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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-044]

1,1,1,2 Tetrafluoroethane (R-134a) from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, in Part

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce ("Department") determines that 1,1,1,2

Tetrafluoroethane (R-134a) ("R134a") from the People's Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"). The final weighted-average dumping margins of sales at LTFV are listed below in the "Final Determination Margins" section of this notice.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.]

FOR FURTHER INFORMATION CONTACT: Paul Stolz or Keith Haynes, AD/CVD

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(202) 482-4474, and (202) 482-5139, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 7, 2016, the Department published the *Preliminary Determination* of this antidumping duty ("AD") investigation.¹ In the *Preliminary Determination*, we postponed the

¹ See *1,1,1,2-Tetrafluoroethane (R-134a) from the People's Republic of China: Preliminary Determination of Sales at Less-Than-Fair Value and Affirmative Determination of Critical Circumstances, in Part, and Postponement of Final Determination*, 81 FR 69786 (October 7, 2016) and accompanying Preliminary Decision Memorandum, as later amended by *1,1,1,2-Tetrafluoroethane (R-134a) from the People's Republic of China; Amended Preliminary*

final determination until no later than 135 days after the date of publication of the *Preliminary Determination* in accordance with section 735(a)(2) of the Tariff Act of 1930, as amended (“the Act”) and invited interested parties to comment on our preliminary findings. A summary of the events that occurred since the Department published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the accompanying Issues and Decision Memorandum.²

Period of Investigation

The period of investigation (“POI”) is July 1, 2015, through December 31, 2015. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition, which was March, 2016.³

Scope Comments

In the *Initiation Notice*, the Department set aside a period of time for parties to address scope issues in case briefs or other written comments on scope issues.⁴ No interested party provided comments on scope issues for the *Preliminary Determination*; however, certain parties did submit comments on the scope of the investigation in the case and rebuttal briefs. The Department addresses these comments in the accompanying Issues and Decision Memorandum, but the scope of this investigation remains unchanged for this final determination.⁵

Affirmative Determination of Sales at Less-Than-Fair Value, 81 FR 86699 (December 1, 2016) (collectively, “*Preliminary Determination*”).

² See Memorandum to Carole Showers, Executive Director, Office of Policy, Policy & Negotiations, (insert Carole’s title), “Issues and Decision Memorandum for the 1,1,1,2 Tetrafluoroethane (R-134a) from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, in Part,” dated concurrently with this notice (“Issues and Decision Memorandum”).

³ See 19 CFR 351.204(b)(1) and the *Initiation Notice*.

⁴ See *1, 1, 1, 2-Tetrafluoroethane from the People’s Republic of China: Initiation of Less Than Fair Value Investigation*, 81 FR 18830 (April 1, 2016) (“*Initiation Notice*”).

⁵ See the Issues and Decision Memorandum at Comment 2.

Scope of the Investigation

The product covered by this investigation is 1,1,1,2 Tetrafluoroethane (R-134a) from the PRC. For a full description of the scope of this investigation, see the “Scope of the Investigation,” in Appendix I of this notice.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by interested parties in this investigation that are not related to the scope of this investigation are addressed in the Issues and Decision Memorandum, which is incorporated by reference by, and hereby adopted by, this notice.⁶ A list of these issues is attached to this notice at Appendix II. The Issues and Decision Memorandum is a public document and is 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>. The Issues and Decision Memorandum is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum is available at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Verification

As provided in section 782(i) of the Act, from November 9, 2016, through November 16, 2016, we conducted a verification of the sales and cost responses submitted by Zhejiang Sanmei Chemical Industry Co., Ltd. (“Sanmei”). We issued a verification report on December 19, 2016.⁷ The Department used standard verification procedures, including an examination of

⁶ *Id.*

⁷ See the Department’s memorandum, “Verification of the Sales and Factors of Production Questionnaire Responses of Zhejiang Sanmei Chemical Industry Co., Ltd. in the Antidumping Investigation of 1,1,1,2-Tetrafluoroethane (R-134a) from the People’s Republic of China,” dated December 19, 2016 (“Verification Report”).

relevant accounting and production records and original source documents provided by respondents.⁸

Changes Since the *Preliminary Determination*

Based on the Department's analysis of the comments received and our findings at verification, we made certain changes to Sanmei's margin calculations. For a discussion of these changes, *see* the Issues and Decision Memorandum.

Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation.⁹ Policy Bulletin 05.1 describes this practice.¹⁰

Final Affirmative Determination of Critical Circumstances, in Part

In the *Preliminary Determination*, the Department found that critical circumstances exist with respect to imports of R134a from the PRC produced or exported by the PRC-wide entity and non-individually reviewed producers/exporters entitled to a separate rate.¹¹ We are not modifying our findings for this final determination. Thus, pursuant to section 735(a)(3)(B) of the Act and 19 CFR 351.206(h)(1)-(2), we find that critical circumstances exist with respect to subject merchandise produced or exported by the PRC-wide entity and non-individually reviewed producers/exporters entitled to a separate rate.¹²

⁸ *Id.*

⁹ *See Initiation Notice*, 81 FR at 18834.

¹⁰ *See* Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," dated April 5, 2005 ("Policy Bulletin 05.1"), available on the Department's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

¹¹ *See* the memorandum, "Less Than Fair Value Investigation of 1,1,1,2 Tetrafluoroethane ("R-134a") from the People's Republic of China ("PRC"): Critical Circumstances Import Data," dated September 29, 2016.

¹² For a full description of the methodology and results of our analysis, *see* the Issues and Decision Memorandum and *see* the memorandum, "Analysis for the Final Determination of the Less-Than-Fair-Value Investigation of 1,1,1,2-Tetrafluoroethane (R 134a) from the People's Republic of China," dated concurrently with this notice.

Separate Rate

Under section 735(c)(5)(A) of the Act, the rate for all other companies that have not been individually examined is normally an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely on the basis of facts available. In this final determination, we calculated a weighted-average dumping margin for Sanmei (the only mandatory respondent eligible for a separate rate) which is not zero, *de minimis*, or based entirely on facts available. Accordingly, we determine to use Sanmei's weighted-average dumping margin as the margin for the separate rate companies.

PRC-Wide Rate

In our *Preliminary Determination*, we found that, pursuant to sections 776(a) and (b) of the Act, the PRC-wide entity did not respond to the Department's requests for information, failed to provide necessary information, withheld information requested by the Department, failed to provide information in a timely manner, and significantly impeded this proceeding by not submitting the requested information. As a result, we preliminarily determined to calculate the PRC-wide rate on the basis of adverse facts available ("AFA"). For the final determination, we continue to calculate the PRC-wide rate on the basis of AFA, in accordance with sections 776(a) and (b) of the Act. We are applying Sanmei's highest calculated transaction-specific dumping rate of 167.02 percent, as AFA, to the PRC-wide entity for this final determination.¹³ The transaction underlying this dumping margin is neither unusual in terms of transaction quantities

¹³ See, e.g., *Silica Bricks and Shapes from the People's Republic of China: Preliminary Determination of Antidumping Duty Investigation and Postponement of Final Determination*, 78 FR 37203 (June 20, 2013), and accompanying Preliminary Decision Memorandum at Comment 3.

nor otherwise atypical, and does not reveal any of Sanmei’s proprietary data.¹⁴ There is no need to corroborate the selected margin because it is based on information submitted by Sanmei in the course of this investigation, *i.e.*, it is not secondary information.¹⁵

Final Determination

The Department determines that the estimated final weighted-average dumping margins are as follows:

Exporter	Producer	Weighted-Average Margin (percent)
Zhejiang Sanmei Chemical Industry Co., Ltd.	Zhejiang Sanmei Chemical Industry Co., Ltd. and Jiangsu Sanmei Chemicals Co., Ltd.	148.79
Jiangsu Bluestar Green Technology Co., Ltd.	Jiangsu Bluestar Green Technology Co., Ltd.	148.79
T.T. International Co., Ltd.	Electrochemical Factory of Zhejiang Juhua Co., Ltd.	148.79
T.T. International Co., Ltd.	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.	148.79
T.T. International Co., Ltd.	Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd.	148.79
T.T. International Co., Ltd.	Zhejiang Sanmei Chemical Ind. Co., Ltd.	148.79
T.T. International Co., Ltd.	Zhejiang Zhonglan Refrigeration Technology Co., Ltd.	148.79
Weitron International Refrigeration Equipment Co., Ltd.	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.	148.79
Weitron International Refrigeration Equipment Co., Ltd.	Weitron International Refrigeration Equipment Co., Ltd.	148.79
Weitron International Refrigeration Equipment Co., Ltd.	Zhejiang Organic Fluor-Chemistry Plant, Zhejiang Juhua Co., Ltd.	148.79
Weitron International Refrigeration Equipment Co., Ltd.	Zhejiang Quhua Fluor-Chemistry Co., Ltd.	148.79
Weitron International Refrigeration Equipment Co., Ltd.	Zhejiang Quhua Juxin Fluorochemical Industry Co., Ltd.	148.79

¹⁴ See *Certain Frozen Warmwater Shrimp from Thailand: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 72 FR 52065 (September 12, 2007) and accompanying Issues and Decision Memorandum at Comment 2.

