C-331-806
Administrative Review
Segment Specific Indicator: Expedited Review
POR: 01/01/2022 – 12/31/2022
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July 31, 2026

MEMORANDUM TO: Christopher Abbott
Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties
of the Assistant Secretary for Enforcement and Compliance

FROM: Scot Fullerton
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of the Expedited Review of the Countervailing Duty Order on Frozen Warmwater Shrimp from Ecuador

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I. SUMMARY

The U.S. Department of Commerce (Commerce) analyzed the case and rebuttal briefs submitted by interested parties in the expedite review of the countervailing duty (CVD) order on frozen warmwater shrimp (shrimp) from Ecuador[1] cover the period of review (POR) January 1, 2022, through December 31, 2022. The mandatory respondents in this expedited review are Empacadora del Pacifico S.A. (Edpacif), Nirsa S.A. (Nirsa)/Procesadora Posorja S.A. (Proposorja), Productos Perecibles y Mariscos S.A. (Propemar), and certain of their cross-owned affiliates and non-cross-owned entities (collectively, Ecuadorean Respondents).[2] As a result of our analysis, we made certain changes to the calculations for these final results. Below is a complete list of issues in this expedited review for which we received comments in case briefs from interested parties:

Comment 1: Whether to Terminate this Expedited Review

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[1] *See Frozen Warmwater Shrimp from Ecuador, India, and the Socialist Republic of Vietnam: Countervailing Duty Orders*, 89 FR 104982 (December 26, 2024) (*Order*).

[2] The responding cross-owned affiliates for Edpacif are Grupacif S.A. (Grupacif), Masi S.A. (Masi), Acuanorte S.A. (Acuanorte), and Acuicola Mobe Cia Ltda. (Acumobe); Nirsa/Proposorja and its cross-owned affiliates Corporacion Real S.A. (Corprealsa), Camarones y Langostinos del Mar S.A. (Calademar), Terraquil S.A. (Terraquil), Luthorcorp S.A. (Luthorcorp), Promusterra S.A. (Promusterra), and Penaeus S.A. (Penaeus); and Propemar and its cross-owned affiliate, Diva S.A. (Diva) and three non-cross-owned entities.

II. BACKGROUND

On March 10, 2026, Commerce published the *Preliminary Results*.[3] Prior to the *Preliminary Results*, on May 1, 2025, May 19, 2025, and August 7, 2025 the petitioners[4] timely filed new subsidy allegations (NSAs).[5] On February 12, 2026, Commerce issued Section II questionnaires to Propemar's top three unaffiliated shrimp suppliers and the GOE.[6] On March 3, 2026, we initiated an investigation into two of the alleged NSA programs.[7] On March 10, 2026, Commerce published the *Preliminary Results* of this expedited review.[8] On March 12, 2026, Propemar and the GOE submitted responses to Commerce's unaffiliated supplier questionnaire.[9] On March 13, 2026, we issued NSA Questionnaires to Propemar, Edpacif, and Nirsa/Proposorja, and the GOE.[10] We received timely responses from Propemar, Edpacif, Nirsa/Proposorja, and the GOE on April 8, 2026.[11] On April 9, 2026, Commerce received timely requests for a hearing from Ecuadorean Respondents, AHSTAC, and ASPA.[12] On April 20, 2026, AHSTAC submitted comments and new factual information regarding the NSA questionnaire responses.[13]

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[3] *See Frozen Warmwater Shrimp From Ecuador: Preliminary Results and Partial Rescission of Countervailing Duty Expedited Review*, 91 FR 11511 (March 10, 2026) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

[4] The petitioner is the American Shrimp Processors Association (ASPA); the Ad Hoc Shrimp Trade Action Committee (AHSTAC) is a domestic interested party.

[5] *See* AHSTAC's Letter, "New Subsidy Allegations," dated May 1, 2025; *see also* ASPA's Letter, "New Subsidy Allegations," dated May 19, 2025; *see* ASPA's Letter, "Second New Subsidy Allegations," dated August 7, 2025.

[6] *See* Commerce's Letter, "Directions to Respond to the Questionnaire Regarding Unaffiliated Suppliers of Raw Shrimp," dated February 12, 2026 (Unaffiliated Shrimp Supplier).

[7] *See* Memorandum, "New Subsidy Allegations," dated March 3, 2026 (NSA Initiation).

[8] *See Preliminary Results*.

[9] *See* Propemar's Letter, "Propemar's Unaffiliated Suppliers of Raw Shrimp Questionnaire Response," dated March 12, 2026 (Unaffiliated Supplier #1); *see also* Propemar's Letter, "Volume II – Response of Unaffiliated Supplier #2," dated March 12, 2026 (Unaffiliated Supplier #2); *see* Propemar's Letter, "Volume III- Response of Unaffiliated Supplier #3," dated March 12, 2026 (Unaffiliated Supplier #3); see Propemar's Letter, "Volume IV- Response of Unaffiliated Supplier #4," dated March 12, 2026 (Unaffiliated Supplier #4); *see* Propemar's Letter, "Volume V Response of Unaffiliated Supplier #5," dated March 12, 2026 (Unaffiliated Supplier #5); *see* Propemar's Letter, "Volume VI- Response of Unaffiliated Supplier #6," dated March 12, 2026 (Unaffiliated Supplier #6); *see* Propemar's Letter, "Volume VII- Response of Unaffiliated Supplier #7," dated March 12, 2026 (Unaffiliated Supplier #7) ; *see* GOE's Letter, "Government of Ecuador's Section II Questionnaire Response With regard to Propemar's Unaffiliated Suppliers of Raw Shrimp," dated March 12, 2026; *see* GOE's Letter, "Volume II Section II Questionnaire Response," dated March 12, 2026. (GOE's Volume II); *see* GOE's Letter, "Volume III- LTAR Programs," dated March 12, 2026. (GOE's Volume III); *see* GOE's Letter, "Volume IV- Other Subsidies Programs," dated March 12, 2026. (GOE's Volume IV).

[10] *See* Commerce's Letters, "New Subsidy Allegation Questionnaire," dated March 13, 2026 ((NSA Questionnaire to Edpacif); "New Subsidy Allegation Questionnaire," dated March 13, 2026 ((NSA Questionnaire to the GOE).

[11] *See* Edpacif's Letter, "Edpacif's New Subsidy Allegation Questionnaire Response" dated April 8, 2026 (Edpacif NSA Response); *see also* Nirsa and Proposorja's Letter, "Nirsa's and Proposorja's New Subsidy Allegation Questionnaire Response", dated April 8, 2026 (Nirsa/Proposorja NSA Response). Propemar's Letter, "Propemar's New Subsidy Allegation Questionnaire Response," dated April 8, 2026 (Propemar NSA Response); GOE's Letter, "Government of Ecuador's New Subsidy Allegation Questionnaire Response," April 8, 2026 (GOE NSA Response).

[12] *See* Ecuadorean Respondents' Letter, "Expedited Review of the Countervailing Duty Order on Frozen Warmwater Shrimp from Ecuador: Request for Public Hearing," dated April 9, 2026; *see also* AHSTAC's Letter, "Frozen Warmwater Shrimp from Ecuador – Hearing Request," dated April 9, 2026; *see* ASPA's Letter, "Frozen Warmwater Shrimp from Ecuador: Hearing Request," dated April 9, 2026.

[13] *See* AHSTAC's Letter, "Comments on New Subsidy Allegation Questionnaire Responses," dated April 20, 2026.

On May 20, 2026, Commerce extended the deadline to issue the final results.[14] On July 21, 2026, Commerce further extended the deadline to issue the final results.[15] On June 29, 2026, Commerce issued its Post-Preliminary Analysis Memorandum regarding the programs initiated on in the NSA Initiation and programs used by Propemar's top three unaffiliated shrimp suppliers.[16]

On June 30, 2026, we invited parties to comment on issues related to the *Preliminary Results* and Post-Preliminary Analysis Memorandum.[17] Between July 10 and 20, 2026, we received timely case and rebuttal briefs from the petitioners[18] and timely joint case and rebuttal briefs from the Ecuadorean Respondents, Edpacif, and Propemar.[19] On July 28, 2026, we held a hearing.[20]

III. SCOPE OF THE *ORDER*

The scope of the *Order* includes certain frozen warmwater shrimp and prawns whether wildcaught (ocean harvested) or farm-raised (produced by aquaculture), head-on or head-off, shell-on or peeled, tail-on or tail-off, deveined or not deveined, cooked or raw, or otherwise processed in frozen form. "Tails" in this context means the tail fan, which includes the telson and the uropods.

The frozen warmwater shrimp and prawn products included in the scope, regardless of definitions in the Harmonized Tariff Schedule of the United States (HTSUS), are products which are processed from warmwater shrimp and prawns through freezing and which are sold in any count size.

The products described above may be processed from any species of warmwater shrimp and prawns. Warmwater shrimp and prawns are generally classified in, but are not limited to, the Penaeidae family. Some examples of the farmed and wild-caught warmwater species include, but are not limited to, whiteleg shrimp (Penaeus vannemei), banana prawn (Penaeus merguiensis), fleshy prawn (Penaeus chinensis), giant river prawn (Macrobrachium rosenbergii), giant tiger prawn (Penaeus monodon), redspotted shrimp (Penaeus brasiliensis), southern brown

[14] *See* Memorandum, "Extension of Deadline for Final Results of Expedited Review of the Countervailing Duty Order of Frozen Warmwater Shrimp from Ecuador," dated May 20, 2026.
[15] *See* Memorandum, "Extension of Deadline for Final Results of Expedited Review of the Countervailing Duty Order of Frozen Warmwater Shrimp from Ecuador," dated July 21, 2026.
[16] *See* Memoranda, "Post-Preliminary Analysis Memorandum for the Expedited Administrative Review of the Countervailing Duty Order on Frozen Warmwater Shrimp from Ecuador," dated June 29, 2026 (Post-Preliminary Analysis Memorandum).
[17] *See* Memoranda, "Briefing Schedule," dated June 30, 2026.
[18] *See* ASPA's Letter, "Case Brief," dated July 10, 2026 (ASPA's Case Brief); *see also* AHSTAC's Letter, "Case Brief," dated July 10, 2026, (AHSTAC's Case Brief); *see* ASPA's Letter, "Rebuttal Brief," dated July 20, 2026 (ASPA's Rebuttal); *see* AHSTAC's Letter, "Rebuttal Brief," dated July 20, 2026 (AHSTAC's Rebuttal).
[19] *See* Ecuadorean Respondents' Letter, "General Common Issues Case Brief," dated July 10, 2026 (Ecuadorean Respondents' Case Brief); *see also* Edpacif's Letter, "Case Brief of Empacadora del Pacifico S.A." dated July 10, 2026 (Edpacif's Case Brief); *see* Propemar's Letter, "Case Brief of Productos Perecibles y Mariscos S.A.," dated July 10, 2026 (Propemar's Case Brief); *see* Ecuadorean Respondents' Letter, "Rebuttal Brief to Case Brief of AHSTAC," dated July 20, 2026 (Rebuttal to AHSTAC); *see* Ecuadorean Respondents' Letter, "Rebuttal Brief to ASPA Case Brief," dated July 20, 2026 (Ecuadorean Respondents' ASPA Rebuttal Brief)
[20] As of the date of signature of this memorandum publication of the hearing transcript remains pending.

shrimp (Penaeus subtilis), southern pink shrimp (Penaeus notialis), southern rough shrimp (Trachypenaeus curvirostris), southern white shrimp (Penaeus schmitti), blue shrimp (Penaeus stylirostris), western white shrimp (Penaeus occidentalis), and Indian white prawn (Penaeus indicus).

Frozen shrimp and prawns that are packed with marinade, spices or sauce are included in the scope. In addition, food preparations, which are not "prepared meals," that contain more than 20 percent by weight of shrimp or prawn are also included in the scope.

Excluded from the scope are: (1) breaded shrimp and prawns (HTSUS subheading 1605.20.10.20); (2) shrimp and prawns generally classified in the Pandalidae family and commonly referred to as coldwater shrimp, in any state of processing; (3) fresh shrimp and prawns whether shell-on or peeled (HTSUS subheadings 0306.36.0020 and 0306.36.0040); (4) shrimp and prawns in prepared meals (HTSUS subheading 1605.20.05.10); (5) dried shrimp and prawns; (6) canned warmwater shrimp and prawns (HTSUS subheading 1605.20.10.40); (7) certain dusted shrimp; and (8) certain battered shrimp. Dusted shrimp is a shrimp-based product: (1) that is produced from fresh (or thawed-from-frozen) and peeled shrimp; (2) to which a "dusting" layer of rice or wheat flour of at least 95 percent purity has been applied; (3) with the entire surface of the shrimp flesh thoroughly and evenly coated with the flour; (4) with the nonshrimp content of the end product constituting between four and 10 percent of the product's total weight after being dusted, but prior to being frozen; and (5) that is subjected to IQF freezing immediately after application of the dusting layer. Battered shrimp is a shrimp-based product that, when dusted in accordance with the definition of dusting above, is coated with a wet viscous layer containing egg and/or milk, and par-fried.

The products covered by the scope are currently classified under the following HTSUS subheadings: 0306.17.0004, 0306.17.0005, 0306.17.0007, 0306.17.0008, 0306.17.0010, 0306.17.0011, 0306.17.0013, 0306.17.0014, 0306.17.0016, 0306.17.0017, 0306.17.0019, 0306.17.0020, 0306.17.0022, 0306.17.0023, 0306.17.0025, 0306.17.0026, 0306.17.0028, 0306.17.0029, 0306.17.0041, 0306.17.0042, 1605.21.1030, and 1605.29.1010. These HTSUS subheadings are provided for convenience and for customs purposes only and are not dispositive, but rather the written description of the scope is dispositive.

IV. DIVERSIFICATION OF ECUADOR'S ECONOMY

In the *Preliminary Results*, we determined that there was wide diversification of economic activities in Ecuador, indicating the diversification of the economy.[21] For the final results, we made no changes to, and interested parties raised no issues in their case briefs regarding, the diversification of Ecuador's economy.

[21] *See Preliminary Results* PDM at 6 and 7.

V. SUBSIDIES VALUATION

A. Allocation Period

Commerce normally allocates the benefits from non-recurring subsidies over the average useful life (AUL) of renewable physical assets used in the production of subject merchandise. Pursuant to 19 CFR 351.524(d)(2) and the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System,[22] the AUL in this proceeding is 12 years. The 12-year AUL period corresponds to IRS Pub. 946 asset class 20.4. No party in this expedited review challenged the proposed AUL period. Therefore, we continue to determine that a 12-year period is appropriate for purposes of allocating non-recurring subsidies.

B. Attribution of Subsidies

Based on comments raised by interested parties in their case and rebuttal briefs, Commerce made certain changes to the attribution of subsidies used in the *Preliminary Results* and the Post-Preliminary Analysis Memorandum. Specifically, Commerce changed its attribution of subsidies received by Edpacif, Nirsa/Proposorja, Propemar's unaffiliated shrimp suppliers. The issues raised by interested parties regarding the attribution of subsidies are addressed below. *See* Comments 2, 3, 6, 12, 14, 15, 16, and 19.

C. Application of Section 771B of the Tariff Act of 1930, as amended (the Act)

Based on comments raised by interested parties in their case and rebuttal briefs, Commerce made certain changes to the attribution of subsidies for the raw agricultural product under Section 771B of the Act used in the *Preliminary Results* and the Post-Preliminary Analysis Memorandum. Specifically, Commerce changed its attribution of subsidies received by Edpacif, Nirsa/Proposorja, and Propemar's unaffiliated suppliers. For further discussion *see* Comments 3, 6, 12, 14, 16, and 19.

D. Denominators

Interested parties raised issues in their case briefs and rebuttal briefs regarding the provision of benefits for the Export Tax Incentive for Sustained/Increased Employment program that involve the sales denominator used in the subsidy rate calculations. Commerce made corrections to Edpacif's sales denominators. *See* Comment 2.

VI. BENCHMARKS

A. Benchmarks for Provision of Land for LTAR

Interested parties raised issues in their case and rebuttal briefs regarding the Government Provision of Land Use Concessions for Aquaculture Facilities in Beaches and Bays for LTAR program.

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[22] *See* U.S. Internal Revenue Service Pub 946 (2017), "Appendix B - Table of Class Lives and Recovery Periods" (IRS Pub. 946).

Based on these comments, we have not revised our land benchmark, except to correct an inadvertent error in the benchmark calculation for one of Propemar's suppliers. *See* Comments 2, 9, 10, 11, and 18.

B. Benchmarks for the Provision of Electricity for LTAR

Interested parties raised issues in their case and rebuttal briefs regarding the Government Provision of Electricity for LTAR program. The Ecuadorean Respondents, Edpacif, and the petitioners raise several distinct issues, and we address the arguments of each party below.

For the final results, we made no changes from the Post-Preliminary Analysis Memorandum to the benchmark used to measure the adequacy of remuneration under the Government Provision of Electricity for LTAR program. *See* Comments 7, 14, 15, 16, and 17.

VII. ANALYSIS OF PROGRAMS

A. Programs Preliminarily Determined to Be Countervailable

For additional descriptions, analysis, and calculation methodologies for the programs discussed below, *see Preliminary Results*[23] Post-Preliminary Analysis Memorandum, and Final Analysis Memoranda.[24]

1. Provision of Land-Use Concessions in Beaches and Bay Areas for LTAR

Interested parties raised issues in their case and rebuttal briefs regarding the Government Provision of Land Use Concessions for Aquaculture Facilities in Beaches and Bays program. Based on these comments, we have revised certain aspects of our calculations for this program. *See* Comments 2, 9, 10, 11, and 18.

The final net countervailable subsidy rates calculated for this program are 8.23 percent *ad valorem* for Edpacif, 1.12 percent *ad valorem* for Nirsa/Proposorja, and 1.58 percent *ad valorem* for Propemar.

2. Refund of Currency Outflow Tax (ISD) on Purchase of Inputs

Interested parties raised issues in their case and rebuttal briefs regarding this program. Based on these comments, we have revised certain aspects of our calculations for this program. *See* Comment 3.

The final net countervailable subsidy rates calculated for this program are 0.31 percent *ad valorem* for Edpacif, 0.40 percent *ad valorem* for Nirsa/Proposorja.

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[23] *See Preliminary Results* PDM at 19- 37.
[24] *See* Post-Preliminary Analysis Memorandum at 7- 13.

3. Additional Depreciation for Productive Fixed Assets

Interested parties did not submit comments regarding this program. The final net countervailable subsidy rate calculated for this program is 0.19 percent *ad valorem* for Nirsa/Proposorja.

4. Government Provision of Electricity for LTAR

Interested parties raised issues in their case and rebuttal briefs regarding the Government Provision of Electricity for LTAR program. Based on these comments, we have revised certain aspects of our calculations for this program. *See* Comments 4, 7, 14, and 17.

The final net countervailable subsidy rates calculated for this program are 5.17 percent *ad valorem* for Edpacif, 0.23 percent *ad valorem* for Nirsa/Proposorja, and 0.17 percent *ad valorem* for Propemar.

5. Export Tax Incentive for Sustained/Increased Employment

Interested parties raised comments regarding this program in their case and rebuttal briefs. Based on the interested party comments, Commerce made certain changes from the *Preliminary Results* regarding this program.[25] *See* Comment 3.

The final net countervailable subsidy rates calculated for this program are 0.75 percent *ad valorem* for Edpacif, 0.08 percent *ad valorem* for Nirsa/Proposorja, and 0.02 percent *ad valorem* for Propemar.

6. ISD Exemption on Principal and Interest Payments on Foreign Loans

Interested parties submitted comments regarding this program in their respective case briefs and rebuttal briefs. After considering these comments, Commerce is made certain modifications to its analysis of this program, as applied to all Ecuadorean Respondents, from the analysis employed in the *Preliminary Results*. *See* Comment 3.

The final net countervailable subsidy rates calculated for this program are 0.54 percent *ad valorem* for Edpacif and 0.04 percent *ad valorem* for Nirsa/Proposorja.

