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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-066]

Polytetrafluoroethylene Resin from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (Commerce) determines that imports of polytetrafluoroethylene (PTFE) resin from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The final dumping margins of sales at LTFV are listed in the "Final Determination" section of this notice.

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

FOR FURTHER INFORMATION CONTACT: Thomas Schauer or Michael Romani, 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) 482-0410 and (202) 482-0198, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Determination* in the LTFV investigation of PTFE resin from China on May 7, 2018.¹ For a complete description of the events that followed

¹ See *Polytetrafluoroethylene Resin from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 83 FR 20039 (May 7, 2018) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

the *Preliminary Determination*, see the Issues and Decision Memorandum.²

Period of Investigation

The period of investigation is January 1, 2017, through June 30, 2017.

Scope of the Investigation

The product covered by this investigation is PTFE resin from China. For a full description of the scope of this investigation, see the “Scope of the Investigation” in Appendix I of this notice.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of issues raised is attached to this notice at Appendix II. The Issues and Decision Memorandum is a public document and is made available to the public 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 to all parties in Commerce’s 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 on the internet at <http://enforcement.trade.gov/frn/>.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), we verified the U.S. sales and factors of production information submitted by Daikin Fluorochemicals (China) Co., Ltd. (Daikin), and Shandong Dongyue Polymer Material Co., Ltd. (Dongyue) in

² See the Memorandum, “Polytetrafluoroethylene Resin from the People’s Republic of China: Issues and Decision Memorandum for the Final Affirmative Determination of Sales at Less Than Fair Value,” dated concurrently with and hereby adopted by this notice (Issues and Decision Memorandum).

May 2018 and June 2018.³ We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by Daikin and Dongyue.

China-Wide Entity and Use of Adverse Facts Available

We continue to find that the use of facts available is warranted in determining the rate of the China-wide entity pursuant to section 776(a)(1) and (a)(2)(A)-(C) of the Act.⁴ Further, we found that the China-wide entity did not cooperate to the best of its ability to comply with our requests for information and, accordingly, we determined it appropriate to apply adverse inferences in selecting from the facts available, pursuant to section 776(b) of the Act and 19 CFR 351.308(c).

Changes from the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to our dumping margin calculation for Daikin and Dongyue and revised the margins for non-selected respondents and the China-wide entity to reflect the revised margins for Daikin and Dongyue.⁵

³ See the Reports, “Verification of the Questionnaire Responses of Daikin Fluorochemicals (China) Co., Ltd. in the Antidumping Investigation of Polytetrafluoroethylene Resin from the People’s Republic of China” dated June 4, 2018 (Daikin CEP Verification Report), “Verification of the Questionnaire Responses of Daikin Fluorochemicals (China) Co., Ltd. in the Antidumping Investigation of Polytetrafluoroethylene Resin from the People’s Republic of China” dated July 10, 2018 (Daikin FOP Verification Report), and “Verification of the Questionnaire Responses of Shandong Dongyue Polymer Material Co., Ltd. in the Antidumping Investigation of Polytetrafluorethylene Resin from the People’s Republic of China” dated July 13, 2018 (Dongyue Verification Report).

⁴ See *Preliminary Determination* and accompanying Preliminary Decision Memorandum at 14-17.

⁵ See Issues and Decision Memorandum for a discussion of these changes.

Combination Rates

Consistent with *Preliminary Determination*⁶ and Policy Bulletin 05.1,⁷ Commerce calculated combination rates for the respondents that are eligible for a separate rate in this investigation.

Final Determination

Commerce determines that the following weighted-average dumping margins exist:

Exporter	Producer	Estimated Weighted-Average Dumping Margin (percent)
Daikin Fluorochemicals (China) Co., Ltd.	Daikin Fluorochemicals (China) Co., Ltd.	91.65
Shandong Dongyue Polymer Material Co., Ltd.	Shandong Dongyue Polymer Material Co., Ltd.	54.41
Hangzhou Fine Fluorotech Co., Ltd.	Qingdao Orientalflon New Materials Co., Ltd.	77.13
Hangzhou Fine Fluorotech Co., Ltd.	Zhejiang Juhua Co., Ltd. Fluor-Polymeric Plant	77.13
Shanghai Huayi 3f New Materials Sales Co., Ltd.	Shanghai 3f New Materials Co., Ltd.	77.13
China-Wide Entity		218.88

Disclosure

We intend to disclose the calculations performed to parties in this proceeding within five days after public announcement of the final determination or, if there is no public announcement,

⁶ See *Preliminary Determinations*, 83 FR at 20039-40.

⁷ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," dated April 5, 2005 (Policy Bulletin 05.1), available on Commerce's website at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

within five days of the date of publication of the notice of final determination in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of PTFE resin from China, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after May 7, 2018, the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*.

Pursuant to section 735(c)(1)(B)(ii) of the Act, upon the publication of this notice, Commerce will instruct CBP to require a cash deposit⁸ equal to the weighted-average amount by which the normal value exceeds U.S. price as follows: (1) the cash deposit rate for the exporter/producer combinations listed in the table above will be the rate identified in the table; (2) for all combinations of Chinese exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the China-wide entity; and (3) for all non-Chinese exporters of merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the Chinese exporter/producer combination that supplied that non-Chinese exporter. These suspension of liquidation instructions will remain in effect until further notice.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of our final affirmative determination of sales at LTFV. Because the final

⁸ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of subject merchandise from China no later than 45 days after our final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated, and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Order

This notice will serve as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of 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 sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: September 19, 2018.

Christian Marsh,
*Deputy 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 resin 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 resin wet raw polymer. The chemical formula for PTFE resin is C₂F₄, and the Chemical Abstracts Service (CAS) Registry number is 9002-84-0.

PTFE resin 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 resin 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. Surrogate Country
- V. Separate Rates
- VI. China-Wide Rate
- VII. Changes Since the Preliminary Determination
- VIII. Discussion of the Issues
 - a. Daikin Fluorochemicals (China) Co., Ltd.
 - 1. Unreported U.S. Sales
 - 2. Ocean Freight Expenses
 - 3. Factor of Production of a Certain Input
 - 4. Surrogate Value for R-22
 - 5. Surrogate Financial Ratios
 - b. Separate Rate Eligibility
- IX. Recommendation

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