

## Discussion of the Issues

*Comment 1:* Whether the Department should revise its analysis with respect to Zhangshi's sales price and quantity.

*Comment 2:* Whether the Department should revise its analysis regarding Zhangshi's customer's resale of the subject merchandise.

*Comment 3:* Whether the Department should revise its analysis regarding Zhangshi's implementation of the terms of sale.

*Comment 4:* Whether the Department should revise its analysis regarding the circumstances surrounding Zhangshi's receipt of payment.

*Comment 5:* Whether the Department made procedural errors in conducting this review.

*Comment 6:* Whether Muiyun's sale was resold at a profit.

*Comment 7:* Whether the timing of Muiyun's sale was consistent with normal commercial practices.

*Comment 8:* Whether Muiyun's sale price was based on normal commercial considerations.

*Comment 9:* Whether the totality of the circumstances indicates that Muiyun's sale was *bona fide*.

## Recommendation

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## DEPARTMENT OF COMMERCE

## International Trade Administration

[A-357-818]

### Lemon Juice From Argentina: Continuation of Suspension of Antidumping Investigation

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

**DATES:** *Effective Date:* October 20, 2016.

**SUMMARY:** The Department of Commerce ("the Department") is continuing to suspend the antidumping duty investigation on lemon juice from Argentina. The basis for this action is an agreement between the Department and signatory producers/exporters accounting for substantially all imports of lemon juice from Argentina, wherein each signatory producer/exporter has agreed to revise its prices to eliminate completely the injurious effects of exports of the subject merchandise to the United States.

**FOR FURTHER INFORMATION CONTACT:**

Sally Craig Gannon or Julie Santoboni at (202) 482-0162 or (202) 482-3063, respectively; Bilateral Agreements Unit, Office of Policy, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW., Washington, DC 20230.

**SUPPLEMENTARY INFORMATION:****Background**

On September 10, 2007, the Department entered into an agreement with S.A. San Miguel A.G.I.C.I. y F., ("San Miguel") and Citrusvil, S.A., Argentine producers/exporters accounting for substantially all imports of lemon juice from Argentina. *See* Suspension of Antidumping Duty Investigation: Lemon Juice From Argentina, 72 FR 53991 (September 21, 2007) ("2007 Agreement"). On September 17, 2009, Citromax S.A.C.I. acceded to the 2007 Agreement. On July 11, 2014, La Moraleja, S.A. and Cooperativa de Productores Citricolas de Tafi Viejo ("COTA") acceded to the 2007 Agreement.

On April 28, 2016, the Department notified the interested parties and the International Trade Commission ("ITC") of the intent to suspend the investigation on Lemon Juice from Argentina pursuant to section 734(c) of the Tariff Act of 1930 ("the Act"). *See* April 28, 2016, letters from Sally C. Gannon to Interested Parties and Catherine DeFillipo, re "Lemon Juice from Argentina—Intent to Suspend Investigation Pursuant to Section 734(c) of the Act". On September 23, 2016, the Department and Argentine lemon juice growers/exporters accounting for substantially all lemon juice imported into the United States from Argentina initialed a proposed agreement pursuant to section 734(c) of the Act to suspend the antidumping investigation on lemon juice from Argentina. The Department released the proposed agreement and accompanying memorandum detailing the fulfillment of the statutory requirements to interested parties on September 23, 2016, and afforded them an opportunity to comment on the initialed agreement and the memorandum by September 30, 2016. *See* September 23, 2016, Memorandum from Sally C. Gannon to Interested Parties, re "Agreement Suspending the Antidumping Duty Investigation on Lemon Juice from Argentina". On September 26, 2016, in accordance with section 734(e)(2) of the Act, the Department consulted with the successor-in-interest to the petitioner, Ventura Coastal, LLC ("Ventura"),<sup>1</sup> and explained how the agreement will be carried out and enforced and how the agreement will meet the requirements of sections 734(c) and (d) of the Act. *See* September 29, 2016, Memorandum from Julie H. Santoboni to The File re

"Telephone Call with Counsel for Ventura Coastal".

On September 30, 2016, Ventura requested, and the Department granted, an extension of the deadline for submitting comments to October 3, 2016. *See* September 30, 2016, letter from Matthew T. McGrath, re: "Agreement Suspending the Antidumping Duty Investigation on Lemon Juice from Argentina: Extension Request" and September 30, 2016, letter from Sally C. Gannon to Matthew T. McGrath, re "Agreement Suspending the Antidumping Investigation on Lemon Juice from Argentina: Extension for Comments on Draft Agreement". We received comments from COTA, San Miguel and Ventura. *See* October 3, 2016, letter from Gregory S. Menegaz re: "Lemon Juice from Argentina COTA Comment Draft Suspension Agreement: Correction of Formal Name" ("COTA comments"); October 3, 2016, letter from Gregory J. Spak re: "Lemon Juice from Argentina Comments on Draft Suspension Agreement" ("San Miguel comments"); and, September 30, 2016 (filed October 3, 2016), letter from Matthew T. McGrath re: "Agreement Suspending the Antidumping Duty Investigation on Lemon Juice from Argentina: Comments on Proposed New Suspension Agreement". On October 11, 2016, we received additional comments from Ventura. *See* October 10, 2016, letter from Matthew T. McGrath re: "Agreement Suspending the Antidumping Duty Investigation on Lemon Juice from Argentina: Additional Comments on Proposed New Suspension Agreement" ("Ventura additional comments").

