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JOINT ECONOMIC COMMITTEE

September 6, 2022

The Honorable Gina M. Raimondo
Secretary, Department of Commerce
401 Constitution Ave NW
Washington, DC 20230

The Honorable David S. Johanson
Chairman, International Trade Commission
500 E Street SW
Washington, DC 20436

RE: Investigation Nos. A-570-898 & 731-TA-1082-1083 (Third Review)

Dear Secretary Raimondo and Chairman Johanson,

We write to voice our support for maintaining strong trade remedy actions on chlorinated isocyanurates[1] ("chlorinated isos") from China to protect American producers from material harm caused by China's unfair trade practices[2]. We urge the Department of Commerce and the International Trade Commission to carefully consider all facts and circumstances surrounding recent but temporary domestic production shortages in deciding whether to maintain these measures, and their applicable deposit rates, in the ongoing reviews. Failure to do so will jeopardize the competitiveness of America's domestic industry, threaten its supply security, and thwart current and future investments thereby putting the jobs of hard-working Americans at risk.

Chlorinated isos are used as chemical sanitizing agents to kill bacteria, prevent algae growth, keep water clean and protect commercial and residential pools and spas. TCCA or trichlor is a type of chlorinated iso that is produced domestically by Bio-Lab, Inc., a division of KIK Consumer Products, and two other companies, Occidental Chemical Corporation and Clearon Corporation.

The U.S. government's imposition of antidumping duties since 2005 (A-570-898) and countervailing duties (C-570-991) since 2014 has proven effective in preventing China from using unfair trade practices to gain market share from our domestic producers. The application of Section 301 China duties on chlorinated isos in 2019 under List 3 and List 4a, although imposed for different reasons, has complemented these enforcement efforts.

KIK's Bio-Lab facility in Lake Charles, Louisiana – which produced one type of chlorinated iso - granular trichloroisocyanuric acid ("TCCA") – was destroyed by a fire caused by Hurricane Laura in late August 2020. KIK subsequently had to temporarily import TCCA from foreign sources, including China, to continue to supply its customer base.

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[1] The antidumping duty order covers three types of chlorinated isos: 1) trichloroisocyanuric acid (Cl3(NCO)3); (2) sodium dichloroisocyanurate (dihydrate) (NaCl2(NCO)3(2H2O); and, (3) sodium dichloroisocyanurate (anhydrous) NaCl2(NCO)3). KIK supports comprehensively maintaining duties on all three despite only producing one type in its Lake Charles facility.

[2] The Department of Commerce determined on Jan 31 that if anti-dumping duties are removed, the Chinese will resume dumping subject product.

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Bio-Lab has worked tirelessly to rebuild its facility, investing close to a quarter of a billion U.S. dollars in the effort. Scheduled to open in the coming weeks and be fully operational later this year, enabling fulsome domestic support for the upcoming pool season, the plant will have 30% more production capacity than the old facility and will create 82 high paying jobs.

Failure to recognize the recent increase of TCCA imports from China as a temporary anomaly caused by forces outside of anyone's control could disproportionately skew the ITC's injury assessment, as well as negatively influence the methodology Commerce uses to calculate the margin assessment. To that end, we are concerned the latter is already underway, evidenced by Commerce's Preliminary Determination for which antidumping margins are less than one-half of the current duty deposit rate.

Louisianans, Bio-Lab's business, other U.S. producers, and America's water sanitizing customers cannot afford to weather a government-imposed storm caused by an incomplete decision that advantages China. We therefore urge the ITC and Commerce to carefully consider the facts of the case and its unique circumstances prior to issuing its injury assessment and final review of weighted-average dumping margins.

Sincerely,

Bill Cassidy, M.D.
U.S. Senator

John Kennedy
U.S. Senator

Clay Higgins
U.S. Congressman