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Investigation
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June 28, 2021

MEMORANDUM TO: Christian Marsh
Acting Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Determination of the
Countervailing Duty Investigation of Granular
Polytetrafluoroethylene Resin from India

I. SUMMARY

The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of granular polytetrafluoroethylene resin (granular PTFE resin), as provided in section 703 of the Tariff Act of 1930, as amended (the Act).

II. BACKGROUND

A. *Case History*

On January 27, 2021, Commerce received a countervailing duty (CVD) petition concerning imports of granular PTFE resin from India, filed in proper form on behalf of Daikin America, Inc. (the petitioner).¹ We describe the supplements to the Petition and written comments received in place of a consultation meeting in the Initiation Checklist.² On February 23, 2021, we published the initiation of a CVD investigation of granular PTFE resin from India.³

In the *Initiation Notice*, we stated that, in the event Commerce determines that the number of Indian producers/exporters of granular PTFE resin is large and it cannot individually examine each company based upon Commerce's resources, Commerce intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports of granular PTFE resin from India during the period of investigation (POI) under the appropriate Harmonized

¹ See Petition.

² See Initiation Checklist.

³ See *Initiation Notice*.

Tariff Schedule of the United States numbers.⁴ On February 12, 2021, Commerce released CBP entry data, and provided interested parties until September 19, 2021, to submit comments on the data.⁵ On March 9, 2021, Commerce selected Gujarat Fluorochemicals Limited (GFCL), the exporter/producer that accounts for the largest volume of subject merchandise during the POI, for individual examination as the mandatory respondent in this investigation.⁶

On March 9, 2021, Commerce issued its initial questionnaire to the Government of India (GOI) requesting information on programs used by GFCL.⁷ For a list of questionnaire responses and comments submitted by interested parties, *see* Appendix.

B. Issues for Post-Preliminary Analysis

On May 24, 2021, GFCL reported that its affiliate, Inox Wind Limited (IWL), received benefits from additional programs, including the following: (1) State Industrial Development's (SIDC's) Provision of Land for Less Than Adequate Remuneration (LTAR), (2) State Government of Madhya Pradesh (SGOMP) Exemption from Electricity Duty, and (3) Value-Added Tax (VAT) and Central Services Tax (CST) Exemption in State of Madhya Pradesh (MP) and Himachal Pradesh (HP).⁸ Commerce issued supplemental questionnaires to GFCL regarding these programs.⁹ We also issued a supplemental questionnaire to the GOI to collect more information on how these programs are administered.¹⁰ Furthermore, Commerce also requested from the GOI additional information on the Merchandise Export from India Scheme (MEIS) program, which GFCL claims is tied to non-subject merchandise.¹¹ Due to time constraints, we were unable to consider the responses to these supplemental questionnaires for the preliminary determination; however, we will do so in a post-preliminary analysis and the final determination.

C. Postponement of Preliminary Determination

On March 9, 2021, the petitioner requested that Commerce postpone the deadline for the preliminary determination.¹² Commerce granted the petitioner's request and, on March 19, 2021, published the notification of postponement of the preliminary determination, until June 28, 2021,

⁴ *See Initiation Notice* at 10933.

⁵ *See* Commerce's Letter, "Release of Customs Data from U.S. Customs and Border Protection," dated February 12, 2021.

⁶ *See* Memorandum, "Countervailing Duty Investigation of Granular Polytetrafluoroethylene Resin from India: Respondent Selection," dated March 9, 2021.

⁷ *See* Initial Questionnaire.

⁸ *See* IWL IQR Part 1 at 17-31.

⁹ *See* Commerce's Letters, "Countervailing Duty Investigation of Granular Polytetrafluoroethylene (PTFE) Resin from India: Second Supplemental Questionnaire for Gujarat Fluorochemicals {sic} Limited and Inox Wind Limited," dated June 3, 2021; and "Countervailing Duty Investigation of Granular Polytetrafluoroethylene (PTFE) Resin from India: Third Supplemental Questionnaire for Gujarat Fluorochemicals {sic} Limited and Inox Wind Limited," dated June 4, 2021.

¹⁰ *See* Second GOI Supplemental Questionnaire.

¹¹ *Id.* at 4-6.

¹² *See* Petitioner's Letter, "Granular Polytetrafluoroethylene (PTFE) Resin from India and Russia: Request to Extend Preliminary Determinations," dated March 9, 2021.

in the *Federal Register*, in accordance with section 703(c)(1)(A) of the Act and 19 CFR 351.205(b)(2).¹³

D. Period of Investigation

The POI was originally defined as January 1, 2020, through December 31, 2020. We received comments from GFCL requesting that Commerce alter the POI to correspond with the most recently completed Indian fiscal year, April 1, 2019, through March 31, 2020, rather than the calendar year.¹⁴ No other parties submitted comments regarding the POI. We found that this request is consistent with 19 CFR 351.204(b)(2), and consequently changed the POI to April 1, 2019, through March 31, 2020, reflecting the most recently completed Indian fiscal year.¹⁵

III. INJURY TEST

Because India is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Act, the U.S. International Trade Commission (ITC) is required to determine whether imports of the subject merchandise from India materially injure, or threaten material injury to, a U.S. industry. On March 15, 2021, the ITC preliminarily determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of granular PTFE resin from India.¹⁶

IV. PRELIMINARY DETERMINATION OF CRITICAL CIRCUMSTANCES

The petitioner submitted information alleging that, pursuant to section 703(e)(1) of the Act, and 19 CFR 351.206(c)(1), critical circumstances exist with respect to imports of subject merchandise from India.¹⁷ The petitioner subsequently supplemented its allegation with additional U.S. import data.¹⁸ On June 9, 2021, Commerce requested from GFCL monthly shipment data of subject merchandise to the United States for the period November 2020 through April 2021.¹⁹ GFCL timely provided the requested information.²⁰ In accordance with 19 CFR 351.206(c)(2)(i), because the petitioner submitted a critical circumstances allegation more than 20 days before the scheduled date of the preliminary determination, Commerce must issue a preliminary critical circumstances determination not later than the date of the preliminary

¹³ See *Granular Polytetrafluoroethylene Resin from India and the Russian Federation: Postponement of Preliminary Determinations in the Countervailing Duty Investigations*, 86 FR 14871 (March 19, 2021).

¹⁴ See GFCL’s Letter, “Granular Polytetrafluoroethylene Resin from India; Gujarat Fluorochemicals {sic} Limited’s

Request to Change the Period of Investigation,” dated March 11, 2021.

¹⁵ See POI Revision Memo.

¹⁶ See *Granular Polytetrafluoroethylene Resin from India and Russia Investigation Nos. 701-TA-663-664 and 731-TA-1555-1556 (Preliminary)*, March 2021 (ITC Publication 5017); see also *Granular Polytetrafluoroethylene Resin from India and Russia; Determinations*, 86 FR 14957 (March 19, 2021).

¹⁷ See Critical Circumstances Allegation.

¹⁸ See Critical Circumstances Addendum at 2.

¹⁹ See Commerce’s Letter, “Request for Monthly Quantity and Value Shipment Data,” dated June 9, 2021.

²⁰ See GFCL’s Q&V.

determination.²¹

Section 703(e)(1) of the Act provides that Commerce will determine that critical circumstances exist in CVD investigations if there is a reasonable basis to believe or suspect: (A) that “the alleged countervailable subsidy” is inconsistent with the Agreement on Subsidies and Countervailing Measures (SCM Agreement) of the World Trade Organization, and (B) that “there have been massive imports of the subject merchandise over a relatively short period.”

In determining whether there are “massive imports” over a “relatively short period,” pursuant to section 703(e)(1)(B) of the Act, Commerce normally compares the import volumes of the subject merchandise for at least three months immediately preceding the filing of the petition (*i.e.*, the “base period”) to a comparable period of at least three months following the same date (*i.e.*, the “comparison period”). Commerce’s regulations provide that, generally, imports must increase by at least 15 percent during the “comparison period” to be considered “massive.”²² Additionally, Commerce’s regulations state that, in determining whether imports of the subject merchandise have been massive under section 735(a)(3)(B) of the Act, the Secretary normally will examine: (i) the volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports.²³

GFCL

As discussed in the “Analysis of Programs” section below, Commerce has preliminarily determined that GFCL has received countervailable benefits under several programs that are prohibited subsidies under the SCM Agreement, specifically: Export Promotion of Capital Goods Scheme (EPCGS), Advance Authorization Program (AAP), Duty Drawback (DDB) Program and Status Holders Incentive Scrip (SHIS). Therefore, we preliminarily determine that there is a reasonable basis to believe or suspect that certain programs in this investigation are inconsistent with the SCM Agreement. In determining whether there were massive imports from GFCL, we analyzed its respective monthly shipment data for the period of November 2020 through January 2021, compared to February 2021 through April 2021.²⁴ Additionally, in GFCL’s Q&V, the respondent argued that Commerce should consider the impact of seasonal trends and the COVID-19 pandemic on imports of subject merchandise from India. However, we preliminarily find that the information submitted by GFCL fails to demonstrate why granular PTFE resin is a product for which the demand varies seasonally and, furthermore, GFCL provided no data for the comparison and base periods beyond one additional year prior to the POI with which Commerce could adequately determine seasonal impacts on demand or the impact COVID-19 had on imports of subject merchandise. In short, GFCL failed to provide sufficient data or evidence to support its seasonality claim. Accordingly, for purposes of our “massive import” determination, Commerce based its analysis of GFCL’s data without taking the purported seasonal trends into account. We preliminarily find that GFCL’s shipments did

²¹ See, e.g., *Policy Bulletin 98/4 Regarding Timing of Issuance of Critical Circumstances Determinations*, 63 FR 55364 (October 15, 1998).

²² See 19 CFR 351.206(h)-(i).

²³ See 19 CFR 351.206(h)(1).

