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Investigation
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May 2, 2018

MEMORANDUM TO: Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

FROM: James Maeder
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the duties of Deputy Assistant Secretary for
Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Affirmative
Determination: Countervailing Duty Investigation of Sodium
Gluconate, Gluconic Acid and Derivative Products from the
People's Republic of China

I. SUMMARY

The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of sodium gluconate, gluconic acid and derivative products (GNA products) from the People's Republic of China (China), as provided in section 703 of the Tariff Act of 1930, as amended (the Act).

II. BACKGROUND

A. Initiation and Case History

On November 30, 2017, Commerce received a countervailing duty (CVD) petition concerning imports of GNA products from China, filed in proper form, on behalf of PMP Fermentation Products, Inc. (the petitioner).¹ The CVD petition was accompanied by an antidumping duty (AD) petition. On December 20, 2017, Commerce initiated the CVD investigation of GNA

¹ See Letter from the petitioner, "Petition for Antidumping and Countervailing Duties: Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China and France," dated November 30, 2017 (Petition).



products from China.² The initial allegations and supplements to the Petition are described in the CVD Initiation Checklist.³

In the *CVD Initiation Notice*, we stated that we intended to select respondents based on U.S. Customs and Border Protection (CBP) data on entries of GNA products from China made during the period of investigation (POI).⁴ Accordingly, on January 12, 2018, we selected Shandong Fuyang Biotechnology Co. (Fuyang) and Shandong Kaison Biochemical Co Ltd (Kaison), the two largest exporters/producers of the subject merchandise by volume, for individual examination as mandatory respondents in this investigation.⁵ On January 16, 2018, we issued the CVD questionnaire to the Government of China (GOC) and the mandatory respondents.⁶ Also on January 16, 2018, the petitioner submitted a new subsidy allegation.⁷

On February 21, 2018, we selected Qingdao Dongxiao Enterprise Co., Ltd (Qingdao Dongxiao) as an additional mandatory respondent, and issued the CVD questionnaire to the GOC and Qingdao Dongxiao.⁸ On March 1, 2018, Qingdao Dongxiao informed Commerce that it was withdrawing from this investigation.⁹ On March 8, 2018, we selected Tongxiang Hongyu Chemical Co., Ltd. (Hongyu Chemical) as an additional mandatory respondent, and issued the CVD questionnaire to the GOC and Hongyu Chemical.¹⁰ Between February 2, 2018 and April 26, 2018, Fuyang and the GOC filed responses to our affiliation,¹¹ initial¹² and supplemental questionnaires.¹³ Hongyu Chemical, Kaison, and Qingdao Dongxiao did not respond to

² See *Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 83 FR 499 (January 4, 2018) (*CVD Initiation Notice*).

³ See Countervailing Duty Initiation Checklist: Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China, dated December 20, 2017 (CVD Initiation Checklist).

⁴ See *CVD Initiation Notice*, 83 FR at 501.

⁵ See Memorandum, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Respondent Selection," dated January 12, 2018.

⁶ See Letter from Commerce, "Countervailing Duty Questionnaire," dated January 16, 2018 (Initial Questionnaire).

⁷ See Letter from the petitioner, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products (GNA Products) from the People's Republic of China: PMP's Additional Subsidy Allegation," dated January 16, 2018 (New Subsidy Allegation).

⁸ See Memorandum, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Selection of Additional Respondent," dated February 21, 2018; see also Letter from Commerce, "Countervailing Duty Questionnaire," dated February 21, 2018 (Additional Respondent Questionnaire).

⁹ See Letter from Qingdao Dongxiao, "Sodium Gluconate, Gluconic Acid, and Derivative Products from the PRC: Withdrawal from Participation as Mandatory Respondent," dated March 1, 2018.

¹⁰ See Memorandum, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Selection of Additional Respondent," dated March 9, 2018; see also Letter, "Countervailing Duty Questionnaire," dated March 9, 2018 (Second Additional Respondent Questionnaire).

¹¹ See Fuyang's February 2, 2018 Affiliation Response (Fuyang AFQR).

¹² See Fuyang's March 7, 2018 Initial Questionnaire Response (Fuyang PQR); GOC's March 9, 2018 Initial Questionnaire Response (GOC PQR).

¹³ See Fuyang's March 14, 2018 Supplemental Affiliation Response (Fuyang March 14, 2018 SQR); Fuyang's April 12, 2018 Supplemental Questionnaire Response (Fuyang April 12, 2018 SQR); Fuyang's April 20, 2018 Supplemental Questionnaire Response (Fuyang's April 20, 2018 SQR); Fuyang's April 23, 2018 Supplemental Questionnaire Response (Fuyang's April 23, 2018 SQR); GOC's April 13, 2018 Supplemental Questionnaire Response (GOC April 13, 2018 SQR); GOC's April 26, 2018 Supplemental Questionnaire Response (GOC April 26, 2018 SQR).

Commerce's questionnaire.

On April 2, 2018, the petitioner and Fuyang submitted data for Commerce to consider using as benchmarks in the less than adequate remuneration (LTAR) subsidy rate calculations.¹⁴ On April 12, 2018, the parties submitted benchmark rebuttal information.¹⁵

On April 5, 2018, Commerce initiated on the petitioner's new subsidy allegation.¹⁶ On April 6, 2018, we placed memoranda on the record concerning China's financial system, non-market economy (NME) status, and whether particular enterprises should be considered to be "public bodies."¹⁷ On April 13, 2018, the GOC provided a response to Commerce's Financial System Memorandum and accompanying attachments.¹⁸

On February 16, 2018,¹⁹ March 22, 2018,²⁰ March 26, 2018,²¹ and April 20, 2018,²² the petitioner placed on the record documents relating to the representations Fuyang made in its submissions. The contents of these submissions are discussed in greater detail, below, in the section titled "Application of Total AFA: Fuyang."

¹⁴ See Letter from the petitioner, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products ("GNA Products") from the People's Republic of China: Petitioner's Benchmark Information," dated April 2, 2018 (Petitioner Benchmark Submission); Letter from Fuyang, "Countervailing Duty Investigation on Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Benchmark Submission, dated April 2, 2018 (Fuyang Benchmark Submission).

¹⁵ See Letter from Fuyang, "Countervailing Duty Investigation on Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Rebuttal Benchmark Submission," dated April 12, 2018; Letter from the petitioner, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products ("GNA Products") from the People's Republic of China: Petitioner's Benchmark Rebuttal Information," dated April 12, 2018.

¹⁶ See Memorandum, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China: New Subsidy Allegation," dated April 5, 2018.

¹⁷ See Memorandum, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Placing Information on the Record," dated April 6, 2018.

¹⁸ See Letter from the GOC, "Sodium Gluconate, Gluconic Acid, and Derivative Products from China; CVD Investigation; Response to the Review of China's Financial System Memorandum," dated April 13, 2018.

¹⁹ See Letter from the petitioner, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China: Petitioner's Comments on Shandong Fuyang Biotechnology Co., Ltd.'s Sec. III Affiliated Companies Questionnaire Response," dated February 16, 2018 (Petitioner February 16, 2018 Comments).

²⁰ See Letter from the petitioner, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China: Petitioner's Comments on Shandong Fuyang Biotechnology Co., Ltd.'s Sec. III Questionnaire Response," dated March 22, 2018 (Petitioner March 22, 2018 Comments).

²¹ See Letter from the petitioner, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China: Petitioner's Comments on Shandong Fuyang Biotechnology Co., Ltd.'s Affiliated Companies Supplemental Questionnaire Response," dated March 26, 2018 (Petitioner March 26, 2018 Comments).

²² See Letter from the petitioner, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China: Petitioner's Comments on Shandong Fuyang Biotechnology Co., Ltd.'s April 20, 2018 Sec. III Supplemental Questionnaire Response," dated April 20, 2018 (Petitioner April 20, 2018 Comments).

B. Postponement of Preliminary Results

On February 2, 2018, Commerce postponed the deadline for the preliminary determination of the investigation to the full 130 days permitted under section 703(c)(1)(A) of the Act and 19 CFR 351.205(b)(2).²³ This postponement also incorporates a three-day extension due to the closure of the Federal Government from January 20 through January 22, 2018.²⁴

C. Period of Investigation (POI)

The POI is January 1, 2016, through December 31, 2016.

III. SCOPE COMMENTS

In accordance with the preamble to Commerce's regulations,²⁵ we set aside a period of time in our *Initiation Notice* for parties to raise issues regarding product coverage, and we encouraged all parties to submit comments within 20 calendar days of the signature date of that notice.²⁶

We received several comments concerning the scope of the AD and CVD investigations of GNA products from China. We are currently evaluating the scope comments filed by the interested parties. We intend to issue our preliminary decision regarding the scope of the AD and CVD investigations in the preliminary determination of the companion AD investigation, which is currently scheduled for July 2, 2018.²⁷ We will incorporate the scope decisions from the AD investigation into the scope of the final CVD determination after considering any relevant comments submitted in case and rebuttal briefs.

