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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-898

Chlorinated Isocyanurates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2015-2016

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

SUMMARY: On July 28, 2017, the Department of Commerce (Commerce) published its *Preliminary Results* of the administrative review of the antidumping duty order on chlorinated isocyanurates from the People's Republic of China (China). The period of review (POR) is June 1, 2015, through May 31, 2016. This administrative review covers three producers/exporters: (1) Heze Huayi Chemical Co. Ltd. (Heze Huayi); (2) Hebei Jiheng Chemical Co. Ltd. (Jiheng); and (3) Juancheng Kangtai Chemical Co. Ltd. (Kangtai). We invited parties to comment on our *Preliminary Results*. Based on our analysis of comments received, we made no changes to our margin calculations. The final dumping margins for this review are listed in the "Final Results" section below.

DATES: Applicable (Insert date of publication in the *Federal Register*).

FOR FURTHER INFORMATION CONTACT: Sean Carey, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3964.

## Background

These final results of administrative review cover three producer/exporters of the subject merchandise: 1) Heze Huayi; 2) Jiheng; and 3) Kangtai. We determine that Heze Huayi and Kangtai have demonstrated their eligibility for a separate rate, and have made sales in the United States at prices below normal value (NV). With respect to Jiheng, we continue to treat this company as part of the China-wide entity because it has not demonstrated its eligibility for a separate rate.

On July 28, 2017, Commerce published its *Preliminary Results*.<sup>1</sup> From September 26 through September 29, 2017, Commerce verified the questionnaire responses of Kangtai.<sup>2</sup> On November 21, 2017, Commerce fully extended the deadline for the final results until January 24, 2018.<sup>3</sup>

On November 29, 2017, Bio-lab, Inc., Clearon Corp. and Occidental Chemical Corp. (collectively, the petitioners), and the respondents Heze Huayi and Kangtai, submitted case briefs.<sup>4</sup> On December 6, 2017, the petitioners and the respondents both submitted rebuttal briefs.<sup>5</sup> We met with the petitioners on December 14, 2017, and with the respondents on January

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<sup>1</sup> See *Chlorinated Isocyanurates from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2015-2016*, 82 FR 35183 (July 28, 2017) (*Preliminary Results*).

<sup>2</sup> See Memorandum, "Verification of the Questionnaire Responses of Juancheng Kangtai Chemical Co., Ltd. in the Antidumping Review of Chlorinated Isocyanurates from the People's Republic of China," dated November 17, 2017.

<sup>3</sup> See Memorandum, "Chlorinated Isocyanurates from the People's Republic of China: Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated November 21, 2017.

<sup>4</sup> See Petitioners' Case Brief, "Case Brief of Bio-lab, Inc., Clearon Corp. and Occidental Chemical Corporation," dated November 30, 2017; Respondents' Case Brief, "Case Brief of Juancheng Kangtai Chemical Co., Ltd. ("Kangtai), Heze Huayi Chemical Co., Ltd. ("Heze Huayi")," dated November 29, 2017.

<sup>5</sup> See Petitioners' Rebuttal Brief, "Rebuttal Brief of Biolab, Inc., Clearon Corp. and Occidental Chemical Corporation," dated December 6, 2017; , Respondents' Rebuttal Brief, "Chlorinated Isocyanurates from the People's Republic of China: Rebuttal Brief," dated December 6, 2017.

8, 2018, to address issues raised in the case and rebuttal briefs.<sup>6</sup> Commerce has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from January 20 through 22, 2018. If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the preliminary results is now January 29, 2018.<sup>7</sup>

### Scope of the Order

The products covered by the order are chloro isos, which are derivatives of cyanuric acid, described as chlorinated s-triazine triones. Chlorinated isos are currently classifiable under subheadings 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.40.50, 3808.50.40 and 3808.94.5000 of the Harmonized Tariff Schedule of the United States. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of merchandise subject to the scope is dispositive. For a full description of the scope of the order, *see* Issues and Decision Memorandum.<sup>8</sup>

### Separate Rates

In the *Preliminary Results*, we found that evidence provided by Heze Huayi and Kangtai supported finding an absence of both *de jure* and *de facto* government control, and, therefore, we preliminarily granted a separate rate to each of these companies.<sup>9</sup> We received no information

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<sup>6</sup> See Memorandum, "Ex-Parte Meeting with Counsel for Bio-Lab, Inc., Clearon Corp. and Occidental Chemical Corporation," dated December 22, 2016; Memorandum, "Ex-Parte Meeting with Counsel for Heze Huayi Chemical Co. Ltd. and Juancheng Kangtai Chemical Co., Ltd.," dated January 8, 2018.

<sup>7</sup> See Memorandum for The Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (Tolling Memorandum), dated January 24, 2018. All deadlines in this segment of the proceeding have been extended by 3 days. Because this deadline falls on the weekend, the next business day is Monday, January 29, 2018.

<sup>8</sup> See Memorandum, "Decision Memorandum for the Final Results of Antidumping Duty Administrative Review: Chlorinated Isocyanurates from the People's Republic of China; 2014-2015," issued concurrently with this notice for a complete description of the scope of the Order.