²⁴ See Critical Circumstances Memorandum.

increase by more than 15 percent over a “relatively short period.”²⁵ Therefore, we preliminarily determine that the requirements of section 703(e)(1)(B) of the Act have been satisfied, and that critical circumstances exist for GFCL.

All-Other Exporters of Producers

With regard to whether imports of subject merchandise by “all other” exporters or producers of subject merchandise from India were massive, we preliminarily determine that because there is evidence of the existence of countervailable subsidies that are inconsistent with the SCM Agreement (*i.e.*, EPCGS, AAP, DDB and SHIS), an analysis is warranted as to whether there was a massive increase in shipments by the “all other” companies, in accordance with section 703(e)(1)(B) of the Act and 19 CFR 351.206(h). Therefore, we analyzed, in accordance with 19 CFR 351.206(i), monthly shipment data for the period November 2020 through January 2021 (*i.e.*, base period), compared to February 2021, through April 2021 (*i.e.*, comparison period), using shipment data from the Global Trade Atlas (GTA).²⁶ Per our practice, we subtracted the shipment data reported by GFCL from the GTA import data. Based upon our analysis of the resulting data for the “all other” exporters or producers, without taking such seasonal trends into account, we preliminarily find that the data indicate an increase in shipments between the base and comparison period of greater than 15 percent.²⁷ Accordingly, Commerce preliminarily finds that critical circumstances exist with regard to imports of subject merchandise by “all other” exporters or producers of subject merchandise from India. This is consistent with Commerce’s past practice and with section 777A(e) of the Act.²⁸

As a result of an affirmative preliminary determination of critical circumstances with regard to GFCL and all other exporters or producers of granular PTFE resin from India, in accordance with section 703(e)(2)(A) of the Act, we are directing CBP to suspend liquidation of any unliquidated entries of the subject merchandise from India entered, or withdrawn from warehouse for consumption, 90 days prior to the date of publication of the preliminary determination in the *Federal Register*.

V. DIVERSIFICATION OF INDIA’S ECONOMY

On April 2, 2021, we placed the following excerpt from the India Statistical Yearbook from the Government of India’s Ministry of Statistics and Program Implementation (MSPI) on the record of this investigation: Table 17.1(A) – Companies at Work by Industrial Activity (Number and Paid-Up Capital).²⁹ This information reflects a wide diversification of economic activities in India. The MSPI data show a total of 1,082,029 establishments operating in the primary (agricultural), secondary (manufacturing) and tertiary (services) sectors of the Indian economy that span ten industry groupings with no extreme concentration apparent in any one grouping, indicating the diversification of India’s economy.

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.*

²⁸ See, *e.g.*, CWP from China Issues and Decision Memorandum (IDM) at Comment 10-11; see also *Solar Cells from China Final IDM* at 10.

²⁹ See Memorandum, “Placing Information on the Record,” dated April 2, 2021 at Attachment.

VI. SUBSIDIES VALUATION

A. *Allocation Period*

Commerce normally allocates the benefits from non-recurring subsidies over the average useful life (AUL) of renewable physical assets used in the production of subject merchandise.

Commerce finds the AUL in this proceeding to be 9.5 years, pursuant to 19 CFR 351.524(d)(2) and the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System.³⁰

We note that, consistent with past practice,³¹ in order to measure appropriately any allocated subsidies, Commerce has requested and used a ten-year AUL in this investigation.³² No party in this proceeding has disputed the allocation period. Thus, the AUL period for this investigation is April 1, 2010, through March 31, 2020.

Furthermore, for non-recurring subsidies, we have applied the "0.5 percent test," as described in 19 CFR 351.524(b)(2). Under this test, we divide the amount of subsidies approved under a given program in a particular year by the relevant sales value (*e.g.*, total sales or export sales) for the same year. If the amount of the subsidies is less than 0.5 percent of the relevant sales value, then the benefits are allocated to the year of receipt, rather than across the AUL.

B. *Attribution of Subsidies*

According to 19 CFR 351.525(b)(6)(vi), "cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets." This standard will normally "be met where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations."³³ The preamble to Commerce's regulations further clarifies Commerce's cross-ownership standard. According to the *CVD Preamble*, relationships captured by the cross-ownership definition include those where:

{T}he interests of two corporations have merged to such a degree that one corporation can use or direct the individual assets (or subsidy benefits) of the other corporation in essentially the same way it can use its own assets (or subsidy benefits) . . . Cross-ownership does not require one corporation to own 100 percent of the other corporation. Normally, cross-ownership will exist where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. In certain circumstances, a large minority voting interest (for example, 40 percent) or a "golden share" may also result in cross-ownership.³⁴

³⁰ See U.S. Internal Revenue Service Publication 946 (201), "How to Depreciate Property," at Table B-2: Table of Class Lives and Recovery Periods.

³¹ See, *e.g.*, *Final Results of Countervailing Duty Administrative Reviews: Low Enriched Uranium from Germany, the Netherlands, and the United Kingdom*, 70 FR 40000 (July 12, 2005), and accompanying IDM at Comment 4; see also *Certain PET Resin from India Final Determination*, and accompanying IDM at 4.

³² See POI Revision Memo.

³³ See, *e.g.*, *CVD Preamble*.

³⁴ See *CVD Preamble*.

Thus, Commerce's regulations make clear that the agency must look at the facts presented in each case to determine whether cross-ownership exists. The U.S. Court of International Trade upheld Commerce's authority to attribute subsidies based on whether a company could use or direct the subsidy benefits of another company in essentially the same way it could use its own subsidy benefits.³⁵

In accordance with 19 CFR 351.525(b)(6)(i), Commerce normally attributes a subsidy to the products produced by the company that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(v) provides additional rules for the attribution of subsidies received by respondents with cross-owned affiliates. Subsidies to the following types of cross-owned affiliates are covered in these additional attribution rules: (ii) producers of the subject merchandise; (iii) holding companies or parent companies; (iv) producers of an input that is primarily dedicated to the production of the downstream product; or (v) an affiliate producing non-subject merchandise that otherwise transfers a subsidy to a respondent. Further, 19 CFR 351.525(c) provides that benefits from subsidies provided to a trading company which exports subject merchandise shall be cumulated with benefits from subsidies provided to the firm producing the subject merchandise that is sold through the trading company, regardless of affiliation.

GFCL

GFCL responded to Commerce's questionnaire on behalf of itself and its holding company Inox Leasing and Finance Limited (ILFL), and also provided information regarding certain subsidiaries for Commerce's consideration.³⁶ GFCL reported that among the companies in its corporate group, it is the sole producer of the subject merchandise.³⁷ Accordingly, we preliminarily will attribute GFCL's subsidies to the products produced by GFCL, consistent with 19 CFR 351.525(b)(6)(i). We also preliminarily find that no attribution under 19 CFR 351.525(b)(6)(ii) is applicable, as GFCL is the sole producer of subject merchandise.³⁸

GFCL reported that ILFL holds a 52.58 percent stake in GFCL; therefore, we preliminarily determine that ILFL is GFCL's cross-owned parent company within the meaning of 19 CFR 351.525(b)(6)(vi).³⁹ Further, GFCL reported that ILFL did not manufacture or export subject merchandise, nor did it receive any subsidies over the AUL.⁴⁰ Consequently, we preliminarily find no subsidy benefits with regard to ILFL are attributable pursuant to the parent company attribution rule under 19 CFR 351.525(b)(6)(iii).

GFCL identified certain subsidiaries that GFCL reports are not involved in the production or sale of subject merchandise, but that supply GFCL with certain materials or services. Regarding input suppliers, the *CVD Preamble* explains that "{t}he main concern we have tried to address is

³⁵ See *Fabrique de Fer de Charleroi, SA v. United States*, 166 F. Supp. 2d 593, 600 (Ct. Int'l Trade 2001).

³⁶ See GFCL IQR; see also ILFL IQR.

³⁷ See GFCL AQR at 5 and Exhibit 1.

³⁸ *Id.*

³⁹ See GFCL AQR at 3 and Exhibit 10.

⁴⁰ *Id.* at 6.

the situation where a subsidy is provided to an input supplier whose production is dedicated almost exclusively to the production of a higher value added product – the type of input product that is merely a link in the overall production chain.”⁴¹

GFCL noted that it purchased two windmills from, and electricity generated by, its affiliate, Inox Wind Limited (IWL); operation and maintenance services from Inox Wind Infrastructure Services Limited (IWISL); and small amounts of materials from Inox Air Products Pvt Ltd (IAPP).⁴² Record evidence shows that the entirety of the energy generated by IWL is sold to GFCL.⁴³ In *Icadas. v. United States*, the Court of International Trade (CIT) stated, the following:

“While the final quantity may be low, the regulations do not obligate Commerce to measure the impact of an input supplier’s contributions when weighing whether to attribute its subsidies to the downstream product. Rather, in light of the CVD Preamble, {the regulation} looks only at the purpose of the subsidy at the time of bestowal. Therefore, the quantity of the scrap provided by the {affiliate} while low, is not sufficient to persuade the court that Commerce acted without substantial evidence or contrary to law.”⁴⁴

The CIT’s decision on this matter establishes that Commerce’s primary concern is whether the purpose of the cross-owned affiliate providing the input to the producer/exporter of subject merchandise is to produce downstream product. In this instance, all of IWL’s wind power is supplied to GFCL through a common energy pool, specifically for GFCL’s use.⁴⁵ Furthermore, GFCL reported that it paid IWL to generate a certain amount of wind power.⁴⁶ Thus, we preliminarily determine that the electricity input from IWL is primarily dedicated to the production of downstream products produced by GFCL. Accordingly, we will attribute subsidies received by IWL to the combined sales of the input and downstream products produced by IWL and GFCL, in accordance with 19 CFR 351.525(b)(6)(iv).