IV. SCOPE OF THE INVESTIGATION

The scope of this investigation covers sodium gluconate, gluconic acid and derivative products. The complete description of the scope of this investigation is contained in Appendix I of the preliminary determination *Federal Register* notice. Merchandise subject to the investigation is classified under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 2918.16.1000, 2918.16.5010, and 2932.20.5020. Merchandise covered by the scope may also enter under HTSUS subheadings 2918.16.5050, 3824.99.2890, and 3824.99.9295. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise is dispositive.

²³ See *Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 83 FR 5401 (February 7, 2018).

²⁴ *Id.*

²⁵ See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

²⁶ See *CVD Initiation*, 83 FR at 500.

²⁷ See *Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China: Postponement of Preliminary Determination in the Less-Than-Fair-Value Investigation*, 83 FR 19050 (May 1, 2018) (*AD Postponement FR*).

V. NEW SUBSIDY ALLEGATION

On January 16, 2018, the petitioner submitted a new subsidy allegation in which it alleged that the companies under investigation benefited from the *Reduction in or Exemption from Fixed Assets Investment Orientation Regulatory Tax* program.²⁸ For the reasons discussed in the NSA Memorandum, Commerce has initiated an investigation of the above-referenced subsidy program.²⁹ We issued a questionnaire to the respondent, as well as the GOC, addressing this program.³⁰

VI. ALIGNMENT

In accordance with section 705(a)(1) of the Act, and 19 CFR 351.210(b)(4), and based on the petitioner's request,³¹ we are aligning the final CVD determination in this investigation with the final determination in the companion AD investigation of sodium gluconate, gluconic acid and derivative products from China. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be due no later than September 17, 2018, unless postponed.³²

VII. INJURY TEST

Because China is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Act, the U.S. International Trade Commission (ITC) is required to determine whether imports of the subject merchandise from China materially injure, or threaten material injury to, a U.S. industry. On January 22, 2018, the ITC published its preliminary determination finding that there was a reasonable indication that an industry in the United States is materially injured by reason of imports of GNA products from China that are alleged to be subsidized by the GOC.³³

VIII. APPLICATION OF THE CVD LAW TO IMPORTS FROM CHINA

On October 25, 2007, Commerce published its final determination in *CFS from China*, where we found that:

²⁸ See Letter from the petitioner, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products (GNA Products) from the People's Republic of China: PMP's Additional Subsidy Allegation," dated January 16, 2018 (New Subsidy Allegation).

²⁹ See Memorandum, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China: New Subsidy Allegation," dated April 5, 2018 (NSA Memorandum).

³⁰ See Letter from Commerce, "Sodium Gluconate, Gluconic Acid, and Derivative Products from China: Supplemental Questionnaire," dated March 28, 2018; see also Letter from Commerce, "Sodium Gluconate, Gluconic Acid, and Derivative Products from China," dated March 30, 2018.

³¹ See Letter from the petitioner, "Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China: PMP's Request to Align the Countervailing Duty Final Determination with the Companion Antidumping Final Determination," dated April 12, 2018.

³² See *AD Postponement FR*, 83 FR at 19050.

³³ See *Sodium Gluconate, Gluconic Acid, and Derivative Products from China and France*, 83 FR 3021 (January 22, 2018).

{G}iven the substantial differences between the Soviet-style economies and China's economy in recent years, the Department's previous decision not to apply the CVD law to these Soviet-style economies does not act as a bar to proceeding with a CVD investigation involving products from China.³⁴

Commerce affirmed its decision to apply the CVD law to China in numerous subsequent determinations.³⁵ Furthermore, on March 13, 2012, Public Law 112-99 was enacted which makes clear that Commerce has the authority to apply the CVD law to countries designated as NMEs under section 771(18) of the Act, such as China.³⁶ The effective date provision of the enacted legislation confirms that this provision applies to this proceeding.³⁷

IX. ATTRIBUTION OF SUBSIDIES

In accordance with 19 CFR 351.525(b)(6)(i), Commerce normally attributes a subsidy to the products produced by the company that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(v) provide additional rules for the attribution of subsidies received by respondents with cross-owned affiliates. Subsidies to the following types of cross-owned affiliates are covered in these additional attribution rules: (ii) producers of the subject merchandise; (iii) holding companies or parent companies; (iv) producers of an input that is primarily dedicated to the production of the downstream product; or (v) an affiliate producing non-subject merchandise that otherwise transfers a subsidy to a respondent.

According to 19 CFR 351.525(b)(6)(vi), cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. This section of the Commerce's regulations states that this standard will normally be met where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. The preamble to Commerce's regulations further clarifies Commerce's cross-ownership standard. According to the preamble, relationships captured by the cross-ownership definition include those where:

{T}he interests of two corporations have merged to such a degree that one corporation can use or direct the individual assets (or subsidy benefits) of the other corporation in essentially the same way it can use its own assets (or subsidy benefits) . . . Cross-ownership does not require one corporation to own 100 percent of the other corporation. Normally, cross-ownership will exist where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. In certain circumstances, a

³⁴ See *Coated Free Sheet Paper from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 72 FR 60645 (October 25, 2007) (*CFS from China*), and accompanying Issues and Decision Memorandum (CFS IDM) at Comment 6.

³⁵ See, e.g., *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances*, 73 FR 31966 (June 5, 2008) (*CWP from China*), and accompanying Issues and Decision Memorandum (CWP IDM) at Comment 1.

³⁶ Section 1(a) is the relevant provision of Public Law 112-99 and is codified at section 701(f) of the Act.

³⁷ See Pub. L. No. 112-99, 126 Stat. 265 §1(b).

large minority voting interest (for example, 40 percent) or a “golden share” may also result in cross-ownership.³⁸

Thus, Commerce’s regulations make clear that the agency must look at the facts presented in each case in determining whether cross-ownership exists. The U.S. Court of International Trade (CIT) upheld Commerce’s authority to attribute subsidies based on whether a company could use or direct the subsidy benefits of another company in essentially the same way it could use its own subsidy benefits.³⁹

X. USE OF FACTS OTHERWISE AVAILABLE AND ADVERSE INFERENCES

A. Legal Standard

Sections 776(a)(1) and (2) of the Act provide that Commerce shall, subject to section 782(d) of the Act, apply “facts otherwise available” if necessary information is not on the record or an interested party or any other person withholds information that has been requested; fails to provide information within the established deadlines or in the form and manner requested by Commerce, subject to subsections (c)(1) and (e) of section 782 of the Act; significantly impedes a proceeding; or provides information that cannot be verified, as provided by section 782(i) of the Act.

Where Commerce determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that Commerce will so inform the party submitting the response and will, to the extent practicable, provide that party with an opportunity to remedy or explain the deficiency. If the party fails to remedy or satisfactorily explain the deficiency within the applicable time limits, subject to section 782(e) of the Act, Commerce may disregard all or part of the original and subsequent responses, as appropriate.

Under the Trade Preferences Extension Act of 2015 (TPEA), numerous amendments to the AD and CVD laws were made. Amendments to sections 776(b) and 776(c) of the Act and the addition of section 776(d) of the Act were included.⁴⁰ The amendments to the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to this investigation.⁴¹

Section 776(b) of the Act provides that Commerce may use adverse facts available (AFA) when a party fails to cooperate by not acting to the best of its ability to comply with a request for information. In doing so, Commerce is not required to determine, or make any adjustments to, a countervailable subsidy rate based on any assumptions about information an interested party would have provided if the interested party had complied with the request for information.⁴²

³⁸ See *Countervailing Duties*, 63 FR 65348, 65401 (November 25, 1998).

³⁹ See *Fabrique de Fer de Charleroi, SA v. United States*, 166 F. Supp. 2d 593, 600-604 (CIT 2001).

⁴⁰ See TPEA, Pub. L. No. 114-27, 129 Stat. 362 (2015); see also *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793 (August 6, 2015) (*Applicability Notice*).

⁴¹ See *Applicability Notice*, 80 FR at 46794-46795.

⁴² See section 776(b)(1)(B) of the Act.

