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DEPARTMENT OF COMMERCE

International Trade Administration

(C-570-009)

Calcium Hypochlorite from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination

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

SUMMARY: The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to producers/exporters of calcium hypochlorite from the People's Republic of China (PRC). The period of investigation is January 1, 2012, through December 31, 2012. Interested parties are invited to comment on this preliminary determination.

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

FOR FURTHER INFORMATION CONTACT: Katie Marksberry, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7906.

SUPPLEMENTARY INFORMATION:

Alignment of Final Countervailing Duty (CVD) Determination with Final Antidumping Duty (AD) Determination

The Department published its notice of initiation of this investigation on January 14, 2014.<sup>1</sup> On the same day the Department initiated this CVD investigation, the Department also initiated an AD investigation of calcium hypochlorite from the PRC.<sup>2</sup> The CVD investigation and the AD investigation cover the same merchandise. On May 5, 2014, in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (the Act), alignment of the final CVD determination with the final AD determination of calcium hypochlorite from the PRC was requested by Arch Chemicals Inc (Petitioner). Therefore, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), we are aligning the final CVD determination with the final AD determination. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than September 29, 2014, unless postponed.

Scope of the Investigation

The product covered by this investigation is calcium hypochlorite, regardless of form (e.g., powder, tablet (compressed), crystalline (granular), or in liquid solution), whether or not blended with other materials, containing at least 10% available chlorine measured by actual weight. The scope also includes bleaching powder and hemibasic calcium hypochlorite.

For a complete description of the scope of the investigation, see Appendix 1 to this notice.

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<sup>1</sup> See Calcium Hypochlorite from the People's Republic of China: Initiation of Antidumping Duty Investigation, 79 FR 2410 (January 14, 2014).

<sup>2</sup> See id.

## Methodology

The Department is conducting this countervailing duty investigation in accordance with section 701 of the Act. For a full description of the methodology underlying our preliminary conclusions, see the Preliminary Decision Memorandum.<sup>3</sup> The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <https://iaaccess.trade.gov>, and is available to all parties in the Department's Central Records Unit, located at room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

For this preliminary determination, we have relied on facts available pursuant to section 776(a) of the Act for the Government of the PRC and for Hubei Dinglong Chemical Co., Ltd. (“Hubei Dinglong”) and W&W Marketing Corporation (“W&W Marketing”), the companies originally selected for individual examination, i.e., mandatory company-respondents, and Tianjin Jinbin International Trade Co., Ltd. (“Tianjin Jinbin”), the additional mandatory respondent. The Government of the PRC, Hubei Dinglong and W&W marketing withheld information requested by the Department. Furthermore, these entities as well as Tianjin Jinbin refused to participate as respondents, and therefore, significantly impeded the investigation.<sup>4</sup> Further, because they failed to cooperate by not acting to the best of their ability to respond to the Department’s requests for information, pursuant to section 776(b) of the Act we have drawn

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<sup>3</sup> See Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, From Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, Re: Decision Memorandum for Preliminary Determination of Countervailing Duty Investigation: Calcium Hypochlorite from the People’s Republic of China, dated concurrently with this notice (“Preliminary Decision Memorandum”).

<sup>4</sup> See sections 776(a)(2)(A) and (C) of the Act.

an adverse inference in selecting from among the facts otherwise available to calculate the ad valorem estimated countervailable subsidy rate for Hubei Dinglong, W&W Marketing, and Tianjin Jinbin. For further information, see “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

#### Preliminary Determination and Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated an estimated countervailing duty rate for the individually investigated producer/exporters of the subject merchandise, Hubei Dinglong, W&W Marketing, and Tianjin Jinbin.

With respect to the all-others rate, section 705(c)(5)(A)(ii) of the Act provides that if the countervailable subsidy rates established for all exporters and producers individually investigated are determined entirely in accordance with section 776 of the Act, the Department may use any reasonable method to establish an all-others rate for exporters and producers not individually investigated. In this case, the countervailable subsidy rate calculated for the investigated companies is based entirely on facts available under section 776 of the Act. There is no other information on the record upon which to determine an all-others rate. As a result, we have used the rate assigned for Hubei Dinglong, W&W Marketing, and Tianjin Jinbin as the all-others rate. This method is consistent with the Department’s past practice.<sup>5</sup>

We preliminarily determine the countervailable subsidy rates to be:

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<sup>5</sup> See, e.g., Circular Welded Carbon-Quality Steel Pipe From India: Final Affirmative Countervailing Duty Determination, 77 FR 64468 (October 22, 2012); see also Certain Potassium Phosphate Salts From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Termination of Critical Circumstances Inquiry, 75 FR 30375 (June 1, 2010).