The Department examined the comments and incorporated changes in the agreement text and statutory memorandum, where appropriate, to address those comments. Specifically, in its comments, in response to COTA's comments we revised the company's name to reflect the full legal name of the company, Cooperativa de Productores Citricolas de Tafi Viejo, Agricola, de Transformacion y Comercializacion Limitada, however we note that COTA also uses the name Cooperativa de Productores Citricolas de Tafi Viejo in the ordinary course of business. *See* COTA comments. In response to Ventura's comments, the definition of 'reference price' was revised to clarify that the price applies to the price of exports to the United States. Section VII.A.3 of the 2016 Suspension Agreement was revised to reflect that the quarterly Argentine customs data will reflect shipments, rather than sales data. In San Miguel's comments it requested that the Department expedite

<sup>1</sup> *See* Lemon Juice From Argentina: Final Results of the Expedited First Sunset Review of the Suspended Antidumping Duty Investigation, 77 FR 73021 (Dec. 7, 2012).

the signature and entry into force of the new suspension agreement. In Ventura's additional comments it waived the remainder of the 30 day consultation period allotted under Section 734(e)(1) of the Act.

On October 20, 2016, the Department signed a new suspension agreement ("2016 Suspension Agreement") with substantially all growers/exporters of lemon juice from Argentina. The 2016 Suspension Agreement is attached to this notice of Continuation of Suspension of Antidumping Investigation. By agreement of the Department and each signatory producer/exporter, the 2007 Agreement shall cease to have force or effect as of the Effective Date of this Agreement.

#### Scope of Agreement

See Section I, Product Coverage, of the 2016 Suspension Agreement.

#### Continuation of Suspension of Investigation

The Department consulted with the Argentine lemon juice producers/exporters and Ventura, the successor in interest to the petitioner, and has considered the comments submitted by interested parties with respect to the proposal to suspend the antidumping investigation. In accordance with section 734(c) and (d) of the Act, we have determined that extraordinary circumstances are present in this case, as defined by section 734(c)(2)(A) of the Act. See the memorandum titled "Agreement Suspending the Antidumping Duty Investigation on Argentine Lemon Juice from Argentina: Statutory Requirements" from Lynn Fischer Fox, Deputy Assistant Secretary for Policy and Negotiations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, dated October 20, 2016 ("Statutory Requirements Memorandum").

The 2016 Suspension Agreement provides, in accordance with 734(c)(1) of the Act, that the subject merchandise will be sold for export to the United States at or above the established reference price and, for each entry of each exporter, the amount by which the estimated normal value exceeds the export price (or constructed export price) will not exceed 15 percent of the weighted-average amount by which the estimated normal value exceeded the export price (or constructed export price) for all less-than-fair-value entries of the producer/exporter examined during the course of the investigation. We have determined that the 2016 Suspension Agreement will eliminate completely the injurious effect of exports to the United States of the

subject merchandise and prevent the suppression or undercutting of price levels of domestic lemon juice by imports of that merchandise from Argentina, as required by section 734(c)(1) of the Act. See Statutory Requirements Memorandum.

We have also determined that the 2016 Suspension Agreement is in the public interest and can be monitored effectively, as required under section 734(d) of the Act. See Statutory Requirements Memorandum.

For the reasons outlined above, we find that the 2016 Suspension Agreement meets the criteria of sections 734(c) and (d) of the Act.

The terms and conditions of this 2016 Suspension Agreement, signed on October 20, 2016, are set forth in the 2016 Suspension Agreement, which is attached to this notice.

#### Suspension of Liquidation

Pursuant to section 734(f)(2)(A) of the Act, upon acceptance of the 2007 Agreement the Department terminated the suspension of liquidation of all entries of lemon juice from Argentina. However, because the 2016 Suspension Agreement is made pursuant to section 734(c) of the Act, the suspension of liquidation of all entries of lemon juice from Argentina is hereby resumed. See section 734(f)(2)(B) of the Act.

Within 20 days after the publication of this notice in the **Federal Register**, certain interested parties may, by a petition filed with the ITC and with notice given to the Department, ask for a review of the 2016 Suspension Agreement. See section 734(h)(1) of the Act. If no review is requested, the suspension of liquidation will be terminated at the close of the 20-day period. If a review is requested and the ITC determines that the injurious effects of imports of lemon juice from Argentina have been eliminated completely by the agreement, the suspension of liquidation will be terminated on the date that determination is published. If a review is requested and the ITC instead determines that the injurious effects of imports of lemon juice from Argentina have not been eliminated completely by the agreement, pursuant to section 734(h)(2) of the Act, then the investigation shall resume. If the investigation resumes, the suspension of liquidation shall continue as though the publication date of ITC's determination pursuant to section 734(h)(2) of the Act were the publication date of an affirmative preliminary determination pursuant to section 733(b) of the Act.