With regard to the provisions of services and materials from IWISL and IAPP, we preliminarily determine that these are not primarily dedicated to the production of downstream products but are instead related to general administration and maintenance.⁴⁷ Therefore, we preliminarily find that the attribution rule under 19 CFR 351.525(b)(6)(iv) does not apply with regard to IWISL and IAPP.⁴⁸

⁴¹ See *CVD Preamble*, 63 FR at 65401.

⁴² See GFCL AQR at 7-12 and Exhibits 4(a), 4(b), 5(a) and 6(b). The specific materials that IAPP provides to GFCL is proprietary information.

⁴³ *Id.*; see also GFCL SAQR at 5-6 and Exhibits S-4a and S-5b.

⁴⁴ See *Icadas v. United States*.

⁴⁵ See IWL IQR Part 1 at 4-7.

⁴⁶ *Id.* at 5; see also GFCL ASQR at Exhibit S-6.

⁴⁷ See 19 CFR 351.525(b)(6)(iv).

⁴⁸ While Commerce finds that IWL is a cross-owned affiliate of GFCL as part of this preliminary determination, as noted above, it is still currently collecting information regarding programs used by IWL.

C. *Denominators*

In accordance with 19 CFR 351.525(b)(1)-(5), Commerce considers the basis for a respondent's receipt of benefits under each program when attributing subsidies, *e.g.*, to the respondent's export or total sales. We have identified the denominator we used to calculate the countervailable subsidy rate for each program, as discussed below and in the calculation memorandum prepared for this preliminary determination.⁴⁹

VII. BENCHMARKS AND INTEREST RATES

Commerce is investigating non-recurring, allocable subsidies and input subsidies received by GFCL.⁵⁰ The derivation of the benchmark and discount rates used to value these subsidies is discussed below.

A. *Long-Term Indian Rupee (INR)-Denominated Loans*

Section 771(5)(E)(ii) of the Act provides that the benefit for loans is the “difference between the amount the recipient of the loan pays on the loan and the amount the recipient would pay on a comparable commercial loan that the recipient could actually obtain on the market,” indicating that a benchmark must be a market-based rate. In addition, 19 CFR 351.505(a)(3)(i) stipulates that, when selecting a comparable commercial loan that the recipient “could actually obtain on the market,” Commerce will normally rely on actual loans obtained by the firm. However, when there are no comparable commercial loans during the period, Commerce “may use a national average interest rate for comparable commercial loans,” pursuant to 19 CFR 351.505(a)(3)(ii). In addition, 19 CFR 351.505(a)(2)(ii) states that Commerce will not consider a loan provided by a government-owned special-purpose bank for purposes of calculating benchmark rates.⁵¹ In the absence of reported long-term loan interest rates, we use the interest rates discussed below as discount rates for purposes of allocating non-recurring benefits over time pursuant to 19 CFR 351.524(d)(3)(i)(B).

GFCL reported INR-denominated long-term loans that it received from commercial lenders.⁵² Where applicable, we relied on the interest rate that the company paid on its INR-denominated long-term borrowing as benchmark interest rates. For years in which a company-specific rate was not available, in accordance with 19 CFR 351.505(a)(3)(ii), we used national average interest rates from the International Monetary Fund's International Financial Statistics as benchmark rates for INR-denominated long-term loans.

B. *Interest Rate Benchmarks*

Consistent with 19 CFR 351.524(d)(3)(i)(A), we have used the discount rates described above for the year in which the government agreed to provide the subsidy, for allocating the benefit from non-recurring grants received by GFCL. The interest-rate benchmarks used in our

⁴⁹ See Preliminary Calculation Memorandum.

⁵⁰ See 19 CFR 351.524(b)(1).

⁵¹ See, *e.g.*, *Shrimp from India Final Determination* IDM at “Benchmark and Discount Rates” section.

⁵² See GFCL IQR at 28-31 and Exhibit 10(v); see also GFCL SQR3 at Exhibit S3-1.

preliminary calculations are provided in the Preliminary Calculation Memorandum.

C. *Land Benchmark*

We selected benchmarks for determining the benefit from the provision of land for LTAR in accordance with 19 CFR 351.511. Section 351.511(a)(2) sets forth the basis for identifying comparative benchmarks for determining whether a government good or service is provided for LTAR. These potential benchmarks are listed in hierarchical order by preference: (1) market prices from actual transactions within the country under investigation (*e.g.*, actual transactions between private parties, actual imports, or actual sales from competitively run government auctions) (tier one); (2) world market prices that would be available to purchasers in the country under investigation (tier two); or (3) an assessment of whether the government price is consistent with market principles (tier three).

Regarding land purchases from the Gujarat Development Industrial Corporation (GIDC), both the petitioner and GFCL submitted tier-one benchmark information. In its questionnaire response, GFCL reported two land purchases from private parties in Ranjitnagar and Mahidad, as well as land purchased from the GIDC by another entity.⁵³ Because the land purchased from the GIDC is not a private transaction, we have not included it in the benchmark. While the Ranjitnagar and Mahidad land transactions did involve private sellers, upon examination of the deeds and purchase documents, we found that these land parcels were not comparable to the industry-ready land that the GIDC provides.⁵⁴ Therefore, we also have excluded these transactions from the benchmark. In its benchmark submission, the petitioner provided information on a private auction of industrial land in Ahmedabad, Gujarat.⁵⁵

Both GFCL and the petitioner provided market value rates for land determined by the Stamp Duty Valuation Organization (SDVO) and the Superintendent of Stamps and Valuation Department (SSVD) in Gujarat, both of which are government organizations.⁵⁶ GFCL further noted that “valuation of land to determine collection of revenue is carried out by state governments.”⁵⁷ However, these land value rates were not generated by an independent third party and are not transaction-specific. Furthermore, the land rates determined by the SDVO and the SSVD are not actual transactions but, rather a price valuation of the land based on zoning, building structures, purpose for the land, and any amenities. As a result, for this preliminary determination, we find that we cannot rely on these rates to determine whether land was provided for LTAR. This determination is consistent with our practice.⁵⁸

As noted above, it is Commerce’s preference to use a transaction-specific, or tier one, benchmark derived from the country under investigation. Therefore, based upon the record evidence, we preliminarily determine that the private land transaction in Ahmedabad, Gujarat, represents the

⁵³ See GFCL IQR at 79 and at Exhibits 16(f) and 16(g).

⁵⁴ *Id.* at Exhibit 16(g); see also GFCL SQR2 at Exhibits S2-5(b) and (e).

⁵⁵ See Petitioner’s Benchmark Submission at Exhibit 6.

⁵⁶ See Petitioner’s Benchmark Submission at Exhibit 6; see also GFCL’s Benchmark Submission at Exhibits 1 and 2.

⁵⁷ See GFCL’s Benchmark Submission at 2.

⁵⁸ See *PTFE Resin from India Preliminary Determination* Preliminary Decision Memorandum (PDM) at 20-21, unchanged in *PTFE Resin from India Final Determination*, 83 FR 23422 (May 21, 2018).

best comparable land value on the record to use as a benchmark. This transaction has a rate for industry-ready land obtained within India (*i.e.*, in the state of Gujarat) and is, therefore, comparable, geographically proximate, and privately purchased.

VIII. USE OF FACTS OTHERWISE AVAILABLE AND ADVERSE INFERENCES

A. Legal Standard

Sections 776(a)(1) and (2) of the Act provide that Commerce shall, subject to section 782(d) of the Act, apply “facts otherwise available” if necessary information is not on the record or an interested party or any other person withholds information that has been requested; fails to provide information within the established deadlines or in the form and manner requested by Commerce, subject to subsections (c)(1) and (e) of section 782 of the Act; significantly impedes a proceeding; or provides information that cannot be verified, as provided by section 782(i) of the Act.

Section 776(b) of the Act further provides that Commerce may use an adverse inference in selecting from among the facts otherwise available when a party fails to cooperate by not acting to the best of its ability to comply with a request for information. Further, section 776(b)(2) of the Act states that an adverse inference may include reliance on information derived from the petition, the final determination from the investigation, a previous administrative review, or other information placed on the record. When selecting an adverse facts available (AFA) rate from among the possible sources of information, Commerce’s practice is to ensure that the rate is sufficiently adverse “as to effectuate the statutory purposes of the AFA rule to induce respondents to provide Commerce with complete and accurate information in a timely manner.”⁵⁹ Commerce’s practice also ensures “that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.”⁶⁰ At the same time, section 776(b)(1)(B) of the Act states that Commerce is not required to determine, or make any adjustments to, a countervailable subsidy rate based on any assumptions about information the interested party would have provided if the interested party had complied with the request for information.

In *Nippon Steel*, the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) held that, while the statute does not provide an express definition of the “failure to act to the best of its ability” standard, the ordinary meaning of “best” is “one’s maximum effort.”⁶¹ Thus, according to the Federal Circuit, the statutory mandate that a respondent act to the “best of its ability” requires the respondent to do the maximum it is able to do. The Federal Circuit indicated that inadequate responses to an agency’s inquiries would suffice to find that a respondent did not act to the best of its ability. While the Federal Circuit noted that the “best of its ability” standard does not require perfection, it does not condone inattentiveness, carelessness, or inadequate

⁵⁹ See, e.g., *Drill Pipe from the People’s Republic of China: Final Affirmative Countervailing Duty Determination, Final Affirmative Critical Circumstances Determination*, 76 FR 1971 (January 11, 2011); see also *Notice of Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors from Taiwan*, 63 FR 8909, 8932 (February 23, 1998).

⁶⁰ See Statement of Administrative Action accompanying the Uruguay Round Agreements Act (SAA), H.R. Doc. 103-316, vol 1 (1994) at 870.