<b>Company</b>	<b>Subsidy Rate</b>
Hubei Dinglong Chemical Co., Ltd.	71.72 percent
W&W Marketing Corporation	71.72 percent
Tianjin Jinbin International Trade Co., Ltd.	71.72 percent
All Others	71.72 percent

In accordance with sections 703(d)(1)(B) and (2) of the Act, we are directing U.S. Customs and Border Protection to suspend liquidation of all entries of calcium hypochlorite from the PRC that are entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the Federal Register, and to require a cash deposit for such entries of merchandise in the amounts indicated above.

Disclosure and Public Comment

Because the Department has reached its conclusions on the basis of adverse facts available, the calculations performed in connection with this preliminary determination are not proprietary in nature, and are described in the Preliminary Decision Memorandum. Case briefs or other written comments for all non-scope issues may be submitted to IA ACCESS no later than 30 days after the publication of this preliminary determination in the Federal Register, and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>6</sup> Case briefs or other written comments on scope issues may be submitted no later than 30 days after the publication of this preliminary determination in the Federal Register, and rebuttal briefs, limited to issues raised in the case briefs, may be submitted no later than five days after the deadline for the case briefs. For any briefs filed on scope issues, parties must file separate and identical documents on the record for the concurrent antidumping duty investigation.

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<sup>6</sup> See 19 CFR 351.309.

Interested parties, who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using Enforcement and Compliance's IA ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5:00 p.m. Eastern Standard Time, within 30 days after the date of publication of this notice.<sup>7</sup> Requests should contain the party's name, address, and telephone number; the number of participants; and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a date, time and location to be determined. Parties will be notified of the date, time and location of any hearing.

#### U.S. International Trade Commission (ITC) Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

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<sup>7</sup> See 19 CFR 351.310(c).

This determination is issued and published pursuant to sections 703(f) and 777(i) of the  
Act.

Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

May 19, 2014.  
Date

## Appendix 1

### Scope of the Investigation

The product covered by this investigation is calcium hypochlorite, regardless of form (e.g., powder, tablet (compressed), crystalline (granular), or in liquid solution), whether or not blended with other materials, containing at least 10% available chlorine measured by actual weight. The scope also includes bleaching powder and hemibasic calcium hypochlorite.

Calcium hypochlorite has the general chemical formulation  $\text{Ca}(\text{OCl})_2$ , but may also be sold in a more dilute form as bleaching powder with the chemical formulation,  $\text{Ca}(\text{OCl})_2 \cdot \text{CaCl}_2 \cdot \text{Ca}(\text{OH})_2 \cdot 2\text{H}_2\text{O}$  or hemibasic calcium hypochlorite with the chemical formula of  $2\text{Ca}(\text{OCl})_2 \cdot \text{Ca}(\text{OH})_2$  or  $\text{Ca}(\text{OCl})_2 \cdot 0.5\text{Ca}(\text{OH})_2$ . Calcium hypochlorite has a Chemical Abstract Service (“CAS”) registry number of 7778-54-3, and a U.S. Environmental Protection Agency (“EPA”) Pesticide Code (“PC”) Number of 014701. The subject calcium hypochlorite has an International Maritime Dangerous Goods (“IMDG”) code of Class 5.1 UN 1748, 2880, or 2208 or Class 5.1/8 UN 3485, 3486, or 3487.

Calcium hypochlorite is currently classifiable under the subheading 2828.10.0000 of the Harmonized Tariff Schedule of the United States (“HTSUS”). The subheading covers commercial calcium hypochlorite and other calcium hypochlorite. When tableted or blended with other materials, calcium hypochlorite may be entered under other tariff classifications, such as 3808.94.5000 and 3808.99.9500, which cover disinfectants and similar products. While the HTSUS subheadings, the CAS registry number, the U.S. EPA PC number, and the IMDG codes are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

## **Appendix 2**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

1. Summary
2. Background
3. Scope Comments
4. Scope of the Investigation
5. Injury Test
6. Application of the Countervailing Duty Law to Imports from the PRC
7. Use of Facts Otherwise Available and Adverse Inferences
8. ITC Notification
9. Disclosure and Public Comment
10. Conclusion

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