



## FACT SHEET

### **Commerce Issues Affirmative Preliminary Determination in the CVD Investigation of Imports of Rubber Bands from China and Negative Preliminary Determination in the CVD Investigation of Imports of Rubber Bands from Thailand**

- On July 3, 2018, the Department of Commerce (Commerce) announced the affirmative preliminary determination of the countervailing duty (CVD) investigation of imports of rubber bands from the People's Republic of China (China) and announced the negative preliminary determination in the CVD investigation of imports of rubber bands from Thailand.
- The CVD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods by 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.
- In the China investigation, Commerce assigned a preliminary subsidy rate of 125.77 percent for the mandatory respondents Graceful Imp. & Exp. Co., Ltd., Moyoung Trading Co., Ltd., and Ningbo Syloon Imp & Exp Co., Ltd. The preliminary subsidy rate for all other Chinese producers and exporters is 125.77 percent.
- In the Thailand investigation, Commerce assigned a preliminary subsidy rate of 0.23 percent for mandatory respondent Liang Hah Heng International Rubber Co., Ltd. Commerce assigned a preliminary subsidy rate of 0.37 percent for mandatory respondent U Yong Industry Co., Ltd. These subsidy rates are *de minimis*. Because the preliminary determination is negative, no "all others" rate has been applied to any other producers/exporters of Thailand.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of rubber bands from China based on these preliminary rates. Because the subsidy rates calculated in the Thailand investigation are *de minimis*, Commerce will not instruct CBP to require cash deposits.
- 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 and Thailand were valued at an estimated \$4.9 million and \$12.1 million, respectively.
- The Preliminary Decision Memoranda 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 C-570-070 for China and C-549-836 for Thailand.

#### **NEXT STEPS**

- Commerce is scheduled to announce its final determinations on or about November 14, 2018.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of rubber bands from China and/or Thailand materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If either Commerce's or the ITC's final determinations are negative, no CVD orders will be issued. The ITC is scheduled to make its final injury determinations approximately 45 days after Commerce issues its final determinations, if affirmative.

**PRELIMINARY SUBSIDY RATES:**

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Graceful Imp. & Exp. Co., Ltd.	125.77%
	Moyoung Trading Co., Ltd.	125.77%
	Ningbo Syloon Imp & Exp Co., Ltd.	125.77%
	All Others	125.77%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE*
Thailand	Liang Hah Heng International Rubber Co., Ltd.	0.23% <i>de minimis</i>
	U Yong Industry Co., Ltd.	0.37% <i>de minimis</i>

\* Because both firms are *de minimis*, no all others rate was calculated.

**CASE CALENDAR:**

EVENT	CVD INVESTIGATIONS
Petitions Filed	January 30, 2018
DOC Initiations Date	February 20, 2018
ITC Preliminary Determinations	March 19, 2018
DOC Preliminary Determinations	July 2, 2018
DOC Final Determinations*	November 13, 2018
ITC Final Determinations**	December 28, 2018
Issuance of Orders***	January 4, 2019

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). These deadlines may be extended under certain circumstances.

\*This deadline may be extended under the governing statute.

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

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

**IMPORT STATISTICS:**

CHINA	2015	2016	2017
Value (USD)	9,273,103	4,643,528	4,874,214
<b>THAILAND</b>			
	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.