forth in the CWCR “Annex on Chemicals” and in “Supplement No. 1 to part 712—SCHEDULE 1 CHEMICALS” of the Chemical Weapons Convention Regulations (CWCR) (15 CFR parts 710–722). The CWC identified these toxic chemicals and precursors as posing a high risk to the object and purpose of the Convention. The CWC (Part VI of the “Verification Annex”) restricts the production of “Schedule 1” chemicals for protective purposes to two facilities per State Party. A single small-scale facility (SSSF) and a facility for production in quantities not exceeding 10 kg per year. The CWCR Article-by-Article Analysis submitted to the Senate in Treaty Doc. 103–21 defined the term “protective purposes” to mean “used for determining the adequacy of defense equipment and measures.” Consistent with this definition and as authorized by Presidential Decision Directive (PDD) 70 (December 17, 1999), which specifies agency and departmental responsibilities as part of the U.S. implementation of the CWC, the Department of Defense (DOD) was assigned the responsibility to operate these two facilities. DOD maintains strict controls on “Schedule 1” chemicals produced at its facilities in order to ensure accountability for such chemicals, as well as their proper use, consistent with the object and purpose of the Convention. Although this assignment of responsibility to DOD under PDD–70 effectively precluded commercial production of “Schedule 1” chemicals for protective purposes in the United States, it did not establish any limitations on “Schedule 1” chemical activities that are not prohibited by the CWC. The provisions of the CWC that affect commercial activities involving “Schedule 1” chemicals are implemented in the CWCR (see 15 CFR part 712) and in the Export Administration Regulations (EAR) (see 15 CFR 742.18 and 15 CFR part 745), both of which are administered by the Bureau of Industry and Security (BIS). Pursuant to CWC requirements, the CWCR restrict commercial production of “Schedule 1” chemicals to research, medical, or pharmaceutical purposes. The CWCR prohibit commercial production of “Schedule 1” chemicals for “protective purposes” because such production is effectively precluded per PDD–70, as described above. See 15 CFR 712.2(a).

The CWCR also contain other requirements and prohibitions that apply to “Schedule 1” chemicals and/or “Schedule 1” facilities. Specifically, the CWCR:

1. Prohibit the import of “Schedule 1” chemicals from States not Party to the Convention (15 CFR 712.2(b));
2. Require annual declarations by certain facilities engaged in the production of “Schedule 1” chemicals in excess of 100 grams aggregate per calendar year (i.e., declared “Schedule 1” facilities) for purposes not prohibited by the Convention (15 CFR 712.5(a)(1) and (a)(2));
3. Provide for government approval of “declared Schedule 1” facilities (15 CFR 712.5(f));
4. Provide that “declared Schedule 1” facilities are subject to initial and routine inspection by the OPCW (15 CFR 712.5(e) and 716.1)(b)(1));
5. Require 200 days advance notification of the establishment of new “Schedule 1” production facilities producing greater than 100 grams aggregate of “Schedule 1” chemicals per calendar year (15 CFR 712.4);
6. Require advance notification and annual reporting of all imports and exports of “Schedule 1” chemicals to, or from, other States Parties to the Convention (15 CFR 712.6, 742.18(a)(1) and 745.1); and
7. Prohibit the export of “Schedule 1” chemicals to States not Party to the Convention (15 CFR 742.18(a)(1) and (b)(1)(ii)).

For purposes of the CWCR (see 15 CFR 710.1), “production of a Schedule 1 chemical” means the formation of “Schedule 1” chemicals through chemical synthesis, as well as processing to extract and isolate “Schedule 1” chemicals. The phrase “production of a schedule 1 chemical” includes, in its meaning, the formation of a chemical through chemical reaction, including by a biochemical or biologically mediated reaction. “Production of a Schedule 1 chemical” is understood, for CWCR declaration purposes, to include intermediates, by-products, or waste products that are produced and consumed within a defined chemical manufacturing sequence, where such intermediates, by-products, or waste products are chemically stable and therefore exist for a sufficient time to make isolation from the manufacturing stream possible, but where, under normal or design operating conditions, isolation does not occur.

Request for Comments

In order to assist in determining whether the legitimate commercial activities and interests of chemical, biotechnology, and pharmaceutical firms in the United States are significantly harmed by the limitations of the Convention on access to, and production of, “Schedule 1” chemicals as described in this notice. BIS is seeking public comments on any effects that implementation of the CWC, through the Chemical Weapons Convention Implementation Act and the CWCR, has had on commercial activities involving “Schedule 1” chemicals during calendar year 2019. To allow BIS to properly evaluate the significance of any harm to commercial activities involving “Schedule 1” chemicals, public comments submitted in response to this notice of inquiry should include both a quantitative and qualitative assessment of the impact of the CWC on such activities.

