In 2017, the Company lowered its forecast of estimated earnings and cash flows for its oilfield business from those previously projected, and indefinitely idled a manufacturing facility within its oilfield business. This was due to the slower than previously assumed recovery in the oil and gas market. As of September 30, 2017, the estimated fair value of the Company's oilfield reporting unit was less than the carrying value of the net assets of the reporting unit. In estimating the fair value of the oilfield reporting unit, the Company relied solely on a discounted cash flow model income approach. This was due to the Company's belief that the reporting unit's EBITDA, a key input under the market approach, was not representative and consistent with the reporting unit's historical performance and long-term outlook and, therefore, was not consistent with assumptions that a market participant would use in determining the fair value of the reporting unit. When the fair value of the reporting unit was determined, an impairment charge was recognized for the amount by which the carrying amount of oilfield's net assets exceeded its fair value. As such, the entire oilfield reporting unit's goodwill balance of $13 was impaired during the third quarter of 2017, and the Company recognized a goodwill impairment charge of $13 in its Epoxy, Phenolic and Coating Resins segment, which is included in "Asset impairments" in the Consolidated Statements of Operations. Significant unobservable inputs in the discounted cash flow analysis included projected long-term future cash flows, projected growth rates and discount rates associated with this reporting unit. Future projected long-term cash flows and growth rates were derived from models based upon forecasts prepared by the Company's management. These projected cash flows were discounted using a rate of 13.5%.

As of October 1, 2019 and 2018, the estimated fair value of each of the Company's remaining reporting units was deemed to be in excess of the carrying amount of assets (including goodwill) and liabilities assigned to each reporting unit. The step up of fixed and intangible asset values during fresh start accounting resulted in an increase of the carrying amounts of net assets for the Company's reporting units that have goodwill, thereby reducing the amount of headroom between the fair value and carrying value of these reporting units. As a result, future unfavorable changes to business results and/or discounted cash flows for these reporting units are more likely to result in asset impairments.

General Insurance—The Company is generally insured for losses and liabilities for workers' compensation, physical damage to property, business interruption and comprehensive general, product and vehicle liability under high-deductible insurance policies. The Company records losses when they are probable and reasonably estimable and amortizes insurance premiums over the life of the respective insurance policies.

Legal Claims and Costs—The Company accrues for legal claims and costs in the period in which a claim is made or an event becomes known, if the amounts are probable and reasonably estimable. Each claim is assigned a range of potential liability and the most likely amount is accrued. If there is no amount in the range of potential liability that is most likely, the low end of the range is accrued. The amount accrued includes all costs associated with the claim, including settlements, assessments, judgments and fines. Legal fees are expensed as incurred (see Note 12).

Environmental Matters—Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Environmental accruals are reviewed on a quarterly basis and as events and developments warrant (see Note 12).

Asset Retirement Obligations—Asset retirement obligations are initially recorded at their estimated net present values in the period in which the obligation occurs, with a corresponding increase to the related long-lived asset. Over time, the liability is accreted to its settlement value and the capitalized cost is depreciated over the useful life of the related asset. When the liability is settled, a gain or loss is recognized for any difference between the settlement amount and the liability that was recorded.

Revenue Recognition—The Company follows the principles-based five step model to recognize revenue upon the transfer of promised goods or services to customers and in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. Revenue, net of estimated allowances and returns, is recognized when the Company has completed its performance obligations under a contract and control of the product is transferred to the customer. Substantially all revenue is recognized at the time shipment is made or upon delivery as risk and title to the product transfer to the customer. Sales, value add, and other taxes that are collected concurrently with revenue-producing activities are excluded from revenue. Contract terms for certain transactions, including sales made on a consignment basis, result in the transfer of control of the finished product to the customer prior to the point at which the Company has the right to invoice for the product. In these cases, timing of revenue recognition will differ from the timing of invoicing to customers and will result in the Company recording a contract asset. The Company adopted ASU 2014-09 as of January 1, 2018 utilizing a modified retrospective approach. A contract asset balance of $9 and $11 is recorded within "Other current assets" at December 31, 2019 and December 31, 2018, respectively, in the Consolidated Balance Sheet. Refer to Note 18 for additional discussion of the Company's net sales by reportable segment disaggregated by geographic region.

Shipping and Handling—Freight costs that are billed to customers are included in "Net sales" in the Consolidated Statements of Operations. Shipping costs are incurred to move the Company's products from production and storage facilities to the customer. Handling costs are incurred from the point the product is removed from inventory until it is provided to the shipper and generally include costs to store, move and prepare the products for shipment. Revenue from shipping and handling services is recognized when control of the product is transferred to the customer. Shipping and handling costs are recorded in "Cost of sales" in the Consolidated Statements of Operations.

Turnaround Costs—The Company periodically performs procedures at its major production facilities to extend the useful life, increase output and efficiency and ensure the long-term reliability and safety of plant machinery ("turnaround" or "turnaround costs"). As a result of the application of fresh start accounting upon the Company's emergence from Chapter 11, the Successor Company adopted an accounting policy to capitalize certain turnaround costs and amortize on a straight-line basis over the estimated period until the next turnaround. Costs for routine repairs and maintenance are expensed as incurred. Capitalized turnaround costs were $2 at December 31, 2019 and are included in "Machinery and equipment" in the Consolidated Balance Sheets.