



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-533-927]

#### Certain Epoxy Resins from India: Final Affirmative Countervailing Duty Determination

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

**SUMMARY:** The U.S. Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of certain epoxy resins (epoxy resins) from India. The period of investigation (POI) is January 1, 2023, through December 31, 2023.

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

**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

On September 13, 2024, Commerce published the *Preliminary Determination* in this investigation in the *Federal Register*.<sup>1</sup> On January 3, 2025, Commerce issued its Post Preliminary Analysis.<sup>2</sup>

For a complete description of the events that followed the *Preliminary Determination*, see the Issues and Decision Memorandum.<sup>3</sup> The Issues and Decision Memorandum is a public

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<sup>1</sup> See *Certain Epoxy Resins from India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 89 FR 74889 (September 13, 2024) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

<sup>2</sup> See Memorandum, “Post-Preliminary Analysis,” dated January 3, 2025 (Post-Preliminary Analysis).

<sup>3</sup> See Memorandum, “Issue and Decision Memorandum for the Final Affirmative Determination of the Countervailing Duty Investigation of Certain Epoxy Resins from India,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

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 Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

### **Scope of the Investigation**

The product covered by this investigation are epoxy resins from India. For a complete description of the scope of investigation, *see* Appendix I.

### **Scope Comments**

During the course of this investigation, Commerce received scope comments from interested parties. Commerce issued a Preliminary Scope Decision Memorandum to address these comments and set aside a period of time for parties to address scope issues in scope-specific case and rebuttal briefs.<sup>4</sup> Between February 2025 and March 2025, Commerce received scope-specific case and rebuttal briefs from interested parties.<sup>5</sup> We made changes to the scope of the investigation from the scope published in the *Preliminary Determination*, as noted in Appendix I.<sup>6</sup>

### **Verification**

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in November 2024, Commerce conducted verifications of the information reported by Atul Limited (Atul) and the Government of India (GOI) for use in our final determination. We used standard

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<sup>4</sup> *See* Memorandum, “Preliminary Scope Decision Memorandum,” dated November 6, 2024 (Preliminary Scope Decision Memorandum).

<sup>5</sup> *See* Petitioner’s Letter, “Case Brief on Scope Issues,” dated February 28, 2025; The Sherwin-Williams Company’s Letter, “Scope Case Brief on Behalf of Sherwin-Williams,” dated February 28, 2025; PPG Industries, Inc.’s Letter, “Scope Case Brief of PPG Industries, Inc.,” dated February 28, 2025; Petitioner’s Letter, “Petitioner’s Letter in Lieu of Rebuttal Brief on Scope Issues,” dated March 5, 2025; PPG Industries’ Letter, “Rebuttal Scope Case Brief of PPG Industries, Inc.,” dated March 5, 2025; and Sherwin-Williams’ Letter, “Scope Rebuttal Brief on Behalf of Sherwin Williams,” dated March 5, 2025.

<sup>6</sup> *See* Memorandum, “Final Scope Decision Memorandum,” dated concurrently with this notice.

verification procedures, including an examination of relevant account records and original source documents provided by Atul and the GOI.<sup>7</sup>

### **Analysis of Subsidy Programs and Comments Received**

The subsidy programs under investigation, and the issues raised in the case and rebuttal briefs that were submitted by interested parties in this investigation are discussed in the Issues and Decision Memorandum. For a complete list of the issues raised by parties, and to which we responded in the Issues and Decision Memorandum, *see* Appendix II.

### **Methodology**

Commerce conducted this investigation in accordance with section 701 of the Act. For each of the subsidy programs found to be countervailable, Commerce 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.<sup>8</sup> For a full description of the methodology underlying our final determination, *see* the Issues and Decision Memorandum.

In making this final determination, Commerce relied, in part, on facts otherwise available, with adverse inferences (AFA), pursuant to sections 776(a) and (b) of the Act. For a full discussion of our methodology, including our application of AFA, *see* the *Preliminary Determination*,<sup>9</sup> and the Issues and Decision Memorandum.

### **Changes Since the *Preliminary Determination***

Based on our review of the information examined at verification and analysis of the comments received from interested parties, we made certain changes to the countervailable subsidy rate calculations for Atul which, in turn, impacted the rates assigned to Champion Advanced Materials (Champion) and all other producers/exporters, including the addition of

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<sup>7</sup> *See* Memoranda, “Verification of the Government of India Questionnaire Responses,” dated January 14, 2025; and “Verification of Atul Limited Questionnaire Responses,” dated January 14, 2025.

<sup>8</sup> *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; *see also* section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

<sup>9</sup> *See Preliminary Determination* PDM at 8-32.

subsidy programs included in the Post-Preliminary Analysis. For a discussion of these changes, *see* the Issues and Decision Memorandum.

### **All-Others Rate**

In accordance with section 705(c)(1)(B)(i) of the Act, we calculated an individual estimated countervailable subsidy rate for one of the mandatory respondents, Atul. Section 705(c)(5)(A)(i) of the Act states that, for companies not individually investigated, Commerce will determine an all-others rate equal to the weighted-average countervailable subsidy rates established for exporters and/or producers individually investigated, excluding any rates that are zero, *de minimis*, or determined entirely under section 776 of the Act.

