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DEPARTMENT OF COMMERCE

International Trade Administration

C-533-825

Polyethylene Terephthalate Film, Sheet, and Strip from India: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2017

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

SUMMARY: The Department of Commerce (Commerce) is conducting an administrative review of the countervailing duty (CVD) order on polyethylene terephthalate film, sheet, and strip (PET film) from India. The period of review (POR) is January 1, 2017 through December 31, 2017. We preliminarily determine that Jindal Poly Films Ltd. (Jindal) and SRF Limited (SRF) received countervailable subsidies during the POR. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Elfi Blum, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0197.

SUPPLEMENTARY INFORMATION:

Background

On July 3, 2018, Commerce published in the *Federal Register* a notice of opportunity to request an administrative review of the countervailing duty order on PET film from India, for the POR.¹ In accordance with sections 751(a)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213(b)(1) and (2), in July 2018, we received four review requests. DuPont Teijin Films, Mitsubishi Polyester Film, Inc., and SKC, Inc. (collectively, the petitioners) requested reviews of Ester Industries Limited (Ester), Garware Polyester Ltd. (Garware), Polyplex Corporation Ltd. (Polyplex), SRF, Jindal, and Vacmet India Limited (Vacmet). Additionally, Polyplex USA LLC requested reviews for Ester, Garware, Jindal, MTZ Polyesters Ltd. (MTZ), Polyplex, SRF, Vacmet and Uflex Ltd. (Uflex). Finally, Jindal and SRF each self-requested to be reviewed in the instant review.

Subsequently, on September 10, 2018, in accordance with 19 CFR 351.221(c)(1)(i), Commerce published a notice of initiation of an administrative review of the countervailing duty order on PET Film from India.² On October 15, 2018, we placed on the record U.S. Customs and Border Protection (CBP) import data³ for purposes of respondent selection, and invited parties to comment.⁴ Because Jindal entered its notice of appearance at a later point in time⁵ and did not obtain its administrative protective order until after the comment period for the CBP data

¹ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 83 FR 31121, 31122 (July 3, 2018).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 45596, 45604 (September 10, 2018) (*Initiation Notice*).

³ Note: the CBP import data released on September 19, 2018, was compiled based on the company names, and variations thereof, whereas the CBP import data release of October 15, 2018, was compiled based on the case number and POR, which captured Jindal's and SRF's shipments of subject merchandise during the entire POR.

⁴ See Memorandum "Administrative Review of the Countervailing Duty Order on Polyethylene Terephthalate Film, Sheet, and Strip from India: Release of U.S. Customs Entry Data for Respondent Selection" dated October 3, 2017.

⁵ See Jindal's Letter, "Polyethylene Terephthalate (Pet) Film from India: Entry of Appearance and APO Application," dated October 23, 2018 (Jindal Entry of Appearance).

issued on October 15, 2018, Commerce re-released the CBP data on November 5, 2018, and extended the comment period on the CBP import data for Jindal only. We received no comments from interested parties. Subsequently, Polyplex USA timely withdrew its request for a review on November 21, 2018, for all companies.⁶ Also, on December 10, 2018, SRF withdrew its request for a review.⁷ We selected Jindal and SRF as mandatory respondents.⁸

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.⁹ If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day.¹⁰ On April 26, 2019,¹¹ and July 10, 2019, we extended the deadline for the preliminary results of this review.¹² The revised deadline for the preliminary results is now September 6, 2019.

⁶ See Polyplex USA's Letter, "Polyethylene Terephthalate (PET) Film, Sheet, and Strip from India: Request for Withdrawal of Countervailing Duty Administrative Review," dated November 21, 2018.

⁷ See SRF's Letter, "Polyethylene Terephthalate (PET) Film from India/ Withdrawal of Request for countervailing Duty Admin Review of SRF Limited (SRF)," dated December 10, 2018,

⁸ See Memorandum, "Administrative Review of the Countervailing Duty Order on Polyethylene Terephthalate Film, Sheet, and Strip from India: Selection of Respondents for Individual Examination - 2017" dated December 17, 2018 (Respondent Selection Memorandum).