⁶¹ See *Nippon Steel*.

record keeping.⁶² The “best of its ability” standard recognizes that mistakes sometimes occur; however, it requires a respondent to, among other things, “have familiarity with all of the records it maintains,” and “conduct prompt, careful, and comprehensive investigations of all relevant records that refer or relate to the imports in question to the full extent of” its ability to do so.⁶³ Further, affirmative evidence of bad faith on the part of a respondent is not required before Commerce may make an adverse inference.⁶⁴

Section 776(c) of the Act provides that, when Commerce relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is “information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise.”⁶⁵ It is Commerce’s practice to consider information to be corroborated if it has probative value.⁶⁶ In analyzing whether information has probative value, it is Commerce’s practice to examine the reliability and relevance of the information to be used.⁶⁷ However, the SAA emphasizes that Commerce need not prove that the selected facts available are the best alternative information.⁶⁸ Furthermore, Commerce is not required to corroborate any countervailing subsidy rate applied in a separate segment of the same proceeding.⁶⁹

Under section 776(d) of the Act, Commerce may use any countervailable subsidy rate applied for the same or similar program in a CVD proceeding involving the same country, or, if there is no same or similar program, use a CVD rate for a subsidy program from a proceeding that Commerce considers reasonable to use, including the highest of such rates. Additionally, when selecting an AFA rate, Commerce is not required for purposes of section 776(c) of the Act, or any other purpose, to estimate what the countervailable subsidy rate would have been if the interested party had cooperated or to demonstrate that the countervailable subsidy rate reflects an “alleged commercial reality” of the interested party.⁷⁰ For purposes of this preliminary determination, we are applying facts available for the circumstances outlined below.

B. Application of Facts Available: Duty Rates for EPCGS

In our initial questionnaire, Commerce requested that the GOI provide information on the applicable duty rates for this program.⁷¹ Specifically, in the Tax Program Appendix, we asked the GOI to provide the tax rate that was paid under the program and the duty rate that would

⁶² *Id.*, 337 F.3d at 1382.

⁶³ *Id.*

⁶⁴ *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Circular Seamless Stainless Steel Hollow Products from Japan*, 65 FR 42985 (July 12, 2000); *Antidumping Duties; Countervailing Duties: Final Rule*, 62 FR 27296, 27340 (May 19, 1997); and *Nippon Steel*, 337 F.3d at 1382-83.

⁶⁵ *See, e.g., SAA* at 870.

⁶⁶ *Id.* at 870.

⁶⁷ *Id.* at 869.

⁶⁸ *Id.* at 869-870.

⁶⁹ *See* section 776(c)(2) of the Act.

⁷⁰ *See* section 776(d)(3) of the Act.

⁷¹ *See* Initial Questionnaire, Section II, at Tax Program Appendix.

have applied in the absence of the program.⁷² In its initial questionnaire response, the GOI simply responded that the question was “{n}ot applicable.”⁷³ In a supplemental questionnaire, Commerce once again requested that the GOI provide this information.⁷⁴ In a second response, the GOI once again replied that the question was “{n}ot applicable.”⁷⁵

Because the basis of the benefit calculation for this program is the amount of duties waived, *i.e.*, the calculated duties payable, less the duties actually paid at the time of import, net of required application fees, in accordance with section 771(6) of the Act, it is important for us to know what the duties payable are. The GOI failed to provide this necessary information in response to questions regarding the calculation of the benefit. Given that the necessary information has been withheld by the GOI, Commerce’s ability to investigate those programs is significantly impeded.

On this basis, we preliminarily determine that the necessary duty rate information is not available on the record and that the GOI did not provide information that was requested of it. Further, the fact that the GOI did not cooperate to the best of its ability significantly impeded the investigation. Thus, Commerce must rely on “facts available” in making our preliminary determination, in accordance with sections 776(a)(1), 776(a)(2)(A) and (C) of the Act. In its responses, GFCL reported the applicable duty rates and provided supporting documentation.⁷⁶ Therefore, we are preliminarily relying on the respondent’s reported information to calculate the benefit, within the meaning of section 771(5)(E) of the Act. However, as the information at issue is the government’s responsibility to provide, we intend to follow up with the GOI after the preliminary determination to obtain the requisite information, and may revisit our benefit calculation for this program in the final determination if the GOI fails to provide it.

C. Application of Facts Available and Adverse Inference: Benefit for GIDC’s Preferential Water Rates

In our initial questionnaire, we requested that the GOI respond to both the Standard Questions Appendix and the Provision of Goods/Services Appendix.⁷⁷ While the GOI responded to certain questions in the Standard Questions Appendix and provided a copy of the GIDC Water Supply Regulation 1991, it did not respond to the Provision of Goods/Services Appendix.⁷⁸ In response to our supplemental questionnaire, the GOI again refused to respond to this appendix and stated: “Not Applicable, hence not answered.”⁷⁹

The Provision of Goods/Services Appendix requests information pertaining to the market and pricing structure of the country’s water supply including the following: the quantity and value of the good/service provided to the respondent during the POI and the price charged by the government; copies of any price lists or rate sheets applicable to the good/service being

⁷² *Id.*

⁷³ See GOI IQR at 32.

⁷⁴ See Commerce’s Letter, “Countervailing Duty Investigation of Granular Polytetrafluoroethylene (PTFE) Resin from India: Initial Questionnaire Response Supplemental Questionnaire,” dated May 4, 2021, at 6.

⁷⁵ See GOI SQR1 at 24.

⁷⁶ See GFCL IQR at 18-23 and Exhibits 10(h) to 10(s).

⁷⁷ See Initial Questionnaire, Section II, at II-14.

⁷⁸ See GOI IQR at 151-154.

⁷⁹ See GOI SQR1 at 39.

provided; the number of producers and distributors of the good/service and the nature of their relationship to the government, including government ownership, control, and regulation; the percentage of total domestic consumption of the good/service that is provided by the government; the percentage of consumption of the good/service by the industry producing the subject merchandise that is provided by the government; and the overall pricing policy of the government provider and a comparison with the pricing policy of commercial suppliers.⁸⁰ Full responses to these questions allow us to determine whether a market is distorted, whether the government implements market-oriented pricing policies when supplying the relevant good or service, and what potential tier-one benchmarks are available.

Therefore, as noted above, the GOI failed to provide necessary information specifically requested by Commerce and thus significantly impeded Commerce's ability to investigate the program. Consequently, we preliminarily determine that necessary information is not available on the record and that Commerce must rely on "facts available" in making our preliminary determination, in accordance with sections 776(a)(1), 776(a)(2)(A) and (C) of the Act.

Moreover, we preliminarily determine that the GOI failed to cooperate by not acting to the best of its ability to comply with our request for information. Consequently, an adverse inference is warranted in the application of facts available, pursuant to section 776(b) of the Act. In applying AFA, we preliminarily determine that the water market in India is distorted and thus we cannot use tier-one benchmark information (*i.e.*, market prices from actual transactions within India) in order to calculate a benefit for this program, consistent with our past practice.⁸¹ We also preliminarily find that tier-two world market prices are neither available on the record nor appropriate for the type of input being provided. Moreover, in applying AFA for the GOI's failure to respond to the Provision of Goods/Services Appendix, we also preliminarily determine that the government price for the water is not consistent with market principles within the meaning of 19 CFR 351.511(a)(2)(iii) and, moreover, that the GOI has precluded the ability of Commerce to determine a tier-three benchmark.

Given the lack of appropriate benchmarks, Commerce relies on secondary information to assess a benefit for this program. Under section 776(d) of the Act, Commerce may use, as AFA, a countervailable subsidy rate applied for the same or similar program in a CVD proceeding involving the same country, or, if there is no same or similar program, a CVD rate for a subsidy program from a proceeding that the administering authority considers reasonable to use, including the highest of such rates. Additionally, when selecting an AFA rate, Commerce is not required for purposes of section 776(c) of the Act, or any other purpose, to estimate what the countervailable subsidy rate would have been if the non-cooperating interested party had cooperated or to demonstrate that the countervailable subsidy rate reflects an "alleged commercial reality" of the interested party.⁸²

⁸⁰ See Initial Questionnaire, Section II, at Provision of Goods/Services Appendix.

⁸¹ See, *e.g.*, *Laminated Woven Sacks from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination; Preliminary Affirmative Determination of Critical Circumstances, In Part; and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 72 FR 67893, 67906-08 (December 3, 2007), unchanged in *Sacks from China*.

⁸² See section 776(d)(3) of the Act.

Consistent with section 776(d) of the Act and our established practice, we selected the highest calculated rate for the same or similar program as AFA.⁸³ For this program we are using an AFA rate of 0.60 percent *ad valorem*, the highest rate determined for a similar program in the *PTFE Resin* proceeding, as the rate for the respondents.⁸⁴

D. Application of Facts Available and Adverse Inference: Specificity for State Government of Gujarat (SGOG) Exemption from Electricity Duty

In our initial questionnaire, we requested that the GOI provide information that would allow us to determine *de facto* specificity.⁸⁵ Specifically, in the Standard Questions Appendix, we requested the following information: the amount of assistance approved for each mandatory respondent company, including all cross-owned companies and trading companies that sell the subject merchandise to the United States; the total amount of assistance approved for all companies under the program.; the total number of companies that were approved for assistance under this program; the total amount of assistance approved for the industry in which the mandatory respondent companies operate, as well as the totals for every other industry in which companies were approved for assistance under this program; the relevant classification guidelines, and a list of industrial classifications; the industry in which the companies under investigation are classified; and the total number of companies that applied for, but were denied, assistance under this program.⁸⁶

In its initial questionnaire response, the GOI refused to provide this information, stating that the question was “not applicable.”⁸⁷ In a supplemental questionnaire response, the GOI again did not provide the requested information.⁸⁸

Full responses to this request allow Commerce to determine whether a program is specific as a matter of fact. The GOI’s failure to provide the requested information necessary for a full analysis regarding the specificity of this program has significantly impeded Commerce’s ability to investigate this program.