Submission of Comments

All comments must be submitted to one of the addresses indicated in this notice. The Department requires that all comments be submitted in written form. BIS will consider all comments received on or before March 16, 2020. All comments, including those comments containing any personally identifying information or information for which a claim of confidentiality is asserted either in the comments or their transmittal emails, will be made available for public inspection and copying. Parties who wish to comment anonymously may do so by submitting their comments via Regulations.gov, leaving the fields that would identify the commenter blank and including no identifying information in the comment itself.

Richard E. Ashooh,
Assistant Secretary for Export Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[–791–824]

Acetone From the Republic of South Africa: Final Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (Commerce) determines that imports of acetone from the Republic of South Africa (South Africa) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is January 1, 2018 through December 31, 2018. For information on the estimated dumping margins of sales at LTFV, see the “Final Determination” section of this notice.


SUPPLEMENTARY INFORMATION:

Background

This final determination is made in accordance with section 735 of the Tariff Act of 1930, as amended (the Act). On September 24, 2019, Commerce published the Preliminary Determination of this antidumping duty (AD) investigation, in which we also postponed the final determination to February 6, 2020. The petitioner in this investigation is the Coalition for Acetone Fair Trade (the petitioner). The mandatory respondent in this investigation is Sasol South Africa Limited (SSA). Shortly prior to publication of the Preliminary Determination, on September 23, 2019, SSA informed Commerce that it would not participate in Commerce’s planned verifications of SSA’s questionnaire responses. A complete summary of the events that occurred since publication of the Preliminary Determination, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum. The Issues and Decision Memorandum is a public document and is available electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). Access is available to registered users at http://access.trade.gov, and to all parties in the Central Records Unit, Room B–8024 of Commerce’s main building. In addition, a complete version of the Issues and Decision Memorandum can be accessed at http://enforcement.trade.gov/frn/. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Scope of the Investigation

The product covered by this investigation is acetone from South Africa. Commerce did not receive any new scope comments and has not updated the scope of the investigation since the Preliminary Determination. For a complete description of the scope of this investigation, see Appendix I to this notice.

Analysis of Comments Received

The issues raised in the case and rebuttal briefs submitted by interested parties in this investigation are discussed in the Issues and Decision Memorandum. For a list of the issues raised by parties and responded to by Commerce in the Issues and Decision Memorandum, see Appendix II to this notice.

Verification

Because SSA stated prior to the Preliminary Determination that it would not participate in verification, we did not conduct a verification of SSA’s information.

Use of Adverse Facts Available (AFA)

In making this final determination, Commerce relied on facts available. As discussed in the Issues and Decision Memorandum, we determine that, because SSA withdrew its participation in verification, SSA significantly impeded the investigation, submitted information that could not be verified, and failed to cooperate by not acting to the best of its ability in responding to Commerce’s requests for information. Therefore, we are drawing adverse inferences in selecting from among the facts otherwise available.

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our application of facts available with an adverse inference to SSA, we revised the margin calculation for SSA since the Preliminary Determination. These changes are discussed in the Issues and Decision Memorandum.

All-Others Rate

Sections 735(c)(1)(B)(i) and 735(c)(5)(A) of the Act provide that Commerce shall determine an estimated all-others rate for all exporters and producers not individually examined. This rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and de minimis margins, and any margins determined entirely under section 776 of the Act. However, when the estimated weighted-average dumping margins for all exporters and producers individually investigated are zero or de minimis, or determined under section 776 of the Act, section 735(c)(5)(B) of the Act provides that Commerce shall use any reasonable method to establish the all-others rate, including averaging the estimated weighted-average dumping margins for the exporters and producers individually investigated.

In this investigation, Commerce based SSA’s rate entirely on facts otherwise available. Accordingly, we will use any reasonable method to establish the estimated all-others rate. Commerce’s practice in such situations is to base the all-others rate on a simple average of the petition rates. Therefore, as the all-others rate we are assigning a simple average of the margins alleged in the petition, which is 314.51 percent. For a full description of the methodology underlying Commerce’s analysis, see the Issues and Decision Memorandum.

Final Determination

Pursuant to section 735 of the Act, Commerce determines the estimated dumping margins to be:

1 See Acetone from the Republic of South Africa: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures, 84 FR 49984 (September 24, 2019) (Preliminary Determination), and accompanying Preliminary Decision Memorandum.

2 The members of the Coalition for Acetone Fair Trade are AdvanSix Inc., Altivia Petrochemicals, LLC, and Olin Corporation.


4 See Memorandum, “Issues and Decision Memorandum for the Final Affirmative Determination in the Antidumping Duty Investigation of Acetone from the Republic of South Africa,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).


6 See Issues and Decision Memorandum at 2–9.

7 See Issues and Decision Memorandum at 2–9.

8 See sections 776(a) and (b) of the Act.

All-Others Rate

Sections 735(c)(1)(B)(i) and 735(c)(5)(A) of the Act provide that Commerce shall determine an estimated all-others rate for all exporters and producers not individually examined. This rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and de minimis margins, and any margins determined entirely under section 776 of the Act. However, when the estimated weighted-average dumping margins for all exporters and producers individually investigated are zero or de minimis, or determined under section 776 of the Act, section 735(c)(5)(B) of the Act provides that Commerce shall use any reasonable method to establish the all-others rate, including averaging the estimated weighted-average dumping margins for the exporters and producers individually investigated.

