



DEPARTMENT OF COMMERCE

International Trade Administration

[C-557-833]

Float Glass Products from Malaysia: Preliminary Negative Critical Circumstances Determination in the Countervailing Duty Investigation

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that critical circumstances do not exist with respect to imports of float glass products in the countervailing duty (CVD) investigation of float glass products from Malaysia. The period of investigation is January 1, 2023, through December 31, 2023.

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

FOR FURTHER INFORMATION CONTACT: Mira Warriar or Benjamin Nathan, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-8031 or (202) 482-3834, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the notice of initiation of this investigation on January 8, 2025.¹ On May 7, 2025, Vitro Flat Glass, LLC and Vitro Meadville Flat Glass, LLC (the petitioners) filed a timely critical circumstances allegation, pursuant to section 703(e)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.206, that critical circumstances exist with

¹ See *Float Glass Products from the People's Republic of China and Malaysia: Initiation of Countervailing Duty Investigations*, 90 FR 1443 (January 8, 2025) (*Initiation Notice*).

respect to float glass products from Malaysia.² Commerce published its preliminary CVD determination on May 19, 2025.³

In accordance with sections 703(e)(1) of the Act and 19 CFR 351.206(c)(1) and (2)(ii), because the petitioners submitted the critical circumstances allegations more than 30 days before the scheduled date of the final determinations, Commerce will make preliminary findings as to whether there is a reasonable basis to believe or suspect that critical circumstances exist. Section 703(e)(1) of the Act provides that Commerce will preliminarily determine that critical circumstances exist in a CVD investigation if there is a reasonable basis to believe or suspect that: (A) the alleged countervailable subsidy is inconsistent with the World Trade Organization Agreement on Subsidies and Countervailing Measures (SCM Agreement);⁴ and (B) there have been massive imports of the subject merchandise over a relatively short period.

Critical Circumstances Allegation

The petitioner alleges that imports of float glass products from Malaysia were massive over a relatively short period, and provided monthly import data comparing a base period of August 2024 through November 2024, to a comparison period of December 2024 through March 2025.⁵ The petitioner's allegation of massive imports utilizes base and comparison periods established in accordance with 19 CFR 351.206(i) and reflects an increase of 27.5 percent in U.S. float glass product imports from Malaysia, which is "massive" under section 703(e)(1)(b) of the Act and 19 CFR 351.206(h)(2).⁶ The petitioners also allege that there is a reasonable basis to believe that there are subsidies in this investigation which are inconsistent with the SCM Agreement.⁷

² See Petitioners' Letter, "Petitioner's Allegation of Critical Circumstances," dated May 7, 2025 (Critical Circumstances Allegation).

³ See *Float Glass Products from Malaysia: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 90 FR 21278 (May 19, 2025).

⁴ Commerce limits its critical circumstances findings to those subsidies contingent upon export performance or use of domestic over imported goods (*i.e.*, those prohibited under Article 3 of the SCM Agreement). See, *e.g.*, *Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Carbon and Certain Alloy Steel Wire from Germany*, 67 FR 55808, 55809-10 (August 30, 2002).

⁵ See Critical Circumstances Allegation at Exhibit 1.

⁶ *Id.* at 5.

⁷ See section 771(8)(A) of the Act.

Analysis

Alleged Countervailable Subsidies Are Inconsistent with the SCM Agreement

Commerce considered the evidence on the record pertaining to the petitioner's allegation that the Pioneer Status Direct Tax Incentives, Double Deduction for Promotion of Exports, and Policy Lending from Chinese Banks for Belt and Road Initiative (BRI) Capacity Cooperation Projects are inconsistent with the SCM Agreement because they are export-contingent.⁸ Record evidence in the Initiation Checklist indicates that the Double Deduction for Promotion of Exports provides a deduction to companies on expenses related to the export of goods (*i.e.*, export contingent) which would render the program inconsistent with the SCM Agreement.

Commerce initiated an investigation into an export specific allegation of a tax exemption under Malaysia's 2018 Sales Tax Act; however, no determination has been made as to whether it is countervailable or whether the alleged program is inconsistent with the SCM Agreement. Commerce considered evidence on the record pertaining to the petitioner's allegation of the Pioneer Status Direct Tax Incentives and Policy Lending from Chinese Banks for BRI and preliminarily rendered both programs to not be inconsistent with the SCM Agreement.

Massive Imports

In determining whether there have been "massive imports" over a "relatively short period," pursuant to section 703(e)(1)(B) of the Act and 19 CFR 351.206(h), Commerce normally compares the import volumes of the subject merchandise for at least three months immediately preceding the filing of the petition (*i.e.*, the "base period") to a comparable period of at least three months following the filing of the petition (*i.e.*, the "comparison period"). Commerce's practice is to include as many months of data as are available up to and including the month of publication of the CVD preliminary determination. Imports normally will be considered massive when imports during the comparison period have increased by 15 percent or

⁸ See Critical Circumstances Allegation at 3-4.

more compared to imports during the base period.⁹ The regulations also provide that if Commerce finds that importers, exporters, or producers had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, Commerce may consider a period of not less than three months from that earlier time.¹⁰ In this case, Commerce compared the import volumes of subject merchandise for an equivalent period immediately preceding, and following, the filing of the petition.¹¹

Preliminary Determination

Because the petition was filed on November 21, 2024, to determine whether there was a massive surge in imports for the cooperating mandatory respondent, Commerce compared the total volume of shipments during the period June 2024 through November 2024 with the volume of shipments during the following six-month period of December 2024 through May 2025 for mandatory respondents Jinjing Malaysia and Xinyi Malaysia.¹² For all other producers/exporters, because country-wide data for May are not yet available, we compared the period July 2024 through November 2024 with the period December 2024 through April 2025.¹³ With respect to Jinjing Malaysia, Xinyi Malaysia, and all other producers/exporters, we preliminarily determine that there was no massive surge in imports between the base and comparison periods.¹⁴

Conclusion

For the investigation, based on the criteria and findings discussed above, as well as the mandatory respondent specific-analysis and all others specific-analysis explained in the accompanying Critical Circumstances Memo,¹⁵ we preliminarily determine that critical

⁹ See 19 CFR 351.206(h)(2).

¹⁰ See 19 CFR 351.206(i).

¹¹ We note that we are able to analyze six months prior to and following the petition for the mandatory respondents, and five months prior to and following the petition for non-selected producers/exporters. For more information, see Memorandum, “Analysis of Critical Circumstances,” dated concurrently with this notice (Critical Circumstances Memo).

¹² See Critical Circumstances Memo.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

circumstances do not exist regarding Jinjing Malaysia, Xinyi Malaysia, and all other producers/exporters.

Final Critical Circumstances Determination

We will make a final critical circumstances determination concerning critical circumstances in the final CVD determination, which is currently due no later than November 28, 2025.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Interested parties will be notified of the timeline for the submission of case briefs and written comments at a later date.¹⁶

U.S. International Trade Commission (ITC) Notification

In accordance with sections 703(f) and 733(f) of the Act, we will notify the ITC of these preliminary determinations of critical circumstances.

Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f), 733(f), and 777(i) of the Act and 19 CFR 351.206.

Dated: July 17, 2025.

Christopher Abbott,

Deputy Assistant Secretary

for Policy and Negotiations,

performing the non-exclusive functions and duties

of the Assistant Secretary for Enforcement and Compliance.

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¹⁶ See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023).