sugar industry are gathered and presented by the United States Department of Agriculture (USDA) on a crop year basis to reflect the annual cycle of planting, growing, harvesting, and processing sugar. The crop year begins on October 1 and ends on September 30. Petitioners contend that data on a crop year basis more accurately reflects the production of sugar than would data presented on a calendar year basis. In addition, Petitioners note that all producers of sugar report their data to USDA on a crop year basis. See General Issues Supplement, at 12.

<sup>16</sup> See Exhibit Volume I, at Exhibit I-6; General Issues Supplement, at 9-16 and Exhibits II and III; and Second General Issues Supplement, at 4-6 and Attachments 1-3.

<sup>17</sup> See AD Initiation Checklist, at Attachment II.

<sup>18</sup> See Letter from the Grocery Manufacturers Association, dated April 11, 2014. We note that this letter is dated April 11, 2014; however, it was received by the Department on April 10, 2014.

<sup>19</sup> See Letter from Archer Daniels Midland Company, dated April 11, 2014.

Azucarera Y Al Alcoholera (Camara) on April 11, 2014.<sup>20</sup> Petitioners responded to the letters from GMA, ADM, and Camara on April 15, 2014.<sup>21</sup> In consultations with the Department held with respect to the companion CVD case on imports of sugar from Mexico, the Government of Mexico raised the issue of industry support.<sup>22</sup> On April 15, 2014, we received additional comments on industry support from the GMA.<sup>23</sup> For further discussion of these comments, see the AD Initiation Checklist, at Attachment II.

Based on information provided in the Petition, supplemental submissions, and other information readily available to the Department, we determine that Petitioners met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product.<sup>24</sup> Based on information provided in the Petition, the domestic producers (or workers) met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition. Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.<sup>25</sup>

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C), (E), (F), or (G) of the Act and they demonstrated sufficient industry support with respect to the AD investigation that they are requesting the Department initiate.<sup>26</sup>

### Allegations and Evidence of Material Injury and Causation

Petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal

<sup>20</sup> See Letter from Camara, dated April 11, 2014.

<sup>21</sup> See Letter from Petitioners, dated April 15, 2014.

<sup>22</sup> See Memorandum to the File from Vicki Flynn, dated April 15, 2014, titled “Placing Consultations Memorandum on the AD Record.”

<sup>23</sup> See Letter from the Grocery Manufacturers Association, dated April 15, 2014.

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

value (NV). In addition, Petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>27</sup>

Petitioners contend that the industry's injured condition is illustrated by reduced market share, underselling and price depression or suppression, lost sales and revenues, forfeitures and USDA purchases that remove surpluses of domestically produced sugar from the market to stabilize prices, decline in payments to growers and farmers, and decline in financial performance.<sup>28</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.<sup>29</sup>

#### Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which the Department based its decision to initiate an investigation of imports of sugar from Mexico. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the AD Initiation Checklist.

#### Export Price

Petitioners calculated export prices (EP) for *estandar* (a semi-refined form of sugar) and fully refined sugar based on Mexican export statistics, which, unlike U.S. import statistics, distinguish between these two forms of sugar shipped to the United States.<sup>30</sup> The ability to segregate *estandar* import data from the import data relating to fully-refined sugar is significant because imports of semi-refined sugar compete directly with U.S. raw sugar sales to refiners, whereas imports of refined sugar compete with U.S. refined sugar.<sup>31</sup> To derive the ex-factory prices, Petitioners made deductions to the Mexican export prices for inland freight

and handling costs between the mills and the trading companies that export to the United States.<sup>32</sup>

#### Normal Value

Petitioners provided monthly average home market prices for both *estandar* and refined sugar in Mexico for the months of the POI. Petitioners obtained the home market price data from the Government of Mexico's Sistema Nacional de Información e Integración de Mercados (SNIIM).<sup>33</sup> To derive the ex-factory price, Petitioners deducted delivery costs for shipment from the mill to the wholesale market from the SNIIM wholesale market prices.<sup>34</sup>

#### Sales-Below-Cost Allegation

Petitioners provided information demonstrating reasonable grounds to believe or suspect that sales of sugar in the Mexican market were made at prices below the fully-absorbed cost of production (COP), within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation. The Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act, states that an allegation of sales below COP need not be specific to individual exporters or producers.<sup>35</sup> The SAA states that "Commerce will consider allegations of below-cost sales in the aggregate for a foreign country, just as Commerce currently considers allegations of sales at less than fair value on a country-wide basis for purposes of initiating an antidumping investigation."<sup>36</sup> Further, the SAA provides that section 773(b)(2)(A) of the Act retains the requirement that the Department have "reasonable grounds to believe or suspect" that below-cost sales occurred before initiating such an investigation. Reasonable grounds exist when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the foreign market in question are at below-cost prices.<sup>37</sup>

