



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of Certain Biaxial Integral Geogrid Products from the People's Republic of China

- On June 20, 2016, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of certain biaxial integral geogrid products from the People's Republic of 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 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.
- Commerce calculated a preliminary subsidy rate of 16.60 percent and 30.65 percent for mandatory respondents BOSTD Geosynthetics Qingdao Ltd. and Taian Modern Plastic Co., Ltd., respectively. All other producers/exporters in China have been assigned a preliminary subsidy rate of 23.63 percent. In addition, twenty-five companies which did not respond to Commerce's quantity and value questionnaire were assigned a preliminary subsidy rate of 128.27 percent, based on adverse facts available.
- 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 Tensar Corporation (GA).
- The merchandise covered by this investigation is certain biaxial integral geogrid products. Biaxial integral geogrid products are a polymer grid or mesh material (whether or not finished, slit, cut-to-length, attached to woven or non-woven fabric or sheet material, or packaged) in which four-sided openings in the form of squares, rectangles, rhomboids, diamonds, or other four-sided figures predominate. The products covered have integral strands that have been stretched to induce molecular orientation into the material (as evidenced by the strands being thinner toward the middle between the junctions than at the junctions themselves) constituting the sides of the openings and integral junctions where the strands intersect. The scope includes products in which four-sided figures predominate whether or not they also contain additional strands intersecting the four-sided figures and whether or not the inside corners of the four-sided figures are rounded off or not sharp angles. As used herein, the term "integral" refers to strands and junctions that are homogenous with each other. The products covered have a tensile strength of greater than 5 kilonewtons per meter ("kN/m") according to American Society for Testing and Materials ("ASTM") Standard Test Method D6637/D6637M in any direction and average overall flexural stiffness of more than 100,000

milligram-centimeter according to the ASTM D7748/D7748M Standard Test Method for Flexural Rigidity of Geogrids, Geotextiles and Related Products, or other equivalent test method standards.

- Subject merchandise includes material matching the above description that has been finished, packaged, or otherwise further processed in a third country, including by trimming, slitting, coating, cutting, punching holes, stretching, attaching to woven or non-woven fabric or sheet material, or any other finishing, packaging, or other further processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the biaxial integral geogrid.
- The products subject to the scope are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the following subheading: 3926.90.9995. Subject merchandise may also enter under subheadings 3920.20.0050 and 3925.90.0000. The HTSUS subheadings set forth above are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.
- Biaxial integral geogrid products are used in the construction of paved and unpaved roads, as well as in other construction projects, such as for reinforcing foundations or working platforms that are built on top of unstable soils.
- In 2014, imports of certain biaxial integral geogrid products from China were valued at an estimated \$1.5 billion.

NEXT STEPS

- Petitioner requested that the final determination of the CVD investigation align with the final determination of the antidumping duty less-than-fair-value investigation. Accordingly, Commerce is scheduled to announce its final determinations on or about October 31, 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 biaxial integral geogrid products 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	BOSTD Geosynthetics Qingdao Ltd.	16.60%
	Taian Modern Plastic Co., Ltd.	30.65%
	Separate Rate Companies (See Attached List)	128.27%
	All others	23.63%

CASE CALENDAR:

EVENT	DATE
Petition Filed	January 13, 2016
DOC Initiation Date	February 8, 2016
ITC Preliminary Determination	February 29, 2016
DOC Preliminary Determination	June 17, 2016
DOC Final Determination	October 31, 2016
ITC Final Determination**	December 15, 2016
Issuance of Order***	December 22, 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 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	2012	2013	2014
Value (USD)	1,390,242,000	1,466,595,000	1,505,542,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 3926.90.9980).

Note: HTSUS 3926.90.9980 was replaced by 3926.90.9995 starting in January 2015. These HTSUS subheadings are basket categories and cover a wide variety of non-subject imports. Therefore, the import statistics above may vary significantly from actual imports of certain biaxial integral geogrid products.

Volume is not reported in official import statistics entered under HTSUS subheadings 3926.90.9980 and 3926.90.9995. Imports of certain biaxial integral geogrid products may also enter under HTSUS 3920.20.0050 and 3925.90.0000. However, these two 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
Chengdu Tian Road Engineering Materials Co., Ltd.	128.27%
Chongqing Jiudi Reinforced Soil Engineering Co., Ltd.	128.27%
CNBM International Corporation	128.27%
Dezhou Yaohua Geosynthetics Ltd.	128.27%
Dezhou Zhengyu Geosynthetics Ltd.	128.27%
Hongye Engineering Materials Co., Ltd.	128.27%
Hubei Nete Geosynthetics Ltd.	128.27%
Jiangsu Dingtai Engineering Material Co., Ltd.	128.27%
Jiangsu Jiuding New Material Ltd.	128.27%
Lewu New Material Ltd.	128.27%
Nanjing Jinlu Geosynthetics Ltd.	128.27%
Nanjing Kunchi Composite Material Ltd.	128.27%
Nanyang Jieda Geosynthetics Co., Ltd.	128.27%
Qingdao Hongda Plastics Corp.	128.27%
Shandong Dexuda Geosynthetics Ltd.	128.27%
Shandong Haoyang New Engineering Materials Co., Ltd.	128.27%
Shandong Tongfa Glass Fiber Ltd.	128.27%
Shandong Xinyu Geosynthetics Ltd.	128.27%
Tai'an Haohua Plastics Co., Ltd.	128.27%

Taian Hengbang Engineering Material Co., Ltd.	128.27%
Taian Naite Geosynthetics Ltd.	128.27%
Taian Road Engineering Materials Co., Ltd.	128.27%
Tenax	128.27%
Hengshui Zhongtiejian Group Co.	128.27%
Qingdao Sunrise Dageng Import and Export Co., Ltd.	128.27%