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January 31, 2017

MEMORANDUM TO: Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

FROM: Gary Taverman
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Results of
Antidumping Duty Administrative Review, Preliminary
Determination of No Shipments, and Preliminary Partial
Rescission of Antidumping Duty Administrative Review: Citric
Acid and Certain Citrate Salts from the People's Republic of
China; 2015-2016

I. SUMMARY

In response to a request from Petitioners,¹ the Department of Commerce ("Department") is conducting the seventh administrative review ("AR") of the antidumping duty order on citric acid and certain citrate salts ("citric acid") from the People's Republic of China ("PRC") for the period of review ("POR") May 1, 2015, through April 30, 2016. The AR covers two mandatory respondents: RZBC Co., Ltd., RZBC Import & Export Co., Ltd., and RZBC (Juxian) Co., Ltd. (collectively, "RZBC") and Laiwu Taihe Biochemistry Co., Ltd. ("Taihe"). The Department is rescinding its review with respect to RZBC. Taihe did not respond to the Department's original antidumping duty ("AD") questionnaire. Thus, the Department preliminarily finds Taihe is not eligible for a separate rate and is part of the PRC-wide entity.

II. BACKGROUND

On July 7, 2016, the Department published a notice initiating an AD AR of citric acid from the PRC covering 20 companies for the POR.² On July 19, 2016, the Department placed U.S. Customs and Border Protection ("CBP") data on the record and invited parties to comment on

¹ Petitioners are Archer Daniels Midland Company, Cargill, Incorporated, and Tate & Lyle Ingredients Americas LLC. See Letter from Petitioners to the Department, "Citric Acid and Certain Citrate Salts from the People's Republic of China / Request for Administrative Review," dated May 31, 2016.

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 44260, 44265 (July 7, 2016) ("*Initiation Notice*"). The Department notes that RZBC is listed as three separate companies in the *Initiation Notice*, as identified in the summary section of this memorandum.



the data for respondent selection purposes.³ No party submitted comments. On August 5, 2016, and August 8, 2016, Niran (Thailand) Co., Ltd. (“Niran”) and Niran Biochemical Limited (“Niran Biochemical”) submitted no shipment letters, respectively.⁴ Additionally, on August 8, 2016, RZBC submitted a separate rate certification.⁵ Based on our analysis of the CBP data, on August 25, 2016, the Department selected RZBC and Taihe as mandatory respondents.⁶

On August 26, 2016, the Department issued its non-market economy (“NME”) AD questionnaire to RZBC and Taihe. RZBC timely responded to the Department’s Section A portion of the questionnaire on September 28, 2016. Although Taihe received the Department’s AD questionnaire,⁷ it neither responded to any section of the questionnaire, nor did it provide a separate rate application or a statement of no shipments. On October 5, 2016, Petitioners withdrew their request for an AR of RZBC.⁸

III. PARTIAL RESCISSION

As stated above, Petitioners requested an AR of subject merchandise exported by 20 companies. Subsequently, on October 5, 2016, Petitioners timely withdrew their request for an AR of RZBC.⁹ No other party requested a review with respect to RZBC. Therefore, the Department, pursuant to 19 CFR 351.213(d)(1), is rescinding this AR with respect to RZBC.

IV. SCOPE OF THE ORDER

The scope of the order includes all grades and granulation sizes of citric acid, sodium citrate, and potassium citrate in their unblended forms, whether dry or in solution, and regardless of packaging type. The scope also includes blends of citric acid, sodium citrate, and potassium citrate; as well as blends with other ingredients, such as sugar, where the unblended form(s) of citric acid, sodium citrate, and potassium citrate constitute 40 percent or more, by weight, of the blend. The scope of the order also includes all forms of crude calcium citrate, including dicalcium citrate monohydrate, and tricalcium citrate tetrahydrate, which are intermediate

³ See Memorandum to the File from Krisha Hill, International Trade Analyst, AD/CVD Operations, Office IV, through Robert Bolling, Program Manager, AD/CVD Operations, Office IV, “Citric Acid and Certain Citrate Salts from the People’s Republic of China: Customs Data for Respondent Selection,” dated July 19, 2016.