On this basis, we preliminarily determine that necessary information is not available on the record and that Commerce must therefore rely on “facts available” in making our preliminary determination, in accordance with sections 776(a)(1), 776(a)(2)(A) and (C) of the Act. Moreover, we preliminarily determine that the GOI failed to cooperate by not acting to the best of its ability to comply with our request for information. Consequently, an adverse inference is warranted in the application of facts available, pursuant to section 776(b) of the Act. In applying AFA, we find that the electricity duty exemptions under this program are specific within the meaning of section 771(5A)(D)(iii) of the Act.

⁸³ See, e.g., *Shrimp from China* IDM at 13; see also *Essar Steel Ltd. v. United States*, 753 F.3d 1368, 1373-1374 (Fed. Cir. 2014) (upholding “hierarchical methodology for selecting an AFA rate”).

⁸⁴ See *PTFE Resin from India Final Determination* IDM at 7.

⁸⁵ See Initial Questionnaire, Section II, at Standard Questions Appendix.

⁸⁶ *Id.*

⁸⁷ See GOI IQR at 164-165.

⁸⁸ See GOI SQR1 at 40.

IX. ANALYSIS OF PROGRAMS

Based upon our analysis of the record and the responses to our questionnaires, we preliminarily determine the following:

A. *Programs Preliminarily Determined to Be Countervailable*

1. EPCGS

The GOI reported that EPCGS allows import of capital goods for pre-production, production and post-production at reduced customs duty rates.⁸⁹ Under this program, producers are granted the reduced duty rates on imported capital goods in return for a commitment to earn convertible foreign currency equal to a multiple of the duty saved within a certain number of years.⁹⁰ If the company fails to meet the export obligation, the company is subject to payment of all or part of the duty reduction, depending on the extent of the shortfall in foreign currency earnings, in addition to an interest penalty.⁹¹

Commerce has previously determined that import duty reductions or exemptions provided under EPCGS are countervailable export subsidies because the scheme: (1) provides a financial contribution pursuant to section 771(5)(D)(ii) of the Act; (2) provides two different benefits under section 771(5)(E) of the Act; and (3) is specific pursuant to sections 771(5A)(A) and (B) of the Act because the program is contingent upon export performance.⁹² The record of this investigation with regard to this program is consistent with those previous findings. Thus, we preliminarily determine that this program is countervailable.⁹³

Under EPCGS, the reduced or exempted import duties become payable to the GOI if the accompanying export obligations are not met.⁹⁴ Pursuant to 19 CFR 351.505(d)(1), Commerce treats any balance on an unpaid liability that may be waived in the future contingent on subsequent events as a contingent-liability interest-free loan.⁹⁵ We find that the amount of duties the respondent would have paid during the POI, had it borrowed the full amount of the duty reduction or exemption at the time of importation, constitutes the first benefit under EPCGS. Further, a second benefit arises based on the amount of duty finally waived by the GOI on imports of capital equipment covered by those EPCGS licenses for which the export requirement had already been met. With regards to licenses for which GFCL has completed its export obligation, we treat the waived import duties as grants received in the year in which the GOI granted the final waiver pursuant to 19 CFR 351.505(d)(2). GFCL has reported that it has completed the export obligation for some of its capital goods imports under the program, while the required export obligations remain outstanding on other such imports. Accordingly, we

⁸⁹ See GOI IQR at 12.

⁹⁰ *Id.* at Exhibit 3.

⁹¹ See GOI SQR at 23; see also GFCL IQR at Exhibit 10(b).

⁹² See, e.g., *PET Film from India Final Determination* IDM at “EPCGS” section; see also *Shrimp from India Final Determination* IDM at 14.

⁹³ See GOI IQR at Exhibit 3; see also GFCL IQR at Exhibit 10(b).

⁹⁴ See GFCL IQR at Exhibit 10(b).

⁹⁵ See *Steel Flanges from India Preliminary Determination* PDM at 4-5, unchanged in *Steel Flanges from India Final Determination*.

preliminarily find GFCL received both types of benefits (*i.e.*, interest-free loans and grants) under this program.⁹⁶

Import duty exemptions under this program are approved for the purchase of capital equipment. The *CVD Preamble* states that, if a government provides an import duty exemption tied to major equipment purchases, “it may be reasonable to conclude that, because these duty exemptions are tied to capital assets, the benefits from such duty exemptions should be considered nonrecurring...”⁹⁷ Therefore, in accordance with 19 CFR 351.524(c)(2)(iii) and past practice, we are treating these final import duty exemptions on capital equipment as conferring non-recurring benefits.

Based on the information and the documentation that GFCL submitted,⁹⁸ we cannot reliably determine that the EPCGS licenses are tied to the production of a particular product within the meaning of 19 CFR 351.525(b)(5). As such, we preliminarily find that all of GFCL’s EPCGS licenses benefit all of the company’s exports.⁹⁹

To calculate the benefit received from the GOI’s formal waiver of import duties on capital equipment imports where its export obligations were met prior to the end of the POI, we considered the total amount of duties waived, *i.e.*, the calculated duties payable, less the duties actually paid at the time of import, net of required application fees, in accordance with section 771(6) of the Act, to be the benefit and treated these amounts as grants pursuant to 19 CFR 351.504. As previously mentioned in the “Application of Facts Available: Duty Rates for EPCGS” section above, the GOI failed to provide the applicable duty rates for this program. Accordingly, Commerce has preliminarily applied facts available and used the duty rates that GFCL reported in its responses as the applicable rates in calculating the benefit.¹⁰⁰

Further, consistent with the approach followed in previous investigations, we preliminarily determine the year of receipt of the benefit to be the year in which the GOI formally waived GFCL’s outstanding import duties.¹⁰¹ Next, we performed the “0.5 percent test,” as prescribed under 19 CFR 351.524(b)(2), for the total value of duties waived for each year in which the GOI granted GFCL an import duty waiver. For each year of the AUL, the duties for which GFCL was granted final waiver had values of less than 0.5 percent of GFCL’s total export sales and, therefore, the benefits were expensed in the year of receipt.

As noted above, liability to the company for the import duties reduced or exempted on the imports of capital equipment for which GFCL had not yet met export obligations remains outstanding until those obligations are met. Consistent with our practice and prior determinations, we are treating the unpaid import duty liability as an interest-free loan.¹⁰²

⁹⁶ See GFCL SQR1 at Exhibits S1-6 Parts 1-2.

⁹⁷ See *CVD Preamble*, 63 FR at 65393.

⁹⁸ See GFCL SQR1 at Exhibits S1-6 Parts 1-2.

⁹⁹ *Id.*

¹⁰⁰ See GFCL IQR at 18-23 and Exhibit 10(h) – 10(s). As previously noted, we intend to further seek the relevant official government information and documentation from the GOI with regard to these rates.

¹⁰¹ See *PET Film from India Final Determination* IDM at Comment 5.

¹⁰² See, *e.g.*, *Steel Flanges from India Preliminary Determination* PDM at 15, unchanged in *Steel Flanges from India Final Determination*.

The amount of unpaid duty liabilities to be treated as an interest-free loan is the amount of import duty reduction or exemption on GFCL's capital goods imports, which has not been officially waived by the GOI as of the end of the POI. Accordingly, we find the benefit to be the interest that the respondent would have paid during the POI had it borrowed the full amount of the duty reduction or exemption at the time of importation.

As discussed above, the time period for fulfilling the export requirement expires a certain number of years after importation of the capital good. As such, pursuant to 19 CFR 351.505(d)(1), the benchmark for measuring the benefit is a long-term interest rate, because the event upon which repayment of duties depends (*i.e.*, the date of expiration of the time period to fulfill the export commitment), occurs at a point in time that is more than one year after the date of importation of the capital goods. As the benchmark interest rate, we used the long-term interest rate as discussed in the "Benchmarks and Interest Rates" section, above. We then multiplied the total amount of unpaid duties under each license by the long-term benchmark interest rate for the year in which the capital good was imported; we summed these amounts to determine the total benefit. For EPCGS licenses with duty-free imports made during the POI, we calculated the relevant interest based on the number of days the loan was outstanding during the POI.

The benefit received under EPCGS is the sum of: (1) the benefit attributable to the POI from the duties formally waived by the government for imports of capital goods under the program for which GFCL had met the export requirements by the end of the POI; and (2) the interest that would have been due had the respondent borrowed the full amount of the duty reduction or exemption at the time of the importation for imports of capital goods for which the export requirements under the program remained unmet during the POI. We divided the total benefit received by GFCL under EPCGS by the total export sales of GFCL during the POI, as described above.

On this basis, we preliminarily determine a countervailable subsidy rate of 0.08 percent *ad valorem* for GFCL.¹⁰³

2. AAP

Under the AAP, exporters may import, duty-free, specified quantities of materials required to manufacture products that are subsequently exported.¹⁰⁴ The exporting companies, however, remain liable for the unpaid duties if they fail to utilize the imported inputs in exported products.¹⁰⁵ The quantities of imported materials and exported finished products are linked through standard input-output norms (SIONs) established by the GOI.¹⁰⁶ During the POI, GFCL used advance licenses to import certain materials duty-free under the program.¹⁰⁷

¹⁰³ See Preliminary Calculation Memorandum.

¹⁰⁴ See GOI IQR at Exhibit 9.

¹⁰⁵ See GFCL IQR at 43.

¹⁰⁶ See GOI IQR at 13 and Exhibit 13.

¹⁰⁷ See GFCL's SQR2 at Exhibit S2-1.