In this investigation, we are assigning a rate based entirely on AFA to Champion. Therefore, the only rate that is not zero, *de minimis*, or based entirely on AFA is the rate calculated for Atul. Consequently, we have also assigned the rate calculated for Atul as the rate for all-other producers and exporters.

### **Final Determination**

Commerce determines that the following estimated net countervailable subsidy rates exist for the period January 1, 2023, through December 31, 2023:

<b>Company</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Atul Limited	10.66
Champion Advanced Materials*	103.72*
All Others	10.66

\*Rate based on facts available with adverse inferences.

### **Disclosure**

Commerce intends to disclose its calculations performed to interested parties in this final determination within five days of its public announcement or, if there is no public announcement, within five days of the date of the publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

## **Suspension of Liquidation**

As a result of our *Preliminary Determination*, and pursuant to sections 703(d)(1)(B) and (d)(2) of the Act, Commerce instructed U.S. Customs and Border Protection (CBP) to collect cash deposits and suspend liquidation of entries of subject merchandise from India that were entered, or withdrawn from warehouse, for consumption on or after September 13, 2024, the date of publication of the *Preliminary Determination* in the *Federal Register*.<sup>10</sup> In accordance with section 703(d) of the Act, we instructed CBP to discontinue the suspension of liquidation of all entries of subject merchandise entered or withdrawn from warehouse, on or after January 11, 2025, but to continue the suspension of liquidation of all entries of subject merchandise on or before January 10, 2025.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a countervailing duty (CVD) order, reinstate the suspension of liquidation under section 706(a) of the Act, and require a cash deposit of estimated countervailing duties for entries of subject merchandise in the amounts indicated above. Pursuant to section 705(c)(2) of the Act, if the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated, and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or cancelled.

## **ITC Notification**

In accordance with section 705(d) of the Act, Commerce will notify the ITC of its final affirmative determination that countervailable subsidies are being provided to producers and exporters of epoxy resins from India. As Commerce's final determination is affirmative, in accordance with section 705(b) of the Act, the ITC will determine, within 45 days, whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of import of epoxy resins from India. In addition, we are making available to the ITC all

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<sup>10</sup> See *Preliminary Determination*, 89 FR at 74890.

non-privileged and non-proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue a CVD order directing CBP to assess, upon further instruction by Commerce, countervailing duties on all imports of the subject merchandise that are entered, or withdrawn, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Suspension of Liquidation” section.

#### **Administrative Protective Order (APO)**

This notice will serve as the only reminder to parties subject to the APO of their responsibility concerning the destruction of proprietary information disclosed under APO, in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/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**

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act, and 19 CFR 351.210(c).

Dated: March 28, 2025.

**Christopher Abbott,**

*Deputy Assistant Secretary*

*for Policy and Negotiations,*

*performing the non-exclusive functions and duties*

*of the 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 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 the 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 this investigation. 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 “pre-pregs,” which are composite materials consisting of fabrics or fibers (typically carbon or glass) impregnated with epoxy resin.

Also excluded from the scope is Tetramethyl Bisphenol F Diglycidyl Ether epoxy resin, also known as Tetramethyl Bisphenol F -DGE Polymer (TMBPF-DGE), that (1) has the chemical name: phenol, 4, 4'-methylenebis[2,6-dimethyl-, polymer with 2-(chloromethyl)oxirane, (2)

falls under Chemical Abstract Services (CAS) Registry Number 113693-69-9, and (3) has an epoxy equivalent weight (EEW), also referred to as the weight per epoxide (WPE), of no less than 200 and no greater than 230 grams of epoxy resin per epoxy equivalent (g/eq or GEW).<sup>11</sup>

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.

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<sup>11</sup> The bracket in this sentence is part of the chemical formula and does not denote business proprietary information.

## Appendix II

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
  - II. Background
  - III. Use of Facts Otherwise Available and Application of Adverse Inferences
  - IV. Subsidies Valuation Information
  - V. Analysis of Programs
  - VI. Discussion of the Issues
    - Comment 1: Countervailability of Remission of Duties and Taxes on Export Products (RoDTEP)
    - Comment 2: Countervailability of Section 35(1)(iv) of the Income Tax Act
    - Comment 3: Countervailability of State Government of Gujarat (SGOG) – Electricity Duty Exemption (EDE)
    - Comment 4: Countervailability of SGOG – Preferential Water Rates
    - Comment 5: Provision of Coal for Less Than Adequate Remuneration (LTAR) Benefit Calculation
    - Comment 6: Countervailability of Provision of Natural Gas for LTAR
    - Comment 7: Countervailability of the Advanced Authorization Program (AAP)
    - Comment 8: Countervailability of Provision of Land by the Gujarat Industrial Development Corporation (GIDC) for LTAR
    - Comment 9: Countervailability of the Export Promotion of Capital Goods Scheme (EPCGS)
  - VII. Recommendation
- [FR Doc. 2025-05749 Filed: 4/2/2025 8:45 am; Publication Date: 4/3/2025]