New Trade Case on Imports of Certain Corrosion Inhibitors from China

By Mark R. Ludwikowski, R. Kevin Williams, William C. Sjoberg, Courtney G. Taylor / Feb 05, 2020

A new U.S. antidumping ("AD") and countervailing duty ("CVD") petition was filed on February 4, 2020 by Wincom Inc. against imports of certain corrosion inhibitors from China.

This petition covers certain corrosion inhibitors. The specific corrosion inhibitors included in the scope are tolyltriazole ("TTA") and benzotriazole ("BTA") in their solid and liquid forms. TTA and BTA are members of the benzotriazole family of chemicals and chemical compounds. These corrosion inhibitors are used to protect elements and metal alloys, including copper, copper alloys, zinc, cobalt, silver, aluminum, and steel, from corrosion. They are typically used for corrosion protection in applications such as industrial water treatment, automotive fluids, metalworking fluids, aircraft and runway de-icers, lubricants, cleaners, direct treatment, circuit boards, inks, and coatings. Please see a comprehensive explanation of the scope below.

The petition includes AD (less than fair value) and CVD (unfair subsidy) allegations against China. The Department of Commerce ("DOC") and the International Trade Commission ("ITC") will conduct the investigation. Within the next 45 days, the ITC will determine if the imports are injuring the U.S. industry. If the ITC finds injury, then the case will move to the DOC which will calculate the preliminary AD and CVD duty margins. The DOC's preliminary determinations are currently scheduled for April 29, 2020 (CVD) and July 13, 2020 (AD), which are the dates when importers will be required to deposit the calculated duties upon the products' entry in the U.S. market.

There are strict statutory deadlines associated with this proceeding and affected companies are advised to prepare as soon as possible. If this product is of interest to you, please let us know so that we can provide you with additional information as it becomes available.

The following are key facts about this trade case:

**Petitioner:** Wincom Inc.

**Foreign Producers/Exporters and U.S. Importers:** Please contact us for a listing of individual companies named in the petition.

**Alleged AD margins:** Petitioner has alleged the following AD and CVD margins:

- Calculated AD margins ranging from 388.28 to 420.32 percent
- CVD margins above *de minimus*

**Merchandise covered by the scope of the case:**

The merchandise covered by this petition is tolyltriazole and benzotriazole. This includes tolyltriazole and benzotriazole of all grades and forms, including their sodium salt forms. Tolyltriazole is technically known as Tolyltriazole IUPAC 4,5 methyl benzotriazole. It can also be identified as 4,5 methyl benzotriazole, tolutriazole, TTA, and TTZ.

Benzotriazole is technically known as IUPAC 1,2,3-Benzotriazole. It can also be identified as 1,2,3-Benzotriazole, 1,2-Aminozophenylene, 1H-Benzotriazole, and BTA.

All forms of tolyltriazole and benzotriazole, including but not limited to flakes, granules, pellets, prills, needles, powder, or liquids, are included within the scope of these petitions.

The scope includes tolyltriazole/sodium tolyltriazole and benzotriazole/sodium benzotriazole that are combined or mixed with other products. For such combined products, only the tolyltriazole/sodium tolyltriazole and benzotriazole/sodium benzotriazole component is covered by the scope of these investigations. Tolyltriazole and sodium tolyltriazole that have been combined with other products is included within the scope, regardless of whether the combining occurs in third countries.

Tolyltriazole, sodium tolyltriazole, benzotriazole and sodium benzotriazole that is otherwise subject to these investigations is not excluded when commingled with tolyltriazole, sodium tolyltriazole, benzotriazole, or sodium benzotriazole from sources not subject to these investigations. Only the subject merchandise component of such commingled products is covered by the scope of these investigations.

Tolyltriazole has the Chemical Abstracts Service ("CAS") registry number 299385-43-1. Tolyltriazole is classified under Harmonized Tariff Schedule of the United States ("HTSUS") subheading 2933.99.82.20.

Sodium Tolyltriazole has the CAS registry number 64665-57-2 and is classified under HTSUS subheading 2933.99.82.90.

Benzotriazole has the CAS registry number 95-14-7 and is classified under HTSUS subheading 2933.99.82.10.
Sodium Benzotriazole has the CAS registry number 15217-42-2. Sodium Benzotriazole is classified under HTSUS subheading 2933.99.82.90.

Although the HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

If you have any questions regarding the content of this alert, please contact Mark Ludwikowski (mludwikowski@clarkhill.com; 202-640-6680), Kevin Williams (kwilliams@clarkhill.com; 312-985-5907); William Sjoberg (wsjoberg@clarkhill.com; 202-772-0924), Courtney Gayle Taylor (cgtaylor@clarkhill.com; 202-552-2350); or another member of Clark Hill's International Trade Business Unit.