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DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-880]

Polytetrafluoroethylene Resin from India: Final Affirmative Countervailing Duty Determination

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

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of polytetrafluoroethylene resin (PTFE resin) from India. The period of investigation is April 1, 2016, through March 31, 2017.

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

FOR FURTHER INFORMATION CONTACT: Toby Vandall, Emily Halle, or Aimee Phelan, 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) 482-1664, (202) 482-0176, or (202) 482-0697, respectively.

SUPPLEMENTARY INFORMATION:

Background

This final determination is made in accordance with section 705 of the Tariff Act of 1930, as amended (the Act). Commerce published the *Preliminary Determination* of this investigation on March 8, 2018.<sup>1</sup> For a complete description of the events that followed the publication of the *Preliminary Determination*, see the Issues and Decision Memorandum issued

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<sup>1</sup> See *Polytetrafluoroethylene Resin from India: Preliminary Affirmative Countervailing Duty Determination*, 83 FR 9842 (March 8, 2018) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

concurrently with this notice.<sup>2</sup> A list of topics discussed in the Issues and Decision Memorandum is included as Appendix II to this notice. The Issues and 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 <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

#### Scope of the Investigation

The product covered by this investigation is PTFE resin from India. For a complete description of the scope of this investigation, *see* Appendix I.

#### Scope Comments

In accordance with the Preliminary Scope Decision Memorandum,<sup>3</sup> Commerce provided parties an opportunity to provide comments on all issues regarding product coverage, (*i.e.*, scope). Although certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*,<sup>4</sup> we preliminarily made no modifications to the scope of the investigation.<sup>5</sup> No parties commented on our Preliminary Scope Decision Memorandum. As a

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<sup>2</sup> See Memorandum, "Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Polytetrafluoroethylene Resin from India," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>3</sup> See Memorandum, "Polytetrafluoroethylene Resin from India and the People's Republic of China: Scope Comments Decision Memorandum for the Preliminary Determinations," dated February 28, 2018 (Preliminary Scope Decision Memorandum).

<sup>4</sup> See *Polytetrafluoroethylene Resin from India: Initiation of Countervailing Duty Investigation*, 82 FR 49592 (October 26, 2017) (*Initiation Notice*).

<sup>5</sup> See Preliminary Scope Decision Memorandum.

result, in this final determination, we are adopting the preliminary decision not to modify the scope language.

### Methodology

Commerce conducted this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, we determine 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.<sup>6</sup>

The subsidy programs under investigation, and the issues raised in the case and rebuttal briefs submitted by the parties, are discussed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice at Appendix II.

In making these findings, we relied, in part, on facts available and, because the government of India did not act to the best of its ability to respond to our requests for information, we drew an adverse inference where appropriate in selecting from among the facts otherwise available.<sup>7</sup> For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Issues and Decision Memorandum.

### Changes Since the Preliminary Determination

Based on our review and analysis of the comments received from parties, and minor corrections presented at verification, we made certain changes to the respondent’s sales figures

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<sup>6</sup> 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.

<sup>7</sup> See sections 776(a) and (b) of the Act.

and subsidy rate calculations since the *Preliminary Determination*. For a discussion of these changes, *see* the Issues and Decision Memorandum and the Final Calculation Memorandum.<sup>8</sup>

#### All-Others Rate

Section 705(c)(5)(A) of the Act provides that in the final 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.

Commerce calculated an individual estimated countervailable subsidy rate for Gujarat Fluorochemicals Limited (GFL),<sup>9</sup> 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 countervailable subsidy rate calculated for GFL is the rate assigned to all-other producers and exporters, pursuant to section 705(c)(5)(A)(i) of the Act.

#### Final Determination

Commerce determines that the following countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate (Percent)</b>
Gujarat Fluorochemicals Limited (GFL)	3.60
All-Others	3.60

#### Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties

<sup>8</sup> *See* Memorandum, “Final Determination Calculations for Gujarat Fluorochemicals Limited,” dated concurrently with this notice (Final Calculation Memorandum).

