DEPARTMENT OF COMMERCE

International Trade Administration

[C–201–846]

Countervailing Duty Suspension Agreement on Sugar From Mexico: Rescission of 2014–2015 and 2015–2016 Administrative Reviews

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

SUMMARY: On May 1, 2017, the Department notified the Government of Mexico (GOM) of its intent to terminate the Agreement Suspending the Antidumping Duty Investigation on sugar from Mexico (CVD Agreement) unless a new agreement was reached on or before June 5, 2017. The Department subsequently modified its notice of intent to terminate the CVD Agreement, stating its continued intent to terminate the CVD Agreement unless an amended agreement was reached on or before June 6, 2017. Because the Department intends to terminate the CVD Agreement, or, in the alternative, amend the CVD Agreement prior to the expiration of the termination period, the two ongoing administrative reviews of the original CVD Agreement are now moot, and the Department is rescinding both reviews.

DATES: Effective June 5, 2017.

FOR FURTHER INFORMATION CONTACT: Sally C. Gannon or David Cordell, Enforcement & Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230, telephone: (202) 482–0162 or (202) 482–0408.

SUPPLEMENTARY INFORMATION:

Background

Investigation and Issuance of the CVD Agreement

On April 17, 2014, the Department initiated a countervailing duty investigation under section 702 of the Tariff Act of 1930, as amended (the Act), to determine whether manufacturers, producers, or exporters of sugar from Mexico receive countervailable subsidies.[1] On August 25, 2014, the Department preliminarily determined that countervailable subsidies were being provided to producers and exporters of sugar from Mexico and aligned the final countervailing duty determination with the final antidumping duty determination.[2]

On December 19, 2014, the Department and the GOM signed the CVD Agreement, which suspended the CVD investigation.[3] The basis for this action was an agreement between the Department and the GOM, wherein the GOM agreed to restrict the volume of direct or indirect exports to the United States of sugar from all Mexican producers/exporters in order to eliminate completely the injurious effects of exports of this merchandise to the United States. The GOM also agreed not to provide any new or additional export or import substitution subsidies on the subject merchandise.

On January 8, 2015, Imperial Sugar Company (Imperial) and AmCane Sugar LLC (AmCane) each notified the Department that they had petitioned the International Trade Commission (ITC) to conduct a review of the CVD Agreement under section 704(h) of the Act to determine whether the injurious effects of the imports of the subject merchandise are eliminated completely by the CVD Agreement. On March 19, 2015, in a unanimous vote, the ITC found that the CVD Agreement eliminated completely the injurious effects of imports of sugar from Mexico.[4] As a result of the ITC's determination, the CVD Agreement remained in effect, and on March 27, 2015, the Department, in accordance with section 704(h)(3) of the Act, instructed U.S. Customs and Border Protection (CBP) to terminate the suspension of liquidation of all entries of sugar from Mexico and refund all cash deposits.

Notwithstanding issuance of the CVD Agreement, pursuant to requests by domestic interested parties, the Department continued its investigation and made an affirmative final determination that countervailable subsidies were being provided to exporters and producers of sugar from Mexico.[5] In its *Final Determination,* the Department calculated countervailable subsidy rates of 43.93 percent for Fondo de Empresas Expropiadas del Sector Azucarero (FEESA), 5.78 percent for Ingenio Tala S.A. de C.V. and certain affiliated sugar mills of Grupo Azucarero Mexico S.A. de C.V. (collectively, the GAM Group), and 38.11 percent for producers and exporters that were not individually investigated. The Department stated, in its *Final Determination,* that it would ''not instruct CBP to suspend liquidation or collect cash deposits calculated herein unless the {CVD}Suspension Agreement is terminated.'' [6] The ITC subsequently made an affirmative determination of material injury to an industry in the United States by reason of imports of sugar from Mexico.[7]

