



FACT SHEET

Commerce Initiates Antidumping Duty Investigations of Imports of Emulsion Styrene-Butadiene Rubber from Brazil, Korea, Mexico, and Poland

- On August 11, 2016, the Department of Commerce (Commerce) announced the initiation of the antidumping duty (AD) investigations of imports of emulsion styrene-butadiene rubber (ESB rubber) from Brazil, Korea, Mexico, and Poland.
- The AD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects of injurious dumping of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of an AD investigation, dumping occurs when a foreign company sells a product in the United States at less than its fair value.
- The petitioners are Lion Elastomers LLC (TX) and East West Copolymer, LLC (LA).
- For purposes of these investigations, the product covered is cold-polymerized emulsion styrene-butadiene rubber (ESB rubber). The scope of the investigations includes, but is not limited to, ESB rubber in primary forms, bales, granules, crumbs, pellets, powders, plates, sheets, strip, etc. ESB rubber consists of non-pigmented rubbers and oil-extended non-pigmented rubbers, both of which contain at least one percent of organic acids from the emulsion polymerization process.

ESB rubber is produced and sold in accordance with a generally accepted set of product specifications issued by the International Institute of Synthetic Rubber Producers (IISRP). The scope of the investigations covers grades of ESB rubber included in the IISRP 1500 and 1700 series of synthetic rubbers. The 1500 grades are light in color and are often described as “Clear” or “White Rubber.” The 1700 grades are oil-extended and thus darker in color, and are often called “Brown Rubber.”

Specifically excluded from the scope of these investigations are products which are manufactured by blending ESB rubber with other polymers, high styrene resin master batch, carbon black master batch (*i.e.*, IISRP 1600 series and 1800 series) and latex (an intermediate product).

The products subject to these investigations are currently classifiable under subheadings 4002.19.0015 and 4002.19.0019 of the Harmonized Tariff Schedule of the United States (HTSUS). ESB rubber is described by Chemical Abstract Services (CAS) Registry No. 9003-55-8. This CAS number also refers to other types of styrene butadiene rubber. Although the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

- In 2015, imports of ESB rubber from Brazil, Korea, Mexico, and Poland were valued at an estimated \$21.1 million, \$621 thousand, \$25.5 million, and \$3.4 million, respectively, for a combined total of \$50.7 million. The petitioners contend that imports from Korea are significantly understated in

official U.S. government import statistics and state that they are working with the U.S. Census Bureau to investigate potential misclassification of imports from Korea.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before September 6, 2016.
- If the ITC determines that there is a reasonable indication that imports of ESB rubber from Brazil, Korea, Mexico, and/or Poland materially injure, or threaten material injury to, the domestic industry, the AD investigations will continue and Commerce will be scheduled to make its preliminary determinations in December 2016, unless the statutory deadlines are extended. If the ITC's preliminary determinations are negative, then the AD investigations will be terminated.

ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
Brazil	57.14 percent and 67.99 percent
Korea	22.48 percent and 44.30 percent
Mexico	22.39 percent
Poland	40.57 percent and 44.54 percent

CASE CALENDAR:

EVENT	AD INVESTIGATIONS
Petitions Filed	July 21, 2016
DOC Initiation Date	August 10, 2016
ITC Preliminary Determinations*	September 6, 2016†
DOC Preliminary Determinations	December 28, 2016
DOC Final Determinations	March 13, 2017
ITC Final Determinations**	April 27, 2017
Issuance of Orders***	May 4, 2017

NOTE: Commerce's preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Tariff Act of 1930, as amended (the Act). These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend or holiday, the appropriate date is the next business day.

*If the ITC makes a negative preliminary determination of injury, the AD investigation is terminated.

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

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

IMPORT STATISTICS:

BRAZIL	2013	2014	2015
Volume (metric tons)	2,400	21,300	15,100
Value (USD)	4,472,000	40,873,000	21,127,000
KOREA	2013	2014	2015
Volume (metric tons)	5	230	440
Value (USD)	12,500	456,100	621,300
MEXICO	2013	2014	2015
Volume (metric tons)	16,400	19,900	17,000
Value (USD)	39,295,000	44,734,000	25,509,000
POLAND	2013	2014	2015
Volume (metric tons)	0	2,500	2,400
Value (USD)	0	5,109,000	3,443,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 4002.19.0015)

Imports of emulsion styrene-butadiene rubber may also enter under HTSUS 4002.19.0019. This HTSUS subheading is a basket category that may cover a significant amount of non-subject merchandise and therefore has been excluded for purposes of reporting the import statistics above.

Note: The petitioners contend that the official import statistics for Korean emulsion styrene-butadiene rubber are significantly understated due to potential misclassification. The petitioners state that they are working with the U.S. Census Bureau to investigate the issue.