

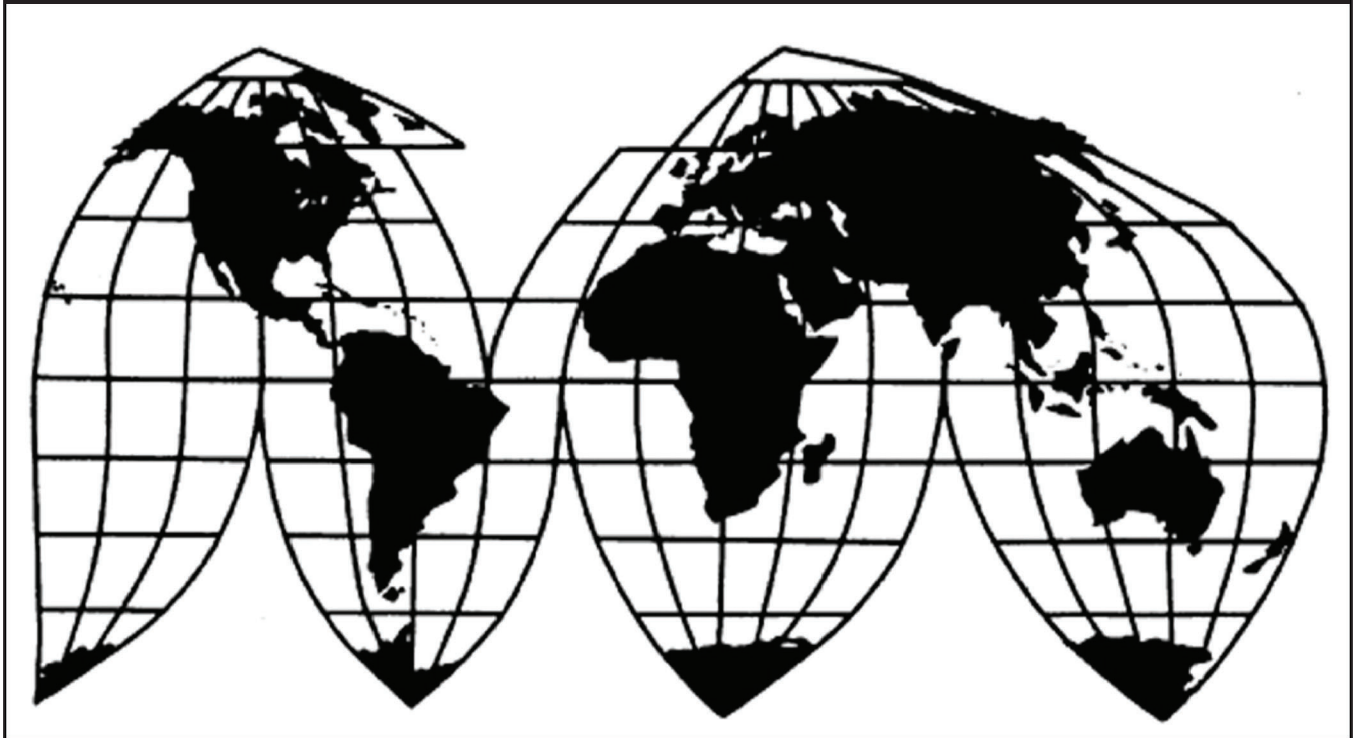
Chlorinated Isocyanurates from China

Investigation No. 701-TA-501(Review)

Publication 5044

April 2020

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets or by parallel lines in confidential reports and is deleted and replaced with asterisks in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 701-TA-501 (Review)

Chlorinated Isocyanurates from China

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing duty order on chlorinated isocyanurates from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted this review on October 1, 2019 (84 FR 52132) and determined on January 6, 2020 that it would conduct an expedited review (85 FR 14704, March 13, 2020).

¹ The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

² Commissioner Jason E. Kearns not participating.

Views of the Commission

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the countervailing duty order on chlorinated isocyanurates (“chlorinated isos”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. Background

Original Investigations. On August 29, 2013, Clearon Corp. (“Clearon”) and Occidental Chemical Corporation (“Oxy”) filed petitions seeking imposition of countervailing duties on imports of chlorinated isos from China and antidumping duties on imports of chlorinated isos from Japan. On November 3, 2014, the Commission determined that an industry in the United States was threatened with material injury by reason of subsidized imports of chlorinated isos from China.² The Commission also determined that an industry in the United States was not materially injured or threatened with material injury by reason of dumped imports of chlorinated isos from Japan.³ On November 13, 2014, the U.S. Department of Commerce (“Commerce”) issued a countervailing duty order on chlorinated isos from China (“the order”).⁴

¹ Commissioner Kearns did not participate in this review.

² *Chlorinated Isocyanurates from China and Japan*, Inv. Nos. 701-TA-501 and 731-TA-1226 (Final), USITC Pub. 4494 (Nov. 2014) at 3 (“*Original Determination*”); *Chlorinated Isocyanurates From China and Japan*, 79 Fed. Reg. 66404 (Nov. 7, 2014). In the original investigations, the Commission assessed subject imports from China and Japan cumulatively for analyzing material injury by reason of subject imports. *Id.* at 14–17. The Commission, however, declined to exercise its discretion to assess subject imports from China and Japan cumulatively for its threat analyses. *Id.* at 33–35.

³ *Original Determination*, USITC Pub. 4494 at 3; *Chlorinated Isocyanurates From China and Japan*, 79 Fed. Reg. 66404 (Nov. 7, 2014). Commissioner Pinkert dissented, finding that an industry in the United States was materially injured by reason of cumulated subject imports of chlorinated isos

Current Review. The Commission instituted this first five-year review on October 1, 2019.⁵ Three domestic producers of the chlorinated isos, Bio-Lab, Inc. (“BioLab”), Clearon, and Oxy (collectively “Domestic Producers”), filed the sole response to the notice of institution.⁶ On January 6, 2020, the Commission determined that the domestic interested party group response to the notice of institution was adequate and that the respondent interested party group response was inadequate.⁷ Finding that no other circumstances warranted conducting a full review, the Commission determined to conduct an expedited review.⁸ Domestic Producers submitted comments pursuant to Commission rule 207.62(d) regarding the determination the Commission should reach.⁹

U.S. industry data are based on information Domestic Producers submitted in response to the notice of institution. Domestic Producers estimate that they accounted for *** percent of domestic production of powder and granular chlorinated isos in 2018.¹⁰ U.S. import data and

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from China and Japan. *Original Determination*, USITC Pub. 4494 at 3 n.1, 46-50 (Concurring and Dissenting Views of Vice Chairman Dean A. Pinkert).

⁴ *Chlorinated Isocyanurates From the People's Republic of China: Countervailing Duty Order*, 79 Fed. Reg. 67424 (Nov. 13, 2014).

⁵ *Chlorinated Isocyanurates From China; Institution of Five-Year Review*, 84 Fed. Reg. 52132 (Oct. 1, 2019).

⁶ Domestic Producers’ Response to the Notice of Institution, EDIS Doc. 692904 at 1 (Oct. 31, 2019) (“Response”).

⁷ Explanation of Commission Determinations on Adequacy, EDIS Doc. 699268 (Jan. 15, 2020) (“Adequacy Statement”).

⁸ Adequacy Statement, EDIS Doc. 699268 (Jan. 15, 2020); *Chlorinated Isocyanurates From China; Scheduling of an Expedited Five-Year Review*, 85 Fed. Reg. 14704 (March 13, 2020).

⁹ Domestic Producers’ Confidential Final Comments, EDIS Doc. 705984 (Mar. 24, 2020) (“Comments”).

¹⁰ Confidential Report, Memorandum INV-RR-132 (“CR”) at Table I-1 (Dec. 19, 2019); Public Report (“PR”) at Table I-1; Response at 17; Confidential Supplemental Response to the Notice of Institution, EDIS Doc. 695931 (Dec. 2, 2019) at 2 (“Supplemental Response”).

related information are based on Commerce’s official import statistics.¹¹ Foreign industry data and related information are based on information from Domestic Producers, questionnaire responses from the original investigations, and publicly available information gathered by staff.¹² Three U.S. purchasers of chlorinated isos responded to the Commission’s adequacy phase questionnaire.¹³

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”¹⁴ The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”¹⁵ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.¹⁶

¹¹ CR/PR at Tables I-4–I-5. Specifically, data concerning imports have been compiled using official import statistics under Harmonized Tariff Schedule (HTS) classification 2933.69.6015. *Id.* As discussed further in section III.B.2. below, domestic interested parties maintain that subject merchandise also enters the United States under other HTS classifications.

¹² See generally CR/PR at I-11–I-16.

¹³ CR/PR at D-3.

¹⁴ 19 U.S.C. § 1677(4)(A).

