



## FACT SHEET

### **Commerce Preliminarily Finds Countervailable Subsidization of Imports of Chlorinated Isocyanurates from the People's Republic of China**

- On February 12, 2014, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of chlorinated isocyanurates from the People's Republic of China (China).
- The CVD law provides U.S. business and workers with a transparent and internationally approved 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, 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.
- Commerce preliminarily determined that mandatory respondents Hebei Jiheng Chemicals Co., Ltd. and Juancheng Kangtai Chemical Co., Ltd. received subsidy rates of 18.57 percent and 1.55 percent, respectively. All other producers/exporters in China have been assigned a preliminary subsidy rate of 10.06 percent.
- 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 petitioners for this investigation are Clearon Corp. (WV) and Occidental Chemical Corporation (TX).
- The merchandise covered by the scope of this investigation are chlorinated isocyanurates. Chlorinated isocyanurates are derivatives of cyanuric acid, described as chlorinated s-triazine triones. There are three primary chemical compositions of chlorinated isocyanurates: (1) trichloroisocyanuric acid ( $\text{Cl}_3(\text{NCO})_3$ ), (2) sodium dichloroisocyanurate (dihydrate) ( $\text{NaCl}_2(\text{NCO})_3 \times 2\text{H}_2\text{O}$ ), and (3) sodium dichloroisocyanurate (anhydrous) ( $\text{NaCl}_2(\text{NCO})_3$ ). Chlorinated isocyanurates are available in powder, granular and solid (*e.g.*, tablet or stick) forms.

Chlorinated isocyanurates are currently classifiable under subheadings 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.50.4000, 3808.94.5000, and 3808.99.9500 of the Harmonized Tariff Schedule of the United States (HTSUS). The tariff classification 2933.69.6015 covers sodium dichloroisocyanurates (anhydrous and dihydrate forms) and trichloroisocyanuric acid. The tariff classifications 2933.69.6021 and 2933.69.6050 represent basket categories that include chlorinated isocyanurates and other compounds including an unfused triazine ring. The tariff classifications 3808.50.4000, 3808.94.5000 and 3808.99.9500 cover disinfectants that include chlorinated isocyanurates. The HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of this investigation is dispositive.

- In 2013, imports of chlorinated isocyanurates from China were valued at an estimated \$168.6 million.

#### NEXT STEPS

- Commerce is scheduled to announce its final determination on or about July 1, 2014.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of chlorinated isocyanurates 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 in August 2014.

#### PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Hebei Jiheng Chemicals Co., Ltd.	18.57%
	Juancheng Kangtai Chemical Co., Ltd.	1.55%
	All Others	10.06%

## CASE CALENDAR:

EVENT	DATE
Petition Filed	August 29, 2013
DOC Initiation Date	September 18, 2013
ITC Preliminary Determination	October 31, 2013
DOC Preliminary Determination <sup>^</sup>	February 11, 2014
DOC Final Determination <sup>*^</sup>	June 30, 2014 <sup>†</sup>
ITC Final Determination <sup>**</sup>	August 12, 2014
Issuance of Order <sup>***^</sup>	August 19, 2014

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.

<sup>^</sup> As explained in the Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (October 18, 2013), Commerce has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013. Therefore, the deadlines in this investigation have been extended by 16 days.

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

\* Aligned with the antidumping duty proceedings.

\*\* 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	2011	2012	2013
Volume (metric tons)	45,600	58,900	52,800
Value (USD)	107,241,000	145,241,000	168,611,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.50.4000, 3808.94.5000, and 3808.99.9500). Some HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise.