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August 1, 2016

MEMORANDUM TO: Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

FROM: Gary Taverman 
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Results of the
Antidumping Duty Administrative Review of Monosodium
Glutamate from the People's Republic of China; 2014-2015

Summary

In response to requests from interested parties, the Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on monosodium glutamate ("MSG") from the People's Republic of China ("PRC") for the period of review ("POR") May 8, 2014, through October 31, 2015. This review covers 38 companies,¹ none of which filed a separate rate application ("SRA") or a separate rate certification ("SRC") with the Department, and thus did not establish eligibility for separate rate status. Therefore, the Department has preliminarily treated the companies as part of the PRC-wide entity.

If these preliminary results of review are adopted in our final results of review, we will instruct U.S. Customs and Border Protection ("CBP") to assess antidumping duties on all appropriate entries of subject merchandise during the POR. Interested parties are invited to comment on the preliminary results of review. We intend to issue the final results of this review no later than 120

¹ Baoji Fufeng Biotechnologies Co., Ltd.; Bengbu Junyang Business Trade Co., Ltd.; Blu Logistics (China) Co., Ltd.; Bolltai International Co., Ltd.; Bonroy Group Limited; Flourish International Group Limited; Fujian Province Jianyang Wuyi MSG Co., Ltd.; Golden Banyan Foodstuffs Industry Co., Ltd.; Golden Bridge International, Inc.; Grand Pavilion Holdings Limited; Henan Lotus Flower Gourmet Powder Co.; Hugo International Ltd.; Jinan Yami Co., Ltd.; K&S Industry Limited; King Cheong Hong International; Langfang Meihua Bio-Technology Co., Ltd.; Liangshan Linghua Biotechnology Co., Ltd.; Lianyungang Twinkle; Mai Best Comercio International Ltd.; Meihua Group International Trading (Hong Kong) Limited; Meihua Holdings Group Co., Ltd., Bazhou Branch; Neimenggu Fufeng Biotechnologies Co., Ltd.; Orient Express Container Co., Ltd.; Qingdao Century Minghui Int'l Trade; Qingdao Kaoyoung International Logistics Co., Ltd.; Qingdao Tongyide Import & Export Co.; S.D. Linghua M.S.G. Incorporated Co.; Sakura Food Group Limited; Shandong Linghua Monosodium Glutamate Incorporated Company; Shandong Qilu Biotechnology Group Co.; Shandong Shenghua Industry Co., Ltd.; Shanghai Totole Food Ltd.; Tide International Company Limited; Tokyo Mutual Trading Co., Ltd.; Tongliao Meihua Biological Sci-Tech Co., Ltd.; Xiamen Sungiven Import & Export Co., Ltd.; Zhejiang Medicines & Health; Zhejiang Tea Group Co., Ltd.



days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (“the Act”) and 19 CFR 351.213(h).

Background

On November 3, 2015, the Department published a notice of opportunity to request an administrative review of the antidumping duty order on MSG from the PRC.² On November 30, 2015, Ajinomoto North America, Inc (“Petitioner”) requested a review of the companies listed above.³ Additionally, Neimenggu Fufeng Biotechnologies Co., Ltd (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.) and its affiliate, Hulunbeier Northeast Fufeng Biotechnologies Co. Ltd. (collectively “Fufeng”), requested a review on November 30, 2015.⁴ On February 8, 2016, Fufeng timely withdrew its review request.⁵

On January 7, 2016, the Department initiated a review of the companies.⁶ The deadline to submit an SRA or an SRC was extended from February 6, 2016 to February 12, 2016 by the Department’s Tolling Memorandum.⁷ Thus, all of the deadlines in this segment of the proceeding have been extended by four business days. However, no party timely submitted an SRA or SRC to the Department. On February 29, 2016, the Petitioner submitted comments on the Department’s selection of respondents, encouraging the Department to employ its customary policy to treat the parties as a part of the country-wide entity in reviews where no party submits an SRA or SRC.⁸

Scope of the Order

The product covered by this order 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. 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 order regardless of physical form (including, but not limited to, in monohydrate or anhydrous form, or as substrates, solutions, dry powders of any particle size, or unfinished forms such as MSG

² See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review, 80 FR 67706 (November 3, 2015).

³ See Letter from Petitioner to the Department of Commerce, Re: “Monosodium Glutamate from China: Request for Administrative Review,” dated November 30, 2015.

⁴ See Letter from Fufeng to the Department of Commerce, Re: “Request for the First Administrative Review of the Antidumping Duty Order on Monosodium Glutamate from the People’s Republic of China,” dated November 30, 2015.

