

DEPARTMENT OF COMMERCE**International Trade Administration**

[C-533-927]

Certain Epoxy Resins From India: 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 certain epoxy resins (epoxy resins) from India for the period of investigation (POI) January 1, 2023, through December 31, 2023. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable September 13, 2024.

FOR FURTHER INFORMATION CONTACT: Eliza DeLong or Colin Thrasher, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-3878 or (202) 482-6458, 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 countervailing duty (CVD) investigation on April 29, 2024.¹ On May 28, 2024, Commerce postponed the preliminary determination until September 3, 2024.² On July 22, 2024, Commerce tolled certain deadlines in this administrative proceeding by seven days.³ The deadline for the preliminary determination is now September 9, 2024.

For a complete description of 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). 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/FRNotices/ListLayout.aspx>.

Scope of the Investigation

The products covered by this investigation are epoxy resins. 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

We received several comments concerning the scope of this investigation, as well as in the companion less-than-fair-value (LTFV) and CVD investigations of epoxy resins, as it appeared in the *Initiation Notice*. We are currently evaluating the scope comments filed by the interested parties. We intend to issue our preliminary decision regarding the scope of the LTFV and CVD investigations in the preliminary determinations of the companion LTFV investigations, the deadline for which is November 6, 2024.⁷ We will incorporate the scope decisions from the LTFV investigations into the scope of the final CVD determination for this investigation after considering any relevant comments submitted in scope case and rebuttal briefs.⁸

⁴ See Memorandum, "Decision Memorandum for the Preliminary Affirmative Determination in the Countervailing Duty Investigation of Certain Epoxy Resins from India," 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*.

⁷ See *Certain Epoxy Resins from the People's Republic of China, India, the Republic of Korea, Taiwan, and Thailand: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 89 FR 65583 (August 12, 2024) (*LTFV Prelim Postponement*).

⁸ The deadline for interested parties to submit scope case and rebuttal briefs will be established in the preliminary scope decision memorandum.

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.⁹ Commerce notes that, in making these findings, it relied, in part, on facts available and, because it finds that Champion Advanced Materials (Champion) did not act to the best of its ability to respond to Commerce's requests for information, Commerce has drawn an adverse inference where appropriate in selecting from among the facts otherwise available.¹⁰ For a full description of the methodology underlying our preliminary determination, see 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 with the final determination in the companion LTFV investigation of epoxy resins from India based on a request made by the petitioner.¹¹ Consequently, the final CVD determination will be issued on the same date as the final LTFV determination, which is currently scheduled to be issued no later than January 21, 2025, unless postponed.¹²

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.

In this investigation, Commerce preliminarily assigned a rate based entirely on facts available to Champion.

⁹ 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.

¹⁰ See sections 776(a) and (b) of the Act.

¹¹ See Petitioner's Letter, "Petitioner's Request to Align Countervailing Duty Investigation Final Determination with Antidumping Duty Investigation Final Determination," dated August 15, 2024. The petitioner is the U.S. Epoxy Resin Producers *Ad Hoc* Coalition.

¹² See *LTFV Prelim Postponement*.

Therefore, the only rate that is not zero, *de minimis* or based entirely on facts otherwise available is the rate calculated for Atul Limited (Atul). Consequently, the rate calculated for Atul is also assigned as the rate for all-other producers and exporters.

Preliminary Determination

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

| Company | Subsidy rate (percent <i>ad valorem</i>) |
|-----------------------------------|---|
| Atul Limited | 1.55 |
| Champion Advanced Materials | * 113.83 |
| All Others | 1.55 |

* Rate based on an adverse inference.

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 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.

Disclosure

Commerce intends to disclose to interested parties the calculations 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 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.

Verification

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

Champion did not respond to Commerce's request for information in a timely manner, and Commerce preliminarily determines that Champion failed to cooperate by not acting to the best of its ability to respond to Commerce's request for information pursuant to section 776(b) of the Act, Commerce does not intend to conduct verification of Champion's information.

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 will be 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 epoxy resins 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 on non-scope issues 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.¹³ 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.¹⁴

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.¹⁵ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We

¹³ 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*).

¹⁴ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁵ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

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).¹⁶

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 via ACCESS 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, and 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, parties will be notified of the time and date for the hearing.¹⁷ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

U.S. International Trade Commission Notification

In accordance with section 703(f) of the Act, Commerce will notify the U.S. International Trade Commission (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 epoxy resins from India 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)(1) of the Act, and 19 CFR 351.205(c).

Dated: September 9, 2024.

