Other income, net — The following table shows the major components of other income, net.

	2014	2013
Interest income	$ 15	$ 25
Government grants and incentives	4	3
Foreign exchange gain (loss)	11	(5)
Strategic transaction expenses	(3)	(4)
Write-off of deferred financing costs		(4)
Gain on sale of marketable securities		9
Recognition of unrealized gain on payment-in-kind note receivable	2	5
Insurance and other recoveries	2	13
Other	17	13
Other income, net	$ 48	$ 55

The change in interest income in 2014 includes a reduction of $11 attributable to a payment-in-kind note receivable being partially prepaid in 2013 and subsequently sold in January 2014. Additionally, interest income in 2013 included $3 from a favorable legal ruling related to recovery of gross receipts taxes paid in Brazil in earlier periods. Net foreign exchange gain in 2014 resulted in large part from favorable currency movement on an intercompany loan that was fully paid in the first half of 2014. As described in Note 1 of the consolidated financial statements in Item 8, devaluation of the Venezuelan bolivar was recognized through use of the SICAD rate for translating the bolivar-denominated activities of our operations in Venezuela. Devaluation charges of $20 in 2014 were more than offset by gains of $22 from subsequent settlement of dollar-denominated obligations at the more favorable official exchange rate and sales of U.S. dollars at the SICAD 2 exchange rate. (See Operations in Venezuela section of this Item 7 for further discussion.) The net foreign exchange loss for 2013 included a charge of $6 resulting from the devaluation of the Venezuelan bolivar and subsequent recoveries of $5 on transactions existing at the date of devaluation that were subsequently settled at the former exchange rate. During 2013, we wrote off deferred financing costs of $2 associated with our prior revolving credit facility and $2 upon the termination of our European accounts receivable backed credit facility. The January 2014 sale and 2013 prepayment of the payment-in-kind note receivable resulted in recognition of $2 and $5 of an unrealized gain that arose following the valuation of the note receivable below its callable value at emergence from bankruptcy. During 2013, we received $4 on the sale of our interest in claims pending in the liquidation proceedings of an insurer to a third party, $7 of other asbestos-related recoveries and a $2 insurance recovery related to business interruptions resulting from flooding in Thailand.

Interest expense — Interest expense was $118 and $99 in 2014 and 2013. The impact of higher average debt levels was partially offset by a lower average effective interest rate. As discussed in Note 13 to the consolidated financial statements in Item 8, we completed the sale of $425 and $750 in senior unsecured notes in December 2014 and July 2013, respectively, and redeemed $345 in senior unsecured notes in December 2014. Average effective interest rates, inclusive of amortization of debt issuance costs, approximated 6.9% and 7.8% in 2014 and 2013.

Income tax expense — Income taxes of our continuing operations was a benefit of $70 in 2014. The primary driver was a benefit of $179 recorded for the release of a portion of our U.S. deferred tax asset valuation allowance. As discussed more fully in Note 17 to our consolidated financial statements in Item 8, the release resulted from income forecasted to be realized in 2015 in connection with certain tax planning actions expected to be completed in 2015. The $80 charge associated with the divestiture of our operations in Venezuela provided a partial offset as the expected tax benefit was negated by an adjustment to the valuation allowance. Excluding these valuation allowance adjustments, the effective tax rate of continuing operations in 2014 was 33% as the benefit of income in certain jurisdictions outside the U.S. being taxed at lower statutory rates more than offset withholding taxes incurred in connection with the repatriation of income to the U.S. In 2013, tax expense of $119 resulted in an effective tax rate of 32%. Adjusted for valuation allowance effects, primarily in the U.S., the effective income tax rate in 2013 was 34%. Lower statutory rates outside the U.S. were the primary contributor to the adjusted 2013 rate being less than the U.S. statutory rate.

In the U.S. and certain other countries, our recent history of operating losses does not allow us to satisfy the “more likely than not” criterion for recognition of deferred tax assets. Therefore, there is generally no income tax recognized on the pre-tax income or losses in these jurisdictions as valuation allowance adjustments offset the associated tax effects. We believe that it is reasonably possible that up to $500 of the valuation allowance against our U.S. deferred tax assets could be released in the next twelve months. See Note 17 to our consolidated financial statements in Item 8 for additional information.