



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-025; C-533-862]

Polyethylene Terephthalate Resin from the People's Republic of China and India: Final Results of the Expedited First Sunset Reviews of the Countervailing Duty Orders

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

SUMMARY: As a result of these expedited sunset reviews, the Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) orders on polyethylene terephthalate (PET) resin from the People's Republic of China (China) and India would be likely to lead to continuation or recurrence of countervailable subsidies at the levels as indicated in the "Final Results of Sunset Review" section of this notice.

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

FOR FURTHER INFORMATION CONTACT: Joshua A. DeMoss, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3362.

SUPPLEMENTARY INFORMATION:

Background

On May 6, 2016, Commerce published the CVD orders on PET resin from China and India in the *Federal Register*.¹ On March 31, 2021, Commerce published the notice of initiation of the first sunset reviews of the *Orders*, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).² Commerce received a notice of intent to participate from DAK Americas, LLC, Indorama Ventures USA Inc., and Nan Ya Plastics Corporation, America (collectively,

¹ See *Certain Polyethylene Terephthalate Resin from India and the People's Republic of China: Countervailing Duty Order (India) and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order (People's Republic of China)*, 81 FR 27977 (May 6, 2016) (*Orders*).

² See *Initiation of Five-Year (Sunset) Review*, 86 FR 16701 (March 31, 2021).

domestic interested parties) within the deadline specified in 19 CFR 351.218(d)(1)(i).³ Each claimed interested party status under section 771(9)(C) of the Act as domestic producers engaged in the production of PET resin in the United States.

On April 30, 2021, Commerce received a substantive response from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).⁴ On May 3, 2021, two respondent interested parties, CG Roxane, LLC (CG Roxane) and Niagara Bottling, LLC (Niagara), filed substantive responses pursuant to 19 CFR 351.218(d)(3), to the record of the China sunset review.⁵ However, for the substantive responses of respondent interested parties to be considered adequate under this regulation, the respondents must account for, on average, more than 50 percent (volume or value) of total exports during the five-year period preceding the year of publication of the initiation notice, pursuant to 19 CFR 351.218(e)(1)(ii)(A). CG Roxane and Niagara failed to demonstrate this. We did not receive a substantive response from any other interested party in these proceedings.

On May 21, 2021, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive an adequate substantive response from respondent interested parties.⁶ As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted expedited (120-day) sunset reviews of these *Orders*.

Scope of the *Orders*

³ See Domestic Interested Parties' Letters, "Five-Year (Sunset) Review of the Countervailing Duty Order on Certain Polyethylene Terephthalate Resin from the People's Republic of China – Domestic Interested Parties' Notice of Intent to Participate," dated April 15, 2021; and "Five-Year (Sunset) Review of the Countervailing Duty Order on Certain Polyethylene Terephthalate Resin from India – Domestic Interested Parties' Notice of Intent to Participate," dated April 15, 2021.

⁴ See Domestic Interested Parties' Letters, "Five-Year (Sunset) Review of the Countervailing Duty Order on Certain Polyethylene Terephthalate Resin from the People's Republic of China – Domestic Interested Parties' Substantive Response to Notice of Initiation," dated April 30, 2021 (China Substantive Response); and "Five-Year (Sunset) Review of the Countervailing Duty Order on Certain Polyethylene Terephthalate Resin from India – Domestic Interested Parties' Substantive Response to Notice of Initiation," dated April 30, 2021 (India Substantive Response).

⁵ See CG Roxane's Letter, "Sunset Review of Polyethylene Terephthalate Resin from China and Oman: Response to Notice of Institution," dated May 3, 2021; and Niagara's Letter, "Sunset Review of Polyethylene Terephthalate Resin from China: Response to Notice of Institution," dated May 3, 2021.

⁶ See Commerce's Letter, "Sunset Review for April 2021," dated May 21, 2021.

The merchandise covered by these orders is polyethylene terephthalate (PET) resin having an intrinsic viscosity of at least 0.70, but not more than 0.88, deciliters per gram. The scope includes blends of virgin PET resin and recycled PET resin containing 50 percent or more virgin PET resin content by weight, provided such blends meet the intrinsic viscosity requirements above. The scope includes all PET resin meeting the above specifications regardless of additives introduced in the manufacturing process. The merchandise subject to these orders is properly classified under subheading 3907.60.00.30 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise covered by these orders is dispositive.

Analysis of Comments Received

All issues raised in these sunset reviews are addressed in the Issues and Decision Memorandum, including the likelihood of continuation or recurrence of countervailable subsidies and the net countervailable subsidy likely to prevail if the *Orders* were revoked.⁷ The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Services System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://enforcement.trade.gov/frn/index.html>. A list of the issues discussed in the decision memorandum is attached at the appendix to this notice.

Final Results of Sunset Reviews

Pursuant to sections 751(c)(1) and 752(b) of the Act, Commerce determines that revocation of the *Orders* would be likely to lead to continuation or recurrence of countervailable subsidies at the following rates:

⁷ See Memorandum, "Issues and Decision Memorandum for the Expedited First Sunset Review of the Countervailing Duty Orders of Polyethylene Terephthalate Resin from the People's Republic of China and India," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<u>PET Resin from China</u>	
Manufacturer/Producer/Exporter	Net Countervailable Subsidy Rate (percent)
Xingyu	7.53
Dragon Group	47.56
All Others	27.55

<u>PET Resin from India</u>	
Manufacturer/Producer/Exporter	Net Countervailable Subsidy Rate (percent)
Dhunseri	5.12
JBF Industries Limited	153.80
All Others	5.12

Administrative Protective Order

This notice serves as the only reminder to parties subject to the administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a). Timely written notification of the destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act.

Dated: July 16, 2021.

Christian Marsh,
Acting Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Orders
- IV. History of the Orders
- V. Legal Framework
- VI. Discussion of the Issues
 1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
 2. Net Countervailable Subsidy Rates Likely to Prevail
 3. Nature of the Subsidies
- VII. Final Results of Review
- VIII. Recommendation

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