



This document is scheduled to be published in the Federal Register on 12/15/2014 and available online at <http://federalregister.gov/a/2014-29368>, and on FDsys.gov

BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

C-570-009

Calcium Hypochlorite from the People's Republic of China: Final Affirmative Countervailing Duty Determination

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

ACTION: Notice.

SUMMARY: The Department of Commerce ("Department") determines that countervailable subsidies are being provided to producers and exporters of calcium hypochlorite from the People's Republic of China ("PRC"). For information on the estimated subsidy rates, see the "Suspension of Liquidation" section of this notice.

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

FOR FURTHER INFORMATION CONTACT: Katie Marksberry, 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 202.482.7906.

SUPPLEMENTARY INFORMATION:

Background

The petitioner to this investigation is Arch Chemicals Inc. ("Petitioner"). This investigation covers 24 government programs. The Department selected three mandatory respondents; Hubei Dinglong Chemical Co., Ltd. ("Hubei Dinglong"), W&W Marketing

Corporation (“W&W Marketing”), and Tianjin Jinbin International Trade Co., Ltd. (“Tianjin Jinbin”). All three mandatory respondents refused to participate in this investigation.

Period of Investigation

The period of investigation for which we are measuring subsidies is January 1, 2012, through December 31, 2012.

Case History

The events that have occurred since the Department published the Preliminary Determination on May 27, 2014,¹ are discussed in the Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Issues and Decision Memorandum for the Final Determination of Calcium Hypochlorite from the People’s Republic of China” (“Decision Memorandum”), which is hereby adopted by this notice.²

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 percent 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 I to this notice.

¹ See 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, 79 FR 30082 (May 27, 2014) (Preliminary Determination), and the accompanying Preliminary Decision Memorandum.

² On November 24, 2014, Enforcement and Compliance changed the name of Enforcement and Compliance’s AD and CVD Centralized Electronic Service System (“IA ACCESS”) to AD and CVD Centralized Electronic Service System (“ACCESS”). The website location was changed from <http://iaaccess.trade.gov> to <http://access.trade.gov>. The Final Rule changing the references to the Regulations can be found at 79 FR 69046 (November 20, 2014). Public versions of all business proprietary documents and all public documents are on file electronically via ACCESS. Access to ACCESS is available to registered users at <http://access.trade.gov> and to all parties in the Central Records Unit, Room 7046 of the main Department of Commerce building.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs submitted by parties in this investigation are addressed in the Decision Memorandum, dated concurrently with this notice. A list of the issues that parties raised and to which we responded in the Decision Memorandum is attached to this notice as Appendix II. The Decision Memorandum is a public document and is on file electronically via ACCESS. In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed and the electronic versions of this memorandum are identical in content.

Use of Facts Otherwise Available, Including Adverse Inferences

For purposes of this final determination, we relied on facts available and applied an adverse inference, in accordance with sections 776(a) and (b) of the Tariff Act of 1930, as amended (“the Act”), with regard to (1) the existence of a financial contribution, benefit, and specificity for the alleged subsidy programs and (2) the net subsidy rate assigned to Hubei Dinglong, W&W Marketing, and Tianjin Jinbin. A full discussion of our decision to rely on adverse facts available is presented in the Decision Memorandum under the section “Use of Facts Otherwise Available and Adverse Inferences.”

Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i) of the Act, we have calculated individual rates for Hubei Dinglong, W&W Marketing, and Tianjin Jinbin. Section 705(c)(5)(A)(i) of the Act states that for companies not individually investigated, we will determine an “all-others” rate equal to the weighted average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and de minimis countervailable rates,

and any rates determined entirely under section 776 of the Act. Section 705(c)(5)(A)(ii) of the Act states that if the countervailable subsidy rates for all exporters and producers individually investigated are zero or de minimis rates, or are determined entirely under 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, including averaging the weighted average countervailable subsidy rates determined for the exporters and producers individually investigated. As described above, all of the mandatory respondents' subsidy rates were calculated entirely under section 776 of the Act. Therefore, we have resorted to "any reasonable method" to derive the "all-others" rate, as described under section 705(c)(5)(A)(ii) of the Act. We are basing the "all-others" rate on the rate determined for the mandatory respondents, consistent with section 705(c)(5)(A)(ii) of the Act.³ This issue is discussed in more detail in Comment 2 of the Decision Memorandum.

We determine the total estimated net countervailable subsidy rates to be:

Producer/Exporter	Net Subsidy <u>Ad Valorem</u> Rate (percent)
Hubei Dinglong Chemical Co., Ltd.	65.85
W&W Marketing Corporation	65.85
Tianjin Jinbin International Trade Co., Ltd.	65.85
All Others	65.85

As a result of our Preliminary Determination, and pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection ("CBP") to suspend liquidation of all entries

³ See, e.g., 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, 30376 (June 1, 2010).

of calcium hypochlorite from the PRC that were entered or withdrawn from warehouse, for consumption on or after May 27, 2014, the date of publication of the Preliminary Determination in the Federal Register. In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for countervailing duty (“CVD”) purposes for subject merchandise entered, or withdrawn from warehouse, on or after September 24, 2014, but to continue the suspension of liquidation of all entries from May 27, 2014, through September 23, 2014.

If the U.S. International Trade Commission (“ITC”) issues a final affirmative injury determination, we will issue a CVD order and reinstate the suspension of liquidation under section 706(a) of the Act and will require a cash deposit of estimated CVDs for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) 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 related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms it will not disclose such information, either publicly or under an administrative protective order (“APO”), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Return or Destruction of Proprietary Information

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 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 that is subject to sanction.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: December 8, 2014.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

Appendix I – 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 percent 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 II –Issues and Decision Memorandum

I. Summary

II. Background

A. Case History

B. Period of Investigation

III. Scope Comments

IV. Scope of the Investigation

V. Use of Facts Otherwise Available and Adverse Inferences

A. Selection of the Adverse Facts Available Rate

B. Subsidy Rate Chart

VI. Analysis of Comments

Comment 1: Whether the Department Correctly Denied CPIW/JSCC
Voluntary/Mandatory Respondent Status

Comment 2: Whether the Department Correctly Calculated the CVD Rate Applied to
CPIW/JSCC