



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of 1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China

- On April 21, 2016, the Department of Commerce (Commerce) announced the initiation of the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of 1-hydroxyethylidene-1, 1-diphosphonic acid (HEDP) from the People's Republic of China (China).
- 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, 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.
- The petitioner is Compass Chemical International LLC (GA).
- The merchandise covered by these investigations includes all grades of aqueous acidic (non-neutralized) concentrations of 1-hydroxyethylidene-1, 1-diphosphonic acid (HEDP), also referred to as hydroxyethylidenediphosphonic acid, hydroxyethanediphosphonic acid, acetodiphosphonic acid, and etidronic acid. The CAS (Chemical Abstract Service) registry number for HEDP is 2809-21-4.
- The merchandise subject to these investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 2931.90.9043. It may also enter under HTSUS subheadings 2811.19.6090 and 2931.90.9041. While HTSUS subheadings and the CAS registry number are provided for convenience and customs purposes only, the written description of the scope of these investigations is dispositive.
- In 2015, imports of HEDP from China were valued at an estimated \$290.1 million.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determination on or before May 16, 2016.

If the ITC determines that there is a reasonable indication that imports of HEDP from China materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determination in June 2016 and its preliminary AD determination in September 2016, unless the statutory deadlines are extended. If the ITC's preliminary determination is negative, the investigations will be terminated.

ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
China	96 percent

ESTIMATED SUBSIDY RATES:

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

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

CASE CALENDAR:

EVENT	AD INVESTIGATION	CVD INVESTIGATION
Petitions Filed	March 31, 2016	March 31, 2016
DOC Initiation Date	April 20, 2016	April 20, 2016
ITC Preliminary Determination*	May 16, 2016†	May 16, 2016†
DOC Preliminary Determinations	September 7, 2016	June 24, 2016
DOC Final Determinations*	November 21, 2016	September 7, 2016
ITC Final Determination**	January 5, 2017	October 24, 2016†
Issuance of Orders***	January 12, 2017	October 31, 2016†

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

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

* 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.

IMPORT STATISTICS:

CHINA	2013	2014	2015
Volume (metric tons)	118,900	89,500	92,900
Value (USD)	566,660,000	363,245,000	290,096,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 2931.90.9043)

The above HTSUS subheading is a basket category and may cover both subject and non-subject merchandise.

Imports of HEDP may also enter under HTSUS 2811.19.6090 and 2931.90.9041. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.