



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-991]

Chlorinated Isocyanurates from the People's Republic of China: Preliminary Results of the Countervailing Duty Administrative Review and Partial Rescission; 2022

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily finds that countervailable subsidies are being provided to producers and exporters of chlorinated isocyanurates (chlorinated isos) from the People's Republic of China (China) during the period of review (POR), January 1, 2022, through December 31, 2022. Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Sun Cho, 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) 482-6458.

SUPPLEMENTARY INFORMATION:

Background

On November 13, 2014, Commerce published the countervailing duty order on chlorinated isos from China in the *Federal Register*.¹ On December 29, 2023, Commerce published a notice of initiation of an administrative review of the *Order*.² On July 2, 2024, Commerce extended the time period for issuing these preliminary results by 120 days, until

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

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 88 FR 90168 (December 29, 2023).

November 29, 2024, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act).³ On July 22, 2024, Commerce tolled certain deadlines in this administrative review by seven days.⁴ The deadline for these preliminary results is now December 6, 2024.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁵ A list of topics discussed in the Preliminary Decision Memorandum is included as an appendix to this notice. The Preliminary 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>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the *Order*

The products covered by the *Order* are chlorinated isos from China. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(3), Commerce will rescind an administrative review when there are no reviewable suspended entries. Based on our analysis of U.S. Customs and Border Protection (CBP) information, we preliminarily determine that: 1) Hebei Fuhui Water Treatment Co., Ltd.; 2) Henan Sinowin Chemical Industry Co., Ltd.; 3) Linhai Limin Chemicals Co., Ltd.; 4) Puyang Cleanway Chemicals Ltd.; 5) Qingdao Fortune Logistics Co., Ltd.; 6) Shandong Dongyue Chemical Co., Ltd.; 7) Shandong Taihe Chemicals Co., Ltd.; 8) Shanghai Special Logistics Co., Ltd.; 9) Shanghai Tianxiang Logistics Co., Ltd.; and 10) Topdan

³ *See* Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated July 2, 2024.

⁴ *See* Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings," dated July 22, 2024.

⁵ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review of Chlorinated Isocyanurates from the People's Republic of China; 2022," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Industries Co., Limited had no entries of subject merchandise during the POR. On February 14, 2024, we notified parties that we intended to rescind this administrative review with respect to these companies.⁶ No parties commented on the notification of intent to rescind the review, in part. We are, therefore, rescinding the administrative review of these companies. For additional information regarding this determination, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Act. For each of the subsidy programs found countervailable, we preliminarily find that there is a subsidy, *i.e.*, a financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁷

Commerce notes that, in making these findings, it relied, in part, on facts available and, because it finds that the Government of China did not act to the best of its ability to respond to Commerce's requests for information, we drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁸ For further information, *see* the Preliminary Decision Memorandum at the section titled, "Use of Facts Otherwise Available and Adverse Inferences."

Preliminary Results of Review

For the period January 1, 2022, through December 31, 2022, we preliminarily find that the following net subsidy rates exist:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Heze Huayi Chemical Co., Ltd.	4.53
Juancheng Kangtai Chemical Co., Ltd.	3.58

⁶ *See* Memorandum, "Notice of Intent to Rescind Review, in Part," dated February 14, 2024; and Memorandum, "Correction to Intent to Rescind Memorandum," dated November 4, 2024 (Correction to Intent to Rescind Memorandum).

⁷ *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.

⁸ *See* sections 776(a) and (b) of the Act.

Disclosure

We will disclose to parties to this proceeding the calculations performed for these preliminary results within five days of the date of publication of these preliminary results in accordance with 19 CFR 351.224(b).

Public Comment

Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.⁹ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; and (2) a table of authorities.¹⁰ As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their briefs that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹¹ Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹²

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S.

⁹ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Final Service Rule*).

¹⁰ See 19 CFR 351.309(c)(2) and (d)(2).

¹¹ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹² See *APO and Final Service Rule*.

Department of Commerce within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs.¹³

Parties should confirm the date and time of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5:00 p.m. Eastern Time on the due date.

Assessment Rate

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries in accordance with the final results of this review. If the assessment rate calculated in the final results is zero or *de minimis*, we will instruct CBP to liquidate all appropriate entries without regard to countervailing duties.

For the companies for which this review is rescinded, we will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2022, through December 31, 2022, in accordance with 19 CFR 351.212(c)(1)(i).

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the preliminary results of this review in the *Federal Register* for those companies for which Commerce is rescinding the review and no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register* for the mandatory respondents. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

¹³ See 19 CFR 351.310.

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for the companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review, except where the rate calculated in the final results of this administrative review is zero or *de minimis*, no cash deposit will be required. For all non-reviewed firms, including companies for which we rescinded the review, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

Notification to Interested Parties

This administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: December 6, 2024.

Abdelali Elouaradia,
Deputy Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
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- IV. Rescission of Administrative Review, in Part
- V. Diversification of China's Economy
- VI. Use of Facts Otherwise Available and Adverse Inferences
- VII. Subsidies Valuation
- VIII. Benchmarks
- IX. Analysis of Programs
- X. Recommendation

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