<sup>9</sup> See *Preliminary Results*, and accompanying Preliminary Decision Memorandum, at 3-5.

since the issuance of the *Preliminary Results* that provides a basis for reconsidering these determinations with respect to Heze Huayi and Kangtai. Therefore, for the final results, we continue to find that Heze Huayi and Kangtai are eligible for separate rates.

With respect to Jiheng, however, we found that Jiheng did not respond to Commerce's questionnaire even though it timely submitted a separate rate certification. We received no information since the issuance of the *Preliminary Results* that provides a basis for reconsidering this determination with respect to Jiheng. Therefore, for the final results, we continue to find that Jiheng is ineligible for separate rate. As such, we determine that Jiheng is part of the China-wide entity.<sup>10</sup>

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs filed by parties in this review are addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice. A list of the issues that parties raised and to which we responded in the Issues and Decision Memorandum follows as an appendix to this notice. 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> and 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 can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and

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<sup>10</sup> Because no interested party requested a review of the China-wide entity and Commerce no longer considers the China-wide entity as an exporter conditionally subject to administrative reviews, we did not conduct a review of the China-wide entity. Thus, the rate for the China-wide entity is not subject to change as a result of this review. See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65969–70 (November 4, 2013).

electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we have made no revisions to the margin calculations for all three companies.

Final Results of Administrative Review

As explained above, we find Jiheng to be part of the China-wide entity. The rate previously established for the China-wide entity is 285.63 percent.<sup>11</sup> The weighted-average dumping margins for Heze Huayi and Kangtai in the instant administrative review are as follows:

<b>Exporter</b>	<b>Weight-Average Dumping Margin Percentage</b>
Heze Huayi Chemical Co., Ltd.	16.06
Juancheng Kangtai Chemical Co., Ltd.	24.82

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.212(b), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. Commerce intends to issue appropriate assessment instructions directly to CBP 15 days after publication of the final results of this administrative review.

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<sup>11</sup> For an explanation on the derivation of the China-wide rate, see *Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates from the People's Republic of China*, 70 FR 24502, 24505 (May 10, 2005).

Where the respondent reported reliable entered values, we calculated importer- (or customer-) specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to each importer (or customer) and dividing this amount by the total entered value of the sales to each importer (or customer).<sup>12</sup> Where Commerce calculated a weighted-average dumping margin by dividing the total amount of dumping for reviewed sales to that party by the total sales quantity associated with those transactions, Commerce will direct CBP to assess importer-specific assessment rates based on the resulting per-unit rates.<sup>13</sup> Where an importer- (or customer-) specific *ad valorem* or per-unit rate is greater than *de minimis* (i.e., 0.50 percent), Commerce will instruct CBP to collect the appropriate duties at the time of liquidation.<sup>14</sup> Where an importer- (or customer-) specific *ad valorem* or per-unit rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.<sup>15</sup>

Pursuant to Commerce's assessment practice, for entries that were not reported in the U.S. sales databases submitted by companies individually examined during this review, Commerce will instruct CBP to liquidate such entries at the China-wide entity rate. Additionally, if Commerce determines that an exporter had no shipments of the subject merchandise, any suspended entries that entered under that exporter's case number (i.e., at that exporter's rate) will be liquidated at the China-wide entity rate.<sup>16</sup>

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from China

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<sup>12</sup> See 19 CFR 351.212(b)(1).

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> See 19 CFR 351.106(c)(2).

<sup>16</sup> See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011).

entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) For the exporters listed above, the cash deposit rate will be the rate established in the final results of this review (except, if the rate is zero or *de minimis*, a zero cash deposit rate will be required for that company); (2) for previously investigated or reviewed China and non-China exporters not listed above that have separate rates, the cash deposit rate will continue to be the existing producer/exporter-specific rate published for the most recent period; (3) for all China exporters of subject merchandise that have not been found to be eligible for a separate rate, the cash deposit rate will be the China-wide rate of 285.63 percent; and (4) for all non-China exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the China exporter(s) that supplied that non-China exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

#### Disclosure

We intend to disclose the calculations performed regarding these final results within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

#### Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties has occurred and that subsequent assessment of doubled antidumping duties.

Administrative Protective Order Notification to Interested Parties

This notice also serves as the only reminder to parties subject to administrative protective order (“APO”) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the 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 violation which is subject to sanction.

We are issuing and publishing these final results of administrative review in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(h).

Christian Marsh  
Acting Assistant Secretary  
for Enforcement and Compliance

Dated: January 29, 2018

## Appendix

### List of Topics Discussed in the Issues and Decision Memorandum

Summary

Background

Scope of the Order

Discussion of the Issues

Comment 1: Use of Kangtai's U.S. Export Sales to the One Customer  
Operating from a Third Country (Company X)

Comment 2: Changes in Heze Huayi's Labor Usage Rates

Comment 3: By-Product Offset for Ammonium Sulfate

Comment 4: Adjustment to Export Price for Free-of-Charge Packing Materials

Comment 5: Alternative Mexican Surrogate Values

A. Alternative Mexican Financial Statements

B. Mexican Surrogate Value for Sodium Hydroxide (Caustic Soda)

C. Whether to Use INEGI's EMIM Mexican Labor Data Instead of  
ILO Labor Rate

Comment 6: Assigning the NME-Entity Rate to Jiheng

Recommendation

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