Furthermore, section 776(b)(2) of the Act states that AFA may include reliance on information derived from the petition, the final determination from the countervailing duty investigation, a previous administrative review, or other information placed on the record.⁴³

Section 776(c) of the Act provides that, in general, when Commerce relies on secondary information rather than on information obtained in the course of an investigation, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal.⁴⁴ Secondary information is defined as information derived from the petition that gave rise to the investigation, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.⁴⁵ Furthermore, Commerce is not required to corroborate any countervailing duty applied in a separate segment of the same proceeding.⁴⁶

Finally, under section 776(d) of the Act, when applying AFA, Commerce may use a countervailable subsidy rate applied for the same or similar program in a CVD proceeding involving the same country or, if there is no same or similar program, use a countervailable subsidy rate for a subsidy program from a proceeding that Commerce considers reasonable to use.⁴⁷ When selecting facts available with an adverse inference, Commerce is not required to estimate what the countervailable subsidy rate would have been if the interested party failing to cooperate had cooperated or to demonstrate that the countervailable subsidy rate reflects an “alleged commercial reality” of the interested party.⁴⁸

For purposes of this preliminary determination, we are applying AFA for the circumstances outlined below.

B. Application of Total AFA: Non-Responsive Companies

As noted in the “Initiation and Case History” section above, Commerce selected four mandatory respondents based on CBP data for U.S. imports of GNA products from China during the POI. On January 16, 2018, February 21, 2018 and March 8, 2018, Commerce issued a CVD questionnaire to the GOC and the four mandatory respondents.⁴⁹

Of the four mandatory respondents selected, Kaison, Qingdao Dongxiao, and Hongyu Chemical did not respond to Commerce’s request for information. Accordingly, we preliminarily determine that Kaison, Qingdao Dongxiao, and Hongyu Chemical withheld necessary information that was requested of them, failed to provide information within the deadline established, and significantly impeded this proceeding. Thus, Commerce will rely on facts otherwise available in making its preliminary determination with respect to these companies, pursuant to sections 776(a)(2)(A)-(C) of the Act. Moreover, we preliminarily determine that

⁴³ See also 19 CFR 351.308(c).

⁴⁴ See also 19 CFR 351.308(d).

⁴⁵ See Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103-316, Vol. 1 at 870, reprinted at 1994 U.S.C.C.A.N. 4040, 4199 (1994) (SAA).

⁴⁶ See section 776(c)(2) of the Act.

⁴⁷ See section 776(d)(1) of the Act.

⁴⁸ See section 776(d)(3) of the Act.

⁴⁹ See Initial Questionnaire; Additional Respondent Questionnaire; Second Additional Respondent Questionnaire.

AFA is warranted, pursuant to section 776(b) of the Act, because Kaison, Qingdao Dongxiao, and Hongyu Chemical failed to cooperate by not acting to the best of their ability to comply with Commerce's request for information. Accordingly, we preliminarily find that use of AFA is warranted to ensure that these companies (*i.e.*, Kaison, Qingdao Dongxiao, and Hongyu Chemical) do not obtain a more favorable result by failing to cooperate than if they had fully complied with our request for information.

C. Application of Total AFA: Fuyang

For the reasons explained below, Commerce preliminarily determines that Fuyang failed to cooperate to the best of its ability in this investigation. We find that certain of Fuyang's submissions remain incomplete, or are in conflict with other record evidence, thereby warranting the application of facts available. By failing to provide Commerce with necessary information in the form and manner requested, Fuyang has impeded the proceeding. In several instances, although Fuyang seemed to eventually provide complete and possibly accurate responses to Commerce's questionnaires, it did so only after the petitioner placed information on the record pointing to alleged misrepresentations or anomalies in Fuyang's reporting. Such responsiveness does not evince that Fuyang was acting to the best of its ability in responses to Commerce's questionnaires, and calls into question the reliability of Fuyang's responses.

Accordingly, we will rely on facts otherwise available in making our preliminary determination with respect to Fuyang, pursuant to sections 776(a)(1) and (a)(2)(A)-(C) of the Act. Moreover, we preliminarily determine that an adverse inference is warranted, pursuant to section 776(b) of the Act, because Fuyang did not act to the best of its ability to provide complete information to Commerce in a timely manner, and its failure to do so deprived Commerce of the opportunity to fully investigate Fuyang and calculate an accurate subsidy rate for the respondent.

Fuyang's Reporting of Pingyuan Fusheng Trading Co., Ltd (Pingyuan)

In Commerce's initial questionnaire, we requested that Fuyang report all affiliated and cross-owned companies during the POI and throughout the average useful life (AUL) period within the meaning of the relevant statutory and regulatory provisions.⁵⁰ In its February 2, 2018, affiliated company questionnaire response, Fuyang did not identify the existence of Pingyuan, formerly known as Dezhou Fuyuan Biological Starch Co, Ltd. (Dezhou).⁵¹ On February 14, 2018, the petitioner placed information on the record indicating that Pingyuan was cross-owned with Fuyang and that Pingyuan produced corn starch (a key input for GNA production) during the AUL period.⁵²

In its March 7, 2018, response to Commerce's primary questionnaire, Fuyang explained that it "does not consider Pingyuan Fusheng to meet the criteria that require it to submit a questionnaire response," although it acknowledged that the companies are cross-owned.⁵³ Fuyang went on to

⁵⁰ See Primary Questionnaire at Section 1.

⁵¹ See generally Fuyang ACQR.

⁵² See Petitioner February 16, 2018 Letter, at 1-6 and Exhibits A-B.

⁵³ See Fuyang March 7, 2018 PQR, Volume I at 2.

explain that “{t}o be conservative, however, the respondent submits the following response on behalf of Pingyuan Fusheng Trading Co., Ltd.,”⁵⁴ in Volume IV of its submission.

As an initial matter, we are not persuaded by Fuyang’s assertion that it did not believe a response on behalf of Pingyuan was necessary. Commerce’s questionnaire provides two separate provisions that require a response for Pingyuan.

First, record evidence suggests that Pingyuan was cross-owned with Fuyang during the POI and much of the AUL period.⁵⁵ One reason this cross-ownership relationship is significant is because, as Fuyang has stated, Pingyuan supplied Fuyang with the main input for GNA production (corn starch) during the AUL period.⁵⁶ Commerce’s questionnaire explicitly states:

Commerce is also investigating alleged allocable, non-recurring subsidies that your company may have received during the AUL period. Because of this, you must file a response for all cross-owned affiliates that met any of the conditions listed above under sub-section C during the AUL period.⁵⁷

Subsection C, in turn, provides that a respondent must file a response on behalf of a cross-owned affiliate if “the cross-owned company supplies an input product to you for production of the downstream product produced by the respondent.”⁵⁸ As noted, the record reflects that Pingyuan provided corn starch, a key input used in the production of GNA, to Fuyang during the AUL period.⁵⁹ Accordingly, pursuant to subsection C of Commerce’s affiliated companies questionnaire, Fuyang was required to provide a response on behalf of Pingyuan.

Second, Fuyang states that it acquired substantially all of the assets of Pingyuan during the AUL period, and Pingyuan continues to exist as a company.⁶⁰ The questionnaire states that:

if your company obtained all or substantially all the assets of another company during the AUL period, and that company still exists as an ongoing entity, we require a complete questionnaire response for such company. It is essential to include a discussion of all such “change in ownership” transactions within your responses to the questions below regarding your company’s history.⁶¹

Therefore, both criteria in subsection D appear to be met, because Fuyang obtained substantially all of the assets of Pingyuan during the AUL period and Pingyuan still exists as an ongoing

⁵⁴ *Id.*

⁵⁵ *Id.*; *see also* Fuyang March 14, 2018 SQR, at 18. For additional detail on this issue, *see* Note 1 of the accompanying BPI Addendum.

⁵⁶ *See* Fuyang April 20, 2018 SQR at 1.

⁵⁷ *See* Primary Questionnaire at Section 1.

⁵⁸ *Id.*

⁵⁹ *See* Fuyang April 12, 2018 SQR; Fuyang April 20, 2018 SQR.

⁶⁰ *See* Fuyang March 7, 2018 PQR at 30; Fuyang April 12, 2018 SQR at 18; *see also* Fuyang March 14, 2018 SQR at 2 (noting that Pingyuan’s “fixed assets and land were sold out by judicial auction in implementation of a court ruling against Fuyuan Starch {*i.e.*, Pingyuan}, which were then purchased by Fuyang Bio-Tech.”).

⁶¹ Primary Questionnaire at Section 1.

entity. Although Fuyang stated in a supplemental questionnaire response that Pingyuan “ceased operation since the end of 2013,”⁶² record evidence contradicts this assertion. A 2015 advertisement placed on the record by the petitioner supports the proposition that Dezhou (which was Pingyuan’s former name) was active during 2015.⁶³ Fuyang did not comment on, or rebut, this record evidence. Additionally, Fuyang explained in its response on behalf of Pingyuan that “{o}n January 2, 2016, {i.e., during the POI} our company {formerly Dezhou} changed its name as Pingyuan Fusheng Trading Co., Ltd.”⁶⁴ Therefore, record evidence indicates that Pingyuan still exists as ongoing entity.⁶⁵ Accordingly, under subsection D of Commerce’s affiliated company questionnaire, Fuyang was required to provide a response on behalf of Pingyuan.

