



DEPARTMENT OF COMMERCE

International Trade Administration

[C-557-837]

Stationary and Portable Air Compressors from Malaysia: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of stationary and portable air compressors (air compressors) from Malaysia. The period of investigation is January 1, 2025, through December 31, 2025. Interested parties are invited to comment on this preliminary determination.

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

FOR FURTHER INFORMATION CONTACT: Ethan Lewis or Ted Pearson, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4046 or (202) 482-2631, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on May 27, 2026.¹ On July 17, 2026, Commerce postponed the preliminary

¹ See *Stationary and Portable Air Compressors from the People's Republic of China, Malaysia, and the Socialist Republic of Vietnam: Initiation of Countervailing Duty Investigations*, 91 FR 31425 (May 27, 2026) (*Initiation Notice*).

determination of this investigation.² Accordingly, the deadline for this preliminary determination is now September 28, 2026.³

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II 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), which 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/frnotices>.

Scope of the Investigation

The products covered by this investigation are air compressors from Malaysia. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the *Preamble* to Commerce's regulations,⁵ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁶ Certain interested parties commented on the scope of this investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the record for this preliminary determination, and accompanying discussion and analysis of all

² *See Stationary and Portable Air Compressors from the People's Republic of China, Malaysia, and the Socialist Republic of Vietnam: Postponement of Preliminary Determinations in Countervailing Duty Investigations*, 91 FR 44808 (July 17, 2026).

³ Commerce's practice dictates that where a deadline falls on a weekend or 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).

⁴ *See* Memorandum, "Decision Memorandum for the Preliminary Determination of the Countervailing Duty Investigation of Stationary and Portable Air Compressors from Malaysia," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁵ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁶ *See Initiation Notice*.

comments timely received, *see* the Preliminary Scope Decision Memorandum.⁷ Commerce is not preliminarily modifying the scope language as it appeared in the *Initiation Notice*. *See* the scope of the investigation in Appendix I.

Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁸

In making these findings, Commerce relied, in part, on facts available and, because it finds that one or more respondents did not act to the best of their ability to respond to Commerce’s requests for information, it drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁹ For further information, *see* the “Use of Facts Otherwise Available and Adverse Inferences” section in the Preliminary Decision Memorandum.

Alignment

In accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), Commerce is aligning the final countervailing duty (CVD) determination in this investigation with the final determination in the companion less-than-fair-value (LTFV) investigation of air compressors from Malaysia based on a request made by MAT Industries, LLC. (the petitioner).¹⁰ Consequently, the final CVD determination will be issued on the same date as the final LTFV

⁷ *See* Memorandum, “Less-Than-Fair-Value and Countervailing Duty Investigations of Stationary and Portable Air Compressors from the People’s Republic of China, Malaysia, and the Socialist Republic of Vietnam: Scope Comments Decision Memorandum for the Preliminary Determinations,” dated concurrently with this notice (Preliminary Scope Decision Memorandum).

⁸ *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.

⁹ *See* sections 776(a) and (b) of the Act.

¹⁰ *See* Petitioner’s Letter, “Request to Align Countervailing Duty Investigation Final Determinations with Antidumping Duty Investigation Final Determinations,” dated September 2, 2026.

determination, which is currently scheduled to be issued no later than February 10, 2027, unless postponed.

All-Others Rate

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act. Pursuant to section 705(c)(5)(A)(ii) of the Act, if the individual estimated countervailable subsidy rates established for all exporters and producers individually examined are zero, *de minimis*, or determined based entirely on facts otherwise available, Commerce may use any reasonable method to establish the estimated subsidy rate for all other producers or exporters.

In this investigation, Commerce has preliminarily determined the individually estimated subsidy rate for the individually examined respondents under section 776 of the Act. Consequently, as a reasonable method, Commerce established the all-others rate based on the rate determined under section 776 of the Act for the non-responsive companies listed below, because this is the only rate available in this proceeding.¹¹

Preliminary Determination

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Alton Intelligent Technology Sdn. Bhd	92.86*
Panasonic Industrial Device Sales	92.86*
Puma Air Compressors	92.86*
Samlin International SDN BHD	92.86*
Sinppa Industrial SDN BHD	92.86*
All Others	92.86

¹¹ See, e.g., *Melamine from Germany: Final Affirmative Countervailing Duty Determination*, 89 FR 97586 (December 9, 2024); see also *Overhead Door Counterbalance Torsion Springs from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination in Part*, 90 FR 39374 (August 15, 2025).

* This rate is based on facts available with adverse inferences

Suspension of Liquidation

In accordance with section 703(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to section 703(d)(1)(B) of the Act and 19 CFR 351.107(e), Commerce will instruct CBP to require a cash deposit equal to the estimated company-specific countervailable subsidy rate or the estimated all-others rate, as follows: (1) the cash deposit rate for the respondents listed above will be equal to the company-specific estimated individual countervailable subsidy rates determined in this preliminary determination; (2) if both the producer and exporter of the subject merchandise have company-specific estimated subsidy rates determined in this preliminary determination, and their rates differ, then the applicable cash deposit rate will be the higher of these two rates; (3) if either the producer or the exporter, but not both, of the subject merchandise have a company-specific estimated subsidy rate determined in this preliminary determination, the applicable cash deposit rate will be that company's company-specific rate; and (4) the cash deposit rate for all other producers and exporters will be equal to the estimated all-others subsidy rate.

