DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-899, A-821-829]

Granular Polytetrafluoroethylene Resin from India and the Russian Federation: Initiation of Less-Than-Fair-Value Investigations

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

DATES: Applicable February 16, 2021.

FOR FURTHER INFORMATION CONTACT: Sergio Balbontin at (202) 482-6478 (India) or Jaron Moore at (202) 482-3640 (the Russian Federation (Russia)); AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

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

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

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of granular PTFE resin from India and Russia are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Act, and that imports of such products are materially injuring, or threatening material injury to, the granular PTFE resin industry in the United States. Consistent with section 732(b)(1) of the Act, the Petitions are 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 AD investigations.

Periods of Investigation

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

Scope of the Investigations

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

5 See infra, section on “Determination of Industry Support for the Petitions.”
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 the 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. On February 9, 2021, the petitioner revised the scope. 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 of time for interested parties to raise issues regarding product coverage (i.e., scope). 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, all such factual information should be limited to public information.

To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit such 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 that parties consider relevant to the scope of the investigations be submitted during this period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact Commerce and request permission to submit the additional

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6 See Memoranda, “Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Granular Polytetrafluoroethylene Resin from India and Russia: Phone Call with Counsel to the Petitioner,” dated February 4, 2021; and “Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Granular Polytetrafluoroethylene Resin from India and Russia: Phone Call with Counsel to the Petitioner,” dated February 9, 2021 (Scope Call Memorandum).
7 See Scope Call Memorandum at 1-2.
8 See Antidumping Duties; Countervailing Duties, Final Rule, 62 FR 27296, 27323 (May 19, 1997) (Preamble).
9 See 19 CFR 351.102(b)(21) (defining “factual information”).
information. All such submissions must be filed on the records 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.\(^\text{10}\) 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 certain of its requirements for serving documents containing business proprietary information, until further notice.\(^\text{11}\)

**Comments on Product Characteristics**

Commerce is providing interested parties an opportunity to comment on the appropriate physical characteristics of granular PTFE resin to be reported in response to Commerce’s AD questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant costs of production accurately, as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: (1) general product characteristics; and (2) product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe granular


\(^{11}\) See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).
PTFE resin, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, Commerce attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on March 8, 2021, which is 20 calendar days from the signature date of this notice. Any rebuttal comments must be filed by 5:00 p.m. ET on March 18, 2021. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the record of each of the AD investigations.

**Determination of Industry Support for the Petitions**

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(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 732(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,\textsuperscript{12} 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.\textsuperscript{13}

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” (\textit{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.\textsuperscript{14} 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.\textsuperscript{15}

In determining whether the petitioner has standing under section 732(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

\textsuperscript{12} See section 771(10) of the Act.
\textsuperscript{13} 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)).
\textsuperscript{14} See Volume I of the Petitions at I-11 through I-19.
\textsuperscript{15} For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, see Antidumping Duty Investigation Initiation Checklists: Granular Polytetrafluoroethylene Resin from India and Russia (Country-Specific AD 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.
establish industry support, the petitioner provided its own 2020 production of the domestic like product. 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. 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. We relied on the data provided by the petitioner for purposes of measuring industry support.

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. 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). Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(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. Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(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. Accordingly, Commerce determines that

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16 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.
17 See Volume I of the Petitions at I-2 through I-3 and Exhibit I-4.
18 Id. at I-2 through I-3 and Exhibit I-1.
19 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.
20 See Attachment II of the Country-Specific AD Initiation Checklists.
21 Id.; see also section 732(c)(4)(D) of the Act.
22 See Attachment II of the Country-Specific AD Initiation Checklists.
23 Id.
the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.\textsuperscript{24}

**Allegations and Evidence of Material Injury and Causation**

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at LTFV. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.\textsuperscript{25}

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.\textsuperscript{26} 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.\textsuperscript{27}

**Allegations of Sales at LTFV**

The following is a description of the allegations of sales at LTFV upon which Commerce based its decision to initiate AD investigations of imports of granular PTFE resin from India and Russia. The sources of data for the deductions and adjustments relating to U.S. price and normal value (NV) are discussed in greater detail in the Country-Specific AD Initiation Checklists.

