



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-993]

Monosodium Glutamate from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination; and Preliminary Affirmative Determination of Critical Circumstances

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

SUMMARY: The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of monosodium glutamate (MSG) from the People's Republic of China (PRC). The Department also preliminarily determines that critical circumstances exist for imports of MSG from the PRC.

The period of investigation is January 1, 2012, through December 31, 2012. The final determination will be issued 75 days after the date of this preliminary determination.<sup>1</sup> Interested parties are invited to comment on this preliminary determination.

DATES: EFFECTIVE DATE: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.]

FOR FURTHER INFORMATION CONTACT: Jun Jack Zhao or Justin Neuman, Office VII, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1396 and (202) 482-0486, respectively.

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<sup>1</sup> Due to the closure of the Federal Government in Washington, DC on March 3, 2014, the Department reached this determination on the next business day (i.e., March 4, 2014). See Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended, 70 FR 24533 (May 10, 2005).

## SUPPLEMENTARY INFORMATION:

### Scope of the Investigation

The product covered by this investigation is MSG, whether or not blended or in solution with other products. Specifically, MSG that has been blended or is in solution with other product(s) is included in this scope when the resulting mix contains 15 percent or more of MSG by dry weight.<sup>2</sup>

### Methodology

The Department is conducting this countervailing duty investigation in accordance with section 701 of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our preliminary conclusions, see the Preliminary Decision Memorandum.<sup>3</sup> The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

### Critical Circumstances

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<sup>2</sup> For a complete description of the scope of the investigation, see Appendix 1 to this notice.

<sup>3</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance regarding "Decision Memorandum for the Preliminary Determination in the Countervailing Duty Investigation of Monosodium Glutamate from the People's Republic of China," dated concurrently with this notice (Preliminary Decision Memorandum). A list of topics discussed in the Preliminary Decision Memorandum can be found at Appendix 2 of this notice.

In accordance with section 703(e)(1) of the Act, we preliminarily find that critical circumstances exist with respect to imports of MSG from the PRC. A discussion of our determination can be found in the Preliminary Decision Memorandum.

#### Preliminary Determination and Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we determine separate subsidy rates for Langfang Meihua Bio-Technology Co., Ltd. and Tongliao Meihua Biological Sci-Tech Co., Ltd. (collectively, the Meihua Group)<sup>4</sup> and Henan Lotus Flower Gourmet Powder Co., Ltd. (Henan Lotus), the individually-investigated producers/exporters of the subject merchandise. We also calculated an all-others rate. In accordance with sections 703(d) and 705(c)(5)(A) of the Act, for companies not individually investigated, we apply an “all-others” rate, which is normally calculated by weighting the subsidy rates of the individual companies selected as mandatory respondents by those companies’ exports of the subject merchandise to the United States. Under section 705(c)(5)(A)(i) of the Act, the all-others rate should exclude zero and de minimis rates calculated for the exporters and producers individually investigated as well as rates based entirely on facts otherwise available. Where the rates for the investigated companies are all zero or de minimis, or based entirely on facts otherwise available, section 705(c)(5)(A)(ii) of the Act instructs the Department to establish an all-others rate using “any reasonable method.” For Henan Lotus, which did not participate in this investigation, we determine a rate based solely on adverse facts available (AFA), in accordance with sections 776(a) and (b) of the Act. Therefore, the only rate in this investigation that is not de minimis or based entirely on facts otherwise available is the rate calculated for the Meihua Group. Consequently, the rate

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<sup>4</sup> We find these companies to be cross-owned in accordance with 19 CFR 351.525(b)(6)(vi). See the Preliminary Decision Memorandum.

calculated for the Meihua Group is also assigned as the “all-others” rate. The overall preliminary subsidy rates are summarized in the table below:

<b>Company</b>	<b>Subsidy Rate</b>
Langfang Meihua Bio-Technology Co., Ltd. and Tongliao Meihua Biological Sci-Tech Co., Ltd. (collectively, the Meihua Group)	13.41 percent
Henan Lotus Flower Gourmet Powder Co., Ltd. <sup>5</sup>	404.03 percent
All Others	13.41 percent

In accordance with sections 703(d)(1)(B) and (d)(2) of the Act, we are directing U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of MSG from the PRC that are entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the Federal Register, and to require a cash deposit for such entries of merchandise in the amounts indicated above. Moreover, because we preliminarily find critical circumstances exist with respect to all exporters, in accordance with section 703(e)(2)(A) of the Act, we are directing CBP to apply the suspension of liquidation to any unliquidated entries entered, or withdrawn from warehouse for consumption, on or after the date 90 days prior to the date of publication of this notice in the Federal Register.

#### Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information submitted by the respondents prior to making our final determination.

#### Disclosure and Public Comment

The Department intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement.<sup>6</sup>

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<sup>5</sup> The Department applied AFA to this company; see the Preliminary Determination Memorandum at “Use of Facts Otherwise Available and Adverse Inferences,” for a full description of our methodology.

<sup>6</sup> See 19 CFR 351.224(b).

Interested parties may submit case and rebuttal briefs, as well as request a hearing.<sup>7</sup> For a schedule of the deadlines for filing case briefs, rebuttal briefs, and hearing requests, see the Preliminary Decision Memorandum.

#### International Trade Commission Notification

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

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

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act and 19 CFR 351.205(c).

Dated: March 4, 2014.

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Paul Piquado,  
Assistant Secretary  
for Enforcement and Compliance.

### **Appendix 1 Scope of the Investigation**

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<sup>7</sup> See 19 CFR 351.309(c)-(d), 19 CFR 351.310(c).

The scope of this investigation covers monosodium glutamate (MSG), whether or not blended or in solution with other products. Specifically, MSG that has been blended or is in solution with other product(s) is included in this scope when the resulting mix contains 15% or more of MSG by dry weight. Products with which MSG may be blended include, but are not limited to, salts, sugars, starches, maltodextrins, and various seasonings. Further, MSG is included in this investigation regardless of physical form (including, but not limited to, substrates, solutions, dry powders of any particle size, or unfinished forms such as MSG slurry), end-use application, or packaging.

MSG has a molecular formula of  $C_5H_8NO_4Na$ , a Chemical Abstract Service (CAS) registry number of 6106-04-3, and a Unique Ingredient Identifier (UNII) number of W81N5U6R6U.

Merchandise covered by the scope of this investigation is currently classified in the Harmonized Tariff Schedule (HTS) of the United States at subheading 2922.42.10.00. Merchandise subject to this investigation may also enter under HTS subheadings 2922.42.50.00, 2103.90.72.00, 2103.90.74.00, 2103.90.78.00, 2103.90.80.00, and 2103.90.90.91. The tariff classifications, CAS registry number, and UNII number are provided for convenience and customs purposes; however, the written description of the scope is dispositive.

## **Appendix 2**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Respondent Selection
- VI. Injury Test
- VII. Application of the Countervailing Duty Law to Imports from the PRC
- VIII. Subsidies Valuation
- IX. Benchmarks and Discount Rates
- X. Use of Facts Otherwise Available and Adverse Inferences
- XI. Critical Circumstances
- XII. Analysis of Programs
- XIII. ITC Notification
- XIV. Disclosure and Public Comment
- XV. Verification
- XVI. Conclusion

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