



## FACT SHEET

### Commerce Finds Dumping of Imports of Hydrofluorocarbon Blends and Components Thereof from the People's Republic of China

- On June 22, 2016, the Department of Commerce (Commerce) announced its affirmative final determination in the antidumping duty (AD) investigation of imports of hydrofluorocarbon blends and components thereof 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 AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value.
- Mandatory respondents Huantai Dongyue International Trade Co., Ltd./Shandong Dongyue Chemical Co. Ltd. (Collectively, Dongyue) and T.T. International Co., Ltd. were assigned final dumping margins of 216.37 percent and 101.82 percent, respectively. The parties which qualified for separate rates were assigned a final dumping margin of 101.82 percent. All other producers/exporters in China were assigned the China-wide final dumping margin of 216.37 percent.
- Commerce found that critical circumstances exist with respect to T.T. International Co., Ltd. and the China-wide entity in the preliminary determination, and continues to do so in the final determination. Critical circumstances are found when there has been a surge in imports over a relatively short period of time in anticipation of the possible imposition of AD duties.
- As a result of the final affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. Where critical circumstances were found with respect to certain producers and exporters in China, CBP will be instructed to impose provisional measures retroactively on entries of certain hydrofluorocarbon blends and certain single hydrofluorocarbon components up to 90 days prior to publication of the preliminary determination Federal Register notice.
- The petitioners for this investigation are the American HFC Coalition and its individual members, as well as District Lodge 154 of the International Association of Machinists and Aerospace Workers. The individual members of the American HFC Coalition are: Amtrol Inc. (RI), Arkema Inc. (PA), The Chemours Company FC LLC (DE), Honeywell International Inc. (NJ), Hudson Technologies (NY), Mexichem Fluor Inc. (LA), and Worthington Industries, Inc. (OH).
- The products subject to this investigation are HFCs and single HFC components of those blends thereof, whether or not imported for blending. HFC blends covered by the scope are R-404A, a zeotropic mixture consisting of 52 percent 1,1,1 Trifluoroethane, 44 percent Pentafluoroethane, and 4 percent 1,1,1,2-Tetrafluoroethane; R-407A, a zeotropic mixture of 20 percent Difluoromethane, 40 percent Pentafluoroethane, and 40 percent 1,1,1,2-Tetrafluoroethane; R-407C, a zeotropic mixture of

23 percent Difluoromethane, 25 percent Pentafluoroethane, and 52 percent 1,1,1,2-Tetrafluoroethane; R-410A, a zeotropic mixture of 50 percent Difluoromethane and 50 percent Pentafluoroethane; and R-507A, an azeotropic mixture of 50 percent Pentafluoroethane and 50 percent 1,1,1-Trifluoroethane also known as R-507. The foregoing percentages are nominal percentages by weight. Actual percentages of single component refrigerants by weight may vary by plus or minus two percent points from the nominal percentage identified above.<sup>1</sup>

The single component HFCs covered by the scope are R-32, R-125, and R-143a. R-32 or Difluoromethane has the chemical formula CH<sub>2</sub>F<sub>2</sub>, and is registered as CAS No. 75-10-5. It may also be known as HFC-32, FC-32, Freon-32, Methylene difluoride, Methylene fluoride, Carbon fluoride hydride, halocarbon R32, fluorocarbon R32, and UN 3252. R-125 or 1,1,1,2,2-Pentafluoroethane has the chemical formula CF<sub>3</sub>CHF<sub>2</sub> and is registered as CAS No. 354-33-6. R-125 may also be known as R-125, HFC-125, Pentafluoroethane, Freon 125, and Fc-125, R-125. R-143a or 1,1,1-Trifluoroethane has the chemical formula CF<sub>3</sub>CH<sub>3</sub> and is registered as CAS No. 420-46-2. R-143a may also be known as R-143a, HFC-143a, Methylfluoroform, 1,1,1-Trifluoroform, and UN2035.

