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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-991]

Chlorinated Isocyanurates from the People's Republic of China: Countervailing Duty Order

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

SUMMARY: Based on affirmative final determinations by the Department of Commerce ("Department") and the International Trade Commission ("ITC"), the Department is issuing a countervailing duty order on chlorinated isocyanurates ("Isos") from the People's Republic of China ("PRC").

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

FOR FURTHER INFORMATION CONTACT: Paul Walker or Matthew Renkey, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0413 or (202) 482-2312, respectively.

Background

In accordance with section 705(d) of the Tariff Act of 1930, as amended ("Act"), on September 22, 2014, the Department published its final determination that countervailable subsidies are being provided to producers and exporters of Isos from the PRC. *See Chlorinated Isocyanurates from the People's Republic of China: Final Affirmative Countervailing Duty Determination; 2012, 79 FR 56560 (September 22, 2014) ("Final Determination")*.

On November 3, 2014, the ITC notified the Department of its final determination pursuant to section 705(d) of the Act that an industry in the United States is threatened with material injury within the meaning of section 705(b)(1)(A)(ii) of the Act by reason of subsidized imports of subject merchandise from the PRC. *See Chlorinated Isocyanurates from China and Japan*, USITC Investigation Nos. 701-TA-501 and 731-TA-1226 (Final), USITC Publication 4494 (November 2014).

Scope of the Order

The products covered by this 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) trichloroisocyanuric acid (“TCCA”) ($\text{Cl}_3(\text{NCO})_3$), (2) sodium dichloroisocyanurate (dihydrate) ($\text{NaCl}_2(\text{NCO})_3 \cdot 2\text{H}_2\text{O}$), and (3) sodium dichloroisocyanurate (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 dichloroisocyanurates (anhydrous and dihydrate forms) and trichloroisocyanuric 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 this order is dispositive.

Countervailing Duty Order

In accordance with sections 705(b)(1)(A)(ii) and 705(d) of the Act, the ITC has notified the Department of its final determination that the industry in the United States producing Isos is threatened with material injury by reason of subsidized imports of drawn sinks from the PRC. Therefore, in accordance with section 705(c)(2) of the Act, we are publishing this countervailing duty order.

According to section 706(b)(2) of the Act, countervailing duties shall be assessed on subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the ITC's notice of final determination if that determination is based upon the threat of material injury. Section 706(b)(1) of the Act states, “{i}f the Commission, in its final determination under section 705(b), finds material injury or threat of material injury which, but for the suspension of liquidation under section 703(d)(2), would have led to a finding of material injury, then entries of the merchandise subject to the countervailing duty order, the liquidation of which has been suspended under section 703(d)(2), shall be subject to the imposition of countervailing duties under section 701(a).” In addition, section 706(b)(2) of the Act requires U.S. Customs and Border Protection (“CBP”) to refund any cash deposits or bonds of estimated countervailing duties posted before the date of publication of the ITC's final affirmative determination, if the ITC's final determination is based on threat other than the threat described in section 706(b)(1) of the Act. Because the ITC's final determination in this case is based on the threat of material injury and is not accompanied by a finding that injury would have resulted but for the imposition of suspension of liquidation of entries since the publication of the

Department's *Preliminary Determination* in the *Federal Register*,¹ section 706(b)(2) of the Act applies.

Suspension of Liquidation

As a result of the ITC's determination and in accordance with section 706(a)(1) of the Act, the Department will direct CBP to assess, upon further instruction by the Department, countervailing duties equal to the amount of the net countervailable subsidy for all relevant entries of Isos from the PRC. The Department instructed CBP to discontinue the suspension of liquidation on June 24, 2014, in accordance with section 703(d) of the Act. Section 703(d) states that the suspension of liquidation pursuant to a preliminary determination may not remain in effect for more than four months. Entries of Isos from the PRC made on or after June 24, 2014, and prior to the date of publication of the ITC's final determination in the *Federal Register* are not liable for the assessment of countervailing duties because of the Department's discontinuation, effective June 24, 2014, of the suspension of liquidation.

In accordance with section 706 of the Act, the Department will direct CBP to reinstitute suspension of liquidation, effective on the date of publication of the ITC's notice of final determination in the *Federal Register*, and to require a cash deposit for each entry of subject merchandise in an amount equal to the net countervailable subsidy rates listed below. The all others rate applies to all producers and exporters of subject merchandise not specifically listed.

¹ See *Countervailing Duty Investigation of Chlorinated Isocyanurates from the People's Republic of China: Preliminary Determination and Alignment of Final Determination with Final Antidumping Determination*, 79 FR 10097 (February 24, 2014) ("*Preliminary Determination*").

Company	Subsidy Rate
Hebei Jiheng Chemicals Co., Ltd.	20.06
Juancheng Kangtai Chemical Co., Ltd.	1.55
All Others	10.81

Termination of the Suspension of Liquidation

The Department will instruct CBP to terminate the suspension of liquidation for entries of Isos from the PRC, entered or withdrawn from warehouse, for consumption prior to the publication of the ITC’s notice of final determination. The Department will also instruct CBP to refund any cash deposits made and release any bonds with respect to entries of Isos entered, or withdrawn from warehouse, for consumption on or after February 24, 2014 (*i.e.*, the date of publication of the *Preliminary Determination*), but before June 24, 2014 (*i.e.*, the date suspension of liquidation was discontinued in accordance with section 703(d) of the Act).

This notice constitutes the countervailing duty order with respect to Isos from the PRC, pursuant to section 706(a) of the Act. Interested parties may contact the Department’s Central Records Unit, Room 7046 of the main Commerce Building, for copies of an updated list of countervailing duty orders currently in effect.

This order is issued and published in accordance with section 706(a) of the Act and 19
CFR 351.211(b).

Dated: November 5, 2014.

Ronald K. Lorentzen,
Acting Assistant Secretary
for Enforcement and Compliance.

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