The suspension of liquidation was ordered in the preliminary affirmative

determination in this case published on April 26, 2007. See Lemon Juice from Argentina: Preliminary Determination of Sales at Less Than Fair Value and Preliminary Determination of Critical Circumstances, 72 FR 20820 (April 26, 2007) ("Preliminary Determination"). Section 734(f)(2)(B) of the Act provides that the Department may adjust the security required to reflect the effect of the 2016 Suspension Agreement. The Department has found that the 2016 Suspension Agreement eliminates completely the injurious effects of the subject imports and, thus, the Department is adjusting the security required from signatories to zero. The security rates in effect for imports from non-signatories remain as published in the Preliminary Determination.

#### International Trade Commission

In accordance with section 734(f) of the Act, the Department has notified the ITC of the 2016 Suspension Agreement.

#### Administrative Protective Order Access

The Administrative Protective Order ("APO") the Department granted in the investigation segment of this proceeding remains in place. While the investigation is suspended, parties subject to the APO may retain, but may not use, information received under that APO. All parties wishing access to business proprietary information submitted during the administration of the 2016 Suspension Agreement must submit new APO applications in accordance with the Department's regulations currently in effect. See section 777(c)(1) of the Act; 19 CFR 351.103, 351.304, 351.305, and 351.306. An APO for the administration of the 2016 Suspension Agreement will be placed on the record within five days of the date of publication of this notice in the **Federal Register**. This notice also serves as a reminder to parties subject to the APO for the 2007 Agreement of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this notice in accordance with section 734(f)(1)(A) of the Act and 19 CFR 351.208(g)(2).

Dated: October 20, 2016.

**Ronald K. Lorentzen,**

*Acting Assistant Secretary for Enforcement and Compliance.*

Attachment

**AGREEMENT SUSPENDING THE ANTIDUMPING DUTY INVESTIGATION ON LEMON JUICE FROM ARGENTINA**

Pursuant to section 734(c) of the Tariff Act of 1930, as amended (the Act) and 19 C.F.R. § 351.208 (the Regulations), and in satisfaction of the requirements of those provisions, the U.S. Department of Commerce (the Department) and the signatory producers and exporters of Lemon Juice from Argentina (the Signatories) have entered into this agreement suspending the antidumping duty investigation of Lemon Juice (defined below) from Argentina (Agreement). As of the Effective Date (defined below), this Agreement supersedes the suspension agreement entered into by the Department and Argentine producers and exporters on September 10, 2007.

**I. PRODUCT COVERAGE**

The product covered by this Agreement is lemon juice for further manufacture, with or without addition of preservatives, sugar, or other sweeteners, regardless of the GPL (grams per liter of citric acid) level of concentration, brix level, brix/acid ratio, pulp content, clarity, grade, horticulture method (e.g., organic or not), processed form (e.g., frozen or not-from-concentrate), FDA standard of identity, the size of the container in which packed, or the method of packing.

Excluded from the scope are: (1) Lemon juice at any level of concentration packed in retail-sized containers ready for sale to consumers, typically at a level of concentration of 48 GPL; and (2) beverage products such as lemonade that typically contain 20% or less lemon juice as an ingredient.

Lemon juice is classifiable under subheadings 2009.39.6020, 2009.31.6020, 2009.31.4000, 2009.31.6040, and 2009.39.6040 of the Harmonized Tariff Schedule of the United States (HTSUS). While HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this Agreement is dispositive.

**II. DEFINITIONS**

For purposes of this Agreement, the following definitions apply:

A. “Anniversary Month” means the month in which the Agreement becomes effective.

B. “Argentina” means the customs territory of the Republic of Argentina and foreign trade zones located within the territory of Argentina.

C. “Date of Export” means the date on which the product is exported from Argentina to the United States.

D. “Effective Date” means the date on which the Department and the signatory producers/exporters sign the Agreement.

E. “Interested Party” means any person or entity that meets the definitions provided in section 771(9) of the Act.

F. “Lemon Juice” means the product described in Section I, “Product Coverage,” of the Agreement.

G. “Reference Price” means the minimum price at which merchandise subject to this Agreement can be sold to the United States.

H. “Substantially all” of the subject merchandise means producers and exporters that have accounted for not less than 85 percent by value or volume of the subject merchandise.

I. “United States” means the customs territory of the United States of America (the 50 States, the District of Columbia and Puerto Rico) and foreign trade zones located within the territory of the United States.

