



## FACT SHEET

### Commerce Finds Dumping and Countervailable Subsidization of Imports of Rubber Bands from China

- On November 14, 2018, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of rubber bands from China.
- The AD and CVD laws provide 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 and subsidization 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. For the purpose of a CVD investigation, 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.
- In the AD investigation, Commerce assigned a dumping margin of 27.27 percent to the China-wide entity, based entirely on adverse facts available. No companies demonstrated that they were eligible for a separate rate.
- In the CVD investigation, Commerce assigned a subsidy rate of 125.77 percent for the mandatory respondents Graceful Imp. & Exp. Co., Ltd., Moyoung Trading Co., Ltd., and Ningbo Syloon Imp & Exp Co., Ltd. The subsidy rate for all other Chinese producers and exporters is 125.77 percent.
- Upon publication of the final affirmative AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect AD cash deposits equal to the applicable final weighted-average dumping margins. Further, as a result of the affirmative final CVD determination, if the U.S. International Trade Commission (ITC) makes an affirmative injury determination, Commerce will instruct CBP to resume collection of CVD cash deposits equal to the applicable subsidy rates.
- The petitioner is Alliance Rubber Company (AR).
- In the AD and CVD investigations, the domestic interested party alleged critical circumstances with regard to imports of rubber bands from China. For the AD investigation, due to its failure to cooperate, Commerce found that critical circumstances exist for the China-wide entity. For the CVD investigation, due to their failure to cooperate, Commerce found that critical circumstances exist for Graceful Imp. & Exp. Co., Ltd., Moyoung Trading Co., Ltd., and Ningbo Syloon Imp & Exp Co., Ltd., based on adverse facts available. Commerce found that critical circumstances do not exist for all other exporters and producers.
- The products subject to these investigations are bands made of vulcanized rubber, with a flat length, as actually measured end-to-end by the band lying flat, no less than ½ inch and no greater than 10 inches; with a width, which measures the dimension perpendicular to the length, actually of at least 3/64 inch and no greater than 2 inches; and a wall thickness actually from 0.020 inch to 0.125 inch. Vulcanized rubber has been chemically processed into a more durable material by the addition of sulfur or other equivalent

curatives or accelerators. Subject products are included regardless of color or inclusion of printed material on the rubber band’s surface, including but not limited to, rubber bands with printing on them, such as a product name, advertising, or slogan, and printed material (*e.g.*, a tag) fastened to the rubber band by an adhesive or another temporary type of connection. The scope includes vulcanized rubber bands which are contained or otherwise exist in various forms and packages, such as, without limitation, vulcanized rubber bands included within a desk accessory set or other type of set or package, and vulcanized rubber band balls. The scope excludes products that consist of an elastomer loop and durable tag all-in-one, and bands that are being used at the time of import to fasten an imported product.

Excluded from the scope of these investigations are vulcanized rubber bands of various sizes with arrow shaped rubber protrusions from the outer diameter that exceeds at the anchor point a wall thickness of 0.125 inches and where the protrusion is used to loop around, secure and lock in place.

Excluded from the scope of these investigations are yarn/fabric-covered vulcanized rubber hair bands, regardless of size.

Merchandise covered by these investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 4016.99.3510. Merchandise covered by the scope may also enter under HTSUS subheading 4016.99.6050. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

- In 2017, imports of rubber bands from China were valued at an estimated \$4.9 million.
- The Final Decision Memoranda are on file electronically *via* Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case number A-570-069 for the AD investigation and C-570-070 for the CVD investigation.

#### **NEXT STEPS**

- The ITC is scheduled to make its final determinations on or about December 28, 2018.
- If the ITC makes affirmative final determinations that imports of rubber bands from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

#### **FINAL DUMPING MARGIN:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>DUMPING MARGIN</b>
<b>China</b>	China-Wide Entity	<b>27.27%</b>

**FINAL SUBSIDY RATES:**

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Graceful Imp. & Exp. Co., Ltd.	125.77%
	Moyoung Trading Co., Ltd.	125.77%
	Ningbo Syloon Imp & Exp Co., Ltd.	125.77%
	All Others	125.77%

**CASE CALENDAR:**

EVENT	CVD	AD
Petitions Filed	January 30, 2018	January 30, 2018
DOC Initiation Date	February 20, 2018	February 20, 2018
ITC Preliminary Determinations	March 19, 2018	March 19, 2018
DOC Preliminary Determinations	July 2, 2018	August 29, 2018
DOC Final Determinations	November 13, 2018	November 13, 2018
ITC Final Determinations	December 28, 2018	December 28, 2018
Issuance of Orders*	January 4, 2019	January 4, 2019

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)(1) of the Tariff Act of 1930, as amended (the Act). For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a) of the Act. These deadlines may be extended under certain circumstances.

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

**IMPORT STATISTICS:**

CHINA	2015	2016	2017
Value (USD)	9,273,103	4,643,528	4,874,214

Source: U.S. Census Bureau, accessed through Global Trade Atlas (HTSUS 4016.99.3510). Volume is not reported in official import statistics for imports entered under this HTSUS subheading.