7. Motor Vehicle Tax Reduction Program

Interested parties submitted comments regarding this program in their respective case briefs and rebuttal briefs. After considering these comments, Commerce has not modified its analysis of this program. *See* Comments 15, and 16.

The final net countervailable subsidy rates calculated for this program are *not measurable* for Nirsa/Proposorja, 0.08 percent for Edpacif, and 0.01 percent *ad valorem* for Propemar.

[25] *See* Edpacif's Final Analysis Memorandum.

8. Municipal Tax Exemption on total Assets

Interested parties submitted comments regarding this program in their respective case briefs and rebuttal briefs. After considering these comments, Commerce has not modified its analysis of this program.. *See* Comments 12, 15, and 16.

The final net countervailable subsidy rates calculated for this program are 0.13 percent *ad valorem* for Nirsa/Proposorja, and 0.18 percent *ad valorem* for Propemar.

9. Municipal Patent Tax Exemption

Interested parties submitted comments regarding this program in their respective case briefs and rebuttal briefs. After considering these comments, Commerce has not modified its analysis of this program. *See* Comments 12, and 15.

The final net countervailable subsidy rates calculated for this program are 0.02 percent for Nirsa/Proposorja, and 0.18 percent *ad valorem* for Propemar.

10. Deduction of 10% of Costs of Services from Popular Economy and Solidarity Associations

Interested parties did not submit comments regarding this program. The final net countervailable subsidy rate calculated for this program is 0.06 percent *ad valorem* for Edpacif.

11. Hiring of Additional Personnel

Interested parties did not submit comments regarding this program. The final net countervailable subsidy rate calculated for this program are 0.03 percent *ad valorem* for Edpacif.

12. Export Tax Incentive

Interested parties did not submit comments regarding this program. The final net countervailable subsidy rate calculated for this program is 0.11 percent *ad valorem* for Propemar.

B. Programs Determined to Be Not Countervailable

1. Hiring of Disabled People

Interested parties did not submit comments regarding this program. Commerce's findings in the final results remain unchanged from *Preliminary Results*.[26]

[26] *See Preliminary Results* PDM at 37.

2. Income Tax Rate Reduction for Micro- and Small Businesses (MYPIMES)

Interested parties did not submit comments regarding this program. Commerce's findings in the final results remain unchanged from *Preliminary Results.*[27]

C. Programs Determined to Be Not Used[28]

1. Additional Deduction of 150 Percent of Renumeration and Social Benefits for Payments to Older Adults
2. Insufficient Enforcement of Illegal Mangrove Deforestation
3. Lack of Enforcement of Unfair Labor Practices

VIII. DISCUSSION OF THE ISSUES

Comment 1: Whether to Terminate this Expedited Review

ASPA's Comments:

The following is ASPA's summary of their argument. For further details, *see* ASPA's Case Brief at 2-25.

> Commerce should terminate this *ultra vires* expedited review of the CVD order on certain frozen warmwater shrimp from Ecuador. The regulation pursuant to which Commerce is conducting this review, 19 CFR 351.214(l), is contrary to law. Congress enacted a detailed and comprehensive statutory scheme for setting CVD cash deposit rates in original investigations, and the law requires Commerce to mandate that the cash deposits established in a CVD order be paid. There are only five statutory means for a respondent to receive a new cash deposit rate (outside of a court or {World Trade Organization (WTO)} challenge): (1) an administrative review; (2) a new shipper reviews; (3) a changed circumstances review; (4) a sunset review; and (5) a review requested by the Office of the United States Trade Representative ("USTR"). There is absolutely nothing in the statute or the accompanying legislative history that permits Commerce to alter cash deposit rates, much less exclude a company from an order altogether, through an expedited review.
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> Despite the plain letter of the law, Commerce promulgated an *ultra vires* regulation permitting it to conduct expedited CVD reviews and potentially revoke a CVD order if a respondent receives a *de minimis* rate in the review and that rate is verified. to defend this regulation, Commerce has pointed to Section 103(a) of the Uruguay Round Agreements Act ("URAA"), but Commerce may not rely on this granting of regulatory authority to justify a regulation that is directly contrary to the statutory scheme.

[27] *Id.*
[28] *Id.* at 39 for a complete list of programs determined to be not used.

> We acknowledge that the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) held in *Committee Overseeing Action for Lumber International Trade Investigations or Negotiations v. United States*, 66 F.4th 968 (Fed. Cir. 2023) ("*COALITION III*") that Commerce did have the statutory authority to adopt its expedited CVD review regulation. As shown below, however, that decision is deeply flawed and inconsistent with intervening Supreme Court precedent, and it thus does not authorize this review.
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> For all of these reasons, Commerce should terminate this review and continue to collect the cash deposits required by the original CVD order from all respondents, regardless of the ultimate rates they receive in this unlawful proceeding.

Ecuadorean Respondents' Rebuttal Comments:

The following is the Ecuadorean Respondents' summary of their rebuttal argument. For further details, *see* the Ecuadorean Respondents' ASPA Rebuttal Brief at 4-12

> Contrary to ASPA's argument, the statute does not prohibit Commerce from conducting this expedited review. The {Federal Circuit} squarely and definitively resolved the question of statutory authority in C*ommittee Overseeing Action for Lumber International Trade Investigations or Negotiations v. United States*. *See* 66 F.4th 968, 977–79 (Fed. Cir. 2023) ("COALITION"). The Petitioner wrongly claims that the statute prohibits such reviews, and furthermore, that expedited reviews are not among the five enumerated proceedings. The Petitioner argues that statutory silence cannot confer authority. These arguments were each considered and rejected by the {Federal Circuit}. The {Federal Circuit}'s binding holding precludes Commerce from entertaining these arguments anew. The Petitioner reliance on the expressly overturned CIT decisions is legally untenable.
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> The Petitioner argues that *Loper Bright Enterprises v. Raimondo* renders *COALITION* unreliable and authorizes Commerce to terminate this review. The Petitioner misreads both decisions. *Loper Bright* did not disturb judicial holdings resting on express and unambiguous grants of statutory authority, which is precisely the basis on which the {Federal Circuit} upheld 19 C.F.R. § 351.214(l). Therefore, *Loper Bright* has no bearing on *COALITION's* validity. More fundamentally, *Loper Bright* confers no authority upon an agency to ignore binding circuit court precedent, disregard its own duly promulgated regulations, or terminate a lawfully initiated proceeding.
>
> Finally, 19 CFR 351.214(l) contains no provision authorizing Commerce to terminate an expedited CVD review that was properly initiated and where no requesting respondent has withdrawn. The regulation remains in full force and effect. *COALITION {III}* not only permits Commerce to proceed, it requires Commerce to do so. For these reasons, Commerce should reject ASPA's arguments and complete this expedited review pursuant to 19 CFR 351.214(l).

Commerce's Position: We disagree with ASPA and continue to find that Commerce has the authority to conduct, and to complete, this expedited review.[29] In *COALITION III*, the Federal Circuit held that sections 777A(e) and 782 of the Act,[30] together with section 103(a)(2) of the URAA,[31] provide Commerce with the statutory authority to adopt the expedited review process.[32] That holding is binding on Commerce and directly resolves the central question ASPA raises. ASPA's arguments that the statute enumerates only five review mechanisms, that statutory silence cannot supply authority for a sixth, that section 103(a) of the Uruguay Round Agreements Act (URAA) and the Statement of Administrative Action (SAA) do not independently authorize the regulation, and that the WTO agreements are not self-executing were considered and rejected by the Federal Circuit in reaching that holding.[33]

Loper Bright does not alter this conclusion. *Loper Bright* addresses how courts are to review agency interpretations of statutes and does not authorize an agency to disregard binding circuit precedent.[34] To the contrary, the Supreme Court of the United States (Supreme Court) reaffirmed that *stare decisis* continues to apply and that the argument that a prior case was wrongly decided is not, standing alone, a special justification for overruling it.[35] Whatever the merits of ASPA's contention that *COALITION III* was wrongly decided,[36] only the Federal Circuit or the Supreme Court may revisit that decision, and Commerce remains bound by it. We have also considered the more specific statutory-interpretation arguments in ASPA's brief, and we explain below why none provide a basis to terminate this review.

First, ASPA contends that sections 777A(e) and 782(a) of the Act apply only to investigations and to reviews under section 751(a), and that section 782(a) of the Act requires that a voluntary respondent submit information by the deadline set for the selected respondents demonstrates that the provision cannot support a separate, later proceeding.[37] ASPA acknowledges that the Federal Circuit declined to reach this timing distinction and asks Commerce to reach it instead.[38] However, whether or not the Court engaged with that particular point, its holding was that Commerce possesses the statutory authority to adopt the expedited review process.[39] The existence of an argument the Court did not separately address does not render the Federal Circuit's holding inapplicable or relieve Commerce of the obligation to comply with that holding.

Second, ASPA notes that when Congress enacted a statutory provision to implement section 129 of the URAA, it also amended section 516A of the Act to provide for judicial review of those determinations. ASPA contends that the fact that Congress enacted no parallel amendments for

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[29] *See* ASPA's Case Brief at 1-2 and 26 (requesting that Commerce terminate the proceeding).
[30] *See* Section 777A(e) of the Act (19 U.S.C. 1677f-1(e)); section 782 of the Act (19 U.S.C. 1677m).
[31] *See* Section 103(a)(2) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. 3513(a)(2)).
[32] *See Committee Overseeing Action for Lumber International Trade Investigations or Negotiations v. United States*, 66 F.4th 968, 977-79 (Fed. Cir. 2023) (*COALITION III*).
[33] *See* ASPA's Case Brief at 4-5, 10-17; *see also COALITION*, 66 F.4th at 971-72 and 977-79.
[34] *See Loper Bright Enterprises v. Raimondo*, 603 U.S. 369, 392 and 396 (2024) (*Loper Bright*); *see also* Ecuadorean Respondents' ASPA Rebuttal Brief at 7-9.
[35] *See Loper Bright*, 603 U.S. at 412.
[36] *See* ASPA's Case Brief at 2-3 and 25.
[37] *Id.* at 20-23.
[38] *Id.* at 20-25; *COALITION III*, 66 F.4th at 978-79.
[39] *See COALITION III*, 66 F.4th at 977-79.

expedited reviews both confirms that Congress never created such reviews and produces the absurd result that expedited review determinations are reviewable only under the U.S. Court of International Trade's (CIT) residual jurisdiction under 28 U.S.C. 1581(i).[40] We disagree. The Federal Circuit explained that the SAA linked the expedited review process to section 777A(e) of the Act.[41] The Federal Circuit also explained that the URAA granted Commerce the authority to adopt "such regulations as may be necessary to ensure that any provision of" the URAA is "appropriately implemented."[42] Regarding ASPA's jurisdictional argument, we note that the CIT exercised jurisdiction over the results of the softwood lumber expedited review under 28 U.S.C. 1581(i),[43] and the Federal Circuit found no reversible error in that approach.[44] Whether judicial review of an expedited review lies under section 1581(i) rather than section 1581(c) has no bearing on whether Commerce may conduct the review.[45]

Third, ASPA argues that only five proceedings are statutorily authorized to establish CVD rates: (1) annual administrative reviews; (2) new shipper reviews; (3) changed circumstance reviews; (4) sunset reviews; or (5) review of a CVD order in response to a notification by USTR under section 751(g) of the Act.[46] The Federal Circuit concluded otherwise. As explained above, the Federal Circuit has upheld Commerce's expedited review regulation, finding that it was authorized by 777A(e) and 782 of the Act,[47] together with section 103(a)(2) of the URAA. The Federal Circuit in *COALITION III* did not sustain the regulation by characterizing an expedited review as a form of new shipper review and neither the *Preliminary Results* nor the initiation of this review rests on section 751(a)(2)(B) of the Act.[48]

Finally, Commerce is required to follow its own regulations while they remain in effect, and nothing in those regulations authorizes the termination that ASPA seeks.[49] Under 19 CFR 351.214(l), expedited reviews remain in effect, and Commerce initiated this review under that regulation in response to timely requests from the Ecuadorean Respondents.[50] As the Ecuadorean Respondents and the GOE noted, an expedited review is conducted in accordance with the procedures applicable to new shipper reviews, which provide for rescission only where a producer or exporter that requested the review withdraws its request within the period prescribed by 19 CFR 351.214(f).[51] ASPA is not a producer or exporter that requested this

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[40] *See* ASPA's Case Brief at 23-24; section 516A of the Act (19 U.S.C. 1516a); section 129 of the URAA (19 U.S.C. 3538); 28 U.S.C. 1581(i).
[41] *Id.*
[42] *See COALITION*, 66 F.4th at 977 (citing 19 U.S.C. § 3513(a)(2)).
[43] *See Committee Overseeing Action for Lumber International Trade Investigations* ***or*** *Negotiations v. United States, 535 F. Supp. 3d 1336, 1347 n.13 (CIT 2021) (COALITION II) (exercising jurisdiction under 28 U.S.C. § 1581(i) over the final results of the softwood lumber expedited review), rev'd, COALITION III, 66 F.4th 968; see also Certain Softwood Lumber Products from Canada: Final Results of Countervailing Duty Expedited Review, 84 FR 32121 (July 5, 2019)*
[44] *See* ASPA's Case Brief at 24.
[45] *See* 28 U.S.C. 1581(i), (c).
[46] *See* ASPA's Case Brief at 10.
[47] *See* section 777A(e) of the Act; section 782 of the Act.
[48] *See COALITION III*, 66 F.4th at 977-79; *see also* PDM at 1-2.; *Frozen Warmwater Shrimp from Ecuador: Initiation of Expedited Review of the Countervailing Duty Order*, 90 FR 11398 (March 6, 2025) (*Initiation Notice*).
[49] *See* 19 CFR 351.214(l).
[50] *See Initiation Notice*, 90 FR 11398; *see also* Ecuadorean Respondents' ASPA Rebuttal Brief at 10-11.
[51] *See* 19 CFR 351.214(f)(1); *see also* Ecuadorean Respondents' ASPA Rebuttal Brief at 10-11.

review, and it identifies no provision of the regulation that would permit Commerce to terminate a properly initiated proceeding at the request of a domestic interested party.[52]

We further note that Commerce is currently considering whether to modify or rescind 19 CFR 351.214(l) in the rulemaking on which it solicited comments on June 4, 2025.[53] Terminating a lawfully initiated review while that rulemaking is pending would be premature and would risk undermining or limiting due consideration of the comments received and of any action Commerce may take as a result. For these reasons, we find no basis to terminate this expedited review, and we are continuing to conduct this expedited review to completion in accordance with 19 CFR 351.214(l).[54]

Comment 2: Whether to Correct the Section 771B Calculation for Edpacif's Cross-owned Affiliate in Connection with the Land-Use Concessions in Beaches and Bay Areas for LTAR Program

AHSTAC's Comments:

The following is AHSTAC's summary of their argument. For further details, *see* AHSTAC's Case Brief at 2.

> {Commerce}'s calculations in the *Preliminary Results* contained certain ministerial errors. {Commerce} should correct these errors in the final results.

No other interested party commented on this issue.

Commerce's Position: We agree with AHSTAC that we should correct the sales denominator used to calculate the subsidy benefit attributable to Edpacif's non-cross-owned raw shrimp suppliers for the final results.

Pursuant to section 771B of the Act, we should have calculated subsidy benefits for the unaffiliated raw shrimp producers who provided inputs to Edpacif during the POR. In calculating the benefit attributable to these unaffiliated producers based on the subsidies received by Edpacif's cross-owned affiliate, Acuicola Mobe Cia Ltda (Acumobe), we "divided the benefit attributed to the non-cross-owned raw shrimp producers by the total sales, net intercompany sales, of Edpacif and Acumobe."[55] Record evidence indicates, however, that Commerce inadvertently used an incorrect sales denominator in this calculation.[56]

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[52] *See* 19 CFR 351.214(f); Ecuadorean Respondents' ASPA Rebuttal Brief at 11-12.
[53] *See Determining and Applying Unaffiliated Reseller Assessment Rates; Modification or Removal of Countervailing Duty Expedited Reviews*, 90 FR 23649 (June 4, 2025) (*ANPR*); *see also Regulations Enhancing the Administration of the Antidumping and Countervailing Duty Trade Remedy Laws*, 89 FR 101694, 101708 (December 16, 2024) (declining to repeal 19 CFR 351.214(l)); Ecuadorean Respondents' ASPA Rebuttal Brief at 9-10.
[54] *See* 19 CFR 351.214(l).
[55] *See* Memorandum, "Empacadora del Pacifico S.A. Final Calculation Analysis Memorandum," dated concurrently with this memorandum (Edpacif's Final Analysis Memorandum).
[56] *See* Edpacif's Preliminary Analysis Memorandum.

Because we used an incorrect denominator, the resulting benefit calculation does not accurately reflect the subsidy rate attributable to Edpacif's non-cross-owned raw shrimp producers. For the final results, we corrected this inadvertent error by recalculating the benefit attributable to Edpacif's non-cross-owned raw shrimp producers using the appropriate denominator, consistent with the Commerce's stated intercompany-sales-net methodology. Due to the proprietary nature of the final calculations, please refer to Edpacif's Final Analysis Memorandum for further information.[57]

Comment 3: Whether Commerce Inadvertently Erred when Applying Section 771B in Connection with Edpacif's Use of the Export Tax Incentive for Sustained/Increased Employment and Currency Outflow Tax (ISD) Exemption on Principal and Interest Payments on Foreign Loans Program

AHSTAC's Comments:

The following is AHSTAC's summary of their argument. For further details, *see* AHSTAC's Case Brief at 2.

> {Commerce}'s calculations in the *Preliminary Results* contained certain ministerial errors. {Commerce} should correct these errors in the final results.

Ecuadorean Respondents' Rebuttal Comments:

The following is the Ecuadorean Respondents' summary of their argument. For further details see the Ecuadorean Respondents' Case Brief at 5-11.

> The Petitioner argues that {Commerce} should have attributed benefits that Edpacif received under the Export Tax Incentives for Sustained/Increased Employment program to Edpacif's non-cross-owned raw shrimp farmers pursuant to Section 771B of the Act. However, {Commerce} correctly determined that the program is contingent upon export status. Under Ecuadorian law, a taxpayer must qualify as a "habitual exporter" in order to claim the associated tax reduction. The record confirms that suppliers of raw shrimp to outside processors do not engage in export activity and do not meet the threshold eligibility requirements. {Commerce}'s established practice is not to attribute benefits pursuant to the statute for programs that are unavailable to shrimp farming operations.[58] {Commerce} correctly did not attribute the Export Tax Incentive benefits to Edpacif's unaffiliated raw shrimp suppliers, and it should continue to do so in the final results.

Commerce's Position: We agree with AHSTAC and will make the appropriate changes for the final results.

As explained in the *Preliminary Results*, Edpacif, Nirsa/Proposorja, and Propemar reported receiving tax exemptions under the Export Tax Incentives for Sustained/Increased Employment

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[57] *See* Edpacif's Final Analysis Memorandum.

