DEPARTMENT OF COMMERCE

International Trade Administration


Methionine from France, Japan, and Spain: Initiation of Less-Than-Fair-Value Investigations

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


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SUPPLEMENTARY INFORMATION:

The Petitions

On July 29, 2020, the Department of Commerce (Commerce) received antidumping duty (AD) petitions concerning imports of methionine from France, Japan, and Spain filed in proper form on behalf of Novus International, Inc. (the petitioner), a domestic producer of methionine.¹

On August 3, 7, and 12, 2020, Commerce requested supplemental information pertaining to certain aspects of the Petitions in separate supplemental questionnaires and in phone calls.²


The petitioner filed responses to these requests on August 5, 6, 11, and 13, 2020.\textsuperscript{3}

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of methionine from France, Japan, and Spain are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Act, and that imports of such products are materially injuring, or threatening material injury to, the methionine industry in the United States. Consistent with section 732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioner supporting its allegations.

Commerce finds that the petitioner filed the Petitions on behalf of the domestic industry, because the petitioner is an interested party, as defined in section 771(9)(C) of the Act. Commerce also finds that the petitioner demonstrated sufficient industry support for the initiation of the requested LTFV investigations.\textsuperscript{4}

**Periods of Investigation**

Because the Petitions were filed on July 29, 2020, the period of investigation for these LTFV investigations is July 1, 2019 through June 30, 2020, pursuant to 19 CFR 351.204(b)(1).\textsuperscript{5}


\textsuperscript{4} See infra, section on “Determination of Industry Support for the Petitions.”

\textsuperscript{5} See 19 CFR 351.204(b)(1).
Scope of the Investigations

The products covered by these investigations are methionine from France, Japan, and Spain. For a full description of the scope of these investigations, see the appendix to this notice.

Comments on the Scope of the Investigations

On August 3, 7, and 12, 2020, Commerce requested further information from the petitioner regarding the proposed scope to ensure that the scope language in the Petitions is an accurate reflection of the products for which the domestic industry is seeking relief. On August 5, 11, and 13, 2020, the petitioner revised the scope. The description of merchandise covered by these investigations, as described in the appendix to this notice, reflects these clarifications.

As discussed in the *Preamble* to Commerce’s regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (i.e., scope). Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information, all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit such comments by 5:00 p.m. Eastern Time (ET) on September 8, 2020, which is the next business day after 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on September 18, 2020, which is ten calendar days from the initial comment deadline.

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6 See General Issues Supplemental at 1-3.
8 See Antidumping Duties; Countervailing Duties, Final Rule, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).
9 See 19 CFR 351.102(b)(21) (defining “factual information”).
10 In this case, 20 calendar days falls on September 7, 2020, a federal holiday. Where a deadline falls on a weekend or a federal holiday, the appropriate deadline is the next business day. 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).
Commerce requests that any factual information that parties consider relevant to the scope of these investigations be submitted during this period. However, if a party subsequently finds that additional factual information pertaining to the scope of these investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must be filed on the records of each of the concurrent AD investigations.

Filing Requirements

All submissions to Commerce must be filed electronically via Enforcement and Compliance’s Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS), unless an exception applies.11 An electronically filed document must be received successfully in its entirety by the time and date on which it is due.

Comments on Product Characteristics

Commerce is providing interested parties an opportunity to comment on the appropriate physical characteristics of methionine to be reported in response to Commerce’s questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant costs of production accurately, as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: (1) general product

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characteristics, and (2) product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe methionine, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, Commerce attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on September 8, 2020, which is the next business day after 20 calendar days from the signature date of this notice. Any rebuttal comments must be filed by 5:00 p.m. ET on September 18, 2020. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the record of each of the LTFV investigations.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50

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12 See Next Business Day Rule, 70 FR 24533.
percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product, they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

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13 See section 771(10) of the Act.
With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations.\textsuperscript{15} Based on our analysis of the information submitted on the record, we have determined that methionine, as defined in the scope, constitutes a single domestic like product, and we have analyzed industry support in terms of that domestic like product.\textsuperscript{16}

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in the appendix to this notice. To establish industry support, the petitioner provided its own production of the domestic like product in 2019 and the estimated production capacity of the only other known U.S. producer of methionine.\textsuperscript{17} We relied on data provided by the petitioner for purposes of measuring industry support.\textsuperscript{18}

Our review of the data provided in the Petitions, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions.\textsuperscript{19} First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (\textit{e.g.}, polling).\textsuperscript{20} Second, the domestic producers (or workers) have

\textsuperscript{15} See Volume I of the Petitions at I-10-I-12 and Exhibits I-4, I-7 and I-9; see also First General Issues Supplement at 4; Second General Issues Supplement at 2-4 and Exhibit I-24; and Third General Issues Supplement at Exhibit I-24.

\textsuperscript{16} For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, see country-specific AD Initiation Checklists at Attachment II, Analysis of Industry Support for the Antidumping Duty Petitions Covering Methionine from France, Japan, and Spain (Attachment II). These checklists are dated concurrently with, and hereby adopted by, this notice and on file electronically via ACCESS.

