

procedures, including but not limited to, the calculation methodologies described in Appendix II of this Agreement.

B. By entering into the Agreement, the Signatories do not admit that exports of Sugar from Mexico are having or have had an injurious effect on Sugar producers in the United States, have caused the suppression or undercutting of prices, or have been sold at less than fair value.

C. As of the Effective Date, the Department shall instruct CBP to refund any cash deposits collected as a result of the antidumping duty investigation on sugar from Mexico. The Department shall instruct CBP to terminate the suspension of liquidation consistent with section 734(f)(2)(B) of the Act.

Paul Piquado,
Assistant Secretary for Enforcement and Compliance,
U.S. Department of Commerce.

Date

The following parties hereby certify that the producers and exporters of Sugar from Mexico that are members of their organization, and which have authorized the undersigned to sign this Agreement on their behalf, agree to abide by all terms of the Agreement:

Juan Cortina Gallardo,
President,
Cámara Nacional de Las Industrias Azucarera y Alcohólera.

Date

Humberto Jasso Torres,
Director General,
Cámara Nacional de Las Industrias Azucarera y Alcohólera.

Date

Appendix I—Suspension of Antidumping Investigation—Sugar From Mexico—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 sugar, the Reference Prices are as follows:

The FOB plant Reference Price for Refined Sugar is \$0.2600 per pound by dry weight commercial value.

The FOB plant Reference Price for all Other Sugar is \$0.2225 per pound by dry weight commercial value.

Appendix II—Suspension of Antidumping Investigation—Sugar From Mexico—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 can be tied either to the audited financial statements or to the tax return filed with the Mexican 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 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. commissions² 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

[C–201–846]

Sugar From Mexico: Suspension of Countervailing Duty Investigation

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

DATES: *Effective Date:* December 19, 2014.

SUMMARY: The Department of Commerce (“the Department”) has suspended the countervailing duty investigation on sugar from Mexico. The basis for this action is an agreement between the Department and the Government of Mexico (“GOM”), wherein the GOM has agreed not to provide any new or additional export or import substitution subsidies on the subject merchandise and has 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.

² If there are not commissions in both markets, then the Department will apply a commission offset.

FOR FURTHER INFORMATION CONTACT:

Judith Wey Rudman or Sally Craig Gannon at (202) 482–0192 or (202) 482–0162, 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 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 subsidies. See *Sugar from Mexico: Initiation of Countervailing Duty Investigation*, 79 FR 22790 (April 24, 2014). On August 25, 2014, the Department preliminarily determined that countervailable subsidies are being provided to producers and exporters of sugar from Mexico and aligned the final countervailing duty determination with the final antidumping duty determination. 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*”).

On October 27, 2014, the Department and the GOM initialed a proposed agreement to suspend the countervailing duty investigation on sugar from Mexico. After initialing the proposed agreement, consistent with 704(e)(1) of the Act, the Department notified and consulted with the petitioners (*i.e.*, the American Sugar Coalition 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) concerning its intention to suspend the antidumping investigation on sugar from Mexico. The Department also notified the other parties to the investigation and the International Trade Commission (“ITC”) of the proposed agreement, consistent with 704(e)(1) of the Act. Also on October 27, 2014, we invited interested parties to provide written comments on the proposed suspension agreement by no later than the close of business on November 10, 2014. See “Memorandum to All Interested Parties” and “Draft

Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico,” dated October 27, 2014. On October 30, 2104, the Department issued a memorandum titled “Proposed Scope Clarification” and requested comments from interested parties. On November 7, 2014, we extended the deadline to submit comments on the draft suspension agreement and the proposed scope clarification until November 18, 2014. See memorandum titled “Sugar from Mexico: Notice of Extension of Deadline to Submit Comments on Draft Suspension Agreements and Scope Clarification,” dated November 7, 2014. We received comments from numerous parties by the November 18, 2014, deadline.

The Department and the GOM signed the suspension agreement on December 19, 2014. See *Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico*, signed on December 19, 2014 (“*Suspension Agreement*”), attached hereto. Based on the scope comments received in this investigation, the Department has revised the scope of this investigation, as provided in the scope of the Suspension Agreement.

Scope of Agreement

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

Suspension of Investigation

The Department consulted with the parties to the proceeding and has considered the comments submitted by interested parties with respect to the proposal to suspend the countervailing duty investigation. In accordance with section 704(c) of the Act, we have determined that extraordinary circumstances are present in this case, as defined by section 704(c)(4) of the Act. See the memorandum titled “Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico: Existence of Extraordinary Circumstances, Public Interest, and Effective Monitoring Assessments” from Lynn Fischer Fox, Deputy Assistant Secretary for Policy and Negotiations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, dated December 19, 2014 (“statutory requirements memorandum”).