[58] *See, e.g., Shrimp from China* IDM at Comment 4.

program during the POR.[59] We preliminarily determined that this program constitutes a financial contribution in the form of revenue forgone within the meaning of section 771(5)(D)(ii) of the Act, that it provides a benefit in the amount of the tax savings to the company pursuant to 19 CFR 351.509(a)(1) and section 771(5)(E) of the Act, and that it is specific under sections 771(5A)(A) and (B) of the Act because receipt of the tax deduction is contingent on export sales.[60] Consistent with 19 CFR 351.509(c), Commerce treated the tax savings received by companies as a recurring benefit and, pursuant to 19 CFR 351.525(b)(6)(ii)-(iv), divided the benefit received by each applicable mandatory respondent and cross-owned entity by the applicable combined total export sales during the POR, net of intercompany sales.[61]

Commerce further stated in the *Preliminary Results* that, pursuant to section 771B of the Act, it had attributed subsidy benefits to the unaffiliated shrimp farmers who supplied raw shrimp to the Ecuadorean Respondents during the POR, and described a specific methodology for doing so: dividing the benefit that mandatory respondents and their cross-owned entities' cross-owned input suppliers received under the abovementioned program by the volume of shrimp each supplier produced during the POR, multiplying the resulting per-unit benefit by the volume of shrimp each supplier supplied to the relevant mandatory respondent, and dividing that attributed benefit by the applicable combined total export sales during the POR, net of intercompany sales, consistent with 19 CFR 351.525(b)(6)(ii)-(iv).[62] Additionally, Commerce stated that it applied this same 771B methodology to benefits received under the ISD Exemption on Principal and Interest Payments on Foreign Loans program.[63]

AHSTAC correctly observes that Commerce did not carry out this stated methodology in Edpacif's preliminary calculations at the "Ag Provision" tab for either the Export Tax Incentives for Sustained/Increased Employment program or the ISD Exemption on Principal and Interest Payments on Foreign Loans program.[64] We agree that this was an inadvertent omission. After having stated in the *Preliminary Results* that we were attributing subsidy benefits under these programs to the unaffiliated and cross-owned shrimp farmers who supplied raw shrimp to the mandatory respondents during the POR, we should have, and did not, apply that methodology in all the Ecuadorean Respondents' preliminary calculations. We corrected this inadvertent omission for these final results to apply the attribution methodology described above to Edpacif's, Nirsa/Proposorja's, and Propemar's benefits under both the Export Tax Incentives for Sustained/Increased Employment program and the ISD Exemption on Principal and Interest Payments on Foreign Loans program, consistent with the *Preliminary Results*.[65]

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[59] *See* Edpacif's Letter, "Edpacif's Benefit Supplemental Questionnaire Response," dated July 3, 2025 at V-16. (Edpacif's Benefit SQR2); *see also* Nirsa and Proposorja's Letter, "Nirsa's and Proposorja's Initial Countervailing Duty Questionnaire Response," dated April 28. 2025 at I-18 and Exhibit I-10(b) (Nirsa and Proposorja's Benefit IQR); *see* Propemar's Letter, "Propemar's Initial Countervailing Duty Questionnaire Response ," dated April 28, 2025 at I-12 and Exhibit I-10(a) (Propemar's Benefit IQR).
[60] *See Preliminary Results* PDM at 19-20.
[61] *Id.*
[62] *Id.*
[63] *Id.* at 36-37.
[64] *See* AHSTAC's Case Brief at 2-3.
[65] *See* Edpacif's Final Analysis Memorandum; *see also* Nirsa and Proposorja's Final Analysis Memorandum; *see* Memorandum, "Productos Perecibles y Mariscos S.A. Final Calculation Analysis Memorandum," dated concurrently with this memorandum (Propemar's Final Analysis Memorandum).

Additionally, the Ecuadorean respondents argue that Commerce should not make this correction because the Export Tax Incentive for Sustained/Increased Employment program is contingent upon export and is therefore not available to entities that are exclusively shrimp farmers. The Ecuadorean respondents further argue that this reading is confirmed by Commerce's own preliminary calculation of Edpacif's benefit, which divided Edpacif's reported benefit by its export sales; by the absence of any record evidence that Edpacif's cross-owned farms (Grupacif, Masi, and Acumobe) claimed benefits under the program, (*i.e.*, that these three firms were not identified as habitual exporters in box 034 of their income tax declarations, or reported export sales; and by similar reporting from the thirteen non-cross-owned suppliers of raw shrimp surveyed in this review).[66]

We disagree. The Ecuadorean Respondents misconstrue what is being attributed and to whom. Commerce is not attributing benefits under the program to Grupacif, Masi, or Acumobe on the theory that these entities independently qualify for, or received, benefits under the program in their own right. Whether these three firms claimed the benefit, checked box 034, or reported export sales is accordingly beside the point. Rather, the benefit being attributed originates with Edpacif itself, which reported receiving benefits under the program by virtue of its own status as a habitual exporter. Commerce's section 771B methodology divides that benefit, Edpacif's own, by the volume of shrimp Edpacif's cross-owned suppliers produced during the POR, multiplies the resulting per-unit benefit by the volume of shrimp each supplier supplied to Edpacif, and divides the result by Edpacif's combined total export sales, net of intercompany sales. This methodology attributes a share of Edpacif's own export-contingent benefit to Edpacif's raw shrimp production based on supply volume. The statute does not require Commerce to determine that Grupacif, Masi, or Acumobe independently satisfy the program's habitual-exporter criteria.

Furthermore, the Ecuadorean respondents argue that this program is, as a substantive matter, available to shrimp farming operations that do not themselves export. However, record evidence shows that all three Ecuadorean respondents are exporters of frozen shrimp.[67] Nevertheless, in the *Preliminary Results*, we stated that we were attributing benefits under this program to the mandatory respondents' unaffiliated and cross-owned shrimp farmers, but simply inadvertently failed to execute this determination in all three of the Ecuadorean respondents' calculations. Likewise, the *Preliminary Results*' discussion of the program's specificity and export-contingency, and its accompanying discussion of the section 771B attribution methodology, reflect Commerce's preliminary view that attribution to input suppliers was appropriate. The Ecuadorean Respondents' arguments regarding particular suppliers' eligibility, do not provide a basis to abandon our preliminary finding, instead of correcting our inadvertent error. Section 771B of the Act does not require that every individual supplier in a respondent's supply chain independently demonstrate its own eligibility for a program. In circumstances where Commerce lacks supplier-specific data, Commerce estimates the benefit using per-unit subsidy rates derived from other responding suppliers. As explained in the Post-Preliminary Results, "to comply with Section 771B of the Act's requirement that 'countervailable subsidies found to be provided to either producers or processors of the product shall be deemed to be provided with respect to the

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[66] *See* Ecuadorean Respondents' Rebuttal Brief at 5 through 11.
[67] *See* Edpacif's Benefit IQR at I-3; *see also* Nirsa/Proposorja's Benefit IQR at I-3; *see* Propemar's Benefit IQR at I-3.

manufacture, production, or exportation of the processed product, Commerce needed to estimate the benefits for the non-responding suppliers," and calculated "per-unit subsidy rates based on benefit information received by non-cross-owned input suppliers of Propemar."[68] Here, Commerce's methodology likewise does not depend on Grupacif's, Masi's, or Acumobe's own independent eligibility. Rather, it depends on Edpacif's own reported benefit under the program, apportioned across Edpacif's raw shrimp production according to the volume each supplier contributed.

Accordingly, for the final results, we corrected all three of the Ecuadorean respondents' preliminary calculations to apply the section 771B attribution methodology described in the *Preliminary Results* with respect to both the Export Tax Incentives for Sustained/Increased Employment program and the ISD Exemption on Principal Interest Payments on Foreign Loans program.[69] Furthermore, regarding the ISD Exemption on Principal Interest Payments on Foreign Loans, we will attribute section 771B subsidies to Edpacif and Nirsa/Proposorja.[70]

Comment 4: Whether Commerce Inadvertently Miscalculated Edpacif's Electricity for LTAR Subsidy Rate

AHSTAC's Comments:

The following is AHSTAC's summary of their argument. For further details, *see* AHSTAC's Case Brief at 2.

> {Commerce}'s calculations in the *Preliminary Results* contained certain ministerial errors. {Commerce} should correct these errors in the final results.

No other interested party commented on this issue.

Commerce's Position: We agree with AHSTAC and made the appropriate changes for the final results.

In the *Preliminary Results*, for Edpacif's electricity for LTAR subsidy rate, we calculated a per kWh amount paid for each of the Ecuadorean Respondents cross owned suppliers (and in the case of Propemar, its individually examined non-cross-owned suppliers) that consumed electricity from CNEL and "compared it to the average cost of the state-owned electricity distributor generating the cost of service depending on the location of each company."[71] However, for the final results, we corrected our inadvertent error and have recalculated Edpacif's electricity for LTAR benchmark, consistent with Commerce's stated methodology of comparing each of the Ecuadorean respondent, cross owned supplier, and, in the case of Propemar, its individually examined non-cross-owned suppliers per kWh payment to the average cost of

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[68] *See* AHSTAC's Rebuttal Brief at 30; *see also* Post-Preliminary Analysis Memorandum at 5.
[69] *See* Edpacif's Final Analysis Memorandum; *see also* Nirsa and Proposorja's Final Analysis Memorandum; *see* Propemar's Final Analysis Memorandum.
[70] *See* Edpacif's Final Analysis Memorandum; *see also* Nirsa and Proposorja's Final Analysis Memorandum.
[71] *See* Edpacif's Preliminary Analysis Memorandum.

service of the CNEL for the relevant location.[72] Due to the proprietary nature of the final calculations, *see* Edpacif's Final Analysis Memorandum for further information.

Comment 5: Whether Commerce Inadvertently did not Include the Additional Deduction of 150 Percent of Remuneration and Social Benefits for Payments to Older Adults Program

AHSTAC's Comments:

The following is AHSTAC's summary of their argument. For further details, *see* AHSTAC's Case Brief at 2.

> {Commerce}'s calculations in the *Preliminary Results* contained certain ministerial errors. {Commerce} should correct these errors in the final results.

No other interested party commented on this issue.

Commerce's Position: Record evidence indicates that Edpacif claimed tax savings under the Additional Deduction of 150 percent of Remuneration and Social Benefits for Payments to Older Adults program during the POR.[73] However, in the *Preliminary Results*, we did not include a subsidy calculation for this program in Edpacif's total countervailable subsidy rate.[74] AHSTAC argues that Commerce should correct this omission in the final results. We disagree with AHSTAC.

Contrary to AHSTAC's argument, our calculation was not the product of an unexplained omission requiring correction to add a subsidy rate for this program. Rather, in the *Preliminary Results*, we determined, in accordance with 19 CFR 351.502(e), that this program is an employment assistance program that targets a specific group of individuals, such as those based on age, gender, and disabled persons, without any industry or enterprise restrictions. Accordingly, we preliminarily determined that this program is not specific under section 771(5A)(D) of the Act and is, therefore, not countervailable. Based on the above facts, at the preliminary stage of this proceeding because we found that this program is not countervailable, no subsidy rate for this program was, or should be, included in Edpacif's total countervailable subsidy rate. Our only error was that we inadvertently failed to delete a calculation tab from our preliminary calculation spreadsheet that reflected our determination that the program is not countervailable.

Therefore, for these final results, we corrected Edpacif's calculation spreadsheet to remove the extraneous calculation tab for the Additional Deduction of 150 percent of Remuneration and Social Benefits for Payments to Older Adults program, consistent with our determination that the program is not countervailable.[75] The correction of this worksheet does not alter Edpacif's total

[72] *See* Edpacif's Final Analysis Memorandum.
[73] *See* Edpacif's Benefit SQR at 3.
[74] *See* Edpacif's Preliminary Analysis Memorandum.
[75] *See* Edpacif's Final Analysis Memorandum.

countervailable subsidy rate, because no benefit under this program was, or should have been included in Edpacif's total countervailable rate.

Comment 6: Whether to Update Nirsa/Proposorja's Raw Shrimp Purchase total

AHSTAC's Comments:

The following is AHSTAC's summary of their argument. For further details, *see* AHSTAC's Case Brief at 5.

> {Commerce}'s calculations in the *Preliminary Results* contained certain ministerial errors. {Commerce} should correct these errors in the final results.

No other interested party commented on this issue.

Commerce's Position: AHSTAC argues that Commerce inadvertently failed to include a raw shrimp purchase from an unaffiliated supplier in its section 771B calculations, thus understating the total value of raw shrimp Nirsa/Proposorja purchased from unaffiliated suppliers.[76] We agree with AHSTAC that this purchase was improperly omitted. Pursuant to section 771B of the Act, we should have calculated subsidy benefits for all unaffiliated raw shrimp producers who provided inputs to Nirsa/Proposorja during the POR. However, in the *Preliminary Results,* we inadvertently omitted Nirsa/Proposorja's purchases from a single supplier in calculating the total volume of raw shrimp. As such, we revised our section 771B calculations for Nirsa/Proposorja for these final results to include the omitted raw shrimp purchase. Due to the proprietary nature of the final calculations, please refer to Nirsa and Proposorja's Final Analysis Memorandum for further information.[77]

Comment 7: Whether to Revise the Benchmark for the GOE's Provision of Electricity for LTAR Program

AHSTAC's Comments:

The following is AHSTAC's summary of their argument. For further details, *see* AHSTAC's Case Brief at 6-17.

> In the *Preliminary Results*, Commerce relied on cost data submitted by the GOE as a tier-three benchmark to measure the extent to which the respondents were receiving electricity for LTAR. Under 19 CFR 351.511(a)(2)(iii), a tier-three benchmark must be "consistent with market principles." Here, record evidence shows that the cost data {Commerce} relied on for its benchmark were not contemporaneous with the POR and thus not reflective of the market conditions during the POR. Further, {Commerce} has long recognized that in a free market, utility companies must recover their costs and make a profit. And yet, the benchmark developed by {Commerce} did not include a level of profit that reflects

[76] *See* AHSTAC's Case Brief at 5 (citing Nirsa and Proposorja Preliminary Analysis Memorandum at Appendix II).
[77] *See* Nirsa and Proposorja's Final Analysis Memorandum.

> the market reality or even a rate of return that is sufficient to ensure future operations. This renders the benchmark inconsistent with market principles.
>
> At the same time, there are alternative tier three benchmarks available on the record, namely electricity prices from Peru and Colombia. Given the issues with the cost recovery methodology, {Commerce} should use the Peruvian and Colombian electricity rates as the tier-three benchmarks in the final results. If {Commerce} continues to use the cost recovery methodology to develop its benchmark, the agency must provide a fulsome explanation as to why this methodology provides the most reasonable benchmark and it should revise such a benchmark to include profit.

Ecuadorean Respondents' Rebuttal Comments:

The following is the Ecuadorean Respondents' summary of their argument. For further details *see* the Ecuadorean Respondents' Rebuttal Brief at 18-27.

> The AHSTAC argues that {Commerce} should replace the GOE's electricity benchmark. {Commerce} correctly determined in both the underlying investigation and the *Preliminary Results* of this expedited review that the electricity prices from Colombia and Peru are unusable tier-one benchmark prices. Since the record includes reliable cost-recovery data in the form of the GOE Cost Report, {Commerce}'s practice is to use that cost-recovery data over third-country pricing. Even if {Commerce}'s practice did not clearly favor reliable cost-recovery data, when available—which it does—the record demonstrates that the electricity markets in both Colombia and Peru are significantly subsidized by their respective governments, making the prices in those markets unsuitable benchmarks against which to evaluate Ecuadorian electricity pricing.
>
> Additionally, the AHSTAC suggests that {Commerce} should add an average net profit margin of 10.88% drawn from a two-page Investopedia.com article to the GOE's benchmark. This argument should be rejected. The cited article contains no underlying data, no description of methodology, and the AHSTAC cites no prior proceeding in which {Commerce} has added a generic profit adjustment to reliable cost-recovery data. Therefore, the proposed adjustment is unsupported reliable record evidence with sufficient methodological description to be incorporated into the electricity benchmark

Commerce's Position: We disagree with AHSTAC that we should revise the benchmark used to value the GOE's provision of electricity for LTAR.

For these final results, we have continued to rely on the average per-unit cost of service for the distribution company applicable to the Ecuadorean Respondents that the GOE reported in Table No. 25 of its Analysis and Determination of the Cost of Public Electric Energy Service for January–December 2022 as the tier-three benchmark under 19 CFR 351.511(a)(2)(iii).[78] We

[78] *See* GOE's Section II Questionnaire Response at Exhibit LTAR1-2(c)

have declined to substitute the Peruvian and/or Colombian electricity rates AHSTAC placed on the record, and we have declined to add a profit margin to that benchmark.

Under 19 CFR 351.511(a)(2) Commerce establishes a hierarchy of potential benchmarks for measuring the adequacy of remuneration for a government-provided good or service: (1) market prices from actual transactions within the country under review (tier one); (2) world market prices that would be available to purchasers in the country under review (tier two); and (3) an assessment of whether the government price is consistent with market principles (tier three).[79] Under tier three, we assess whether the government's price is set in accordance with market principles by examining such factors as the government's price-setting philosophy and whether the price is set to recover the provider's costs, including a rate of return sufficient to ensure the provider's future operations.[80] As AHSTAC notes, when we rely on a tier-three benchmark, we must select a benchmark that is consistent with market principles and articulate a reasonable basis for that selection in light of the alternatives on the record.[81]

In the *Preliminary Results*, we determined that there were no useable tier-one or tier-two benchmarks on the record of this expedited review, and AHSTAC did not contest that finding.[82] Further, as part of our tier three analysis we did not conduct a full cost-recovery analysis. Rather, consistent with our determination in the underlying investigation, we used the GOE's own cost data as neutral facts available to calculate a tier-three benchmark, the per-unit average cost of service for the distribution company applicable to the respondents, which is the amount the GOE would need to charge in tariffs to recover the cost of providing electricity to end users in Ecuador.[83] to the extent AHSTAC's arguments assume that we performed a full cost-recovery analysis,[84] that assumption is mistaken. We continue to find that the GOE's own cost data are the best information on the record for constructing this benchmark, and using it is consistent with our practice of relying on a government provider's cost data on the record to value electricity under tier three.[85] A benchmark derived from the actual costs of the very provider whose price is under examination is directly probative of whether that provider's price recovers its costs, and thus of whether the price is consistent with market principles.

We disagree with AHSTAC's principal argument that we should instead adopt Peruvian and/or Colombian electricity rates as a third-country tier-three benchmark under *Wind Towers from Malaysia* and the CIT's decision in *CS Wind Malaysia*. Those determinations are distinguishable

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[79] *See* 19 CFR 351.511(a)(2).
[80] *See Countervailing Duties; Final Rule*, 63 FR 65348, 65377-78 (November 25, 1998) (*CVD Preamble*); *see also* 19 CFR 351.511(a)(2)(iii).
[81] *See NMB Singapore Ltd. v. United States*, 557 F.3d 1316, 1319 (Fed. Cir. 2009); AHSTAC's Case Brief at 6-7.
[82] *See* PDM at 17-18; AHSTAC's Case Brief at 7.
[83] *See Frozen Warmwater Shrimp from Ecuador: Final Affirmative Countervailing Duty Determination*, 89 FR 85506 (October 28, 2024) (*Ecuador Shrimp Investigation Final*), and accompanying IDM at Comment 3; PDM at 19.
[84] *See* AHSTAC's Case Brief at 9 ("In the *Preliminary Results*, the Department developed a tier-three benchmark using the cost recovery methodology").
[85] *See, e.g.*, *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, Partial Rescission, and Preliminary Intent to Rescind, in Part; 2021*, 88 FR 69,136 (October 5, 2023), and accompanying PDM at 36-38, *unchanged in Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2021*, 89 FR 15,124 (March 1, 2024) (*CRS from Korea*), and accompanying IDM at Comment 3.

in a respect that is dispositive here. In *Wind Towers from Malaysia*, we used Singaporean electricity prices as a tier-three benchmark on the basis of facts available because the Government of Malaysia's responses concerning the cost information it uses to set electricity tariff rates were incomplete.[86] Here, while we have relied on facts available to derive our tier three electricity benchmark, our benchmark is nonetheless distinct from the facts examined in *Wind Towers from Malaysia*. Namely, our tier three electricity benchmark is comprised of cost data from the GOE that we used, pursuant to neutral facts available, to determine the amount the GOE would need to charge in tariffs to recover its costs. Thus, in *Wind towers from Malaysia*, Commerce relied on a tier-three electricity benchmark based on data from outside of Malaysia because the electricity cost data submitted by the Government of Malaysia were not usable. In contrast, and consistent with the underlying investigation, we have usable cost data from the GOE that allows Commerce to determine the amount the GOE would need to charge in tariffs to recover its costs.[87]

As Commerce has noted in the past, neither the statute nor the regulations prescribe a specific approach in constructing a tier-three benchmark, and the determination of an appropriate methodology is "case-specific."[88] Consistent with this statement, we find that the case-specific information in this review, *i.e.*, the existence of cost data provided by the GOE, provides a basis for Commerce to calculate a tier-three benchmark on the basis of neutral facts available and in accordance with 19 CFR 351.511(a)(2)(iii).

