



FACT SHEET

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

- On June 28, 2016, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of certain amorphous silica fabric from China (China).
- The CVD law provides U.S. business and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market distorting effects caused by injurious 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 foreign governments 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.
- Commerce calculated a preliminary subsidy rate of 4.36 percent for mandatory respondent ACIT (Pinghu) Inc. (and its cross-owned affiliate) and 28.25 percent for mandatory respondent Nanjing Tianyuan Fiberglass Material Co., Ltd. All other producers/exporters in China have been assigned a preliminary subsidy rate of 4.36 percent.
- In addition, Commerce calculated a preliminary subsidy rate of 104.10 percent for 48 companies, based on adverse facts available, due to their failure to respond to Commerce's quantity and value questionnaire.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates.
- 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_2) 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 (SiO₂) 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.¹

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.

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

¹ Areal shrinkage is expressed as the following percentage:

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

NEXT STEPS

- Commerce is scheduled to announce its final determination on or about November 8, 2016, unless the statutory deadline is extended.
- 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 a CVD order. If either Commerce's or the ITC's final determination is negative, no CVD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Nanjing Tianyuan Fiberglass Material Co., Ltd.	28.25%
	ACIT (Pinghu) Inc. and ACIT (Shanghai) Inc.	4.36%
	Separate Rates (See Attached List)	104.10%
	All others	4.36%

CASE CALENDAR:

EVENT	DATE
Petition Filed	January 20, 2016
DOC Initiation Date	February 16, 2016†
ITC Preliminary Determination	March 7, 2016†
DOC Preliminary Determination	June 27, 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 CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) 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 an affirmative final determination from Commerce.

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

SEPARATE RATES

COMPANY	SUBSIDY RATE
Acmetex Co., Ltd.	104.10%
Beijing Great Pack Materials, Co. Ltd.	104.10%
Beijing Landingji Engineering Tech Co., Ltd.	104.10%
Changshu Yaoxing Fiberglass Insulation Products Co., Ltd.	104.10%
Changzhou Kingze Composite Materials Co., Ltd.	104.10%
Changzhou Utek Composite Co.	104.10%
Chengdu Chang Yuan Shun Co., Ltd.	104.10%
China Beihai Fiberglass Co., Ltd.	104.10%
China Yangzhou Guo Tai Fiberglass Co., Ltd.	104.10%
Chongqing Polycomp International Corp.	104.10%
Chongqing Yangkai Import & Export Trade Co., Ltd.	104.10%
Cixi Sunrise Sealing Material Co., Ltd.	104.10%
Fujian Minshan Fire-Fighting Co., Ltd.	104.10%
Grand Fiberglass Co., Ltd.*	104.10%
Haining Jiete Fiberglass Fabric Co., Ltd.	104.10%
Hebei Yuniu Fiberglass Manufacturing Co., Ltd.	104.10%
Hebei Yuyin Trade Co., Ltd.	104.10%
Hengshui Aohong International Trading Co., Ltd.	104.10%
Hitex Insulation (Ningbo) Co., Ltd.	104.10%
Mowco Industry Limited	104.10%

Nanjing Debeili New Materials Co., Ltd.	104.10%
Ningbo Fitow High Strength Composites Co., Ltd.	104.10%
Ningbo Universal Star Industry & Trade Limited	104.10%
Ningguo BST Thermal Protection Products Co., Ltd.	104.10%
Qingdao Feelongda Industry & Trade Co., Ltd.	104.10%
Qingdao Shishuo Industry Co., Ltd.	104.10%
Rugao City Ouhua Composite Material Co., Ltd.	104.10%
Rugao Nebola Fiberglass Co., Ltd.	104.10%
Shanghai Bonthe Insulative Material Co., Ltd.	104.10%
Shanghai Horse Construction Co., Ltd.	104.10%
Shanghai Liankun Electronics Material Co., Ltd.	104.10%
Shanghai Suita Environmental Protection Technology Co., Ltd.	104.10%
Shangqui Huanyu Fiberglass Co., Ltd.	104.10%
Shengzhou Top-Tech New Material Co., Ltd.	104.10%
Shenzhen Songxin Silicone Products Co., Ltd.	104.10%
Taixing Chuanda Plastic Co., Ltd.	104.10%
Taixing Vichen Composite Material Co., Ltd.	104.10%
TaiZhou Xinxing Fiberglass Products Co., Ltd.	104.10%
Tenglong Sealing Products Manufactory Yuyao	104.10%
Texaspro (China) Company	104.10%
Wallean Industries Co., Ltd.	104.10%
Wuxi First Special-Type Fiberglass Co., Ltd.	104.10%

Wuxi Xingxiao Hi-Tech Material Co., Ltd.	104.10%
Yuyao Feida Insulation Sealing Factory	104.10%
Yuyao Tianyi Special Carbon Fiber Co., Ltd.	104.10%
Zibo Irvine Trading Co., Ltd.	104.10%
Zibo Yao Xing Fire-Resistant and Heat-Preservation Material Co., Ltd.	104.10%