⁴ See Letter from Niran to the Department, “Citric Acid and Certain Citrate Salts From the People’s Republic of China, Order No. A-570-937; No Shipments Certification of Niran (Thailand) Co., Ltd.,” dated August 5, 2016 (“Niran No Shipment Certification”); see also Letter from Niran Biochemical to the Department, “Citric Acid and Certain Citrate Salts From the People’s Republic of China; No Shipments Certification of Niran Biochemical Limited,” dated August 8, 2016 (“Niran Biochemical No Shipment Certification”).

⁵ See Letter from RZBC to the Department, “Citric Acid and Certain Citrate Salts from the People’s Republic of China: Separate Rate Certification,” dated August 8, 2016.

⁶ See Memorandum to Abdelali Elouaradia, Director, Office IV, AD/CVD Operations, from Krisha Hill, International Trade Analyst, AD/CVD Operations, Office IV, through Robert Bolling, Program Manager, AD/CVD Operations, Office IV, “Respondent Selection in the 2015-2016 Antidumping Duty Administrative Review of Citric Acid and Certain Citrate Salts from the People’s Republic of China,” dated August 25, 2016.

⁷ See Memorandum to the File from Krisha Hill, International Trade Analyst, AD/CVD Operations, Office IV, “FedEx Delivery Confirmation,” dated September 2, 2016.

⁸ See Letter from Petitioners to the Department, “Citric Acid and Certain Citrate Salts from The People’s Republic of China / Partial Withdrawal of Request for Administrative Review,” dated October 5, 2016 (“Petitioners’ Review Withdrawal”).

⁹ See Petitioners’ Review Withdrawal.

products in the production of citric acid, sodium citrate, and potassium citrate. The scope of the order does not include calcium citrate that satisfies the standards set forth in the United States Pharmacopeia and has been mixed with a functional excipient, such as dextrose or starch, where the excipient constitutes at least 2 percent, by weight, of the product. The scope of the order includes the hydrous and anhydrous forms of citric acid, the dihydrate and anhydrous forms of sodium citrate, otherwise known as citric acid sodium salt, and the monohydrate and monopotassium forms of potassium citrate. Sodium citrate also includes both trisodium citrate and monosodium citrate, which are also known as citric acid trisodium salt and citric acid monosodium salt, respectively. Citric acid and sodium citrate are classifiable under 2918.14.0000 and 2918.15.1000 of the Harmonized Tariff Schedule of the United States (“HTSUS”), respectively. Potassium citrate and crude calcium citrate are classifiable under 2918.15.5000 and 3824.90.9290 of the HTSUS, respectively. Blends that include citric acid, sodium citrate, and potassium citrate are classifiable under 3824.90.9290 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

V. DISCUSSION OF THE METHODOLOGY

A. *Non-Market Economy Country Status*

The Department considers the PRC to be an NME country.¹⁰ In accordance with section 771(18)(C)(i) of the Tariff Act of 1930, as amended (“the Act”), any determination that a country is an NME country shall remain in effect until revoked by the administering authority.¹¹ None of the parties to this proceeding contested NME treatment for the PRC. Therefore, for the preliminary results of this review, we treated the PRC as an NME country and applied our current NME methodology, in accordance with section 773(c) of the Act.

B. *PRC-wide Entity*

In the *Initiation Notice*, we informed parties of the opportunity to request a separate rate.¹² In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the NME country are subject to government control and, thus, should be assigned a single weighted-average dumping margin. It is the Department’s policy to assign all exporters of merchandise subject to an AR involving an NME country this single rate, unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. Companies that wanted to be considered for a separate rate in this review were required to timely file a separate rate application or a separate rate certification to

¹⁰ See, e.g., *Fresh Garlic from the People’s Republic of China: Preliminary Results of the 2009-2010 Antidumping Duty Administrative Review*, 76 FR 76375 (December 7, 2011), unchanged in *Fresh Garlic from the People’s Republic of China: Final Results of the 2009-2010 Administrative Review of the Antidumping Duty Order*, 77 FR 34346 (June 11, 2012).

