



A-570-836
POR: 3/1/2014 – 2/28/2015
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April 4, 2016

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

FROM: Christian Marsh 
 Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for Preliminary Results of Antidumping
Duty Administrative Review: Glycine from the People's Republic
of China; 2014-2015

SUMMARY

The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on glycine from the People's Republic of China (PRC). The review covers five producers/exporters of the subject merchandise: one Chinese company, Baoding Mantong Fine Chemistry Co., Ltd. (Baoding Mantong) and four Indian companies, Nutracare International (Nutracare), Kumar Industries (Kumar), Ravi Industries (Ravi), and Rudraa International (Rudraa). The period of review (POR) is March 1, 2014, through February 28, 2015. The Department preliminarily finds that the companies had no shipments of subject merchandise during the POR.

Background

On March 29, 1995, the Department published the antidumping order on glycine from the PRC.¹ On March 2, 2015, the Department published a notice of opportunity to request an administrative review of the antidumping order on glycine from the PRC for the period of March 1, 2014, through February 28, 2015.² On March 31, 2015, GEO Specialty Chemicals, Inc. (GEO), a domestic producer of glycine, made a timely request that the Department conduct an administrative review of Nutracare, Ravi, Kumar, and Rudraa. Additionally, on March 31, 2015, Baoding Mantong, a Chinese producer/exporter of subject merchandise, requested that the

¹ See *Antidumping Duty Order: Glycine From the People's Republic of China*, 60 FR 16116 (March 29, 1995) (Order).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 80 FR 11161 (March 2, 2015).



Department conduct an administrative review of itself. On April 30, 2015, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act), the Department published in the *Federal Register* a notice of initiation of this antidumping duty administrative review.³

On May 13, 2015, the Department placed on the record information obtained in response to the Department's query to the U.S. Customs and Border Protection (CBP) concerning imports into the United States of subject merchandise during the POR.⁴ This information indicated that there were no reviewable entries of subject merchandise (*i.e.*, Chinese-origin glycine) during the POR that had been exported by Baoding Mantong, Nutracare, Ravi, Kumar, or Rudraa. On May 20, 2015, GEO submitted comments regarding the Department's May 13, 2015, CBP Data Inquiry.⁵ GEO alleged that the information that the Department received from the CBP Data Inquiry was incomplete, and the Department should neither rely on that information or rescind the administrative review because this would permit circumvention of the *Order* to continue.⁶

On May 29, 2015, Baoding Mantong submitted a timely letter to the Department certifying that it did not have sales, shipments, or exports of subject merchandise to the United States during the POR.⁷ On June 1, 2015, Kumar, Ravi, and Rudraa submitted timely letters to the Department certifying that they did not have sales, shipments, or exports of subject merchandise to the United States during the POR.⁸ Although Nutracare filed a no-shipment certification, it was untimely and, therefore, we issued it a standard antidumping duty questionnaire on June 12, 2015.⁹ In response to the no-shipment certifications from Kumar, Ravi, and Rudraa, on June 8, 2015, GEO submitted a letter stating that the Department should not accept Kumar, Ravi, and Rudraa's certifications without further investigation, including (1) sending questionnaires requesting cost, manufacturing, and marketing data information; and (2) conducting on-site verifications of the data and information provided in response to the questionnaires.¹⁰

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 80 FR 24233 (April 30, 2015).

⁴ See Memorandum to the File from Dena Crossland, International Trade Compliance Analyst, Office VI, AD/CVD Operations, Enforcement and Compliance, through Brian C. Davis, Acting Program Manager, Office VI, AD/CVD Operations, Enforcement and Compliance, regarding "2014/2015 Administrative Review of Glycine from the People's Republic of China," dated May 13, 2015 (CBP Data Inquiry).

⁵ See Letter from GEO Specialty Chemicals, Inc. to the Department regarding "Glycine from the People's Republic of China: GEO Specialty Chemicals' Comments on the Department's Findings of No Entries of Subject Merchandise During the Period of Review," dated May 20, 2015.

⁶ *Id.*; see also *Glycine From the People's Republic of China: Final Partial Affirmative Determination of Circumvention of the Antidumping Order*, 77 FR 73426 (December 10, 2012).