¹⁵ 19 U.S.C. § 1677(10); see, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

¹⁶ See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8–9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-

Commerce has defined the imported merchandise within the scope of the order under review as follows:

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) ($\text{NaCl}_2(\text{NCO})_3 \times 2\text{H}_2\text{O}$), 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 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 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 isos 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 the order is dispositive.¹⁷

Chlorinated isos are chemical compounds primarily used as sanitizing agents for swimming pools, spas, and industrial water treatments and as disinfecting and bleaching agents for detergents, bleaches, and cleansers. The active ingredient for sanitizing purposes is chlorine, which acts as a biocide, killing algae and other microbes. There are three primary chemical compositions of chlorinated isos, depending upon the amount of available chlorine,

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752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

¹⁷ *Chlorinated Isocyanurates From the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 85 Fed. Reg. 6142 (Feb. 4, 2020) and accompanying Issues and Decisions Memorandum at 2–3.

within the scope of the order: (1) trichloroisocyanuric acid (“trichlor”), which has 90 percent available chlorine; (2) sodium dichloroisocyanurate (“dichlor”) in anhydrous form, which has 63 percent available chlorine; and (3) dichlor in dihydrate form, which has 56 percent available chlorine.¹⁸ Trichlor is usually sold in tablet or stick form and is often used in water treatment applications, whereas dichlor is usually sold in granular form and is often used in detergents, bleaches, and cleansers and for shock treatments for swimming pools.¹⁹

Original Investigations. In the original investigations, the Commission found a single domestic like product corresponding to the scope of the investigations.²⁰

Current Review. In the current review, Domestic Producers state that they agree with the Commission’s domestic like product definition from the original investigations.²¹

Furthermore, the record contains no new information suggesting the characteristics and uses of domestically produced chlorinated isos have changed since the original investigations.²²

Accordingly, we again define a single domestic like product consisting of all chlorinated isos coextensive with the scope of the order.

¹⁸ CR/PR at I-6. The raw materials used to produce both trichlor and dichlor are urea, caustic soda, and chlorine gas. *Id.* at I-7.

¹⁹ CR/PR at I-6.

²⁰ *Original Determination*, USITC Pub. 4494 at 7. In the preliminary determinations, the Commission considered whether the trichlor and dichlor forms of chlorinated isos should be defined as separate domestic like products. The Commission found that there was no clear dividing line between trichlor and dichlor and that the respective forms of chlorinated isos have more similarities than differences. *Chlorinated Isocyanurates from China and Japan*, Inv. Nos. 701-TA-501 and 731-TA-1226 (Preliminary), USITC Pub. 4431 at 7-9 (Nov. 2013). The Commission, reiterating its analysis, made the same finding again in its final determinations. *Original Determination*, USITC Pub. 4494 at 7.

²¹ Response at 19.

²² See generally CR/PR at I-6–I-7.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”²³ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In deciding whether a firm qualifies as a domestic producer of the domestic like product, the Commission generally analyzes the overall nature of a firm’s U.S. production-related activities, although production-related activity at minimum levels could be insufficient to constitute domestic production.²⁴

Original Investigations. In the original investigations, the Commission assessed whether firms that solely tablet chlorinated isos were engaged in sufficient production-related activities to be considered part of the domestic industry. It found that the capital investment of tableters was substantial; tableters’ work involved some expertise with hazardous materials; tableters employed a significant number of personnel in their U.S. operations; the value added to the

²³ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

²⁴ The Commission generally considers six factors: (1) source and extent of the firm’s capital investment; (2) technical expertise involved in U.S. production activities; (3) value added to the product in the United States; (4) employment levels; (5) quantity and type of parts sourced in the United States; and (6) any other costs and activities in the United States directly leading to production of the like product. No single factor is determinative and the Commission may consider any other factors it deems relevant in light of the specific facts of any investigation. *Crystalline Silica Photovoltaic Cells and Modules from China*, Inv. Nos. 701-TA-481 and 731-TA-1190 (Final), USITC Pub. 4360 at 12–13 (Nov. 2012).

finished product by tableting operations was not insubstantial; tableters sourced granular chlorinated isos from domestic and subject sources; and tableters reported other significant costs as part of their tableting operations.²⁵ Accordingly, the Commission found that tableters were engaged in sufficient production-related activities to be considered part of the domestic industry.²⁶

Current Review. In the current review, the record contains no new information suggesting that the nature of tableting operations have changed since the original investigations, and therefore we find no basis to revisit this issue. Moreover, Domestic Producers indicate that they agree with the Commission's domestic industry definition in the original investigations.²⁷ Accordingly, we continue to include U.S. firms that are solely engaged in tableting in the definition of the domestic industry.²⁸ Accordingly, we define the domestic industry as consisting of all U.S. producers of chlorinated isos, including tableters.²⁹

²⁵ *Original Determination*, USITC Pub. 4494 at 8–10.

²⁶ *Original Determination*, USITC Pub. 4494 at 8. Commissioner Johanson did not find that tableters were part of the domestic industry. *See Id.* at 42–45 (separate opinion).

In the original investigations the Commission further found that appropriate circumstances did not exist to exclude any related parties from the domestic industry under 19 U.S.C. § 1677(4)(B). *Original Determinations*, USITC Pub. 4494 at 12. Specifically, the Commission did not exclude *** from the domestic industry, because it supported the petition, it had a low ratio of subject imports to domestic production, and its principal interest was in domestic production. It also did not exclude a tableter of chlorinated isos from the domestic industry, because of its low ratio of subject imports to domestic production; moreover, its strong financial performance did not appear to be correlated with periods when it imported subject merchandise during the period of investigation. *Id.* at 11–12; *Confidential Original Determination*, EDIS Doc. 695958 at 16–18. There are no related party issues in the current review. Response at 17–18.

²⁷ Response at 19.

²⁸ Chairman Johanson notes that, because no domestic firm engaged exclusively in tableting operations responded to the notice of institution in this review, he will continue to rely on the record compiled in the original investigations when determining if the production-related activity of tableters is sufficient to constitute domestic production. Chairman Johanson continues to conclude that the

III. Revocation of the Countervailing Duty Order Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”³⁰ The Uruguay Round Agreements Act Statement of Administrative Action (“SAA”) states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”³¹ Thus, the likelihood standard is prospective in

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following factors fully support a finding that the “granular/powder operations of the integrated producers perform a fundamentally different function in this market than do the tableters: (1) the capital assets and expenditures of the tableters were only a *** of the expenditures for the granular/powder operations of the integrated producers; (2) the technical expertise involved in creating granular/powder chlorinated isos is much greater than that required to produce tablets from the granulated product; and (3) the tableters contribute comparatively little value added through the forming of the tablets.” *Original Determination*, USITC Pub. 4494 at 42–45, 45 (Separate Views).

²⁹ Two of the Domestic Producers, ***, produce granular or powdered chlorinated isos and engage in tableting operations. Supplemental Response, EDIS Doc. 695931 at 2. Both *** provided financial information with respect to their powdered or granular chlorinated isos operations as well as their tableting operations. *Id.*, Exh. A. Domestic Producers also identified several domestic firms that engage exclusively in tableting operations. *Id.* at 3. None of these firms responded to the notice of institution.

³⁰ 19 U.S.C. § 1675a(a).

³¹ SAA, H.R. Rep. 103-316, vol. I at 883–84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury,

nature.³² The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.³³

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”³⁴ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”³⁵

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute

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threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

³² While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

³³ See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

³⁴ 19 U.S.C. § 1675a(a)(5).

³⁵ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”³⁶ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).³⁷ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.³⁸

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.³⁹ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than

³⁶ 19 U.S.C. § 1675a(a)(1).

³⁷ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to this order. *Chlorinated Isocyanurates From the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 85 Fed. Reg. 6142 (Feb. 4, 2020) and accompanying Issues and Decisions Memorandum.

³⁸ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

³⁹ 19 U.S.C. § 1675a(a)(2).

the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁴⁰

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁴¹

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or

⁴⁰ 19 U.S.C. § 1675a(a)(2)(A–D).

⁴¹ See 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

more advanced version of the domestic like product.⁴² All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.⁴³

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the chlorinated isos industry in China. There also is limited information on the chlorinated isos market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations and the limited new information on the record in this five-year review.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁴⁴ The following conditions of competition inform our determinations.

⁴² 19 U.S.C. § 1675a(a)(4).

⁴³ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

⁴⁴ 19 U.S.C. § 1675a(a)(4).

1. Demand Conditions

Original Investigations. In the original investigations, the Commission found that approximately 85 to 90 percent of chlorinated isos in the U.S. market was used to sanitize residential pools, with the remainder being used in industrial water treatment applications and as ingredients in detergents and cleansers.⁴⁵ The Commission found that demand in the U.S. chlorinated isos market was seasonal and tied to swimming pool use, with most sales being made in the second and third quarters of the year.⁴⁶ The Commission also found that demand for chlorinated isos was affected by new housing construction, although a rebound in the U.S. housing market during the January 2011-June 2014 period of investigation (“POI”) did not result in a significant increase in new residential swimming pool construction.⁴⁷ The Commission found that demand for chlorinated isos was weak from 2013 to 2014 due to poor weather conditions resulting in low pool usage in the United States. Purchasers, U.S. producers, and importers cited poor weather conditions, competition from saltwater pools, and depressed levels of new swimming pool construction, among other factors, as reasons for declining demand for chlorinated isos during the POI.⁴⁸ Apparent U.S. consumption of chlorinated isos rose from *** pounds in 2011 to *** pounds in 2012, and then declined to *** pounds in

⁴⁵ *Original Determination*, USITC Pub. 4494 at 21.