Even if we were to consider the Peruvian and Colombian rates, we find that AHSTAC has not adequately supported the use of a third-country, tier three benchmark as used *Wind Towers from Malaysia*. AHSTAC's claim of grid interconnection rests solely on the fact that Ecuador purchases some quantity of electricity generated in Peru and Colombia, which does not establish that Peruvian and Colombian retail rates reflect a comparable market. More fundamentally, the record does not establish that those rates are market-based. To the contrary, a report the Ecuadorean Respondents submitted on the record shows that the Colombian and Peruvian electricity markets are subsidized by their respective governments, that Colombia derives approximately 65 percent and Peru approximately 52 percent of their electricity from hydropower, and that both governments subsidize their hydropower industries.[89] AHSTAC responds to that evidence, arguing that the underlying report predates the POR and addresses only renewable-energy production, and does not demonstrate that the Colombian and Peruvian rates would be an inappropriate means of determining whether Ecuadorean electricity prices are consistent with market principles. However, there is no record evidence indicating that electricity stopped being subsidized in Colombia and Peru since the report was issued. We decline to adopt as a tier-three benchmark rates that the record indicates are subsidized,[90] and we find that the GOE's own cost and tariff-setting data are the more reliable and more probative basis for the tier-three inquiry.

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[86] *See Utility Scale Wind Towers from Malaysia: Final Affirmative Countervailing Duty Determination*, 86 FR 30,593 (June 9, 2021) (*Wind Towers from Malaysia*), and accompanying IDM at Comment 3.
[87] *See Preliminary Results* PDM at 19; *Ecuador Shrimp Investigation Final* IDM at Comment 3.
[88] *See Wind Towers from Malaysia* IDM at 37.
[89] *See* Mandatory Respondents' Rebuttal Benchmark Submission at Exhibit 2, at pp. 20, 23, 27-28.
[90] *Id.*

The additional determinations AHSTAC cites do not support substituting, under the tier three hierarchy, electricity rates from outside the subject country for available cost-recovery data from the government of the subject country. In *Aluminum Sheet from Bahrain*, we selected an international price as a tier-three benchmark for natural gas, an internationally traded commodity,[91] and not for electricity, which the *CVD Preamble* notes is normally not a good that is generated in one country and made available to consumers in another country.[92] In *Wind towers from Indonesia*, we did not rely on third-country electricity pricing at all, but measured the benefit by reference to a subsidy the Government of Indonesia provided to the utility.[93] And in *Rebar from Türkiye*,[94] we conducted our tier-three analysis using other record sources rather than data from the government natural gas supplier, BOTAS Petroleum Pipeline Company, because that supplier's data were unavailable or unreliable; that is not the case here, where the GOE's cost data are available and reliable.

To the extent AHSTAC instead relies on the prices of electricity imported from Colombia and Peru into Ecuador, we determined in the underlying investigation that such import prices are tier-one prices and that they are unusable because the GOE's dominant share of the Ecuadorean electricity market distorts them; characterizing those same prices as a tier-three benchmark does not cure that distortion.[95]

We also disagree that the timing of the GOE's Cost Analysis Report that Commerce used as part of its tier-three analysis renders it unusable. AHSTAC argues that the Report was published approximately six months before the POR and was generated to forecast recommended 2022 tariffs, and therefore does not reflect actual POR costs.[96] The Report, however, determines the cost of service for the January-December 2022 period, which is the POR, and AHSTAC identifies no material divergence between the costs in the Report and the GOE's actual POR costs, and no more contemporaneous or more reliable source on the record.[97] Notwithstanding, even where contemporaneous cost data are not available, we have relied on other reliable cost data as facts available when no more suitable contemporaneous source is on the record; for example, in *Brass Rod from Korea*, we based our analysis on financial-statement data because

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[91] *See Common Alloy Aluminum Sheet from Bahrain: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*, 85 FR 49,636 (August 14, 2020) (*Aluminum Sheet from Bahrain*), and accompanying PDM at 14-15; *see also Common Alloy Aluminum Sheet From Bahrain: Final Affirmative Countervailing Duty Determination***,** 86 FR 13333 (March 8, 2021).
[92] *See CVD Preamble*, 63 FR 65348, 65377.
[93] *See Utility Scale Wind towers from Indonesia: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 84 FR 68,109 (December 13, 2019) (*Wind towers from Indonesia*), and accompanying PDM at 21; *see also Utility Scale Wind towers From Indonesia: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances*, 85 FR 40241 (July 6, 2020).
[94] *See Steel Concrete Reinforcing Bar from the Republic of Turkey: Preliminary Results of Countervailing Duty Administrative Review and Intent to Rescind the Review in Part; 2016*, 83 FR 63,472 (December 10, 2018), and accompanying PDM at 24, and *Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2016*, 84 FR 36051 (July 26, 2019), and accompanying IDM, (collectively, *Rebar from Türkiye*).
[95] *See Ecuador Shrimp Investigation Final* IDM at 27-28.
[96] *See* AHSTAC's Case Brief at 7-8.
[97] *See* GOE's Section II Questionnaire Response (July 11, 2025) at Exhibit LTAR1-2(c) (Cost Analysis Report), § 5.2.1.5 and Table 8.

contemporaneous cost data were not ready in time for our deadlines.[98] Furthermore, we rely on this report as neutral facts available to benchmark electricity purchases by respondents and not to make a finding that the GOE operated its electricity market in a manner consistent with market principles during the POR. Therefore, we find that AHSTAC's timing argument provides no basis to abandon the only reliable, contemporaneous Ecuadorean cost data that can be used for benchmarking in favor of foreign electricity rates, when we have previously found that "Colombian and Peruvian electricity is not available to Ecuadorian consumers."[99] Additionally, as noted above, the report the Ecuadorean Respondents submitted on the record shows that the Colombian and Peruvian electricity markets are subsidized by their respective governments, that Colombia derives approximately 65 percent and Peru approximately 52 percent of their electricity from hydropower, and that both governments subsidize their hydropower industries.[100]

We decline AHSTAC's alternative request to add a profit margin to the benchmark. AHSTAC's request misconstrues how we examine a government provider's electricity price under tier three. The *CVD Preamble* does not direct us to add "profit" in the sense of an industry-average margin. Rather, it directs us to consider whether the government price reflects "cost (including the rates of return sufficient to ensure future operations)."[101] The per-unit average cost of service we use as neutral facts available is not a bare measure of short-run operating cost. Moreover, AHSTAC cites no case where {Commerce} adds an average profit to reliable cost data.

We also find the record here does not support AHSTAC's premise that the GOE benchmark is a marginal, return-free construction that makes no provision for future operations. AHSTAC's premise rests on the observation that, among the variable generation costs, only the small private-generation line reflects a contractual return.[102] That observation does not describe the benchmark as a whole, and the forward-looking character of the GOE's cost methodology does not depend on it. At the generation stage, the largest component of cost is not short-run operating cost but an annualized fixed cost, which exceeds the variable energy cost and recovers, among other items, the financial obligations to be covered and the investments to be made by the generators, together with dedicated reliability-and-availability costs mandated under the Organic Law of the Public Electricity Service.[103] The methodology assigns an explicit value to capital: the Unit Power Price used to value the technical reserve maintained for the reliability of future supply is derived from the unit investment cost of new capacity, recovered over a 25-year useful life at a 12-percent discount rate.[104] The transmission and distribution stages likewise recover their own reliability-and-availability costs and, in distribution, the cost of expansion investment directed at future service.[105] Additionally, the Cost Analysis Report recognizes that this

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[98] *See Brass Rod from the Republic of Korea: Final Affirmative Countervailing Duty Determination*, 89 FR 29290 (April 22, 2024) (*Brass Rod from Korea*), and accompanying IDM at Comment 1.
[99] *See Ecuador Shrimp Investigation Final* IDM at 28.
[100] *See* Mandatory Respondents' Rebuttal Benchmark Submission at Exhibit 2, at 20, 23, 27-28.
[101] *See CVD Preamble*, 63 FR at 65378.
[102] *See* AHSTAC's Case Brief at 11.
[103] *See* GOE's Section II Questionnaire Response at Exhibit LTAR1-2(c) (Cost Analysis Report), § 5.2.1.1 and Tables No. 1.2 and 1.3.
[104] *Id.* at § 5.2.1.3 and Table No. 1.1.
[105] *Id.* at § 5.2.2 and Table No. 1.4; *id. at* § 5.2.3.1 and Tables No. 7 and 8.

methodology may produce "surpluses between its costs and revenues."[106] Moreover, these are the forward-looking cost-recovery elements the *CVD Preamble* describes.

The presence of these components does not, in every case, end the market-principles inquiry, and where the record calls for it, we examine the methodology behind such cost estimates to determine whether the return they reflect is sufficient to ensure future operations. AHSTAC, however, has provided no basis for that scrutiny here. AHSTAC does not engage with the GOE's electricity cost methodology, does not identify any deficiency in how the forward-looking or return-related components were derived, and does not explain why the return those components reflect is insufficient under the tier-three standard. AHSTAC asks instead that we set the provider's own cost data aside and add an unrelated profit margin, drawn from outside Ecuador, taken from an Investopedia.com article.

Regardless, even assuming a supplemental margin would be warranted, which AHSTAC has not shown, the specific margin AHSTAC proposes does not appear to be directly comparable. The figures AHSTAC offers, net margins of 9.68 percent, 10.88 percent, and as high as 29 percent, are derived from a brief secondary-source article that contains no underlying data and no description of the methodology used to calculate the margins or the composition of the companies included.[107] Those margins could reflect water, gas, or other utilities in unidentified countries, and nothing on the record ties them to Ecuadorean public generators or to the GOE's cost of capital. Further, we find that AHSTAC's proposed tier three benchmark analysis does not account for factors affecting comparability. Nor does AHSTAC identify any determination in which we have added a general industry-average profit margin to otherwise reliable cost-recovery data. Accordingly, we have not adjusted the GOE's data to add any of AHSTAC's proposed margin(s).

For these reasons, we continue to find that the data reported in Table No. 25 of the GOE's Cost Analysis Report is the most suitable tier-three benchmark on the record of this expedited review. Accordingly, for the final results, we continue to rely on the GOE's cost-data as facts available and have made no change to our benchmark for the GOE's provision of electricity for LTAR. Moreover, we decline both to substitute Peruvian and/or Colombian electricity rates and to add a profit margin to the benchmark.

Comment 8: Whether Commerce Sufficiently Investigated the GOE's Alleged Failure to Enforce Environmental and Labor Laws

AHSTAC's Comments:

The following is AHSTAC's summary of their argument. For further details, *see* AHSTAC's Case Brief at 17-27.

> In the Post-Preliminary Analysis Memorandum, Commerce found that the subsidy programs concerning the GOE's Insufficient Enforcement of Illegal Mangrove Deforestation and Lack of Enforcement of Unfair Labor Practices were both not

[106] *Id.* at § 5.2.1.1, at p. 17.
[107] *See* AHSTAC's Benchmark Submission at Exhibit 10; *see also* AHSTAC's Case Brief at 11.

used by the Ecuadorian Respondents because the record indicated that "there were no instances of fines or penalties related to illegal mangrove deforestation being forgone" and that "there were no instances of labor fines or penalties being forgone." Commerce's decisions contravene the agency's own regulation and are arbitrary and capricious. Section 351.529(a) of Commerce's regulation states that:

When determining if a fee, fine, or penalty that is otherwise due, has been forgone or not collected, … {Commerce} will not be required to consider whether the government took efforts to seek payment or grant deferral, or otherwise acknowledged nonpayment, of the fee, fine, or penalty.

As the plain language of the regulation and the preamble to the regulation make clear, in determining whether there is a financial contribution under 19 CFR 351.529(a), Commerce should only consider two elements: (1) whether the foreign government maintains a law that prohibits certain activity, and (2) whether the respondents engaged in the prohibited activity. Commerce does not ask whether the foreign government first conducted an investigation, issued a fee, fine, or penalty upon an affirmative finding of violation, and subsequently decided to forgo the collection of the fee, fine, or penalty. to do so, as the preamble characterized, would be "nonsensical."

As AHSTAC has noted during the course of this review, Commerce's questionnaire for these two programs failed to request the necessary information that would address the second element of the inquiry under 19 CFR 351.529(a) – whether the respondents engaged in the prohibited acts. AHSTAC has suggested ways in which Commerce could solicit more objective and unbiased information that would reveal whether the Ecuadorian Respondents engaged in illegal deforestation activities or labor practices.

Commerce should request information from the GOE and Ecuadorian Respondents that is necessary for the agency to assess whether the Ecuadorian Respondents had engaged in the prohibited acts or alternatively explain how it reached its conclusions and how the agency's analysis comports with 19 CFR 351.529(a).

Commerce's questionnaire for these two programs failed to request the information necessary to address the second element of the inquiry — whether the respondents engaged in the prohibited acts — and AHSTAC has suggested ways in which Commerce could solicit more objective and unbiased information revealing whether the Ecuadorian Respondents engaged in illegal deforestation activities or labor practices.

Commerce should request from the GOE and the Ecuadorian Respondents the information necessary to assess whether the Ecuadorian Respondents engaged in the prohibited acts or, alternatively, explain how it reached its conclusions and how its analysis comports with 19 CFR 351.529(a).

Ecuadorian Respondents' Rebuttal Comments:

The following is Ecuadorean Respondents' summary of their argument. For further details, *see* Ecuadorean Respondents' Rebuttal Brief at 27-34.

> AHSTAC's argument rests on a misreading of 19 CFR 351.529(a) and {Section 771(5)(D)(ii) of the Act}. Neither the statute nor {Commerce}'s regulation permits the agency to undertake its own investigation and then apply a foreign country's legal regime to countervail fines that were not due or foregone by the foreign government. Where the foreign government has not determined that penalties are due, then the regulation does not permit a determination that the benefit was conferred. Moreover, in this circumstance, {Commerce} could not conclude that a government authority conferred such a benefit because the foreign government never determined that a fine or penalty was due. The regulation plainly requires that the record demonstrate that payment was required by the foreign government and was not made.
>
> AHSTAC has not provided a respondent-specific basis for finding that the Ecuadorian Respondent engaged in prohibited conduct that would result in a fine under either of the programs. The record reflects no fines or deferrals, and the identified labor inspections found the examined companies to be in compliance.

Commerce's Position: We disagree with AHSTAC, and continue to find that the Insufficient Enforcement of Illegal Mangrove Deforestation (Mangrove Deforestation) and Lack of Enforcement of Unfair Labor Practices (Unfair Labor Practices) programs were not used by the Ecuadorean Respondents.[108] Additionally, we disagree with AHSTAC that our investigation of these programs was insufficient or that our non-use findings contravene 19 CFR 351.529(a) or are otherwise arbitrary and capricious.[109] AHSTAC does not identify any record evidence showing that an Ecuadorean Respondent engaged in conduct for which a fee, fine, or penalty was otherwise due. Rather, it asks Commerce to develop such information through additional investigation.

First, AHSTAC's argument rests on the premise that the financial contribution inquiry under 19 CFR 351.529(a) turns on only two elements, whether the foreign government maintains a law prohibiting certain conduct, and whether the respondent engaged in that conduct, such that the regulation forecloses any consideration of whether a fee, fine, or penalty was ever assessed.[110] That reading misinterprets the regulation. Section 351.529(a) of Commerce's regulations provides that, in determining whether a fee, fine, or penalty that is otherwise due has been forgone or not collected within the meaning of section 771(5)(D)(ii) of the Act, Commerce "may conclude that a financial contribution exists if <u>information on the record</u> demonstrates that payment <u>was otherwise required and was not made</u>, in full or in part."[111]

[108] *See* Post-Preliminary Analysis Memorandum at 14.
[109] *See* AHSTAC Case Brief's at 17-27.
[110] *Id.* at 19-20.
[111] *See* 19 CFR 351.529(a) (Emphasis added).

AHSTAC's argument that Commerce limited its inquiry in a manner inconsistent with the regulations relies heavily on the regulatory language in 19 CFR 351.529(a) that Commerce "will not be required to consider whether the government took efforts to seek payment or grant deferral, or otherwise acknowledged nonpayment, of the fee, fine, or penalty."[112] According to AHSTAC, this language "makes clear" that the only relevant questions are whether there is a law prohibiting an activity and whether respondents engaged in the prohibited activity.[113] This argument, however, misinterprets the quoted language. This language underscores that Commerce's benefit analysis under this provision is based on revenue foregone and in doing so, Commerce will not consider whether, for example, the foreign government has previously tried to collect the full amount of the fine, but had been unable to do so for reasons such as litigation. As Commerce explained in the *RISE Final Rules*:

> We understand that foreign governments may decide to waive the payment of certain fees, fines, and penalties for a host of reasons, including litigation, and ultimately such a waiver is a benefit to the recipient regardless of the motivations of the foreign government. Accordingly, we disagree with the commenters that stated that Commerce cannot countervail the nonpayment of fees, fines, or penalties *depending on the reason provided for such a waiver by the foreign government*.[114]

There is no evidence of the GOE waiving fines in this case. Moreover, the record of this expedited review contains no information demonstrating that a payment was "otherwise required" by the GOE concerning any Ecuadorean Respondent. In fact, the GOE reported that none of the Ecuadorean Respondents were fined or received a deferral of fines for mangrove deforestation or unfair labor practices at any operation under their control or direction during the POR or the AUL period.[115] Additionally, no record information identifies any violation by an Ecuadorean Respondent that would have given rise to a fee, fine, or penalty. AHSTAC asks Commerce to determine that fines were forgone even where none were assessed by the GOE. Because no fee, fine, or penalty was otherwise due, nothing was forgone or uncollected, and the threshold condition of 19 CFR 351.529(a) is not met. Thus, the non-use findings in the Post-Preliminary Analysis Memorandum continue to apply directly to this issue.[116]

Second, AHSTAC's reliance on the *RISE Final Rules* does not compel a different result. AHSTAC quotes examples from the *RISE Final Rules* where Commerce noted that if a government created an income tax law or a law to address pollution and exempted a particular industry (such as the car industry) from those laws, such an exemption would provide a financial contribution or benefit.[117] This example describes a law that, on its face, exempts a particular industry from an obligation applicable to all other industries, such that the exemption itself is the government act that confers the financial contribution.[118] In that scenario, the result the

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[112] *Id.*
[113] *See* AHSTAC's Case Brief at 19-20.
[114] *See Regulations Improving and Strengthening the Enforcement of Trade Remedies Through the Administration of the Antidumping and Countervailing Duty Laws,* 89 FR 20766, 20828 (March 25, 2024) (*RISE Final Rules*), (emphasis added).
[115] *See* GOE NSA Response at NSA-6 and NSA-19.
[116] *See* Post-Preliminary Analysis Memorandum.
[117] *See RISE Final Rules, 89 FR 20766 at 20829.*
[118] *Id.*; *see also* AHSTAC Case Brief at 19.

preamble describes as "nonsensical" is a finding of no subsidy merely because no bill was ever presented to the exempted industry.[119] The *RISE Final Rules* thus addresses the *de jure* exemption scenario. The instant case is different in that the record contains no evidence that a respondent committed a violation for which a penalty was otherwise due. AHSTAC has identified no provision of Ecuadorean environmental or labor law that exempts or excludes the shrimp sector from obligations applicable to other industries. to the contrary, the laws AHSTAC cites apply to the sector on their face, and the GOE's record submissions show that it has conducted inspections of, and referrals concerning, the sector under those laws.[120]

This understanding is consistent with the basis on which Commerce initiated the investigation of these programs. In initiating an investigation of the mangrove deforestation and unfair labor practices allegations, Commerce framed the examination around whether the GOE failed to collect fines, fees, or penalties that it had assessed on the Ecuadorean Respondents, rather than around whether the GOE should have assessed such penalties in the first instance.[121] Therefore, our non-use findings in the Post-Preliminary Analysis Memorandum continue to be consistent with that framing. The *RISE Final Rules* explained that 19 CFR 351.529 is "intended to codify our long-standing practice of treating unpaid and deferred fees, fines, and penalties as a countervailable subsidy" and "was never intended to address all subsidies conferred by government inaction."[122]

AHSTAC argues that Commerce's questionnaires were inadequate. Contrary to AHSTAC's characterization, Commerce's questionnaires asked the Ecuadorean Respondents whether they had participated in the prohibited conduct, including whether they had engaged in deforestation activities or used deforested mangroves, and whether they had been fined or received a deferral of fines in connection with mangrove deforestation or unfair labor practices, and directed corresponding inquiries to the GOE.[123] AHSTAC itself acknowledges that these questions relate to whether the respondents engaged in the prohibited activity.[124] AHSTAC contends that it is "highly unlikely" that respondents would incriminate themselves by admitting wrongdoing. We first note that respondents have the same obligation to provide accurate and complete responses to Commerce's questionnaires, as in any other proceeding. Moreover, here Commerce asked the GOE to corroborate respondents reporting. Record evidence clearly shows that the responses to those questions by the GOE and respondents do not establish that any Ecuadorean Respondent committed a violation regarding either mangrove deforestation[125] or unfair labor practices[126] for which a penalty was otherwise due. Indeed, Edpacif reported other unrelated violations, such as late payment penalties assessed by the Ministry of Labor.[127]

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[119] *See RISE Final Rules*, 89 FR at 20829.
[120] *See* GOE NSA QR at Exhibits NSA-6, NSA-8, and NSA-9(a)-(c).
[121] *See* NSA Initiation at 2-3.
[122] *See RISE Final Rules,* 89 FR 20828.
[123] *See* NSA Questionnaire to Edpacif at Attachment I; *see also* NSA Questionnaire to the GOE at Attachment I).
[124] *See* AHSTAC 's Case Brief at 23.
[125] *See* GOE NSA Response at NSA-19 and Exhibits NSA-8 and NSA-9(a) through 9(c); Nirsa/Proposorja NSA Response at NSA-10-11 and Exhibits NSA-3(a) through 3(g); Edpacif NSA Response at NSA-8-9 and Exhibits NSA-3(a) through 3(e); *see also* Propemar NSA Response at NSA-10-11 and Exhibits NSA-3(a) through 3(G).
[126] *See* GOE NSA Response at NSA-1-2 and Exhibit NSA-6; Nirsa/Proposorja NSA Response at NSA-2-3; Edpacif NSA Response at NSA-1-2; *see also* Propemar NSA Response at NSA-2-3.
[127] *See* Edpacif NSA QR at Exhibit NSA-5(a).