Despite these considerations, Fuyang contends that a response is not required for Pingyuan. In support of its assertion, Fuyang argues that Commerce’s “questionnaire explicitly states that ‘{u}nless specified differently, your answers to the requests below should cover your company’s situation during the POI.’”⁶⁶ However, subsections C and D of the questionnaire, as discussed above, do in fact specify differently. Subsection C relates to “all cross-owned affiliates that met any of the conditions listed above ... *during the AUL period.*”⁶⁷ Similarly, subsection D relates to asset purchases “*during the AUL period.*”⁶⁸ Therefore, the questionnaire explicitly notes that the applicable subsections apply to years prior to the POI.

In sum, there are two provisions in Commerce’s countervailing duty questionnaire that required Fuyang to submit a response on behalf of Pingyuan. Nonetheless, Fuyang continues to maintain that a response was not necessary for Pingyuan.⁶⁹ Despite Fuyang’s contention that a response for Pingyuan was not required, after the petitioner highlighted Fuyang’s omission and placed factual information on the record demonstrating the omission, Fuyang did provide a response for Pingyuan, claiming it was doing so in an effort “to be conservative.”⁷⁰ However, the response on behalf of Pingyuan was substantially incomplete, and did not provide critical information necessary for Commerce’s subsidy rate calculations.

The response for Pingyuan, for instance, contained inconsistencies with respect to the company’s sales data. In our primary questionnaire, in the section regarding sales reporting, we state: “*{i}n addition, separately report the value of sales by each cross-owned company, as well as the value of sales between your company and the cross-owned company.*”⁷¹ Fuyang’s initial questionnaire response did not account for any sales between Pingyuan and Fuyang.⁷² Pingyuan explained – in response to a question from Commerce regarding intercompany sales – that it had sold corn

⁶² See Fuyang March 14, 2018 SQR at 2.

⁶³ See Petitioner April 20, 2018 Comments at Exhibit A.

⁶⁴ See Fuyang March 7, 2018 PQR, Volume IV at 3, 5; see also Fuyang March 14, 2018 SQR, at S-4.

⁶⁵ See Fuyang March 14, 2018 SQR, at S-4.

⁶⁶ See Fuyang Pre-Prelim Comments at 17-18.

⁶⁷ See Primary Questionnaire at Section 1.

⁶⁸ See *id.*

⁶⁹ See Fuyang March 7, 2018 PQR at 2; see also Fuyang Pre-Prelim Comments at 17-18.

⁷⁰ See Fuyang March 7, 2018 PQR at 2.

⁷¹ See Primary Questionnaire at “General Questions” Section B (emphasis in original).

⁷² See Fuyang April 20, 2018 SQR at 2 (stating that “{t}he intercompany sales between Fuyang Biotech and Pingyuan are not reflected in Volume IV, Exhibit 8 of Fuyang Biotech’s March 7, 2018 Questionnaire Response.”).

starch (a key input) to Fuyang for 4 years of the AUL period.⁷³ Subsequently, approximately two weeks prior to our scheduled preliminary determination, in response to another Commerce question on the issue of intercompany sales, Pingyuan again modified its previous response to state that Pingyuan sold Fuyang corn starch for 5 years of the AUL period.⁷⁴ The ongoing uncertainty regarding sales between Pingyuan and Fuyang is problematic because such information is critical to Commerce's assessment of the relationship between the two cross-owned companies. Specifically, Commerce needs to understand whether an entity provides an input to a cross-owned producer, as this directly impacts Commerce's attribution analysis and our selection of the appropriate denominator used in the rate calculations.⁷⁵

Fuyang's response on behalf of Pingyuan was also initially incomplete with respect to benefit information. In its initial response, Pingyuan reported that it received no benefits from any subsidy programs.⁷⁶ In light of the extensive list of grants received by Fuyang throughout the AUL, and given that Fuyang is essentially a successor to Pingyuan/Dezhou,⁷⁷ Commerce asked the GOC to confirm that Pingyuan accurately reported its receipt of benefits.⁷⁸ Following Commerce's issuance of this question to the GOC, in its next questionnaire response, Fuyang modified its response to state that Pingyuan had in fact received multiple grants during the AUL period.⁷⁹

What is perhaps most troubling, however, for purposes of our analysis in this preliminary determination is the continued lack of information available to Commerce on the record with respect to Pingyuan's precise role in the larger corporate organizational structure. Consistent with Commerce's practice, we sought information on Fuyang's corporate structure, we asked whether Pingyuan was ever part of a particular corporate family, Corporate Group A.⁸⁰ Fuyang explicitly stated that it was not part of Corporate Group A. However, on April 20, 2018, the petitioner placed on the record multiple documents demonstrating that Pingyuan was in fact part of Corporate Group A during the AUL period.⁸¹ Fuyang did not rebut these assertions. Therefore, record evidence runs directly counter to Fuyang's earlier representation to Commerce regarding its membership in Corporate Group A. This is an essential piece of information for our record and goes to Commerce's subsidy analysis. Fuyang's failure to provide the agency with that necessary information unquestionably impeded Commerce's ability to conduct this investigation. For additional details on this issue, *see* Note 1 of the accompanying BPI Addendum.

⁷³ *See* Fuyang April 12, 2018 SQR at 15-16 (stating that "Fuyang Biotech purchased corn starch from Pingyuan Fusheng (formerly Dezhou Fuyuan) to produce sodium gluconate during 2010-2013").

⁷⁴ *See* Fuyang April 20, 2018 SQR, at 1 (stating, in a correction to Fuyang's prior response, that "Pingyuan sold corn starch to Fuyang Biotech to produce subject merchandise during the 2009-2013.>").

⁷⁵ *See* 19 CFR 351.525(b)(6)(iv) (providing attribution rules relating to producers of an input that is primarily dedicated to the production of the downstream product).

⁷⁶ *See generally* Fuyang March 7, 2018 PQR, Volume IV.

⁷⁷ As noted above, Fuyang acquired Pingyuan/Dezhou's land and assets.

⁷⁸ *See* Commerce March 30, 2018 Questionnaire at 3.

⁷⁹ *See* Fuyang April 12, 2018 SQR, at 21.

⁸⁰ *Id.* at 12.

⁸¹ *See* Petitioner April 20, 2018 Comments at 3-5 and Exhibit A.

Fuyang's failure to provide necessary and complete information regarding its cross-ownership during the AUL period and the POI is significant, as a full reporting of Fuyang's corporate structure might have revealed other affiliated/cross-owned entities within Corporate Group A, or may have revealed that an entity in Corporate Group A received a subsidy that is attributable to Pingyuan. Any of these scenarios could have an impact on Commerce's attribution of subsidies to Fuyang.⁸² In fact, the petitioner placed on the record information indicating that Corporate Group A was a recipient of numerous GOC designations.⁸³ This evidence further highlights the possibility that unreported entities may have received subsidies that are attributable to Fuyang. Ultimately, Commerce was precluded from conducting a full analysis regarding any such subsidies, because Fuyang provided incomplete responses, and responses that directly contradict record evidence.

Although the lack of information pertaining to Fuyang, Pingyuan and Corporate Group A is sufficient to warrant the application of facts available, there are additional data concerns which further support the application of both facts available and an adverse inference. For example, Fuyang provided inconsistent information to Commerce regarding the business activities of a cross-owned company and Person A. Early in this investigation, the petitioner placed a news article on the record describing corruption-related activities relating to Person A and the entity in question.⁸⁴ This information concerns interactions with government officials during the AUL period. Due to the BPI nature of such information, additional detail on this issue is contained in Note 2 of the accompanying BPI Addendum.

Fuyang initially responded to the petitioner's submission by characterizing the information as "fake news" and asserting that the petitioner's claim was unsupported and "spurious."⁸⁵ However, after Commerce solicited additional information on the issue, Fuyang then conceded that the petitioner's allegations were accurate.⁸⁶ Fuyang emphasizes that it, subsequently, provided correct information with respect to Person A's business activities and relationship to the other cross-owned companies to Commerce.⁸⁷ However, providing information only after the petitioner demonstrates the inaccuracies of a prior submission falls well short of providing full cooperation in an investigation.

To the extent that Person A's involvement in the other unreported cross-owned companies during the AUL period resulted in benefits to Fuyang such as receipt of grants and/or land obtained during the period in question, these subsidies could be allocated to Fuyang in the POI, and must be reported. Similarly, subsidies received by a cross-owned entity could be transferred to Fuyang. Additionally, Fuyang appears to acknowledge that the prior conduct of Person A has directly impacted its ability to fully participate in this proceeding.⁸⁸

⁸² See 19 CFR 351.525(b)(6)(ii)-(v).

