DEPARTMENT OF COMMERCE

International Trade Administration

[C–560–849]

Certain Fatty Acids From Indonesia: Preliminary Determination of Critical Circumstances, in Part, in the Countervailing Duty Investigation

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that critical circumstances exist, in part, with respect to imports of certain fatty acids (fatty acids) from Indonesia. The period of investigation is January 1, 2025, through December 31, 2025.

DATES: Applicable August 5, 2026

FOR FURTHER INFORMATION CONTACT: Jon Hall-Eastman or Sophie Egar, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–6467 or (202) 482–2697, respectively.

SUPPLEMENTARY INFORMATION:

Background

In response to a countervailing duty (CVD) petition filed by Vantage Specialty Chemicals, Inc. (the petitioner), Commerce initiated a CVD investigation of fatty acids from Indonesia on March 9, 2026.[1] On June 29, 2026, the petitioner timely alleged that critical circumstances exist with respect to imports of fatty acids from Indonesia pursuant to section 703(e)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.206.[2] On July 23, 2026, Commerce published its affirmative *Preliminary Determination* in the **Federal Register**.[3]

Critical Circumstances Allegation

The petitioner alleges that critical circumstances exist because it believes that: (1) there is a reasonable basis to believe that the subsidies alleged in this investigation are inconsistent with the Agreement on Subsidies and Countervailing Measures (SCM Agreement) of the World Trade Organization; and (2) there have been massive imports of subject merchandise over a relatively short period given that there was a 24.30 percent increase of U.S. imports of fatty acids from Indonesia during the period February 2026 through April 2026 compared to the period November 2025 through January 2026.[4]

Critical Circumstances Analysis

Section 703(e)(1) of the Act provides that if the petitioner alleges critical circumstances more than 20 days before the date of Commerce's final CVD determination, Commerce shall determine whether there is a reasonable basis to believe or suspect that: (A) the alleged countervailable subsidy is inconsistent with the SCM Agreement; and (B) there have been massive imports of the subject merchandise over a relatively short period. In determining whether there are ''massive imports'' over a ''relatively short period,'' pursuant to section 703(e)(1)(B) of the Act and 19 CFR 351.206(h) and (i), Commerce normally examines: (i) the volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports.[5] Imports must increase by at least 15 percent during the relatively short period to be considered massive.[6] Commerce normally considers the relatively short period to be the period beginning on the date the proceeding begins and ending at least three months later. In practice Commerce typically compares the volume of imports of subject merchandise after the petitioner was filed until the month of publication of the preliminary determination (*i.e.,* the comparison period) to the volume of imports of subject merchandise for a period of comparable duration prior to the filing of the petition (*i.e.,* the base period). However, 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.[7]

Alleged Countervailable Subsidies Are Inconsistent With the SCM Agreement

In prior proceedings, Commerce determined that use of an export subsidy program is sufficient to determine that the countervailable subsidy is inconsistent with the SCM Agreement under section 703(e)(l)(A) of the Act. In the *Preliminary Determination,* Commerce found the following programs to be export-contingent and thus inconsistent with the SCM Agreement: Exemption from Import Income Tax Withholding for Companies in Bonded Zones; and Import Duty Exemption on Imported Capital Goods, Machinery, and Equipment in Bonded Zones.[8]

Whether Imports of Subject Merchandise Were Massive Over a Relatively Short Period

To determine whether imports of the mandatory respondent's subject merchandise were massive over a relatively short period, we compared the volume of each mandatory respondent's shipments of subject merchandise, including shipments of their cross-owned affiliates, from September 2025 through January 2026 to the volume of their shipments of subject merchandise from February 2026 through June 2026.[9] Consistent with Commerce's practice, because the petitioner filed the petition in the last half of January 2026, we included shipments during January in the base period, rather than the comparison period.

PT Wilmar Nabati Indonesia and its cross-owned affiliates reported sales volumes for the base and comparison periods, rather than reporting the shipment volumes for the period, as requested by Commerce.[10] Further, PT Wilmar Nabati Indonesia, during the base and comparison periods and reported those sales volumes on an inconsistent basis for the base and

[1] *See* Petitioner's Letter, ''Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Fatty Acids from Indonesia and Malaysia,'' dated January 28, 2026 (Petition); *see also Certain Fatty Acids From Indonesia and Malaysia: Initiation of Countervailing Duty Investigations,* 91 FR 12342 (March 9, 2026) (*Initiation Notice*).

[2] *See* Petitioner's Letter, ''Critical Circumstances Allegation and Amendment to Volumes II and IV of the Petitions,'' dated June 29, 2026 (Critical Circumstances Allegation). Because the petitioner submitted its critical circumstances allegation more than 30 days before the scheduled date of the final determination, but less than 20 days before the scheduled date of the preliminary determination, Commerce is issuing this critical circumstances determination within 30 days after the petitioner submitted its critical circumstances allegation, in accordance with sections 703(e)(1) of the Act and 19 CFR 351.206(c)(1) and (2)(ii).