AHSTAC had the opportunity to submit factual information to rebut, clarify, or correct the GOE's and the Ecuadorean Respondents' NSA questionnaire responses. The factual information AHSTAC submitted, such as an article reporting that more than 31 complaints of mangrove ecosystem deforestation were filed between 2021 and August 2024 without sanction does not demonstrate that any complaint, inspection, or referral was tied to an Ecuadorean Respondent in this proceeding, and thus does not demonstrate that any Ecuadorean Respondent committed a violation for which a penalty was otherwise due.[128] The generalized information regarding of corruption on which AHSTAC relies likewise does not establish a violation by any Ecuadorean Respondent.[129] Because the record establishes no payment obligation as to any Ecuadorean Respondent, additional questionnaires directed to that question were not necessary, and Commerce's explanation of its non-use findings is sufficient in the context of this expedited CVD review.[130]

Therefore, for the final results, we find that our investigation of the Mangrove Deforestation and Unfair Labor Practices programs was adequate and that no further inquiry is warranted. Our finding that these programs were not used by the Ecuadorean Respondents is consistent with 19 CFR 351.529(a) and is supported by substantial evidence, and it is neither arbitrary nor capricious.

Comment 9: Whether to Revise the Benchmark and Benefit Calculations Related to the Provision of Land Concessions Program

Ecuadorean Respondents' Comments:

The following is the Ecuadorean Respondents' summary of their argument. For further details, *see* the Ecuadorean Respondents' Case Brief at 17-28.

> The record does not support {Commerce}'s preliminary conclusion that the "Pedernales" land listing reflects an actual land transaction between private parties. Section 351.511(a)(2)(i)-(ii) of {Commerce}'s regulations requires that it select a benchmark to measure the adequacy of remuneration from actual market-based transactions between private sellers in Ecuador (*i.e.*, a tier-one benchmark source) unless such prices are unavailable. The price stated in the "Pedernales" land listing is—on its face—a seller's "asking" price posted through the Multiple Listing Service (MLS). The listing contains no link or cross-reference to a recorded deed or central database of actual sales in Ecuador that could indicate that the "price" reflected an actual sales price as opposed to a listing price. Therefore, the source

[128] *See* AHSTAC's Letter, "Comments on New Subsidy Allegation Questionnaire Responses," (April 20, 2026) at Exhibit 1.
[129] *See* AHSTAC's Letter, "New Subsidy Allegations," (May 1, 2025) at Exhibit 19.
[130] *See* Post-Preliminary Analysis Memorandum at 14.

> provides no basis to conclude the sale was contemporaneous with the POR or whether there is any need to inflate or deflate the price reflected in the listing.
>
> {Commerce} did not explain its speculative preliminary conclusion that the price stated in the "Pedernales" land listing is an actual sales price. Even assuming that the "Pedernales" land was sold, as stated in the listing, there is no information within the benchmark source itself that demonstrates that the "price" reflected in the listing was updated to reflect the actual "selling price" after the property was allegedly sold. Even if the "Pedernales" land benchmark did not facially lack adequate information to demonstrate that it is an "actual" land transaction between private parties suitable as a tier-one benchmark, the evidence in the Ecuadorean Respondents' rebuttal submission directly contradicts {Commerce}'s preliminary conclusion that the "Pedernales" land listing reflects an actual sale between private parties.
>
> Even if the record did not contradict {Commerce}'s preliminary determination that the "Pedernales" land benchmark reflects an "actual sale" between private parties, the benchmark source itself shows that the land is not comparable to the other benchmark sources. The "Pedernales" land benchmark source lacks an address, date of sale, or other key information that could identify the property's actual location and whether the property is suitable for shrimp farming. {Commerce} cannot assess geographic proximity to the ocean or to infrastructure that is necessary to maintain a shrimp farm. The source does not even allow {Commerce} to determine whether an inflator or deflator is necessary to index the value of the "Pedernales" land benchmark data because the source lacks a date of sale.
>
> Therefore, {Commerce} should recalculate the tier-one benchmark source based solely on the remaining tier-one actual sales prices included in the tier-one benchmark calculated in the *Preliminary Results*.

AHSTAC's Rebuttal Comments:

The following is AHSTAC's summary of its argument. For further details, *see* AHSTAC's Rebuttal Case Brief at 12-15.

> In the *Preliminary Results*, {Commerce} relied upon four different data sources to calculate a land benchmark, including the transaction price for a sale of land in Pedernales. The Ecuadorian Respondents object to the inclusion of the Pedernales price, arguing that the evidence on the record of this expedited review does not support the conclusion that the reported price is for an actual transaction.
>
> However, Ecuadorian Respondents have failed to meet the burden of creating an adequate record that would support their characterizations of the Pedernales land sale. Instead, the information submitted by the Ecuadorian Respondents indicates that they had access to sources – including the purported owner of the Pedernales lot – that would have been able to provide specific information regarding the

> transaction but that no such information was obtained or presented to {Commerce}. The Ecuadorian Respondents' efforts to cast aspersions on this information fail to demonstrate that reliance on the Pedernales price data is unreasonable and, as such, {Commerce} should continue to rely on this data source in the final results.

ASPA's Rebuttal Comments:

The following is ASPA's summary of its argument. For further details, *see* ASPA's Rebuttal Case Brief at 12-15.

> Commerce should continue to include the "Pedernales" land listing in its land benchmark calculation. Contrary to respondents' claims, Commerce correctly concluded that the "Pedernales" purchase price reflects an "actual transaction" price paid for a plot of land suitable for shrimp farming in Ecuador, and therefore, is suitable for use as a tier-one benchmark under 19 CFR 351.511(a)(2)(i). The purchase price for the "Pedernales" land states on its face that the status of the land is "sold," and thus the price reflects an actual transaction and not a mere offer for sale. Respondents' attempts to undermine the credibility of the listing based on *post hoc* statements from an Ecuadorian realtor are unavailing.
>
> In addition, the listing is titled "Camarones: Income in Shrimp," it states the property type is "Agricultural/Farm," and the land's location type is "Ocean-vicinity, Riverfront, Countryside." Moreover, the land is described a "7.2 hectare shrimp pond," located "3 km from the coast," among "many other ponds all producing shrimp." Respondents have not refuted any of this evidence. Thus, Commerce properly concluded that the land is "suitable for shrimp farming in Ecuador" and therefore comparable to respondents' own land used for shrimp farming. Respondents' attempts to show that the land in question could not actually be used for shrimp farming are pure speculation and should be rejected.
>
> Commerce should continue to include the "Pedernales" land in its benchmark calculation for the provision of land programs.

Commerce's Position: For the final results, Commerce continues to include the "Pedernales" source in the tier-one land benchmark calculation. Section 351.511(a)(2)(i) of Commerce's regulations directs Commerce, in selecting a benchmark, first to seek a market-determined price resulting from actual transactions between private parties. The regulation does not prescribe the form of the documentation on which Commerce must rely, and it does not require that a transaction be evidenced by a recorded deed or an executed contract. The "Pedernales" source, submitted by ASPA, provides a price together with a status of "Sold," which reflects an actual completed transaction and distinguishes the source from an offer for sale.[131] This is the basis on

[131] *See* ASPA's Letter, "Benchmark Information," dated January 8, 2026 (ASPA's Benchmark Submission), at Exhibit 1.

which Commerce relied on the source, and excluded the data submitted by AHSTAC as an offer price, in the *Preliminary Results*.[132]

In their rebuttal benchmark submission, the Ecuadorean Respondents rely on a declaration from the listing agent, prepared for this proceeding, asserting that the "Sold" status was entered based on a colleague's report without knowledge of any sale or price, that Multiple Listing Service (MLS) listings in Ecuador are not updated to reflect sale prices, and that the seller later told the declarant that the parcel was never sold.[133] As a general matter, Commerce does not deconstruct or set aside a benchmark price on the record on the basis of a *post-hoc* declaration prepared for the proceeding, particularly where that declaration is not definitive. The Vollnecke Declaration is not definitive. It rests on the declarant's own after-the-fact characterizations as to whether the parcel sold and on the declarant's account of a single conversation with the seller.[134] By the declarant's own description, it is the recorded deed or the private purchase-and-sale agreement and not an MLS entry that establishes whether, and at what price, property changes hands in Ecuador. Yet the Ecuadorean Respondents placed no such document on the record and instead ask us to rely on a second-hand declaration. There the declarant recounts a conversation he had with the seller of the property in question.[135] It is unclear why Ecuadorean Respondents did not provide a statement from the seller directly, and if the seller was known to them, and instead ask Commerce to rely on a declaration from a person not party to that transaction. It is clear from the declaration that the seller was identified and available to the declarant.[136] The declarant's broader assertion that MLS prices in Ecuador are never updated to reflect a sale is supported by a single, non-comparable residential listing.[137] Commerce does not find the declaration to be probative in establishing that the parcel did not sell, or that any sale price diverged from the listed price. Commerce declines to unwind the benchmark on that basis.

The Ecuadorean Respondents' reliance on *Fertilizers from Morocco* is misplaced.[138] In that proceeding, Commerce declined to rely on listing-based sources because they were drawn from Facebook Marketplace and free community-listing platforms that Commerce found inherently unreliable, given the absence of any verification mechanism, the documented prevalence of scams, and susceptibility to same-seller manipulation.[139] Those platform-reliability concerns are not present for a formal MLS listing entered by an identified, licensed realtor.

Nor are we persuaded that the parcel is non-comparable or unsuitable for shrimp farming. The listing for the "Pedernales" property describes a "7.2 hectare shrimp pond" among "many other ponds all producing shrimp," is titled "Camarones: Income in Shrimp," and identifies the property type as agricultural/farm land, and the declaration itself describes the parcel as

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[132] *See Preliminary Results* PDM at 15.
[133] *See* Mandatory Respondents' Rebuttal Benchmark Submission), at Exhibit 1 (Vollnecke Declaration), at 3-5 and 9-16.
[134] *See* Vollnecke Declaration at 9, 12, and 16.
[135] *See* Vollnecke Declaration at 16.
[136] *See* Vollnecke Declaration at 13 and 16.
[137] *See* Vollnecke Declaration at 14-15 (Attachments B and C).
[138] *See Phosphate Fertilizers from the Kingdom of Morocco: Final Results of Countervailing Duty Administrative Review; 2022*, 89 FR 88952 (November 12, 2024) (*Fertilizers from Morocco*), and accompanying IDM at Comment 3C
[139] *Id.*

agricultural land.[140] Comparability under 19 CFR 351.511(a)(2)(i) turns on product similarity and other factors affecting comparability, not on identity of parcel size.[141] The disparity between the parcel's small area and its comparatively high per-hectare price bears on how the benchmark sources are averaged, which we address in Comment 10, and not on whether the source reflects a tier-one transaction. Therefore, for these final results, Commerce continues to include the "Pedernales" source in the tier-one land benchmark and has made no change to the benchmark.[142]

Comment 10: Whether to Calculate the Land Benchmark Price Based on the Weighted Average of the Benchmark Sources

Ecuadorean Respondents' Comments:

The following is the Ecuadorean Respondents' summary of their argument. For further details, *see* the Ecuadorean Respondents' Case Brief at 17-28.

> If {Commerce} continues to include the "Pedernales" land listing in the land benchmark price—which it should not for the reasons discussed above—{Commerce} should not equally weight the land benchmark sources because the record demonstrates that there is a direct relationship between the area of land and the per-unit purchase price. The per-hectare price of the land with the smallest area included in {Commerce}'s preliminary benchmark calculation reflects by far the highest price on a per-hectare basis. Even excluding the "Pedernales" land price, the same trend is apparent: the land purchase with the largest area reflects the highest price on a per-hectare basis. In other words, the per-hectare price of the smallest land area included in {Commerce}'s benchmark calculation is much higher than the per-hectare price of the largest area land benchmark.
>
> {Commerce}'s practice in the tier-two and tier-three context should be applied to the land benchmark if {Commerce} continues to average multiple land benchmark sources because the sources contain areas and prices to allow {Commerce} to calculate a weighted average per-hectare price across all sources. This approach would avoid equally weighting small, high per-hectare priced plots (which the data show have higher per-hectare prices) with larger land plots (which the data show have lower per-hectare prices). Weight-averaging the per-hectare values of the other data sources, rather than simple averaging those per-hectare values, would avoid the distortive effect of equally weighting the per-hectare price of the "Pedernales" land, which accounts for a tiny portion of overall hectarage reflected among the benchmark sources.

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[140] *See* ASPA's Benchmark Submission at Exhibit 1; *see also* Vollnecke Declaration at 5.
[141] *See* 19 CFR 351.511(a)(2)(i).
[142] *See* Edpacif Final Analysis Memorandum at Attachment II; *see also* Nirsa and Proposorja's Final Analysis Memorandum at Attachment II; *see* Propemar's Final Analysis Memorandum at Attachment II.

AHSTAC's Rebuttal Comments:

The following is AHSTAC's summary of their rebuttal argument. For further details, *see* AHSTAC's Rebuttal Brief at 15-17.

> In the *Preliminary Results*, {Commerce} followed its routine practice with respect to the calculation of land benchmarks and applied a simple average methodology to the four sources of benchmark price data. Although Ecuadorian Respondents would prefer a weighted average methodology, they ignore {Commerce}'s established practice of simple averaging land benchmarks and the rationale that the agency has provided in support of this practice. Because {Commerce}'s practice with respect to calculating a land benchmark price is reasonable and is fully justified, there is no reason for the agency to depart from the simple average methodology in the final results.

Commerce's Position: We disagree with the Ecuadorean Respondents. For the final results, we continue to calculate a simple average of the tier-one, per-hectare land benchmark sources.[143] Commerce's normal practice for land benchmarks is to use a simple average rather than a weighted average, a practice the CIT sustained in *Toscelik*.[144] As Commerce explained in its remand redetermination that sustained by the CIT, land is fundamentally different than commodity products for which Commerce constructs benchmarks:

> Unlike pricing on other commodity goods that are more widely traded, such as hot-rolled steel or wire rod, land prices are susceptible to more varied and more complex factors, *e.g.* , location, soil condition, prevailing climate, the level and quality of nearby public infrastructure, the composition and quality of other nearby commercial land uses, etc. . . . given the many unknowns behind the available data in terms of the exact factors affecting pricing and, thus, the lack of assurance that this data sample would be representative of the overall comparable market, {Commerce} concluded that a simple average of the prices would be appropriate.[145]

Obtaining sufficient information regarding all these factors is not feasible, and, given the resulting unknowns, Commerce has no basis to assume that any one factor or parcel in the reference set is more representative of the overall comparable market than any other. By using a simple average, Commerce accords equal weight to all the pricing variables that may affect the value of land in the available sample.[146]

The Ecuadorean Respondents' contention that Commerce should weight-average by parcel area is, in substance, the argument the Court considered and rejected in *Toscelik*. As Commerce explained in *Toscelik*, there was no record evidence that a direct relationship existed between

[143] *See* Edpacif's Final Analysis Memorandum at Attachment II; *see also* Nirsa and Proposorja's Final Analysis Memorandum at Attachment II; *see* Propemar's Final Analysis Memorandum at Attachment II.
[144] *See Toscelik Profil ve Sac Endustrisi A.S. v. United States*, Slip Op. 15-28 at 4-5 (CIT April 1, 2015) (*Toscelik*).
[145] *See Final Results of Redetermination Pursuant to Court Remand*, *toscelik Profil ve Sac Endustrisi AS v. United States*, Court No. 13-00371, Slip Op. 14-126 (CIT October 29, 2014), dated February 13, at 5, available at: access.trade.gov/Final Remand Redeterminations.
[146] *Id.* at 5-6.

price and parcel size such that size should be factored in as opposed to any of the other variables, and weight-averaging by size would accord the prices of larger parcels greater significance even if those parcels were, in fact, less comparable in terms of other factors affecting price.[147] The same is true in the instant case. Further, we find that the Ecuadorean Respondents have not established that a direct relationship exists between area and per-hectare price on the record. to the contrary, the Ecuadorean Respondents assert both that the price for the Pedernales land (*i.e.* the smallest parcel) commands the highest per-hectare price but that, of other land purchases, the *largest* parcel reflects the highest price on a per-hectare basis.[148] Therefore, based on the record of this investigation, we find that, as area is not shown to be determinant of price, there is no basis to weight by it.

We note that the cases cited by the Ecuadorean Respondents concern the averaging of world-market or commodity-input pricing datasets reported on a uniform basis, not the valuation of land, for which Commerce has articulated the distinct, court-sustained practice described above.[149] For these final results, Commerce continues to calculate a simple average of the per-hectare land benchmark sources.[150]

Comment 11: Whether to Revise the Annualized Per-Hectare Land Rental Price Calculation Used in the *Preliminary Results*

Ecuadorean Respondents' Comments:

The following is the Ecuadorean Respondents' summary of their argument. For further details, *see* the Ecuadorean Respondents' Case Brief at 34-39.