Reviews

On February 9, 2016, at the request of the American Sugar Coalition and its Members (ASC),[8] Imperial, and AmCane, the Department initiated an administrative review of the CVD Agreement to examine, pursuant to for the period of review from December 19, 2014 through November 30, 2015 [9] to examine the status of, and compliance with, the CVD Agreement,[10] as well as whether suspension of the CVD Agreement is in the ''public interest,'' including the availability of supplies of sugar in the U.S. market, and whether ''effective monitoring'' is practicable.[11] On December 5, 2016, the Department published its preliminary results of its administrative review of the CVD Agreement.[12] In its *Preliminary Results,* the Department determined that there is some indication that certain individual transactions of subject merchandise may

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[1] *See Sugar from Mexico: Initiation of Countervailing Duty Investigation,* 79 FR 22790 (April 24, 2014).

[2] *See Sugar from Mexico: Preliminary Affirmative Countervailing Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination,* 79 FR 51956 (September 2, 2014) (*Preliminary Determination*).

[3] *See Sugar From Mexico: Suspension of Countervailing Duty Investigation,* 79 FR 78044 (December 29, 2014).

[4] *See Sugar from Mexico; Determinations,* 80 FR 16426 (March 27, 2015).

[5] *See Sugar From Mexico: Continuation of Antidumping and Countervailing Duty Investigations,* 80 FR 25278 (May 4, 2015); *Sugar From Mexico: Final Affirmative Countervailing Duty Determination,* 80 FR 57337 (September 23, 2015) (*Final Determination*).

[6] *Final Determination,* 80 FR at 57338.

[7] *See Sugar From Mexico,* 80 FR 70833 (November 16, 2015) (*Final ITC Determination*).

[8] The members of the American Sugar Coalition are: American Sugar Cane League, American Sugarbeet Growers Association, American Sugar Refining, Inc., Florida Sugar Cane League, Rio Grande Valley Sugar Growers, Inc., Sugar Cane Growers Cooperative of Florida, and the United States Beet Sugar Association.

[9] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 81 FR 6832 (February 9, 2016) (2014–2015 Administrative Review). On March 16, 2016, the Department expanded the period of review for the CVD Agreement from December 19, 2014, through December 31, 2014, to include calendar year 2015. As such, the period of review for the instant review is December 19, 2014, through December 31, 2015. See Memorandum to Lynn Fischer Fox entitled ''First Administrative Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico: Extending the Period of Review'' (March 16, 2016).

[10] *See* section 751(a)(1)(C) of the Act.

[11] *See* section IV of the CVD Agreement.

[12] *See Suspension Agreement on Sugar From Mexico; Administrative Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar From Mexico,* 81 FR 87539 (December 5, 2016) (*Preliminary Results*).

not be in compliance with the terms of the CVD Agreement, and further, that the CVD Agreement may no longer be meeting all of the statutory requirements, as set forth in sections 704(c) and (d) of the Act.

On February 13, 2017, at the request of interested parties ASC, Imperial, and Zucarmex S.A. de C.V. (Zucarmex), the Department initiated an administrative review of the CVD Agreement for the period January 1, 2016 through December 31, 2016.[13]

On May 1, 2017, the Department notified the GOM of its intent to terminate the CVD Agreement pursuant to Section XI.B of the CVD Agreement, unless the parties reached agreement upon resolution of the outstanding issues with the current agreement on or before June 5, 2016.[14] On June 5, 2017, the Department notified the GOM that it was extending the period within which to reach an agreement until June 6, 2017.[15]

Scope of CVD Agreement

The product subject to the CVD Agreement is raw and refined sugar of all polarimeter readings derived from sugar cane or sugar beets. The covered merchandise is classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1010, 1701.99.1025, 1701.99.1050, 1701.99.5010, 1701.99.5025, 1701.99.5050, and 1702.90.4000.

See Appendix I for the full description of merchandise covered by the CVD Agreement.

Period of Administrative Reviews

The POR of the first administrative review is December 19, 2014 through December 31, 2015 and the POR of the second administrative review is January 1, 2016 through December 31, 2016.

