

DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-900, C-821-830]

Granular Polytetrafluoroethylene Resin From India and the Russian Federation: Initiation of Countervailing Duty Investigations

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

DATES: Applicable February 16, 2021.

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SUPPLEMENTARY INFORMATION:**The Petitions**

On January 27, 2021, the U.S. Department of Commerce (Commerce) received countervailing duty (CVD) petitions concerning imports of granular polytetrafluoroethylene (PTFE) resin from India and Russia, filed in proper form on behalf of Daikin America, Inc. (the petitioner).¹ The Petitions were accompanied by antidumping duty (AD) petitions concerning imports of granular PTFE resin from India and Russia.²

On January 29 and February 1, 2021, Commerce requested supplemental information pertaining to certain aspects of the Petitions.³ The petitioner filed responses to these requests on February 2 and 3, 2021.⁴

¹ See Petitioner's Letter, "Petitions for the Imposition of Antidumping and Countervailing Duties: Granular Polytetrafluoroethylene Resin from India and Russia," dated January 27, 2021 (the Petitions).

² *Id.*

³ See Commerce's Letter, "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Granular Polytetrafluoroethylene (PTFE) Resin from India and Russia: Supplemental Questions," dated January 29, 2021; and Commerce's Letters, "Petition for the Imposition of Countervailing Duties on Imports of Granular Polytetrafluoroethylene (PTFE) Resin from India: Supplemental Questions," and "Petition for the Imposition of Countervailing Duties on Imports of Granular Polytetrafluoroethylene (PTFE) Resin from the Russian Federation: Supplemental Questions," both dated February 1, 2021.

⁴ See Petitioner's Letters, "Granular Polytetrafluoroethylene Resin from India and Russia: Response to General Issues Questionnaire," dated February 2, 2021 (General Issues Supplement); and "Granular Polytetrafluoroethylene Resin from India: Response to Supplemental Questions," and "Granular Polytetrafluoroethylene Resin from Russia: Submission of Answers to Supplemental Questions," both dated February 3, 2021.

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that the Government of India (GOI) and the Government of Russia (GOR) are providing countervailable subsidies, within the meaning of sections 701 and 771(5) of the Act, to producers of granular PTFE resin in India and Russia, and that imports of such products are materially injuring, or threatening material injury to, the domestic industry producing granular PTFE resin in the United States. Consistent with section 702(b)(1) of the Act and 19 CFR 351.202(b), for those alleged programs on which we are initiating CVD investigations, the Petitions were accompanied by information reasonably available to the petitioner supporting its allegations.

Commerce finds that the petitioner filed the Petitions on behalf of the domestic industry, because the petitioner is an interested party, as defined in section 771(9)(C) of the Act. Commerce also finds that the petitioner demonstrated sufficient industry support for the initiation of the requested CVD investigations.⁵

Periods of Investigation

Because the Petitions were filed on January 27, 2021, the period of investigation (POI) for these CVD investigations is January 1, 2020, through December 31, 2020, pursuant to 19 CFR 351.204(b)(2).

Scope of the Investigations

The product covered by these investigations is granular PTFE resin from India and Russia. For a full description of the scope of these investigations, see the appendix to this notice.

Comments on Scope of the Investigations

On February 4 and 9, 2021, Commerce requested information from the petitioner regarding the proposed scope to ensure that the scope language in the Petitions is an accurate reflection of the products for which the domestic industry is seeking relief.⁶ On February 9, 2021, the petitioner revised the

scope.⁷ The description of merchandise covered by these investigations, as described in the appendix to this notice, reflects this revision.

As discussed in the *Preamble* to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (*i.e.*, scope).⁸ Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information,⁹ all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit scope comments by 5:00 p.m. Eastern Time (ET) on March 8, 2021, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on March 18, 2021, which is 10 calendar days from the initial comment deadline.