> {Commerce} should revise its per-unit annual rental benchmark calculation methodology to calculate a consistent annual rental benchmark on a per-hectare basis. There is no record basis to assume that a rental price stated on a per-hectare basis would vary significantly based on the term of the lease. There is also no logical basis to calculate vastly different annual per-hectare rental benchmark prices for land with similar areas. {Commerce} should calculate a single weighted-average annualized land benchmark and apply that same benchmark price to the benefit calculation for all Ecuadorian Respondents. The huge variation of benchmark prices to which {Commerce}'s calculation compares the land usage

[147] *Id.* at 6.
[148] *See* Ecuadorean Respondents' Case Brief at 28-30.
[149] *Id.* at 28-34 (citing *Supercalendared Paper from Canada: Final Results of Countervailing Duty Expedited Review*, 82 FR 18896 (April 24, 2017) (*Supercalendared Paper*), and accompanying IDM at Comment 19; *see also Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 79 FR 54963 (September 15, 2014), and accompanying IDM at Comment 1; *see RZBC Group Shareholding Co. v. United States*, 100 F.Supp.3d 1288, 1308 (CIT 2015) (*RZBC*)).
[150] *See* Edpacif's Preliminary Analysis Memorandum at Attachment II; *see also* Propemar's Post-Preliminary Analysis Memorandum at Attachment II; *see* Nirsa/Proposorja's Preliminary Analysis Memorandum at Attachment II; *see* Edpacif's Final Analysis Memorandum at Attachment II; *see* Nirsa and Proposorja's Final Analysis Memorandum at Attachment II; *see* Propemar's Final Analysis Memorandum at Attachment II.

> fees actually paid further illustrates how unreasonable {Commerce}'s annualized land benchmark calculation is.
>
> {Commerce}'s land benchmark calculation in this expedited review applies vastly different per-hectare annualized benchmark prices to measure the adequacy of remuneration of concessions of nearly identical sizes. Therefore, there is no basis to continue to apply a clearly distortive benefit calculation that is based on applying many different annualized per-hectare benchmark prices to each respondent and even to similarly sized land concessions held by the same respondent. The GOE corroborated that beach and bay area concessions are issued and renewed for a period of 20 years.
>
> {Commerce}'s calculation assumes, illogically and without basis in the record, that an annual rental price will be determined by a landlord to recoup the entire purchase price over the course of the lease term, whether that lease has a 3-year term or a 20-year term. {Commerce}'s implicit assumption ignores that market forces dictate that rentals will necessarily compete against other similarly sized rentals at any given time. Therefore, in the Final Results, {Commerce} must recalculate the per-hectare benchmark price for land concessions used to calculate the benefit for each respondent to calculate a uniform annualized per-hectare benchmark. {Commerce} should do so by dividing the per-hectare benchmark price used for each respondent by the number of years {Commerce} found that aquaculture concessions are granted in the present administrative review (*i.e.*, 20 years) in the forthcoming Final Results. Alternatively, if {Commerce} were to determine that dividing by a 20-year concession term is not appropriate because the land concession term can be up to 20 years, {Commerce} should nevertheless calculate the per-square meter land benchmarks by dividing the per-hectare benchmarks calculated in the *Preliminary Results* by a uniform weighted-average term of the actual concessions reported by each respondent.

AHSTAC's Rebuttal Comments:

The following is AHSTAC's summary of their rebuttal argument. For further details, *see* AHSTAC's Rebuttal Brief at 17-18

> In the *Preliminary Results*, {Commerce} followed the same methodology to calculate a per-hectare land rental price benchmark as the agency employed in the underlying investigation. While the Ecuadorian Respondents object to the application of the investigation methodology in this expedited review, they do not attempt to explain why it would be reasonable for {Commerce} to apply inconsistent methodologies in related administrative proceedings to calculate values for the same program during the same timeframe under the same countervailing duty order. Other than complain about the benchmark applied to individual concessions, the Ecuadorian Respondents do not present a coherent argument as to why the application of this methodology in the underlying investigation was distortive and in need of correction in this expedited review of

> the same program during the same timeframe under the same countervailing duty order. Accordingly, {Commerce} should decline to make any adjustments to its calculation of a per-hectare land rental price benchmark in the final results.

Commerce's Position: We disagree with the Ecuadorean Respondents. For the final results, we continue to annualize each per-hectare land benchmark over the term of the land-use concession actually reported by each of the Ecuadorean Respondents.[151] Commerce measures the benefit conferred by a land-use concession against an annual rental-equivalent, and it derives that annual benchmark by allocating the per-hectare value reflected in each benchmark source over the term of the concession actually held and reported by the respondent.[152] This methodology ties the annualized benchmark to the specific concession being measured.

The Ecuadorean Respondents' contention that this methodology is illogical because it yields different annualized per-hectare benchmarks for similarly sized parcels is misplaced.[153] Similar concessions in land area having different valuations for benchmarking purposes is the expected consequence of dividing the same per-hectare land value over concessions of different lengths. A concession with a shorter term spreads the value over fewer years, producing a higher annual figure, while a longer concession spreads the same value over more years. We find that measuring the fee paid on each concession against a benchmark annualized over that concession's own term is a reasonable measure of the adequacy of remuneration for the specific concession at issue.

Commerce also declines to divide each per-hectare benchmark by a uniform 20-year term. The GOE reported that for a single land use concession, 20-years is the statutory maximum concession life, not the term of the concessions actually reported.[154] Applying a uniform 20-year denominator to every concession would separate the benchmark from the concession actually being measured, thus misstating the benefit conferred by the shorter-term concessions on the record.

That Commerce divided by a uniform statutory term in the 2013 investigation of Ecuadorean shrimp does not require the same methodology here.[155] Commerce is not bound to replicate the methodology of a prior proceeding. Moreover, Commerce did not use the approach from the 2013 investigation in the 2024 investigation of the instant proceeding.[156] The Ecuadorean Respondents' alternative proposal, to divide by an area-weighted-average actual term, suffers from the same defect as the uniform-term proposal: it detaches the annualization from the

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[151] *See* Edpacif's Preliminary Analysis Memorandum at Attachment II; *see also* Propemar's Post-Preliminary Analysis Memorandum at Attachment II; *see* Nirsa/Proposorja's Preliminary Analysis Memorandum at Attachment II; *see* Edpacif's Final Analysis Memorandum at Attachment II; *see* Nirsa and Proposorja's Final Analysis Memorandum at Attachment II; *see* Propemar's Final Analysis Memorandum at Attachment II.
[152] *See Preliminary Results* PDM at 35.
[153] *See* Ecuadorean Respondents' Case Brief at 34-39.
[154] *See* Government of Ecuador's Letter, "Section II Questionnaire Response," dated July 11, 2025 (GOE Section II QR), at Exhibit LTAR-2-2(a) (Article 65) and Exhibit LTAR-3(b) (Article 10); *see also* Edpacif's SQR 1 at Exhibit S-Q1 (Exhibit V-20).
[155] *See Certain Frozen Warmwater Shrimp from Ecuador: Final Affirmative Countervailing Duty Determination*, 78 FR 50389 (August 19, 2013) (*2013 Ecuador Shrimp Investigation Final*), and accompanying IDM at 8.
[156] *Id.* at 12.

specific concession being measured. Moreover, the Ecuadorean Respondents' proposal that a rental price would not vary with the length of the lease term is a theoretical assertion unsupported by record evidence. Therefore, for these final results, we continue to annualize each per-hectare benchmark over the term of the concession actually reported by each respondent.[157]

Comment 12: Whether to Correct the Application and Methodology for Attributing Benefits to Unaffiliated Shrimp Farmers Pursuant to Section 771B

Ecuadorean Respondents' Comments:

The following is the Ecuadorean Respondents' summary of their argument. For further details, *see* the Ecuadorean Respondents' Case Brief at 39-43.

> In the forthcoming final results, consistent with its practice in the underlying investigation, {Commerce} should adjust its 771B calculation to reflect the volume of shrimp purchased from non-cross-owned shrimp suppliers that are located in provinces that are eligible to claim benefits pursuant to the Municipal total Assets Tax Exemption and Municipal Patent Tax Exemption programs, respectively.
>
> In the *Preliminary Results* {Commerce} found that the record shows Municipal total Assets Tax exemptions are only available to shrimp farmers with operations located in the municipalities of Guayaquil, Montecristi, Machala, and Durán (finding that companies located in the municipalities of Guayaquil and Montecristi that engage in aquacultural activities within the municipal canton were provided exemptions from municipal total assets tax during the POR), (finding that companies located in the municipalities of Guayaquil and Santa Elena that engage in aquacultural activities within the municipal cantons were provided were provided exemptions from municipal patent tax during the POR) (finding that companies located in the municipalities of Guayaquil, Machala, and Durán that engage in aquacultural activities within these municipal cantons were provided exemptions from municipal total assets tax during the POR during the POR).
>
> In the forthcoming final results, consistent with its practice in the underlying investigation, {Commerce} should adjust its 771B calculation to attribute benefits only to the volume purchased by Ecuadorian Respondents from non-cross-owned suppliers of raw shrimp that are located in provinces are actually eligible to claim benefits pursuant to the Municipal total Assets Tax Exemption and Municipal Patent Tax Exemption programs, respectively. Since the Ecuadorian Respondents reported the domicile of each supplier, the necessary information to determine what the volume of raw shrimp purchased from non-cross-owned suppliers of fresh shrimp located in the relevant provinces that granted Municipal total Assets Tax and Municipal Patent Tax exemptions is on the record of this expedited review. Accordingly, {Commerce} should adjust the benefit to reflect the actual volume each Ecuadorian Respondent respectively purchased from non-cross-owned shrimp

[157] *See* Edpacif's Final Analysis Memorandum at Attachment II; *see also* Nirsa and Proposorja's Final Analysis Memorandum at Attachment II; *see* Propemar's Final Analysis Memorandum at Attachment II.

suppliers that were located in the municipalities where their respective cross-owned shrimp suppliers reported receiving Municipal total Assets Tax and Municipal Patent Tax Exemption benefits.

AHSTAC's Rebuttal Comments:

The following is AHSTAC's summary of their rebuttal argument. For further details, *see* AHSTAC's Rebuttal Brief at 18-21.

> In the *Preliminary Results*, {Commerce} attributed benefits from the Municipal Tax Exemption on total Assets and the Municipal Patent Tax Exemption programs to unaffiliated raw shrimp suppliers pursuant to section 771B of the {Act},[158] by dividing the benefit that each cross-owned input supplier received under the program by the volume of shrimp produced by that supplier, multiplying the resulting per-unit benefit calculated by the total volume of shrimp supplied to each respondent by unaffiliated shrimp producers, and then dividing the benefit attributed to the unaffiliated shrimp suppliers by the applicable combined total sales. The Ecuadorian Respondents argue that {Commerce} should significantly alter this methodology for the final results to account for the geographic location (reported as the domicile) of each raw shrimp supplier. However, because the Ecuadorian Respondents fail to allege, much less demonstrate, that {Commerce}'s methodology is unreasonable and because the Ecuadorian Respondents do not establish that the agency's methodology is distortive or that, as a practical matter, the additional steps requested would address any distortion, {Commerce} should reject this request.

Commerce's Position: We disagree with the Ecuadorean Respondents. The Ecuadorean Respondents allege that, pursuant to section 771B of the Act, Commerce improperly calculated *ad valorem* subsidy rates for raw shrimp purchased from non-cross-owned and/or unaffiliated raw shrimp suppliers for the Municipal total Assets Tax Exemption and Municipal Patent Tax Exemption programs.[159] Additionally, the Ecuadorean Respondents requested that Commerce use the domicile reported for each raw shrimp supplier to identify the suppliers that "are actually eligible" to claim benefits under these programs and adjust the benefit calculation accordingly.[160] However, the Ecuadorean Respondents provide only a narrative description of the changes they would like Commerce to make, without demonstrating how these proposed revisions would actually be implemented or what impact they would have on our calculations.[161]

Section 771B of the Act does not require Commerce to apply any specific methodology in attributing subsidies provided to producers of a raw agricultural product or to processors of that product. Rather, the statute affords Commerce the flexibility to consider the particular factual context presented on the record and to determine a reasonable methodology for attributing such subsidies.

[158] *See* Ecuadorean Respondents' Case Brief at 34-39.
[159] *Id.* at 40-41.
[160] *Id* at 42.
[161] *Id.* 42-43.

In the *Preliminary Results*, Commerce provided a clear and reasonable explanation of its methodology for attributing benefits from the Municipal total Assets Tax Exemption and the Municipal Patent Tax Exemption to raw shrimp suppliers, and that methodology was grounded in specific record findings regarding both program eligibility and the actual recipients of each exemption.[162] With respect to the Municipal total Assets Tax Exemption, Commerce found that, under Articles 552 and 553 of the Ecuadorean Organic Code of Territorial Organization, municipalities collect an annual 0.15 percent municipal asset tax on entities located, or with commercial activities, within the municipality, and that Article 544 exempts companies operating in the agriculture, fishery, aquaculture, and forestry sectors that are registered in the relevant municipality.[163] Commerce found that, during the POR, this exemption was actually provided to Nirsa, Proposorja, Corprealsa, Calademar, Terraquil, Promusterra, and Penaeus within the municipality of Guayaquil, and to Propemar within the municipality of Montecristi.[164] In the Post-Preliminary Analysis Memorandum, Commerce further found, with respect to Propemar's unaffiliated suppliers of raw shrimp, that this exemption was provided to Propemar's Unaffiliated Supplier #1 within the municipalities of Guayaquil and Machala; to Unaffiliated Supplier #2 within the municipalities of Guayaquil, Machala, and Durán; to Unaffiliated Supplier #3 within the municipalities of Guayaquil and Durán; and to Unaffiliated Supplier #4 within the municipality of Guayaquil.[165] Based on record evidence, we preliminarily determined that the exemption is *de jure* specific under section 771(5A)(D)(i) of the Act because it is expressly limited to companies operating in the agriculture, fishery, aquaculture, and forestry sectors.[166] Based on these facts, Commerce applied the same methodology to the Municipal Patent Tax Exemption program, and found that, under Articles 546 through 551 of the Organic Code of Territorial Organization, municipalities collect an annual tax based on a company's net worth, and that Article 5 of the Organic Law of Tax Incentives for Various Productive Sectors exempts companies operating in the agriculture, fishery, aquaculture, and forestry sectors that are registered in the relevant municipality.[167] In the *Preliminary Results*, we found that, during the POR, this exemption was provided to Proposorja, Corprealsa, Calademar, and Penaeus within the cantons of Guayaquil and Santa Elena, pursuant to Municipality of Guayaquil Ordinance No. 350 and Municipality of Santa Elena Ordinance No. 002-2011.[168]

Having made these specific, record-based findings as to which companies actually received each exemption and in which municipalities, Commerce then applied a consistent section 771B methodology: dividing the benefit that cross-owned or unaffiliated input suppliers received under each program by the volume of shrimp each supplier produced during the POR, multiplying the resulting per-unit benefit by the total volume of shrimp each unaffiliated producer supplied to the applicable mandatory respondent, and dividing the resulting attributed benefit by the applicable

[162] *See Preliminary Results* PDM at 29-31.
[163] *Id.* at 29.
[164] *Id.*
[165] *See* Post-Preliminary Analysis Memorandum at 7-8.
[166] *Id.*
[167] *Id.* at 30-31.
[168] *Id.*

combined total sales during the POR, net of intercompany sales, consistent with 19 CFR 351.525(b)(6)(ii)-(iv).[169]

The Ecuadorean Respondents do not claim, much less establish, that this methodology is unreasonable. Although they propose an alternative approach that would require Commerce to identify the specific municipality in which each non-cross-owned supplier is located and adjust the attributed benefit accordingly, they offer no evidence that Commerce's existing methodology is distortive, nor do they show what practical effect, if any, their proposed revisions would have on the calculated rates.

We note that Commerce's attribution of the Municipal total Assets Tax Exemption reflects the same underlying approach for both Propemar and Nirsa/Proposorja: attributing the benefit based on the municipality or municipalities in which the record shows each relevant supplier actually received the exemption.[170] This approach yielded a municipality-specific breakdown for Propemar's individually surveyed unaffiliated suppliers, but a single-municipality finding for Nirsa's and Proposorja's cross-owned suppliers, which reflects the record that was developed for each respondent rather than any differences in the methodology that Commerce applied. There is no evidence on the record of this expedited review that indicates that Nirsa's or Proposorja's cross-owned suppliers of raw shrimp were located in, or received exemptions within, any municipality other than Guayaquil (or, for the Municipal Patent Tax Exemption, Guayaquil and Santa Elena). Moreover, the Ecuadorean Respondents did not identify any record evidence to the contrary. Accordingly, there is no inconsistency in Commerce's approach that would warrant departing from the methodology applied to Nirsa and Proposorja.

A request to change Commerce's attribution methodology, without any showing that the current methodology produces an unreasonable or inaccurate result, does not provide a basis for Commerce to depart from an approach it has already reasonably explained and applied consistently across the relevant programs. Moreover, as to Edpacif specifically, the Ecuadorean Respondents argue that Commerce should multiply the total per-pound benefit reported by Edpacif's cross-owned suppliers of raw shrimp by only the relevant volume of non-cross-owned raw shrimp supplied by suppliers located in municipalities that reported granting such benefits during the POR.[171] This argument is moot, because Commerce did not calculate a net countervailable subsidy rate for Edpacif under either the Municipal total Assets Tax Exemption or the Municipal Patent Tax Exemption program in the preliminary results.[172] The Ecuadorean Respondents did not explain why Commerce should undertake the additional analytical work necessary to implement their proposed revisions where we did not calculate any rate for Edpacif for either program.

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[169] *See Preliminary Results* PDM at 29-30; *see also* Nirsa and Proposorja's Preliminary Analysis Memorandum; *see* Propemar's Preliminary Analysis Memorandum.
[170] *See* Propemar's Preliminary Analysis Memorandum; *see also* Nirsa and Proposorja's Preliminary Analysis Memorandum.
[171] *See* Ecuadorean Respondents' Case Brief at 42-43.
[172] *See Preliminary Results* at 30-31.

Therefore, for the final results, we will not modify the methodology we used to attribute benefits for either the Municipal total Assets Tax Exemption or Municipal Patent Tax Exemption programs to raw shrimp suppliers pursuant to section 771B of the Act.

Comment 13: Whether to Exclude from the Order any Ecuadorean Respondent for Which it Calculates a Rate that is Below *De Minimis* in the Final Results

Ecuadorean Respondents' Comments:

The following is the Ecuadorean Respondents' summary of their argument. For further details, *see* the Ecuadorean Respondents' Case Brief at 48-56.

> If {Commerce} calculates an overall rate below the two percent *de minimis* threshold applicable to CVD investigations for Ecuador, {Commerce} should exclude that respondent from the countervailing duty order. Because {Commerce} conducted an extremely comprehensive verification of each of the Ecuadorian Respondents' questionnaire responses through extremely thorough and exhaustive supplemental questionnaires, {Commerce} has ample authority to verify in the form of those supplemental questionnaires in lieu of on-site verification of Ecuadorian Respondents questionnaire responses.
>
> {Commerce}'s regulation under 19 CFR 351.214(l)(3)(iii) provides that it "may exclude from the countervailing duty order in question any exporter which the Secretary determines an individual net subsidy rate of zero or *de minimis*." 19 CFR 351.214(l)(3)(iii). In *Softwood Lumber from Canada*, {Commerce} recognized that its usual practice to impose (or not impose) a CVD order based exclusively on the subsidy rate in effect during the period of investigation. From these premises, {Commerce} framed the permissive word "may" contained in its regulation as "a discretion not to exclude a company for which we have calculated a countervailable subsidy rate that is zero or *de minimis*."
>
> Thus, {Commerce}'s practice is to exclude a respondent for which it calculates a countervailable subsidy rate below *de minimis* unless there is some compelling reason not to exclude that same respondent. There is no basis to depart from {Commerce}'s practice of excluding respondents whose calculated rate is below *de minimis* where, as here, Ecuadorian Respondents have cooperated fully with {Commerce}'s expedited review procedures by providing complete and timely responses.
>
> It would frustrate the purpose of {Commerce}'s regulation, which the Court of Appeals for the Federal Circuit held is promulgated in part to give effect to 19 U.S.C. § 1677m(a)'s requirement to calculate individual countervailable subsidy rates for the respondents not individually examined in the underlying investigation to establish an individual cash deposit rate.