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in 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 the notice of preliminary determination in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, because Commerce preliminarily applied adverse facts available to the sole individually examined respondent, Alton Intelligent Technology Sdn. Bhd, in this investigation, in accordance with section 776 of the Act, there are no calculations to disclose.

Verification

Because the examined respondents in this investigation did not provide information requested by Commerce and Commerce preliminarily determines each of the examined respondents to have been uncooperative, we will not conduct verification.

Public Comment

All interested parties will have the opportunity to submit scope case and rebuttal briefs on the preliminary decision regarding the scope of the LTFV and CVD investigations. The deadlines to submit scope case and rebuttal briefs are provided in the Preliminary Scope Decision Memorandum. For all scope case and rebuttal briefs, parties must file identical documents simultaneously on the records of the ongoing LTFV and CVD investigations. No new factual information or business proprietary information may be included in either scope case or rebuttal briefs.

Non-scope related case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 14 days after the date of publication of the preliminary determination. 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.¹² Interested parties who 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.¹³

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁴ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final determination in this investigation. We request that

¹² 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 Final Rule*).

¹³ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁴ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

interested parties include footnotes for relevant citations in the 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).¹⁵

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after the date of publication of this notice in the *Federal Register*. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

U.S. International Trade Commission (ITC) Notification

In accordance with section 703(f) of the Act, Commerce will notify the ITC of its determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of air compressors from Malaysia are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

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

Dated: September 28, 2026.

Scot Fullerton,
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

¹⁵ See *APO and Service Final Rule*.

Appendix I

Scope of the Investigation

The merchandise covered by the investigation consists of certain stationary and portable air compressors, whether electric, gas, or battery powered, including electric motor and gasoline engine powered air compressors with either oil free or oil lubricated reciprocating pumps, and with an integrated pressure vessel that ranges in size from 1 to 80 gallons. The compressors may be either direct drive or belt driven.

Direct drive air compressors included in the scope have a motor connected directly to the compressor element. Belt driven air compressors included in the scope have a motor connected to the compressor crankshaft with a belt. Direct drive air compressors are more often portable but can be stationary, while belt driven air compressors are either portable or stationary.

Covered air compressors have a power level designation between 373 watts (0.5 HP) and 22.37 kilowatts (30 HP). Specifically, portable air compressors often range in power from 0.5HP (373 watts) to 15HP (11.19KW). Reciprocating stationary air compressors range in power from 0.5HP (373 watts) to 25HP (18.64KW). However, a portable or stationary air compressor with a different power level, within the range of 373 watts to 22.37 KW, and otherwise meeting the language of the scope, is covered by the scope. The scope includes only certain reciprocating (piston) compressors, which use a piston moving back and forth in a cylinder to compress the air. The scope also includes unfinished compressors exported from the subject countries. Subject merchandise also includes finished and unfinished compressors that are further processed in a third country or in the United States, including, but not limited to, assembly or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope air compressors. The additional parts used to complete “unfinished compressors” in a third country are subject to the scope of the investigation.

For the purposes of this scope, “unfinished compressors” are compressors which require additional fabrication such as labeling, and packaging, and kitting operations adding accessories.

Specifically included in the scope are compressors which are imported as part of a package with accessories or other products, or kit. Such accessories include but are not limited to hoses, fittings, tool kits, oils, nail guns, pneumatic paint sprayers, air ratchet wrenches, air grease guns, air drills, air hammers, air sanders, air inflators, and air impact drivers. If such accessories or other products are imported separately from the air compressor, such products are not subject to the scope of the investigation.

Specifically excluded from the scope are AC, DC, and battery powered inflators without an integrated air tank or air reservoir that have an output of 1 CFM or less.

The scope excludes rotary compressors. Types of rotary compressors excluded from the scope are rotary screw, rotary vane, and scroll compressors. The scope also excludes dynamic compressors. Types of dynamic compressors excluded from the scope are centrifugal compressors and axial compressors, where rotating impellers or blades compress air.

The in-scope stationary air compressors are classified under subheadings 8414.80.1615, 8414.80.1625, and 8414.80.1635 of the Harmonized Tariff Schedule of the United States (HTSUS). The in-scope portable air compressors are classified under subheading 8414.80.1685

of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the covered merchandise is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Injury Test
- IV. Diversification of Malaysia's Economy
- V. Use of Facts Available and Adverse Inferences
- VI. Analysis of Programs
- VII. Recommendation

[FR Doc. 2026-20166 Filed: 9/30/2026 8:45 am; Publication Date: 10/1/2026]