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New Antidumping Duty Petition on R-134A from China

By Douglas J. Heffner and Richard P. Ferrin

On March 3, 2016, an antidumping (AD) petition was filed with the U.S. Department of Commerce (DOC) and U.S. International Trade Commission (ITC), regarding 1-1-1-2-Tetrafluoroethane (also known as R-134a) from the People’s Republic of China. The petition was filed by the American HFC Coalition and its individual members. The American HFC Coalition includes Amtrol Inc., Arkema Inc., The Chemours Company FC LLC, Honeywell International Inc., Hudson Technologies, Mexichem Fluor Inc., and Worthington Industries, Inc. Three of the members—Arkema, Chemours, and Mexichem—are domestic manufacturers of R-134a.

The U.S. AD law imposes special tariffs to counteract imports that are sold in the United States at less than “normal value.” For AD duties to be imposed, the U.S. government must determine not only that dumping is occurring, but also that there is “material injury” (or threat thereof) by reason of the dumped imports. Importers are liable for any potential AD duties imposed. In addition, these investigations could impact purchasers, by either increasing prices, and/or decreasing supply, of R-134a.

Please note that in 2013, Mexichem filed an AD petition on R-134a from China. In December 2014, the U.S. International Trade Commission (ITC) determined that the domestic industry is neither materially injured, nor threatened with material injury, by reason of imports of R-134a from China. As a result of the ITC’s final injury determination, the DOC terminated its investigation and no antidumping duties were imposed. Mexichem then filed suit at the U.S. Court of International Trade (CIT), challenging the ITC’s final determination. The CIT litigation is still pending. However, U.S. law does not prevent domestic producers from re-filing a new petition while such litigation is pending regarding the outcome of a previous investigation involving the same product and country. The petitioners argue that this new petition is justified because since the 2013-14 investigation, imports from R-134a are now causing material injury to the domestic industry.

Scope:

The petitioners propose the following scope of investigation:

The product subject to this investigation is 1,1,1,2-Tetrafluoroethane, R-134a, or its chemical equivalent, regardless of form, type, or purity level. The chemical formula for 1,1,1,2-Tetrafluoroethane is C₂F₆, and the Chemical Abstracts Service registry number is CAS 811-97-2. 24

Merchandise covered by the scope of this investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 2903.39.2020. Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.

Alleged Dumping Margins:

Petitioners allege dumping margins ranging from 158.5 percent to 226.8 percent.

Estimated Schedule of Investigations:

- **March 3, 2016** – Petition is filed
- **March 23, 2016** – DOC initiates investigation
- **March 24, 2016** – ITC staff conference
- **April 18, 2016** – Deadline for ITC preliminary injury determination
- **August 10, 2016** – Deadline for DOC preliminary AD determination, if deadline is NOT postponed
- **September 29, 2016** – Deadline for DOC preliminary AD determination, if deadline is fully postponed
- **February 12, 2017** – Deadline for DOC final AD determination, if both preliminary and final determinations are fully postponed
- **March 29, 2017** – Deadline for DOC final injury determination, assuming fully postponed DOC deadlines

Customs and International Trade Team

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