Import duty exemptions on consumable inputs for exported products are not countervailable so long as the exemption extends only to inputs consumed in the production of the exported product, making normal allowances for waste.¹⁰⁸ However, the government in question must have in place and apply a system to confirm which inputs are consumed in the production of the exported products, and in what amounts.¹⁰⁹ This system must be reasonable, effective for the purposes intended, and based on generally accepted commercial practices in the country of export.¹¹⁰ If such a system does not exist, or if it is not applied effectively, and the government in question does not carry out an examination of actual inputs involved to confirm which inputs are consumed in the production of the exported product, the entire amount of any exemption, deferral, remission, or drawback is countervailable.¹¹¹

In the 2005 administrative review of the CVD order on *Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) from India*, the GOI indicated that it had revised its Foreign Trade Policy and Handbook of Procedures for the AAP during 2005. Commerce acknowledged that certain improvements to the AAP system were made. However, based on the information submitted by the GOI and examined during previous reviews of that proceeding, and with no information having been submitted in that review demonstrating that the GOI had revised its laws or procedures governing this program since those earlier reviews, Commerce found that systemic issues continued to exist in the AAP system during that period of review.¹¹²

Specifically, in the 2005 administrative review, Commerce stated that it continued to find the AAP countervailable based on:

{T}he GOI's lack of a system or procedure to confirm which inputs are consumed in the production of the exported products and in what amounts that is reasonable and effective for the purposes intended, as required under 19 CFR 351.519. Specifically, we still have concerns with regard to several aspects of the {AAP} including (1) the GOI's inability to provide the SION calculations that reflect the production experience of the PET Film industry as a whole; (2) the lack of evidence regarding the implementation of penalties for companies not meeting the export requirements under the ALP or for claiming excessive credits; and, (3) the availability of {AAP} benefits for a broad category of "deemed" exports.¹¹³

Since that 2005 Review of *PET Film from India*, Commerce has, in several other proceedings, made determinations consistent with this treatment of the AAP.¹¹⁴ In this investigation, record evidence does not demonstrate¹¹⁵ any change to the AAP and therefore we preliminarily find that the program confers a countervailable subsidy because: (1) a financial contribution within the

¹⁰⁸ See 19 CFR 351.519(a)(1)(ii).

¹⁰⁹ See, e.g., *Shrimp from India Final Determination* IDM at "Duty Drawback (DDB)."

¹¹⁰ *Id.*

¹¹¹ See 19 CFR 351.519(a)(4)(i)-(ii).

¹¹² See 2005 Review of *PET Film from India*, and accompanying IDM at Comment 3.

¹¹³ *Id.*

¹¹⁴ See, e.g., *Oil Country Tubular Goods from India Final*, and accompanying IDM; see also *Certain Lined Paper Products from India: Final Results of Countervailing Duty Administrative Review; Calendar Year 2012*, 80 FR 19637 (April 13, 2015), and accompanying IDM.

¹¹⁵ See GOI SQR at 8-24.

meaning of section 771(5)(D)(ii) of the Act is provided under the program, as the GOI exempts the respondent from payment of import duties that would otherwise be due; (2) the program is specific under section 771(5A)(B) of the Act because it is contingent upon exportation; and (3) the GOI does not have in place, and does not apply, a system in accordance with 19 CFR 351.519(a)(4) that is reasonable and effective for the purposes intended to confirm which inputs, and in what amounts, are consumed in the production of the exported product, making normal allowance for waste, nor did the GOI carry out an examination of the actual inputs involved to confirm which inputs are consumed in the production of the exported product, and in what amounts, and thus the entire amount of the import duty deferral or exemption constitutes a benefit to the respondent under section 771(5)(E) of the Act.¹¹⁶

Pursuant to 19 CFR 351.524(c)(1), the exemption of import duties on raw material inputs normally provides a recurring benefit.¹¹⁷ During the POI, GFCL imported duty-free inputs under the AAP for the production of subject merchandise and non-subject merchandise.¹¹⁸ In response to Commerce's questionnaire, GFCL provided supporting documentation regarding its AAP licenses.¹¹⁹ The information provided demonstrates that at the point of bestowal, the licenses provided to GFCL were tied, within the meaning of 19 CFR 351.525(b)(5), to the production and export of specific merchandise, both subject merchandise and non-subject merchandise.¹²⁰ Thus, to calculate the benefit for GFCL, we first determined the total value of import duties exempted during the POI for GFCL under AAP licenses tied to subject merchandise only. To calculate the subsidy rate, we divided the resulting benefit by the value of GFCL's POI export sales of subject merchandise.

On this basis, we preliminarily determine a countervailable subsidy rate of 2.76 percent *ad valorem* for GFCL.¹²¹

3. DDB Program

The DDB program grants rebate of duty or tax chargeable on any imported or excisable materials and input services used in the manufacture of export goods.¹²² Specifically, the duties and tax "neutralized" under the program are the (i) Customs and Union Excise Duties for inputs and (ii) Service Tax for services.¹²³ The amount of the duty drawback is generally fixed as a percentage of the free on board (FOB) price of the exported product.¹²⁴

Import duty exemptions on inputs for exported products are not countervailable so long as the exemption extends only to inputs consumed in the production of the exported product, making normal allowances for waste.¹²⁵ However, the government in question must have in place and

¹¹⁶ See GFCL IQR at 31-38 and Exhibits 11(a) and 11(b); see also GOI SQR at 20-21.

¹¹⁷ See, e.g., *Oil Country Tubular Goods from India* Final IDM.

¹¹⁸ See GFCL IQR at Exhibit 11(f).

¹¹⁹ See GFCL SQR2 at Exhibit S2-1.

¹²⁰ *Id.*

¹²¹ See Preliminary Calculation Memorandum

¹²² See GOI IQR at 57.

¹²³ *Id.*

¹²⁴ *Id.* at 72.

¹²⁵ See 19 CFR 351.519(a)(1)(ii).

apply a system to confirm which inputs are consumed in the production of the exported products and in what amounts.¹²⁶ The system must be reasonable, effective for the purposes intended, and based on generally accepted commercial practices in the country of export.¹²⁷ If such a system does not exist, or if it is not applied effectively, and the government in question does not examine the actual inputs involved to confirm which inputs are consumed in the production of the exported product, the entire amount of any exemption, deferral, or remission of drawback is countervailable.¹²⁸

Consistent with previous proceedings,¹²⁹ the record of this investigation indicates that the GOI continues to employ universal rates based on aggregate data collected from various sources, rather than attempting to determine the respondent's actual consumption, production, and waste.¹³⁰ With regard to the drawback rate available on the export of subject merchandise, the GOI states that the "{rates} are worked out by the committee based on factors such as average prices of inputs, their import-indigenous ration, duty rates average FOB value of export goods, etc. as provided by the Export Promotion Councils, Trade and Industry Association, etc. for certain export items, the committee provides a residuary rate which are *broad assessment* of unrebated incidence (direct and embedded) of the duties."¹³¹ (Emphasis added.) The GOI further provides a table that shows the drawback rate by tariff item, indicating that rates for subject merchandise are calculated on an industry basis, and, therefore, are not calculated based on the respondents' actual consumption, production, and waste of manufacturing inputs for subject merchandise.¹³²

We preliminarily determine that a financial contribution, pursuant to section 771(5)(D)(ii) of the Act, is provided under the DDB program because the rebated duties represent revenue forgone by the GOI. Because the program is available only to exporters, we preliminarily determine that the DDB program is specific under sections 771(5A)(A) and (B) of the Act. As explained above, under 19 CFR 351.519(a)(4), in the absence of an adequate drawback system, the entire amount of customs and excise duties and service taxes rebated during the POI constitutes a benefit. Drawbacks under the program are provided as a percentage of the value of the exported merchandise on a shipment-by-shipment basis. As such, it is at the time of exportation that recipients know the exact amount of the benefit (*i.e.*, the value of the drawback). Therefore, pursuant to 19 CFR 351.519(b)(1), we find that the benefits from the DDB program are conferred on the dates of exportation of the shipments for which the pertinent drawbacks were earned.¹³³

GFCL reported its benefits from this program on a transaction-specific basis.¹³⁴ In accordance with 19 CFR 351.525(b)(4) and (5), when a subsidy is tied to a certain product or market, we

¹²⁶ See *Shrimp from India Final Determination* IDM at 12-14.

¹²⁷ *Id.*

¹²⁸ See 19 CFR 351.519(a)(4)(i)-(ii).

¹²⁹ See *Shrimp from India Final Determination* IDM at 12-14.

¹³⁰ See GOI IQR at 73.

¹³¹ *Id.*

¹³² *Id.* at Exhibit 20.

¹³³ See, e.g., *Final Affirmative Countervailing Duty Determination: Certain Cut-To-Length Carbon Quality Steel Plate from India*, 64 FR 73131, 73140 (December 29, 1999).

¹³⁴ See GFCL IQR at 45 and at Exhibit 12(f).

will attribute that subsidy to only that product or market.¹³⁵ We preliminarily determine that GFCL received benefits under this program only on the basis of its exports of subject merchandise to the United States.¹³⁶ Therefore, we divided the total amount of duty drawback GFCL received on exports of subject merchandise to the United States during the POI by GFCL's exports of subject merchandise to the United States.

On this basis, we preliminarily determine a countervailable subsidy rate of 0.17 percent *ad valorem* for GFCL.¹³⁷

4. SHIS

The SHIS was introduced in 2009 with the objective of promoting investment in upgrading technology in specific sectors.¹³⁸ "Status Holders" under the GOI's listing of specified exported products receive incentive scrip (or credit) equal to one percent of the FOB value of the exports; this SHIS license scrip can be used to offset duties on imports of capital goods,¹³⁹ and can also be transferred to another Status Holder who may also use it to offset duties on imports of capital goods.¹⁴⁰

This program provides a financial contribution in the form of revenue forgone under section 771(5)(D)(ii) of the Act because the duty-free import of goods represents revenue forgone by the GOI.¹⁴¹ Further, it is specific under sections 771(5A)(A) and (B) of the Act because it is limited to exporters.¹⁴² A benefit is also provided under the SHIS program under section 771(5)(E) of the Act and 19 CFR 351.519 in the amount of the scrip granted to the recipient.¹⁴³

Record information states that import duty exemptions under this program are provided for the purchase of capital equipment.¹⁴⁴ The *CVD Preamble* states that, if a government provides an import duty exemption tied to major equipment purchases, "it may be reasonable to conclude that, because these duty exemptions are tied to capital assets, the benefits from such duty exemptions should be considered non-recurring...."¹⁴⁵ In accordance with 19 CFR 351.524(c)(2)(iii) and past practice, we are treating these import duty exemptions on capital equipment as non-recurring benefits.¹⁴⁶

GFCL reported that it received SHIS license scrips to import capital goods duty free during the AUL.¹⁴⁷ Information provided by GFCL indicates that its SHIS license scrips were issued for

¹³⁵ *Id.* at 45.