\textsuperscript{24} Id.
\textsuperscript{25} See Volume I of the Petitions at I-23 and Exhibit I-27.
\textsuperscript{26} 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.
\textsuperscript{27} See Country-Specific AD 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).
U.S. Price

For India and Russia, the petitioner based export price (EP) on the average unit values (AUVs) of publicly available import data for granular PTFE resin from India and Russia during the POI and made certain adjustments to U.S. price to calculate a net ex-factory U.S. price.28

Normal Value29

For India and Russia, the petitioner based NV on home market price quotes obtained through market research for granular PTFE resin produced in and sold, or offered for sale, in each country within the applicable time period.30

Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of granular PTFE resin from India and Russia are being, or are likely to be, sold in the United States at LTFV. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for granular PTFE resin for both countries covered by this initiation are as follows: (1) India – 37.71 to 391.83 percent; and (2) Russia – 67.32 percent.31

Initiation of LTFV Investigations

Based upon the examination of the Petitions and supplemental responses, we find that they meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of granular PTFE resin from India and Russia are being, or are likely to be, sold in the United States at LTFV. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Respondent Selection

28 See Country-Specific AD Initiation Checklists.
29 In accordance with section 773(b)(2) of the Act, for the India and Russia investigations, Commerce will request information necessary to calculate the constructed value (CV) and cost of production (COP) to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product.
30 See Country-Specific AD Initiation Checklists.
31 See Country-Specific AD Initiation Checklists for details of these margin calculations.
India

In the Petition, the petitioner named eight companies in India as producers/exporters of granular PTFE resin. Following standard practice in AD investigations involving market economy countries, in the event Commerce determines that the number of exporters or producers in any individual case is large such that Commerce cannot individually examine each company based upon its resources, where appropriate, Commerce intends to select mandatory respondents in that case based on U.S. Customs and Border Protection (CBP) data for U.S. imports 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. 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 by 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

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32 See Volume I of the Petitions at I-20 and Exhibit I-26.
support. 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 antidumping 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.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the governments of India and Russia 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 732(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

34 See Volume I of the Petitions at I-20 and Exhibits I-3 and I-26; see also General Issues Supplement at 1-2.
threatening material injury to a U.S. industry.\textsuperscript{35} A negative ITC determination for any country will result in the investigation being terminated with respect to that country.\textsuperscript{36} Otherwise, these AD investigations will proceed according to 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 submitted\textsuperscript{37} 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.\textsuperscript{38} 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.

**Particular Market Situation Allegation**

Section 773(e) of the Act addresses the concept of particular market situation (PMS) for purposes of CV, stating that “if a particular market situation exists such that the cost of materials and fabrication or other processing of any kind does not accurately reflect the cost of production in the ordinary course of trade, the administering authority may use another calculation methodology under this subtitle or any other calculation methodology.” When an interested

\textsuperscript{35} See section 733(a) of the Act.
\textsuperscript{36} Id.
\textsuperscript{37} See 19 CFR 351.301(b).
\textsuperscript{38} See 19 CFR 351.301(b)(2).
party submits a PMS allegation pursuant to section 773(e) of the Act, Commerce will respond to such a submission consistent with 19 CFR 351.301(c)(2)(v). If Commerce finds that a PMS exists under section 773(e) of the Act, then it will modify its dumping calculations appropriately.

Neither section 773(e) of the Act, nor 19 CFR 351.301(c)(2)(v), set a deadline for the submission of PMS allegations and supporting factual information. However, in order to administer section 773(e) of the Act, Commerce must receive PMS allegations and supporting factual information with enough time to consider the submission. Thus, should an interested party wish to submit a PMS allegation and supporting new factual information pursuant to section 773(e) of the Act, it must do so no later than 20 days after submission of a respondent’s initial section D questionnaire response.

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 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.\(^{39}\) Parties must use the certification formats provided in 19 CFR 351.303(g).\(^{40}\) 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 letter of appearance).

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).


Christian Marsh,

Acting Assistant Secretary

for Enforcement and Compliance.

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\(^{39}\) See section 782(b) of the Act.

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 $C_2F_4$, 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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