



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-121]

Difluoromethane (R-32) from the People's Republic of China: Final Affirmative

Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (Commerce) determines that difluoromethane (R-32) from the People's Republic of China (China) is being, or is likely to be, sold in the United States at less than fair value (LTFV). The period of investigation is July 1, 2019 through December 31, 2019. The final dumping margins of sales at LTFV are listed below in the "Final Determination" section of this notice.

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

FOR FURTHER INFORMATION CONTACT: Joshua Tucker or William Miller, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2044 or (202) 482-3906, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 27, 2020, Commerce published the *Preliminary Determination* of sales at LTFV of R-32 from China,¹ in which we also postponed the final determination to January 11, 2021. The petitioner in this investigation is Arkema Inc. The mandatory respondents in this

¹ See *Difluoromethane (R-32) from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 85 FR 52950 (August 27, 2020) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

investigation are Taizhou Qingsong Refrigerant New Material Co., Ltd. (Taizhou Qingsong) and Zibo Feiyuan Chemical Co., Ltd. (Zibo Feiyuan).

A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by the parties for this final determination are discussed in the Issues and Decision Memorandum.² 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/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Scope of the Investigation

The product covered by this investigation is R-32 from China. For a complete description of the scope of this investigation, *see* Appendix I.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues raised is attached to this notice as Appendix II.

Verification

Commerce normally verifies information relied upon in making its final determination, pursuant to section 782(i)(1) of the Tariff Act of 1930, as amended (the Act). However, due to current travel restrictions in response to the global COVID-19 pandemic, Commerce was unable to conduct on-site verification in this investigation.³ Consistent with section 776(a)(2)(D) of the

² *See* Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Difluoromethane (R-32) from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ *See* Memorandum, "Cancellation of Verification and Briefing Schedule," dated October 21, 2020.

Act, Commerce relied on the information submitted on the record, which we used in making our *Preliminary Determination*, as facts available in making our final determination.

Changes Since the Preliminary Determination

Based on our review and analysis of the comments received from parties, we made no changes to the antidumping duty margin calculations for Taizhou Qingsong and Zibo Feiyuan.

China-Wide Entity and the Use of Adverse Facts Available

We continue to find that the use of adverse facts available (AFA), pursuant to sections 776(a) and (b) of the Act, is warranted in determining the rate for the China-wide entity.⁴ In selecting the AFA rate for the China-wide entity, Commerce's practice is to select a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated.⁵ As AFA, we assigned the China-wide entity a dumping margin of 221.06 percent, which is the highest calculated rate in this investigation. Because this constitutes primary information, the statutory corroboration requirement in section 776(c) of the Act does not apply.

Separate Rates

For the final determination, we continue to find that Taizhou Qingsong, Zibo Feiyuan, Icool International (Hong Kong) Limited, Ninhua Group Co., Ltd., Shandong Huan New Material Co., Ltd., T.T. International Co., Ltd., and Zhejiang Sanmei Chemical Ind. Co. Ltd. are eligible for separate rates. Generally, Commerce looks to section 735(c)(5)(A) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for separate rate respondents that we did not individually examine. Section 735(c)(5)(A) of the Act states that the estimated all-others rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters

⁴ The China-wide entity includes those companies who did not submit a separate rate application, and those companies Commerce determined were ineligible to receive a separate rate.

⁵ See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Purified Carboxymethyl Cellulose from Finland*, 69 FR 77216 (December 27, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Purified Carboxymethyl Cellulose from Finland*, 70 FR 28279 (May 17, 2005).

and producers individually investigated, excluding zero or *de minimis* margins, and any margins determined entirely under section 776 of Act.⁶ In this proceeding, Commerce calculated above *de minimis* rates that are not based entirely on facts available for Taizhou Qingsong and Zibo Feiyuan, the two mandatory respondents under individual examination. Thus, looking to section 735(c)(5)(A) of the Act for guidance, and consistent with our practice,⁷ based on publicly ranged sales data, we assigned the weighted-average of these mandatory respondents' rates as the rate for non-individually examined companies that have qualified for a separate rate.

Combination Rates

In the *Initiation Notice*,⁸ Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. For a list of the respondents that established eligibility for their own separate rates and the exporter/producer combination rates applicable to these respondents, *see* Appendix III.