⁹ See Memorandum to the Record from 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, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

¹⁰ *Id.*

¹¹ See Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review – 2016" dated March 23, 2018; *see also* Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review" dated June 1, 2018.

¹² See Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated April 26, 2019; Memorandum, "Second Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review" dated July 10, 2019.

Scope of the Order

The products covered by this order are all gauges of raw, pretreated, or primed polyethylene terephthalate film, sheet and strip, whether extruded or coextruded. Excluded are metallized films and other finished films that have had at least one of their surfaces modified by the application of a performance-enhancing resinous or inorganic layer of more than 0.00001 inches thick. Imports of PET film are classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 3920.62.00.90. HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the order is dispositive.

Partial Rescission of Administrative Review

Commerce initiated a review of eight companies in this segment of the proceeding.¹³ In response to timely filed withdrawal requests, we are rescinding this administrative review with respect to MTZ and Uflex, pursuant to 19 CFR 351.213(d)(1). Accordingly, the companies subject to the instant review are: Ester; Garware; Jindal; Polyplex; SRF; and Vacmet, of which Commerce has selected Jindal and SRF as the mandatory respondents.¹⁴

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Act. For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.¹⁵ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum, dated concurrently with, and

¹³ *See Initiation Notice*, 82 FR 42974, 42974 (September 13, 2017). The eight companies were Ester, Garware, Jindal, MTZ, Polyplex, SRF, Uflex, and Vacmet.

¹⁴ *See Respondent Selection Memorandum*.

¹⁵ *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.

hereby adopted by, this notice. A list of topics included in the Preliminary Decision Memorandum is included as an Appendix 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 <http://access.trade.gov> and in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://trade.gov/enforcement/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Jindal and SRF were above *de minimis* and not based entirely on facts available, we applied, looking to section 705(c)(5)(A) of the Act for guidance, a subsidy rate based on a simple average of the subsidy rates calculated for Jindal and SRF because complete publicly ranged sales data was not submitted by all respondents selected for individual review.¹⁶

Preliminary Results of Review

We preliminarily determine the total estimated net countervailable subsidy rates for the period January 1, 2017, through December 31, 2017 to be:

¹⁶ Commerce intends to request complete publicly ranged quantity and value data from respondents in this segment of the proceeding.

Manufacturer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Jindal Poly Films Limited of India	9.41
SRF Limited	7.22
Ester Industries Limited	8.32
Garware Polyester Ltd.	8.32
Polyplex Corporation Ltd.	8.32
Vacmet India Limited	8.32

Disclosure and Public Comment

Commerce will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.¹⁷ Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance at a date to be determined. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹⁸ Rebuttal briefs must be limited to issues raised in the case briefs.¹⁹ Parties who submit case or rebuttal briefs are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.²⁰

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and

¹⁷ See 19 CFR 351.224(b).

¹⁸ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

¹⁹ See 19 CFR 351.309(d)(2).

²⁰ See 19 CFR 351.309(c)(2) and (d)(2).

Compliance's ACCESS system.²¹ Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined.²² Parties should confirm by telephone the date, time, and location of the hearing. Issues addressed at the hearing will be limited to those raised in the briefs.²³ All briefs and hearing requests must be filed electronically and received successfully in their entirety through ACCESS by 5:00 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

Assessment Rates and Cash Deposit Requirement

Upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of review.

Pursuant to section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties, in the amounts shown above for each of the respective companies shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final

²¹ See 19 CFR 351.310(c).

²² See 19 CFR 351.310.

²³ See 19 CFR 351.310(c).

results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most-recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: September 6, 2019

Christian Marsh
Deputy Assistant Secretary
for Enforcement and Compliance

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

1. Summary
2. Background
3. Partial Rescission of Administrative Review
4. Scope of the Order
5. Period of Review
6. Subsidies Valuation Information
7. Analysis of Programs
8. Recommendation

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