



DEPARTMENT OF COMMERCE

International Trade Administration

[C-714-001]

Phosphate Fertilizers from the Kingdom of Morocco: Preliminary Results of the Countervailing Duty Administrative Review, 2022

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of phosphate fertilizers from the Kingdom of Morocco (Morocco). The period of review (POR) is January 1, 2022, through December 31, 2022.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Robert Palmer or Jaron Moore, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-9068 or (202) 482-3640, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 28, 2023, we received a request from The Mosaic Company (the petitioner) to conduct an administrative review with respect to OCP S.A. (OCP).¹ On June 12, 2023, Commerce published a notice of initiation of an administrative review of the countervailing duty

¹ See Petitioner's Letter, "Request for Countervailing Duty Administrative Review," dated April 28, 2023.

(CVD) order on phosphate fertilizers from Morocco.² On December 12, 2023, Commerce extended the deadline for the preliminary results of this review until April 26, 2024.³

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included at the appendix to this notice. 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 (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx/>.

Scope of the Order

The merchandise covered by the order is phosphate fertilizers. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution from an authority that gives rise to a benefit to the recipient, and that the subsidy is specific.⁵ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 88 FR 38021 (June 12, 2023) (*Initiation Notice*).

³ *See* Memorandum, "Extension of Deadline for Preliminary Results of the 2020-2021 Countervailing Duty Administrative Review," dated December 12, 2023.

⁴ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review of Phosphate Fertilizers from the Kingdom of Morocco; 2022," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁵ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Preliminary Results of Review

As a result of this review, we preliminarily determine the following net countervailable subsidy rate for the period January 1, 2022, through December 31, 2022:

| Producer/Exporter | Subsidy Rate (percent <i>ad valorem</i>) |
|--------------------------|---|
| OCP S.A. ⁶ | 14.21 |

Disclosure and Public Comment

Commerce intends to disclose its calculations performed to interested parties for these preliminary results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b).

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance.⁷ A timeline for the submission of case briefs and written comments will be notified to interested parties at a later date. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.⁸ Interested parties that submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.⁹

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their brief that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁰ Further, we request that interested parties limit their public executive summary

⁶ As discussed in the Preliminary Decision Memorandum, Commerce preliminarily finds the following companies to be cross-owned with OCP S.A.: Nutircrops S.A.; Jorf Fertilizers Company I; Jorf Fertilizers Company II; Jorf Fertilizers Company III; Jorf Fertilizers Company IV; and Jorf Fertilizers Company V.

⁷ See 19 CFR 351.309(c)(1)(ii); see also 19 CFR 351.303 for general filing requirements.

⁸ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Procedures*).

⁹ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁰ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹¹

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. An electronically filed hearing request must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.

Unless the deadline is extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Assessment Rate

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned the subsidy rate in the amount shown above for OCP. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and

¹¹ See *APO and Service Procedures*.

U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review.

We will instruct CBP to assess countervailing duties on all appropriate entries at the subsidy rate calculated in the final results of this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amount shown for OCP (and its cross-owned affiliates) on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. The cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: April 26, 2024.

Ryan Majerus,

Deputy Assistant Secretary

for Policy and Negotiations,

performing the non-exclusive functions and duties

of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Subsidies Valuation Information
- V. Interest Rate Benchmarks and Benchmarks for Measuring the Adequacy of Remuneration
- VI. Analysis of Programs
- VII. Recommendation

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