#### Cost of Production

Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing (COM); selling, general

and administrative (SG&A) expenses; financial expenses; and packing expenses. Petitioners calculated the COM for *estandar* and refined sugar based on publicly-available data on sugar cane costs specific to Mexico and the production experience of five U.S. producers of raw and refined sugar, adjusted for known differences between the Mexico and U.S. industries during the prospective POI. We revised the calculation of the raw material cost to incorporate an offset for by-product income. To calculate the by-product offset rate, we relied on the fiscal year ended December 31, 2013 (FY 2013) financial data for four U.S. producers of raw sugar. The resulting by-product offset was used to reduce the raw material costs.<sup>38</sup>

To determine the SG&A rate, Petitioners relied on the FY 2013 financial data for four U.S. producers of raw sugar. We note that it is the Department's preference to rely upon financial information from a producer in the country under investigation (*i.e.*, Mexico) when calculating the SG&A rate. The SG&A rate used in the Petition was comparable with that expected from sugar producers in Mexico based on information contained in an article published in the Business Intelligence Journal. As such, we do not consider the SG&A rate calculated using the U.S. producers' financial data to be unreasonable. Petitioners conservatively did not add an amount for financial expenses or for packing expenses.

To determine the COP of *estandar* sugar, Petitioners added together the COM and SG&A expenses calculated above. We revised the calculation of the COP of *estandar* sugar to incorporate the revised raw material costs calculated above.<sup>39</sup>

To determine the COP of refined sugar, Petitioners relied on the production experience of a U.S. producer of refined sugar. Petitioners added the additional cost of processing *estandar* sugar into refined sugar to the COP of *estandar* sugar calculated above. We revised the calculation of the COP of refined sugar to incorporate the revised raw material costs for *estandar* sugar calculated above.<sup>40</sup>

Based upon a comparison of the prices of the foreign like product in the home market to the calculated COP of the most comparable product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the

<sup>27</sup> See Petition Narrative, at 31 and Exhibit Volume I, at Exhibit I-15; *see also* General Issues Supplement, at 17-18 and Exhibit VII.

<sup>28</sup> See Petition Narrative, at 3-4, 19-21, 28-55 and Exhibit Volume I, at Exhibits I-3, I-4, I-13 and I-15 through I-21; *see also* General Issues Supplement, at 15-19 and Exhibits I.A and VI through VIII; Second General Issues Supplement, at 5-7 and Attachment 3; and Scope Supplement, at 2 and Attachment 1.

<sup>29</sup> See AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Sugar from Mexico.

<sup>30</sup> See Petition Narrative at 75 and Exhibit Volume II, at Exhibit II-11; *see also* AD Initiation Checklist.

<sup>31</sup> See Petition Narrative at 59-62.

<sup>32</sup> *Id.* at 75-76; *see also* AD Initiation Checklist.

<sup>33</sup> See Petition Narrative at Table 5 (page 60), Table 6 (page 62), and Exhibit Volume II, at Exhibits II-2E and II-4; *see also* AD Initiation Checklist.

<sup>34</sup> See Petition Narrative, at 67; *see also* AD Initiation Checklist.

<sup>35</sup> See SAA, H.R. Doc. No. 103-316 at 833 (1994), *reprinted in* 1994 U.S.C.C.A.N. 3773.

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> See AD Initiation Checklist at Attachments V and VI.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation.

#### *Normal Value Based on Above-Cost Home Market Prices*

Because some home market prices for refined sugar fell below COP, pursuant to section 773(b)(1) of the Act, Petitioners based NV of refined sugar on the average of above-cost home market prices obtained from SNIM and adjusted for delivery costs from the mill to the wholesale market.<sup>41</sup>

#### *Normal Value Based on Constructed Value*

Because all home market prices for estandar sugar fell below COP, pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, Petitioners calculated the NV of estandar sugar based on constructed value (CV). Petitioners calculated CV using the same COM and SG&A used to compute the COP of estandar sugar. To calculate the CV profit rate, Petitioners relied on the 2013 above-cost home market sales of refined sugar from the sales below cost allegation in the Petition. The rate was computed using the average profit (*i.e.*, sales price minus COP) of the above-cost home market sales of refined sugar, divided by the COP of refined sugar. We revised the CV profit rate to incorporate the revised COP of refined sugar. This revised rate was then applied to the revised COP of estandar sugar as calculated above.<sup>42</sup>

#### **Fair Value Comparisons**

Based on the data provided by Petitioners, there is reason to believe that imports of sugar from Mexico are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV and EP to CV for Mexico, in accordance with section 773(a)(4) of the Act, the estimated dumping margins for sugar from Mexico range from 30.00 to 64.31 percent.<sup>43</sup>

#### **Initiation of Antidumping Investigation**

Based upon the examination of the AD Petition on sugar from Mexico, we find that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an AD investigation to determine whether imports of sugar from Mexico are being,

<sup>41</sup> See Petition Narrative at 66–67 and 74–75; see also First AD Supplement, at Exhibits 3 and 5; AD Initiation Checklist.