⁴⁶ *Original Determination*, USITC Pub. 4494 at 21–22. The Commission found that shipments of chlorinated isos increased in the first quarter of each year and peaked in the second quarter. *Id.*

⁴⁷ *Original Determination*, USITC Pub. 4494 at 22. A greater number of new swimming pools were equipped with salt chlorine generators and did not use chlorinated isos. *Id.*

⁴⁸ *Original Determination*, USITC Pub. 4494 at 22.

2013, a figure below that of 2011.⁴⁹ It was *** pounds in January–June (interim) 2013 and lower, at *** pounds, in interim 2014.⁵⁰

Current Review. In the current review, U.S. demand for chlorinated isos continues to be seasonal and tied to overall economic activity; most chlorinated isos in the U.S. market continues to be used in residential pool sanitizers.⁵¹ Domestic Producers indicate that demand continues to be affected by weather conditions, competition from saltwater pools, and new swimming pool construction.⁵² Apparent U.S. consumption in 2018, at *** pounds, was higher than in any year of the original investigations.⁵³

2. Supply Conditions

Original Investigations. In the original investigations, the Commission found that the three domestic producers of granular/powdered chlorinated isos, BioLab, Clearon, and Oxy, also tableted the product themselves or contracted with firms via tolling agreements to form

⁴⁹ *Original Determination*, USITC Pub. 4494 at 22; *Confidential Original Determination*, EDIS Doc. 695958 at 32. In calculating apparent U.S. consumption, the Commission made several adjustments to the U.S. producers' U.S. shipment data to avoid double counting of chlorinated isos that were produced in granular form and tableted directly, and to properly value granulated chlorinated isos that were tableted domestically from imported powder. *Original Determination*, USITC Pub. 4494 at 21. In order to avoid double counting, the Commission relied upon U.S. importers' U.S. imports for calculating apparent U.S. consumption rather than U.S. importers' U.S. shipments of imports. *Id.* at 21 n.113. Additionally, when calculating import data the Commission relied upon questionnaire responses supplemented by proprietary U.S. Customs and Border Protection data for the importers that did not respond to the Commission's questionnaires. *Id.* at 21. We observe that these double-counting issues do not arise in this review because no independent tableter has provided data to the Commission.

⁵⁰ *Original Determination*, USITC Pub. 4494 at 22 n.126; *Confidential Original Determination*, EDIS Doc. 695958 at 32 n.126.

⁵¹ Response at 11; Comments at 5.

⁵² Response at 11.

⁵³ CR/PR at Table I-5.

the product into tablets.⁵⁴ Tableters obtained granular or powdered product from both subject and domestic sources.⁵⁵ After tableting and packaging, the product was sold through mass merchant retailers, pool service companies, “big box” stores, and other retail outlets.⁵⁶

The Commission found that the domestic industry was the largest source of chlorinated isos in the U.S. market over the POI, and that its share of apparent U.S. consumption declined from *** percent in 2011 to *** percent in 2012 before increasing to *** percent in 2013. Cumulated subject imports from China and Japan was the second largest source of chlorinated isos in the U.S. market during the POI; their cumulated share of apparent U.S. consumption increased from 2011 to 2012, before declining in 2013.⁵⁷ The market share of subject imports from China increased from *** percent in 2011 to *** percent in 2012, before declining to *** percent in 2013.⁵⁸ The share of apparent U.S. consumption represented by imports from sources other than China or Japan was *** percent in 2011, *** percent in 2012, and *** percent in 2013,⁵⁹ with Mexico and Italy being the largest sources of these imports.⁶⁰

⁵⁴ *Original Determination*, USITC Pub. 4494 at 22.

⁵⁵ *Original Determination*, USITC Pub. 4494 at 22–23. The Commission observed that integrated producers (those that produced both granular or powdered product and tablets) and stand-alone tableters competed for sales of tablets. *Id.* at 23.

⁵⁶ *Original Determination*, USITC Pub. 4494 at 23.

⁵⁷ *Original Determination*, USITC Pub. 4494 at 23; *Confidential Original Determination*, EDIS Doc. 695958 at 33.

⁵⁸ *Original Determination*, USITC Pub. 4494 at 35; *Confidential Original Determination*, EDIS Doc. 695958 at 52. The market share of subject imports from Japan increased from *** percent to *** percent during the POI. CR/PR at Table C-1.

⁵⁹ *Original Determination*, USITC Pub. 4494 at 23; *Confidential Original Determination*, EDIS Doc. 695958 at 34.

⁶⁰ *Original Determination*, USITC Pub. 4494 at 23 n.134.

Current Review. In the current review, Domestic Producers accounted for *** domestic production of powdered/granular chlorinated isos, and were the largest source of chlorinated isos in the U.S. market in 2018.⁶¹ Domestic Producers' share in 2018 of apparent U.S. consumption, at *** percent, is higher than at any time in the original investigations.⁶²

Import data in this review are based on the same Harmonized Tariff Schedule ("HTS") heading that the Commission used as a reference in the original investigations: 2933.69.6015.⁶³ The import data may be somewhat understated because subject merchandise may also be imported under other HTS classifications, which would have the effect of overstating the domestic industry's market share and understating the market share of subject imports.⁶⁴ In 2018, subject imports supplied *** percent of apparent U.S. consumption and nonsubject

⁶¹ CR/PR at Table I-1, Table I-5. Since the original investigations, ICL sold its subsidiary, Clearon, to Hui Yu Xin American Corp., a subsidiary of Dalian Hui Yu Xin Technology Development Co., Ltd. CR/PR at I-8.

⁶² CR/PR at Table I-5.

⁶³ We base import data on this HTS classification because it is the HTS category most narrowly tailored to the merchandise within the scope of the original investigations and it is the HTS classification that the petitioner referenced in the original investigations as best corresponding with the subject merchandise. *Original Determination*, USITC Pub. 4494 at IV-1 nn.2, 5 (using this classification to estimate questionnaire coverage and augment questionnaire data).

⁶⁴ CR/PR at Tables I-4–I-5. Domestic Producers assert that import statistics for HTS classification 2933.69.6015 and 3808.99.9500 and PIERS ship manifest data indicate the volume of subject imports was higher in 2018 than at any time during the POI in the original investigations. Response at 13–14. We observe that the additional HTS classification cited by Domestic Producers includes out-of-scope products. Although the import data we rely on may be somewhat understated due to the possibility that subject imports may also enter under HTS 3808.99.9500 and this may possibly result in overstating the domestic industry's market share and understating the market share of imports, any such effect is limited and would not otherwise alter our ultimate determination.

imports supplied *** percent.⁶⁵ The largest sources of nonsubject imports in 2018 were Japan followed by Mexico and India.⁶⁶

3. Substitutability and Other Conditions

Original Investigations. In the original investigations, the Commission observed that the overwhelming majority of market participants reported that the domestic like product and subject merchandise were always or frequently interchangeable, notwithstanding some quality differences between product from different sources. Accordingly, the Commission found that there was at least a moderate degree of substitutability between chlorinated isos produced in the United States and the subject merchandise produced in China and Japan.⁶⁷ The Commission also found that price as well as quality, consistency, and availability were important factors in purchasing decisions.⁶⁸ Raw materials accounted for between *** and *** percent of the cost of goods sold for U.S. production of granular/powdered chlorinated isos during the POI.⁶⁹

Current Review. There is no new information on the record of the current review to indicate that the conditions of competition concerning the substitutability of subject merchandise and the domestic like product or the importance of price in purchasing decisions

⁶⁵ CR/PR at Table I-5. Imports from Japan are now nonsubject. As calculated in the confidential report, the market shares of imports from both China and other sources in 2018 were lower than those in the original investigations. *Id.*

⁶⁶ CR/PR at I-11, Table I-4.

⁶⁷ *Original Determination*, USITC Pub. 4494 at 24.

⁶⁸ *Original Determination*, USITC Pub. 4494 at 26. Prices for urea and natural gas, inputs to chlorinated isos production, fluctuated for most of the POI before declining in interim 2014. *Id.* at 24; *Confidential Original Determination*, EDIS Doc. 695958 at 35.