Commerce requests that any factual information the parties consider relevant to the scope of the investigations be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party must contact Commerce and request permission to submit the additional information. All such comments must be filed on the records of each of the concurrent AD and CVD investigations.

Filing Requirements

All submissions to Commerce must be filed electronically using Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS), unless an exception applies.¹⁰ An electronically filed document must be received successfully in its entirety by the time and date it is due. Note that Commerce has temporarily modified

⁷ See Scope Call Memorandum at 1-2.

⁸ See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁹ See 19 CFR 351.102(b)(21) (defining "factual information.").

¹⁰ See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance: Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of Commerce's electronic filing requirements, effective August 5, 2011. Information on using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

certain of its requirements for serving documents containing business proprietary information until further notice.¹¹

Consultations

Pursuant to sections 702(b)(4)(A)(i) and (ii) of the Act, Commerce notified the GOI and the GOR of the receipt of the Petitions and provided an opportunity for consultations with respect to the Petitions.¹² Commerce held consultations with the GOR on February 11, 2021.¹³ With respect to India, Commerce did not hold consultations with the GOI. Instead, the GOI submitted pre-initiation comments on February 12, 2021.¹⁴

Determination of Industry Support for the Petitions

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the

requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product,¹⁵ they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.¹⁶

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations.¹⁷ Based on our analysis of the information submitted on the record, we have determined that granular PTFE resin, as defined in the scope, constitutes a single domestic like product, and we have analyzed industry support in terms of that domestic like product.¹⁸

In determining whether the petitioner has standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in the appendix to this

notice. To establish industry support, the petitioner provided its own 2020 production of the domestic like product.¹⁹ Additionally, the petitioner provided a letter of support from The Chemours Company FC LLC (Chemours), stating its support for the Petitions and providing its own production of the domestic like product in 2020.²⁰ The petitioner identifies itself and Chemours as the companies constituting the U.S. granular PTFE resin industry and states that there are no other known producers of granular PTFE resin in the United States; therefore, the Petitions are supported by 100 percent of the U.S. industry.²¹ We relied on the data provided by the petitioner for purposes of measuring industry support.²²

Our review of the data provided in the Petitions, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions.²³ First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (e.g., polling).²⁴ Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.²⁵ Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.²⁶ Accordingly, Commerce

¹¹ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

¹² See Commerce’s Letters, “Countervailing Duty Petition on Granular Polytetrafluoroethylene (PTFE) Resin from the Russian Federation: Invitation for Consultations,” dated January 27, 2021; and “Countervailing Duty Petition on Granular Polytetrafluoroethylene Resin from India: Invitation for Consultations to Discuss the Countervailing Duty Petition,” dated February 1, 2021.

¹³ See Memorandum, “Countervailing Duty Petition on Granular Polytetrafluoroethylene (PTFE) Resin from the Russian Federation (Russia): Consultations with Officials from the Government of Russia,” dated February 12, 2021.

¹⁴ See GOI’s Letter, “Pre-Initiation Consultation Note on the Petition for Initiation of Countervailing Duty Investigation concerning Granular Polytetrafluoroethylene Resin from India (PTFE) (Case No. 533–900),” dated February 12, 2021.

¹⁵ See section 771(10) of the Act.

¹⁶ See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F. 2d 240 (Fed. Cir. 1989)).

¹⁷ See Volume I of the Petitions at I–11 through I–19.

¹⁸ For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, see Countervailing Duty Investigation Initiation Checklists: Granular Polytetrafluoroethylene Resin from India and Russia (Country-Specific CVD Initiation Checklists) at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Granular Polytetrafluoroethylene Resin from India and Russia (Attachment II). These checklists are dated concurrently with this notice and on file electronically via ACCESS.

¹⁹ See Volume I of the Petitions at I–2 through I–3 and Exhibit I–1; see also General Issues Supplement at 2 and Exhibit Supp I–1.

²⁰ See Volume I of the Petitions at I–2 through I–3 and Exhibit I–4.

²¹ *Id.* at I–2 through I–3 and Exhibits I–1 and 4.