⁸³ *Id.*

⁸⁴ See Petitioner's February 16, 2018 Letter at 2-3.

⁸⁵ See Letter from Fuyang, "Countervailing Duty Investigation on Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Response to Petitioner's Comments on Fuyang Bio-tech's Affiliated Companies Response," dated February 27, 2018, at 2.

⁸⁶ See Fuyang March 14, 2018 SQR at 4.

⁸⁷ See Fuyang April 25, 2018 Pre-Preliminary Rebuttal Comments, at 4.

⁸⁸ See Fuyang April 23, 2018 SQR at 4. See also Note 2 of the accompanying BPI Addendum.

For the reasons stated above, we find that Fuyang failed to cooperate to the best of its ability with respect to its submission of information regarding Pingyuan and Person A. Fuyang did not provide necessary information regarding Pingyuan, or the relevant conduct of Person A, until evidence was presented to Commerce demonstrating the significance of these omissions. Then, once Fuyang did provide a response, the response required multiple corrections, and nonetheless remains incomplete. For these reasons, Fuyang failed to act to the best of its ability in reporting cross-owned entities during the POI and AUL period in the form and manner requested and impeded Commerce's investigation.

Additional Corporate Structure Issues

In addition to omissions and inconsistencies noted above, Fuyang has not been forthcoming about its corporate structure in other respects. These deficiencies further support Commerce's application of AFA to Fuyang.

In our initial questionnaire, we requested “{t}he identity of all companies with which your company is affiliated within the meaning of section 771(33) of the Act,” and noted that affiliation could be a function of “corporate groupings,” “shared board members or executive officers,” or “one party's ownership or control of stock with voting privileges in another.”⁸⁹ In response, Fuyang provided a list of affiliates.⁹⁰

Given Person A's activities with respect to Fuyang's cross-owned entity, we issued a supplemental question requesting a full accounting of the individual's direct and indirect ownership interests.⁹¹ In its March 14, 2018, questionnaire response, Fuyang noted that Person A held an ownership interest in two previously unreported entities, Company B and Company C.⁹² On March 26, 2018, the petitioner placed on the record information suggesting that the list of companies for which Person A serves as a board member and/or shareholder remained incomplete.⁹³ Commerce requested that Fuyang again revise its response to provide a comprehensive list of entities in which Person A “has indirect ownership interests or serves as a board member or manager.”⁹⁴ Fuyang submitted a revised response addressing Commerce's request with respect to Person A's indirect ownership interests; however, Fuyang did not provide an updated list regarding entities in which Person A served as a board member and/or manager.⁹⁵ Therefore, the response was incomplete.

Importantly, when Commerce issued additional questions regarding the newly reported affiliates, Fuyang's response was not complete, and was in conflict with other record evidence. Fuyang stated that Company B's operations were unrelated to Fuyang's production, and stated that the

⁸⁹ See Initial Questionnaire at Section I.

⁹⁰ See Fuyang ACQR at Exhibit 1-2.

⁹¹ See Commerce February 28, 2018 SQR at 3.

⁹² See Fuyang March 14, 2018 SQR at Exhibit S-7.

⁹³ See Petitioner March 26, 2018 Comments at 7 and Exhibit C.

⁹⁴ See Commerce March 28, 2018 SQR, at 10.

⁹⁵ See Fuyang April 12, 2018 SQR at Exhibit S2-22.

company's business scope was distinct from Fuyang's.⁹⁶ However, Company B's business license states that its business scope does in fact encompass subject merchandise.⁹⁷

Therefore, record evidence indicates that Company B is affiliated with Fuyang, and its business scope relates to sodium gluconate. Nonetheless, Company B went unreported to Commerce until the petitioner placed information on the record demonstrating the omission in Fuyang's response. Again, Fuyang's submission of incomplete responses does not evince that the company acted to the best of its ability in providing Commerce with requested, necessary information. For additional discussion regarding these unreported affiliates, see Note 3 of the accompanying BPI Addendum.

Financial Documents and Sales Data

At various points in this investigation, Commerce was required to make multiple requests to obtain key financial documents and sales data necessary for calculating subsidy rates. By forcing Commerce to issue multiple requests, Fuyang reduced the amount of time available for Commerce to conduct a thorough review of the documents and/or solicit further information. Such delay impeded Commerce's investigation. Furthermore, even where Commerce ultimately received the requested data, in some instances, key data needed for the calculation of subsidy rates remains incorrect.

In our initial questionnaire, we asked: “{p}lease provide your company's complete audited financial statements for the last three fiscal years.”⁹⁸ Fuyang initially provided only unaudited financial statements for Fuyang and its cross-owned affiliates, and stated that “{t}hese financial statements were not audited in the normal course of business.”⁹⁹

Subsequently, Commerce asked numerous questions regarding the availability of audited financial statements, in large part due to record evidence submitted by Fuyang that suggested that such statements might in fact be available.¹⁰⁰ In response to these questions, Fuyang explained that it did have audited statements covering the POI.¹⁰¹ Fuyang explained that, although it did not prepare audited reports on an annual basis, it “audited its accounts as well as the accounts of its subsidiaries ... covering the 2016 financial year and the first quarter of 2017.”¹⁰² Fuyang explained that such reports were prepared for the purpose of an upcoming public offering.¹⁰³ Regardless of Fuyang's reason for preparing its financial statements, they were available for submission to Commerce. These documents are crucial for Commerce's analysis, because they serve as the most important document for the reconciliation of the companies' subsidy receipts and sales data. We requested such statements in our initial questionnaire, and only received them on April 12, 2018, three weeks before our preliminary

⁹⁶ *Id.* at 19.

⁹⁷ *Id.* at Exhibit S2-22.

⁹⁸ See Primary Questionnaire at “General Questions” Section A, Question 5.

⁹⁹ See, e.g., Fuyang March 7, 2018 PRQ, Volume I, at 7.

¹⁰⁰ See Fuyang March 14, 2018 SQR at Exhibit 9; see also Fuyang April 12, 2018 SQR at 1.

¹⁰¹ See Fuyang March 14, 2018 SQR at Exhibit 9; see also Fuyang April 12, 2018 SQR at 1.

¹⁰² See Fuyang April 12, 2018 SQR at 1.

¹⁰³ *Id.*

determination, in response to a supplemental questionnaire.¹⁰⁴ For additional detail on this issue, see Note 4 of the accompanying BPI Addendum.

Commerce has also identified factual inaccuracies in Fuyang's sales data. In our initial questionnaire, we requested that Fuyang provide sales data for use as denominators in our subsidy rate calculations. We asked Fuyang to provide, for each year of the AUL period, “{t}he quantity and f.o.b. value of total sales (both subject and non-subject merchandise) to all markets,” and the “{t}he total quantity and f.o.b. (port) value of export sales (both subject and non-subject merchandise) to all markets.”¹⁰⁵ In a March 28, 2018 questionnaire, we asked Fuyang to confirm that it had provided “sales values” on an FOB basis.¹⁰⁶ On April 12, 2018, Fuyang confirmed that it reported sales values on a FOB basis, and provided a reconciliation of its sales values.¹⁰⁷

However, a review of Fuyang's reconciliation revealed that the sales data were not accurate. On April 19, 2018, Commerce asked Fuyang to explain certain anomalies in its sales figures.¹⁰⁸ On April 20, 2018, Fuyang responded to Commerce's inquiry by saying that Commerce should use Fuyang's “total income” – rather than total sales – as the denominator.¹⁰⁹ Fuyang explained that it was the “company's opinion,” that Commerce should continue to use the reported figures, notwithstanding the errors that Commerce had identified.¹¹⁰

Fuyang's assertion that Commerce should use the company's “total income” as the denominator in our subsidy rate calculations runs directly contrary to the plain language of the questionnaire, which requires the use of *sales* figures.¹¹¹ Pursuant to 19 CFR 351.525(a), “the Secretary will calculate an ad valorem subsidy rate by dividing the amount of the benefit allocated to the period of investigation or review by the *sales value* during the same period of the product or products” (emphasis added). Commerce's questionnaire instructs respondents to make adjustments necessary to ensure that the reported figures are exclusively FOB sales figures.¹¹²

Notwithstanding Fuyang's statement in its April 20, 2018, submission that it provided “total income” figures in lieu of sale figures, in the next paragraph of the response, Fuyang stated that “{w}e confirm that the sales figures Fuyang Biotech has provided to Commerce consist *exclusively of the companies' FOB sales figures.*”¹¹³ This statement directly contradicted the statement in the paragraph of the same response.¹¹⁴

¹⁰⁴ *Id.* at 1 and Exhibit S2-1 (containing audited financial statements that were prepared in 2017).

¹⁰⁵ See Primary Questionnaire at “General Questions” Section B.