Also included are semi-finished blends of Chinese HFC components. Except as described below, semi-finished blends are blends of two Chinese HFCs components (i.e., R-32, R-125, and R-143a), as well as blends of any one of these components with Chinese R-134a, that are used to produce the subject HFC blends that have not been blended to the specific proportions required to meet the definition of one of the subject HFC blends described above (R-404A, R-407A, R-407C, R-410A, and R-507A).

This investigation includes any Chinese HFC components (i.e., R-32, R-125, and R-143a), as well as Chinese R-134a,<sup>2</sup> that are blended in a third country to produce a subject HFC blend before being imported into the United States. Chinese R-134a is not subject to the scope of this investigation unless it is blended with another Chinese HFC component (i.e., R-32, R-125, and R-143a) into a subject blend or semi-finished blend before being imported into the United States.

Any blend or semi-finished blend that includes an HFC component other than R-32, R-125, R-143a, or R-134a is excluded from the scope of this investigation. Furthermore, semi-finished blends do not include any blends containing both HFCs R-32 and R-143a. Single-component HFCs and semi-finished HFC blends are not excluded from the scope of this investigation when blended with HFCs from non-subject countries.

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<sup>1</sup> R-404A is sold under various trade names, including Forane® 404A, Genetron® 404A, Solkane® 404A, Klea® 404A, and Suva® 404A. R-407A is sold under various trade names, including Forane® 407A, Solkane® 407A, Klea® 407A, and Suva® 407A. R-407C is sold under various trade names, including Forane® 407C, Genetron® 407C, Solkane® 407C, Klea® 407C and Suva® 407C. R-410A is sold under various trade names, including EcoFluor R410, Forane® 410A, Genetron® R410A and AZ-20, Solkane® 410A, Klea® 410A, Suva® 410A, and Puron®. R-507A is sold under various trade names, including Forane® 507, Solkane® 507, Klea® 507, Genetron® AZ-50, and Suva® 507. R-32 is sold under various trade names, including Solkane® 32, Forane® 32, and Klea® 32. R-125 is sold under various trade names, including Solkane® 125, Klea® 125, Genetron® 125, and Forane® 125. R-143a is sold under various trade names, including Solkane® 143a, Genetron® 143a, and Forane® 125.

<sup>2</sup> However, if the only Chinese content of such a third country blend is the R-134a portion, then such a third country blend is excluded from the scope of this investigation.

Excluded from this investigation are blends of refrigerant chemicals that include products other than HFCs, such as blends including chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), hydrocarbons (HCs), or hydrofluoroolefins (HFOs).

Also excluded from this investigation are patented HFC blends, including, but not limited to, ISCEON® blends, including MO99™ (R-438A), MO79 (R-422A), MO59 (R-417A), MO49Plus™ (R-437A) and MO29™ (R-422D), Genetron® Performax™ LT (R-407F), Choice® R-421A, and Choice® R-421B.

HFC blends covered by the scope of this investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings 3824.78.0020 and 3824.78.0050. Single component HFCs are currently classified at subheadings 2903.39.2035 and 2903.39.2045, HTSUS.<sup>3</sup> Although the HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes, the written description of the scope is dispositive.

- In 2015, imports of hydrofluorocarbon blends and certain single hydrofluorocarbon components thereof from China were valued at an estimated \$165.1 million.

#### NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its final injury determination on August 1, 2016.
- If the ITC makes an affirmative final determination that imports of certain hydrofluorocarbon blends and certain single hydrofluorocarbon components thereof from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If the ITC makes a negative determination of injury, the investigation will be terminated.