J. “Violation” means noncompliance with the terms of this Agreement, whether through an act or omission, except for noncompliance that is inconsequential or inadvertent, and does not substantially frustrate the purposes of this Agreement. Examples of a Violation include: 1) sales that are at net prices (after rebates, back-billing, discounts, and other claims) that are below the Reference Prices; 2) any act, practice or omission which would have the effect of hiding the real price of the Lemon Juice being sold; and 3) any other Violation or breach, as determined by the Department.

Any term or phrase not defined by this section shall be defined using either a definition provided in the Act for that term or phrase, or the plain meaning of that term, as appropriate.

**III. SUSPENSION OF INVESTIGATION**

On September 10, 2007, the Department entered into an agreement with S.A. San Miguel A.G.I.C. y F. and Citrusvil, S.A., which suspended the antidumping duty investigation on Lemon Juice from Argentina. *See Suspension of Antidumping Duty Investigation: Lemon Juice From Argentina*, 72 FR 53991 (September 21, 2007) (2007 Agreement). On September 17, 2009, Citromax S.A.C.I. acceded to the 2007 Agreement. *See Accession to the Agreement Suspending the*

*Antidumping Duty Investigation on Lemon Juice From Argentina* (September 17, 2009). On July 11, 2014, La Moraleja S.A. and Cooperativa de Productores Citricolas de Tafi Viejo acceded to the 2007 Agreement. *See Accessions to the Agreement Suspending the Antidumping Duty Investigation on Lemon Juice From Argentina* (July 11, 2014). In 2015, the Argentine signatories to the 2007 Agreement indicated a preference to enter into a suspension agreement pursuant to section 734(c) of the Act. Effective October 20, 2016, in accordance with section 734(c) of the Act and 19 C.F.R. § 351.208, this Agreement supersedes the 2007 Agreement. By agreement of the Department and the Signatories, the 2007 Agreement shall cease to have force or effect as of the Effective Date of this Agreement. On the basis of this Agreement, the Department shall continue to suspend its antidumping investigation with respect to Lemon Juice from Argentina, subject to the terms and provisions set forth herein.

**IV. U.S. IMPORT COVERAGE**

In accordance with section 734(c)(1) of the Act, the Signatories are the producers and exporters in Argentina which account for substantially all of the subject merchandise imported into the United States. The Department may at any time during the period of the Agreement require additional producers and exporters in Argentina to sign the Agreement to ensure that not less than substantially all imports into the United States are subject to this Agreement.

**V. STATUTORY CONDITIONS FOR THE AGREEMENT**

The Department has determined that the statutory conditions for suspension of the investigation have been met. In accordance with section 734(c) of the Act, the Department determines that extraordinary circumstances are present because suspension of the investigation will be more beneficial to the domestic industry than continuation of the investigation and the investigation is complex within the meaning of section 734(c)(2)(B); that the Agreement constitutes an agreement to revise prices from exporters of the subject merchandise who account for substantially all of the imports of subject merchandise into the United States; that the Agreement will eliminate completely the injurious effect of exports to the United States of subject merchandise; that the suppression or undercutting of price levels of domestic products by imports of subject merchandise will be prevented; and that

for each entry of each exporter the amount by which the estimated normal value exceeds the export price (or the constructed export price) will not exceed 15 percent of the weighted average amount by which the estimated normal value exceeded the export price (or the constructed export price) for all less-than-fair-value entries of the exporter examined during the course of the investigation. In accordance with section 734(d) of the Act, the Department also determines that it is satisfied that suspension of the investigation is in the public interest and effective monitoring of the Agreement is practicable.

## VI. PRICE UNDERTAKING

Each Signatory individually agrees that, to prevent price suppression or undercutting, it will not sell for export to the United States, on or after the Effective Date, Lemon Juice at prices that are less than the Reference Prices established in Appendix 1.

Each Signatory individually agrees that for each entry of Lemon Juice subject to this Agreement, the amount by which the estimated normal value exceeds the export price (or the constructed export price) will not exceed 15 percent of the weighted average amount by which the estimated normal value exceeded the export price (or the constructed export price) for all less-than-fair-value entries of the producer/exporter examined during the investigation, in accordance with the Act and the Department's regulations and procedures, including but not limited to the calculation methodologies described in Appendix II of this Agreement.

## VII. MONITORING OF THE AGREEMENT

### A. Import Monitoring

1. The Department will monitor entries of Lemon Juice from Argentina to ensure compliance with section VI of this Agreement.

2. The Department will review publicly-available data and other official import data, including, as appropriate, records maintained by U.S. Customs and Border Protection (CBP), to determine whether there have been imports that are inconsistent with the provisions of this Agreement.

3. Not later than thirty days after the end of each quarter, the Signatories, collectively, will submit Argentine customs data for the most recently completed quarter. These data will include the quantity and value of shipments for all exporters of Lemon Juice during the most recently completed quarter.

