

April 4, 2016

New Antidumping Duty and Countervailing Duty Petitions on HEDP from China

By Douglas J. Heffner and Richard P. Ferrin

On March 31, 2016, Compass Chemical International LLC (Compass) filed antidumping (AD) and countervailing duty (CVD) petitions with the U.S. Department of Commerce (DOC) and U.S. International Trade Commission (ITC), regarding 1-hydroxyethylidene-1, 1-diphosphonic acid (HEDP) from the People’s Republic of China. According to the petitions, HEDP is a well-defined odorless, colorless to yellowish liquid, that is used as a chelating agent to treat commercial water, including sequestering heavy metal ions that color water supplies or heavy metals that interfere with the cleaning function of laundry soap or body soap. HEDP also acts as a scale inhibiting agent that prevents scale formation in commercial heating/cooling systems such as boilers, air conditioners, and cooling towers. Finally, HEDP can prevent the breakdown of oxidizing agents such as peroxide bleach.

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

Scope:

The petitioners propose the following scope of investigation:

The merchandise covered by these investigations includes all grades of aqueous, acidic (non-neutralized) concentrations of 1-hydroxyethylidene-1, 1-diphosphonic acid (HEDP), also refer to as hydroxethylidenendiphosphonic acid, hydroxethanediphosphonic acid, acetodiphosphonic acid, and etidronic acid. The CAS (Chemical Abstract Service) registry number for HEDP is 2809-21-4.

The merchandise subject to this investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading

2931.90.9043. It may also enter under HTSUS subheadings 2811.19.6090 and 2931.90.9041. While HTSUS subheadings and the CAS registry number are provided for convenience and customs purposes only, the written description of the scope of this investigation is dispositive.

Alleged Dumping Margins:

Petitioner alleges dumping margins ranging from 100 percent to 155 percent.

Alleged Subsidies:

The CVD petition alleges that Chinese producers/exporters benefit from numerous countervailable subsidies provided by the Government of China. Please let us know if you would like further details regarding specific subsidy allegations.

Estimated Schedule of Investigations:

- **March 31, 2016** – Petitions are filed
- **April 20, 2016** – DOC initiates AD and CVD investigations
- **April 21, 2016** – ITC staff conference (estimated)
- **May 16, 2016** – Deadline for ITC preliminary injury determination
- **June 24, 2016** – Deadline for DOC preliminary CVD determination, if deadline is NOT postponed
- **August 29, 2016** – Deadline for DOC preliminary CVD determination, if deadline is fully postponed
- **September 7, 2016** – Deadline for DOC preliminary AD determination, if deadline is not postponed
- **October 27, 2016** – Deadline for DOC preliminary AD determination, if deadline is fully postponed

- **March 13, 2017** – Deadline for DOC final AD and CVD determination, if both preliminary and final AD determinations are fully postponed, and the final CVD determination is aligned to coincide with the final AD determination

- **April 27, 2017** – Deadline for ITC final injury determination, assuming fully postponed DOC deadlines

Customs and International Trade Team

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