<sup>9</sup> As discussed in the *Preliminary Determination*, *see* Preliminary Decision Memorandum at 5-6, Commerce found Inox Leasing and Finance Limited to be cross-owned with GFL within the meaning of 19 CFR 351.525(b)(6)(iii). No parties commented on this preliminary finding. Accordingly, our finding of cross-ownership remains unchanged for this final determination.

in this final determination within five days of its public announcement of our final determination in accordance with 19 CFR 351.224(b).

#### Continuation of Suspension of Liquidation

In accordance with section 703(d) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of PTFE resin from India as described in Appendix I to this notice, that were entered, or withdrawn from warehouse, for consumption, on or after March 8, 2018, the date of publication of the *Preliminary Determination* in the *Federal Register*. Furthermore, we will instruct CBP to require a cash deposit for such entries of merchandise at the rates shown above, pursuant to section 705(c)(1)(B)(ii) of the Act.

#### U.S. International Trade Commission (ITC) Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our final affirmative countervailing duty (CVD) determination. In addition, we are making available to the ITC all non-privileged and nonproprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Because the final determination in this proceeding is affirmative, in accordance with section 705(b) of the Act, the ITC will make its final determination regarding whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of PTFE resin from India no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding

will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue a CVD order directing CBP to assess, upon further instruction by Commerce, countervailing duties on all imports of the subject merchandise entered, or withdrawn for warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

In the event the ITC issues a final negative injury determination, this notice serves as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

*Dated: May 14, 2018.*

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Gary Taverman,  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.

## **Appendix I**

### **Scope of the Investigation**

The product covered by this investigation is polytetrafluoroethylene (PTFE) resin, including but not limited to granular, dispersion, or coagulated dispersion (also known as fine powder). PTFE is covered by the scope of this investigation whether filled or unfilled, whether or not modified, and whether or not containing co-polymer additives, pigments, or other materials. Also included is PTFE wet raw polymer. The chemical formula for PTFE is C<sub>2</sub>F<sub>4</sub>, and the Chemical Abstracts Service Registry number is 9002-84-0.

PTFE further processed into micropowder, having particle size typically ranging from 1 to 25 microns, and a melt-flow rate no less than 0.1 gram/10 minutes, is excluded from the scope of this investigation.

PTFE is classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 3904.61.0010 and 3904.61.0090. Subject merchandise may also be classified under HTSUS subheading 3904.69.5000. Although the HTSUS subheadings and CAS Number are provided for convenience and Customs purposes, the written description of the scope is dispositive.

## Appendix II

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Subsidies Valuation
- VI. Benchmarks and Discount Rates
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Analysis of Programs
- IX. Discussion of the Issues
  - Comment 1: Whether Commerce is Conducting this Investigation in Accordance with its Obligations
  - Comment 2: Commerce's Application of AFA for the GOI's Failure to Provide Requested Information
  - Comment 3: Whether Commerce Should Use GFL's Corrections Presented at Verification
  - Comment 4: Whether EPCGS Continues to Confer a Countervailable Benefit
  - Comment 5: Whether the GOI Maintains a Reasonable or Effective Input Verification System for AAP
  - Comment 6: Whether GFL Has a Reliable AAP Database
  - Comment 7: Whether Commerce's Decision to find SHIS Countervailable is in Accordance with its Statutory Obligations
  - Comment 8: Whether Commerce Should Use GFL's Minor Correction to the Electricity Duty Exemption for Wind Power
  - Comment 9: Whether GFL Received a Countervailable Benefit from SGOG Preferential Water Rates
  - Comment 10: Countervailability of Renewable Energy Certificates
  - Comment 11: Whether a Tier-One Benchmark is Appropriate for SGOG Provision of Land for LTAR
  - Comment 12: Whether MEIS is Tied to Non-Subject Merchandise
  - Comment 13: Whether GFL Received a Benefit from Income Tax Exemption (80-IA) and Section 32AC (32AC) of the Income Tax Act
- X. Conclusion

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