⁶⁹ *Original Determination*, USITC Pub. 4494 at 24; *Confidential Original Determination*, EDIS Doc. 695958 at 35.

have changed since the original investigations.⁷⁰ Chlorinated isos from all sources are subject to the Environmental Protection Agency’s testing and registration requirements.⁷¹

An antidumping duty order on chlorinated isos from China has been in effect since June 24, 2005.⁷² Since September 1, 2019, chlorinated isos imported into the United States from China under HTSUS 2933.69.60 have been subject to an additional 15 percent *ad valorem* duty under section 301 of the Trade Act of 1974, 19 U.S.C. § 2411 (“section 301 tariffs”).⁷³

C. Likely Volume of Subject Imports

1. Original Investigations

In the original investigations, the Commission found that the volume of cumulated subject imports fluctuated during the POI but maintained a significant presence in the U.S. market.⁷⁴ The volume of cumulated subject imports was *** pounds in 2011, *** pounds in 2012, and *** pounds in 2013; it was *** pounds in interim 2013 and *** pounds in interim 2014. Cumulated subject imports’ market share increased from *** percent in 2011 to *** percent in 2012 before falling to *** percent in 2013.⁷⁵ The volume and market share of

⁷⁰ See Comments at 5–6.

⁷¹ CR/PR at I-7; Comments at 5.

⁷² *Notice of Antidumping Duty Order: Chlorinated Isocyanurates from the People's Republic of China*, 70 Fed. Reg. 36561 (June 24, 2005); *Chlorinated Isocyanurates From Spain and the People's Republic of China: Continuation of the Antidumping Duty Orders*, 81 Fed. Reg. 85927 (Nov. 29, 2016); CR/PR at Table I-2.

⁷³ CR/PR at I-5–I-6; *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 45821 (Aug. 30, 2019).

⁷⁴ *Original Determination*, USITC Pub. 4494 at 24–25.

⁷⁵ *Original Determination*, USITC Pub. 4494 at 25; *Confidential Original Determination*, EDIS Doc. 695958 at 36. The Commission attributed the reduced volume and market share of cumulated subject imports in interim 2014 to the filing of the petition and thus afforded the data for interim 2014 reduced weight. *Original Determination*, USITC Pub. 4494 at 25.

subject imports from China was *** pounds and *** percent in 2011, *** pounds and *** percent in 2012, and *** pounds and *** percent in 2013, respectively.⁷⁶

In its threat analysis, the Commission found that subject imports from China significantly increased their presence in the U.S. market when demand improved during the POI.⁷⁷ Apparent U.S. consumption increased from *** pounds in 2011 to *** pounds in 2012, an increase of *** percent. During this same period, the volume and market share of subject imports from China increased by *** percent and *** percentage points, respectively.⁷⁸ Although the volume of subject imports from China declined in 2013, that year featured anomalously low demand due, in part, to poor weather conditions and an unseasonably cold swimming season.⁷⁹ The Commission determined that, because demand for chlorinated isos was anomalously low in 2013, demand in the imminent future would likely return to levels more closely approximating those of 2011 and 2012.⁸⁰

The Commission found that the chlorinated isos industry in China was capable of supplying increased volumes of subject merchandise to the U.S. market. Record data indicated that the industry in China was export oriented, particularly to the U.S. market, possessed significant excess capacity, and had sizeable and growing inventories of chlorinated isos. Additionally, the European Union (“EU”) had maintained antidumping duties on imports of

⁷⁶ *Original Determination*, USITC Pub. 4494 at 35; *Confidential Original Determination*, EDIS Doc. 695958 at 52.

⁷⁷ *Original Determination*, USITC Pub. 4494 at 35.

⁷⁸ *Original Determination*, USITC Pub. 4494 at 35; *Confidential Original Determination*, EDIS Doc. 695958 at 53.

⁷⁹ *Original Determination*, USITC Pub. 4494 at 35.

⁸⁰ *Original Determination*, USITC Pub. 4494 at 35–36.

trichlor from China since 2005.⁸¹ Accordingly, the Commission found that imports of subject merchandise from China were likely to increase significantly in the imminent future in response to a likely increase in U.S. demand, just as they did in 2012 when demand improved.⁸²

2. The Current Review

Information available in the current review shows that subject imports have maintained a presence in the U.S. market throughout the period of review at volumes ranging from a high of 20.8 million pounds in 2014 to a low of 2.0 million pounds in 2017. The volume of subject imports was 9.7 million pounds in 2018.⁸³ Subject imports' share of apparent U.S. consumption in 2018 was *** percent.⁸⁴

There is no evidence on the record of this review that the size of the chlorinated isos industry in China has declined since the original investigations. To the contrary, Domestic Producers submitted in this review information indicating that the chlorinated isos industry in China continues to maintain and operate substantial capacity *** that of U.S. producers.⁸⁵ An expiry review undertaken by the EU in 2017 estimated that production capacity in China for trichlor was 270,000 metric tons in 2015, with excess capacity of 180,000 metric tons.⁸⁶ Both these figures far exceed apparent U.S. consumption of chlorinated isos in 2018.⁸⁷

⁸¹ *Original Determination*, USITC Pub. 4494 at 36.

⁸² *Original Determination*, USITC Pub. 4494 at 37.

⁸³ CR/PR at Table I-4–I-5. As discussed in section III.B.2. above, subject import volume and market share in the Commission report may be somewhat understated.

⁸⁴ CR/PR at Table I-5.

⁸⁵ See Response at 11–12. Petitioner has identified a number of Chinese producers whose production capacity totals 328,500 metric tons, as compared to domestic production of about ***. *Id.*

⁸⁶ Response at Exh. 6. (Commission Implementing Regulation (EU) 2017/2230 of 4 December 2017, Official Journal, L 319, 5.12.2017 at para. 50).

⁸⁷ CR/PR at Table I-5.

Upon revocation, subject producers are likely to direct significant volumes of chlorinated isos to the U.S. market. As previously discussed, subject imports have remained present in the U.S. market throughout the period of review, which has enabled subject producers to preserve their channels of distribution and customer relationships. The record further indicates that the chlorinated isos industry in China remains export oriented; China was, from 2014 to 2018, by far the largest exporter of heterocyclic compounds (excluding melamine) containing an unfused triazine ring (whether or not hydrogenated) in structure.⁸⁸ Furthermore, the United States was China's largest export market for this merchandise category from 2014 to 2018.⁸⁹ Additionally, the EU has maintained an antidumping duty order on imports of trichlor from China since 2005, which restricts the industry in China's access to the EU market, thereby increasing the attractiveness of the U.S. market if the order were revoked.⁹⁰

Moreover, as discussed above, U.S. demand for chlorinated isos increased during the period of review. There is no indication in the current record that this increased demand is not likely to continue in the reasonably foreseeable future. In the original investigations, the Commission found that subject imports from China increased and were likely to continue to increase when U.S. demand rose. Based on the above, we find that the pattern will likely recur in the reasonably foreseeable future.⁹¹ We accordingly find that the likely volume of subject

⁸⁸ CR/PR at Table I-7. This product category includes both chlorinated isos and out-of-scope merchandise.

⁸⁹ CR/PR at Table I-6.

⁹⁰ CR/PR at I-6.

⁹¹ The record does not indicate that section 301 tariffs on chlorinated isos from China would pose a substantial impediment to the volume of subject imports if the order were revoked. For

imports, both in absolute terms and relative to consumption in the United States, would be significant if the order were revoked.⁹²

D. Likely Price Effects

1. Original Investigations

In the original investigations, the Commission found that subject imports and the domestic like product were moderately substitutable and that price, as well as quality, consistency, and availability, were important factors in purchasing decisions.⁹³ There was predominant overselling by cumulated subject imports during the POI.⁹⁴ Specifically, cumulated subject imports oversold the domestic like product in *** of *** quarterly price comparisons.⁹⁵ Accordingly, the Commission did not find significant underselling by cumulated subject imports during the POI.⁹⁶ The Commission found that the domestic industry's price declines during the POI were a function of declines in demand and reduced raw materials costs rather than an increase in subject imports. Moreover, in light of the prevailing conditions of competition, the domestic industry was not in a position to increase prices. Consequently, the Commission

(...Continued)

example, no U.S. purchaser identified the section 301 tariff as a significant supply or demand condition impacting the U.S. market. CR/PR at D-3.

⁹² Due to the expedited nature of this review, the record does not contain current information regarding inventories of subject merchandise or subject producers' ability to shift production from other products to chlorinated isos.

⁹³ *Original Determination*, USITC Pub. 4494 at 26.

⁹⁴ *Original Determination*, USITC Pub. 4494 at 27.

⁹⁵ *Original Determination*, USITC Pub. 4494 at 27; *Confidential Original Determination*, EDIS Doc. 695958 at 39.

⁹⁶ *Original Determination*, USITC Pub. 4494 at 27.

found that the cumulated subject imports did not have significant price effects on the domestic like product.⁹⁷

In its threat analysis, the Commission found a pattern of mixed underselling by subject imports from China during the POI.⁹⁸ Subject imports from China undersold the domestic like product in *** of *** quarterly price comparisons.⁹⁹ The Commission found that mixed underselling was likely in the imminent future. Accordingly, the Commission found that large and increasing volumes of subject imports from China would likely depress or suppress prices for the domestic like product in the imminent future.¹⁰⁰

2. The Current Review

As previously indicated, the domestic like product and subject imports are generally interchangeable and price is an important factor in purchasing decisions. Due to the expedited nature of this review, the record does not contain recent product-specific pricing information for chlorinated isos. However, comparing average unit values (“AUVs”) shows Domestic Producers’ AUVs for U.S. shipments are substantially higher than AUVs for exports of subject merchandise.¹⁰¹ In light of this, and the importance of price in purchasing decisions, we find that importers of subject merchandise, absent the discipline of the order, could readily offer lower prices in the U.S. market than domestic producers and are likely to do so in order to

⁹⁷ *Original Determination*, USITC Pub. 4494 at 28.

⁹⁸ *Original Determination*, USITC Pub. 4494 at 37.

⁹⁹ *Original Determination*, USITC Pub. 4494 at 37; *Confidential Original Determination*, EDIS Doc. 695958 at 56.

¹⁰⁰ *Original Determination*, USITC Pub. 4494 at 37. The Commission also found underselling by subject imports from China would increase demand for such imports and that, if domestic producers did not lower prices or abstain from price increases, they would risk losing sales to subject imports. *Id.*

¹⁰¹ See Response at Table 4.

increase sales and market share. We consequently find that, if the order were revoked, subject imports would likely seek to gain market share by underselling the domestic like product. Furthermore, we find that, undersold subject imports would likely enter the U.S. market at prices that otherwise would have significant depressing or suppressing effect on the price of the domestic like product.

E. Likely Impact

1. Original Investigations

In the original investigations, the Commission found, in its material injury analysis, that the deterioration of most of the domestic industry's trade, employment, and financial indicators corresponded with declines in apparent U.S. consumption over the POI. It found no correlation between these declines and subject import volumes; the domestic industry's condition deteriorated in periods when subject imports increased and in periods when they declined. In light of this lack of correlation, the Commission did not find that the cumulated subject imports caused these declines. Accordingly, the Commission found that the cumulated subject imports had not had a significant impact on the domestic industry.¹⁰²

In its threat analysis, the Commission reiterated that subject imports from China were likely to enter the United States in increasing volumes as demand recovered and would take sales that would otherwise have gone to the domestic industry. It found that this likely increase in subject imports from China would likely affect the domestic industry's production, capacity utilization, shipments, and employment, with the subject imports' lower prices

¹⁰² *Original Determination*, USITC Pub. 4494 at 32.

negatively affecting revenues, profits, and overall financial performance. Accordingly, the Commission determined that the domestic industry was threatened with material injury by reason of subject imports from China.¹⁰³

In its non-attribution analysis regarding subject imports from China, the Commission emphasized that the vast majority of imports from other sources were from Japan, which the Commission had determined neither materially injured nor threatened material injury to the domestic industry. The Commission found the quantity of U.S. shipments from all other sources was not significant during the POI and that there was no indication that this volume would become significant in the imminent future.¹⁰⁴

2. The Current Review

The information available concerning the domestic industry's condition in this review consists of the data Domestic Producers provided in response to the notice of institution. Due to the nature of expedited reviews, the record contains limited information on the domestic industry's financial performance since the original investigations. The record contains insufficient information for us to determine whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

The data in the record indicate that, in 2018, the Domestic Producers' capacity for powdered and granular operations was *** pounds and their capacity utilization was *** percent while capacity for tablet operations was *** pounds and capacity utilization was ***

¹⁰³ *Original Determination*, USITC Pub. 4494 at 38.

¹⁰⁴ *Original Determination*, USITC Pub. 4494 at 38.

percent.¹⁰⁵ In 2018, U.S. shipments of granular and powdered chlorinated isos totaled *** pounds, valued at ***, while U.S. shipments of tableted chlorinated isos totaled *** pounds, valued at ***.¹⁰⁶ Domestic Producers reported total net sales of ***, total cost of goods sold of ***, and operating income of ***, resulting in an operating income margin of *** percent.¹⁰⁷

As discussed above, U.S. demand for chlorinated isos in 2018 was higher than at any point in the POI of the original investigations and the record is devoid of information indicating that this trend is unlikely to continue. Rising demand is likely to result in additional volumes of subject imports from China upon revocation, just as it did in the original investigations from 2011 to 2012. A significant volume of subject imports is likely to enter into the U.S. market at prices underselling the domestic like product, taking sales that would have otherwise gone to the domestic industry and suppressing or depressing prices for the domestic like product. Accordingly, we find that the likely significant volumes of lower-priced subject merchandise will likely have an adverse effect on the domestic industry's production, shipment, sales, market share, and revenues. This would, in turn, likely cause declines in the domestic industry's employment and financial performance.

There is no indication on the record of this review that the presence of nonsubject imports would prevent subject imports from significantly increasing their presence in the U.S. market in the event that the order were revoked, particularly given the fact that the volume of subject imports rapidly increased in periods of growing demand in the original investigations.

¹⁰⁵ CR/PR at Table I-3. This financial data pertains to Domestic Producers' tableting, granular, and powdered operations. *Id.* at note.

¹⁰⁶ CR/PR at Table I-3.

¹⁰⁷ CR/PR at Table I-3.

Moreover, non-subject import volumes comprised only *** percent of apparent U.S. consumption in 2018.¹⁰⁸ Given the moderate-to-high degree of substitutability between subject imports and the domestic like product, any increase in subject import volume and market penetration is likely to come, at least in part, at the expense of the domestic industry. In light of these considerations, we find that the likely effects attributable to the subject imports are distinguishable from any effects from nonsubject imports in the event that the order were revoked.

Accordingly, we conclude that, if the countervailing duty order were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

IV. Conclusion

For the reasons discussed above, we determine that revocation of countervailing duty order on chlorinated isos from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

¹⁰⁸ CR/PR at Table I-5. Import volumes from Japan have decreased substantially since the original investigations, from *** pounds in 2013 to 17.4 million pounds in 2018. *Compare* CR/PR at Table I-4 with CR/PR at C-3.

Information obtained in this review

Background

On October 1, 2019, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted a review to determine whether revocation of countervailing duty order on chlorinated isocyanurates (“chlorinated isos”) from China would likely lead to the continuation or recurrence of material injury to a domestic industry.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{3 4} The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
October 1, 2019	Notice of institution by Commission (84 FR 52132, October 1, 2019)
October 1, 2019	Notice of initiation by Commerce (84 FR 52067, October 1, 2019)
January 6, 2020	Commission’s vote on adequacy
February 4, 2020	Commerce’s results of its expedited review (85 FR 6142, February 4, 2020)
April 20, 2020	Commission’s determination and views

¹ 19 U.S.C. 1675(c).

² 84 FR 52132, October 1, 2019. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject countervailing duty order. 84 FR 52067, October 1, 2019. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in prior proceedings is presented in app. C.

⁴ Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

Responses to the Commission’s Notice of Institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject review. The submission was filed on behalf of the following entities:

1. Bio-Lab, Inc. (“BioLab”), Clearon Corp. (“Clearon”), and Occidental Chemical Corporation (“Oxy”), domestic producers of chlorinated isos (collectively referred to herein as “domestic interested parties”)

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-1.

**Table I-1
Chlorinated isos: Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producer	3	***% ¹

¹ In their response to the notice of institution, domestic interested parties estimated that they account for this share of total U.S. production of powder/granular chlorinated isos during 2018. The domestic interested parties did not provide a calculation estimating their share of U.S. production of tableted chlorinated isos. Domestic interested parties’ supplemental response to the notice of institution, December 2, 2019, p. 2.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review from the domestic interested parties. The domestic interested parties request that the Commission conduct an expedited review of the countervailing duty order on chlorinated isos.⁵

The original investigations

The original investigations resulted from a petition filed on August 29, 2013 with Commerce and the Commission by Clearon, South Charleston, West Virginia, and Oxy, Dallas, Texas. The original investigations included chlorinated isos from China and Japan. On September 18, 2014, Commerce determined that imports of chlorinated isos from Japan were being sold at less than fair value.⁶ On September 22, 2014, Commerce determined that the government of China was providing countervailable subsidies to the producers and exporters of chlorinated isos from China.⁷ The Commission determined, on November 3, 2014, that the domestic industry was threatened with material injury by reason of imports of chlorinated isos from China that had been found by Commerce to be subsidized by the government of China.⁸ Also, on November 3, 2014, the Commission determined that the domestic industry in the United States was not materially injured or threatened with material injury, and the establishment of an industry in the United States was not materially retarded, by reasons of imports of chlorinated isos from Japan.⁹ On November 13, 2014, Commerce issued its countervailing duty order on chlorinated isos from China with the final net subsidy rates ranging from 1.55 to 20.06 percent.¹⁰

⁵ Domestic interested parties' comments on adequacy, December 10, 2019, p. 2.

⁶ 79 FR 56059, September 18, 2014.

⁷ 79 FR 56560, September 22, 2014.

⁸ 79 FR 66404, November 7, 2014.

⁹ Ibid.

¹⁰ 79 FR 67424, November 13, 2014.

Previous and related investigations

The Commission has conducted a number of import relief investigations on chlorinated isos and related products. Table I-2 presents data on previous and related import injury investigations.