[3] *See Certain Fatty Acids from Indonesia: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination,* 91 FR 46409 (July 23, 2026) (*Fatty Acids from Indonesia Prelim*), and accompanying Preliminary Decision Memorandum (PDM).

[4] *See* Critical Circumstances Allegation at 3, 5, and 8–10 and Exhibit 1.

[5] *See* 19 CFR 351.206(h)(1).

[6] *See* 19 CFR 351.206(h)(2).

[7] *See* 19 CFR 351.206(i).

[8] *See Fatty Acids from Indonesia Prelim* PDM at 24–27.

[9] We did not include July 2026 shipment data in our comparison because the respondents' complete shipment data for July 2026 were not available at the time that Commerce issued this preliminary critical circumstances determination.

[10] *See* PT Wilmar Nabati Indonesia's Letters, ''Critical Circumstances Supplemental Questionnaire Response,'' dated July 24, 2026 and ''Wilmar Monthy {sic} Quantity and Value Data.,'' dated July 10, 2026; *see also* Commerce's Letters, ''Request for Monthly Quantity and Value Shipment Data,'' dated July 2, 2026 and ''Supplemental Questionnaire Regarding Wilmar's Critical Circumstances Questionnaire Response,'' dated July 20, 2026.

comparison periods.[11] As a result, we find that PT Wilmar Nabati Indonesia withheld information requested by Commerce that, in turn, significantly impeded the proceeding, as provided under section 776(a)(2)(A) and (C) of the Act. Thus, in the absence of the necessary information, we have relied on facts otherwise available under 776(a) of the Act to determine whether there were massive shipments by PT Wilmar Nabati Indonesia massive over a relatively short period of time, as defined under 19 CFR 351.206(h). Specifically, as facts available under section 776(a), we have used the sales volumes of in our analysis for PT Wilmar Nabati Indonesia in our analysis but adjusted those volumes to account for the inconsistent reporting basis.[12]

To determine whether imports for all other Indonesian producers of fatty acids were massive over a relatively short period, we compared import volumes from the ITC DataWeb for the Harmonized Tariff Schedule codes listed in the scope for the periods October 2025 through January 2026 and February 2026 through May 2026,[13] after subtracting the shipment volumes reported by PT Musim Mas and sales volumes reported by PT Wilmar Nabati Indonesia (adjusted to account for its inconsistent reporting basis).[14]

Based on the comparisons described above, we preliminarily find that there have been massive imports of the subject merchandise over a relatively short period (a greater than 15 percent increase in import volumes) for PT Wilmar Nabati Indonesia and ''All others'' but not for PT Musim Mas.[15]

Preliminary Critical Circumstance Determination

Based on the above analysis, we preliminarily find that critical circumstances exist for PT Wilmar Nabati Indonesia and ''All others'' because alleged countervailable subsidies are inconsistent with the SCM Agreement and there were massive imports of the subject merchandise over a relatively short period for PT Wilmar Nabati Indonesia and ''All others.'' However, we preliminarily find that critical circumstances do not exist for PT Musim Mas because both criteria under section 703(e)(1) of the Act have not been met, namely there have not been massive imports of subject merchandise from PT Musim Mas over a relatively short period.

Final Critical Circumstances Determination

In accordance with section 705(a)(2) of the Act, Commerce will issue its final critical circumstances determination when it issues its final determination in this investigation.

Public Comment

Interested parties may comment on Commerce's preliminary critical circumstances in their case briefs. Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation. 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.[16] 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.[17]

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.[18] 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 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).[19]

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. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and 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.

Suspension of Liquidation

In accordance with section 703(e)(2)(A) of the Act, for PT Wilmar Nabati Indonesia and ''all-other'' exporters and producers, we intend to direct U.S. Customs and Border Protection (CBP) to suspend liquidation of any unliquidated entries of subject merchandise from Indonesia entered, or withdrawn from warehouse for consumption, on or after April 24, 2026, which is 90 days prior to the date of publication of the *Preliminary Determination* in the **Federal Register**. For such entries, CBP shall require a cash deposit equal to the estimated preliminary subsidy rates established in the *Preliminary Determination.* This suspension of liquidation will remain in effect until further notice.

U.S. International Trade Commission Notification

In accordance with section 703(f) of the Act, we intend to notify the ITC of this preliminary determination of critical circumstances.

Notification to Interested Parties

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

Dated: July 30, 2026.

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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[11] *See* PT Wilmar Nabati Indonesia's Letters, ''Critical Circumstances Supplemental Questionnaire Response,'' dated July 24, 2026.

[12] *See* Memorandum, ''Critical Circumstances Memorandum,'' dated concurrently with this notice (Critical Circumstances Memorandum); *see also* PT Wilmar Nabati Indonesia's Letter, ''Critical Circumstances Supplemental Questionnaire Response,'' dated July 24, 2026.

[13] *See* Critical Circumstances Memorandum. We only used four months of data because June 2026 ITC DataWeb data are not available.

[14] *Id.*

[15] *Id.*

[16] *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*).

[17] *See* 19 CFR 351.309(c)(2) and (d)(2).

[18] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[19] *See APO and Service Final Rule.*