⁷ See Letter from Baoding Mantong Fine Chemistry Co., Ltd. to the Department regarding "Glycine from the People's Republic of China; Statement of No Shipments by Baoding Mantong Fine Chemistry Co. Ltd.," dated May 29, 2015.

⁸ See Letter from Kumar Industries to the Department regarding "Glycine from the People's of China; Statement of No Shipments by Letter from Kumar Industries," dated June 1, 2015; Letter from Ravi Industries to the Department regarding "Glycine from the People's of China; Statement of No Shipments by Ravi Industries," dated June 1, 2015; and Letter from Rudraa International to the Department regarding "Glycine from the People's of China; Statement of No Shipments by Rudraa International," dated June 1, 2015.

⁹ See Memorandum to the File from Dena Crossland, International Trade Compliance Analyst, Office VI, regarding "Request to Take Action on Barcode 3280810-01," dated June 3, 2015; Letter from the Department of Commerce to Nutracare International, dated June 4, 2015; and Letter from the Department of Commerce to Nutracare International, dated June 12, 2015.

¹⁰ See Letter from GEO Specialty Chemicals, Inc. to the Department regarding "Glycine from the People's Republic of China: Response to Statements of AICO Affiliates and Nutracare of No Shipments of Subject Merchandise During the Period of Review," dated June 8, 2015.

Additionally, GEO included in Attachment 1 of its June 8, 2015, letter a spreadsheet identifying bills of lading concerning shipments from Kumar, Nutracare, Ravi, and Rudraa to the United States during the POR.¹¹

On June 17 and 18, 2015, we notified CBP that we were in receipt of no-shipment certifications from Baoding Mantong, Kumar, Ravi, and Rudraa and requested CBP to report any contrary information within 10 days.¹² CBP did not report any contrary information.

On July 6, 2015, Nutracare responded to the Department's questionnaire and stated that it did not have any shipments, sales, exports, or entries of glycine of Chinese origin into the United States during the POR.¹³ On July 9, 2015, GEO submitted a letter alleging that Nutracare is a known circumventer and the Department should not rescind the review with respect to Nutracare based solely on the absence of Type 3 reviewable entries from the CBP Data Inquiry.¹⁴ GEO also stated that the Department should request additional information from Nutracare and conduct on-site verifications of its responses. On July 9, 2015, GEO met with Department officials to discuss its letters to the Department.¹⁵

On July 14, 2015, we notified CBP that we were in receipt of a no-shipment certification from Nutracare and requested CBP to report any contrary information within 10 days.¹⁶ CBP did not report any contrary information.

On July 24, 2015, Baoding Mantong requested that the Department extend the 90-day period for withdrawing its request for administrative review until five business days after the Department

¹¹ *Id.* at Attachment 1.

¹² See Customs Instructions to Directors of Field Operations, Port Directors, from "Director AD/CVD & Revenue Policy & Programs, regarding "No shipments inquiry for glycine from the People's Republic of China produced and/or exported by Baoding Mantong Fine Chemistry Co., Ltd. (A-570-836) (A-533-975)," dated June 18, 2015; Customs Instructions to Directors of Field Operations, Port Directors, from "Director AD/CVD & Revenue Policy & Programs, regarding "No shipments inquiry for glycine from the People's Republic of China produced and/or exported by Kumar Industries (A-570-836) (A-533-975)," dated June 18, 2015; Customs Instructions to Directors of Field Operations, Port Directors, from "Director AD/CVD & Revenue Policy & Programs, regarding "No shipments inquiry for glycine from the People's Republic of China produced and/or exported by Ravi Industries (A-570-836) (A-533-975)," dated June 18, 2015; and Customs Instructions to Directors of Field Operations, Port Directors, from "Director AD/CVD & Revenue Policy & Programs, regarding "No shipments inquiry for glycine from the People's Republic of China produced and/or exported by Rudraa International (A-570-836) (A-533-975)," dated June 17, 2015.