Final Determination

The final estimated weighted-average dumping margins are as follows:

Producer	Exporter	Estimated Weighted-Average Dumping Margin
Taizhou Qingsong Refrigerant New Material Co., Ltd.	Taizhou Qingsong Refrigerant New Material Co., Ltd.	161.49
Zibo Feiyuan Chemical Co., Ltd.	Zibo Feiyuan Chemical Co., Ltd.	221.06
Zibo Feiyuan Chemical Co., Ltd.	T.T. International Co., Ltd.	221.06

⁶ See, e.g., *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews and Rescission of Reviews in Part*, 73 FR 52823, 52824 (September 11, 2008), and accompanying Issues and Decision Memorandum at Comment 16.

⁷ See, e.g., *Preliminary Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 71 FR 77373, 77377 (December 26, 2006), unchanged in *Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 19690 (April 19, 2007).

⁸ See *Initiation Notice*, 84 FR at 7335.

Producers Supplying the Non-Individually – Examined Exporters Receiving Separate Rates (<i>see</i> Appendix III)	Non-Individually Examined Exporters Receiving Separate Rates (<i>see</i> Appendix III)	196.19
China-Wide Entity		221.06

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in connection with a final determination, in accordance with 19 CFR 351.224(b). However, because Commerce made no changes to its *Preliminary Determination* margin calculations for the mandatory respondents in this investigation, there are no calculations to disclose.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of R-32 from Taizhou Qingsong and Zibo Feiyuan, the separate rates companies, and the China-wide entity.

Pursuant to section 735(c)(1)(B)(ii) of the Act, upon the publication of this notice, Commerce will instruct CBP to require a cash deposit equal to the weighted-average amount by which NV exceeds U.S. price as follows: (1) the cash deposit rate for the exporter/producer combination listed in the table above or in Appendix III will be the rate identified for that combination in that table or Appendix III; (2) for all combinations of exporters/producers of merchandise under consideration that have not received their own separate rate, the cash deposit rate will be the cash deposit rate established for the China-wide entity; and (3) for all non-Chinese exporters of the merchandise under consideration which have not received their own separate rate, the cash deposit rate will be the cash deposit rate applicable to the Chinese exporter/producer combination that supplied that non-Chinese exporter. These 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 our determination. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of R-32 from China no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, 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, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an 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/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.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act, and 19 CFR 351.210(c).

Dated: January 11, 2021.

Joseph A. Laroski Jr.,

Deputy Assistant Secretary

for Policy and Negotiations.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is difluoromethane (R-32), or its chemical equivalent, regardless of form, type or purity level. R-32 has the Chemical Abstracts Service (CAS) registry number of 75-10-5 and the chemical formula CH₂F₂. R-32 is also referred to as difluoromethane, HFC-32, FC-32, Freon-32, methylene difluoride, methylene fluoride, carbon fluoride hydride, halocarbon R32, fluorocarbon R32, and UN 3252. Subject merchandise also includes R-32 and unpurified R-32 that are processed in a third country or the United States, including, but not limited to, purifying or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the in-scope R-32. R-32 that has been blended with products other than pentafluoroethane (R-125) is included within this scope if such blends contain 85% or more by volume on an actual percentage basis of R-32. In addition, R-32 that has been blended with any amount of R-125 is included within this scope if such blends contain more than 52% by volume on an actual percentage basis of R-32. Whether R-32 is blended with R-125 or other products, only the R-32 component of the mixture is covered by the scope of this investigation. The scope also includes R-32 that is commingled with R-32 from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of this investigation.

Excluded from the current scope is merchandise covered by the scope of the antidumping order on hydrofluorocarbon blends from the People's Republic of China. *See Hydrofluorocarbon Blends from the People's Republic of China: Antidumping Duty Order*, 81 FR 55436 (August 19, 2016) (the *Blends Order*).

R-32 is classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2903.39.2035. Other merchandise subject to the current scope, including the abovementioned blends that are outside the scope of the Blends Order, may be classified under 2903.39.2045 and 3824.78.0020. The HTSUS subheadings and CAS registry number are provided for convenience and customs purposes. The written description of the scope of the investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. China-Wide Rate
- IV. Calculation Changes Since the Preliminary Determination
- V. Discussion of the Issues
 - Comment 1: Whether to Apply Partial AFA to Taizhou Qingsong and Zibo Feiyuan for Reporting Issues
 - Comment 2: Selection of the Primary Surrogate Country
 - Comment 3: Calculation of the Surrogate Value for Russian Truck Freight
- VI. Recommendation