Abdelali Elouaradia,

Deputy Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise subject to this investigation is fully or partially uncured epoxy resins, also known as epoxide resins, polyepoxides, oxirane resins, ethoxyline

¹⁶ See *APO and Service Final Rule*, 88 FR at 67069.

¹⁷ See 19 CFR 351.310(d).

resins, diglycidyl ether of bisphenol, (chloromethyl)oxirane, or aromatic diglycidyl, which are polymers or prepolymers containing epoxy groups (*i.e.*, three-membered ring structures comprised of two carbon atoms and one oxygen atom). Epoxy resins range in physical form from low viscosity liquids to solids. All epoxy resins are covered by the scope of this investigation irrespective of physical form, viscosity, grade, purity, molecular weight, or molecular structure, and packaging.

Epoxy resins may contain modifiers or additives, such as hardeners, curatives, colorants, pigments, diluents, solvents, thickeners, fillers, plasticizers, softeners, flame retardants, toughening agents, catalysts, Bisphenol F, and ultraviolet light inhibitors, so long as the modifier or additive has not chemically reacted so as to cure the epoxy resin or convert it into a different product no longer containing epoxy groups. Such epoxy resins with modifiers or additives are included in the scope where the epoxy resin component comprises no less than 30 percent of the total weight of the product. The scope also includes blends of epoxy resins with different types of epoxy resins, with or without the inclusion of modifiers and additives, so long as the combined epoxy resin component comprises at least 30 percent of the total weight of the blend.

Epoxy resins that enter as part of a system or kit with separately packaged co-reactants, such as hardeners or curing agents, are within the scope. The scope does not include any separately packaged co-reactants that would not fall within the scope if entered on their own.

The scope includes merchandise matching the above description that has been processed in a third country, including by commingling, diluting, introducing, or removing modifiers or additives, or performing any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the subject country.

The scope also includes epoxy resin that is commingled or blended with epoxy resin from sources not subject to these investigations. Only the subject component of such commingled products is covered by the scope of this investigation.

Excluded from the scope are phenoxy resins, which are polymers with a weight greater than 11,000 Daltons, a Melt Flow Index (MFI) at 200 °C (392 °F) no less than 4 grams and no greater than 70 grams per 10 min, Glass-Transition Temperatures (Tg) no less than 80 °C (176 °F) and no greater than 100 °C (212 °F), and which contain no epoxy groups other than at the terminal ends of the molecule.

Excluded from the scope are certain paint and coating products, which are blends, mixtures, or other formulations of epoxy resin, curing agent, and pigment, in any form, packaged in one or more containers, wherein (1) the pigment represents a minimum of 10 percent of the total weight of the product, (2) the epoxy resin represents a maximum of 80 percent of the total weight of the product, and (3) the curing agent represents 5 to 40 percent of the total weight of the product.

Excluded from the scope are preimpregnated fabrics or fibers, often referred to as “prepregs,” which are composite materials consisting of fabrics or fibers (typically carbon or glass) impregnated with epoxy resin.

This merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 3907.30.0000. Subject merchandise may also be entered under subheadings 3907.29.0000, 3824.99.9397, 3214.10.0020, 2910.90.9100, 2910.90.9000, 2910.90.2000, and 1518.00.4000. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

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

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–570–167]

Certain Epoxy Resins From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Determination of Critical Circumstances, 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 certain epoxy resins (epoxy resins) from the People's Republic of China (China) for the period of investigation (POI) January 1, 2023, through December 31, 2023. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable September 13, 2024.

FOR FURTHER INFORMATION CONTACT: Nathan James, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–5305.

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 countervailing duty (CVD) investigation on April 29, 2024.¹ On May 28, 2024, Commerce postponed the preliminary determination until September 3, 2024.² On July 22, 2024, Commerce tolled certain deadlines in this administrative proceeding by seven days.³ The deadline for the preliminary determination is now September 9, 2024.

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Scope of the Investigation

The products covered by this investigation are epoxy resins. 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

¹ See *Certain Epoxy Resins from the People's Republic of China, India, the Republic of Korea, and Taiwan: Initiation of Countervailing Duty Investigations*, 89 FR 33319 (April 29, 2024) (*Initiation Notice*).

² See *Certain Epoxy Resins from the People's Republic of China, India, the Republic of Korea, and Taiwan: Postponement of Preliminary Determinations in the Countervailing Duty Investigations*, 89 FR 46061 (May 28, 2024).

³ See Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings,” dated July 22, 2024.

⁴ See Memorandum, “Decision Memorandum for the Preliminary Affirmative Determination of the Countervailing Duty Investigation of Certain Epoxy Resins from the People's Republic of China,” 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*).