



FACT SHEET

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

- On April 14, 2014, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of 1,1,1,2-tetrafluoroethane from the People's Republic of China (China).
- The CVD law provides U.S. business and workers with a transparent and internationally approved mechanism to seek relief from the market distorting effects caused by injurious subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- 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 calculated a preliminary subsidy rate of 28.74 percent for T.T. International Co., Ltd. and 4.04 percent for JUHUA (including Zhejiang Quhua Fluor-Chemistry Co., Ltd., and other Juhua Stock Companies). Additionally, Commerce calculated a preliminary subsidy rate of 1.35 percent for Jiangsu Bluestar Green Technology Co., Ltd., a voluntary respondent. All other producers/exporters in China have been assigned a preliminary subsidy rate of 16.39 percent.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates.
- The petitioner for this investigation is Mexichem Fluor Inc. (LA).
- The merchandise subject to this investigation 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

- Commerce is scheduled to announce its final determination in this investigation on or about August 5, 2014, unless the statutory deadline is extended.

- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (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 a CVD order. If either Commerce's or the ITC's final determination is negative, no CVD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	T.T. International Co., Ltd.	28.74%
	JUHUA (including Zhejiang Quhua Fluor-Chemistry Co., Ltd., and other Juhua Stock Companies)	4.04%
	Jiangsu Bluestar Green Technology Co., Ltd.	1.35%
	China-Wide Rate	16.39%

CASE CALENDAR:

EVENT	DATE
Petition Filed	October 22, 2013
DOC Initiation Date	December 2, 2013 [^]
ITC Preliminary Determination	December 6, 2013
DOC Preliminary Determination	April 11, 2014
DOC Final Determination	August 4, 2014
ITC Final Determination*	September 18, 2014
Issuance of Order**	September 25, 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. These deadlines may be extended under certain circumstances.

[^] See Notice of Extension of the Deadline for Determining the Adequacy of the Antidumping Duty and Countervailing Duty Petitions: 1,1,1,2-Tetrafluoroethane from the People's Republic of China, 78 FR 66894 (November 7, 2013).

*This will take place only in the event of a final affirmative determination by Commerce.

**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)