The Suspension Agreement provides that: (1) The GOM will not provide any new or additional export or import substitution subsidies on the subject merchandise; and (2) the GOM will restrict the volume of direct or indirect exports to the United States of subject merchandise from all Mexican producers/exporters.

Following consultations under section 704(a)(2)(C) of the Act, we have also determined that the Suspension Agreement is in the public interest and can be monitored effectively, as required under section 704(d) of the Act. See statutory requirements memorandum.

For the reasons outlined above, we find that the Suspension Agreement meets the criteria of section 704(c) and (d) of the Act.

The terms and conditions of this Suspension Agreement, signed December 19, 2014, are set forth in the Suspension Agreement, which is attached to this notice.

International Trade Commission

In accordance with section 704(f) of the Act, the Department has notified the ITC of the Suspension Agreement.

Suspension of Liquidation

The suspension of liquidation ordered in the *Preliminary Determination*, shall continue to be in effect, subject to section 704(h)(3) of the Act. Section 704(f)(2)(B) of the Act provides that the Department may adjust the security required to reflect the effect of the Suspension Agreement. The Department has found that the Suspension Agreement eliminates completely the injurious effects of imports and, thus, the Department is adjusting the security required to zero. If there is no request for review of suspension under section 704(h) of the Act, or if the ITC conducts a review and finds that the injurious effect of imports of the subject merchandise is eliminated completely by the Suspension Agreement, the Department will terminate the suspension of liquidation of all entries of sugar from Mexico and refund any cash deposits collected on entries of sugar from Mexico consistent with section 704(h)(3) of the Act.

Notwithstanding the Suspension Agreement, the Department will continue the investigation if it receives such a request within 20 days after the date of publication of this notice in the **Federal Register**, in accordance with section 704(g) of the Act. Pursuant to Section XI of the Suspension Agreement, the Department will terminate the Suspension Agreement in the event that the GOM requests continuation of this investigation, or signatories accounting for a significant proportion of exports of sugar from Mexico request continuation of the antidumping investigation of sugar from Mexico, and will resume the investigation.

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 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 Suspension Agreement will be placed on the record within five days of the date of publication of this notice in the **Federal Register**.

We are issuing and publishing this notice in accordance with section 704(f)(1)(A) of the Act and 19 CFR 351.208(g)(2).

Dated: December 19, 2014.

Paul Piquado,

Assistant Secretary for Enforcement and Compliance.

Attachment

AGREEMENT SUSPENDING THE COUNTERVAILING DUTY INVESTIGATION ON SUGAR FROM MEXICO

Pursuant to the requirements of section 704(c) of the Tariff Act of 1930, as amended (the Act) (19 U.S.C. 1671(c)) and 19 CFR 351.208, and in satisfaction of the requirements of those provisions, the U.S. Department of Commerce (the Department) and the Government of Mexico (GOM), through the Secretaria de Economia, enter into this agreement suspending the countervailing duty investigation of Sugar from Mexico (Agreement), as follows:

I. Product Coverage

The product covered by this 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 composed of glucose and fructose linked by a glycosidic bond via their anomeric carbons. The molecular formula for sucrose is C₁₂H₂₂O₁₁; the International Union of Pure and Applied Chemistry (IUPAC) International Chemical Identifier (InChI) 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,1-3H2/t4-,5-,6-,7-,8+,9-,10+,11-,12+/m1/s1; the InChI Key for sucrose is CZMRCDWAGMREC-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 this Agreement.

The scope of the Agreement does not include (1) sugar imported under the Refined Sugar Re-Export Programs of the U.S. Department of Agriculture;¹ (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 this Agreement 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 this 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 this Agreement is dispositive.

II. Definitions

For purposes of the Agreement, the following definitions apply:

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

¹ 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.

B. "Base Export Limit" means the amount of Sugar allocated to producers and exporters of Sugar in Mexico at the beginning of each Export Limit Period.

C. "Date of Export" means the date on which the product is exported from Mexico to the United States.

D. "Effective Date" means the date on which the Department and the GOM sign the Agreement.

E. "Export License" means the document issued by the GOM's export license issuing authority, pursuant to Section VI of the Agreement.

F. "Export Limit" means the quantity of Mexican Sugar permitted to be exported, based on the Date of Export, during a given Export Limit Period.

