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DEPARTMENT OF COMMERCE

International Trade Administration

C-570-991

Chlorinated Isocyanurates from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2016

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

SUMMARY: The Department of Commerce (Commerce) preliminarily finds that countervailable subsidies are being provided to producers and exporters of chlorinated isocyanurates (chloro isos) from the People's Republic of China (China) for the period of review (POR) January 1, 2016, through December 31, 2016. Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Omar Qureshi or Susan Pulongbarit, 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) 482-5307 or (202) 482-4031, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the notice of initiation of this administrative review on January 11, 2018.¹ This review covers two producer/exporters: (1) Heze Huayi Chemical Co., Ltd. (Huayi); and (2) Juancheng Kangtai Chemical Co. Ltd. (Kangtai). Commerce postponed the preliminary

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 1329 (January 11, 2018).

results of this administrative review and the revised deadline is now November 30, 2018.² For a complete description of the events that followed the initiation of this administrative review, *see* Preliminary Decision Memorandum.³

Scope of the Order

The products covered by the order are chloro isos, which are derivatives are cyanuric acid, described as chlorinated s-triazine triones.⁴ Chloro isos 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 HTSUS subheadings are provided for convenience and customs purposes; the written product description of the scope of the order is dispositive.

Methodology

On November 13, 2014, Commerce published in the Federal Register a countervailing duty (CVD) order on chloro isos from China.⁵ Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily find that there is a subsidy, *i.e.*, a financial contribution from an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶ In making this preliminary finding, Commerce relied,

² *See* Memorandum, “Chlorinated Isocyanurates from the People’s Republic of China: Extension of Deadline for Preliminary Results of Third Countervailing Duty Administrative Review,” dated August 2, 2018; *see also* Memorandum, “Chlorinated Isocyanurates from the People’s Republic of China: Extension of Deadline for Preliminary Results of Third Countervailing Duty Administrative Review,” dated October 11, 2018.

³ *See* Memorandum, “Decision Memorandum for Preliminary Results of Countervailing Duty Administrative Review: Chlorinated Isocyanurates from the People’s Republic of China,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ For a complete description of the Scope of the Order, *see* *Countervailing Duty Administrative Review of Chlorinated Isocyanurates from the People’s Republic of China: Decision Memorandum for the Preliminary Results*, published concurrently with this notice.

⁵ *See* *Chlorinated Isocyanurates from the People’s Republic of China: Countervailing Duty Order*, 79 FR 67424 (November 13, 2014).

⁶ *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.

in part, on facts otherwise available, with the application of adverse inferences.⁷ For further information, see “Use of Facts Otherwise Available and Adverse Inferences” in the accompanying Preliminary Decision Memorandum. For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, see the Preliminary Decision Memorandum.⁸ 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 <http://access.trade.gov>, and is available to all parties in the Central Records Unit, Room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following estimated countervailable subsidy rates exist.

Company	Subsidy Rate
Heze Huayi Chemical Co., Ltd.	1.71 percent
Juancheng Kangtai Chemical Co., Ltd.	1.54 percent

Disclosure and Public Comment

Commerce intends to disclose its calculations and analysis performed to interested parties in these preliminary results within five days of its public announcement, or if there is no public

⁷ See section 776(a) of the Act.

⁸ A list of topics discussed in the Preliminary Decision Memorandum can be found at the Appendix to this notice.

announcement, within five days of the date of this notice in accordance with 19 CFR 351.224(b). Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the date of publication of the preliminary results of review. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.⁹ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. 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. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, we intend 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 issuance of these preliminary results.

Assessment Rates and Cash Deposit Requirement

⁹ See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producer/exporters shown above. Upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, CVDs on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of review.

Pursuant to section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated CVDs, in the amounts shown above for each of the respective companies shown 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 review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most-recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

These preliminary results 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: November 30, 2018

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
 - II. Background
 - III. Application of CVD Law to Imports from China
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