²² *Id.* at I–2 through I–3 and Exhibits I–1 and I–4; see also General Issues Supplement at 2 and Exhibit Supp I–1.

²³ See Volume I of the Petitions at I–2 through I–3 and Exhibits I–1 and I–4; see also General Issues Supplement at 2 and Exhibit Supp I–1.

²⁴ See Attachment II of the Country-Specific CVD Initiation Checklists; see also section 702(c)(4)(D) of the Act.

²⁵ See Attachment II of the Country-Specific CVD Initiation Checklists.

²⁶ *Id.*

determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act.²⁷

Injury Test

Because India and Russia are “Subsidies Agreement Countries” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to these investigations. Accordingly, the ITC must determine whether imports of the subject merchandise from India and Russia materially injure, or threaten material injury to, a U.S. industry.

Allegations and Evidence of Material Injury and Causation

The petitioner alleges that imports of the subject merchandise are benefitting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury to the U.S. industry producing the domestic like product. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁸

The petitioner contends that the industry’s injured condition is illustrated by significant and increasing volume and market share of subject imports; lost sales and revenues; underselling and price depression and/or suppression; and declines in production, U.S. commercial shipments, and financial performance.²⁹ We assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.³⁰

Initiation of CVD Investigations

Based upon the examination of the Petitions and supplemental responses, we find that they meet the requirements of section 702 of the Act. Therefore, we are initiating CVD investigations to determine whether imports of granular PTFE resin from India and Russia benefit from countervailable subsidies conferred by the GOI and the GOR, respectively. In accordance with section

703(b)(1) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 65 days after the date of these initiations.

India

Based on our review of the Petitions, we find that there is sufficient information to initiate a CVD investigation on all 24 alleged programs. For a full discussion of the basis for our decision to initiate on each program, *see* India CVD Initiation Checklist. A public version of the initiation checklist for this investigation is available on ACCESS.

Russia

Based on our review of the Petitions, we find that there is sufficient information to initiate a CVD investigation on 19 of the 20 alleged programs. For a full discussion of the basis for our decision to initiate on each of these 19 programs and not to initiate on the remaining alleged program, *see* Russia CVD Initiation Checklist. A public version of the initiation checklist for this investigation is available on ACCESS.

Respondent Selection

In the Petitions, the petitioner named eight companies in India and one company in Russia as producers/exporters of granular PTFE resin.³¹ Commerce intends to follow its standard practice in CVD investigations and calculate company-specific subsidy rates in this investigation.

India

In the event Commerce determines that the number of Indian producers/exporters is large and it cannot individually examine each company based upon Commerce’s resources, Commerce intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports of granular PTFE resin from India during the POI under the appropriate Harmonized Tariff Schedule of the United States numbers listed in the “Scope of the Investigations,” in the appendix.

On February 12, 2021, Commerce released CBP data for U.S. imports of granular PTFE resin from India under Administrative Protective Order (APO) to all parties with access to information protected by APO and indicated that interested parties wishing to comment on the CBP data and/or respondent selection must do so within three

business days of the publication date of the notice of initiation of these investigations.³² Comments must be filed electronically using ACCESS. An electronically filed document must be received successfully, in its entirety, by ACCESS no later than 5:00 p.m. ET on the specified deadline. Commerce will not accept rebuttal comments regarding the CBP data or respondent selection. We intend to select respondents within 20 days of publication of this notice.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on Commerce’s website at <http://enforcement.trade.gov/apo>.