\textsuperscript{17} See Volume I of the Petitions at I-2-I-3 and Exhibits I-1 and I-3; see also First General Issues Supplement at 4 and Exhibit I-23.

\textsuperscript{18} See Volume I of the Petitions at I-2-I-3 and Exhibits I-1 and I-3; see also First General Issues Supplement at 4 and Exhibit I-23 and country-specific AD Initiation Checklists at Attachment II.

\textsuperscript{19} See country-specific AD Initiation Checklists at Attachment II.

\textsuperscript{20} Id.; see also section 732(c)(4)(D) of the Act.
met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product. 21 Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions. 22 Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. 23

Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at LTFV. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act. 24

The petitioner contends that the industry’s injured condition is illustrated by a significant and increasing volume of subject imports; underselling and price depression and suppression; declines in production and capacity utilization; negative impact on employment variables; declining profitability and operating income margin; and a cancelled business expansion project. 25 We assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these

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21 See country-specific AD Initiation Checklists at Attachment II.
22 Id.
23 Id.
24 See Volume I of the Petitions at 16-17 and Exhibit I-2.
25 See Volume I of the Petitions at I-13, I-15 through I-30 and Exhibits I-1, I-2, I-7, I-9, and I-12 through I-18; see also First General Issues Supplement at 5 and Exhibit I-20.
allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.\textsuperscript{26}

**Allegations of Sales at LTFV**

The following is a description of the allegations of sales at LTFV upon which Commerce based its decision to initiate these LTFV investigations of imports of methionine from the France, Japan, and Spain. The sources of data for the deductions and adjustments relating to U.S. price and normal value (NV) are discussed in greater detail in the country-specific AD Initiation Checklists.

**U.S. Price**

For France, Japan, and Spain, the petitioner based export price (EP) on the average unit values of publicly available import data. The petitioner made certain adjustments to U.S. price to calculate a net ex-factory U.S. price.\textsuperscript{27}

**Normal Value\textsuperscript{28}**

For France, Japan, and Spain, the petitioner based NV on a home market price quote obtained through market research for methionine offered for sale in each country within the applicable time period.\textsuperscript{29} For France and Spain, the petitioners made certain adjustments to those prices to calculate an ex-factory home market price, in accordance with section 773 of the Act.\textsuperscript{30}

**Fair Value Comparisons**

Based on the data provided by the petitioner, there is reason to believe that imports of

\textsuperscript{26}See country-specific AD Initiation Checklists at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping Duty Petitions Covering Methionine from France, Japan, and Spain.

\textsuperscript{27}See country-specific AD Initiation Checklists.

\textsuperscript{28}In accordance with section 773(b)(2) of the Act, for these investigations, Commerce will request information necessary to calculate the constructed value and cost of production (COP) to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product.

\textsuperscript{29}See country-specific AD Initiation Checklists.

\textsuperscript{30}Id.
methionine from France, Japan, and Spain are being, or are likely to be, sold in the United States at LTFV. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for methionine for each of the countries covered by this initiation are as follows: (1) France – 16.17 percent; (2) Japan – 104.23 percent; and (3) Spain – 36.22 percent.\textsuperscript{31}

**Initiation of LTFV Investigations**

Based upon the examination of the Petitions and supplemental responses, we find that they meet the requirements of section 732 of the Act. Therefore, we are initiating these LTFV investigations to determine whether imports of methionine from France, Japan, and Spain are being, or are likely to be, sold in the United States at LTFV. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

**Respondent Selection**

In the Petitions, the petitioner identified one known producer/exporter, Adisseo France S.A.S., in France; one known producer/exporter, Sumitomo Chemical Company, Limited, in Japan; and one known producer/exporter, Adisseo España, in Spain.\textsuperscript{32} However, the petitioner noted that because some methionine is sold by distributors,\textsuperscript{33} there may be other exporters of methionine in France, Japan, and Spain that are not known to the petitioner.\textsuperscript{34}

Therefore, following standard practice in LTFV investigations involving market economy countries, Commerce intends to select mandatory respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports under the appropriate Harmonized Tariff

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\textsuperscript{31} *Id.*

\textsuperscript{32} See Volume I of the Petitions at Exhibit I-8.

\textsuperscript{33} See First General Issues Supplemental at 1.

\textsuperscript{34} *Id.*
Schedule of the United States numbers listed in the “Scope of the Investigations,” in the
appendix.

On August 17, 2020, Commerce released CBP data on imports of methionine from
France, Japan, and Spain under Administrative Protective Order (APO) to all parties with access
to information protected by APO, and indicated that interested parties wishing to comment on
the CBP data must do so within three business days of the publication date of this notice of
initiation of these investigations.\textsuperscript{35} Commerce will not accept rebuttal comments regarding the
CBP data or respondent selection.