Rescission of Administrative Reviews

The Department has indicated its intent to terminate the CVD Agreement, unless an amended agreement can be reached.[16] Accordingly, the questions of the status of, and compliance, with the CVD Agreement, whether suspension of the CVD Agreement is in the ''public interest,'' including the availability of supplies of sugar in the U.S. market, and whether ''effective monitoring'' is practicable have been rendered moot because either the CVD Agreement will be amended and suspension of the investigation will be continued with the Department's issuance of a final amendment to the CVD Agreement, or the CVD Agreement will be terminated, per the May 1, 2017 notice of intent to terminate, as modified by its June 5, 2017 letter.[17] Therefore, the Department is rescinding the 2014–2015 and 2015–2016 administrative reviews of the CVD Agreement.

Notification to Interested Parties

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this notice in accordance with sections 704(f), 751(a)(1) and 777(i)(1) of the Act.

Dated: June 6, 2017.

Ronald K. Lorentzen,

Acting Assistant Secretary for Enforcement and Compliance.

Appendix I: Scope of the CVD Agreement

The product covered by the CVD Agreement is raw and refined sugar of all polarimeter readings derived from sugar cane or sugar beets. The chemical sucrose gives sugar its essential character. Sucrose is a nonreducing disaccharide compo15)10sed of glucose and fructose linked by a glycosidic bond via their anomeric carbons. The molecular formula for sucrose is $C_{12}H_{22}O_{11}$; the International Union of Pure and Applied Chemistry (IUPAC) International Chemical Identifier (InChl) for sucrose is 1S/C12H22O11/c13-l-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-H2/t4-,5-,6-,7-,8+,9-,10+,11-,12+/m1/s1; the InChl 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 described in the previous paragraph includes products of all polarimeter readings described in various forms, such as raw sugar, estandar or standard sugar, high polarity or semi-refined sugar, special white sugar, refined sugar, brown sugar, edible molasses, desugaring molasses, organic raw sugar, and organic refined sugar. Other sugar products, such as powdered sugar, colored sugar, flavored sugar, and liquids and syrups that contain 95 percent or more sugar by dry weight are also within the scope of the order.

The scope of the order does not include (1) sugar imported under the Refined Sugar Re-Export Programs of the U.S. Department of Agriculture;[18] (2) sugar products produced in Mexico that contain 95 percent or more sugar by dry weight that originated outside of Mexico; (3) inedible molasses (other than inedible desugaring molasses noted above); (4) beverages; (5) candy; (6) certain specialty sugars; and (7) processed food products that contain sugar (*e.g.,* cereals). Specialty sugars excluded from the scope of the order are limited to the following: caramelized slab sugar candy, pearl sugar, rock candy, dragees for cooking and baking, fondant, golden syrup, and sugar decorations.

Merchandise covered by the CVD Agreement is typically imported under the following headings of the HTSUS: 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1010, 1701.99.1025, 1701.99.1050, 1701.99.5010, 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 the order is dispositive.

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–489–819]

Steel Concrete Reinforcing Bar From the Republic of Turkey: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2014

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

SUMMARY: The Department of Commerce (the Department) has completed its administrative review of the countervailing duty (CVD) order on steel concrete reinforcing bar (rebar) from the Republic of Turkey (Turkey). The period of review (POR) is September 15, 2014,

[13] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 82 FR 10457 (February 13, 2017) (2015–2016 Administrative Review).

[14] *See* Letter from Ronald Lorentzen to Aristeo Lopez, ''Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico'' (May 1, 2017) (May 1, 2017 letter).

[15] *See* Letter from Ronald Lorentzen to Aristeo Lopez, ''Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico'' (June 5, 2017) (June 5, 2017 letter).

[16] *See* May 1, 2017 letter, as modified by the June 5, 2017 letter.

[17] *See* May 1, 2017 Letter. Thus, if no amendment is finalized, the administrative reviews will be moot for the alternative reason that the CVD Agreement has been terminated.

[18] This exclusion applies to sugar imported under the Refined Sugar Re-Export Program, the Sugar-Containing Products Re-Export Program, and the Polyhydric Alcohol Program administered by the U.S. Department of Agriculture.