### B. Compliance Monitoring

1. The Department may require, and each Signatory agrees to provide confirmation through documentation provided to the Department, that the price received on any sale subject to this Agreement was not less than the established Reference Prices. The Department may require that such documentation be provided and be subject to verification.

2. The Department may require, and each Signatory agrees to report in the prescribed format and using the prescribed method of data compilation, each sale of Lemon Juice, either directly or indirectly to unrelated purchasers in the United States, including each adjustment applicable to each sale, as specified by the Department. The information to be reported may include, for example, F.O.B. sales value, unit price, date of sale, sales order number(s), importer of record, trading company, customer, customer relationship, destination, as well as any other information deemed by the Department to be relevant. Each Signatory agrees to permit review and on-site inspection of all information deemed necessary by the Department to verify the reported information.

3. The Department may initiate administrative reviews under section 751(a) of the Act in the month immediately following the Anniversary Month, upon request or upon its own initiative, to ensure that exports of Lemon Juice from Argentina satisfy the requirements of sections 734(c)(1)(A) and (B) of the Act. The Department may conduct administrative reviews under sections 751(b) and (c), and 781 of the Act, as appropriate. The Department may perform verifications pursuant to administrative reviews conducted under section 751 of the Act.

4. At any time it deems appropriate, and without prior notice, the Department may conduct verifications of persons or entities handling Signatory merchandise to determine whether they are selling Signatory merchandise in accordance with the terms of this Agreement. The Department may also conduct verifications at locations and times it deems appropriate to ensure compliance with the terms of this Agreement.

### C. Shipping and Other Arrangements

1. All reference prices will be expressed in U.S. \$/Gallon in accordance with Appendix I of this Agreement. All reference prices are F.O.B. Buenos Aires, Argentina.

2. Signatories agree not to take any action that would circumvent or

otherwise evade, or defeat the purpose of, this Agreement. Signatories agree to undertake any measures that will help to prevent circumvention.

3. Not later than thirty days after the end of each quarter, each Signatory will submit a written statement to the Department certifying that all sales during the most recently completed quarter were at net prices (after rebates, back billing, discounts for quality and other claims) at or above the Reference Prices in effect and were not part of, or related to, any act or practice which would have the effect of hiding the real price of the Lemon Juice being sold. Further, each Signatory will certify in this same statement that all sales made during the relevant quarter were not part of or related to any bundling arrangement, discounts/free goods/financing package, end-of-year rebates, swap, or other exchange where such arrangement is designed to circumvent the basis of the Agreement. Each Signatory will also include the quantity and value of sales, by product type, and, separately, of shipments, by product type, during the most recently completed quarter. Each Signatory that did not export Lemon Juice to the United States during any given quarter will submit a written statement to the Department certifying that it made no sales to the United States during the most recently completed quarter. Each Signatory agrees to permit full verification of its certification as the Department deems necessary. Failure to provide a quarterly certification may be considered a Violation of the Agreement.

### D. Rejection of Submissions

The Department may reject: (1) any information submitted after the deadlines set forth in this Agreement; (2) any submission that does not comply with the filing, format, translation, service, and certification of documents requirements under 19 C.F.R. § 351.303; (3) submissions that do not comply with the procedures for establishing business proprietary treatment under 19 C.F.R. § 351.304; and (4) submissions that do not comply with any other applicable regulations, as appropriate. If information is not submitted in a complete and timely fashion or is not fully verifiable, the Department may use facts otherwise available for the basis of its decision, as it determines appropriate, consistent with section 776 of the Act.

## E. Consultations

### 1. Compliance Consultations

a. When the Department identifies, through import or compliance monitoring or otherwise, that sales may have been made at prices inconsistent with section VI of this Agreement, or that the sales may be otherwise in circumvention of this Agreement, the Department will notify each Signatory which it believes is responsible or, if applicable, notify the Signatory's representative. The Department will consult with each such party for a period of up to 60 days to establish a factual basis regarding sales that may be inconsistent with section VI of this Agreement.

b. During the consultation period, the Department will examine any information that it develops or which is submitted, including information requested by the Department under any provision of this Agreement.

c. If the Department is not satisfied at the conclusion of the consultation period that sales by such Signatory are being made in compliance with section VI of this Agreement, or that the sales are not circumventing this Agreement, the Department may evaluate under section 351.209 of its regulations, or section 751 of the Act whether this Agreement is being violated, as defined in section VIII of this Agreement, by such Signatory.

d. These compliance consultation provisions do not limit the Department's ability to make an immediate determination under 351.209(b) of its regulations when it determines that a signatory has violated the suspension agreement.

If the Department concludes that sales by a Signatory have been made at prices inconsistent with section VI of this Agreement, or that sales are circumventing the Agreement, the Department shall take action, as warranted. *See, e.g.*, 351.209 of the Department's regulations. The provisions of this section do not supersede the provisions of paragraphs VIII.A–VIII.C if the Department determines that the sales were made at prices inconsistent with section VI of this Agreement.