<sup>42</sup> See AD Initiation Checklist at Attachments V and VI.

<sup>43</sup> See Second AD Supplement at Exhibit 2; see also AD Initiation Checklist at Attachments V and VI.

or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determination no later than 140 days after the date of this initiation.

#### **Respondent Selection**

Following standard practice in AD investigations involving market economy countries, in the event the Department determines that the number of known exporters or producers for this investigation is large, the Department may select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports of sugar from Mexico under all Harmonized Tariff Schedule of the United States (HTSUS) subheadings identified in Scope of the Investigation.<sup>44</sup> We intend to release the CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO within five days of publication of this **Federal Register** notice.

The Petition identified 55 producers and/or exporters of sugar in Mexico.<sup>45</sup> We intend to make our decision regarding respondent selection within 20 days of publication of this notice. The Department invites comments regarding the CBP data and respondent selection within seven days of publication of this **Federal Register**.

#### **Distribution of Copies of the Petition**

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petition have been provided to the Government of Mexico via IA ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petition to each exporter named in the Petition, as provided under 19 CFR 351.203(c)(2).

#### **ITC Notification**

We notified the ITC of our initiation, as required by section 732(d) of the Act.

#### **Preliminary Determination by the ITC**

The ITC will preliminarily determine no later than May 12, 2014, whether there is a reasonable indication that imports of sugar from Mexico are materially injuring, or threatening material injury to, a U.S. industry. A negative ITC determination will result in the investigation being terminated; otherwise, the investigation will

<sup>44</sup> See Appendix of this notice for a listing of the HTSUS subheadings in the Scope of the Investigation.

<sup>45</sup> See Exhibit Volume I, at Exhibit I–12.

proceed according to statutory and regulatory time limits.<sup>46</sup>

#### **Submission of Factual Information**

On April 10, 2013, the Department published *Definition of Factual Information and Time Limits for Submission of Factual Information: Final Rule*, 78 FR 21246 (April 10, 2013) (*Factual Information Final Rule*), which modified two regulations related to AD and CVD proceedings: the definition of factual information (19 CFR 351.102(b)(21)), and the time limits for the submission of factual information (19 CFR 351.301). The final rule identifies five categories of factual information in 19 CFR 351.102(b)(21), which are summarized as follows: (i) Evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). The final rule requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct. The final rule also modified 19 CFR 351.301 so that, rather than providing general time limits, there are specific time limits based on the type of factual information being submitted. These modifications are effective for all proceeding segments initiated on or after May 10, 2013, and thus are applicable to this investigation. Please review the *Factual Information Final Rule*, available at <http://enforcement.trade.gov/frn/2013/1304frn/2013-08227.txt> prior to submitting factual information in these investigations.

<sup>46</sup> On September 20, 2013, the Department modified its regulation concerning the extension of time limits for submissions in AD and CVD proceedings. See *Extension of Time Limits*, 78 FR 57790 (September 20, 2013). The modification clarifies that parties may request an extension of time limits before any time limit established under Part 351 expires. This modification also requires that an extension request must be made in a separate, stand-alone submission, and clarifies the circumstances under which the Department will grant untimely-filed requests for the extension of time limits.

### Notification to Interested Parties

Interested parties must submit applications for disclosure under administrative protective order in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>47</sup> Parties are hereby reminded that the Department issued a final rule with respect to certification requirements, effective August 16, 2013. Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives. All segments of any AD or CVD proceedings initiated on or after August 16, 2013, should use the formats for the revised certifications provided at the end of the *Certifications Final Rule*.<sup>48</sup> The Department intends to reject factual submissions if the submitting party does not comply with the applicable revised certification requirements.

This notice is issued and published pursuant to section 777(i) of the Act and 19 CFR 351.203(c).

Dated: April 17, 2014.

