



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-991]

**Chlorinated Isocyanurates from the People's Republic of China: Final Results of
Countervailing Duty Administrative Review; 2017**

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

SUMMARY: The Department of Commerce (Commerce) has completed its administrative review of the countervailing duty (CVD) order on chlorinated isocyanurates (chlorinated isos) from the People's Republic of China (China) for the period of review (POR) January 1, 2017 through December 31, 2017, and determines that countervailable subsidies are being provided to producers and exporters of chlorinated isos. The final net subsidy rates are listed below in "Final Results of Administrative Review."

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

FOR FURTHER INFORMATION CONTACT: Justin Neuman or Annathea Cook, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0486 or (202) 482-0250, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 13, 2014, Commerce published in the Federal Register a CVD order on chlorinated isos from China.¹ Pursuant to a request from the petitioners,² Commerce initiated this administrative review on January 31, 2019.³ On January 16, 2020, Commerce published the *Preliminary Results* of this review in the *Federal Register*.⁴ We invited interested parties to comment on the *Preliminary Results*. On April 24, 2020, Commerce exercised its discretion to toll all deadlines in administrative reviews by 50 days.⁵

On May 18, 2020, we received case briefs from the petitioners,⁶ the Government of China (GOC),⁷ and the mandatory respondents, Heze Huayi Chemical Co., Ltd. (Huayi) and Juancheng Kangtai Chemical Co., Ltd. (Kangtai).⁸ On May 26, 2020, we received rebuttal briefs from the petitioners,⁹ the GOC,¹⁰ and the mandatory respondents, Huayi and Kangtai.¹¹ On June 25, 2020, Commerce extended the time period for issuing the final results to September 2,

¹ See *Chlorinated Isocyanurates from the People's Republic of China: Countervailing Duty Order*, 79 FR 67424 (November 13, 2014).

² The petitioners are Bio-Lab, Inc., Clearon Corp., and Occidental Chemical Corporation.

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 2159 (February 6, 2019).

⁴ See *Chlorinated Isocyanurates from the People's Republic of China: Preliminary Results of the Countervailing Duty Administrative Review; 2017*, 85 FR 2701 (January 16, 2020) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

⁵ See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated April 24, 2020.

⁶ See Petitioners' Letter, "Case Brief of Bio-Lab, Inc., Clearon Corp., and Occidental Chemical Corporation," dated May 18, 2020.

⁷ See GOC's Letter, "GOC Case Brief -- Fourth Administrative Review of the Countervailing Duty Order on Carbon and Alloy Steel Threaded Rod from the People's Republic of China (C-570-991)," dated May 18, 2020.

⁸ See Huayi's and Kangtai's Letter, "Chlorinated Isocyanurates from the People's Republic of China: Case Brief," dated May 18, 2020.

⁹ See Petitioners' Letter, "Rebuttal Brief of Bio-Lab, Inc., Clearon Corp., and Occidental Chemical Corporation," dated May 26, 2020.

¹⁰ See Government of China's Letter, "GOC Rebuttal Brief -- Fourth Administrative Review of the Countervailing Duty Order on Carbon and Alloy Steel Threaded Rod from the People's Republic of China (C-570-991)," dated May 26, 2020.

¹¹ See Huayi's and Kangtai's Letter, "Chlorinated Isocyanurates from the People's Republic of China: Rebuttal Brief," dated May 26, 2020.

2020.¹² On July 21, 2020, Commerce again exercised its discretion to toll all deadlines in administrative reviews by 60 days.¹³

Scope of the Order

The products covered by the order are chlorinated isocyanurates. For a complete description of the scope of the order, *see* Appendix I.

Analysis of Comments Received

All issues raised in the parties' briefs are listed in Appendix II of this notice and addressed in the Issues and Decision Memorandum.¹⁴ 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 <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the *Preliminary Results*

Based on case briefs, rebuttal briefs, and all supporting documentation, we made changes since the *Preliminary Results* with respect to the benchmark used to calculate the benefit from the provision of natural gas for less than adequate remuneration.¹⁵

¹² *See* Memorandum, "Chlorinated Isocyanurates from the People's Republic of China: Extension of Deadline for Final Results of Countervailing Duty Administrative Review, 2017," dated June 25, 2020.

¹³ *See* Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020.

¹⁴ *See* Memorandum, "Issues and Decision Memorandum for the Final Results of the Administrative Review of the Countervailing Duty Order on Chlorinated Isocyanurates from the People's Republic of China; 2017," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

¹⁵ *See* Issues and Decision Memorandum at Comment 4.

Methodology

Commerce conducted this CVD review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.¹⁶ The Issues and Decision Memorandum contains a full description of the methodology underlying Commerce’s conclusions, including any determination that relied upon the use of adverse facts available pursuant to sections 776(a) and (b) of the Act.

Final Results of Administrative Review

In accordance with 19 CFR 351.221(b)(5), we determine the following net subsidy rates for the 2017 administrative review:

Company	Subsidy Rate (percent)
Hebei Jiheng Chemical Co., Ltd.	377.60
Heze Huayi Chemical Co., Ltd.	2.47
Juancheng Kangtai Chemical Co., Ltd.	3.01

Assessment Rates

In accordance with 19 CFR 351.212(b)(2), Commerce intends to issue assessment instructions to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of these final results of review, to liquidate shipments of subject merchandise produced and/or exported by the companies listed above, entered, or withdrawn from warehouse, for consumption on or after January 1, 2017 through December 31, 2017, at the *ad valorem* rates listed above.

Cash Deposit Instructions

¹⁶ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Orders

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). 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 sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: November 2, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

Appendix I

Scope of the Order

The products covered by the order 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) trichlorisocyanuric acid (TCCA) ($\text{Cl}_3(\text{NCO})_3$); (2) sodium dichlorisocyanurate (dihydrate) ($\text{NaCl}_2(\text{NCO})_3 \times 2\text{H}_2\text{O}$); and (3) sodium dichlorisocyanurate (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 dichlorisocyanurate (anhydrous and dihydrate forms) and trichlorisocyanuric 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 the order is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. List of Comments from Interested Parties
- IV. Scope of the Order
- V. Changes Since the Preliminary Results
- VI. Subsidies Valuation Information
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Programs Determined to be Countervailable
- IX. Programs Determined Not to be Used or Not to Confer Measurable Benefits During the POR
- X. Analysis of Comments
 - Comment 1: Whether the Natural Gas Market in China Is Distorted
 - Comment 2: Whether the Provision of Natural Gas for Less than Adequate Remuneration (LTAR) Is Specific
 - Comment 3: Whether Natural Gas Suppliers Are Government Authorities
 - Comment 4: Whether Commerce Should Select a Different Benchmark for Natural Gas for the Final Results
 - Comment 5: Whether Commerce Should Apply Adverse Facts Available (AFA) to the Export Buyer's Credit Program (EBCP)
 - Comment 6: Selection of the AFA Rate for the EBCP
 - Comment 7: Whether the Income Tax Deduction for Research and Development (R&D) Expenses Program Is Specific
 - Comment 8: Whether Commerce Should Conduct Verification
- XI. Recommendation