G. "Export Limit Period" means one of the following periods:

1. "Initial Export Limit Period" covers entries of Sugar entered, or withdrawn from warehouse for consumption, between the Effective Date and September 30, 2015.

2. "Subsequent Export Limit Period" covers entries of Sugar entered, or withdrawn from warehouse for consumption, in each subsequent period from October 1 through September 30.

H. "Interested Party" means any person or entity that meets the definitions in section 771(9) of the Act.

I. "Indirect Exports" means exports of Sugar from Mexico to the United States through one or more Third Countries, whether or not such exports are further processed, provided that the further processing does not result in a substantial transformation or a change in the country of origin, as determined by the Department.

J. "Mexico" means the customs territory of the United Mexican States and foreign trade zones located within the territory of Mexico.

K. "Other Sugar" means Sugar that does not meet the definition of Refined Sugar under this Agreement.

L. "Refined Sugar" means Sugar with a polarity of 99.5 and above.

M. "Sugar" means the product described under Section I, "Product Coverage," of the Agreement.

N. "Target Quantity of U.S. Needs" means 100 percent of U.S. Needs, as defined below.

O. "Third Country" or "Third Countries" mean any country other than the United States or Mexico, including any customs territory or free trade zone administered, governed, or controlled by such country.

P. "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.

Q. "USDA" means the United States Department of Agriculture.

R. "U.S. Needs" is calculated based on information in the WASDE published by USDA and means:
 (Total Use * 1.135) – Beginning Stocks
 – Production – TRQ Imports –
 Other Program Imports – (Footnote 5 for "other high tier" + "other")

S. "Violation" means noncompliance with the terms of the Agreement, whether through an act or omission, except for noncompliance that is inconsequential or inadvertent, and does not materially frustrate the purposes of the Agreement.

T. "WASDE" means the "World Agriculture Supply and Demand Estimates" published by the USDA.

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

As of the Effective Date, in accordance with section 704(c)(1) and (3) of the Act and 19 CFR 351.208, the Department will suspend its countervailing duty investigation on Sugar from Mexico initiated on April 17, 2014. *See Sugar from Mexico: Initiation of Countervailing Duty Investigation*, 79 FR 22,790 (Apr. 24, 2014).

IV. Statutory Conditions for the Agreement

In accordance with section 704(c)(1) and (4) of the Act, the Department has determined that extraordinary circumstances are present in this investigation because the suspension of the investigation will be more beneficial to the domestic industry than the continuation of the investigation and the investigation is complex.

In accordance with section 704(d)(1) of the Act, the Department has determined that the suspension of the investigation is in the public interest and that effective monitoring of the Agreement by the United States is practicable. Section 704(a)(2)(B) of the Act provides that the public interest includes the availability of supplies of the merchandise and the relative impact on the competitiveness of the domestic industry producing the like merchandise, including any such impact on employment and investment in that industry. Accordingly, if a domestic producer requests an administrative review of the status of, and compliance with, the Agreement, the Department will take these factors into account in conducting that review. If the Department finds that the

Agreement is not working as intended in this regard, the Department will explore all appropriate measures, including renegotiation of the terms of the Agreement to resolve the problem or measures under Section 751(d)(1) of the Act.

V. Export Limits

No Sugar covered by the Agreement, whether exported directly or indirectly from Mexico, shall be entered into the United States unless, when cumulated with all prior entries of Sugar exported from Mexico during the Export Limit Period in which the Sugar was exported, it does not exceed the applicable Export Limit set forth below. All exports of Sugar from Mexico that enter the United States will be counted against the Export Limit established for the applicable Export Limit Period.

A. The Export Limit for the Initial Export Limit Period shall be calculated using the formula provided in Section V.B, beginning with the December allocation in Section V.B.2. The restriction in Section V.C.2 below shall apply, and the March allocation in Section V.B.3 applies.

B. The Export Limit for each Subsequent Export Limit Period will be seventy (70) percent of the Target Quantity of U.S. Needs as calculated based on the July WASDE preceding the beginning of the Export Limit Period. The Export Limit will be effective October 1. The Export Limit may be increased in the following manner:

1. In September of each Subsequent Export Limit Period, the Department will determine if there is a need for additional Sugar in the U.S. market beyond the Export Limit calculated in July. The Department will calculate the Target Quantity of U.S. Needs based on information in the September WASDE. Effective October 1, the Export Limit shall be revised to equal seventy (70) percent of the Target Quantity of U.S. Needs, unless that amount is less than or equal to the Export Limit announced in July, in which case the Export Limit shall not change.