⁵ See Letter from Fufeng to the Department of Commerce, Re: “Withdrawal of Review Request: First Administrative Review of the Antidumping Duty Order on Monosodium Glutamate from the People’s Republic of China,” dated February 8, 2016.

⁶ See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 81 FR 736 (January 7, 2016) (“Initiation Notice”).

⁷ See Memorandum from Ron Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, Re: “Tolling of Administrative Deadlines as a Result of the Government Closure during Snowstorm ‘Jonas,’” dated January 27, 2016.

⁸ See Letter from Ajinomoto to the Department of Commerce, Re: “MSG from China: Comments on Respondent Selection,” dated February 29, 2016.

slurry), end-use application, or packaging. MSG in monohydrate form has a molecular formula of C₅H₈NO₄Na · H₂O, a Chemical Abstract Service (CAS) registry number of 6106-04-3, and a Unique Ingredient Identifier (UNII) number of W81N5U6R6U. MSG in anhydrous form has a molecular formula of C₅H₈NO₄Na, a CAS registry number of 142-47-2, and a UNII number of C3C196L9FG. Merchandise covered by the scope of this order is currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) at subheading 2922.42.10.00. Merchandise subject to the order 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 numbers, and UNII numbers are provided for convenience and customs purposes; however, the written description of the scope is dispositive.⁹

DISCUSSION OF THE METHODOLOGY

Non-Market Economy Country Status

The Department considers the PRC to be a non-market economy (“NME”) country.¹⁰ In accordance with section 771(18)(C)(i) of the Act, any determination that a country is an NME country shall remain in effect until revoked by the administering authority.¹¹ None of the parties to this proceeding contested NME treatment for the PRC. Therefore, for the preliminary results of this review, we treated the PRC as an NME country and applied our current NME methodology in accordance with section 773(c) of the Act.

PRC-wide Entity

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty cash deposit rate.¹² It is the Department’s policy to assign all exporters of merchandise subject to an administrative review involving an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate.

In the Initiation Notice, we stated that “{a}ll firms listed below {(companies for which we initiated administrative reviews)} that wish to qualify for separate rate status in the administrative reviews involving NME countries *must* complete, as appropriate, either a separate rate application or certification, as described below” (emphasis added).¹³ Separate rate

⁹ See Monosodium Glutamate From the People’s Republic of China: Second Amended Final Determination of Sales at Less Than Fair Value and Amended Antidumping Order, 80 FR 487 (January 6, 2015).

¹⁰ See, e.g., Fresh Garlic from the People’s Republic of China: Preliminary Results of the 2009-2010 Antidumping Duty Administrative Review, 76 FR 76375 (December 7, 2011), unchanged in Fresh Garlic from the People’s Republic of China: Final Results of the 2009-2010 Administrative Review of the Antidumping Duty Order, 77 FR 34346 (June 11, 2012).

¹¹ See Brake Rotors from the People’s Republic of China: Preliminary Results and Partial Rescission of the 2004-2005 Administrative Review and Preliminary Notice of Intent To Rescind the 2004-2005 New Shipper Review, 71 FR 26736 (May 8, 2006), unchanged in Brake Rotors from the People’s Republic of China: Final Results and Partial Rescission of the 2005-2005 Administrative Review and Notice of Rescission of 2004-2005 New Shipper Review, 71 FR 66304 (November 14, 2006).

¹² See Initiation Notice, 81 FR 736 (January 7, 2016).

¹³ Id.

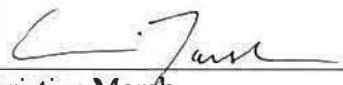
applications and separate rate certifications were due to the Department within 30 calendar days of the publication of the Initiation Notice. None of the 38 companies subject to this administrative review filed a separate rate application or a separate rate certification with the Department. Therefore, none of the above listed companies have established eligibility for separate rate status. Thus, we are treating these 38 companies as part of the PRC-wide entity. Because no review was requested of the PRC-wide entity, we are not conducting an administrative review of that entity. If, in the final results of review, the Department continues to find that the companies are part of the PRC-wide entity, then the pre-existing PRC-wide rate of 40.41 percent¹⁴ will apply to entries of their subject merchandise into the United States during the POR.¹⁵

RECOMMENDATION


We recommend applying the above methodology for the preliminary results of review.



Agree Disagree



Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations



(Date)

¹⁴ See Monosodium Glutamate From the People's Republic of China: Second Amended Final Determination of Sales at Less Than Fair Value and Amended Antidumping Duty Order, 80 FR 487 (January 6, 2015).

¹⁵ See also Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings, 78 FR 65963, 65969-70 (November 4, 2013) (explaining the change in practice with respect to review of the NME entity).