Table I-2
Chlorinated isos: Previous and related Commission proceedings

Name of investigation	Inv. No.	Original		First five-year review		Second five-year review	
		Year	Outcome	Year	Outcome	Year	Outcome
Cyanuric acid and its chlorinated derivatives from Japan	731-TA-136	1984	Affirmative	1995	Negative (no domestic interest)	-	-
Chlorinated Isocyanurates from China	731-TA-1082	2005	Affirmative	2010	Affirmative	2015	Affirmative
Chlorinated Isocyanurates from Spain	731-TA-1083	2005	Affirmative	2010	Affirmative	2015	Affirmative

Note: Year refers to the completion of the proceeding.

Source: U.S. International Trade Commission publications.

Commerce's five-year review

Commerce is conducting an expedited review with respect to countervailing duty order on chlorinated isos from China and intends to issue the final results of this review based on the facts available not later than January 29, 2020.¹¹ Commerce's Issues and Decision Memorandum, published concurrently with Commerce's final results, contains complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. A complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The Memorandum will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the countervailing duty order on imports of chlorinated isos from China are noted in the sections titled "The original investigation" and "U.S. imports," if applicable.

¹¹ Letter from Steven Presing, Acting Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, November 22, 2019.

The product

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:

The products covered by this investigation 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) ($\text{NaCl}_2(\text{NCO})_3 \times 2\text{H}_2\text{O}$), 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 the investigation is dispositive.¹²

U.S. tariff treatment

During 2014-18, chlorinated isos were imported under HTS statistical reporting numbers 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.94.5000, and 3808.99.9500. Chlorinated isos were also imported under HTS statistical reporting number 3808.50.40 until it was deleted effective January 1, 2017.¹³ Chlorinated isos imported from China enter the U.S. market at a column 1-general duty rate of 3.5 percent ad valorem (for the separate chemically identifiable compounds) and 5 percent ad valorem (for the disinfectants containing such compounds). Effective September 1, 2019, goods imported from China under 2933.69.60 are subject to an additional 15 percent ad valorem duty under Section 301 of

¹² 79 FR 56560, September 22, 2014.

¹³ Since January 1, 2017, products previously imported under 3808.50.40 have been imported under HTS 3808.59.40.

the Trade Act of 1974.¹⁴ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection (“Customs”).

Description and uses¹⁵

Chlorinated isos are chemical compounds primarily used as sanitizing agents for swimming pools, spas, and industrial water, and as disinfecting and bleaching agents for detergents, bleaches, and cleansers. These products are generally sold to consumers as solids, usually in granular, tablet, or stick form. The active ingredient for sanitizing is chlorine, which acts as a biocide, killing algae and other microbes. There are three main forms of chlorinated isos: trichloroisocyanuric acid (“trichlor”) and sodium dichloroisocyanurate (“dichlor”) in its dihydrate and anhydrous forms. Trichlor and dichlor have different percentages of chlorine available for sanitizing and different rates of release of chlorine in water. The rate of release is also affected by the physical form, with the granular form releasing chlorine more rapidly than tablet or stick forms. Trichlor has the higher chlorine content (90 percent), but a lower rate of release and is used more often in water treatment applications. Dihydrate and anhydrous dichlor contain less available chlorine (56 and 63 percent, respectively), but the chlorine is released relatively quickly, making them more widely used in detergents, bleaches, and cleansers and as “shock” treatments to instill chlorine in swimming pools quickly and temporarily to counteract microbes.

The difference in rate of release generally determines whether dichlor or trichlor is best suited for a given application. Trichlor’s relatively slow release allows consumers to maintain a chlorine level within safety guidelines (less than four parts per million) with weekly tablet applications. Dichlor’s rapid release of chlorine is appropriate for “shock” swimming pool treatments as well as uses in detergents, bleaches, and cleansers.

Some of the trichlor tablets produced in the United States and China contain active ingredients other than chlorine that provide functions other than sanitizing, and are called “blended” tablets. The ingredients in these tablets include aluminum sulfate, which acts as an algaecide, and copper sulfate, which acts as a water clarifier. Swimming pool and spa applications account for 85–90 percent of the U.S. chlorinated isos market. Industrial applications, e.g., industrial water treatment, and use in cleansers and detergents, account for most of the remaining 10–15 percent of the market. For U.S. and foreign producers, the pool and spa sector consists mostly of (1) converting and repackaging distributors, which buy not only tablets and stick forms of the product but also granular product that they convert to tablets and package for sale to commercial users (e.g., hotels and public pools) and retailers (e.g., pool retail stores, pool service companies, mass merchants, and grocery and hardware

¹⁴ 84 FR 43304, August 20, 2019; 84 FR 45821, August 30, 2019.

¹⁵ Unless otherwise noted, this information is based on *Chlorinated Isocyanurates from China and Japan*, Inv. Nos. 701-TA-501 and 731-TA-1226 (Final), USITC Publication 4494, November 2014 (“Original publication”), pp. I-8–I-9.

stores); (2) non-converting and repackaging distributors that sell to the same types of commercial users and retailers; and (3) large retailers to whom producers sell directly. To supplement their needs, U.S. producers and distributors may also buy product from each other. The industrial sector consists largely of manufacturers of cleansers, bleaches, and detergents, and a few distributors that serve the market independently.

In the United States, sanitizing agents such as trichlor and dichlor are statutorily controlled pesticides and must be approved by the United States Environmental Protection Agency (EPA) for public use. Accordingly, any chlorinated isos destined for use in the pool and spa market must be tested and approved prior to sale. The EPA testing and approval process, known as registration, is generally maintained by the producer, whether U.S. or foreign.

Manufacturing process¹⁶

The raw materials for the production of both trichlor and dichlor are urea, caustic soda, and chlorine gas. U.S. chlorinated isos producers use urea to make cyanuric acid, which after refining and purification, is neutralized with caustic soda to become sodium cyanurate, the basic feedstock for both trichlor and dichlor. The feedstock then goes through dedicated production lines to produce either trichlor or dichlor. To produce trichlor, chlorine gas is introduced into the feedstock and carefully controlled, resulting in a granular solid that is either packaged and sold in 2,205-pound sacks or 300-pound drums, or formed into tablets or sticks in industrial presses and packaged in 10- to 50-pound pails. The bulk of trichlor is ultimately consumed as tablets.

To produce dichlor, a smaller amount of chlorine gas is introduced into the feedstock, resulting in an acid that is neutralized with caustic soda to produce the dichlor salt. This product can be further dried at higher temperatures to produce the anhydrous forms. Dichlor is generally sold and used in granular form and is packaged in sacks or drums. For the most part, production is continuous, and the equipment and production workers used in the production of chlorinated isos are specific to that purpose. A number of byproducts result from the production process, including ammonia gas, nitrogen, and chlorine-containing compounds, but virtually all are either waste products and must be subjected to further treatment prior to disposal to comply with government environmental regulation, or are used as a source of energy in the production process. The exception is a relatively small quantity of excess cyanuric acid, which is either sold or traded.

¹⁶ Unless otherwise noted, this information is based on the original publication, pp. I-8—I-9.

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from three firms, which accounted for all production of chlorinated isos (in granular/powder form) in the United States during 2011–13.¹⁷ In addition, eight tableters (two of which are also granular/powdered producers) provided questionnaire responses.¹⁸ In response to the Commission’s notice of institution in this current review, domestic interested parties estimated that they account for *** production of chlorinated isos in granular/powder and provided a list of seven known and currently operating U.S. producers of chlorinated isos tablets.¹⁹

Recent developments

Since the Commission’s original investigations, ICL sold its subsidiary Clearon to Hui Yu Xin American Corp., a subsidiary of Dalian Hui Yu Xin Technology Development Co., Ltd.²⁰

U.S. producers’ trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year review.²¹ Table I-3 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigations.

¹⁷ Original publication, p. III-1.

¹⁸ Ibid.

¹⁹ Domestic interested parties’ supplemental response to the notice of institution, December 2, 2019, p. 3.

²⁰ “ICL Sells Clearon To Dalian Group,” PRNewswire.com, March 02, 2016.

²¹ Individual company trade and financial data are presented in app. B.

Table I-3**Chlorinated isos: Trade and financial data submitted by U.S. producers, 2011-13 and 2018**

Item	2011	2012	2013	2018
Granular and powder form:				
Capacity (1,000 pounds)	***	***	***	***
Production (1,000 pounds)	***	***	***	***
Capacity utilization (percent)	***	***	***	***
Total U.S. shipments:				
Quantity (1,000 pounds)	***	***	***	***
Value (\$1,000)	***	***	***	***
Unit value (per pound)	***	***	***	\$***
Tableting operations:				
Capacity (1,000 pounds)	***	***	***	***
Production (1,000 pounds)	***	***	***	***
Capacity utilization (percent)	***	***	***	***
Total U.S. shipments:				
Quantity (1,000 pounds)	***	***	***	***
Value (\$1,000)	***	***	***	***
Unit value (per pound)	\$***	\$***	\$***	\$***
Net sales (\$1,000) ¹	***	***	***	***
COGS (\$1,000) ¹	***	***	***	***
COGS/net sales (percent) ¹	***	***	***	***
Gross profit (loss) (\$1,000) ¹	***	***	***	***
SG&A expenses (loss) (\$1,000) ¹	***	***	***	***
Operating income (loss) (\$1,000) ¹	***	***	***	***
Operating income (loss)/net sales (percent) ¹	***	***	***	***

¹ Financial data presented covers total operations (granular/powder and tableted) for the three main U.S. producers (***). Domestic interested parties' response to the notice of institution, October 31, 2019, exh. 1; Domestic interested parties' supplemental response to the notice of institution, December 2, 2019, exh. 1; and Domestic interested parties' supplemental response to the notice of institution, December 5, 2019, exh. 1.