2. In December of each Subsequent Export Limit Period, the Department will determine if there is a need for additional Sugar in the U.S. market beyond the Export Limit calculated in September. The Department will calculate the Target Quantity of U.S. Needs based on information in the December WASDE. Effective January 1, the Export Limit shall be revised to equal eighty (80) percent of the Target Quantity of U.S. Needs, unless that amount is less than or equal to the Export Limit announced in September,

in which case the Export Limit shall not change.

3. In March of each Subsequent Export Limit Period, the Department will determine if there is a need for additional Sugar in the U.S. market beyond the Export Limit calculated in December. The Department will calculate the Target Quantity of U.S. Needs based on information in the March WASDE. Effective April 1, the Export Limit shall be revised to equal 100 percent of the Target Quantity of U.S. Needs, unless the amount is less than or equal to the Export Limit announced in December, in which case the Export Limit shall not change.

4. Prior to April 1 of any Export Limit Period, the Department may increase the Export Limit to address potential shortages in the U.S. market that are identified by USDA, in writing. After April 1, if USDA informs the Department, in writing, of any additional need for Sugar from Mexico, the Department may increase the Export Limit based upon USDA's request.

C. The following restrictions on shipping patterns for exports of Sugar from Mexico to the United States shall also apply.

1. No more than 30 percent of U.S. Needs calculated in each July and effective October 1 may be exported to the United States during the period October 1 through December 31.

2. No more than 55 percent of U.S. Needs calculated in each December and effective January 1 may be exported to the United States during the period October 1 through March 31.

3. Refined Sugar may account for no more than 53 percent of the exports during any given Export Limit Period.

D. If any Sugar from Mexico is entered into the United States in excess of the Export Limit established for the relevant Export Limit Period or without a valid Export License, the Department shall consult with the GOM and request that the GOM reduce the export allocation for the producer/exporter involved by twice the volume of the entry. If the export allocation has been reached for the producer/exporter for the relevant Export Limit Period, twice the volume of the entry will be subtracted from the producer/exporter's allocation in the next Export Limit Period. If the entry cannot be tied to a specific producer/exporter, the Department may reduce the Export Limit that is effective April 1 by twice the volume of the entry.

E. Subsequent to the publication of the March WASDE but prior to March 31 of each Export Limit Period, the GOM will inform the Department if there is any amount of U.S. Needs that exporters of Sugar from Mexico will be

unable to supply during the second half of the Export Limit Period. The Department will adjust the Export Limit downward by any amount that Mexico cannot supply. Mexico agrees that, if it cannot satisfy Mexico's needs using Mexican production, it will not supply those needs with imports from a Third Country or Countries for the purpose of filling the Export Limit with Sugar from Mexico. If the Department receives information that Mexico may have imported Sugar from a Third Country or Countries for this purpose during any Export Limit Period, the Department will hold consultations with the GOM in determining appropriate action, as warranted.

F. The GOM and the Department shall hold consultations regarding the GOM's compliance with the provisions of this section consistent with Section VIII.D.2 of the Agreement.

VI. Implementation

A. On and after 60 days from the Effective Date, presentation of a shipment-specific Export License is required as a condition for entry of Sugar from Mexico into the United States. Pursuant to 19 CFR 351.208(i), the Department will instruct U.S. Customs and Border Protection (CBP) to prohibit the entry of any Sugar from Mexico not accompanied by an Export License.

B. Export Licenses will be shipment-specific and must contain the information identified in Appendix I. Additional information may be included on the Export License or, if necessary, a separate page attached to the Export License. If the bills of lading for each shipment establish that the actual imports into the United States under that license were less than the total volume listed on the license, the GOM shall notify the Department in writing that the GOM intends to issue a new Export License in the same Export Limit Period authorizing additional exports equal in volume to the volume of the undershipment.

C. The GOM will ensure compliance with all of the provisions of the Agreement. To ensure such compliance, the GOM will take the following measures:

1. Ensure that no Sugar is exported from Mexico for entry into the United States during any Export Limit Period that exceeds the Export Limit for that Export Limit Period.
2. Establish an Export Limit licensing and enforcement program for all direct and indirect exports of Sugar from Mexico to the United States no later than 60 days after the Effective Date. Export Licenses shall contain all

information described in Appendix I of the Agreement.

3. Require that applications for Export Licenses contain all of the information listed in Appendix I of the Agreement.

4. Refuse to issue an Export License to any applicant that does not permit full verification and reporting under the Agreement of all of the information in the application.

