



FACT SHEET

Commerce Initiates Antidumping Duty (AD) and Countervailing Duty (CVD) Investigations of Imports of Rubber Bands from China, Sri Lanka, and Thailand

- On February 21, 2018, the Department of Commerce (Commerce) announced the initiation of AD and CVD investigations of imports of rubber bands from China, Sri Lanka, and Thailand.
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, 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, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioner is Alliance Rubber Company (AR).
- The products covered by these investigations are bands made of vulcanized rubber, with a flat length, as actually measured end-to-end by the band lying flat, no less than ½ inch and no greater than 10 inches; with a width, which measures the dimension perpendicular to the length, actually of at least 3/64 inch and no greater than 2 inches; and a wall thickness actually from 0.020 inch to 0.125 inch. Vulcanized rubber has been chemically processed into a more durable material by the addition of sulfur or other equivalent curatives or accelerators. Subject products are included regardless of color or inclusion of printed material on the rubber band's surface, including but not limited to, rubber bands with printing on them, such as a product name, advertising, or slogan, and printed material (*e.g.*, a tag) fastened to the rubber band by an adhesive or another temporary type of connection. The scope includes vulcanized rubber bands which are contained or otherwise exist in various forms and packages, such as, without limitation, vulcanized rubber bands included within a desk accessory set or other type of set or package, and vulcanized rubber band balls. The scope excludes products that consist of an elastomer loop and durable tag all-in-one, and bands that are being used at the time of import to fasten an imported product. Merchandise covered by these investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 4016.99.3510. Merchandise covered by the scope may also enter under HTSUS subheading 4016.99.6050. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.
- In 2017, imports of rubber bands from China, Sri Lanka, and Thailand were valued at an estimated \$4.9 million, \$2 million, and \$12.1 million, respectively.
- The Initiation Decision Checklists are on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records

Unit, Room B8024 of the main Department of Commerce building. Please refer to case numbers: A-570-069 (AD China), C-570-070 (CVD China), A-542-802 (AD Sri Lanka), C-542-803 (CVD Sri Lanka), A-549-835 (AD Thailand), and C-549-836 (CVD Thailand).

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before March 16, 2018.
- If the ITC determines that there is a reasonable indication that imports of rubber bands from China, Sri Lanka, and/or Thailand materially injure, or threaten material injury to, the domestic industry in the United States, the investigations will continue, and Commerce will be scheduled to announce its preliminary CVD determinations in April 2018 and its preliminary AD determinations in July 2018, though these dates may be extended. If the ITC's determinations are negative, the investigations will be terminated.

ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
China	27.27 percent
Sri Lanka	56.54 - 133.13 percent
Thailand	28.92 - 78.36 percent

ESTIMATED SUBSIDY RATE:

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i> *
Sri Lanka	Above <i>de minimis</i> *
Thailand	Above <i>de minimis</i> *

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

CASE CALENDAR:

EVENT	CVD INVESTIGATIONS	AD INVESTIGATIONS
Petitions Filed	January 30, 2018	January 30, 2018
DOC Initiation Date	February 20, 2018†	February 20, 2018†
ITC Preliminary Determinations*	March 16, 2018	March 16, 2018
DOC Preliminary Determinations	April 26, 2018	July 10, 2018
DOC Final Determinations	July 10, 2018	September 24, 2018†
ITC Final Determinations**	August 24, 2018	November 7, 2018
Issuance of Orders***	August 31, 2018	November 14, 2018

NOTE: Commerce's 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 deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

* If the ITC makes a negative preliminary determination of injury, the investigations are terminated.

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

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

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

IMPORT STATISTICS:

CHINA	2015	2016	2017
Value (USD)	9,273,103	4,643,528	4,874,214
SRI LANKA	2015	2016	2017
Value (USD)	2,124,102	1,570,827	2,034,781
THAILAND	2015	2016	2017
Value (USD)	15,682,110	15,547,204	12,117,876

Source: U.S. Census Bureau, accessed through Global Trade Atlas (HTSUS 4016.99.3510). Volume is not reported in official import statistics for imports entered under this HTSUS subheading.