¹³ See Letter from Nutracare International to the Department of Commerce regarding "Glycine from the People's Republic of China; Response of Nutracare International to the Questionnaire Dated June 12, 2015," dated July 6, 2015.

¹⁴ See Letter from GEO Specialty Chemicals, Inc. to the Department of Commerce regarding "Glycine from the People's Republic of China: Comments Regarding Nutracare International's Refusal to Respond to the June 12, 2015 Questionnaire and Its Request for Recession of the Administrative Review," dated July 9, 2015.

¹⁵ See Memorandum to The File from Dena Crossland, International Trade Compliance Analyst, AD/CVD Operations, Office VI, through Brian C. Davis, Acting Program Manager, AD/CVD Operations, Office VI on the subject of "Antidumping Duty Administrative Review of Glycine from the People's Republic of China: Department of Commerce Meeting with Domestic Interested Party's Counsel," dated July 10, 2015.

¹⁶ See Customs Instructions to Directors of Field Operations, Port Directors, from "Director AD/CVD & Revenue Policy & Programs, regarding "No shipments inquiry for glycine from the People's Republic of China produced and/or exported by Nutracare International (A-570-836) (A-533-975)," dated July 14, 2015.

issued the final results of the 2013-2014 administrative review.¹⁷ Baoding Mantong stated that it did not make an entry during the 2014-2015 POR, but that because GEO had argued that Baoding Mantong's single shipment should not be included in the prior, 2013-2014 administrative review, it wanted to preserve the right to have its entry reviewed in the 2014-2015 POR.¹⁸ The Department determined that it was not practicable to extend the 90-day deadline.¹⁹

On August 7, 2015, GEO met with Department officials, as a follow-up to its July 9, 2015 meeting with Department officials, to discuss various concerns it had pertaining to this administrative review.²⁰

On September 9, 2015, and September 14, 2015, the Department released to parties entry documents it received from CBP pertaining to this administrative review.²¹

On September 16, 2015, GEO requested that the Department send questionnaires to Kumar, Nutracare, Ravi, and Rudraa before conducting verifications so that GEO could analyze the responses and fully participate in the administrative review process.²²

On October 21, 2015, the Department released additional entry documents to the record of this review.²³

On November 30, 2015, the Department extended the deadline for the preliminary results of this review.²⁴ Further, on January 27, 2015, the Department notified parties that it was tolling the deadlines for this administrative review.²⁵

¹⁷ See Letter from Baoding Mantong Fine Chemistry Co., Ltd. To the Department of Commerce regarding "Glycine from the People's Republic of China; Request To Extend the 90-Day Period in Which To Withdraw An Administrative Review Request," dated July 24, 2015.

¹⁸ *Id.*

¹⁹ See Letter from the Department of Commerce to Baoding Mantong Fine Chemistry Co., Ltd regarding "Antidumping Duty Administrative Review of Glycine from the People's Republic of China: Extension of Time for Withdrawing from the 2014-2015 Administrative Review," dated August 31, 2015.

²⁰ See Memorandum to The File from Dena Crossland, International Trade Compliance Analyst, AD/CVD Operations, Office VI, through Angelica L. Townsend, Program Manager, AD/CVD Operations, Office VI on the subject of "2014-2015 Antidumping Duty Administrative Review of Glycine from the People's Republic of China: Department of Commerce Meeting with Domestic Interested Party's Counsel," dated August 11, 2015.

²¹ See Memorandum to Brian Davis, Office 6, from Wendy Frankel, Customs Liaison Unit, regarding "Request for U.S. Entry Documents – Glycine from the PRC (A-570-836)," dated August 13, 2015 (added to the record on September 9, 2015 after all documents were received); see also Memorandum to The File from Dena Crossland, International Trade Analyst, AD/CVD Operations, Office VI, Enforcement and Compliance regarding "Antidumping Duty Administrative Review of Glycine from the People's Republic of China" on the subject of "Entry Documents for the 2014-2015 Period of Review," dated September 14, 2015.

²² See Letter from GEO Specialty Chemicals, Inc. to the Department of Commerce regarding "Glycine from the People's Republic of China: Requests for Questionnaire Process Seeking Company Information Before Verification and Postponement of Verification," dated September 16, 2015.