5. Issue Export Licenses sequentially, charged against the Export Limit for the relevant Export Limit Period, and reference any notice of the Export Limit allocation for the relevant Export Limit Period. Export Licenses shall remain valid for entry into the United States for 90 days. The Department and the GOM may agree to an extension of the validity of the Export License in extraordinary circumstances.

6. Permit full verification of all information related to the administration of the Agreement on an annual basis or more frequently, as deemed necessary.

7. Ensure compliance with all procedures established to effectuate the Agreement by any official Mexican institution, chamber, or other authorized Mexican company, and any Mexican producer, exporter, broker, and trader of Sugar.

8. Impose strict measures, such as prohibition from participation in the Export Limit allocation allowed by the Agreement, in the event that any Mexican company does not comply in full with the requirements established by the GOM pursuant to the Agreement.

D. The GOM and the Department shall hold consultations regarding the GOM's compliance with the provisions of this section consistent with Section VIII.D.1 of the Agreement.

VII. Anti-Circumvention

A. The GOM will take all necessary measures to prevent circumvention of the Agreement. These measures shall include requiring that all Mexican exporters of Sugar agree, as a condition of receiving any Export License under the Agreement, not to export directly or indirectly to the United States Sugar that is not accompanied by an Export License issued pursuant to the Agreement and that each such Mexican exporter provide the GOM with a certification that it has required all of its customers to agree, as part of the terms of sale, not to engage in any circumvention activities specified by this Agreement. Circumvention activities may include exporting Sugar from Mexico: (1) in excess of the Export Limit in any given Export Limit Period; (2) without an Export License; and (3) in a manner that requires Mexico to

satisfy its needs with imports of sugar from a Third Country or Countries. Circumvention activities may also include, but are not limited to, any bundling arrangement, swap or other exchange where such arrangement is designed to circumvent the basis of the Agreement.

1. If the GOM receives an allegation that circumvention has occurred, including an allegation from the Department, the GOM shall promptly initiate an inquiry, normally complete the inquiry within 45 days and notify the Department of the results of the inquiry within 15 days after the conclusion of the inquiry.

2. If the GOM determines that a Mexican company has participated in a transaction circumventing the Agreement, the GOM shall impose penalties upon such company including, but not limited to, denial of access to an Export License for Sugar under the Agreement.

3. If the GOM determines that a Mexican company has participated in the circumvention of the Agreement, the GOM shall count against the Export Limit for the Export Limit Period in which the circumvention took place an amount of Sugar equivalent to the amount involved in such circumvention and shall immediately notify the Department of the amount deducted. If a sufficient amount is not available in the current Export Limit Period, then the remaining amount shall be deducted from the subsequent Export Limit Period or Periods.

B. The Department will investigate any allegations of circumvention which are brought to its attention both by asking the GOM to investigate such allegations and by itself gathering relevant information. The GOM will respond to requests from the Department for information relating to such allegations. In distinguishing normal arrangements from those which would result in the circumvention of a given Export Limit established by the Agreement, the Department will take the following factors into account, as deemed appropriate:

1. Existence of any verbal or written agreement leading to circumvention of the Agreement;
2. Existence and function of any subsidiaries or affiliates of the parties involved;
3. Existence and function of any historical and traditional patterns of production and trade among the parties involved, and any deviation from such patterns;
4. Existence of any payments unaccounted for by previous or subsequent deliveries, or any payments

to one party for Sugar delivered or swapped by another party;

5. Sequence and timing of the arrangements; and

6. Any other information relevant to the transaction or circumstances.

C. The GOM and the Department shall hold consultations regarding anti-circumvention consistent with Section VIII.D.3 of the Agreement.

VIII. Monitoring of the Agreement

A. Import Monitoring

1. The Department will monitor entries of Sugar from Mexico to ensure compliance with Section V of the Agreement.

2. The Department will review publicly available data and other official import data, including, as appropriate, records maintained by CBP, to determine whether there have been imports that are inconsistent with the provisions of the Agreement. The Department also intends to consult with USDA regarding monthly information submitted by processors, refiners, and importers of Sugar from Mexico.

3. The Department will review, as appropriate, data it receives through any data exchange program between U.S. and Mexican government agencies, to determine whether there have been imports that are inconsistent with the provisions of the Agreement.

4. The Department agrees to discuss with CBP additional mechanisms that may be established and administered by CBP to monitor entries of Sugar.