Russia

In the Petition, the petitioner named only one company as a producer/exporter of granular PTFE resin in Russia, HaloPolymer OJSC, and provided independent, third-party information as support.³³ We currently know of no additional producers/exporters of granular PTFE resin from Russia. Accordingly, Commerce intends to examine all known producers/exporters (*i.e.*, HaloPolymer OJSC). We invite interested parties to comment on this issue. Such comments may include factual information within the meaning of 19 CFR 351.102(b)(21). Parties wishing to comment must do so within three business days of the publication of this notice in the **Federal Register**. Comments must be filed electronically using ACCESS. An electronically-filed document must be received successfully in its entirety by Commerce’s electronic records system, ACCESS, by 5 p.m. ET on the specified deadline. Because we intend to examine all known producers/exporters, if no comments are received or if comments received further support the existence of this sole producer/exporter in Russia, we do not intend to conduct respondent selection and will proceed to issuing the initial countervailing duty questionnaire to the company identified. However, if comments are received which create a need for a respondent selection process, we intend to finalize our decisions regarding respondent selection within 20 days of publication of this notice.

²⁷ *Id.*

²⁸ *See* Volume I of the Petitions at I-23 and Exhibit I-27.

²⁹ *See* Volume I of the Petitions at I-26 through I-38 and Exhibits I-27, I-29 through I-35; *see also* General Issues Supplement at Exhibit Supp. I-1.

³⁰ *See* Country-Specific CVD Initiation Checklists at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Granular Polytetrafluoroethylene Resin from India and Russia (Attachment III).

³¹ *See* Volume I of the Petitions at I-20 and Exhibit I-26; and General Issues Supplement at 1-2.

³² *See* Memorandum, “Countervailing Duty and Antidumping Duty Petitions on Granular Polytetrafluoroethylene Resin from India: Release of Customs Data from U.S. Customs and Border Protection,” dated February 12, 2021.

³³ *See* Volume I of the Petitions at I-20 and Exhibits I-3 and I-26; *see also* General Issues Supplement at 1-2.

Distribution of Copies of the Petitions

In accordance with section 702(b)(4)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the GOI and GOR via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

ITC Notification

Commerce will notify the ITC of its initiation, as required by section 702(d) of the Act.

Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that subject imports are materially injuring or threatening material injury to a U.S. industry.³⁴ A negative ITC determination for any country will result in the investigation being terminated with respect to that country.³⁵ Otherwise, these CVD investigations will proceed according to the statutory and regulatory time limits.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) Evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). Section 351.301(b) of Commerce's regulations requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted³⁶ and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.³⁷ Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to

submitting factual information in these investigations.

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by Commerce. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, Commerce may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, Commerce will inform parties in a letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; Commerce will grant untimely filed requests for the extension of time limits only in limited cases where we determine, based on 19 CFR 351.302, that extraordinary circumstances exist. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting extension requests or factual information in these investigations.

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.³⁸ Parties must use the certification formats provided in 19 CFR 351.303(g).³⁹ Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Parties wishing to participate in these investigations should ensure that they

meet the requirements of 19 CFR 351.103(d) (e.g., by filing the required letters of appearance).

This notice is issued and published pursuant to sections 702 and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: February 16, 2021.

Christian Marsh,

Acting Assistant Secretary for Enforcement and Compliance.

Appendix

Scope of the Investigations

The product covered by these investigations is granular polytetrafluoroethylene (PTFE) resin. Granular PTFE resin is covered by the scope of these investigations 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 granular PTFE resin is C₂F₄, and the Chemical Abstracts Service (CAS) Registry number is 9002–84–0.

Subject merchandise includes material matching the above description that has been finished, packaged, or otherwise processed in a third country, including by filling, modifying, compounding, packaging with another product, or performing any other finishing, packaging, or processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the granular PTFE resin.

The product covered by these investigations does not include dispersion or coagulated dispersion (also known as fine powder) PTFE.

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 these investigations.

Granular PTFE resin is classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 3904.61.0010. 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.

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XA889]

Pacific Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

³⁴ See section 703(a) of the Act.

³⁵ *Id.*

³⁶ See 19 CFR 351.301(b).

³⁷ See 19 CFR 351.301(b)(2).

³⁸ See section 782(b) of the Act.

³⁹ See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*); see also frequently asked questions regarding the *Final Rule*, available at http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.