

DEPARTMENT OF COMMERCE

International Trade Administration

[C–552–848]

Hard Empty Capsules From the Socialist Republic of Vietnam: 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 hard empty capsules (capsules) from the Socialist Republic of Vietnam (Vietnam) during the period of investigation (POI), January 1, 2023, through December 31, 2023. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable March 31, 2025.

FOR FURTHER INFORMATION CONTACT: Jonathan Schueler or Josh Nixon, 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) 482–9175 or (202) 482–8361, respectively.

SUPPLEMENTARY INFORMATION:**Background**

On November 20, 2024, Commerce published the notice of initiation of this countervailing duty (CVD) investigation on capsules from Vietnam.¹ On January 15, 2025, Commerce postponed the preliminary determination of this investigation until March 24, 2025.² This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act).

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.³ A list of topics

discussed in the Preliminary Decision Memorandum is included as Appendix II of 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 Investigation

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

Scope Comments

In accordance with the *Preamble* to Commerce's regulations,⁴ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁵ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the scope comments and rebuttal responses submitted for this preliminary determination, and Commerce's accompanying preliminary analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.⁶ Commerce is not preliminarily modifying the scope language as it appeared in the *Initiation Notice*.

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.⁷ For a full description of the methodology underlying our preliminary

determination, *see* the Preliminary Decision Memorandum.

Commerce notes that, in making these findings, it relied, in part, on facts available.⁸ For further information, *see* the "Use of Facts Otherwise Available" section in the Preliminary Decision Memorandum.

Alignment

As noted in the Preliminary Decision Memorandum, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), Commerce is aligning the final CVD determination in this investigation with the final determination in the companion less-than-fair-value (LTFV) investigation of capsules from Vietnam based on a request made by the petitioner.⁹ Consequently, this final CVD determination will be issued on the same date as the final determination for the LTFV investigation, which is currently scheduled to be issued no later than August 5, 2025, 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 rates that are zero, *de minimis*, or based entirely under section 776 of the Act. If the rates established for all exporters and producers individually investigated are zero, *de minimis*, or determined entirely under facts available, Commerce may use any reasonable method to establish an all-others rate.¹⁰

Commerce calculated an individual estimated countervailable subsidy rate for Suheung Vietnam Co., Ltd. (Suheung Vietnam), the only individually examined exporter/producer in this investigation. Because the only individually calculated rate is not zero, *de minimis*, or based entirely on facts otherwise available, the estimated weighted-average rate calculated for Suheung Vietnam is the rate assigned to all other producers and exporters, pursuant to section 705(c)(5)(A)(i) of the Act.

⁸ *See* section 776(a) of the Act.

⁹ *See* Petitioner's Letter, "Lonza's Request to Align Final Antidumping and Countervailing Duty Determinations," dated March 11, 2025.

¹⁰ *See* sections 705(c)(5)(A)(i) and (ii) of the Act.

¹ *See* *Hard Empty Capsules from Brazil, the People's Republic of China, India, and the Socialist Republic of Vietnam: Initiation of Countervailing Duty Investigations*, 89 FR 91680, (November 20, 2024) (*Initiation Notice*).

² *See* *Hard Empty Capsules from Brazil, the People's Republic of China, India, and the Socialist Republic of Vietnam: Postponement of Preliminary Determinations in the Countervailing Duty Investigations*, 90 FR 3788 (January 15, 2025).

³ *See* Memorandum, "Decision Memorandum for the Preliminary Affirmative Determination in the Countervailing Duty Investigation of Hard Empty Capsules from the Socialist Republic of Vietnam," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See* *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁵ *See* *Initiation Notice*, 89 FR at 91680, 91681.

⁶ *See* Memorandum, "Less-Than-Fair-Value and Countervailing Duty Investigations of Hard Empty Capsules from Brazil, the People's Republic of China, India, and the Socialist Republic of Vietnam: Scope Comments Decision Memorandum for the Preliminary Determination," dated concurrently with, and hereby adopted by, this notice (Preliminary Scope Decision Memorandum).

⁷ *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 Determination

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

Producer/exporter	Subsidy rate (percent <i>ad valorem</i>)
Suheung Vietnam Co., Ltd ...	2.15
All Others	2.15

Disclosure

Commerce intends to disclose its calculations and analysis performed in connection with this preliminary determination within five days of its 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).

Consistent with 19 CFR 351.224(e), Commerce will analyze and, if appropriate, correct any timely allegations of significant ministerial errors by amending the preliminary determination. However, consistent with 19 CFR 351.224(d), Commerce will not consider incomplete allegations that do not address the significance standard under 19 CFR 351.224(g) following the preliminary determination. Instead, Commerce will address such allegations in the final determination together with issues raised in the case briefs or other written comments.

Suspension of Liquidation

In accordance with sections 703(d)(1)(B) and (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, found in Appendix I, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. Further, pursuant to 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the rates indicated above.

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

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 April 14, 2025, and April 21, 2025, respectively. For all scope case and rebuttal briefs, parties must file identical documents simultaneously on the records of all the ongoing LTFV and CVD capsules investigations. No new factual information or business proprietary information may be included in either scope case or rebuttal briefs.

Case briefs or other written comments, excluding scope 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.¹¹ Interested parties who submit case or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.¹²

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 investigation, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹³ Further, we request that interested parties limit their public executive summary 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 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).¹⁴

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

¹¹ 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*).

¹² See 19 CFR 351.309(c)(2) and (d)(2).

¹³ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁴ See *APO and Service Final Rule*.

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. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a date and time 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 capsules from Vietnam are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published in accordance with sections 703(f) and 777(i) of the Act, and 19 CFR 351.205(c).

Dated: March 24, 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.