B. Compliance Monitoring

1. The GOM will collect and provide to the Department such information as is necessary and appropriate to monitor the implementation of, and compliance with, the Agreement, including the following:

a. Within 30 days following the date that the GOM allocates the Export Limit for any Export Limit Period, the GOM shall notify the Department of each allocation recipient and the volume granted to each recipient. The GOM also shall inform the Department of any changes in the volume allocated to individual recipients within 30 days of the date on which such changes become effective.

b. The GOM shall collect and provide to the Department information on exports to the United States in the format in Appendix II to the Agreement and, if requested, on the aggregate quantity and value of exports of Sugar to Third Countries. This information will be provided on a monthly basis as specified in Appendix II, and will be provided no later than 60 days

following the end of each month, beginning on February 1, 2015 (for the period from the Effective Date through December 31, 2015). If the Department has concerns with the shipments of a particular exporter, upon request, the GOM will provide information related to that exporter on an expedited basis.

c. The GOM and the Department recognize that the effective monitoring of the Agreement may require the GOM to provide information in addition to that identified in the Agreement. Accordingly, after consulting with the GOM, the Department may request additional reporting requirements consistent with U.S. law and regulations during the course of the Agreement. The GOM shall also collect and provide to the Department, generally within 60 days of the request, any such additional information requested by the Department.

2. The Department has the authority to verify all information related to the administration of the Agreement, including all information relating to potential circumvention of the Agreement, annually or more frequently as deemed necessary. The Department will conduct verifications at locations and times it deems appropriate to ensure compliance with the terms of the Agreement.

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 Sugar from Mexico satisfy the requirements of section 704(c)(1) and (3) 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.

C. Rejection of Submissions

The Department may reject: (1) any information submitted after the deadlines set forth in the Agreement; (2) any submission that does not comply with the filing, format, translation, service, and certification of documents requirements under 19 CFR 351.303; (3) submissions that do not comply with the procedures for establishing business proprietary treatment under 19 CFR 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.

D. Consultations

1. Implementation Consultations

a. If the GOM notifies the Department in writing, or the Department otherwise determines, that the GOM for any reason has not satisfied the implementation obligations in Section VI of the Agreement, the Department will consult with the GOM for a period of up to 60 days to ensure that the GOM complies with those obligations within those 60 days.

b. If the Department is not satisfied at the conclusion of the consultation period that exports of Sugar from Mexico are entering the United States in amounts consistent with the Agreement, or entered with a valid Export License, the Department may evaluate under section 351.209 of its regulations, or section 751 of the Act, whether the Agreement is being violated, as defined in Section IX of the Agreement.

2. Compliance Consultations

a. When the Department identifies, through import or compliance monitoring or otherwise, that exports of Sugar from Mexico may have entered the United States in volumes inconsistent with Section V of the Agreement, or without an Export License, the Department will notify the GOM. The Department will consult with the GOM for a period of up to 60 days to establish a factual basis regarding exports that may be inconsistent with Section V of the 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 the Agreement.

c. If the Department is not satisfied at the conclusion of the consultation period that exports of Sugar from Mexico are entering the United States in amounts consistent with the Agreement, or entered with a valid Export License, the Department may evaluate under section 351.209 of its regulations, or section 751 of the Act whether the Agreement is being violated, as defined in Section IX of the Agreement.

3. Anti-Circumvention Consultations

a. If the GOM determines that a company from a Third Country has circumvented the Agreement and the Department and the GOM agree that no Mexican company participated in or had knowledge of such activities, then the Department and the GOM shall hold consultations for the purpose of sharing information regarding such

circumvention and reaching mutual agreement on the appropriate measures to be taken to eliminate such circumvention. If the Department and the GOM are unable to reach mutual agreement within 45 days, then the Department may take appropriate measures, such as deducting the amount of Sugar involved in such circumvention from the Export Limit for the current Export Limit Period or a subsequent Export Limit Period. Before taking such measures, the Department will notify the GOM of the facts and reasons constituting the basis for the Department's intended action and will afford the GOM 15 days in which to comment. Alternatively, the Department may evaluate under section 351.209 of its regulations, or section 751 of the Act whether the Agreement is being violated, as defined in Section IX of the Agreement.

b. In the event that the Department determines that a Mexican company has participated in a transaction circumventing the Agreement, the Department and the GOM shall hold consultations for the purpose of sharing evidence regarding such circumvention and reaching mutual agreement on an appropriate resolution of the problem. If the Department and the GOM are unable to reach mutual agreement within 60 days, the Department may take appropriate measures, such as deducting the amount of Sugar involved in such circumvention from the Export Limit for the current Export Limit Period (or, if necessary, the subsequent Export Limit Period) or instructing U.S. Customs and Border Protection to deny entry to any Mexican Sugar sold by the company found to be circumventing the Agreement. Before taking such measures, the Department will notify the GOM of the basis for the Department's intended action and the GOM will comment within 30 days. The Department will enter its determinations regarding circumvention into the record of the Agreement. Alternatively, the Department may evaluate under section 351.209 of its regulations or section 751 of the Act whether the Agreement is being violated, as defined in Section IX of the Agreement.