²³ See Memorandum to The File from Dena Crossland, International Trade Analyst, AD/CVD Operations, Office VI, regarding "Antidumping Duty Administrative Review of Glycine from the People's Republic of China" on the subject of "Entry Documents for the 2014-2015 Period of Review," dated October 21, 2015.

²⁴ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, from Dena Crossland, International Trade Compliance Analyst, AD/CVD Operations, Office VI, through Scot Fullerton, Director, AD/CVD Operations, Office VI, on the subject of "Glycine from the People's

On February 12, 2016, the Department issued questionnaires to Kumar and Ravi which incorporated various comments we received from GEO on May 20, 2015, and June 8, 2015, to which the companies responded on February 23, 2016.²⁶ On February 17, 2016, GEO submitted a letter to the Department stating that its questionnaires to Kumar and Ravi were inadequate and incomplete.²⁷

On February 19, 2016, the Department issued questionnaires to Nutracare and Rudraa which incorporated various comments we received from GEO, to which the companies responded on March 3, 2016.²⁸ Additionally on February 19, 2016, the Department fully extended the deadline for the preliminary results of this review.²⁹

On March 5, 2016, GEO submitted its comments on Kumar's and Ravi's February 23, 2016, responses to the Department's questionnaires.³⁰ GEO stated in its letter that Kumar and Ravi are affiliates of a known circumventer, and that the Department should issue additional questionnaires to Kumar and Ravi, including cost-of-production questionnaires and a questionnaire to obtain additional information with regard to their incomplete February 23, 2016, responses. GEO also reiterated its prior statements that the Department should conduct on-site verifications of Kumar's and Ravi's responses.

Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review; 2014/2015," dated November 30, 2015.

²⁵ See Memorandum to the Record from Ron Lorentzen, Acting Assistant Secretary for Enforcement & Compliance, regarding "Tolling of Administrative Deadlines As a Result of the Government Closure During Snowstorm Jonas," dated January 27, 2016. As explained in this memorandum, the Department exercised its discretion to toll all administrative deadlines due to the closure of the Federal Government. All deadlines in this segment of the proceeding were extended by four business days.

²⁶ See Letter from Kumar Industries to the Department of Commerce regarding "Glycine from the People's Republic of China: Submission of Supplemental Response," dated February 23, 2016 (Kumar Questionnaire Response); and Letter from Ravi Industries to the Department of Commerce regarding "Glycine from the People's Republic of China: Submission of Supplemental Response," dated February 23, 2016 (Ravi Questionnaire Response).

²⁷ See Letter from GEO Specialty Chemicals, Inc. to the Department of Commerce regarding "Glycine from the People's Republic of China: Department's Failure to Issue Questionnaires to Affiliates of Known Circumventers," dated February 17, 2016.

²⁸ See Letter from Nutracare International to the Department of Commerce regarding "Glycine from the People's Republic of China: Submission of Supplemental Response," dated March 3, 2016 (Nutracare Questionnaire Response); and Letter from Rudraa International to the Department of Commerce regarding "Glycine from the People's Republic of China: Submission of Supplemental Response," dated March 3, 2015 (Rudraa Questionnaire Response).

²⁹ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, from Dena Crossland, International Trade Compliance Analyst, AD/CVD Operations, Office VI, through Scot Fullerton, Director, AD/CVD Operations, Office VI, on the subject of "Glycine from the People's Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review; 2014/2015," dated February 19, 2016.

³⁰ See Letter from GEO Specialty Chemicals, Inc. to the Department of Commerce regarding "Glycine from the People's Republic of China: Comments on Kumar's and Ravi's February 23, 2016 Responses to the Department's Inquiries," dated March 4, 2016.

On March 10, 2016, GEO submitted its comments on Nutracare's and Rudraa's March 3, 2016, responses to the Department's questionnaires.³¹ Specifically, GEO reiterated its prior statements that Nutracare and Rudraa shipped Chinese origin glycine to the United States during the POR, and are affiliated with circumventers of the *Order*. Therefore, GEO maintains that the Department should issue additional questionnaires to Nutracare and Rudraa and conduct on-site verifications of their responses.