¹³⁶ *Id.* at 45 and Exhibit 12(f).

¹³⁷ See Preliminary Calculation Memorandum.

¹³⁸ See GOI IQR at 87.

¹³⁹ *Id.* at 87-88 and Exhibit 23.

¹⁴⁰ *Id.* at 88 and Exhibit 23

¹⁴¹ *Id.*

¹⁴² *Id.*

¹⁴³ See *Steel Flanges from India Preliminary Determination* PDM at 18 (citing *Steel Threaded Rod from India* IDM at "Status Holder Incentive Scrip").

¹⁴⁴ See GFCL's IQR at Exhibits 13(a) and 13(b).

¹⁴⁵ See *CVD Preamble* at 65393.

¹⁴⁶ See *Steel Threaded Rod from India* IDM at "Status Holder Incentive Scrip."

¹⁴⁷ See GFCL's IQR at 61 and Exhibit 13(e).

the purchase of capital goods used for the production of exported goods, and thus we are attributing the SHIS benefits received by GFCL to its total exports.¹⁴⁸

The SHIS scrip confers a non-recurring benefit that is not automatically received, and the amount of said benefit is not known to the recipient at the time of receipt of the scrip.¹⁴⁹ Although Commerce's regulations stipulate that we will normally consider the benefit as having been received as of the date of exportation,¹⁵⁰ because the SHIS benefit amount is not automatic and is not known to the exporter until well after the exports are made, the SHIS licenses as issued by the GOI, which contain the date of validity and the duty exemption amount, are the best method to determine and account for when the benefit is received.¹⁵¹

We performed the "0.5 percent test," as prescribed under 19 CFR 351.524(b)(2), for the total value of the exempted customs duties for the years in which GFCL received such SHIS licenses and determined to allocate the benefits across the AUL. GFCL's licenses had values greater than 0.5 percent of its total export sales in years prior to the POI, and were, therefore, allocated over the AUL period. To calculate the subsidy rate, we divided the resulting benefit by the value of GFCL's POI export sales.

On this basis, we preliminarily determine a countervailable subsidy rate of 0.07 percent *ad valorem* for GFCL.¹⁵²

5. Renewable Energy Certificate

The GOI describes Renewable Energy Certificates (RECs) as a market-based mechanism created in 2010 to bridge the gap between the availability and use of renewable energy.¹⁵³ The RECs are also meant to encourage the increase of renewable energy capacity in states where there is potential for renewable energy generation by creating a national level market for such renewable energy generators to recover their cost.¹⁵⁴ Distributors, producers, and consumers of conventional fossil fuel energy above a designated threshold are required by the Central Electricity Regulatory Commission (CERC) to meet a renewable purchase obligation (RPO).¹⁵⁵

RECs are tradable credits that RPO-obligated entities can use to satisfy their RPO for the fiscal year. To receive RECs from the GOI, an energy producer must be accredited by CERC and apply within six months of the corresponding energy generation.¹⁵⁶ CERC will review the application and issue one REC for each megawatt hour of electricity generated from renewable sources and injected into the grid.¹⁵⁷ In addition to being able to meet an entity's RPO, RECs are

¹⁴⁸ *Id.*

¹⁴⁹ See *Steel Threaded Rod from India* IDM at "Status Holder Incentive Scrip."

¹⁵⁰ See 19 CFR 351.519(b)(1).

¹⁵¹ See *PET Film Final Results 2012 Review* IDM at 21 and Comment 3.

¹⁵² See Preliminary Calculation Memorandum.

¹⁵³ See GOI IQR at 104.

¹⁵⁴ *Id.* at 110.

¹⁵⁵ See GOI SQR at Exhibit 11.

¹⁵⁶ *Id.*

¹⁵⁷ *Id.*

also tradable, with the price floor set by CERC on the basis of renewable energy cost, capacity, and usage targets.¹⁵⁸

GFCL reported that it received non-solar RECs based on its wind power generation activities during the POI.¹⁵⁹ As RECs are tradable between entities, the RECs have value to GFCL because the company can sell them to other companies seeking to avoid penalties for failure to meet their RPOs. Commerce preliminarily determines that RECs are *de jure* specific, pursuant to section 771(5A)(D)(i) of the Act because they are expressly limited to producers of renewable energy.

By virtue of imposing an RPO on certain entities and creating this mechanism by which entities can use or trade RECs, the GOI is providing a fiscal allowance or certificate that has value at the time of bestowal. Therefore, we preliminarily determine that the GOI is providing a financial contribution in the form of a direct transfer of funds, pursuant to section 771(5)(D)(i) of the Act.

As noted above, the REC has value at the time of bestowal, though the exact amount of value is not yet known. The exact value of the REC in this instance, and therefore the benefit received by GFCL, can be measured in the amount for which GFCL sells its RECs to other entities. This program provides a recurring benefit, as RECs are not tied to capital assets and recipients can expect to receive additional subsidies under this same program from year to year, consistent with 19 CFR 351.524(c)(2)(i). We calculated the benefit to GFCL as the value of RECs GFCL sold during the POI.¹⁶⁰ On this basis, Commerce has preliminarily determined the countervailable subsidy rate of 0.41 percent *ad valorem* for GFCL.¹⁶¹

6. GIDC's Preferential Water Rates

The GIDC is the agency created by the SGOG for facilitating industrial development in the state of Gujarat and establishing industry-ready land with basic infrastructure, which is then allotted (*i.e.*, leased) to manufacturers.¹⁶² The GIDC was established under the Gujarat Industrial Development Act 1962.¹⁶³

Under GIDC Water Supply Regulation 1991, all companies which are located in GIDC industrial estates have to pay for using water supply, including the cost of pipes, water connections, and operations and maintenance.¹⁶⁴ The GOI claims that the GIDC determines water rates for the financial year on the basis of actual expenditure incurred by the GIDC in the previous year and that the GIDC revises these rates every year.¹⁶⁵ In order to receive this water supply, enterprises must submit an application to establish operations on GIDC land.¹⁶⁶

¹⁵⁸ *Id.*

¹⁵⁹ *See* GFCL IQR at 66.

¹⁶⁰ *Id.* at Exhibit 15(d).

¹⁶¹ *See* Preliminary Calculation Memorandum.

¹⁶² *See* GOI IQR at 140 and at Exhibit 28.

¹⁶³ *Id.* at 140.

¹⁶⁴ *Id.*

¹⁶⁵ *Id.*

¹⁶⁶ *Id.* at 145-146.

For the reasons explained in the “Use of Facts Otherwise Available and Adverse Inferences” section above, we are basing our determination regarding this program, in part, on AFA. GFCL reported that it has an active production facility in a GIDC industrial estate that uses GIDC water.¹⁶⁷ Because GIDC operates as the dispensing agency for funds appropriated by the SGOG for the development of industrial estates, builds estates in locations as directed by the SGOG, and administers them according to directives and policies set by the SGOG, the jurisdiction of the authority providing the subsidy is the entire state of Gujarat. The rates set by the GIDC apply only to those enterprises located within its estates. Information provided by the GOI indicates that the GIDC industrial estates are a designated area under the jurisdiction of the SGOG, and that the provision of water at a preferential rate is limited by law to enterprises or industries within a designated geographical region within the jurisdiction of the authority providing the subsidy.¹⁶⁸ Therefore, we preliminarily find that this program is regionally specific, in accordance with section 771(5A)(D)(iv) of the Act and confers a financial contribution in the form of revenue forgone, in accordance with section 771(5)(D)(ii) of the Act and our past practice.¹⁶⁹

As explained above in the “Use of Facts Otherwise Available and Adverse Inferences” section, to calculate the benefit, we selected the highest calculated rate for the same or similar program as AFA. For this program we are using an AFA rate of 0.60 percent *ad valorem*, the highest rate determined for a similar program in the *PTFE Resin from India* proceeding.¹⁷⁰

7. State Government of Gujarat (SGOG) Exemption from Electricity Duty

Under the Gujarat Electricity Duty Exemption Scheme (GEDES), which is established by the Gujarat Electricity Duty Act of 1958 and 1962, an entity that establishes a new or additional unit of an industrial undertaking in Gujarat is entitled to an exemption from the electricity duty under the program for energy consumed for industrial purposes.¹⁷¹ This exemption is available for up to five years after the start of the industrial undertaking, and the entity must make an application within 90 days from the date of manufacturing or production of goods for the first time.¹⁷² GFCL has reported that it has received these exemptions at its Dahej manufacturing unit for establishing additional units for the new industrial undertaking and for its captive wind power generation.¹⁷³ Specifically, GFCL reported duty exemptions for energy consumed by “additional units” for the new industrial undertaking with in GFCL’s Dahej manufacturing plant; a concession duty rate for energy consumed by electrochemical, electrolytical, or electro-metallurgical process carried on by an industrial undertaking; and electricity generated from GFCL’s captive wind turbine generators.¹⁷⁴

¹⁶⁷ See GFCL IQR at 82.

¹⁶⁸ See GOI IQR at Exhibit 28.

¹⁶⁹ See *PTFE Resin from India Preliminary Determination* PDM at 17-18, unchanged in *PTFE Resin from India Final Determination*.

¹⁷⁰ See *PTFE Resin from India Final Determination* IDM at 7.

¹⁷¹ See GOI IQR at 155 and at Exhibit 31.

¹⁷² *Id.* at 157 and at Exhibit 31.

¹⁷³ See GFCL IQR at 89-98.