Appendix I

Scope of the Investigation

The merchandise subject to the scope of this investigation is hard empty capsules, which are comprised of two prefabricated, hollowed cylindrical sections (cap and body). The cap and body pieces each have one closed and rounded end and one open end, and are constructed with different or equal diameters at their open ends.

Hard empty capsules are unfilled cylindrical shells composed of at least 80 percent by weight of a water soluble polymer that is considered non-toxic and appropriate for human or animal consumption by the United States Pharmacopeia—National Formulary (USP–NF), Food Chemical Codex (FCC), or equivalent standards. The most common polymer materials in HECs are gelatin derived from animal collagen (including, but not limited to, pig, cow, or fish collagen), hydroxypropyl methylcellulose (HPMC), and pullulan.

Hard empty capsules may also contain water and additives, such as opacifiers, colorants, processing aids, controlled release agents, plasticizers, and preservatives. Hard

empty capsules may also be imprinted or otherwise decorated with markings.

Hard empty capsules are covered by the scope of these investigations regardless of polymer material, additives, transparency, opacity, color, imprinting, or other markings.

Hard empty capsules are also covered by the scope of these investigations regardless of their size, weight, length, diameter, thickness, and filling capacity.

Cap and body pieces of hard empty capsules are covered by the scope of these investigations regardless of whether they are imported together or separately, and regardless of whether they are imported in attached or detached form.

Hard empty capsules covered by the scope of these investigations are those that disintegrate in water within 2 hours under tests specified in Chapter 701 of the USP–NF, or equivalent disintegration tests.

Hard empty capsules are classifiable under subheadings 9602.00.1040 and 9602.00.5010 of the Harmonized Tariff Schedule of the United States (HTSUS). In addition, hard empty capsules may be imported under HTSUS subheading 1905.90.9090; gelatin hard empty capsules may be imported under HTSUS subheading 3503.00.5510; HPMC hard empty capsules may be imported under HTSUS subheading 3923.90.0080; and pullulan hard empty capsules may be imported under HTSUS subheading 2106.90.9998. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by these investigations is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Injury Test
- IV. Use of Facts Otherwise Available
- V. Subsidies Valuation
- VI. Benchmarks and Interest Rates
- VII. Analysis of Programs
- VIII. Recommendation

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DEPARTMENT OF COMMERCE

International Trade Administration

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Foreign-Trade Zones Applications

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of information collection, request for comment.

SUMMARY: The Department of Commerce, in accordance with the Paperwork Reduction Act of 1995 (PRA), invites the general public and

other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. The purpose of this notice is to allow for 60 days of public comment preceding submission of the collection to OMB.

DATES: To ensure consideration, comments regarding this proposed information collection must be received on or before May 30, 2025.

ADDRESSES: Interested persons are invited to submit written comments to Juanita Chen, Senior Foreign Trade Zones Analyst, International Trade Administration, by phone (202) 482–1378, or by email to juanita.chen@trade.gov or PRA@trade.gov. Please reference OMB Control Number 0625–0139 in the subject line of your comments. Do not submit Confidential Business Information or otherwise sensitive or protected information.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or specific questions related to collection activities should be directed to Juanita Chen, Senior Foreign Trade Zones Analyst, International Trade Administration, by phone (202) 482–1378, or by email to juanita.chen@trade.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

The Foreign-Trade Zones applications are the vehicle by which individual firms or organizations apply for foreign-trade zone (FTZ) status, for subzone status, production authority, modifications of existing zones, or for waivers. The FTZ Act and Regulations (19 U.S.C. 81b and 81f; 15 CFR 400.21–25, 43(f)) set forth the requirements for applications and other requests to the FTZ Board. The Act and Regulations require that applications for new or modified zones contain information on facilities, financing, operational plans, proposed production operations, need for FTZ authority, and economic impact, where applicable. Any request involving production authority requires specific information on the foreign status components and finished products involved. Applications for production activity can involve issues related to domestic industry and trade policy impact. Such applications must include specific information on the customs-tariff-related savings that result from zone procedures and the economic consequences of permitting such savings. The FTZ Board needs complete and accurate information on the proposed operation and its economic

effects because the Act and Regulations authorize the FTZ Board to restrict or prohibit operations that are detrimental to public interest. The Regulations (15 CFR 400.43(f)) also require specific information for applications requesting waivers by parties impacted by 400.43(d). This information is necessary to assess the likelihood of the proposed activity resulting in a violation of the uniform treatment provisions of the FTZ Act and Regulations.

II. Method of Collection

U.S. firms or organizations submit applications by email to the office of Foreign-Trade Zones.

III. Data

OMB Control Number: 0625–0139.

Form Number(s): None.

Type of Review: Regular submission, extension of a current information collection.

Affected Public: State, Local, or Tribal government, or not-for-profit institutions applying for FTZ status, subzone status, modification of existing zones, production authority, or waivers.

Estimated Number of Respondents: 289.

Estimated Time per Response: 3.5 to 131.0 hours (dependent on the type of application).

Estimated Total Annual Burden Hours: 2,400.

Estimated Total Annual Cost to Public: \$133,400.

Respondent's Obligation: Mandatory.

Legal Authority: The Foreign-Trade Zones Act of 1934, as amended (19 U.S.C. 81a–81u), administered through the FTZ Regulations (15 CFR part 400) and CBP Regulations (19 CFR part 146).

IV. Request for Comments

We are soliciting public comments to permit the Department/Bureau to: (a) Evaluate whether the proposed information collection is necessary for the proper functions of the Department, including whether the information will have practical utility; (b) Evaluate the accuracy of our estimate of the time and cost burden for this proposed collection, including the validity of the methodology and assumptions used; (c) Evaluate ways to enhance the quality, utility, and clarity of the information to be collected; and (d) Minimize the reporting burden on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before