In this investigation, Commerce based SSA’s rate entirely on facts otherwise available. Accordingly, we will use any reasonable method to establish the estimated all-others rate. Commerce’s practice in such situations is to base the all-others rate on a simple average of the petition rates. Therefore, as the all-others rate we are assigning a simple average of the margins alleged in the petition, which is 314.51 percent. For a full description of the methodology underlying Commerce’s analysis, see the Issues and Decision Memorandum.

Final Determination

Pursuant to section 735 of the Act, Commerce determines the estimated dumping margins to be:

1 See, e.g., Notice of Preliminary Determinations of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany, 73 FR 79670, 79671 (December 31, 2008), unchanged in Notice of Final Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany, 73 FR 38966, 38967 (July 8, 2008), and accompanying Issues and Decision Memorandum; see also Notice of Final Determination of Sales at Less Than Fair Value: Raw Flexible Magnets from Taiwan, 73 FR 39673, 39674 (July 10, 2008); Steel Threaded Rod from Thailand: Preliminary Determination of Sales at Less Than Fair Value and Affirmative Preliminary Determination of Critical Circumstances, 78 FR 79670, 79671 (December 31, 2013), unchanged in Steel Threaded Rod from Thailand: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances, 79 FR 14476, 14477 (March 14, 2014); and Polyethylene Terephthalate Resin from Pakistan: Final Determination of Sales at Less Than Fair Value, 83 FR 48281, 48282 (September 24, 2018).
Disclosure

Because Commerce applied AFA to SSA, and the AFA rate is based solely on the petition, there are no calculations to disclose for this final determination pursuant to 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of acetone from South Africa, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after September 24, 2019, the date of publication of the Preliminary Determination in the Federal Register.

Pursuant to section 735(c)(1) of the Act and 19 CFR 351.210(d), Commerce will instruct CBP to require cash deposits equal to the estimated dumping margins indicated in the table above as follows: (1) The cash deposit rate for SSA will be equal to the estimated dumping margin determined in this final determination; (2) if the exporter is not a respondent identified above, but the producer is, then the cash deposit rate will be equal to the company-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be 314.51 percent, the all-others estimated weighted-average dumping margin. These suspension of liquidation and cash deposit instructions will remain in effect until further notice.

International Trade Commission

Notwithstanding the foregoing language, an acetone combination or mixture that is transformed through a chemical reaction into another product, such that, for example, the acetone can no longer be separated from the other products through a distillation process (e.g., methyl methacrylate (MMA) or Bisphenol A (BPA)), is excluded from this investigation.

Appendix I

Comment 1: Whether to Rely on Total AFA for SSA’s Margin

For combined and commingled products, only the acetone component is covered by the scope of this investigation. However, when acetone is combined with acetone components from sources not subject to this investigation, those third country acetone components may still be subject to other acetone investigations.

Scope of the Investigation

The ITC determines that material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue an AD order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

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

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act, and 19 CFR 351.210(c).


Jeffrey I. Kessler,
Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is all grades of liquid or aqueous acetone. Acetone is also known under the International Union of Pure and Applied Chemistry (IUPAC) name propan-2-one. In addition to the IUPAC name, acetone is also referred to as β-ketopropane (or beta-ketopropane), ketone propane, methyl ketone, dimethyl ketone, DMK, dimethyl carbonyl, propanone, 2-propanone, dimethyl formaldehyde, pyroacetic acid, pyroacetic ether, and pyroacetic spirit. Acetone is an isomer of the chemical formula C₃H₆O, with a specific molecular formula of CH₃COCH₃ or (CH₃)₂CO.

The scope covers both pure acetone (with or without impurities) and acetone that is combined or mixed with other products, including, but not limited to, isopropyl alcohol, benzene, diethyl ether, methanol, chloroform, and ethanol. Acetone that has been combined with other products is included within the scope, regardless of whether the combining occurs in third countries.

The scope also includes acetone that is commingled with acetone from sources not subject to this investigation.

For combined and commingled products, only the acetone component is covered by the scope of this investigation. However, when acetone is combined with acetone components from sources not subject to this investigation, those third country acetone components may still be subject to other acetone investigations.

Notwithstanding the foregoing language, an acetone combination or mixture that is transformed through a chemical reaction into another product, such that, for example, the acetone can no longer be separated from the other products through a distillation process (e.g., methyl methacrylate (MMA) or Bisphenol A (BPA)), is excluded from this investigation.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the Investigation
IV. Use of Facts Otherwise Available and Adverse Inferences
V. Discussion of the Issues
Comment 1: Whether to Rely on Total AFA for SSA’s Margin
VI. All-Others Rate
VII. Recommendation

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