### 2. Operations Consultations

a. The Department will consult with the Signatories regarding the operation of this Agreement. A party to the Agreement may request such consultations, as necessary.

b. Notwithstanding the previous paragraph, the parties may agree to revise the Reference Prices subject to consultations.

## VIII. VIOLATIONS

A. If the Department determines that a Violation of the Agreement has occurred or that the Agreement no longer meets the requirements of section 734(c) or (d) of the Act, the Department shall take whatever action it deems appropriate under section 734(i) of the Act and the Regulations.

B. Pursuant to section 734(i) of the Act, the Department will refer to CBP any Violations of the Agreement that appear to be intentional. *See also* 19 C.F.R. § 351.209(b)(4). Any person who intentionally commits a Violation of the Agreement shall be subject to a civil penalty assessed in the same amount, in the same manner, and under the same procedures as the penalty imposed for a fraudulent violation of section 592(a) of the Act. A fraudulent violation of section 592(a) of the Act is punishable by a civil penalty in an amount not to exceed the domestic value of the merchandise. For purposes of the Agreement, the domestic value of the merchandise will be deemed to be not less than the quantity multiplied by the Reference Price, as the Signatories agree to not sell the subject merchandise at prices that are less than the Reference Price and to ensure that sales of the subject merchandise are made consistent with the terms of the Agreement.

C. In addition, the Department will examine the activities of Signatories and any other party to a sale subject to the Agreement to determine whether any activities conducted by any party aided or abetted another party's Violation of the Agreement. If any such parties are found to have aided or abetted another party's Violation of the Agreement, they shall be subject to the same civil penalties described in section VIII.B above. Signatories to this Agreement consent to release of all information presented to or obtained by the Department during the conduct of investigations involving CBP.

## IX. DISCLOSURE AND COMMENT

This section provides the terms for disclosure and comment following consultations or during segments of the proceeding not involving a review under section 751 of the Act.

A. The Department may make available to representatives of each Interested Party, pursuant to and consistent with 19 C.F.R. §§ 351.304–351.306, any business proprietary information submitted to and/or collected by the Department pursuant to section VII of this Agreement, as well as the results of the Department's analysis of that information.

B. If the Department proposes to revise the Reference Price(s) as a result of consultations under this Agreement, the Department will disclose the preliminary Reference Price(s), including any calculation methodology, not less than 30 days before the date on which the price(s) would become final and effective.

C. Interested Parties shall file all communications and other submissions made pursuant to section VII or other sections of the Agreement via the Department's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS), which is available to registered users at <https://access.trade.gov> and to all parties at the following address: U.S. Department of Commerce Central Records Unit, Room B8024 1401 Constitution Ave., NW Washington, DC 20230

Such communications and submissions shall be filed consistent with the requirements provided in 19 C.F.R. § 351.303.

## X. OTHER PROVISIONS

A. Upon request, the Department will advise any Signatory of the Department's methodology for calculating its export price (or constructed export price) and normal value in accordance with the Act and the Department's regulations and procedures, including but not limited to, the calculation methodologies described in Appendix II of this Agreement.

B. By entering into this Agreement, the Signatories do not admit that any sales of Lemon Juice have been made at less than fair value or that imports of Lemon Juice from Argentina have caused injury to the producers of Lemon Juice in the United States.

## XI. DURATION

A. This Agreement has no scheduled termination date. Termination of the suspended investigation shall be considered in accordance with the five-year review provisions of section 751(c) of the Act, and section 351.218 of the Department's regulations.

B. An individual Signatory may withdraw from this Agreement at any time. The Signatory's withdrawal shall be effective no later than 60 days after the date written notice of withdrawal is provided to the Department.

C. The Signatories, collectively, or the Department may terminate this Agreement at any time. Termination of the Agreement shall be effective no later than 60 days after the date written notice of termination is provided to the

Department or the Signatories, respectively.

D. Upon termination, the Department shall follow the procedures outlined in section 734(i)(1) of the Act. *See also* 19 C.F.R. § 351.209.

**For U.S. Department of Commerce:**

Ronald K. Lorentzen  
Acting Assistant Secretary Enforcement and Compliance  
U.S. Department of Commerce

Date

**For the Argentine Exporters:**

Jessica Lynd  
Counsel for Argenti Lemon S.A.; F.G.F. Trapani S.R.; Latin Lemon S.R.L.; Ledesma S.A.A.I.; and S.A. San Miguel A.G.I.C.I. y F.

Date

Judith Lynn Holdsworth  
Counsel for Citrusvil S.A.; Cooperativa de Productores Citricolas de Tafi Viejo, Agricola, de Transformacion y Comercializacion Limitada; and La Moraleja S.A.

Date

Kierstan Carlson  
Counsel for Citromax S.A.C.I.