Appendix III

Separate Rate Companies

Exporter	Producer
Non-Individually Examined Exporters Receiving Separate Rates	Producers Supplying the Non-Individually – Examined Exporters Receiving Separate Rates
Icool International (Hong Kong) Limited	Changshu 3F Zhonghao New Chemical Materials Co., Ltd.
Icool International (Hong Kong) Limited	Zhejiang Zhiyang Chemical Co., Ltd.
Icool International (Hong Kong) Limited	Taizhou Huasheng New Refrigeration Material Co., Ltd.
Icool International (Hong Kong) Limited	Zhejiang Lishui Fuhua Chemical Co., Ltd.
Icool International (Hong Kong) Limited	Zibo Feiyuan Chemical Co., Ltd.
Icool International (Hong Kong) Limited	Jiangsu Meilan Chemical Co., Ltd.
Icool International (Hong Kong) Limited	Taizhou Qingsong Refrigerant New Material Co., Ltd.
Icool International (Hong Kong) Limited	Zhejiang Sanmei Chemical Industry Co., Ltd.
Icool International (Hong Kong) Limited	Shandong Huaan New Material Co., Ltd.
Icool International (Hong Kong) Limited	Liaocheng Fuer New Materials Technology Co., Ltd.
Icool International (Hong Kong) Limited	Ruyuan Dongyangguang Fluorine Co., Ltd.
Icool International (Hong Kong) Limited	Shandong Xinlong Science Technology Co., Ltd.
Icool International (Hong Kong) Limited	Linhai Limin Chemicals Co., Ltd.
Icool International (Hong Kong) Limited	Dongyang Weihua Refrigerants Co., Ltd.
Icool International (Hong Kong) Limited	Zhejiang Fulai Refrigerant Co., Ltd.
Icool International (Hong Kong) Limited	Zhejiang Guomao Industrial Co., Ltd.
Icool International (Hong Kong) Limited	Zhejiang Yonghe Refrigerant Co., Ltd.
Icool International (Hong Kong) Limited	Shanghai Aohong Chemical Co., Ltd.
Ninhua Group Co., Ltd.	Changshu 3F Zhonghao New Chemical Materials Co., Ltd.
Ninhua Group Co., Ltd.	Zhejiang Zhiyang Chemical Co., Ltd.
Ninhua Group Co., Ltd.	Taizhou Huasheng New Refrigeration Material Co., Ltd.
Ninhua Group Co., Ltd.	Zhejiang Lishui Fuhua Chemical Co., Ltd.
Ninhua Group Co., Ltd.	Zibo Feiyuan Chemical Co., Ltd.
Ninhua Group Co., Ltd.	Jiangsu Meilan Chemical Co., Ltd.
Ninhua Group Co., Ltd.	Taizhou Qingsong Refrigerant New Material Co., Ltd.
Ninhua Group Co., Ltd.	Zhejiang Sanmei Chemical Industry Co., Ltd.
Ninhua Group Co., Ltd.	Shandong Huaan New Material Co., Ltd.
Ninhua Group Co., Ltd.	Liaocheng Fuer New Materials Technology Co., Ltd.
Ninhua Group Co., Ltd.	Ruyuan Dongyangguang Fluorine Co., Ltd.

Ninhua Group Co., Ltd.	Shandong Xinlong Science Technology Co., Ltd.
Ninhua Group Co., Ltd.	Linhai Limin Chemicals Co., Ltd.
Ninhua Group Co., Ltd.	Dongyang Weihua Refrigerants Co., Ltd.
Ninhua Group Co., Ltd.	Zhejiang Fulai Refrigerant Co., Ltd.
Ninhua Group Co., Ltd.	Zhejiang Guomao Industrial Co., Ltd.
Ninhua Group Co., Ltd.	Zhejiang Yonghe Refrigerant Co., Ltd.
Ninhua Group Co., Ltd.	Shanghai Aohong Chemical Co., Ltd.
Shandong Huaan New Material Co., Ltd.	Shandong Huaan New Material Co., Ltd.
T.T. International Co., Ltd.	Sinochem Lantian Fluoro Materials Co., Ltd.
T.T. International Co., Ltd.	Zhejiang Sanmei Chemical Industry Co., Ltd.
T.T. International Co., Ltd.	Shandong Huaan New Material Co., Ltd.
Zhejiang Sanmei Chemical Ind. Co., Ltd.	Jiangsu Sanmei Chemical Ind. Co., Ltd.
Zhejiang Sanmei Chemical Ind. Co., Ltd.	Fujian Qingliu Dongying Chemical Co., Ltd.

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