



## FACT SHEET

### Commerce Preliminarily Finds Dumping of Imports of Certain Amorphous Silica Fabric from the People's Republic of China

- On August 25, 2016, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports certain amorphous silica fabric from the People's Republic of China (China).
- 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 caused by 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.
- Commerce preliminarily found that dumping has occurred by mandatory respondents ACIT (Pinghu) Inc. (ACIT) and Nanjing Tianyuan Fiberglass Material Co. Ltd.'s (Nanjing Tianyuan) at a dumping margin of 162.47 percent. The dumping margin for mandatory respondent Nanjing Tianyuan was based on adverse facts available (AFA) as a result of its failure to cooperate to the best of its ability in the investigation. Commerce calculated a preliminary dumping margin of 162.47 percent for all other producers/exporters in China. Because the rate calculated for ACIT is a calculated rate, based on a mandatory respondent's data, and is higher than any rate provided in the petition, it was also assigned as the AFA rate for Nanjing Tianyuan.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits based on these preliminary rates.
- Commerce also preliminarily found that critical circumstances exist with respect to ACIT, Nanjing Tianyuan, and all other exporters of this merchandise from China. CBP will be instructed to retroactively impose provisional measures on entries of amorphous silica fabric from China from these producers/exporters, up to 90 days prior to publication of the preliminary determination in the *Federal Register*.
- The petitioner for this investigation is Auburn Manufacturing, Inc. (ME).
- The product covered by this investigation is woven (whether from yarns or rovings) industrial grade amorphous silica fabric, which contains a minimum of 90 percent silica (SiO<sub>2</sub>) by nominal weight, and a nominal width in excess of 8 inches. The investigation covers industrial grade amorphous silica fabric regardless of other materials contained in the fabric, regardless of whether in roll form or cut-to-length, regardless of weight, width (except as noted above), or length. The investigation covers industrial grade amorphous silica fabric regardless of whether the product is approved by a standards testing body (such as being Factory Mutual (FM) Approved), or regardless of whether it meets any governmental specification.

Industrial grade amorphous silica fabric may be produced in various colors. The investigation covers industrial grade amorphous silica fabric regardless of whether the fabric is colored. Industrial grade amorphous silica fabric may be coated or treated with materials that include, but are not limited to, oils, vermiculite, acrylic latex compound, silicone, aluminized polyester (Mylar®) film, pressure-sensitive adhesive, or other coatings and treatments. The investigation covers industrial grade amorphous silica fabric regardless of whether the fabric is coated or treated, and regardless of coating or treatment weight as a percentage of total product weight. Industrial grade amorphous silica fabric may be heat-cleaned. The investigation covers industrial grade amorphous silica fabric regardless of whether the fabric is heat-cleaned.

Industrial grade amorphous silica fabric may be imported in rolls or may be cut-to-length and then further fabricated to make welding curtains, welding blankets, welding pads, fire blankets, fire pads, or fire screens. Regardless of the name, all industrial grade amorphous silica fabric that has been further cut-to-length or cut-to-width or further finished by finishing the edges and/or adding grommets, is included within the scope of this investigation.

Subject merchandise also includes (1) any industrial grade amorphous silica fabric that has been converted into industrial grade amorphous silica fabric in China from fiberglass cloth produced in a third country; and (2) any industrial grade amorphous silica fabric that has been further processed in a third country prior to export to the United States, including but not limited to treating, coating, slitting, cutting to length, cutting to width, finishing the edges, adding grommets, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope industrial grade amorphous silica fabric.

Excluded from the scope of the investigation is amorphous silica fabric that is subjected to controlled shrinkage, which is also called “pre-shrunk” or “aerospace grade” amorphous silica fabric. In order to be excluded as a pre-shrunk or aerospace grade amorphous silica fabric, the amorphous silica fabric must meet the following exclusion criteria: (1) the amorphous silica fabric must contain a minimum of 98 percent silica (SiO<sub>2</sub>) by nominal weight; (2) the amorphous silica fabric must have an areal shrinkage of 4 percent or less; (3) the amorphous silica fabric must contain no coatings or treatments; and (4) the amorphous silica fabric must be white in color. For purposes of this scope, “areal shrinkage” refers to the extent to which a specimen of amorphous silica fabric shrinks while subjected to heating at 1800 degrees F for 30 minutes.<sup>1</sup>

Also excluded from the scope are amorphous silica fabric rope and tubing (or sleeving). Amorphous silica fabric rope is a knitted or braided product made from amorphous silica yarns. Silica tubing (or sleeving) is braided into a hollow sleeve from amorphous silica yarns.

The subject imports are normally classified in subheadings 7019.59.4021, 7019.59.4096, 7019.59.9021, and 7019.59.9096 of the Harmonized Tariff Schedule of the United States (HTSUS), but may also enter under HTSUS subheadings 7019.40.4030, 7019.40.4060, 7019.40.9030, 7019.40.9060, 7019.51.9010, 7019.51.9090, 7019.52.9010, 7019.52.9021, 7019.52.9096 and 7019.90.1000. HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of this investigation is dispositive.

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<sup>1</sup> Areal shrinkage is expressed as the following percentage:

$$\frac{\text{Fired Area, cm}^2 - \text{Initial Area, cm}^2}{\text{Initial Area, cm}^2} \times 100 = \text{Areal Shrinkage, \%}$$

- In 2015, imports of certain amorphous silica fabric from China were valued at an estimated \$16 million.

#### **NEXT STEPS**

- Commerce is scheduled to announce its final determination on or about November 8, 2016.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of certain amorphous silica fabric from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If either Commerce's or the ITC's final determination is negative, no AD order will be issued. The ITC is scheduled to make its final injury determination in December 2016.

#### **PRELIMINARY DUMPING MARGINS:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>DUMPING RATES</b>
<b>China</b>	<b>ACIT (Pinghu) Inc.</b>	<b>162.47%</b>
	<b>Nanjing Tianyuan Fiberglass Material Co. Ltd.</b>	<b>162.47%</b>
	<b>China-Wide Rate</b>	<b>162.47%</b>

## CASE CALENDAR:

EVENT	DATE
Petitions Filed	January 20, 2016
DOC Initiation Date	February 16, 2016†
ITC Preliminary Determination	April 24, 2016
DOC Preliminary Determination	August 24, 2016
DOC Final Determination	November 7, 2016
ITC Final Determination*	December 22, 2016
Issuance of Order**	December 29, 2016

**NOTE:** Commerce 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. These deadlines may be extended under certain circumstances.

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

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

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

## IMPORT STATISTICS:

CHINA	2013	2014	2015
Volume (square meters)	4,989,000	5,693,000	7,342,000
Value (USD)	13,165,000	16,294,000	16,036,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (7019.59.4021, 7019.59.4096, 7019.59.9021, and 7019.59.9096). The above HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise. Imports of amorphous silica fabric may also enter under HTSUS 7019.40.4030, 7019.40.4060, 7019.40.9030, 7019.40.9060, 7019.51.9010, 7019.51.9090, 7019.52.9010, 7019.52.9021, 7019.52.9096, and 7019.90.1000. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.