



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-183]

Thermoformed Molded Fiber Products from the People's Republic of China: 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 thermoformed molded fiber products (molded fiber products) from the People's Republic of China (China). 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: Allison Hollander, 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) 482-2805.

SUPPLEMENTARY INFORMATION:

Background

On March 14, 2025, Commerce published the *Preliminary Determination* of this countervailing duty (CVD) investigation of molded fiber products from China, and, in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.210(b)(3), aligned this CVD investigation with the final determination in the companion

less-than-fair-value (LTFV) investigation.¹ On May 1, 2025, we issued a post-preliminary analysis memorandum regarding certain programs.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 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 merchandise covered by the scope of this investigation is molded fiber products 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.⁴ 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 from interested parties.⁵ On June 5, 2025, Commerce received

¹ See *Thermoformed Molded Fiber Products from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 90 FR 12123 (March 14, 2025) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, "Post Preliminary Analysis Memorandum for the Countervailing Duty Investigation of Thermoformed Molded Fiber Products from the People's Republic of China," dated May 1, 2025 (Post-Preliminary Analysis Memo).

³ See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination of the Countervailing Duty Investigation of Thermoformed Molded Fiber Products from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁴ See Petitioners' Letters, "Thermoformed Molded Fiber Products from the People's Republic of China and the Socialist Republic of Vietnam: Responses to Antidumping and Countervailing Duty Petition Supplemental Questionnaire," dated October 16, 2024; "Thermoformed Molded Fiber Products from the People's Republic of China and Socialist Republic of Vietnam: Responses to Second Supplemental Questionnaire," dated October 24, 2024; see also Memorandum, "Scope, Industry Support, and Vietnam AD Discussion," dated October 22, 2024.

⁵ See Memorandum, "Preliminary Scope Decision Memorandum," dated May 6, 2025 (Preliminary Scope Decision Memorandum).

scope case and rebuttal briefs from interested parties.⁶ After analyzing these comments, we made no changes to the scope of the investigation since the Preliminary Scope Decision Memorandum, as noted in Appendix I.⁷

Verification

As provided in section 782(i) of the Act, in April 2025, Commerce verified the information reported by the Guangxi Firstpak Environmental Technology Co., Ltd. (Firstpak) and Zhejiang Zhongxin Environmental Protection Technology Group Co., Ltd. (Zhejiang Zhongxin) for use in our final determination. We used standard verification procedures, including an examination of relevant accounting records and original source documents provided at verification.⁸

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 to this notice.

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.⁹ For a full description of the methodology underlying our final determination, *see* the Issues and Decision Memorandum.

⁶ *See* Petitioners’ Letter, “Letter in Lieu of Scope Case Brief,” dated June 5, 2025; Target General Merchandise, Inc.’s Letter, “Scope Case Brief on Behalf of Target General Merchandise, Inc.,” dated June 5, 2025; and Petitioners’ Letter, “Petitioners’ Scope Rebuttal Brief,” dated June 12, 2025.

⁷ *See* Memorandum, “Final Scope Decision Memorandum,” dated concurrently with this notice.

⁸ *See* Memorandum, “Verification of the Questionnaire Responses of Guangxi Firstpak Environmental Technology Co., Ltd.,” dated June 11, 2025; *see also* Memorandum, “Verification of the Questionnaire Responses of Zhejiang Zhongxin Environmental Protection Technology Group Co., Ltd.,” dated June 12, 2025.

⁹ *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.

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.”¹⁰

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 Firstpak, Zhejiang Zhongxin, 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

Section 705(c)(5)(A) of the Act provide that Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

In this investigation, Commerce preliminarily calculated individual estimated countervailable subsidy rates for Firstpak and Zhejiang that are not zero, *de minimis*, or based entirely on the facts otherwise available. Commerce calculated 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 values for the subject merchandise.¹¹

¹⁰ *See Preliminary Determination PDM* at 4-25.

¹¹ 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 values 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,*

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>)
Guangxi Firstpak Environmental Technology Co., Ltd.	7.56
Zhejiang Zhongxin Environmental Protection Technology Group Co., Ltd. ¹²	97.82
Shaoneng Group Guangdong Luzhou Paper Mould Packing Products Co., Ltd.	319.92*
All Others	62.66

*Rate is 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).

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, we instructed U.S. Customs and Border Protection (CBP) to collect cash deposits and suspend liquidation of entries of subject merchandise from China that were entered, or withdrawn from warehouse, for consumption, on or after March 14, 2025, the date of the publication of the *Preliminary Determination* in the *Federal Register*.¹³ 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 July 12, 2025,

Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part, 75 FR 53661, 53662 (September 1, 2010), and accompanying Issues and Decision Memorandum at Comment 1. As complete publicly ranged sales data were available, Commerce based the all-others rate on the publicly ranged sales data of the mandatory respondents. For a complete analysis of the data, see Memorandum, "Calculation of Subsidy Rate for All Others," dated concurrently with this notice.