Comments must be filed electronically using ACCESS. An electronically-filed document
must be received successfully in its entirety by ACCESS, by 5:00 p.m. ET on the specified
deadline. Interested parties must submit applications for disclosure under APO in accordance
with 19 CFR 351.305(b). Instructions for filing such applications may be found on Commerce’s
website at \url{https://enforcement.trade.gov/apo}.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the
public version of the Petitions have been provided to the governments of France, Japan, and
Spain via ACCESS. To the extent practicable, we will attempt to provide a copy of the public
version of the AD Petitions to each exporter named in the AD Petitions, as provided under 19
CFR 351.203(c)(2).

ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

\textsuperscript{35} See Memoranda, “Petition for the Imposition of Antidumping Duties on Imports of Methionine from France:
Release of Customs Data from U.S. Customs and Border Protection;” “Petition for the Imposition of Antidumping
Duties on Imports of Methionine from Japan: Release of Customs Data from U.S. Customs and Border Protection;”
and “Petition for the Imposition of Antidumping Duties on Imports of Methionine from Spain: Release of Customs
Data from U.S. Customs and Border Protection,” all dated August 17, 2020.
Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the AD Petitions were filed, whether there is a reasonable indication that imports of methionine from France, Japan, and/or Spain are materially injuring, or threatening material injury to, a U.S. industry.36 A negative ITC determination for any country will result in the investigation being terminated with respect to that country.37 Otherwise, these LTFV investigations will proceed according to statutory and regulatory time limits.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). Section 351.301(b) of Commerce’s regulations requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted38 and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.39 Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in these investigations.

36 See section 733(a) of the Act.
37 Id.
38 See 19 CFR 351.301(b).
39 See 19 CFR 351.301(b)(2).
Particular Market Situation Allegation

Section 773(e) of the Act addresses the concept of particular market situation (PMS) for purposes of CV, stating that “if a particular market situation exists such that the cost of materials and fabrication or other processing of any kind does not accurately reflect the cost of production in the ordinary course of trade, the administering authority may use another calculation methodology under this subtitle or any other calculation methodology.” When an interested party submits a PMS allegation pursuant to section 773(e) of the Act, Commerce will respond to such a submission consistent with 19 CFR 351.301(c)(2)(v). If Commerce finds that a PMS exists under section 773(e) of the Act, then it will modify its dumping calculations appropriately.

Neither section 773(e) of the Act, nor 19 CFR 351.301(c)(2)(v), set a deadline for the submission of PMS allegations and supporting factual information. However, in order to administer section 773(e) of the Act, Commerce must receive PMS allegations and supporting factual information with enough time to consider the submission. Thus, should an interested party wish to submit a PMS allegation and supporting new factual information pursuant to section 773(e) of the Act, it must do so no later than 20 days after submission of a respondent’s initial section D questionnaire response.

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by Commerce. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from
multiple parties simultaneously. In such a case, we will inform parties in a letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm, prior to submitting factual information in these investigations.

**Certification Requirements**

Any party submitting factual information in an AD or countervailing duty (CVD) proceeding must certify to the accuracy and completeness of that information.\(^\text{40}\) Parties must use the certification formats provided in 19 CFR 351.303(g).\(^\text{41}\) Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

**Notification to Interested Parties**

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, Commerce published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed at 19 CFR 351.103(d)). Note that Commerce has temporarily modified certain of its requirements for

\(^{40}\) See section 782(b) of the Act.

\(^{41}\) See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*). Answers to frequently asked questions regarding the *Final Rule* are available at http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.
serving documents containing business proprietary information, until further notice.\textsuperscript{42}

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).


**Jeffrey I. Kessler,**

*Assistant Secretary*

*for Enforcement and Compliance.*

\textsuperscript{42} See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period, 85 FR 41363 (July 10, 2020).
Appendix

Scope of the Investigations

The merchandise covered by these investigations is methionine and dl-Hydroxy analogue of dl-methionine, also known as 2-Hydroxy 4-(Methylthio) Butanoic acid (HMTBa), regardless of purity, particle size, grade, or physical form. Methionine has the chemical formula C$_5$H$_{11}$NO$_2$S, liquid HMTBa has the chemical formula C$_3$H$_{10}$O$_3$S, and dry HMTBa has the chemical formula (C$_5$H$_9$O$_3$S)$_2$Ca.

Subject merchandise also includes methionine processed in a third country including, but not limited to, refining, converting from liquid to dry or dry to liquid form, or any other processing that would not otherwise remove the merchandise from the scope of these investigations if performed in the country of manufacture of the in-scope methionine or dl-Hydroxy analogue of dl-methionine.

The scope also includes methionine that is commingled (i.e., mixed or combined) with methionine from sources not subject to these investigations. Only the subject component of such commingled products is covered by the scope of these investigations.

Excluded from these investigations is United States Pharmacopoeia (USP) grade methionine. In order to qualify for this exclusion, USP grade methionine must meet or exceed all of the chemical, purity, performance, and labeling requirements of the United States Pharmacopeia and the National Formulary for USP grade methionine.

Methionine is currently classified under subheadings 2930.40.0000 and 2930.90.4600 of the Harmonized Tariff Schedule of the United States (HTSUS). Methionine has the Chemical Abstracts Service (CAS) registry numbers 583-91-5, 4857-44-7, 59-51-8 and 922-50-9. While the HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.