> {Commerce} should exercise its discretion to consider the detailed and thorough supplemental questionnaires issued to each of Ecuadorian Respondents to be verification by questionnaire. It would be arbitrary and capricious and an abuse of discretion for {Commerce} to unilaterally decline to conduct verification without explanation—even by some means other than on-site verification such as the virtual verifications conducted in the underlying investigation—and, then decline to exercise its discretion to exclude respondent for which it calculates a *de minimis* rate in the forthcoming Final Results, as required by 19 CFR 351.214(l)(3)(iii) and {Commerce}'s practice, by declining to use its discretion to consider verification by questionnaire to be sufficient to exclude Ecuadorian Respondents for whom it calculates *de minimis* rates.

AHSTAC's Rebuttal Comments:

The following is AHSTAC's summary of their rebuttal argument. For further details, *see* AHSTAC's Rebuttal Brief at 18-21.

> {Commerce} exercised discretion to not conduct verification of the information submitted by Ecuadorian Respondents in this expedited review. Regardless, the Ecuadorian Respondents assert that {Commerce} should exclude any respondent for which it calculates a countervailable duty rate that is zero or *de minimis* from the countervailing duty order.[173]
>
> However, the language of {Commerce}'s regulation is clear and verification is a necessary condition for the exclusion of any company from a countervailing duty order as the result of an expedited review. Because verification was not conducted in this expedited review, no Ecuadorian company is eligible for exclusion from the countervailing duty order through this administrative proceeding.

ASPA's Rebuttal Comments:

The following is ASPA's summary of their rebuttal argument. For further details *see* ASPA's Rebuttal Brief at 5-8.

> In the Post-Preliminary Analysis Memorandum, Commerce found above *de minimis* countervailable subsidy rates for all three respondents. Thus, none of the respondents are eligible to have the CVD order revoked under 19 CFR 351.214(*l*). Moreover, even if Commerce were to find that any single respondent has a *de minimis* subsidy rate in the final results, the agency still would not be permitted to revoke the order for that respondent, because none of the subsidy rates have been verified. The regulation clearly only permits Commerce to revoke a CVD order for a company that receives a *de minimis* or zero rate in an expedited review "provided that the Secretary has verified the information on which the exclusion is based." As Commerce has conducted no such verification here, revocation is not permitted.

[173] *See* Post-Preliminary Analysis Memorandum at 5.

> Respondents' claims that the questionnaires themselves constituted verification are meritless. Verification is a process separate and distinct from the actual questionnaires and supplemental questionnaires. Verification is the process by which Commerce tests the accuracy and completeness of the information reported in the original and supplemental questionnaires. Simply issuing additional questionnaires does not constitute verification. While respondents argue that Commerce has discretion regarding the form that verification may take, this does not mean that respondents themselves can mischaracterize the record to claim that verification has occurred when it has not. Moreover, even if verification had occurred (which it did not) the regulation only permits Commerce to revoke an order for a company on that basis – it does not require such revocation. *See* 19 CFR 351.214(*l*)(3)(iii) ("The Secretary may exclude …" (emphasis added)).
>
> For all these reasons, Commerce should reject respondents' arguments and keep all Ecuadorian respondents under the CVD order on frozen warmwater shrimp from Ecuador.

Commerce's Position: This argument is moot because none of the mandatory respondents have zero or *de minimis* margins in the final results. In the *Preliminary Results* and Post-Preliminary Analysis Memorandum, Commerce found above *de minimis* countervailable subsidy rates for all three Ecuadorean Respondents.[174] Because we continue to find in the final results that none of the mandatory respondents have been found to have a zero or *de minimis* subsidy rate, none are eligible for exclusion from the *Order* under 19 CFR 351.214(l). We do not need to address parties' dispute over whether verification occurred or whether verification is a mandatory precondition to exclusion in an expedited review.

Comment 14: Whether to Not Attribute Electricity Benefits Reported for Edpacif's Shrimp Processing Plant to Edpacif's Unaffiliated Suppliers of Raw Shrimp in its Calculations Pursuant to Section 771B

Edpacif's Comments:

The following is Edpacif's summary of their argument. For further details, *see* Edpacif's Case Brief at 6-12.

> {Commerce} should not attribute electricity benefits received by Edpacif under the Provision of Electricity for LTAR program related to the electricity meter that supplies its processing operations, and not its farming operations, to Edpacif's non-cross-owned suppliers of raw shrimp during the POR. There is no basis to attribute benefits that were received solely by Edpacif's processing operations to non-cross-owned suppliers of raw shrimp (*i.e.*, farms, not processors) to Edpacif during the POR.
>
> Edpacif reported that it was a producer and exporter of subject merchandise and also self-produced raw shrimp on farms it owned and farms that belong to affiliated

[174] *See Preliminary Results* and Post-Preliminary Analysis Memorandum.

> or unaffiliated companies it operates. However, the record demonstrates that the electricity supplied to the identified electricity meter was supplied to Edpacif's processing facility, not to any its farming operations.
>
> {Commerce}'s practice is not to attribute benefits pursuant to Section 771B for programs it finds are not available to shrimp farming operations. Rather, for programs {Commerce} finds are attributable to shrimp processing operations, but not shrimp farming operations, {Commerce} only attributes countervailable subsidies to respondents, and their cross-owned affiliates, which reported receiving benefits in accordance with the attribution rules contained in 19 CFR 351.525(b)(6).
>
> The electricity tariff applicable to the meter, as reported by Edpacif, is CNEL's "Industrial" tariff rate. The {GOE} corroborated the reporting, and it reported that the "Industrial" tariff category is applicable to establishments used for the production or transformation of products through any industrial process and their administrative offices.
>
> Therefore, the fact that CNEL charged the "Industrial" tariff rate to this meter demonstrates that the electricity purchased at this processing facility does not benefit Edpacif's farming operations. The meter, which reflects "Industrial" tariff category consumption, indicates an overwhelming share of total electricity consumed by Edpacif and its cross-owned affiliates during the POR. All the electricity consumed by Edpacif in the "industrial" tariff category during the POR is associated with the same meter. In other words, none of Edpacif's cross-owned shrimp farms or hatcheries reported any electricity consumption under the "Industrial" tariff category.
>
> The record clearly demonstrates that Edpacif's reported electricity consumption associated with the identified electricity meter and associated electricity benefits calculated by {Commerce}, related solely to its processing operations. Therefore, {Commerce} should not include benefits associated with the electricity meter in its calculation of a subsidies rate attributed to Edpacif's non-cross-owned raw shrimp suppliers pursuant to section 771B {of the Act}. The reported benefits associated with electricity consumed at this meter did not relate to Edpacif's shrimp farming operations, so there is no basis to assume that any benefits would apply to Edpacif's non-cross-owned suppliers of raw shrimp.

AHSTAC's Rebuttal Comments:

The following is AHSTAC's summary of their rebuttal argument. For further details, *see* AHSTAC's Rebuttal Brief at 18-21.

> In the *Preliminary Results*, {Commerce} calculated subsidy rates for Edpacif under the Provision of Electricity for {LTAR} program. {Commerce} also attributed subsidy benefits to the unaffiliated shrimp farmers who produced inputs for Edpacif

> during the POR in accordance with section 771B of the Act.[175] Edpacif challenges {Commerce}'s attribution of benefits received by Edpacif to its non-cross-owned suppliers of raw shrimp.[176] The respondent contends that the benefits under the electricity for LTAR program are attributable only to shrimp processing and not to shrimp farming.[177] Edpacif directs {Commerce} to *Shrimp from China* as support for its argument.[178] Contrary to Edpacif's argument, {Commerce} reasonably attributed benefits under the electricity for LTAR program to Edpacif's unaffiliated suppliers of raw shrimp. Edpacif fails to cite any law or regulation that limits availability of the "industrial" tariff rate such that it would not be available to shrimp farming operations. Instead, the record demonstrates that the "industrial" tariff rate is "applicable to establishments used for the production or transformation of products through any industrial process and their administrative offices." Thus, the record does not support Edpacif's argument that the electricity for LTAR program is not available to its non-cross-owned shrimp suppliers. Moreover, *Shrimp from China* supports {Commerce}'s preliminary decision.

Commerce's Position: We disagree with Edpacif. In this proceeding, Commerce has relied on section 771B of the Act to attribute subsidies received by individually examined firms with farming operations that are part of the cross-owned entity that is subject to expedited review to the unaffiliated shrimp farmers that supplied the entity during the POR.[179] In the case of Edpacif, while one of its facilities that received the electricity benefit at issue lacked shrimp farming operations,[180] other facilities of Edpacif involve shrimp farming operations.[181] Under section 351.525(b)(8) of the regulations, Commerce examines subsidies received by firms and does not tie or attribute subsidies on a plant or factory-specific basis. Thus, because Edpacif is a firm that has farming operations and because we find that Edpacif received certain electricity-related subsidies that benefited all of its production activities, it is appropriate for Commerce to rely on section 771B of the Act to attribute the electricity subsidies received by Edpacif to the unaffiliated shrimp farmers who supplied Edpacif with shrimp during the POR.[182]

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[175] *See* Edpacif's Preliminary Analysis Memorandum at 3; *see also* section 771B of the Act.
[176] *See* Edpacif's Case Brief at 6-12.
[177] *Id.*
[178] *Id.* at 3 and 8.
[179] *See Preliminary Results* PDM at 13, (stating "{W}e find that we are permitted under the statute to continue our practice of utilizing certain raw shrimp suppliers as a proxy to determine the level of subsidization bestowed on the raw shrimp supplied by the non-cross-owned suppliers. . . Specifically, to calculate the amount of subsidies to be attributed to processed shrimp as a result of the GOE's provision of subsidies to fresh shrimp producers, consistent with Commerce's calculations in the underlying investigation of the *Order* we preliminarily calculated per-unit subsidy rates based on benefit information received by cross-owned input suppliers of Edpacif and Nirsa/Proposorja. We multiplied the per-unit subsidy rates by the total volume of raw shrimp supplied to the mandatory respondents from non-cross-owned shrimp suppliers and divided the resulting estimated benefits by the applicable total sales value, net intercompany sales, as applicable. We then added the subsidy rates from benefits to non-cross-owned shrimp suppliers to the company-specific subsidy rates calculated for the mandatory respondents."
[180] *See* Edpacif's Letter, "Edpacif's Initial Countervailing Duty Questionnaire Response," dated April 28, 2025 at Exhibit I-13 (Edpacif's Benefit IQR).
[181] *Id.*
[182] *See* Edpacif's Final Analysis Memorandum at Attachment II.

Comment 15: Whether to Attribute Benefits Reported by Propemar's Unaffiliated Raw Shrimp Suppliers as Subsidies to Frozen Shrimp Produced by Propemar

Propemar's Comments:

The following is Propemar's summary of their argument. For further details, *see* Propemar's Case Brief at 11-14.

> In the forthcoming final results, {Commerce} should not attribute the full benefit from subsidies reported by Non-Cross-Owned Responding Suppliers to the combined sales, net of intercompany sales, of Propemar and each of the Non-Cross-Owned Responding Suppliers, pursuant to 19 CFR 351.525(b)(6)(iv) because the Non-Cross-Owned Responding Suppliers are not suppliers of raw shrimp that are cross-owned with Propemar. Instead, {Commerce} should attribute only the total subsidies reported by the Non-Cross-Owned Responding Suppliers to the other non-cross-owned suppliers from which Propemar purchased raw shrimp during the {POR} pursuant to section 771B of the {Act}.
>
> {Commerce} will normally attribute subsidies received by a cross-owned producer of inputs primarily dedicated to the production of downstream products to the combined sales of the input and downstream products produced by both cross-owned companies, less intercompany sales….But, {Commerce} normally attributes subsidies to the products produced by a corporation that received the subsidy unless one of the conditions in 19 CFR 351.525(b)(6)(ii) through (vi) applies. A necessary precondition of applying the attribution rules in 19 CFR 351.525(b)(6)(ii) through (vi) is that the respondent producer be cross-owned and also meet other conditions (*e.g.*, produce the subject merchandise, as in 19 CFR 351.525(b)(6)(ii); be a holding or parent company with its own operations, as in 19 CFR 351.525(b)(6)(ii); supplies, either directly or indirectly, a downstream producer with inputs primarily dedicated to the production of downstream products, as in 19 CFR 351.525(b)(6)(iii)).
>
> {Commerce} did not find, and the record does not support a finding, that Propemar and the Non-Cross-Owned Responding Suppliers are cross-owned.
>
> There is no basis in law or in fact for treating Propemar's unaffiliated suppliers of raw shrimp as cross-owned input suppliers pursuant to 19 CFR 351.525(b)(6)(iv). Therefore, in the forthcoming final results, {Commerce} should not attribute benefits reported by the Non- Cross-Owned Responding Suppliers to Propemar. Rather, {Commerce} should attribute benefits reported by the Non-Cross-Owned Responding Suppliers to Propemar's non-cross-owned suppliers of raw shrimp solely pursuant to section 771B of the {Act}, in accordance with its practice, using the same methodology it used to attribute benefits reported by cross-owned suppliers of raw shrimp of other respondents in this expedited review to the respondents' non-cross-owned suppliers of raw shrimp.

AHSTAC's Rebuttal Comments:

The following is AHSTAC's summary of their rebuttal argument. For further details, *see* AHSTAC's Rebuttal Brief at 18-21.

> In the post-preliminary determination, {Commerce} found several programs to be countervailable. {Commerce} attributed benefits received by Propemar's non-cross-owned suppliers of raw shrimp in accordance with section 771B of the Act. Propemar's arguments challenging {Commerce}'s methodological choices fail to demonstrate that any aspect of the agency's decision was unlawful. Propemar's arguments, if accepted, would result in {Commerce} applying section 771B of the Act in a manner that fails to capture the full extent of the subsidization of the subject merchandise. The text of section 771B of the Act does not require that {Commerce} apply any specific methodology in attributing subsidies provided producers (in this case raw shrimp farmers) to processors of the product. Here, to comply with section 771B of the Act, {Commerce} needed to estimate the benefits for the non-responding suppliers. Thus, "to calculate the amount of subsidies to be attributed to processed shrimp as a result of the GOE's provision of subsidies to fresh shrimp producers . . . {{Commerce}} calculated per-unit subsidy rates based on benefit information received by non-cross-owned input suppliers of Propemar."[183] Because {Commerce}'s approach was in accordance with the statute and consistent with {Commerce}'s calculations in the underlying investigation, the agency should reject the arguments presented by Propemar.

Commerce's Position: We disagree with Propemar. Propemar argues that Commerce's calculations attributing certain subsidy benefits reported by Propemar's non-cross-owned shrimp suppliers contained various methodological and calculation errors.[184] Propemar contends that Commerce improperly relied on 19 CFR 351.525(b)(6)(iv), the regulatory provision governing attribution of subsidies received by a cross-owned producer of inputs primarily dedicated to production of a downstream product, to attribute the full benefit reported by Propemar's unaffiliated shrimp suppliers to the combined sales, net of intercompany sales, of Propemar and the non-cross-owned shrimp suppliers, notwithstanding Commerce's own recognition that the shrimp suppliers are not cross-owned with Propemar.

Commerce attributed benefits to the combined sales of Propemar and its unaffiliated raw shrimp producers in accordance with 19 CFR 351.525(b)(6)(ii)-(iv).[185] In doing so, Commerce explained in the *Preliminary Results* that, because Propemar did not report cross-ownership with any input producer within the meaning of 19 CFR 351.525(b)(6)(iv), Commerce requested information regarding Propemar's unaffiliated raw shrimp suppliers in order to calculate subsidy rates as required under section 771B of the Act.[186]

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[183] *See* Memorandum, "Post-Preliminary Determination Calculations for Productos Perecibles y Mariscos S.A.," dated June 29, 2026. (Post-Preliminary Analysis Memorandum) at 5
[184] *See* Propemar's Case Brief at 16-35.
[185] *See* Post-Preliminary Analysis Memorandum at 5.
[186] *Id.* at 5.

In the *Preliminary Results,* we used the same combined-sales calculation structure to attribute benefits from Propemar's non-cross-owned suppliers under section 771B of the Act that we otherwise use to attribute benefits from cross-owned input suppliers under 19 CFR 351.525(b)(6)(iv), applying this approach consistently across each of the programs at issue, including the Municipal total Assets Tax Exemption, the Motor Vehicle Tax Reduction Program, the Provision of Electricity for LTAR, the Municipal Patent Tax Exemption, the Export Tax Incentive Program, and the Provision of Land-Use Concessions in Beaches and Bay Areas for LTAR.[187]

Section 771B of the Act does not require Commerce to apply any specific methodology in attributing subsidies provided to producers of a raw agricultural product to processors of that product. Rather, the statute affords Commerce flexibility to consider the particular factual context presented on the record and to determine a reasonable methodology for attributing such subsidies.[188] In this case, Propemar, in response to Commerce's request, supplied information on behalf of its three largest unaffiliated suppliers of raw shrimp.[189] Therefore, to comply with section 771B of the Act's requirement that "countervailable subsidies found to be provided to either producers or processors of the product shall be deemed to be provided with respect to the manufacture, production, or exportation of the processed product," Commerce needed to estimate the benefits for the non-responding suppliers. Thus, "to calculate the amount of subsidies to be attributed to processed shrimp as a result of the GOE's provision of subsidies to fresh shrimp producers, consistent with Commerce's calculations in the underlying investigation, we preliminarily calculated per-unit subsidy rates based on benefit information received by non-cross-owned input suppliers of Propemar."[190] As we explained, with respect to each program addressed in the Post-Preliminary Analysis Memorandum, we divided the benefit each unaffiliated input supplier received by the volume of shrimp that supplier produced during the POR, multiplied the resulting per-unit benefit by the volume of shrimp that supplier supplied to Propemar, and divided the attributed benefit by the applicable combined total sales during the POR, net of intercompany sales.[191] In its arguments, Propemar did not demonstrate that Commerce's calculation methodology, as applied to non-cross-owned suppliers under section 771B of the Act, produces an unreasonable or distortive result.

Propemar's remaining arguments regarding Commerce's methodology likewise fail to demonstrate that any aspect of Commerce's decision was unreasonable or unlawful. Propemar argues that Commerce should not add separately calculated subsidy rates based on benefits received by each of the non-cross-owned suppliers, but Propemar fails to demonstrate how Commerce's chosen methodology, which accounts for the individual experience of each non-cross-owned supplier, is unreasonable or distortive.[192]

Finally, Propemar's request that Commerce revise the sales denominator it used to attribute benefits under the Export Tax Incentive program to reflect Propemar's total sales, rather than its

[187] *Id* at 7-14.
[188] *See* Post-Preliminary Analysis Memorandum at 7.
[189] *Id.* at 1; *see also* Unaffiliated Supplier Questionnaire.
[190] *See* Post-Preliminary Analysis Memorandum at 5.
[191] *See* Post-Preliminary Calculation Memo.
[192] *See* Propemar's Case Brief at 17, 25, and 26.

export sales, ignores record evidence[193] that shows that the program is contingent on export performance and available only to exporters. In the *Preliminary Results,* we correctly divided the attributed benefit by Propemar's total export sales during the POR, consistent with our finding that the program is specific under sections 771(5A)(A) and (B) of the Act.[194]

Therefore, for the final results, we continue to attribute benefits that Propemar's unaffiliated shrimp suppliers reported to Propemar's non-cross-owned suppliers of raw shrimp.[195]

Comment 16: Whether to Attribute Propemar's Own Benefits to Its Non-Cross-Owned Suppliers of Raw Shrimp

Propemar's Comments:

The following is Propemar's summary of their argument. For further details, *see* Propemar's Case Brief at 25-28.

> {Commerce} preliminarily attributed benefits received by Propemar pursuant to the Municipal Tax Exemption on total Assets, Motor Vehicle Tax Reduction, and Government Provision of Electricity for LT AR programs to non-cross-owned shrimp farmers who supplied raw shrimp to Propemar during the POR pursuant to section 771B of the Act. However, {Commerce} preliminarily concluded, and the record demonstrates, that Propemar was solely a processor.
>
> {Commerce}'s practice is not to attribute benefits pursuant to section 771B for programs it finds are not available to shrimp farming operations. {Commerce}'s practice is also not to attribute benefits pursuant to section 771 B for respondents and cross-owned affiliates that are solely processors. {Commerce} also applied the same practice to Nirsa and Proposorja, which were solely shrimp processors in the *Preliminary Results* of this expedited review.
>
> No information on the record supports that Propemar, which received benefits solely for its processing operations, stands as a reasonable proxy for the subsidization received by non-cross-owned suppliers of raw, unprocessed shrimp to Propemar. Propemar did not operate any shrimp farms during the POR or report supplying any raw shrimp to itself during the POR. Accordingly, {Commerce} should not attribute benefits received by Propemar pursuant to section 771B to Propemar's non-cross-owned suppliers of raw shrimp in the forthcoming final results.