Date

**Appendix I—Agreement Suspending the Antidumping Duty Investigation on Lemon Juice from Argentina: Reference Prices**

Consistent with the requirements of section 734 (c) of the Act, to eliminate completely the injurious effect of exports to the United States and to prevent the suppression or undercutting of price levels of domestic lemon juice, the reference prices are as follows:

Lemon juice type	Reference price U.S. dollars per gallon (FOB Buenos Aires, Argentina) <sup>1</sup>				
	Characteristics of frozen concentrated juice	Frozen concentrated juice at 400 GPL	Frozen concentrated juice at 200 GPL	Frozen concentrated juice at 300 GPL	Frozen concentrated juice at 500 GPL
Clear .....	<i>Conversion Factors</i> .....	.....	200/400	300/400	500/400
Cloudy .....	Less than 0.5% pulp .....	13.27	6.64	9.95	16.58
	0.5% pulp or greater .....	12.48	6.24	9.36	15.60

**Appendix II—Agreement Suspending the Antidumping Duty Investigation on Lemon Juice From Argentina: Analysis of Prices at Less Than Fair Value**

**A. Normal Value**

The cost or price information reported to the Department that will form the basis of the normal value (NV) calculations for purposes of the Agreement must be comprehensive in nature and based on a reliable accounting system (e.g., a system based on well-established standards and that can be tied either to the audited financial statements or to the tax return filed with the Argentinian government).

**1. Based on Sales Prices in the Comparison Market**

When the Department bases normal value on sales prices, such prices will be the prices at which the foreign like product is first sold

<sup>1</sup> The reference prices specified above are for all sales of Lemon Juice at the specified GPL, regardless of horticultural method (i.e., whether organic or not).

Additional conversion factors and product types may be added to the Agreement. Signatories may request that the Department add a new conversion factor or product type by filing a written public request on the official record of the Agreement. Within ten days of the filing of the request, interested parties may comment on the requested additional conversion factor or product types, including the appropriate reference price that should apply to a new product type. The Department will consider such requests for new conversion factors or product types and issue a determination in a timely manner. Additional conversion factors or product types would apply to sales by all Signatories going forward.

The Reference Prices will remain in effect until changed. In accordance with section VII.E.2.b of the Agreement, the Reference Prices may be revised. No revision will be considered before October 1, 2017.

for consumption in the comparison market in the usual commercial quantities and in the ordinary course of trade. Also, to the extent practicable, the comparison shall be made at the same level of trade as the export price (EP) or constructed export price (CEP).

Calculation of NV:

- Gross Unit Price
- ± Billing Adjustments
- Movement Expenses
- Discounts and Rebates
- Direct Selling Expenses
- Commissions
- Home Market Packing Expenses
- = Normal Value (NV)

**2. Constructed Value**

When normal value is based on constructed value, the Department will compute constructed values (CVs), as appropriate, based on the sum of each respondent's costs, plus amounts for selling, general and administrative expenses (SG&A), U.S. packing costs, and profit. The Department will collect this cost data in order to determine the accurate per-unit CV.

- Calculation of CV:
- + Direct Materials
- + Direct Labor
- + Factory overhead
- = Cost of Manufacturing
- + Home Market SG&A \*
- = Cost of Production
- + U.S. Packing
- + Profit \*
- = Constructed Value (CV)

\* SG&A and profit are based on home-market sales of the foreign like product made in the ordinary course of trade. SG&A includes financing but not movement expenses.

**B. Export Price and Constructed Export Price**

EP and CEP refer to the two types of calculated prices for merchandise imported into the United States. Both EP and CEP are based on the price at which the subject merchandise is first sold to a person not affiliated with the foreign producer or exporter.

Calculation of EP:

- Gross Unit Price
- Movement Expenses
- Discounts and Rebates
- ± Billing Adjustments
- + Packing Expenses
- + Rebated Import Duties
- = Export Price (EP)

Calculation of CEP:

- Gross Unit Price
- Movement Expenses
- Discounts and Rebates
- ± Billing Adjustments
- Direct Selling Expenses
- Indirect Selling Expenses that relate to commercial activity in the United States
- The cost of any further manufacture or assembly incurred in the United States
- CEP Profit
- + Rebated Import Duties
- Commissions
- = Constructed Export Price (CEP)

**C. Fair Comparisons**

To ensure that a fair comparison with EP or CEP is made, the Department will make adjustments to normal value. The Department will adjust for physical differences between the merchandise sold in the United States and the merchandise sold in the home market. For EP sales, the Department will add in U.S. direct selling

expenses, U.S. commissions<sup>2</sup> and packing expenses. For CEP sales, the Department will subtract the amount of the CEP offset, if warranted, and add in U.S. packing expenses.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-469-805]

#### Stainless Steel Bar From Spain: Initiation and Preliminary Results of Changed Circumstances Review

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

**SUMMARY:** The Department of Commerce (the Department) is initiating a changed circumstances review of the antidumping duty order on stainless steel bar (SSB) from Spain with respect to Sidenor Aceros Especiales S.L. Based on the information on the record, we preliminarily determine that Sidenor Aceros Especiales S.L. is the successor-in-interest to Gerdau Aceros Especiales Europa for purposes of determining antidumping duty liability. We invite interested parties to comment on these preliminary results.