Note: ***. Domestic interested parties' supplemental response to the notice of institution, December 5, 2019, p. 2.

Note: For 2011-13 and 2018, production, capacity and shipments, data in granular and powder form include data from (***) which estimate that they account for *** percent of all powder/granular production. For 2011-13, production, capacity and shipments, data includes eight tableters (two of which are also granular/powder producers) and data for 2018 includes data from ***. BioLab and Clearon together accounted for *** percent of tableting operations in 2013, Chlorinated Isocyanurates from China and Japan, Confidential Report, INV-MM-092, September 25, 2014, as revised in INV-MM-096, October 1, 2014, and INV-MM-101, October 7, 2014 ("Original confidential report").

Source: For the years 2011-13, data are compiled using data submitted in the Commission's original investigations. See app. C. For the year 2018, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, October 31, 2019, exh. 1; and Domestic interested parties' supplemental response to the notice of institution, December 2, 2019, exh. 1.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a related party for purposes of its injury determination if “appropriate circumstances” exist.²²

In its original determination, the Commission defined a single domestic like product consisting of all chlorinated isocyanurates, coextensive with Commerce’s scope. In its original determination, the Commission defined the domestic industry as all domestic integrated producers of chlorinated isocyanurates, as well as all domestic tableters of chlorinated isocyanurates. One Commissioner defined the domestic industry differently.²³ In the original investigation, the Commission also considered whether to exclude a domestic tableter and *** from the domestic industry under the related parties provision, in part, because *** imported subject merchandise during the period of investigation. The commission determined that appropriate circumstances did not exist to exclude *** or the tableter from the domestic industry.²⁴

In the current review, no domestic interested party imported subject merchandise during the period of review.²⁵ Additionally, the domestic interested parties state that they agree with the Commission’s prior definition of the domestic like product and domestic industry but reserve the right to comment on the appropriate definitions during the course of this proceeding.²⁶

²² Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

²³ 84 FR 52132, October 1, 2019.

²⁴ Original publication, p. 16–18.

²⁵ Domestic interested parties’ response to the notice of institution, October 31, 2019, exh. 1.

²⁶ Domestic interested parties’ response to the notice of institution, October 31, 2019, p. 19.

U.S. imports and apparent U.S. consumption

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from ten firms, plus proprietary Customs data, which accounted for the majority of total U.S. imports of chlorinated isos from China and Japan during between January 2011 to June 2013.²⁷

Although the Commission did not receive responses from any respondent interested parties in this current review, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 255 potential U.S. importers of chlorinated isos.^{28 29}

U.S. imports

Table I-4 presents the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2018 imports by quantity). During 2014–18, imports of chlorinated isos from China fluctuated but decreased overall in terms of quantity and value by 53.5 percent and 55.2 percent, respectively. Overall, during 2014–18, imports of chlorinated isos from China's share of total U.S. imports of chlorinated isos declined, accounting for 31.3 percent of imports in terms of quantity (31.7 percent, in terms of value), in 2018. The unit value of U.S. imports of chlorinated isos from China decreased during 2014–16, remained the same in 2017, and increased in 2018. Overall, during 2014–18, the unit value of U.S. imports of chlorinated isos from China decreased by 2.9 percent.

Total U.S. imports of chlorinated isos, in terms of quantity and value, decreased during 2014–15, increased slightly during 2015–16, and decreased during 2016-18. Overall, during 2014-18, total U.S. imports of chlorinated isos, in term of quantity and value, decreased by 30.9 percent and 31.7 percent, respectively. The unit value of total U.S. imports of chlorinated isos decreased during 2014–17 then increased slightly, ending \$0.02 lower in 2018 compared to the unit value in 2014. The top nonsubject source for chlorinated isos, in 2018, both in terms of quantity and value, was Japan followed by Mexico and India.

²⁷ Original publication, p. IV-1.

²⁸ Domestic interested parties' response to the notice of institution, October 31, 2019, exh. 7.

²⁹ The list of possible U.S. importers submitted by domestic interested parties likely overstates the actual number of U.S. importers of chlorinated isos because it includes numerous freight forwarding and logistics firms as well as a number of duplicate entities. Domestic interested parties' response to the notice of institution, October 31, 2019, exh. 7.

Table I-4
Chlorinated isos: U.S. imports, 2014-18

Item	2014	2015	2016	2017	2018
	Quantity (1,000 pounds)				
China (subject)	20,844	8,097	13,892	2,000	9,692
Spain ¹	5,571	6,367	4,901	4,775	0
Japan	8,905	9,979	15,918	14,519	17,426
Mexico	3,728	4,839	4,223	4,707	2,386
India	40	205	0	1,172	1,329
Italy	5,592	5,917	4,771	6,667	106
Ireland	8	2	0	0	19
Canada	84	0	0	0	0
All other imports (nonsubject)	0	3	0	3	0
Subtotal, nonsubject	23,927	27,313	29,813	31,843	21,266
Total imports	44,771	35,409	43,704	33,844	30,958
	Landed, duty-paid value (\$1,000)				
China (subject)	21,986	7,727	12,707	1,817	9,848
Spain ¹	5,879	6,782	4,991	4,669	0
Japan	8,557	10,697	15,926	14,121	17,848
Mexico	3,337	4,458	3,688	3,902	2,067
India	62	448	0	1,012	1,115
Italy	5,325	6,348	4,795	6,409	102
Ireland	218	6	0	0	100
Canada	117	0	0	0	0
All other imports (nonsubject)	0	6	0	6	0
Subtotal, nonsubject	23,494	28,744	29,399	30,120	21,233
Total imports	45,480	36,472	42,107	31,937	31,081
	Unit value (dollars per 1,000 pounds)				
China (subject)	1.05	0.95	0.91	0.91	1.02
Spain ¹	1.06	1.07	1.02	0.98	(²)
Japan	0.96	1.07	1.00	0.97	1.02
Mexico	0.90	0.92	0.87	0.83	0.87
India	1.57	2.18		0.86	0.84
Italy	0.95	1.07	1.01	0.96	0.97
Ireland	29.01	3.16	(²)	(²)	5.29
Canada	1.39	(²)	(²)	(²)	(²)
All other imports (nonsubject)	(²)	1.80	(²)	1.76	(²)
Subtotal, nonsubject	0.98	1.05	0.99	0.95	1.00
Total imports	1.02	1.03	0.96	0.94	1.00

¹ U.S. imports of chlorinated isos from Spain are currently subject to an antidumping duty order. 81 FR 461, January 6, 2016.

² Not applicable.

Note: Because of rounding, figure may not add to total shown.

Note: import data do not include HTS statistical reporting numbers 2933.69.6021 and 2933.69.6050 that include products outside the scope of the order. In addition, import data do not include HTS statistical reporting numbers 3805.50.4000, 3808.94.5000, and 3808.99.9500 that cover disinfectants which include chlorinated isos.

Source: Compiled from official Commerce statistics for HTS statistical reporting number 2933.69.6015.

Apparent U.S. consumption and market shares

Table I-5 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and U.S. market shares. Imports of chlorinated isos from China as a share of apparent U.S. consumption has decreased from the original investigations. Overall, apparent U.S. consumption of chlorinated isos, in terms of quantity and value, increased since the original investigations. Since the original investigations, U.S producers' share of U.S. consumption increased while the share of imports has decreased.

Table I-5

Chlorinated isos: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2011-13 and 2018

Item	2011	2012	2013	2018
Quantity (1,000 pounds)				
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
China	***	***	***	9,692
All other	***	***	***	21,266
Total imports	***	***	***	30,958
Apparent U.S. consumption	***	***	***	***
Value (1,000 dollars)				
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
China	***	***	***	9,848
All other	***	***	***	21,233
Total imports	***	***	***	31,081
Apparent U.S. consumption	***	***	***	***
Share of consumption based on quantity (percent)				
U.S. producer's share	***	***	***	***
U.S. imports from—				
China	***	***	***	***
All other sources	***	***	***	***
Total imports	***	***	***	***
Share of consumption based on value (percent)				
U.S. producer's share	***	***	***	***
U.S. imports from—				
China	***	***	***	***
All other sources	***	***	***	***
Total imports	***	***	***	***

Note: For years 2011-13, data was adjusted in the original investigations to remove double counting in the overall U.S. shipments used for the purpose of calculating apparent U.S. consumption.