Scope of the Order

The product covered by this antidumping duty order is glycine, which is a free-flowing crystalline material, like salt or sugar. Glycine is produced at varying levels of purity and is used as a sweetener/taste enhancer, a buffering agent, reabsorbable amino acid, chemical intermediate, and a metal complexing agent. This proceeding includes glycine of all purity levels. Glycine is currently classified under subheading 2922.49.4020 of the Harmonized Tariff Schedule of the United States (HTSUS).³² Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under the order is dispositive.

DISCUSSION OF THE METHODOLOGY

Preliminary Determination of No Shipments

As noted in the "Background" section above, Baoding Mantong, Kumar, Ravi, and Rudraa submitted timely-filed certifications indicating that they had no shipments of subject merchandise into the United States during the POR. Additionally, in response to the Department's antidumping questionnaire, Nutracare certified that it had no shipments of subject merchandise into the United States during the POR. CBP did not provide evidence that contradicts these companies' claims of no shipments. Further, on May 13, 2015, the Department released to interested parties the results of a CBP query that corroborated these companies' no-shipment claims.³³

The Department takes any allegation of antidumping duty circumvention very seriously. After comments were filed by GEO, the Department coordinated with CBP to gather further information and issued specific supplemental questionnaires to the Indian exporters identified by GEO (*i.e.*, Nutracare, Ravi, Kumar, and Rudraa). Based on comments from GEO and information from CBP, including copies of certifications that the merchandise in question was of Indian origin, we asked Nutracare, Ravi, Kumar, and Rudraa very specific questions about the

³¹ See Letter from GEO Specialty Chemicals, Inc. to the Department of Commerce regarding "Glycine from the People's Republic of China: Comments on Nutracare's and Rudraa's March 3, 2016 Responses to the Department's Inquiries," dated March 10, 2016.

³² In separate scope rulings, the Department determined that: (a) D(-) Phenylglycine Ethyl Dane Salt is outside the scope of the order and (b) PRC-glycine exported from India remains the same class or kind of merchandise as the PRC-origin glycine imported into India. See *Notice of Scope Rulings and Anticircumvention Inquiries*, 62 FR 62288 (November 21, 1997) and *Glycine From the People's Republic of China: Final Partial Affirmative Determination of Circumvention of the Antidumping Duty Order*, 77 FR 73426 (December 10, 2012), respectively.

³³ See CBP Data Inquiry.

information provided by both CBP and GEO. The companies provided specific documentation which supported their claims about the origin of the glycine they shipped.³⁴

Based on certifications from Baoding Mantong, Nutracare, Ravi, Kumar, and Rudraa, our analysis of CBP information, and our thorough examination of responses from these companies to our specific requests for additional information, we preliminarily determine that Baoding Mantong, Nutracare, Ravi, Kumar, and Rudraa did not have any reviewable entries during the POR.³⁵ In addition, the Department finds that it is not appropriate to rescind the reviews in this circumstance, but to complete the reviews with respect to Baoding Mantong, Kumar, Nutracare, Ravi, and Rudraa, and issue appropriate instructions to CBP based on the final results of the review, consistent with its practice in non-market (NME) economy cases.³⁶

Regarding, GEO's allegations that Kumar, Nutracare, Ravi, and Rudraa are circumventing the *Order*, as stated above, the Department notes that it takes such allegations seriously and that it intends to continue to examine GEO's allegations for the final results. Additionally, we intend to forward GEO's allegations to CBP for possible further investigation. Finally, the Department continues to consider whether to conduct verification of Kumar, Nutracare, Ravi, and Rudraa.

Recommendation

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



Agree

Disagree

Ronald K. Lorentzen

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

April 4, 2016

Date

³⁴ See Memorandum to The File from Dena Crossland, International Trade Analyst, AD/CVD Operations, Office VI, through Brian Davis, Acting Program Manager, AD/CVD Operations, Office VI, on the subject of "Analysis Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Glycine from the People's Republic of China," dated April 4, 2016.

³⁵ *Id.*

³⁶ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011).