



DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-923]

2,4-Dichlorophenoxyacetic Acid 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 2,4-dichlorophenoxyacetic Acid (2,4-D) from India. 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: Harrison Tanchuck or George McMahon, 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) 482-7421 or (202) 482-1167, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 13, 2024, Commerce published its *Preliminary Determination* in the in the *Federal Register* and aligned this countervailing duty (CVD) investigation with the final determination in the less-than-fair-value investigation of 2,4-D from India, in accordance with in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(b)(4), Commerce aligned the final CVD determination with the final antidumping duty

determination.¹ On October 31, 2024, Commerce issued its Post-Preliminary Analysis.² For a summary of the events that occurred since the *Preliminary Determination*, see the Issues and Decision Memorandum.³ 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 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 is 2,4-D from India. For a complete description of the scope of this investigation, see Appendix I.

Scope Comments

We received no comments from interested parties on the scope of the investigation as it appeared in the *Preliminary Determination*. Therefore, we made no changes to the scope of the investigation from that published in the *Preliminary Determination* for the final determination.

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 parties, and to which we responded in the Issues and Decision Memorandum, see Appendix II.

¹ See *2,4-Dichlorophenoxyacetic Acid from India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 89 FR 74906 (September 13, 2024) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, "Post-Preliminary Analysis," dated October 31, 2024 (Post-Preliminary Analysis).

³ See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination of the Countervailing Duty Investigation of 2,4-Dichlorophenoxyacetic Acid from India," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Verification

As provided in section 782(i) of the Act, in November 2024, Commerce conducted verification of the information reported by Atul Limited (Atul), Meghmani Organics Limited (MOL), and the Government of India (GOI) for use in our final determination. We used standard verification procedures, including an examination of relevant account records and original source documents provided by Atul, MOL, and the GOI.⁴

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.⁵ 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 available, including adverse facts available (AFA), pursuant to sections 776(a) and (b) of the Act. For a full discussion of our application of AFA, *see* the section “Use of Facts Otherwise Available and Adverse Inferences” in the accompanying Issues and Decision Memorandum.

Changes Since the Preliminary Determination

Based on our review and analysis of the information reviewed during verification and analysis of comments received from interested parties, for this final determination, we made certain changes to the countervailable subsidy rate calculations for Atul, MOL, and for all other producers/exporters, including the addition of subsidy programs included in the Post-Preliminary Analysis. For a discussion of these changes, *see* the Issues and Decision Memorandum.

All-Others Rate

⁴ *See* Memoranda, “Verification of the Questionnaire Responses of the Government of India,” dated January 14, 2025; “Verification of Atul Limited Questionnaire Responses,” dated January 14, 2025; and “Verification of Meghmani Organics Limited’s Questionnaire Responses,” dated January 14, 2025.

⁵ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

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, Atul and MOL. 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 estimated countervailable subsidy rates for Atul and MOL that are not zero, *de minimis*, or based entirely on facts otherwise available. We, therefore, continue to calculate the all-others rate using a weighted average of the individual estimated subsidy rates calculated for the examined respondents (Atul and MOL) using each company's publicly-ranged sales value for their exports to the United States of subject merchandise,⁶ in accordance with section 705(c)(5)(A)(i) of the Act.

Final Determination

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

Company	Subsidy Rate (percent <i>ad valorem</i>)
Atul Limited	5.29
Meghmani Organics Limited ⁷	6.32
All Others	5.88

Disclosure

⁶ 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).

⁷ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Meghmani Organics Limited: Epigral Limited; and Matangi Industries LLP.

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).

Continuation of 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*.⁸ 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, , the final day of provisional measures, but to continue the suspension of liquidation of all entries of subject merchandise that were subject to suspension of liquidation on or before January 10, 2025.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a 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.

U.S. International Trade Commission 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

⁸ See *Preliminary Determination*, 89 FR 74906.

exporters of 2, 4-D 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 after this final determination, whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of import of 2, 4-D from India. 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 posted will be refunded. If the ITC determines that such injury does exist, Commerce will 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 "Suspension of Liquidation" section.