¹⁵ See 19 CFR 351.308(c) and (d) and section 776(c) of the Act.

Exporter	Producer	Weighted-Average Margin (percent)
Weitron International Refrigeration Equipment Co., Ltd.	Zhejiang Sanmei Chemical Industry Co., Ltd.	148.79
PRC-Wide Entity ¹⁶		167.02

Disclosure

We intend to disclose to parties the calculations performed in this proceeding within five days of the public announcement of this final determination in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (“CBP”) to continue to suspend liquidation of all entries of R134a from the PRC, which were entered, or withdrawn from warehouse, for consumption on or after July 9, 2016 (for those entities for which we found critical circumstances exist) or on or after October 7, 2016, the date of publication in the *Federal Register* of the affirmative *Preliminary Determination* (for all entities for which we did not find critical circumstances exist). Further, pursuant to section 735(c)(1)(B)(ii) of the Act, the Department will instruct CBP to require a cash deposit¹⁷ equal to the weighted-average amount by which the normal value exceeds U.S. price, as follows: (1) For the exporter/producer combinations listed in the table above, the cash deposit rate will be equal to the dumping margin which the Department determined in this final determination; (2) for all combinations of PRC exporters/producers of merchandise under consideration which have not received their own separate rate above, the cash deposit rate will be

¹⁶ The PRC-Wide Entity includes Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd., a mandatory respondent, as well as separate rate applicants Zhejiang Quhua Fluor-Chemistry Co., Ltd., and Sinochem Environmental Protection Chemicals (Taicang) Co. Ltd. See Issues and Decision Memorandum at comment 1 and *Preliminary Determination* at 17.

¹⁷ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

equal to the dumping margin established for the PRC-wide entity; and (3) for all non-PRC exporters of merchandise under consideration which have not received their own separate rate above, the cash deposit rate will be equal to the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. The suspension of liquidation instructions will remain in effect until further notice.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (“ITC”) of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine, within 45 days, whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of R134a from the PRC, or sales (or the likelihood of sales) for importation, of R134a from the PRC. If the ITC determines that such injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an AD order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders

This notice also serves as a reminder to the parties subject to administrative protective order (“APO”) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: February 21, 2017

Carole Showers
Executive Director, Office of Policy
Policy & Negotiations

Appendix I

Scope of the Investigation

The product subject to this investigation is 1,1,1,2-Tetrafluoroethane, R-134a, or its chemical equivalent, regardless of form, type, or purity level. The chemical formula for 1,1,1,2-Tetrafluoroethane is $\text{CF}_3\text{-CH}_2\text{F}$, and the Chemical Abstracts Service registry number is CAS 811-97-2.¹⁸

Merchandise covered by the scope of this investigation is currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) at subheading 2903.39.2020. Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.

¹⁸ 1,1,1,2-Tetrafluoroethane is sold under a number of trade names including Klea 134a and Zephex 134a (Mexichem Fluor); Genetron 134a (Honeywell); Freon™ 134a, Suva 134a, Dymel 134a, and Dymel P134a (Chemours); Solkane 134a (Solvay); and Forane 134a (Arkema). Generically, 1,1,1,2-Tetrafluoroethane has been sold as Fluorocarbon 134a, R-134a, HFC-134a, HF A-134a, Refrigerant 134a, and UN3159.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum:

I. SUMMARY

II. BACKGROUND

III. SCOPE OF THE INVESTIGATION

IV. FINAL DETERMINATION OF CRITICAL CIRCUMSTANCES, IN PART

V. CHANGES SINCE THE *PRELIMINARY DETERMINATION*

VI. USE OF ADVERSE FACTS AVAILABLE

VII. DISCUSSION OF THE ISSUES

Comment 1: Whether the Department Correctly Denied Lianzhou and Quhua a Separate Rate

Comment 2: Whether the Scope of the Investigation Overlaps with an Existing Order

Comment 3: Whether Critical Circumstances Exist for Weitron

Comment 4: Sanmei's By-Product Offsets

Comment 5: Selection of Inland Boat Freight Surrogate Value

Comment 6: Use of the CYDSA Financial Statement in Calculation of Surrogate Financial Ratios

Comment 7: Revision of Sanmei's Producer/Exporter Combinations

VIII. RECOMMENDATION

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