4. Operations Consultations

The Department will consult with the GOM regarding the operation of the Agreement. The Department or the GOM may request such consultations at any time, including consultations to revise the formula to establish the Export Limit.

IX. Violations of the Agreement

A. If the Department determines that there has been a violation of the Agreement or that the Agreement no longer meets the requirements of section 704(c) or (d) of the Act, the Department shall take action it determines appropriate under section 704(i) of the Act and the Department's regulations.

B. The following activities shall be considered violations of the Agreement:

1. Exports of Sugar from Mexico in amounts greater than the Export Limit established in the relevant Export Limit Period.

2. A significant amount (*i.e.*, 5 percent or more of the Export Limit for the relevant Export Limit Period) of Sugar from Mexico exported to the United States without an Export License that is not reported by the GOM to the Department.

3. Any other material violation or breach, as determined by the Department.

X. 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 CFR 351.304–351.306, business proprietary information submitted to and/or collected by the Department pursuant to the Agreement, as well as the results of the Department's analysis of that information.

B. Under this section, the GOM and any other Interested Party shall file all communications and other submissions via the Department's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS), which is available to registered users at <http://access.trade.gov> and to all parties at the following address:

U.S. Department of Commerce
Central Records Unit, Room 7046
1401 Constitution Ave., NW
Washington, DC 20230

Such communications and submissions shall be filed consistent with the requirements provided in 19 CFR 351.303.

XI. Duration of the Agreement

A. The 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. The GOM or the Department may terminate the 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 GOM, respectively.

C. Upon termination, the Department shall follow the procedures outlined in section 704(i)(1) of the Act.

D. The Department will terminate the Agreement in the event that the GOM requests continuation of the countervailing duty investigation of Sugar from Mexico, or Signatories accounting for a significant proportion of exports of Sugar from Mexico request continuation of the antidumping investigation of Sugar from Mexico.

XII. Other Provisions

A. By entering into the Agreement, the GOM does not admit that exports of Sugar from Mexico are having or have had an injurious effect on Sugar producers in the United States or that the GOM has provided countervailable subsidies to sugar producers and exporters in Mexico. The GOM agrees that it will not provide any new or additional export or import substitution subsidies on Sugar.

B. As of the Effective Date, the Department shall instruct U.S. Customs and Border Protection to refund any cash deposits collected as a result of the countervailing duty investigation on Sugar from Mexico. The Department shall instruct CBP to terminate the suspension of liquidation consistent with section 704(f)(2)(B) of the Act.

Paul Piquado, Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce

Date

Francisco de Rosenzweig Mendialdua, Undersecretary for Foreign Trade, Ministry of Economy, Government of Mexico

Date

Appendix I—Information To Be Contained in Export Licenses

The GOM will issue shipment-specific Export Licenses to Mexican entities that shall contain the following fields:

1. Export License Number: Indicate the Export License number for the shipment.
2. Name of the Licensee: Indicate the name of the Licensee, and the name of the mill, if different from the Licensee.
3. Name of the Exporter: Indicate the name of the broker/trader or mill, as applicable.
4. Complete Description of Merchandise: Include the applicable Harmonized Tariff

Schedule category and the polarity of the product.

5. Processing: Indicate “YES” if the Sugar is being imported for further processing in the United States by a USDA-recognized cane refiner and “NO” if it is not.

6. Quantity: Indicate in metric tons raw value and short tons raw value.

7. Date of Export License: Date that the Export License is issued.

8. Date of Expiration of the Export License: Indicate the date that the Export License expires.

9. Port of Export: Indicate the port of export.

10. Allocation to Mill: Indicate the total amount of the Export Limit allocated to the individual mill during the relevant Export Limit Period.

11. Allocation Remaining: Indicate the remaining amount available under the allocation to the individual mill during the relevant Export Limit Period.