¹² Commerce preliminarily finds that Zhejiang Zhongxin is cross-owned with Jinhua Zhongsheng Fiber Products Co., Ltd.; Guangxi Huabao Fiber Products Co., Ltd.; and Chongzuo Zhongxin Environmental Protection Technology Co., Ltd.

¹³ See *Preliminary Determination*, 90 FR at 12125.

but to continue the suspension of liquidation of all entries of subject merchandise on or before July 11, 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.

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 molded fiber products from China. 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 molded fiber products from China. 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 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

This notice will serve as the final 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 or 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: September 24, 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 consists of thermoformed molded fiber products regardless of shape, form, function, fiber source, or finish. Thermoformed molded fiber products are formed with cellulose fibers, thermoformed using one or more heated molds, and dried/cured in the mold.

Thermoformed molded fiber products include, but are not limited to, plates, bowls, clamshells, trays, lids, food or foodservice contact packaging, and consumer or other product packaging.

Thermoformed molded fiber products are relatively dense, with a typical fiber density above 0.5 grams per cubic centimeter, and are generally characterized by relatively smooth surfaces. They may be derived from any virgin or recycled cellulose fiber source (including, but not limited to, those sourced from wood, woody crops, agricultural crops/byproducts/residue, and agricultural/industrial/other waste). They may have any weight, shape, dimensionality, design, or size, and may be bleached, unbleached, dyed, colored, or printed. They may include ingredients, additives, or chemistries to enhance functionality including, but not limited to, anti-microbial, anti-fungal, anti-bacterial, heat/flame resistant, hydrophobic, oleophobic, absorbent, or adsorbent. Thermoformed molded fiber products may also be subject to other processing or treatments, including, but not limited to, hot or after pressing, die-cutting, punching, trimming, padding, perforating, printing, labeling, dyeing, coloring, coating, laminating, embossing, debossing, repacking, or denesting. Thermoformed molded fiber products subject to this investigation may also have additional design features, including, but not limited to, tab closures, venting, channeling, or stiffening.

Thermoformed molded fiber products remain covered by the scope of this investigation if the subject product is encased by exterior packaging. They also remain covered by the scope of this investigation whether imported alone, or in any combination of subject and non-subject merchandise (*e.g.*, a lid or cover of any type packaged with a molded fiber bowl, addition of any items to make the thermoformed molded fiber packaging suitable for end-use such as absorbent pads). When thermoformed molded fiber products are imported in combination with non-subject merchandise, only the thermoformed molded fiber products are subject merchandise.

Also excluded from the scope of this investigation are products covered by the scope of the antidumping and countervailing duty orders on paper plates from People's Republic of China, the Kingdom of Thailand, and the Socialist Republic of Vietnam.

Excluded from the scope of this investigation are thermoformed molded fiber products imported as packaging material that enclose and/or surround non-subject merchandise prepackaged for final sale upon importation into the United States (*e.g.*, molded fiber packaging surrounding a cellular phone).

Thermoformed molded fiber products include thermoformed molded fiber products matching the above description that have been finished, packaged, or otherwise processed in a third country by performing finishing, packaging, or processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the thermoformed molded fiber products. Examples of finishing, packaging, or other processing in a third country that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the thermoformed molded fiber products include, but are not limited to, hot or after pressing, die-cutting, punching, trimming,

padding, perforating, printing, labeling, dying, coloring, coating, laminating, embossing, debossing, repacking, or denesting.

Thermoformed molded fiber products are classified under subheadings 4823.70.0020 and 4823.70.0040, Harmonized Tariff Schedule of the United States (HTSUS). Imports may also be classified under subheadings 4823.61.0020, 4823.61.0040, 4823.69.0020, 4823.69.0040, 4823.90.1000, HTSUS. References to the HTSUS classification are provided for convenience and customs purposes, and the written description of the merchandise under investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Use of Facts Available and Adverse Inferences
- IV. Subsidies Valuation
- V. Analysis of Programs
- VI. Discussion of the Issues
 - Comment 1: Whether the Provision of Inputs for Less Than Adequate Remuneration (LTAR) is Specific
 - Comment 2: Whether Pulp Suppliers are Government Authorities
 - Comment 3: Whether the Provision of Electricity for LTAR is Specific
 - Comment 4: Whether to Apply Adverse Facts Available (AFA) to Zhejiang Zhongxin for Subsidy Programs Found at Verification
 - Comment 5: Whether to Revise the Benchmark Calculation for Pulp
 - Comment 6: Whether Commerce Correctly Calculated the Benefit for Land for LTAR for Zhejiang Zhongxin
 - Comment 7: Whether Commerce Should Revise the Sales Denominator in the Calculation of Land for LTAR for Firstpak
 - Comment 8: Whether Commerce Correctly Calculated the Benefit for the Provision of Electricity for LTAR for Firstpak
 - Comment 9: Whether Commerce Correctly Calculated the Benefit for Policy Loans for Firstpak
 - Comment 10: Whether Commerce Correctly Calculated the Benefit for Pulp for LTAR for Firstpak
- VII. Recommendation