



FACT SHEET

Commerce Finds Dumping and Countervailable Subsidization of Imports of 1,1,1,2-Tetrafluoroethane from the People's Republic of China

- On October 15, 2014, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of 1,1,1,2-tetrafluoroethane from the People's Republic of China (China).
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce determined that imports of 1,1,1,2-tetrafluoroethane from China have been sold in the United States at the dumping margin of 280.67 percent.
- Commerce also determined that imports of 1,1,1,2-tetrafluoroethane from China have received countervailable subsidies ranging from 1.87 percent to 22.75 percent.
- In the AD investigation, mandatory respondent Jiangsu Bluestar Green Technology Co., Ltd. received a final dumping margin of 280.67 percent. Commerce determined that Weitron International Refrigeration Equipment (Kunshan) Co., Ltd. was not an exporter and therefore not a respondent. Three other exporters qualified for a separate rate of 280.67 percent. All other producers/exporters in China were deemed part of the China-wide entity and received a final dumping margin of 280.67 percent.
- In the CVD investigation, mandatory respondents T.T. International Co., Ltd. and JUHUA (including Zhejiang Quhua Fluor-Chemistry Co., Ltd., and other Juhua Stock Companies) received a final subsidy rate of 22.75 percent and 5.71 percent, respectively. Jiangsu Bluestar Green Technology Co., Ltd., a voluntary respondent, received a final subsidy rate of 1.87 percent. All other producers/exporters in China have been assigned a final subsidy rate of 14.23 percent.
- As a result of the affirmative final AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. Further, as a result of the affirmative final CVD determination, if the U.S. International Trade Commission (ITC) issues an affirmative injury determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal to the final subsidy rates for the mandatory respondents and all other producers and exporters not selected for investigation. If the ITC issues a negative injury determination, both investigations will be

terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all cash deposits already collected will be refunded.

- The petitioner for these investigations is Mexichem Fluor Inc. (LA).
- On February 19, 2014, the petitioner timely filed allegations of critical circumstances. Commerce made a preliminarily affirmative critical circumstances determination for Jiangsu Bluestar Green Technology Co., Ltd., the exporters that qualified for a separate rate and the China-wide entity, and continues to do so in the final determinations. In the instance where Commerce found that affirmative critical circumstances exist, we will instruct CBP to impose provisional measures retroactively on entries of subject tetrafluoroethane up to 90 days prior to the publication of the preliminary determination.
- The merchandise subject to these investigations is 1,1,1,2-Tetrafluoroethane, R-134a, or its chemical equivalent, regardless of form, type, or purity level. The chemical formula for 1,1,1,2-tetrafluoroethane is $\text{CF}_3\text{-CH}_2\text{F}$, and the Chemical Abstracts Service (CAS) registry number is CAS 811-97-2. 1,1,1,2-Tetrafluoroethane is sold under a number of trade names including Klea 134a and Zephex 134a (Mexichem Fluor); Genetron 134a (Honeywell); Suva 134a, Dymel 134a, and Dymel P134a (DuPont); Solkane 134a (Solvay); and Forane 134a (Arkema). Generically, 1,1,1,2-tetrafluoroethane has been sold as Fluorocarbon 134a, R-134a, HFC-134a, HF A-134a, Refrigerant 134a, and UN3159. Merchandise covered by the scope of these investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 2903.39.2020. Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.
- In 2013, imports of 1,1,1,2-tetrafluoroethane from China were valued at an estimated \$34.7 million.

NEXT STEPS

- The ITC is scheduled to make its final injury determinations on or about November 28, 2014.
- If the ITC makes an affirmative final determination that imports of 1,1,1,2-tetrafluoroethane from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes a negative determination of injury, the investigations will be terminated.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
China	Jiangsu Bluestar Green Technology Co., Ltd.	280.67%
	Shandong Dongyue Chemical Co., Ltd.	280.67%
	T.T. International Co., Ltd.	280.67%
	Zhejiang Sanmei Chemical Industry Co., Ltd.	280.67%
	China-Wide Rate	280.67%

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	T.T. International Co., Ltd.	22.75%
	JUHUA (including Zhejiang Quhua Fluor-Chemistry Co., Ltd., and other Juhua Stock Companies)	5.71%
	Jiangsu Bluestar Green Technology Co., Ltd.	1.87%
	China-Wide Rate	14.23%

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	October 22, 2013	October 22, 2013
DOC Initiation Date	December 2, 2013	December 2, 2013
ITC Preliminary Determination	December 6, 2013	December 13, 2013
DOC Preliminary Determination	April 11, 2014	May 21, 2014
DOC Final Determination	October 14, 2014	October 14, 2014
ITC Final Determination	November 28, 2014	November 28, 2014
Issuance of Order**	December 5, 2014	December 5, 2014

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in section 735(a) of the Act. These deadlines may be extended under certain circumstances.

*The final determination has been aligned with the final determination in the concurrent antidumping duty investigation.

**This will take place only in the event of final affirmative determinations by Commerce and the ITC.

IMPORT STATISTICS:

CHINA	2011	2012	2013
Volume (metric tons)	10,400	11,700	10,100
Value (USD)	86,524,000	53,166,000	34,695,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 2903.39.2020)