¹⁰⁶ See Commerce's March 28, 2018 questionnaire at 3.

¹⁰⁷ See Fuyang April 12, 2018 SQR at 4.

¹⁰⁸ See Commerce's April 20, 2018 questionnaire at 2.

¹⁰⁹ See Fuyang April 20, 2018 SQR at 2.

¹¹⁰ *Id.* For additional detail on this issue, see Note 5 of the accompanying BPI Addendum.

¹¹¹ See Primary Questionnaire at “General Questions” Section B.

¹¹² *Id.*

¹¹³ See Fuyang April 20, 2018 SQR at 2.

¹¹⁴ *Id.*

To summarize, in a supplemental questionnaire issued approximately two weeks prior to our preliminary determination deadline, Commerce highlighted an error in the reported sales data. Rather than correct the data, Fuyang responded that it is the “company’s opinion” that Commerce should use the data as submitted, and further, if Commerce disagrees it should correct the data itself.¹¹⁵ This response does not suggest that Fuyang acted to the best of its ability in responding to Commerce’s requests for information and falls short of providing full cooperation with Commerce in the reporting of accurate sales data in the form and manner requested. Additionally, we note that Commerce cannot correct the data on Fuyang’s behalf, because we do not have the necessary data for AUL period.¹¹⁶ Furthermore, it is the responsibility of a respondent to provide Commerce with its necessary information, and not for Commerce to make adjustments to Fuyang’s incorrectly reported data. For additional detail on this issue, see Note 5 of the accompanying BPI Addendum.

Additionally, there is conflicting record evidence regarding the merchandise that is produced and sold by Fuyang. Fuyang stated that “Fuyang Biotech produces and sells sodium gluconate and modified starch and by-products including corn fiber and corn gluten. Fuyang Biotech did not produce or sell glucono delta lactone, gluconic acid and trehalose.”¹¹⁷ However, Fuyang’s website states that it is “engaged in the R&D, manufacture, sales and trade of sodium gluconate, Gluco-deltalactone (GDL), trehalose modified starch, gluconic acid and corn starch.”¹¹⁸ Furthermore, the petitioner submitted a April 2017 market intelligence report indicating that Fuyang produces gluco-deltalactone and gluconic acid.¹¹⁹ Finally, a Fuyang blog indicates that Fuyang has a position related to GDL production.¹²⁰ Therefore, there are inconsistencies regarding the products that Fuyang produces and sells, which raises further questions regarding the company’s sales figures.

Designations

Fuyang also failed to provide accurate information to Commerce on multiple occasions regarding designations the company and its cross-owned affiliates received from the GOC. In our initial questionnaire, we asked Fuyang to “explain whether the GOC or a local government authority (*e.g.*, provincial, municipal, county) has designated your company and/or industry as ‘pillar,’ ‘encouraged,’ ‘key,’ ‘honorable,’ or any other designation. If so, explain the purpose of these designations, the criteria for receiving any such designations, and the benefits or obligations that arise from and such designations.”¹²¹ Fuyang responded that “{t}o the best of our knowledge and belief, neither our company nor the corn processing industry has been designated as ‘pillar,’

¹¹⁵ *Id.*

¹¹⁶ See Note 5 of the BPI Addendum, dated concurrently with this memorandum.

¹¹⁷ See Fuyang April 12, 2018 SQR at 16.

¹¹⁸ See Letter from the petitioner, “Countervailing Duty Investigation of Sodium Gluconate, Gluconic Acid and Derivative Products from the People’s Republic of China: Petitioner’s Comments on Shandong Fuyang Biotechnology Co., Ltd.’s Sec. III Questionnaire Response,” dated March 22, 2018 (Petitioner March 22, 2018 Comments) at Exhibits A and E.

¹¹⁹ See Petitioner’s April 20, 2018 Comments at 17 and Exhibit F.

¹²⁰ See Petitioner’s March 26, 2018 Comments at Exhibit D.

¹²¹ Primary Questionnaire at “General Questions.”

‘encouraged,’ ‘key,’ ‘honorable,’ or any other designation by the GOC or our local government authority.’¹²² Fuyang provided similar responses on behalf of its cross-owned affiliates.¹²³

The petitioner placed information on the record demonstrating that Fuyang had received similar designations, and even advertised the fact on its website.¹²⁴ For instance, Fuyang’s website states that it is a “Leading Enterprise for Agriculture Industrialization in Shandong.”¹²⁵ Additionally, the petitioner placed on the record a document indicating that Fuyang was recently designated a “Key Enterprise Supporting the Industrialization of Grain and Oil,” and Fuyang highlighted this designation on its blog.¹²⁶

After the petitioner placed this information on the record, Fuyang provided a revision to its earlier statement, stating that it did in fact acquire a designation of “‘Leading Enterprise for Agricultural Industrialization’ in 2012.”¹²⁷ Fuyang denied, without further explanation, that it had been designated a “Key-Enterprise Supporting the Industrialization of Grain and Oil” despite the record evidence to the contrary.¹²⁸ Although Fuyang stated that it “did not benefit from such designation,”¹²⁹ the blog post that the petitioner provided explicitly states that “{a}ccording to relevant support policies, the state will increase policy and credit support for grain and oil industry leading enterprises.”¹³⁰

There are additional inconsistencies in Fuyang’s responses regarding designations. In a supplemental questionnaire, Commerce and Fuyang had the following exchange:

Question: Please specify whether Fuyang Biotech received loans as a result of its designation as a “Leading Enterprise for Agriculture Industrialization in Shandong,” or “Key Enterprise Supporting the Industrialization of Grain and Oil,” “3A Credit Enterprise,” or any other similar designations.

Response: Fuyang Biotech did not receive loans as a result of its designation as a “Leading Enterprise for Agriculture Industrialization in Shandong,” or “Key Enterprise Supporting the Industrialization of Grain and Oil,” “3A Credit Enterprise,” or any other similar designations.

¹²² See Fuyang’s March 7, 2018 PQR, Volume I, at 7.

¹²³ *Id.* at Volumes II-IV.

¹²⁴ See Petitioner March 22, 2018 Comments at 6 and Exhibit B (showing an advertisement which lists a designation for Fuyang as a “Leading Enterprise for Agriculture Industrialization in Shandong”), Exhibit C (providing a *Notice of the China Agricultural Development Bank of the State Grain Administration on the Announcement of the List of Key Enterprises Supporting the Industrialization of Grain and Oil*, which lists Fuyang as a “grain and oil industry leading enterprise”); Exhibit D (showing a blog post which states that Fuyang is a “leading grain and oil industrialization company” and a “grain and oil industry leading enterprise”).

¹²⁵ See Petitioner March 22, 2018 Comments at Exhibit B.

¹²⁶ *Id.* at Exhibit D.

¹²⁷ See Fuyang March 7, 2018 SQR at 17.

¹²⁸ *Id.*

¹²⁹ *Id.*

¹³⁰ See Petitioner March 22, 2018 Comments at Exhibit D.

Having established that Fuyang received various GOC designations, Fuyang continued to maintain that it did not receive benefits from such designations. However, documentation provided in Fuyang’s supplemental questionnaire responses suggests otherwise, and indicates that a designation very similar to one of those listed above played a role in its receipt of benefits.¹³¹ For additional detail on this issue, see Note 6 of the accompanying BPI Addendum.

Although Fuyang responded to Commerce’s questionnaires, Fuyang did not provide complete responses or responses in the manner and form requested by Commerce. Commerce was required to solicit additional responses up until this preliminary determination, and despite the repeated requests for information, Fuyang’s responses remain incomplete and inaccurate. In more than one instance, the weight of the evidence indicates that Fuyang has misrepresented information to Commerce. At a minimum, Fuyang has not acted to the best of its ability, and has fallen far short of the “maximum” effort required by the statute.¹³² Fuyang’s failure to fully cooperate has inhibited Commerce’s ability to adequately conduct this investigation, and application of AFA is thus warranted.¹³³

D. Selection of the AFA Rate

As AFA, pursuant to sections 776(a) and (b) of the Act, Commerce is finding all programs initiated upon in this proceeding to be countervailable—that is, they provide a financial contribution within the meaning of sections 771(5)(B)(i) and (D) of the Act, confer a benefit within the meaning of section 771(5)(B) of the Act, and are specific within the meaning of section 771(5A) of the Act. Accordingly, all programs are included in Commerce’s calculation of an AFA rate for Fuyang, Hongyu Chemical, Kaison, and Qingdao Dongxiao.¹³⁴ Commerce has previously countervailed many of these programs in prior proceedings.¹³⁵

When selecting AFA rates, section 776(d) of the Act provides that Commerce may use any countervailable subsidy rate applied for the same or similar program in a countervailing duty proceeding involving the same country, or, if there is no same or similar program, use a countervailable subsidy rate for a subsidy program from a proceeding that the administering authority considers reasonable to use, including the highest of such rates. As Fuyang, Hongyu Chemical, Kaison, and Qingdao Dongxiao have failed to fully cooperate in this investigation, consistent with section 776(d) of the Act and our established practice, we selected the highest calculated rate for the same or similar program as AFA for each program.¹³⁶

¹³¹ See Fuyang April 12, 2018 SQR at S2-14.

¹³² See *Nippon Steel Corporation v. United States*, 337 F.3d 1373, 1382 (Fed. Cir. 2003) (“{T}he statutory mandate that a respondent act to ‘the best of its ability’ requires the respondent to do the maximum it is able to do.”).

¹³³ See, e.g., *Certain Carbon and Alloy Steel Cut-To-Length Plate from the Republic of Korea: Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination*, 82 FR 16341 (April 4, 2017), and accompanying Issues and Decision Memorandum at 37 and 43.

¹³⁴ See Appendix I; see also CVD Initiation Checklist.

¹³⁵ See CVD Initiation Checklist.

¹³⁶ See, e.g., *Certain Frozen Warmwater Shrimp from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 78 FR 50391 (August 19, 2013) (*Shrimp from China*), and accompanying Issues and Decision Memorandum (*Shrimp IDM*) at 13-14; see also *Essar Steel Ltd. v. United States*, 753 F.3d 1368, 1373-1374 (Fed. Cir. 2014) (upholding “hierarchical methodology for selecting an AFA rate”).

Typically, when selecting AFA rates for each program, if we have a cooperating mandatory respondent in the investigation, we first determine if there is an identical program in the investigation and use the highest calculated rate for the identical program. However, we do not have a cooperating mandatory respondent in this investigation and, accordingly, there are no programs for which we calculate an above-zero rate. Therefore, for each program we determine if the identical program was used in another CVD proceeding involving China, and apply the highest calculated rate for the identical program (excluding *de minimis* rates).¹³⁷ If no such rate exists, we then determine if there is a similar/comparable program (based on the treatment of the benefit) in another CVD proceeding involving China, and apply the highest calculated above-*de minimis* rate for that program. Finally, where no such rate is available, we apply the highest calculated above-*de minimis* rate from any program that could conceivably be used by the non-cooperating companies.¹³⁸

In applying AFA to Fuyang, Hongyu Chemical, Kaison, and Qingdao Dongxiao, we are guided by Commerce’s methodology detailed above. First, to calculate the program rate for the following income tax reduction programs on which Commerce initiated an investigation, we determined, as AFA, that Fuyang, Hongyu Chemical, Kaison, and Qingdao Dongxiao paid no income tax during the POI:

- Preferential Income Tax Policies for Enterprises in Specific Regions, Provinces, or Designated Areas – Shandong
- Preferential Income Tax Policies for Enterprises in Specific Regions, Provinces, or Designated Areas – Township Rural-Area Benefits
- Preferential Income Tax Reductions for High and New Technology Enterprises (HNTEs)
- Reduced Income Tax Rates for Foreign Invested Enterprise (FIEs) Based on Location
- Reduced Tax Rates for FIEs Recognized as High or New Technology Enterprises
- Local Income Tax Exemption and Reduction Programs for “Productive” FIEs
- Preferential Deduction of Research and Development (R&D) Expenses for HNTEs
- Tax Offsets for Research and Development by FIEs

The standard income tax rate for corporations in China in effect during the POI was 25 percent.¹³⁹ Thus, the highest possible benefit for these income tax programs is 25 percent. Accordingly, we are applying 25 percent as an AFA rate on a combined basis (*i.e.*, the eight programs, combined, provide a 25 percent benefit). Consistent with past practice, the 25 percent AFA rate does not apply to income tax credit and rebate, accelerated depreciation, or import

¹³⁷ For purposes of selecting AFA program rates, we normally treat rates less than 0.5 percent to be *de minimis*. See, e.g., *Pre-Stressed Concrete Steel Wire Strand from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 28557 (May 21, 2010), and accompanying Issues and Decision Memorandum at “1. Grant Under the Tertiary Technological Renovation Grants for Discounts Program” and “2. Grant Under the Elimination of Backward Production Capacity Award Fund.”

¹³⁸ See Shrimp IDM at 13-14.

¹³⁹ See CVD Initiation Checklist at 40.

tariff and value-added tax (VAT) exemption programs, because such programs may not affect the tax rate.¹⁴⁰

For all other programs not mentioned above, we are applying the highest above-*de minimis* subsidy rate calculated for the same or similar programs in a China CVD investigation or administrative review. For this preliminary determination, we are able to match, based on program names, descriptions, and benefit treatments, the following programs to be the same or similar programs from other China CVD proceedings:

- Policy Loans
- Loans through Regional Development Plans – Shandong Region
- Loans through Regional Development Plans – Northeast Region Revitalization Twelfth Five-Year Plan
- Preferential Loans Provided by the Export-Import Bank “Going-out” for Outbound Investments
- Export Seller’s Credit and Guarantees
- Export Buyer’s Credit
- Corporate Income Tax Law Article 33: Reduction of Taxable Income for Revenue Derived from the Manufacture of Products that Are in Line with State Industrial Policy and Involve Synergistic Utilization of Resources
- VAT and Tariff Exemptions for Purchases of Fixed Assets Under the Foreign Trade Development Fund Program
- VAT and Tariff Exemptions on Imported Equipment for Favored Industries
- Provision of Corn for LTAR
- Provision of Electricity for LTAR
- Provision of Land for LTAR
- Provision of Water for LTAR
- Provision of Storage for LTAR
- Grants for Corn Storage
- Grants Provided to Corn Processors
- Grants Promoting Rationalization
- Grants for Relocation to the “Corn Belt”
- The State Key Technology Project Fund
- Grants Provided in Support of Agricultural Development Projects
- Subsidies for Development of “Brands”
- Small and Medium Sized Enterprises (SME) International Market Exploration/Development Fund
- Grants for Listing Shares
- Foreign Trade Development Fund
- Shandong Province’s Special Fund for the Establishment of Key Enterprise Technology Centers

¹⁴⁰ See, e.g., *Aluminum Extrusions from the People’s Republic of China: Final Results, and Partial Rescission of Countervailing Duty Administrative Review*; 2013, 80 FR 77325 (December 14, 2015) (*Aluminum Extrusions 2013 Review*), and accompanying Issues and Decision Memorandum at “Application of Total AFA to Non-Cooperative Companies.”

- Shandong Province’s Environmental Protection Industry Research and Development Funds
- Special Fund for Energy Saving Technology Reform
- Shandong Province’s Award Fund for Industrialization of Key Energy-Saving Technology
- Grants for Antidumping Investigations
- Clean Production Technology Fund
- Environmental Protection Special Fund
- Tax and Fee Exemptions for Entities in Economic Development Zones
- Grants for Entities in Economic Development Zones
- Land-Use Rights for LTAR in Certain Industrial/Development Zones
- VAT and Tariff Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries
- VAT Refunds for FIEs on Purchases of Chinese-made Equipment
- Reduction in or Exemption from Fixed Assets Investment Orientation Regulatory Tax

Accordingly, we preliminarily determine the AFA countervailable subsidy rate for Fuyang, Hongyu Chemical, Kaison, and Qingdao Dongxiao to be 194.67 percent *ad valorem*. The Appendix contains a chart summarizing our calculation of this rate.

E. Corroboration of AFA Rate

Section 776(c)(1) of the Act provides that, when Commerce relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as “information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise.”¹⁴¹ The SAA provides that to “corroborate” secondary information, Commerce will satisfy itself that the secondary information to be used has probative value.¹⁴²

Commerce will, to the extent practicable, examine the reliability and relevance of the information to be used. The SAA emphasizes, however, that Commerce need not prove that the selected facts available are the best alternative information.¹⁴³ Furthermore, Commerce is not required to estimate what the countervailable subsidy rate would have been if the interested party failing to cooperate had cooperated or to demonstrate that the countervailable subsidy rate reflects an “alleged commercial reality” of the interested party.¹⁴⁴

With regard to the reliability aspect of corroboration, unlike other types of information, such as publicly available data on the national inflation rate of a given country or national average

¹⁴¹ See SAA at 870.

¹⁴² *Id.*

¹⁴³ *Id.* at 869-870.