**Paul Piquado,**

*Assistant Secretary for Enforcement and Compliance.*

### Appendix

#### Scope of the Investigation

The product covered by this investigation is sugar derived from sugar cane or sugar beets. Sucrose gives sugar its essential character. Sucrose is a nonreducing disaccharide composed of glucose and fructose linked via their anomeric carbons. The molecular formula for sucrose is C<sub>12</sub>H<sub>22</sub>O<sub>11</sub>, the International Union of Pure and Applied Chemistry (IUPAC) International Chemical Identifier (InChI) for sucrose is 1S/C12H22O11/c13-1-4-6(16)8(18)9(19)11(21-4)23-12(3-15)10(20)7(17)5(2-14)22-12/h4-11,13-20H,1-3H2/t4-,5-,6-,7-,8+,9-,10+,11-,12+/m1/s1, the

InChI Key for sucrose is CZMRCDWAGMRECN-UGDNZRGBSA-N, the U.S. National Institutes of Health PubChem Compound Identifier (CID) for sucrose is 5988, and the Chemical Abstracts Service (CAS) Number of sucrose is 57-50-1.

Sugar within the scope of this investigation includes raw sugar (sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of less than 99.5 degrees) and estandar or standard sugar which is sometimes referred to as "high polarity" or "semi-refined" sugar (sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of 99.2 to 99.6 degrees). Sugar within the scope of this investigation includes refined sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of at least 99.9 degrees. Sugar within the scope of this investigation includes brown sugar, liquid sugar (sugar dissolved in water), organic raw sugar and organic refined sugar.

Inedible molasses is not within the scope of this investigation. Specialty sugars, e.g., rock candy, fondant, sugar decorations, are not within the scope of this investigation. Processed food products that contain sugar, e.g., beverages, candy, cereals, are not within the scope of this investigation.

Merchandise covered by this investigation is typically imported under the following headings of the Harmonized Tariff Schedule of the United States (HTSUS): 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1025, 1701.99.1050, 1701.99.5025, 1701.99.5050, and 1702.90.4000. The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this investigation is dispositive.

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### DEPARTMENT OF COMMERCE

#### International Trade Administration

[A-588-870]

#### Chlorinated Isocyanurates From Japan: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

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

**SUMMARY:** The Department of Commerce ("the Department") preliminarily determines that chlorinated isocyanurates ("isos") from Japan is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733(b) of the Tariff Act of 1930, as amended ("the Act"). The period of investigation is July 1, 2012, through June 30, 2013. The estimated weighted-average dumping margins of sales at LTFV are listed in the "Preliminary Determination" section of this notice.

Interested Parties are invited to comment on this preliminary determination. Pursuant to a request from Shikoku Chemicals Corporation, we are postponing for 60 days the final determination and extending provisional measures from a four-month period to not more than six months. Accordingly, we intend to make our final determination not later than 135 days after publication of this preliminary determination in the **Federal Register**.

**DATES:** *Effective Date:* April 24, 2014.

**FOR FURTHER INFORMATION CONTACT:** Julia Hancock or Jerry Huang, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-1394 or (202) 482-4047, respectively.

#### SUPPLEMENTARY INFORMATION:

On September 25, 2013, the Department initiated the antidumping duty investigation on isos from Japan.<sup>1</sup> Based on a timely request from Petitioners,<sup>2</sup> on February 10, 2014, the Department postponed the deadline for the preliminary determination by 50 days to April 14, 2014, pursuant to section 733(c)(1)(A) of the Act and 19 CFR 351.205(e).<sup>3 4</sup>

#### Scope of the Investigation

The products covered by this investigation are chlorinated isocyanurates. Chlorinated isocyanurates are derivatives of cyanuric acid, described as chlorinated s-triazine triones. There are three primary chemical compositions of chlorinated isocyanurates: (1) Trichloroisocyanuric acid ("TCCA") (Cl<sub>3</sub>(NCO)<sub>3</sub>), (2) sodium dichloroisocyanurate (dihydrate) (NaCl<sub>2</sub>(NCO)<sub>3</sub> × 2H<sub>2</sub>O), and (3) sodium dichloroisocyanurate (anhydrous) (NaCl<sub>2</sub>(NCO)<sub>3</sub>). Chlorinated

<sup>1</sup> See *Chlorinated Isocyanurates From Japan: Initiation of Antidumping Duty Investigation*, 78 FR 58997 (September 25, 2013).

<sup>2</sup> Petitioners are Clearon Corp. and Occidental Corporation.

<sup>3</sup> See *Chlorinated Isocyanurates From Japan: Postponement of Preliminary Determinations of Antidumping Duty Investigation*, 79 FR 7643 (February 10, 2014).

<sup>4</sup> As explained in the memorandum from the Assistant Secretary for Enforcement and Compliance, the Department exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013. See Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (October 18, 2013). The tolled deadline for the preliminary determination of this investigation was February 21, 2014.

<sup>47</sup> See section 782(b) of the Act.

<sup>48</sup> See *Certification of Factual Information To Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Certification Final Rule*); see also the frequently asked questions regarding the *Certification Final Rule*, available at the following: [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).