#### FINAL DUMPING MARGINS:

EXPORTER	PRODUCER	WEIGHTED-AVERAGE MARGIN (%)
T.T. International Co., Ltd.	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.	101.82
T.T. International Co., Ltd.	Zhejiang Lantian Environmental Protection Fluoro Material Co. Ltd.	101.82
T.T. International Co., Ltd.	Jinhua Yonghe Fluorochemical Co., Ltd.	101.82
T.T. International Co., Ltd.	Zhejiang Sanmei Chemical Industry Co., Ltd.	101.82

<sup>3</sup> We note that HFC blends were classified at HTSUS subheading 3824.78.0000 and single component HFCs were classified at HTSUS subheading 2903.39.2030 in 2015.

<b>EXPORTER</b>	<b>PRODUCER</b>	<b>WEIGHTED-AVERAGE MARGIN (%)</b>
T.T. International Co., Ltd.	Shandong Huaan New Material Co., Ltd.	101.82
T.T. International Co., Ltd.	Zhejiang Zhonglan Refrigeration Technology Co., Ltd.	101.82
T.T. International Co., Ltd.	Dongyang Weihua Refrigerants Co., Ltd.	101.82
Daikin Fluorochemicals (China) Co., Ltd.	Daikin Fluorochemicals (China) Co., Ltd.	101.82
Daikin Fluorochemicals (China) Co., Ltd.	Arkema Daikin Advanced Fluorochemicals (Changsu) Co., Ltd. (Arkema Daikin)	101.82
Jinhua Yonghe Fluorochemical Co., Ltd.	Zhejiang Yonghe Refrigerant Co., Ltd.	101.82
Shandong Huaan New Material Co., Ltd.	Shandong Huaan New Material Co., Ltd.	101.82
Weitron International Refrigeration Equipment (Kunshan) Co., Ltd.	Zhejiang Lantian Environmental Protection Fluoro Material Co., Ltd.	101.82
Weitron International Refrigeration Equipment (Kunshan) Co., Ltd.	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.	101.82
Weitron International Refrigeration Equipment (Kunshan) Co., Ltd.	Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd.	101.82
Weitron International Refrigeration Equipment (Kunshan) Co., Ltd.	Zhejiang Sanmei Chemical Industry Co., Ltd.	101.82
Zhejiang Yonghe Refrigerant Co., Ltd.	Jinhua Yonghe Fluorochemical Co., Ltd.	101.82
Zhejiang Sanmei Chemical Industry Co., Ltd. (Zhejiang Sanmei Chemical Industry Co., Ltd.)	Zhejiang Sanmei Chemical Industry Co., Ltd. (Zhejiang Sanmei Chemical Industry Co., Ltd.)	101.82
Zhejiang Sanmei Chemical Industry Co., Ltd. (Zhejiang Sanmei Chemical Industry Co., Ltd.)	Jiangsu Sanmei Chemicals Co., Ltd.	101.82
China-Wide Entity <sup>4</sup>		216.37

<sup>4</sup> This also includes Dongyue, Sinochem Lantian Trade Co., Ltd., Sinochem Environmental Protection Chemicals (Taicang) Co. Ltd., Zhejiang Lantian Environmental Protection Fluoro Material Co., Ltd., Zhejiang Quhua Fluor-Chemistry Co., Ltd., and Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd.

## CASE CALENDAR:

EVENT	DATE
Petitions Filed	June 25, 2015
DOC Initiation Date	July 15, 2015
ITC Preliminary Determination	August 10, 2015†
DOC Preliminary Determination	January 21, 2016
DOC Final Determination	June 21, 2016
ITC Final Determination	August 1, 2016
Issuance of Order**	August 7, 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 the ITC.

## IMPORT STATISTICS:

CHINA	2013	2014	2015
Volume (metric tons)	39,000	34,200	49,500
Value (USD)	134,021,000	109,465,000	165,068,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 2903.39.2030 and 3824.78.0000)

These HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise.

Note: In 2016, HTSUS 2903.39.2030 was replaced by 2903.39.2035 and 2903.39.2045, and 3824.78.0000 was replaced by 3824.78.0020 and 3824.78.0050.