Note: import data do not include HTS statistical reporting numbers 2933.69.6021 and 2933.69.6050 that include products outside the scope of the order. In addition, import data do not include HTS statistical reporting numbers 3805.50.4000, 3808.94.5000, and 3808.99.9500 that cover disinfectants which include chlorinated isos.

Source: For the years 2011-13, data are compiled using data submitted in the Commission's original investigations. See app. C. For the year 2018, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 2933.69.6015.

The industry in China

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from one firm, which did not report any exports to the United States during the period in which data were collected.³⁰

Although the Commission did not receive responses from any respondent interested parties in its this current five-year review, the domestic interested parties provided a list of 200 possible producers of chlorinated isos in China³¹

Table I-6 presents export data for heterocyclic compounds containing an unfused triazine ring, a category that includes chlorinated isos and out-of-scope products, from China (by export destination in descending order of quantity for 2018).

Table I-6
Heterocyclic compounds containing an unfused triazine ring: Exports from China, by destination, 2014-18

Item	Calendar year				
	2014	2015	2016	2017	2018
Quantity (1,000 pounds)					
United States	124,859	149,576	160,313	148,471	146,410
Brazil	77,638	86,568	110,510	116,414	107,898
Spain	62,909	64,407	77,430	78,102	85,390
India	60,178	57,342	60,866	70,371	83,206
Mexico	33,110	28,246	40,141	39,130	38,236
Japan	20,832	25,542	26,545	32,667	37,984
Argentina	18,725	24,053	36,396	32,363	34,005
Indonesia	25,536	25,116	32,393	26,701	33,683
Italy	33,148	32,479	34,195	33,700	31,881
Netherlands	16,248	15,147	23,462	25,340	31,479
All other	323,716	296,890	339,482	343,950	365,878
Total	796,899	805,366	941,733	947,209	996,050

Note: Because of rounding, figures may not add to totals shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2933.69, accessed November 26, 2019. These data may be overstated as HTS subheading 2933.69 may contain products outside the scope of this review.

³⁰ Original publication, p. VII-3.

³¹ Domestic interested parties' response to the notice of institution, October 31, 2019, exh. 8.

Antidumping or countervailing duty orders in third-country markets

Antidumping duties on imports of trichlor originating in China have been in place in the European Union since July 2005. These duties were further extended following an expiry review in December 2017 and currently range from 3.2 to 42.6 percent.³²

The global market

Table I-7 presents global export data for heterocyclic compounds (excluding melamine) containing an unfused triazine ring (whether or not hydrogenated) in the structure, a category that includes chlorinated isos and out-of-scope products, by source, in descending order by value for 2018.

Table I-7
Heterocyclic compounds containing an unfused triazine ring: Global exports by major sources, 2014-18

Item	2014	2015	2016	2017	2018
	Value (1,000 dollars)				
China	811,284	735,260	814,434	915,147	1,213,500
USA	159,402	164,955	178,432	133,362	172,038
Japan	89,386	77,613	87,415	106,597	111,438
Poland	3,329	3,037	4,049	5,137	92,996
Taiwan	75,511	50,693	64,061	66,941	89,344
Israel	36,109	24,317	42,976	51,364	61,371
India	44,131	46,221	53,555	49,426	59,664
Netherlands	32,929	28,470	25,872	47,242	51,100
Belgium	54,581	48,317	41,721	37,136	50,497
Italy	65,830	52,982	47,758	52,254	47,913
All other	262,777	262,845	240,311	245,648	258,080
Total	1,635,051	1,494,710	1,600,584	1,710,254	2,207,941

Note: Because of rounding, figures may not add to totals shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2933.69, accessed November 26, 2019. These data may be overstated as HTS subheading 2933.69 may contain products outside the scope of this review.

³² Official Journal of the European Union, December 5, 2017, pp. 10-27.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
84 FR 52132, October 1, 2019	<i>Chlorinated Isocyanurates From China; Institution of Five-Year Review</i>	https://www.govinfo.gov/content/pkg/FR-2019-10-01/pdf/2019-20881.pdf
84 FR 52067, October 1, 2019	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2019-10-01/pdf/2019-21292.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

Item	Bio-Lab, Inc.	Clearon Corp.	Occidental Chemical Corporation	Total
	Quantity=1,000 pounds; value=1,000 dollars;			
	Unit values, unit labor costs, and unit financial data are per pound			
Nature of operation	***	***	***	***
Statement of intent to participate	***	***	***	***
Statement of likely effects of revoking the order	***	***	***	***
U.S. producer list	***	***	***	***
U.S. importer/foreign producer list	***	***	***	***
List of 3-5 leading purchasers	***	***	***	***
List of sources for national/regional prices	***	***	***	***
Production:				
Quantity	***	***	***	***
Percent of total reported	***	***	***	***
Capacity	***	***	***	***
Commercial shipments:				
Quantity	***	***	***	***
Value	***	***	***	***
Internal consumption/company transfers:				
Quantity	***	***	***	***
Value	***	***	***	***
Net sales	***	***	***	***
COGS	***	***	***	***
Gross profit or (loss)	***	***	***	***
SG&A expenses (loss)	***	***	***	***
Operating income/(loss)	***	***	***	***
Changes in supply/demand	***	***	***	***
<p>Note.—The production, capacity, and shipment data presented are for calendar year 2018. The financial data are for fiscal year ended December 31.</p> <p>ü = response provided; û = response not provided; NA = not applicable; ? = indicated that the information was not known.</p>				

RESPONSE CHECKLIST FOR U.S. PRODUCERS (TCCA and DCCA granular and powder)

Item	Bio-Lab, Inc.	Clearon Corp.	Occidental Chemical Corporation	Total
	Quantity=1,000 pounds; value=1,000 dollars;			
	Unit values, unit labor costs, and unit financial data are per pound			
Nature of operation	***	***	***	***
Statement of intent to participate	***	***	***	***
Statement of likely effects of revoking the order	***	***	***	***
U.S. producer list	***	***	***	***
U.S. importer/foreign producer list	***	***	***	***
List of 3-5 leading purchasers	***	***	***	***
List of sources for national/regional prices	***	***	***	***
Production TCCA and DCCA granular and powder:				
Quantity	***	***	***	***
Percent of total reported	***	***	***	***
Capacity	***	***	***	***
Commercial shipments:				
Quantity	***	***	***	***
Value	***	***	***	***
Internal consumption/company transfers:				
Quantity	***	***	***	***
Value	***	***	***	***
Net sales	***	***	***	***
COGS	***	***	***	***
Gross profit or (loss)	***	***	***	***
SG&A expenses (loss)	***	***	***	***
Operating income/(loss)	***	***	***	***
Changes in supply/demand	***	***	***	***
Note.—The production, capacity, and shipment data presented are for calendar year 2018. The financial data are for fiscal year ended December 31.				
ü = response provided; û = response not provided; NA = not applicable; ? = indicated that the information was not known.				

RESPONSE CHECKLIST FOR U.S. PRODUCERS (TCCA tablets)

Item	Bio-Lab, Inc.	Clearon Corp.	Occidental Chemical Corporation	Total
	Quantity=1,000 pounds; value=1,000 dollars;			
	Unit values, unit labor costs, and unit financial data are per pound			
Nature of operation	***	***	***	***
Statement of intent to participate	***	***	***	***
Statement of likely effects of revoking the order	***	***	***	***
U.S. producer list	***	***	***	***
U.S. importer/foreign producer list	***	***	***	***
List of 3-5 leading purchasers	***	***	***	***
List of sources for national/regional prices	***	***	***	***
Production TCCA tablets:				
Quantity	***	***	***	***
Percent of total reported	***	***	***	***
Capacity	***	***	***	***
Commercial shipments:				
Quantity	***	***	***	***
Value	***	***	***	***
Internal consumption/company transfers:				
Quantity	***	***	***	***
Value	***	***	***	***
Net sales	***	***	***	***
COGS	***	***	***	***
Gross profit or (loss)	***	***	***	***
SG&A expenses (loss)	***	***	***	***
Operating income/(loss)	***	***	***	***
Changes in supply/demand	***	***	***	***
<p>Note.—The production, capacity, and shipment data presented are for calendar year 2018. The financial data are for fiscal year ended December 31.</p> <p>û = response provided; û = response not provided; NA = not applicable; ? = indicated that the information was not known.</p>				

APPENDIX C
SUMMARY DATA

Table C-1
Chlorinated isos: Summary data concerning the U.S. market, 2011-13, January to June 2013, and
January to June 2014

* * * * *

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and named the following thirteen firms as the top purchasers of chlorinated isocyanurates: ***. Purchaser questionnaires were sent to these thirteen firms and five firms (***) provided responses which are presented below.

1. Have there been any significant changes in the supply and demand conditions for chlorinated isocyanurates that have occurred in the United States or in the market for chlorinated isocyanurates in China since January 1, 2014?

Purchaser	Yes/No	Changes that have occurred
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for chlorinated isocyanurates in the United States or in the market for chlorinated isocyanurates in China within a reasonably foreseeable time?

Purchaser	Yes/No	Anticipated changes
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***