Administrative Protective Order

This notice will serve as the only reminder to parties subject to 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 31, 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 covered by this investigation is 2,4-dichlorophenoxyacetic acid (2,4-D) and its derivative products, including salt and ester forms of 2,4-D. 2,4-D has the Chemical Abstracts Service (CAS) registry number of 94-75-7 and the chemical formula $C_8H_6Cl_2O_3$.

Salt and ester forms of 2,4-D include 2,4-D sodium salt (CAS 2702-72-9), 2,4-D diethanolamine salt (CAS 5742-19-8), 2,4-D dimethyl amine salt (CAS 2008-39-1), 2,4-D isopropylamine salt (CAS 5742-17-6), 2,4-D tri-isopropanolamine salt (CAS 3234180-3), 2,4-D choline salt (CAS 1048373-72-3), 2,4-D butoxyethyl ester (CAS 1929-733), 2,4-D 2-ethylhexylester (CAS 1928-43-4), and 2,4-D isopropylester (CAS 94-11-1). All 2,4-D, as well as the salt and ester forms of 2,4-D, is covered by the scope irrespective of purity, particle size, or physical form.

The conversion of a 2,4-D salt or ester from 2,4-D acid, or the formulation of nonsubject merchandise with the subject 2,4-D, its salts, and its esters in the country of manufacture or in a third country does not remove the subject 2,4-D, its salts, or its esters from the scope. For any such formulations, only the 2,4-D, 2,4-D salt, and 2,4-D ester components of the mixture is covered by the scope of the investigation. Formulations of 2,4-D are products that are registered for end-use applications with the Environmental Protection Agency and contain a dispersion agent.

The country of origin of any 2,4-D derivative salt or ester is determined by the country in which the underlying 2,4-D acid is produced. 2,4-D, its salts, and its esters are classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2918.99.2010. Subject merchandise, including the abovementioned formulations, may also be classified under HTSUS subheadings 2922.12.0001, 2921.11.0000, 2921.19.6195, 2922.19.9690, 3808.93.0500, and 3808.93.1500. The HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes. The written description of the scope of the investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

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- V. Changes Since the *Preliminary Determination*
- VI. Analysis of Programs
- VII. Discussion of the Issues
 - Comment 1: Whether Epigral Limited and Matangi Industries LLP are Cross-Owned with MOL
 - Comment 2: Whether Epigral Limited and Matangi Industries LLP Supplied Inputs to MOL that are Primarily Dedicated to Production of Subject Merchandise
 - Comment 3: Whether the Duty Drawback Program is Countervailable
 - Comment 4: Whether Remission of Duties and Taxes on Export Products is Countervailable
 - Comment 5: Whether the Advance Authorization Program is Countervailable
 - Comment 6: Whether Commerce Should Exclude Invalidated Licenses Under Advance Authorization Program from its Calculation of Benefit
 - Comment 7: Whether Commerce Should Exclude Goods and Services Tax from Advance Authorization Program Benefit Calculation for MOL
 - Comment 8: Whether Benefit for Advance Authorization Program Should be Calculated for Imports Made by Atul Itself and for Import Duty Exemptions based on Standard Input Output Norms
 - Comment 9: Whether Commerce Correctly Applied Adverse Facts Available to the State of Gujarat Electricity Duty Exemption – Gujarat Electricity Duty Act of 1958 Program
 - Comment 10: Whether Commerce Should Determine that Atul Received No Benefit Under the State of Gujarat Electricity Duty Exemption – Gujarat Electricity Duty Act of 1958 Program
 - Comment 11: Whether State of Gujarat Provision of Water for Less Than Adequate Remuneration (LTAR) is Countervailable
 - Comment 12: Whether Export Promotion of Capital Goods Scheme is Countervailable
 - Comment 13: Whether Commerce Should Revise its Benefit Calculation for MOL for Export Promotion of Capital Goods Scheme
 - Comment 14: Whether Commerce Should Determine that Atul received no Benefit Under the Provision of Land for LTAR Program
 - Comment 15: Whether Commerce Should Adjust its Non-Use and Non-Measurable Benefit Determinations for MOL
 - Comment 16: Whether Commerce Should Revise its Benefit Calculated under Section 35(i)(iv) of the Income Tax Act
- VIII. Recommendation