¹⁴⁴ See section 776(d) of the Act.

interest rates, there typically are no independent sources for data on company-specific benefits resulting from countervailable subsidy programs. With respect to the relevance aspect of corroboration, Commerce will consider information reasonably at its disposal in considering the relevance of information used to calculate a countervailable subsidy benefit. Commerce will not use information where circumstances indicate that the information is not appropriate as AFA.¹⁴⁵

In the absence of responses from Hongyu Chemical, Kaison, and Qingdao Dongxiao, and the failure of Fuyang to fully cooperate in this investigation, Commerce reviewed the information concerning subsidy programs in this and other China CVD cases.¹⁴⁶ Where we have a program-type match, we find that, because these are the same or similar programs, they are relevant to the programs in this case. Additionally, the relevance of the rates applied above is that they are actually calculated CVD rates for subsidy programs in China, from which Fuyang, Hongyu Chemical, Kaison, and Qingdao Dongxiao could actually receive a benefit. Due to the lack of full participation by Fuyang, and the failure of Hongyu Chemical, Kaison, and Qingdao Dongxiao to participate in any capacity, Commerce has corroborated the rates it selected to use as AFA to the extent practicable for this preliminary determination.

XI. CALCULATION OF THE ALL-OTHERS RATE

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

In this investigation, all rates for individually investigated respondents are based entirely on facts otherwise available. Accordingly, pursuant to section 705(c)(5)(A)(ii) of the Act, we are using “any reasonable method” to establish the all-others rate. We find that it is reasonable to use an average of the weighted-average countervailable subsidy rates established for mandatory respondents as the all-others rate (*i.e.*, 194.67 percent). The statute expressly states that when the rates for all exporters and producers individually investigated are determined entirely under section 776 of the Act, Commerce may average the weighted-average countervailable subsidy rates for the individually investigated exporters and producers. Commerce has taken this approach to calculating the all-others rate in other CVD investigations.¹⁴⁷

¹⁴⁵ See, e.g., *Fresh Cut Flowers from Mexico; Final Results of Antidumping Duty Administrative Review*, 61 FR 6812 (February 22, 1996).

¹⁴⁶ Specifically, Commerce examined information in the Petition regarding each alleged program and compared its description with that of programs examined in other cases. See the Petition and CVD Initiation Checklist.

¹⁴⁷ See, e.g., *Countervailing Duty Investigation of Ammonium Sulfate from the People’s Republic of China: Preliminary Affirmative Determination*, 81 FR 76332 (November 2, 2016), and accompanying Issues and Decision Memorandum at “Calculation of the All-Others Rate”; *Grain-Oriented Electrical Steel from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 79 FR 59221 (October 1, 2014), and accompanying Issues and Decision Memorandum at Comment 1.

XII. ITC NOTIFICATION

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an APO, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after Commerce makes its final determination.

XIII. RECOMMENDATION

We recommend that you approve the preliminary findings described above.

Agree

Disagree

5/2/2018

X 

Signed by: GARY TAVERMAN

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

APPENDIX

AFA Rate Calculation

Program Name	Rate	Identical/ Similar	Source
Policy Loans	10.54	Highest Rate for Same/ Similar	<i>Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order, 75 FR 70201 (November 17, 2010) (Coated Paper from China Investigation Amended Final) and accompanying Ministerial Error Memorandum at “Revised Net Subsidy Rate for the Gold Companies” (regarding “Preferential Lending to the Coated Paper Industry”)</i>
Preferential Loans Provided by the Export-Import Bank “Going-out” for Outbound Investments			
Loans through Regional Development Plans – Northeast Region Revitalization Twelfth Five-Year Plan	2.05	Highest Rate for Same/ Similar	<i>Aluminum Extrusions from the People’s Republic of China: Final Results, and Partial Rescission of Countervailing Duty Administrative Review; 2013, 80 FR 77325 (December 14, 2015), and accompanying Issues and Decision Memorandum (Aluminum Extrusions AR 2013 Final)</i>
Loans through Regional Development Plans – Shandong Region	2.05	Highest Rate for Same/ Similar	<i>Aluminum Extrusions AR 2013 Final</i>
Export Seller’s Credit and Guarantees	10.54	Highest Rate for Same/ Similar	<i>Coated Paper from China Investigation Amended Final</i>
Export Buyer’s Credit	10.54	Highest Rate for Same/ Similar	<i>Coated Paper from China Investigation Amended Final</i>
Preferential Income Tax Reductions for HNTes	25	Income Tax Rate	
Preferential Income Tax Policies for Enterprises in Specific Regions, Provinces, or Designated Areas – Shandong			
Preferential Income Tax Policies for Enterprises in Specific Regions, Provinces, or Designated Areas – Township Rural-Area Benefits			
Reduced Income Tax Rates for FIEs Based on Location			

Reduced Tax Rates for FIEs Recognized as High or New Technology Enterprises			
Tax Offsets for Research and Development by FIEs			
Local Income Tax Exemption and Reduction Programs for “Productive” FIEs			
Preferential deduction of Research and Development Expenses for HNTes			
Tax and Fee Exemptions for Entities in Economic Development Zones	1.51	Highest Rate for Same/ Similar	<i>Certain Kitchen Appliance Shelving and Racks from the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination, 74 FR 683 (January 7, 2009) (Shelving and Racks from China) and accompanying Issues and Decision Memorandum.</i>
Corporate Income Tax Law Article 33: Reduction of Taxable Income for Revenue Derived from the Manufacture of Products that Are in Line with State Industrial Policy and Involve Synergistic Utilization of Resources	0.14	Highest Rate for Same/ Similar	<i>Chlorinated Isocyanurates from the People’s Republic of China: Final Affirmative Countervailing Duty Determination; 2012, 79 FR 56560 (September 22, 2014) (Chlorinated Isos from China) and accompanying Issues and Decision Memorandum at 15-16.</i>
VAT and Tariff Exemptions for Purchases of Fixed Assets Under the Foreign Trade Development Fund Program	9.71	Highest Rate for Same/ Similar	<i>New Pneumatic Off-the-Road Tires from the People’s Republic of China: Preliminary Results of Countervailing Duty Administrative Review, 75 FR 64268 (October 19, 2010) (OTR Tires AR Prelim) and accompanying Preliminary Decision Memorandum at “C: VAT and Import Duty Exemptions on Imported Material”, unchanged in <i>New Pneumatic Off-the-Road Tires from the People’s Republic of China: Final Results of Countervailing Duty Administrative Review, 76 FR 23286 (April 26, 2011).</i></i>
Reduction in or Exemption from Fixed Assets Investment Orientation Regulatory Tax	9.71	Highest Rate for Same/ Similar	<i>OTR Tires AR Prelim</i>

VAT and Tariff Exemptions on Imported Equipment for Favored Industries	9.71	Highest Rate for Same/ Similar	<i>OTR Tires AR Prelim</i>
VAT and Tariff Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries	9.71	Highest Rate for Same/ Similar	<i>OTR Tires AR Prelim</i>
VAT Refunds for FIEs on Purchases of Chinese-made Equipment	9.71	Highest Rate for Same/ Similar	<i>OTR Tires AR Prelim</i>
Provision of Corn for LTAR	20.06	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Provision of Electricity for LTAR	20.06	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Provision of Land for LTAR	5.24	Highest Rate for Same/ Similar	<i>Countervailing Duty Investigation of Certain Hardwood Plywood Products from the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part, 82 FR 53473 (November 16, 2017).</i>
Provision of Water for LTAR	20.06	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Provision of Storage for LTAR	5.34	Highest Rate for Same/ Similar	<i>Calcium Hypochlorite from the People's Republic of China: Final Affirmative Countervailing Duty Determination, 79 FR 74064 (December 15, 2014) and accompanying Issues and Decision Memorandum at "Shipping for LTAR".</i>
Land-Use Rights for LTAR in Certain Industrial/Development Zones	2.55	Highest Rate for Same/ Similar	<i>Aluminum Extrusions from the People's Republic of China: Final Affirmative Countervailing Duty Determination, 76 FR 18521 (April 4, 2011) and accompanying Issues and Decision Memorandum at "T. Provision of Land-Use Rights and Fee Exemptions to Enterprises Located in the ZHITDZ for LTAR."</i>
Grants for Corn Storage	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Grants Provided to Corn Processors	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>

Grants Promoting Rationalization	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Grants for Relocation to the “Corn Belt”	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
The State Key Technology Project Fund	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Grants Provided in Support of Agricultural Development Projects	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Subsidies for Development of “Brands”	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
SME International Market Exploration/Development Fund	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Grants for Listing Shares	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Foreign Trade Development Fund	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Shandong Province’s Special Fund for the Establishment of Key Enterprise Technology Centers	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Shandong Province’s Environmental Protection Industry Research and Development Funds	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Special Fund for Energy Saving Technology Reform	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Shandong Province’s Award Fund for Industrialization of Key Energy-Saving Technology	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Grants for Antidumping Investigations	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Clean Production Technology Fund	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Environmental Protection Special Fund	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
Grants for Entities in Economic Development Zones	0.58	Highest Rate for Same/ Similar	<i>Chlorinated Isos from China</i>
TOTAL:	194.67		