¹⁷⁴ *Id.*

We preliminarily determine that these electricity duty exemptions confer a financial contribution in the form of revenue forgone, in accordance with section 771(5)(D)(ii) of the Act. For the reasons explained in the “Use of Facts Otherwise Available and Adverse Inferences” section above, we preliminarily determine that these exemptions are *de facto* specific under section 771(5A)(D)(iii) of the Act.

To calculate the benefit, we first calculated the uncollected (*i.e.*, not paid by GFCL during the POI) electricity duty and cess by multiplying the total amount of captively-generated and purchased electricity by the applicable tax rates. We then divided this amount by GFCL’s total sales during the POI to calculate a countervailable subsidy of 0.66 percent *ad valorem*.¹⁷⁵

B. Programs Preliminarily Determined Not to Have Conferred a Measurable Benefit during the POI

We preliminarily determined that the following program did not confer a measurable benefit during the POI. Therefore, we do not reach a preliminary determination as to whether there is financial contribution or specificity for this program:

1. GIDC’s Provision of Land for LTAR

C. Programs Preliminarily Determined Not Used during the POI

We preliminarily determine that GFCL did not apply for, or receive, benefits during the POI under the programs listed below:

1. Duty Free Import Authorization (DFIA)
2. Income Tax Exemption for Infrastructure Development Scheme
3. Provision of Coal for LTAR

Subsidies for Export-Oriented Units

4. Duty-Free Import of Goods, Including Capital Goods and Raw Materials
5. Reimbursement of Central Sales Tax (CST) Paid on Goods Manufactured in India
6. Exemption from Payment of Central Excise Duty (CED) on Goods Manufactured in India and Procured from a Domestic Tariff Area (DTA)

GOI and State Government of Gujarat (SGOG) Benefits to Companies Located within Special Economic Zones (SEZs)

7. Duty Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Materials
8. Exemption from Payment of CST on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts, And Packing Material
9. Exemption from Electricity Duty and Cess on the Sale or Supply of Electricity to the SEZ Unit

¹⁷⁵ See Preliminary Calculation Memorandum.

10. SEZ Income Tax Exemption Provision (Section 10AA)
11. SEZ Act: Service Tax Exemption
12. Exemption from Payment of State Government Taxes and Duties

SGOG Subsidy Programs

13. SGOG Provision of Fluorspar for LTAR
14. Assistance for Common Environment Infrastructure Scheme (ACEIS)

D. Programs for Which Additional Information is Necessary

1. MEIS
2. SIDC's Provision of Land for LTAR
3. SGOMP Exemption from Electricity Duty
4. VAT and CST Exemption in State of Madhya Pradesh and Himachal Pradesh

X. RECOMMENDATION

We recommend that you approve the preliminary findings described above.



Agree



Disagree

6/28/2021

X



Signed by: CHRISTIAN MARSH

Christian Marsh
Acting Assistant Secretary
for Enforcement and Compliance

APPENDIX

Short Citations

Questionnaires and Questionnaire Responses	
Short Citations	Complete Document Titles
GFCL AQR	GFCL's Letter, "Gujarat Fluourochemicals {sic} Limited's Questionnaire Response to Section III (Identifying Affiliated Companies)," dated March 26, 2021.
GFCL IQR	GFCL's Letter, "Gujarat Fluourochemicals {sic} Limited's Section III Questionnaire Response," dated May 6, 2021.
GFCL SAQR	GFCL's Letter, "Gujarat Fluourochemicals {sic} Limited's Supplemental Questionnaire Response to Section III Identifying Affiliated Companies (Questions 3-7)," dated April 15, 2021.
GFCL SQR1	GFCL's Letter, "Gujarat Fluourochemicals {sic} Limited's First Supplemental Questionnaire Response," dated June 14, 2021.
GFCL SQR2	GFCL's Letter, "Gujarat Fluourochemicals {sic} Limited's Second Supplemental Questionnaire Response," dated June 14, 2021.
GFCL SQR3	GFCL's Letter, "Gujarat Fluourochemicals {sic} Limited's Third Supplemental Questionnaire Response," dated June 14, 2021.
GOI IQR	GOI's Letter, "Initial Questionnaire Response to Section-II on behalf of Government of India," dated April 15, 2021.
GOI SQR	GOI's Letter, "Supplementary Questionnaire Response to Section-II on behalf of Government of India," dated May 21, 2021.
ILFL IQR	GFCL's Letter, "Inox Leasing and Finance Limited's Section III Questionnaire Response," dated May 6, 2021.
Initial Questionnaire	Commerce's Letter, "Granular Polytetrafluoroethylene Resin from India: Countervailing Duty Questionnaire," dated March 9, 2021.

IWL IQR Part 1	GFCL's Letter, "Granular Polytetrafluoroethylene Resin from India; Inox Wind Limited's Section III Questionnaire Response (Part I)," dated May 24, 2021.
Second GOI Supplemental Questionnaire	Commerce's Letter to the GOI, "Countervailing Duty Investigation of Granular Polytetrafluoroethylene (PTFE) Resin from India: Second Supplemental Questionnaire," dated June 8, 2021.

Comments from Interested Parties	
Short Citations	Complete Document Titles
Critical Circumstances Addendum	Petitioner's Letter, "Critical Circumstances Addendum," dated June 16, 2021.
Critical Circumstances Allegation	Petitioner's Letter, "Allegation of the Existence of Critical Circumstances," dated June 8, 2021.
GFCL's Benchmark Submission	GFCL's Letter, "Granular Polytetrafluoroethylene Resin from India; Gujarat Fluorochemicals Limited's Benchmark Submission," dated June 4, 2021.
GFCL's Q&V	GFCL's Letter, "Gujarat Fluorochemicals {sic} Limited's Quantity and Value Questionnaire Response," dated June 15, 2021.
Petitioner's Benchmark Submission	Petitioner's Letter, "Granular Polytetrafluoroethylene Resin from India: Benchmark Data Submission," dated June 1, 2021.

Court Cases and Precedents	
Short Citations	Complete Document Titles
<i>2005 Review of PET Film from India</i>	<i>Final Results of Countervailing Duty Administrative Review: Polyethylene Terephthalate Film, Sheet, and Strip from India</i> , 73 FR 7708 (February 11, 2008).
<i>Certain PET Resin from India Final Determination</i>	<i>Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin from India: Final Affirmative Determination and Final Affirmative Critical Circumstances Determination, in Part</i> , 81 FR 13334 (March 14, 2016).

<i>CVD Preamble</i>	<i>Countervailing Duties; Final Rule, 63 FR 65348, 65401 (November 25, 1998).</i>
<i>CWP from China</i>	<i>Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, 73 FR 31966 (June 5, 2008).</i>
<i>Icadas v. United States</i>	<i>Icadas Celik Enerji Tersane ve Ulsaim Sanayi A.S. v. United States, 498 F. Supp.3d 1345 (2021).</i>
<i>Nippon Steel</i>	<i>Nippon Steel Corp. v. United States, 337 F.3d 1373, 1382-83 (Fed. Cir. 2003)</i>
<i>Oil Country Tubular Goods from India Final</i>	<i>Certain Oil Country Tubular Goods from India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances, 79 FR 41967 (July 18, 2014).</i>
<i>PET Film Final Results 2012 Review</i>	<i>Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review; 2012, 80 FR 11163, (March 2, 2015).</i>
<i>PET Film from India Final Determination</i>	<i>Notice of Final Affirmative Countervailing Duty Determination: Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) from India, 67 FR 34905 (May 16, 2002).</i>
<i>PTFE Resin from India Final Determination</i>	<i>Polytetrafluoroethylene Resin from India: Final Affirmative Countervailing Duty Determination, 83 FR 23422 (May 21, 2018).</i>
<i>PTFE Resin from India Preliminary Determination</i>	<i>Polytetrafluoroethylene Resin from India: Preliminary Affirmative Countervailing Duty Determination, 83 FR 9842 (March 8, 2018).</i>
<i>Sacks from China</i>	<i>Laminated Woven Sacks from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination, in Part, of Critical Circumstances, 73 FR 35639 (June 24, 2008).</i>
<i>Shrimp from India Final Determination</i>	<i>Certain Frozen Warmwater Shrimp from India: Final Affirmative Countervailing Duty Determination, 78 FR 50385 (August 19, 2013).</i>
<i>Solar Cells from China Final</i>	<i>Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Final</i>

	<i>Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination</i> , 77 FR 63788 (October 17, 2012).
<i>Steel Flanges from India Final Determination</i>	<i>Finished Carbon Steel Flanges from India: Final Determination of Sales at Less Than Fair Value</i> , 82 FR 29483 (June 29, 2017).
<i>Steel Flanges from India Preliminary Determination</i>	<i>Finished Carbon Steel Flanges from India: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination</i> , 82 FR 9719 (February 8, 2017).
<i>Steel Threaded Rod from India</i>	<i>Steel Threaded Rod from India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances</i> , 79 FR 40712 (July 14, 2014).

Commerce Memoranda and Publications	
Short Citations	Complete Document Titles
Critical Circumstances Memorandum	Memorandum, “Monthly Shipment Quantity and Value Analysis for Critical Circumstances,” dated concurrently with this memorandum.
Initiation Checklist	Initiation Checklist, dated February 16, 2021.
<i>Initiation Notice</i>	<i>Granular Polytetrafluoroethylene Resin from India and the Russian Federation: Initiation of Countervailing Duty Investigations</i> , 86 FR 10931 (February 23, 2021).
Petition	Petitioner’s Letter, “Petitions for the Imposition of Antidumping and Countervailing Duties: Granular Polytetrafluoroethylene Resin from India and Russia,” dated January 27, 2021 (Petition).
POI Revision Memo	Memorandum, “Countervailing Duty Investigation of Granular Polytetrafluoroethylene Resin from India: Period of Investigation Change,” dated March 15, 2021.
Preliminary Calculation Memorandum	Memorandum, “GFCL Calculations for the Preliminary Determination,” dated concurrently with this memorandum.