**DATES:** Effective October 26, 2016.

**FOR FURTHER INFORMATION CONTACT:** Michael A. Romani, 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) 482-0198.

#### SUPPLEMENTARY INFORMATION:

##### Background

The Department published the antidumping duty order on SSB from Spain on March 2, 1995.<sup>1</sup> In its September 6, 2016, request for a changed circumstances review, Sidenor Aceros Especiales S.L. (Sidenor), informed the Department that, effective May 20, 2016, the following occurred: (1) Gerdau S.A., the Brazilian owner of Gerdau Holdings Europa S.A.U., including its Spanish subsidiary company Gerdau Aceros Especiales Europa, S.L. (Gerdau), sold its European holdings to Clerbil S.L.; and (2) Clerbil S.L. renamed Gerdau Holdings Europa S.A.U. to be Sidenor Holdings Europa

S.A.U., and Gerdau Aceros Especiales Europa, S.L., to be Sidenor Aceros Especiales S.L. leaving its operations mostly unchanged.<sup>2</sup> Gerdau is a respondent in the ongoing administrative review of the antidumping duty order on SSB from Spain covering the period March 1, 2015, through February 29, 2016.<sup>3</sup> Because this changed circumstances review was requested for an effective date after the POR of the ongoing administrative review, it does not have any bearing on that review.<sup>4</sup> Citing section 751(b) of the Act, and 19 CFR 351.216 Sidenor, requested that the Department initiate a changed circumstances review and determine that Sidenor Aceros Especiales S.L., is the successor-in-interest to Gerdau. Sidenor also requested that the Department issue the initiation and preliminary results as a single notice, pursuant to 19 CFR 351.221(c)(ii).

##### Scope of the Order

The merchandise subject to the order is SSB. The term SSB with respect to the order means articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons or other convex polygons. SSB includes cold-finished SSBs that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process. Except as specified above, the term does not include stainless steel semi-finished products, cut-length flat-rolled products (*i.e.*, cut-length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes and sections.

<sup>2</sup> See Sidenor's Letter to the Secretary of Commerce, entitled, "Stainless Steel Bar from Spain: Sidenor request for changed-circumstances review," dated September 22, 2016, (Sidenor Request) at 3-6.

<sup>3</sup> See *Initiation of Antidumping Duty and Countervailing Duty Administrative Reviews*, 81 FR 26203 (May 2, 2016).

<sup>4</sup> *Id.*

The SSB subject to the order is currently classifiable under subheadings 7222.10.00, 7222.11.00, 7222.19.00, 7222.20.00, 7222.30.00 of the Harmonized Tariff Schedule of the United States (HTSUS).

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.<sup>5</sup>

##### Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.216(d), the Department will conduct a changed circumstances review upon receipt of a request from an interested party or receipt of information concerning an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order. Based on the request from Sidenor, and in accordance with section 751(b)(1) of Act and 19 CFR 351.216(b), we are initiating a changed circumstances review to determine whether Sidenor is the successor-in-interest to Gerdau. The Department's regulations at section 351.221(c)(3)(ii) instruct that, if we conclude that an expedited action is warranted, we may combine the notices of initiation and preliminary results of a changed circumstances review. In this instance, because we have the information necessary on the record to make a preliminary finding, we find that an expedited action is warranted and are combining the notices of initiation and preliminary results.

##### Preliminary Results of Expedited Changed Circumstances Review

In making a successor-in-interest determination, the Department examines several factors including, but not limited to, changes in management, production facilities, supplier relationships, and customer base.<sup>6</sup> While no single factor or combination of these factors will necessarily provide a

<sup>5</sup> The HTSUS numbers provided in the scope changed since the publication of the order. See *Amended Final Determination and Antidumping Duty Order: Stainless Steel Bar From Spain*, 60 FR 11656 (March 2, 1995).

<sup>6</sup> See, e.g., *Pressure Sensitive Plastic Tape from Italy: Preliminary Results of Antidumping Duty Changed Circumstances Review*, 75 FR 8925 (February 26, 2010), unchanged in *Pressure Sensitive Plastic Tape From Italy: Final Results of Antidumping Duty Changed Circumstances Review*, 75 FR 27706 (May 18, 2010); and *Brake Rotors From the People's Republic of China: Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 70 FR 69941 (November 18, 2005) (*Brake Rotors*), citing *Brass Sheet and Strip from Canada: Final Results of Antidumping Duty Administrative Review*, 57 FR 20460 (May 13, 1992).

<sup>2</sup> If there are not commissions in both markets, then the Department will apply a commission offset. See, e.g., 19 C.F.R. § 351.410(e).

<sup>1</sup> See *Amended Final Determination and Antidumping Duty Order: Stainless Steel Bar From Spain*, 60 FR 11656 (March 2, 1995).