



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-167]

#### Certain Epoxy Resins from the People's Republic of China: Final Affirmative

#### Countervailing Duty Determination and Final Affirmative Determination of Critical

#### Circumstances

**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 the People's Republic of China (China). The period of investigation is January 1, 2023,  
through December 31, 2023.

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

**FOR FURTHER INFORMATION CONTACT:** Nathan James, 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-  
5305.

#### SUPPLEMENTARY INFORMATION:

##### Background

On September 13, 2024, Commerce published its *Preliminary Determination* in the  
*Federal Register*.<sup>1</sup> On February 7, 2025, Commerce issued its post-preliminary analysis in this  
investigation.<sup>2</sup> On February 10, 2025, we solicited comments in advance of this final

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<sup>1</sup> See *Certain Epoxy Resins from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Determination of Critical Circumstances, and Alignment of Final Determination with Final Antidumping Duty Determination*, 89 FR 74891 (September 13, 2024) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

<sup>2</sup> See Memorandum, "Post-Preliminary Analysis in the Countervailing Duty Investigation of Certain Epoxy Resins from the People's Republic of China," dated February 7, 2025 (Post-Preliminary Analysis).

determination.<sup>3</sup> Because no comments were submitted by interested parties, we have adopted our *Preliminary Results* and Post-Preliminary Analysis for purposes of this final determination. Accordingly, no decision memorandum accompanies this *Federal Register* notice. Commerce conducted this investigation in accordance with section 705 of the Tariff Act of 1930, as amended (the Act).

### **Scope of the Investigation**

The products covered by this investigation are epoxy resins from China. For a complete description of the scope of this 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 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>

### **Final Affirmative Determination of Critical Circumstances**

Commerce preliminarily determined, pursuant to section 703(e)(1) of the Act, that critical circumstances exist for Jiangsu Sanmu Group Co., Ltd. (Sanmu), Shandong Bluestar Dongda Chemical (Bluestar), and all other producers and/or exporters.<sup>7</sup> We have made no changes to

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<sup>3</sup> *See* Memorandum, “Case Brief Schedule,” dated February 10, 2025.

<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 (Petitioner’s Scope Case Brief); Sherwin Williams’ Letter, “Scope Case Brief on Behalf of Sherwin-Williams,” dated February 28, 2025 (Sherwin-Williams’ Scope Case Brief); PPG’s Letter, “Scope Case Brief of PPG Industries, Inc.,” dated February 28, 2025 (PPG’s Scope Case Brief); Petitioner’s Letter, “Petitioner’s Letter in Lieu of Rebuttal Brief on Scope Issues,” dated March 5, 2025 (Petitioner’s Rebuttal Scope Case Brief); PPG’s Letter, “Rebuttal Scope Case Brief of PPG Industries, Inc.,” dated March 5, 2025 (PPG’s Rebuttal Scope Case Brief); and Sherwin-Williams’ Letter, “Scope Rebuttal Brief on Behalf of Sherwin Williams,” dated March 5, 2025 (Sherwin-Williams’ Rebuttal Scope Case Brief).

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

<sup>7</sup> *See Preliminary Determination*, 89 FR 74892.

that determination, and we find that critical circumstances exist for Sanmu, Bluestar, and all other producers and/or exporters, consistent with section 705(a)(2) of the Act.

### **Verification**

Because the mandatory respondents in this investigation did not provide information requested by Commerce, and Commerce determined that the mandatory respondents were uncooperative, no verification was conducted.

### **All-Others Rate**

As discussed in the *Preliminary Determination*, Commerce based the selection of the all-others rate on the countervailable subsidy rates established for the mandatory respondents, in accordance with 703(d) of the Act.<sup>8</sup> Consistent with section 705(c)(5)(A)(ii) of the Act, we made no changes to the methodology used to select of the all-others rate for the final determination; specifically, we have assigned the sole rate assigned to the mandatory respondents to all other companies. Commerce has, however, updated the subsidy rates for the mandatory respondents (and consequently the All Others rate), to reflect the additional programs countervailed in the Post-Preliminary Analysis.<sup>9</sup>

### **Final Determination**

Commerce determines that the following estimated countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Jiangsu Sanmu Group Co., Ltd.	547.76*
Shandong Bluestar Dongda Chemical	547.76*
All Others	547.76

\* Rate based on facts available with adverse inferences.

### **Disclosure**

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<sup>8</sup> *Id.*

<sup>9</sup> Specifically, we are summing the rate assigned in the *Preliminary Determination* (108.64 percent) and the Post-Preliminary Analysis (439.12 percent) to arrive at the final subsidy rate of 547.76 percent. *See Preliminary Determination* PDM at Appendix (assigning an AFA rate of 108.64); and Post-Preliminary Analysis at 3 (assigning an AFA rate of 439.12).

Normally, Commerce discloses to interested parties the calculations performed in final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this final determination in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, the program rates assigned as AFA in the *Preliminary Determination* and Post-Preliminary Analysis are unchanged, and there are no additional calculations performed in this final determination and, therefore, there are no calculations to disclose.

### **Suspension of Liquidation**

As a result of our *Preliminary Determination* and pursuant to sections 703(d)(1)(B) and (d)(2) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise from China that were entered, or withdrawn from warehouse, for consumption. Because we preliminarily determined that critical circumstances existed with respect to Sanmu, Bluestar, and all other producers and/or exporters, we instructed CBP to suspend such entries on or after June 15, 2024, which is 90 days prior to the date of the 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 that were subject to suspension of liquidation between June 15, 2024, and January 10, 2025.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a countervailing duty 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. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated,

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<sup>10</sup> *Id.*

and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

### **ITC Notification**

In accordance with section 705(d) of the Act, we intend to notify the ITC of our final affirmative determination that countervailable subsidies are being provided to producers and exporters of epoxy resins from China. Because the final determination in this proceeding is affirmative, in accordance with section 705(b) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of epoxy resins from China no later than 45 days after our final determination. In addition, we are making available to the ITC all non-privileged and nonproprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an 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 or canceled, as Commerce determines to be appropriate. If the ITC determines that such injury does exist, Commerce intends to issue a countervailing duty order directing CBP to assess, upon further instruction by Commerce, countervailing duties on all imports of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

### **Administrative Protective Order**

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an 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**

We are issuing and publishing this final determination in accordance with 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.