



FACT SHEET

Commerce Finds Dumping and Countervailable Subsidization of Imports of Calcium Hypochlorite from the People's Republic of China

- On December 9, 2014, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of calcium hypochlorite 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 calcium hypochlorite from China have been sold in the United States at a dumping margin of 210.52 percent.
- Commerce also determined that imports of calcium hypochlorite from China have received countervailable subsidies of 65.85 percent.
- In the AD investigation, mandatory respondents China Petrochemical International (Wuhan) Co., Ltd. (China Petrochemical), Tianjin Jinbin International Trade Co., Ltd. (Tianjin Jinbin), and Wuhan Rui Sunny Chemical Co., Ltd. (Rui Sunny) failed to cooperate by not acting to the best of their abilities. Specifically, China Petrochemical and Tianjin Jinbin notified Commerce that they would not participate as mandatory respondents, and Rui Sunny received total adverse facts available based on its failure to put forth its maximum effort in complying with requests for information. As a result, Commerce considered these exporters to be part of the China-wide entity and assigned a rate based on adverse facts available of 210.52 percent. All other producers/exporters in China are subject to the China-wide dumping margin of 210.52 percent.
- In the CVD investigation, mandatory respondents Hubei Dinglong Chemical Co., Ltd., W&W Marketing Corporation, and Tianjin Jinbin International Trade Co., Ltd, as well as the Government of China, failed to cooperate to the best of their ability. Specifically, the three mandatory respondents notified Commerce that they would not participate as mandatory respondents, and the Government of China did not respond to the countervailing duty questionnaire issued by Commerce. As a result, Commerce relied on adverse facts available and assigned the three mandatory respondents a final subsidy rate of 65.85 percent. All other producers/exporters in China have also been assigned a final subsidy rate of 65.85 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 offset by the appropriate amount of export subsidies calculated in the CVD final determination. Further, as a result of the affirmative final CVD 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 U.S. International Trade Commission (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 Arch Chemicals, Inc. (GA).
- The merchandise subject to these investigations is calcium hypochlorite, regardless of form (e.g., powder, tablet (compressed), crystalline (granular), or in liquid solution), whether or not blended with other materials, containing at least 10% available chlorine measured by actual weight. The scope also includes bleaching powder and hemibasic calcium hypochlorite. Calcium hypochlorite has the general chemical formulation $\text{Ca}(\text{OCl})_2$, but may also be sold in a more dilute form as bleaching powder with the chemical formulation, $\text{Ca}(\text{OCl})_2 \cdot \text{CaCl}_2 \cdot \text{Ca}(\text{OH})_2 \cdot 2\text{H}_2\text{O}$ or hemibasic calcium hypochlorite with the chemical formula of $2\text{Ca}(\text{OCl})_2 \cdot \text{Ca}(\text{OH})_2$ or $\text{Ca}(\text{OCl})_2 \cdot 0.5\text{Ca}(\text{OH})_2$. Calcium hypochlorite has a Chemical Abstract Service (CAS) registry number of 7778-54-3, and a U.S. Environmental Protection Agency (EPA) Pesticide Code (PC) Number of 014701. The subject calcium hypochlorite has an International Maritime Dangerous Goods (IMDG) code of Class 5.1 UN 1748, 2880, or 2208 or Class 5.1/8 UN 3485, 3486, or 3487.

Calcium hypochlorite is currently classifiable under the subheading 2828.10.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). The subheading covers commercial calcium hypochlorite and other calcium hypochlorite. When tableted or blended with other materials, calcium hypochlorite may be entered under other tariff classifications, such as 3808.94.5000 and 3808.99.9500, which cover disinfectants and similar products. While the HTSUS subheadings, the CAS registry number, the U.S. EPA PC number, and the IMDG codes are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

- In 2013, imports of calcium hypochlorite from China were valued at an estimated \$8.1 million.

NEXT STEPS

- The ITC is scheduled to make its final injury determination on or about January 22, 2015.
- If the ITC makes an affirmative final determination that imports of calcium hypochlorite 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	CASH DEPOSIT
China	China Petrochemical International Co. Ltd.	210.52%	200.90%
	Tianjin Jinbin International Trade Co., Ltd.	210.52%	200.90%
	Wuhan Rui Sunny Chemical Co., Ltd.	210.52%	200.90%
	China-Wide Rate	210.52%	200.90%

NOTE: The cash deposit rates account for the applicable export subsidy rate of 9.62 percent.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Hubei Dinglong Chemical Co., Ltd.	65.85%
	W&W Marketing Corporation	65.85%
	Tianjin Jinbin International Trade Co., Ltd.	65.85%
	China-Wide Rate	65.85%

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

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	December 18, 2013	December 18, 2013
DOC Initiation Date	January 7, 2013	January 7, 2013

ITC Preliminary Determination	February 3, 2014	March 23, 2014
DOC Preliminary Determination	May 19, 2014	July 16, 2014
DOC Final Determination	December 8, 2014	December 8, 2014
ITC Final Determination	January 22, 2015	January 22, 2015
Issuance of Order**	January 29, 2015	January 29, 2015

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.

**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)	4,300	4,800	6,000
Value (USD)	5,736,000	7,026,000	8,131,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 2828.10.0000). Calcium hypochlorite may also enter under HTSUS subheadings 3808.94.5000 and 3808.99.9500. These subheadings are basket categories and may cover both subject and non-subject merchandise. Therefore, these HTSUS subheadings have not been used for purposes of reporting import statistics.