Appendix II—Information on Exports of Sugar From Mexico

In accordance with the established format, the GOM's license issuing authority shall collect and provide to the Department all information necessary to ensure compliance with the Agreement. This information will be provided to the Department on monthly basis. The GOM's license issuing authority will collect and maintain data on exports to the United States on a continuous basis. Data for exports to countries other than the United States will be reported upon request. The GOM's license issuing authority may provide a narrative explanation to substantiate all data collected in accordance with the following formats.

The GOM's license issuing authority will provide a report or summary regarding all Export Licenses issued to entities, which shall contain the following information unless the information is unknown to the licensing authority and the licensee. Upon request, the GOM will provide copies of any Export License to the Department.

1. Export License Number: Indicate the Export License number for the shipment.

2. Name of the Licensee: Indicate the name of the Licensee, and the name of the mill, if different from the Licensee.

3. Name of the Exporter: Indicate the name of the broker/trader or mill, as applicable.

4. Complete Description of Merchandise: Include the applicable Harmonized Tariff Schedule category and the polarity of the product.

5. Processing: Indicate “YES” if the Sugar is being imported for further processing in the United States by a USDA-recognized cane refiner and “NO” if it is not.

6. Quantity: Indicate in metric tons raw value and short tons raw value.

7. Date of Export License: Date that the Export License is issued.

8. Date of Expiration of the Export License: Indicate the date that the Export License expires.

9. Port of Export: Indicate the port of export.

10. Allocation to Mill: Indicate the total amount of the Export Limit allocated to the individual mill during the relevant Export Limit Period.

11. Allocation Remaining: Indicate the remaining amount available under the allocation to the individual mill during the relevant Export Limit Period.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–874]

Certain Steel Nails From the Republic of Korea: Affirmative 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 (“Department”) preliminarily determines that certain steel nails (“nails”) from the Republic of Korea (“Korea”) are being, or are 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 April 1, 2013, through March 31, 2014. The estimated weighted-average dumping margins are shown in the “Preliminary Determination” section of this notice. Interested parties are invited to comment on this preliminary determination. We intend to issue the final determination 135 days after publication of this preliminary determination in the *Federal Register*.

DATES: *Effective Date:* December 29, 2014.

FOR FURTHER INFORMATION CONTACT:

Jamie Blair-Walker or Drew Jackson, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482–2615 or (202) 482–4406, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department published the notice of initiation of this investigation on June 25, 2014.¹ Pursuant to section 733(c)(1)(A) of the Act, the Department postponed this preliminary LTFV

¹ See *Certain Steel Nails From India, the Republic of Korea, Malaysia, the Sultanate of Oman, Taiwan, the Republic of Turkey, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 79 FR 36019 (June 25, 2014) (“Initiation Notice”).

determination by 42 days until December 17, 2014.²

Scope of the Investigation

The product covered by this investigation is certain steel nails from Korea. For a full description of the scope of the investigation, see Appendix I to this notice.³

Scope Comments

Several interested parties (*i.e.*, IKEA Supply AG and IKEA Distributions Services Inc. (collectively “IKEA”), Target Corporation, and The Home Depot) submitted comments to the Department on the scope of the investigation as it appeared in the *Initiation Notice*, and Mid Continent Steel & Wire, Inc. (“Petitioner”) submitted rebuttal comments. For discussion of those comments and rebuttal comments, see the Preliminary Decision Memorandum.⁴

Methodology

The Department conducted this investigation in accordance with section 731 of the Act. Export price (“EP”) and constructed export price (“CEP”) have been calculated in accordance with section 772 of the Act. Normal value (“NV”) has been calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS).⁵ ACCESS is available to registered users at <https://access.trade.gov>, and is

² See *Certain Steel Nails from the Republic of Korea, Malaysia, Taiwan, the Sultanate of Oman, Taiwan, and the Socialist Republic of Vietnam: Postponement of Preliminary Determination of Antidumping Duty Investigations*, 79 FR 63082 (October 22, 2014).

³ The scope language has not changed from that in the *Initiation Notice*.

⁴ See memorandum to Ronald K. Lorentzen, “Decision Memorandum for the Preliminary Determination in the Antidumping Duty Investigation of Certain Steel Nails from the Republic of Korea,” (“Preliminary Decision Memorandum”) dated concurrently with and hereby adopted by this notice. A list of the topics discussed in the Preliminary Decision Memorandum appears in Appendix II, below.

⁵ On November 24, 2014, Enforcement and Compliance changed the name of the Import Administration AD and CVD Centralized Electronic Service System (“IA ACCESS”) to AD and CVD Centralized Electronic Service System (“ACCESS”). The Web site location was changed from <http://iaaccess.trade.gov> to <http://access.trade.gov>. See *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014).