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[193] *See* Propemar's Letter, "Propemar's Affiliation and Usage Questionnaire Response," dated April 7, 2025 at AFF-2.
[194] *See* Post-Preliminary Analysis Memorandum at 12-13.
[195] *See* Propemar's Final Analysis Memorandum.

AHSTAC's Rebuttal Comments:

The following is AHSTAC's summary of its rebuttal argument. For further details, *see* AHSTAC's Rebuttal Brief at 31-32.

> In the Post-Preliminary Analysis Memorandum, {Commerce} found several programs to be countervailable. {Commerce} attributed benefits received by Propemar's non-cross-owned suppliers of raw shrimp in accordance with Section 771B of the Act. Propemar's arguments challenging {Commerce}'s methodological choices fail to demonstrate that any aspect of the agency's decision was unlawful. Propemar's arguments, if accepted, would result in {Commerce} applying section 771B of the Act in a manner that fails to capture the full extent of the subsidization of the subject merchandise. The text of section 771B of the Act does not require that {Commerce} apply any specific methodology in attributing subsidies provided producers (in this case raw shrimp farmers) to processors of the product. Here, to comply with section 771B of the Act, {Commerce} needed to estimate the benefits for the non-responding suppliers. Thus, "to calculate the amount of subsidies to be attributed to processed shrimp as a result of the GOE's provision of subsidies to fresh shrimp producers . . . {{Commerce}} calculated per-unit subsidy rates based on benefit information received by non-cross-owned input suppliers of Propemar." Because {Commerce}'s approach was in accordance with the statute and consistent with {Commerce}'s calculations in the underlying investigation, the agency should reject the arguments presented by Propemar

Commerce's Position: Commerce agrees with Propemar that it should not attribute the subsidies Propemar itself received to Propemar's non-cross-owned suppliers of raw shrimp. We note that this decision is not based on whether a particular program is available to shrimp farming operations, but rather the basic operation of section 771B of the Act.

Section 771B of the Act is a mechanism for attributing subsidies received in connection with a prior-stage, raw agricultural product to the later-stage processed product into which it is incorporated. Consistent with that, when Commerce estimates the subsidization of the non-cross-owned raw shrimp a respondent purchased, it uses as the proxy the subsidies received by raw shrimp producers, the respondent's own raw shrimp production operations, or those of its cross-owned affiliates, where the respondent or an affiliate is itself a producer of raw shrimp.[196] Put differently, where a processor is also a farmer, Commerce treats that entity's experience as a farmer receiving subsidies as relevant to, and a proxy for, the subsidies received by the unaffiliated farmers that supplied it.

Section 771B of the Act, however, does not call for Commerce to attribute subsidies received by a processor, to the upstream raw shrimp or to the raw shrimp producers that supplied it. Propemar is a processor: it operated no shrimp farms during the POR, reported no raw shrimp production, and has no cross-owned producers of raw shrimp.[197] The subsidies Propemar

[196] *See Shrimp from China* IDM at Comment 4.
[197] *See* Trade Pacific PLLC Letter, "Propemar's Affiliation and Usage Questionnaire Response," dated April 7, 2025), at AFF-2 and AFF-4."

received, it received in its capacity as a processor. There is accordingly no basis under section 771B of the Act to attribute Propemar's own subsidies to its non-cross-owned suppliers of raw shrimp, and Commerce is removing those benefits from its section 771B of the Act attribution in these final results.[198]

This result does not rely on the eligibility of any supplier for any program, and AHSTAC's characterization of the issue as one of program-level eligibility is therefore incorrect. Even if the programs under which Propemar received subsidies were available to raw shrimp producers, the dispositive fact is that Propemar is solely a processor and section 771B of the Act does not attribute a processor's own subsidies to raw shrimp producers. Propemar itself identifies this practice; although it wrongly calls for non-attribution of a processor's own benefits as a consequence of the programs' unavailability to farmers, rather than the operation of section 771B of the Act.[199]

Removing the subsidies Propemar itself received from the section 771B of the Act attribution does not disturb Commerce's attribution of the benefits reported for the responding non-cross-owned suppliers of raw shrimp. Those suppliers are producers of raw shrimp, the subsidies they received are prior-stage subsidies, and section 771B of the Act attributes such subsidies to the processed downstream product. Therefore, for the final results, we will continue to attribute the benefits reported by the responding raw shrimp suppliers to Propemar's non-cross-owned suppliers of raw shrimp, as discussed in Comment 15, and we have revised only the treatment of the subsidies Propemar itself received.[200]

Comment 17: Whether to Correct Errors in the Calculation of the Provision of Electricity for LTAR for Propemar

Propemar's Comments:

The following is Propemar's summary of their argument. For further details, *see* Propemar's Case Brief at 22-25.

> {Commerce} should correct significant errors in its calculations of certain electricity costs and benefits under the Government Provision of Electricity for LTAR program for the Non-Cross-Owned Responding Suppliers who reported electricity purchases during the POR, which do not match {Commerce}'s description of its calculation methodology. {Commerce} should then attribute the total benefits reported by all cross-owned Non-Cross-Owned Responding Suppliers of raw shrimp to Propemar pursuant to section 771B {of the Act}.
>
> {Commerce} incorrectly calculated the "total Cost (USD$) (with Basic Fee)" (*i.e.*, column W) for one meter for the months of February through December of the POR (i.e., cells W175 through 185). {Commerce} also incorrectly calculated the total "Unit Price" for the "With Basic Fee" category consumption reported for the same

[198] *See* Propemar's Final Analysis Memorandum at Attachment II.
[199] *See* Propemar's Case Brief at 25-28.
[200] *See* Propemar's Final Analysis Memorandum.

> meter by summing the “Unit Price” column instead of calculating an average unit price (column “X”) by dividing the sum of the “total Cost (USD$) (with Basic Fee)” column (column “W”) by sum of the “total Energy Consumption (kwH)” column (column “V”). Finally, {Commerce} copied the incorrectly calculated “total Cost (USD$) value and total “Unit Cost (USD$) from the meter-based calculations into its electricity benefit calculations for the same unaffiliated supplier to Propemar. Id.
>
> These errors resulted in a significantly understated total Cost calculation for this meter and a significantly overstated unit cost for this meter. As a result of these errors, {Commerce} also incorrectly calculated a benefit based on the difference between the understated total price and the “Benchmark total Price.” {Commerce} should correct this calculation in the forthcoming Final Results before attributing the Non-Cross-Owned Responding Suppliers total benefits pursuant to section 771B {of the Act}.

No other interested party commented on this issue.

Commerce’s Position: We agree with Propemar that our post-preliminary calculation of benefit for the electricity for LTAR program was incorrect. Specifically, for one shrimp supplier, we erroneously summed columns that contained average unit values for electricity purchases when we intended to sum columns containing actual purchase costs (*i.e.*, not averages).[201] For the final results we corrected our inadvertent error.[202]

Comment 18: Whether to Correct Errors in the Calculation of the Provision of Land Use Concessions for Propemar

Propemar’s Comments:

The following is Propemar’s summary of their argument. For further details, *see* Propemar’s Case Brief at 28-31.

> {Commerce} should correct benefit calculation for the Government Provision of Land Use Concessions for Aquaculture Facilities in Beaches and Bays program for a cross-owned hatchery among the Non-Cross-Owned Responding Suppliers, to ensure that the “total Area Benchmark Price,” and “Yearly total Area Benchmark Price” are calculated on a consistent per-hectare basis in the forthcoming Final Results. Specifically, {Commerce} should convert the area of the concession number affected by {Commerce}’s error so that the parts of the benefit calculation are stated per-hectare basis as it is for all other concessions in {Commerce}’s calculations, like the land benchmark used in {Commerce}’s benefit calculation, by dividing the total area by 10,000.

[201] *See* Propemar Post-Preliminary Calculation Memo at Attachment II.
[202] *See* Propemar Final Analysis Memorandum at Attachment II.

> If {Commerce} applies this correction to the Land Concessions for LTAR benefit calculation, there should be no basis to attribute benefits associated with the affected concession to Propemar's non-cross-owned suppliers of raw shrimp pursuant to section 771B of the {Act}.

No other interested party commented on this issue.

Commerce's Position: We agree with Propemar that our post-preliminary calculation of land use concessions for LTAR failed to apply a necessary conversion from square meters to hectares for one the concessions for which we calculated a benefit, leading to an inaccurate comparison of our benchmark to this concession.[203] For the final results, we revised the calculation to include a conversion from square meters to hectares.[204]

Comment 19: Whether to Calculate the Rate Attributed Pursuant to Section 771B Based on the Weighted Average Benefits Received by Multiple Suppliers of Raw Shrimp for the Same Program

Ecuadorean Respondents' Comments:

The following is the Ecuadorean Respondents' summary of their argument. For further details, *see* the Ecuadorean Respondents' Case Brief at 44-48.

> {Commerce} should calculate a single weighted average subsidy rate for benefits attributed to unaffiliated suppliers from whom Ecuadorian Respondents purchased raw shrimp during the POR pursuant to {section} 771B {of the Act} instead of calculating those rates for each cross-owned supplier of raw shrimp separately and summing the separately calculated subsidy rates.
>
> It is mathematically inaccurate to estimate the benefits that would have been available to non-cross-owned shrimp farmers that supplied raw unprocessed shrimp to Ecuadorian Respondents by assuming that each non-cross-owned shrimp farmer received benefits for which each cross-owned supplier or each cross-owned unaffiliated supplier applied and received separate benefits. There is no evidence to support {Commerce}'s implicit assumption that each non-cross-owned shrimp farmer applied for multiple tranches of benefits or that any such non-cross-owned shrimp farmer had separate cross-owned affiliates that applied for multiple instances of benefits.
>
> The goal of {Commerce}'s section 771B {of the Act} attribution practice is to use the level of subsidization received by each respondent's own raw shrimp production operations, or those of the unaffiliated suppliers that supplied raw shrimp to Propemar's production operations, as a proxy for determining the level to which each respondent benefited from subsidies received by each non-cross-owned suppliers from which Ecuadorian Respondent purchased shrimp during the POR.

[203] *See* Propemar Post-Preliminary Analysis Calculation Memo at Attachment II.
[204] *See* Propemar Final Analysis Memorandum at Attachment II.

> {Commerce}'s calculation in the *Preliminary Results* implicitly assumes without basis that each individual non-cross-owned shrimp supplier that supplied raw shrimp to each respondent benefited from aggregated subsidies received by multiple cross-owned shrimp suppliers. Moreover, {Commerce} already includes benefits received by each respondent's own cross-owned shrimp suppliers, or Propemar's own unaffiliated suppliers of fresh shrimp that were cross-owned, where it calculated a rate for benefits received by each Ecuadorian Respondent.
>
> {Commerce} should modify its attribution of subsidies pursuant to section 771B {of the Act} to calculate a per-kilogram subsidy rate by dividing the total benefits reported by all cross-owned suppliers of raw shrimp under the same program by the combined quantity produced by the responding cross-owned entity. The same practice should apply by analogy to all cross-owned unaffiliated suppliers of raw shrimp to Propemar where multiple unaffiliated suppliers of raw shrimp to Propemar that were cross-owned reported receiving benefits under the same program.

Propemar's Comments:

The following is Propemar's summary of its argument. For further details, *see* Propemar's Case Brief at 17-22.

> In the forthcoming final results, {Commerce} should attribute subsidies reported by the Non-Cross-Owned Responding Suppliers pursuant to section 771B {of the Act}by calculating a weighted average per-kilogram subsidy rate for all of the Non-Cross-Owned Responding Suppliers that are shrimp suppliers that reported they are cross-owned with each other. {Commerce} should not add separately calculated subsidy rates based on benefits received by each cross-owned shrimp supplier among the Non-Cross-Owned Responding Suppliers pursuant to section 771B {of the Act}.

AHSTAC's Rebuttal Comments:

The following is AHSTAC's summary of their rebuttal argument. For further details, *see* AHSTAC's Rebuttal Brief at 21-22

> In the *Preliminary Results*, {Commerce} established a methodology to calculate the amount of subsidies to be attributed to processed shrimp as a result of the Government of Ecuador's provision of subsidies to fresh shrimp producers. The Ecuadorian Respondents claim that {Commerce}'s methodology is not supported by record evidence and request that the agency, instead, "calculate a single weighted-average *ad valorem* rate attributable to each Ecuadorian Respondent's non-cross-owned suppliers of raw shrimp . . ." However, despite the fact that {Commerce} specifically addressed how it would evaluate requests for the utilization of alternate methodologies for attributing benefits in the *Preliminary Results*, the Ecuadorian Respondents fail to identify any evidentiary support for

their preferred methodology. Accordingly, {Commerce} should maintain, without adjustment, the agency's attribution methodology in the final results.

Commerce's Position: We disagree with the Ecuadorean Respondents and Propemar. Commerce continues to attribute subsidies to the Ecuadorean Respondents and Propemar's purchases of raw shrimp from non-cross-owned suppliers by deriving a per-unit subsidy from each responding cross-owned raw shrimp producer, applying that per-unit subsidy to the volume of raw shrimp each respondent purchased from its non-cross-owned suppliers, and summing the results across suppliers. This methodology is a direct application of the input-producer attribution framework set forth in 19 CFR 351.525(b)(6)(iv), as extended to non-cross-owned purchases by section 771B of the Act. For the reasons explained below, the single weighted-average rate urged by the Ecuadorean Respondents and Propemar is not the correction of a mathematical error, but a request for Commerce to abandon its input-producer attribution methodology and instead treat multiple distinct input suppliers as a single, blended producer. We decline to do so.

Under 19 CFR 351.525(b)(6)(iv), where a cross-owned company produces an input that is primarily dedicated to the production of the downstream product, Commerce attributes the subsidies received by the input producer to the combined sales of the input and downstream products, net of intercompany sales. Where a respondent has more than one cross-owned input supplier, Commerce calculates the subsidies received by each such supplier separately and attributes each to the respondent's combined sales. This methodology is additive. Section 771B of the Act, in turn, directs Commerce to attribute subsidies received by producers of a raw agricultural input to the processed downstream product where the statutory criteria are met, and thereby reaches subsidies received by the non-cross-owned raw shrimp producers that supplied the respondents.[205] Because Commerce does not have program-specific subsidy data for every unexamined non-cross-owned farm, it uses the subsidization actually reported by the responding cross-owned raw shrimp producers (and, for Propemar, the responding unaffiliated suppliers) as the proxy for the subsidization embedded in the respondents' non-cross-owned raw shrimp purchases.[206]

As the record reflects, for each responding cross-owned raw shrimp supplier, Commerce divided the benefit that supplier received under a given program by that supplier's POR production volume to derive a per-unit subsidy; multiplied that per-unit subsidy by the volume of raw shrimp the respondent purchased from its non-cross-owned suppliers; divided the resulting benefit by the applicable combined sales denominator; and summed the resulting rates across suppliers.[207] This is the same methodology Commerce uses in calculating the respondents' own rates, where each cross-owned supplier's benefits are separately calculated and summed.[208] There is no basis to measure the same suppliers' benefits one way for the respondents' own rates

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[205] *See Preliminary Results* PDM at 11-14; *see also* Post-Preliminary Analysis Memorandum at 5.
[206] *See Ecuador Shrimp Investigation Final* IDM at Comment 3; *see also Shrimp from China* IDM at Comment 4.
[207] *See* Edpacif's Preliminary Analysis Memorandum at Attachment II; *see also* Propemar's Post-Preliminary Analysis Memorandum at Attachment II; *see* Nirsa and Proposorja's Preliminary Analysis Memorandum at Attachment II.
[208] *See* Edpacif's Preliminary Analysis Memorandum at Attachment II; *see also* Propemar's Post-Preliminary Analysis Memorandum at Attachment II; *see* Nirsa and Proposorja's Preliminary Analysis Memorandum at Attachment II

(separately, and summed) and a different way for the section 771B of the Act proxy (pooled, and production-weight-averaged).

The Ecuadorean Respondents and Propemar first contend that summing the supplier-specific rates is "mathematically inaccurate" because it assumes that each individual non-cross-owned farm received the aggregated subsidies of multiple cross-owned suppliers. This argument mischaracterizes the calculation. Section 771B of the Act attribution is an aggregate estimate of the subsidization embedded in the total volume of raw shrimp each respondent purchased from non-cross-owned suppliers. It is not a farm-by-farm reconstruction of any individual supplier's subsidy profile. Commerce does not assume that any particular non-cross-owned farm applied for, or received, the combined benefits of the responding suppliers. Commerce has no farm-specific subsidy data for the unexamined non-cross-owned suppliers, which is precisely why a proxy is necessary, and section 771B of the Act, which attributes input-stage subsidies to the processed product on an aggregate basis, does not require the farm-level precision that the respondents demand.

The Ecuadorean Respondents and Propemar separately argue that summing the supplier-specific rates double-counts the responding suppliers' benefits, which Commerce already calculates in each mandatory respondent's own subsidy rate. We disagree. Each responding supplier's benefit is attributed once, to the combined sales of the respondent and its cross-owned suppliers, reflecting the group's own subsidized raw shrimp production. The section 771B of the Act calculation applies the per-unit subsidization derived from those suppliers to a different and mutually exclusive quantity, the raw shrimp the respondent purchased from unrelated, non-cross-owned farms, which the group did not itself produce. No benefit enters the calculation twice. Using an observed per-unit subsidy rate as an estimator for a separate volume of purchased inputs is not counting the same benefit twice but the mechanism for section 771B of the Act attribution, which the Ecuadorean Respondents and Propemar concede is the governing framework.

For the same reason, the cross-ownership among Propemar's responding unaffiliated suppliers does not support pooling. That those suppliers are cross-owned with one another (though not with Propemar) does not transform them into a single raw-shrimp-producing farm; they remain distinct entities with distinct production and distinct subsidy receipts.

Finally, the Ecuadorean Respondents' proposed pooling would understate the subsidization on the record by allowing large-volume, lightly subsidized producers to dilute the reported benefits of smaller but more heavily subsidized producers. The record contains each responding supplier's actual benefit under each program.[209] Commerce's methodology uses those actual figures. The Ecuadorean Respondents' approach would merge them into a single blended per-unit figure that no supplier on the record experienced. The Ecuadorean Respondents identify no record evidence establishing that their preferred methodology more accurately measures the subsidization of the non-cross-owned raw shrimp at issue. Our methodology more faithfully reflects the record information and is consistent with section 771B of the Act and 19 CFR 351.525(b)(6)(iv). Accordingly, for these final results, Commerce continues to calculate the

[209] *See*, *e.g.*, Propemar's Letter, "Propemar's Unaffiliated Suppliers of Raw Shrimp Questionnaire Response," dated March 12, 2026.

subsidies attributed to the Ecuadorean Respondents' and Propemar's purchases of raw shrimp from non-cross-owned suppliers pursuant to section 771B of the Act by attributing each responding supplier's benefits separately and summing the resulting rates separately.[210]

VIII. RECOMMENDATION

Based on our analysis of the comments received, we recommend adopting the above positions and adjusting all related countervailable subsidy rates accordingly. If this recommendation is accepted, we will publish the final results in the *Federal Register.*

☒	☐
____________	____________
Agree	Disagree

X

Signed by: CHRISTOPHER ABBOTT

Christopher Abbott
Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties
of the Assistant Secretary for Enforcement and Compliance

[210] *See* Edpacif Final Analysis Memorandum at Attachment II; *see also* Nirsa and Proposorja's Final Analysis Memorandum at Attachment II; *see* Propemar's Final Analysis Memorandum at Attachment II.