



DEPARTMENT OF COMMERCE

International Trade Administration

[C-583-877]

Certain Epoxy Resins from Taiwan: 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 Taiwan. 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: Ian Riggs, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3810.

SUPPLEMENTARY INFORMATION:

Background

On September 13, 2024, Commerce published the *Preliminary Determination* in the *Federal Register* and invited interested parties to comment.¹ On October 31, 2024, Commerce released its Post Preliminary Analysis.²

For a complete discussion of the events that followed the *Preliminary Determination*, see the Issues and Decision Memorandum.³ The Issues and Decision Memorandum is a public

¹ See *Certain Epoxy Resins from Taiwan: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*, 89 FR 74896 (September 13, 2024) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, “Post Preliminary Analysis in the Countervailing Duty Investigation of Certain Epoxy Resins from Taiwan,” dated October 31, 2024 (Post Preliminary Analysis).

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

document and is made available to the public 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 products covered by the scope of this investigation are epoxy resins from Taiwan. 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.⁴ Between February and March 2025, Commerce received scope case and rebuttal briefs from interested parties.⁵ After analyzing these comments, we made changes to the scope of the investigation published in the *Preliminary Determination*, as noted in Appendix I.⁶

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in November 2024, Commerce conducted verification of the subsidy information reported by the Taiwan Authorities (TA), Chang Chun Plastics Co. Ltd. (CCPC), and Nan Ya Plastics Corp. (Nan Ya) for use in our final determination. We used standard verification procedures, including

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

⁵ *See* Petitioner’s Letter, “Case Brief on Scope Issues,” dated February 28, 2025; Sherwin Williams’ Letter, “Scope Case Brief on Behalf of Sherwin-Williams,” dated February 28, 2025; PPG’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’s 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.

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

an examination of relevant accounting records and original source documents provided by CCPC, Nan Ya, and the TA.⁷

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 list of the issues raised by interested parties and addressed 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.⁸ 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, including with an adverse inference, pursuant to sections 776(a) and (b) of the Act. For a full discussion of our application of adverse facts available (AFA), *see* the Issues and Decision Memorandum at the section entitled “Uses of Facts Available and Application of Adverse Inferences.”

Changes Since the *Preliminary Determination*

Based on our review and analysis of the information at verification and comments received from interested parties, we made changes to the subsidy rate calculations for CCPC, Nan Ya, and for all other producers/exporters, including the addition of subsidy programs

⁷ *See* Memoranda, “Verification of the Questionnaire Responses of Chang Chun Plastics Co. Ltd.,” dated January 22, 2025; “Verification of the Questionnaire Responses of Nan Ya Plastics Corp.,” dated January 22, 2025; and “Verification of the Questionnaire Responses of the Taiwan Authorities,” dated January 22, 2025.

⁸ *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.

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 the two mandatory respondents, CCPC and Nan Ya. 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 zero and *de minimis* countervailable subsidy rates, and any rates determined entirely under section 776 of the Act.

In this investigation, we continue to calculate individual total net countervailable subsidy rates for CCPC and Nan Ya that are not zero, *de minimis*, or based entirely on facts otherwise available. Therefore, we continue to calculate the all-others rate using a weighted average of the individual estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged sales value for their exports to the United States of subject merchandise,⁹ in accordance with section 705(c)(5)(A)(i) of the Act.

Final Determination

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

Company	Subsidy Rate (percent <i>ad valorem</i>)
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⁹ With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. *See, e.g., Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010); *see also Forged Steel Fluid End Blocks from Italy: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination with Final Antidumping Duty Determination*, 85 FR 31460, 31461 (May 26, 2020), unchanged in *Forged Steel Fluid End Blocks from Italy: Final Affirmative Countervailing Duty Determination*, 85 FR 80022, 80023 (December 11, 2020).

Chang Chun Plastics Co. Ltd. ¹⁰	19.13
Nan Ya Plastics Corp. ¹¹	3.38
All Others	11.35

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, we instructed U.S. Customs and Border Protection (CBP) to collect cash deposits and suspend liquidation of entries of subject merchandise from Taiwan that were entered, or withdrawn from warehouse, for consumption, on or after September 13, 2024, the date of the publication of the *Preliminary Determination* in the *Federal Register*.¹² 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

¹⁰ Commerce has found the following companies to be cross-owned with CCPC: Chang Chun Petrochemical Co., Ltd.; Dairen Chemical Corporation; Jinzhou Technology Co., Ltd.; and Taiwan Prosperity Chemical Corporation.

¹¹ Commerce has found the following companies to be cross-owned with Nan Ya: Formosa Plastics Corporation; Formosa Chemicals & Fibre Corporation; and Formosa Petrochemical Corporation.

¹² See *Preliminary Determination*, 89 FR at 74897.

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 Taiwan. 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 Taiwan. In addition, we are making available to the ITC all 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 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 "Continuation of 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 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).¹³

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.

¹³ 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. Subsidies Valuation
- IV. Use of Facts Available and Adverse Inferences
- V. Analysis of Programs
- VI. Discussion of the Issues
 - Comment 1: Whether to Continue to Find the Provision of Electricity for Less than Adequate Remuneration (LTAR) and the Provision of Natural Gas for LTAR *De Facto* Specific
 - Comment 2: Whether to Revise the Benchmarks for the Provision of Electricity and Natural Gas for LTAR
 - Comment 3: Whether Commerce Must Conduct an Upstream Subsidy Analysis for Purchases of Natural Gas from Natural Gas Utility Enterprises (NGUEs)
 - Comment 4: Whether to Continue to Find Certain Tax and Grant Programs *De Facto* Specific
 - Comment 5: Whether Nan Ya's Usage of the Industrial Upgrade and Innovation Platform (IUIP) Program is Tied to Non-Subject Merchandise
 - Comment 6: Whether Nan Ya's Usage of the Smart Machinery and 5G Equipment Investment (Smart Machinery) Program is Tied to Non-Subject Merchandise
 - Comment 7: Whether to Find Nan Ya Cross-Owned With Certain Affiliates
 - Comment 8: Whether to Apply Facts Available to the Provision of Natural Gas for LTAR for Nan Ya's Cross-Owned Affiliates
 - Comment 9: Whether to Apply Adverse Facts Available (AFA) to CCPC for its Unreported Subsidy Programs
- VII. Recommendation