¹¹ See *Brake Rotors from the People’s Republic of China: Preliminary Results and Partial Rescission of the 2004-2005 Administrative Review and Preliminary Notice of Intent to Rescind the 2004-2005 New Shipper Review*, 71 FR 26736 (May 8, 2006), unchanged in *Brake Rotors from the People’s Republic of China: Final Results and Partial Rescission of the 2004-2005 Administrative Review and Notice of Rescission of 2004-2005 New Shipper Review*, 71 FR 66304 (November 14, 2006).

¹² See *Initiation Notice*, 81 FR at 44261-44262.

demonstrate their eligibility for a separate rate. Separate rate applications and separate rate certifications were due to the Department within 30 calendar days of the publication of the *Initiation Notice*.

As noted in the background section above, although Taihe received the Department's AD questionnaire, it did not respond to any section of the questionnaire, nor did it provide either a separate rate certification or a statement of no shipments. Since Taihe did not respond to the questionnaire and did not provide separate rate information, it has not established its eligibility for separate rate status. Based on the above analysis, and consistent with the Department's current practice regarding conditional review of the PRC-wide entity,¹³ the Department preliminarily determines that Taihe is not eligible for a separate rate and is part of the PRC-wide entity.

In addition to Taihe, the following 14 companies listed in the *Initiation Notice* and, thus, subject to this AR, failed to provide separate rate applications or separate rate certifications necessary to establish their eligibility for separate rates. The Department preliminarily determines that these 14 companies are not eligible for separate rates and, thus, are part of the PRC-wide entity:

1. Anhui BBICA International Co., Ltd.
2. BCH Chemical International Limited
3. China Chem Source (HK) Co., Ltd.
4. COFCO Biochemical AnHui Co., Ltd.
5. Jiangsu Guoxin Union Energy Co., Ltd.
6. Kaifeng Chemical Co., Ltd.
7. Qingdao Chongzhi International
8. Qingdao Samin Chemical Co., Ltd.
9. Shanghai Fenhe International Co., Ltd.
10. Sunshine Biotech International Co., Ltd.
11. Tianjin Kaifeng Chemical Co., Ltd.
12. TTCA Co., Ltd.
13. Weifang Ensign Industry Co., Ltd.
14. Yixing-Union Biochemical Co., Ltd.

The PRC-wide entity will not be under review unless a party specifically requests, or the Department self-initiates, a review of the entity. Because no party requested a review of the PRC-wide entity, the entity is not under review and the entity's rate is not subject to change. Therefore, if our determination is unchanged in the final results, Taihe's entries, as well as those of the aforementioned 14 companies, will be liquidated at the rate previously established for the PRC-wide entity, which is 156.87 percent.¹⁴

¹³ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65970 (November 4, 2013).

¹⁴ See *Citric Acid and Certain Citrate Salts from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2013-2014*, 80 FR 77323, 77324 (December 14, 2015).

C. *No Shipment Certifications*

1. Niran
2. Niran Biochemical

The two companies listed above submitted certifications that they did not ship subject merchandise to the United States during the POR.¹⁵ The Department confirmed the companies' certifications of no shipment with CBP. As a result, we preliminarily determine that Niran and Niran Biochemical had no shipments during the POR. However, consistent with our practice, we intend to complete the review with respect to these companies and issue appropriate instructions to CBP based on the final results of this review.

VI. RECOMMENDATION

We recommend applying the above methodology for the preliminary results of review.



Agree

Disagree

1/31/2017

X *Ronald K. Lorentzen*

Signed by: RONALD LORENTZEN

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement & Compliance

¹⁵ See Niran Biochemical No Shipment Certification; see also Niran Biochemical No Shipment Certification.