

May 7, 2025

Mr. Jeffrey I. Kessler
Under Secretary for Industry and Economic Security
U.S. Department of Commerce
Bureau of Industry and Security
1401 Constitution Ave NW
Washington, DC 20230

RE: BIS-2025-0022 | Docket No. 250414-0065 | XRIN 0694-XC120

Mr. Kessler,

KIK Consumer Products and BioLab, its swimming pool and water care division, submits these comments in response to the Bureau of Industry and Security's request for input to determine the effects on national security of imported pharmaceutical, ingredients, and their derivatives published in 90 FR 15951. We strongly support the Administration's decision to investigate this matter and share its concerns about the national security ramifications of imports undercutting domestic producers' ability to self-sufficiently meet U.S. demand.

KIK's specific interest in this investigation is its proposed inclusion of Harmonized Tariff Schedule of the United States ("HTSUS") item 2933.69.6015 despite the exclusion of HTSUS 3808.99.9501 from Annex II of Executive Order 14257. Annex II lists all covered semiconductor and pharmaceutical products that are now subject to investigation under Section 232 of the Trade Expansion Act of 1962. These HTSUS classifications cover trichloroisocyanuric acid ("TCCA" or "Trichlor") in both its raw granular form (2933.69.6015) and its finished tableted form (3808.99.9501). TCCA is a type of chlorinated isocyanurates ("chlorinated isos") and serves as a chlorine-based sanitizer used to eliminate bacteria and inhibit algae growth in swimming pools, spas and hot tubs.

TCCA, in all its forms, is classified by the U.S. Environmental Protection Agency ("EPA") as a pesticide. TCCA is not a pharmaceutical, a pharmaceutical ingredient, a derivative thereof, nor is it a critical input for any active pharmaceutical ingredients or key starting materials. While both pesticides and pharmaceuticals are chemical substances, they serve fundamentally different purposes. Pesticides like TCCA are used to eliminate pests in agricultural settings and to control bacteria in shared public environments for public health purposes. Pharmaceuticals, by contrast, are designed to treat diseases and medical conditions in humans and animals.

As a pesticide, not a pharmaceutical, TCCA falls outside the intended scope of this Section 232 investigation' and should not be captured by its product coverage. Nevertheless, ensuring adequate domestic production to meet U.S. demand is vital to public health and, by extension, national security. KIK therefore urges the Administration to impose the highest possible tariff rates on

imported TCCA, particularly from China. Achieving this outcome requires excluding HTSUS 2933.69.6015 (granular TCCA) from the scope of the Section 232 investigation, thereby aligning its treatment with HTSUS 3803.99.9501 (tableted TCCA). This would ensure that both forms of TCCA are subject to reciprocal tariff measures, as originally set forth in Executive Order 14257 of April 2, 2025, and as subsequently amended.

Applying the maximum available tariffs on imports, such as the current 145% tariff on Chinese-origin TCCA tablets, is critical to protecting KIK's vertically integrated domestic manufacturing operations. These measures enable continued investment in U.S.-based production and workforce development. High tariff rates remain essential for KIK and the broader domestic industry to remain competitive in the face of China's persistent unfair trade practices.

TRICHLOR, also known as TCCA

TCCA is an EPA-regulated substance widely used for pool and spa sanitation and represents the most common method of disinfection for these applications in the United States. Within the industry, it is commonly referred to as "stabilized chlorine". TCCA offers a highly effective and economical solution for maintaining water quality, as it combines the sanitizing power of chlorine with enhanced stability. Its chemical formulation protects chloring from degradation caused by ultraviolet ("UV") light, thereby extending its efficacy and reducing the frequency of application. This makes TCCA both a safer and more cost-efficient choice for pool and spa maintenance.

There are three U.S. domestic manufacturers of TCCA: BioLab, Clearon and Occidental Chemicals.

THE POOL AND SPA INDUSTRY

Americans rely on TCCA to keep their backyard pools and spas clean and free from harmful pathogens. In recent years, demand for pool and spa sanitation products in the United States has risen significantly, driven in large part by the COVID-19 pandemic. As families across the country invested in new residential pool construction and spent more time at home, the use of recreational water facilities surged. This trend led to a twofold increase in both the total volume of water requiring treatment and the average per-household usage of sanitizing agents.

With the recent reconstruction of its state-of-the-art BioLab manufacturing facility in Louisiana, KIK is fully equipped to meet the rising demand for pool and spa sanitation products in the upcoming season and over the long term. As a trusted industry leader with decades of experience, KIK possesses a unique understanding of consumer needs and market dynamics. Its comprehensive capabilities and strong domestic presence ensure continued support for American families in maintaining clean, safe, and healthy recreational water environments.

TRADE REMEDIES:

The U.S. chlorinated isocyanurates industry continues to face intense and sustained competition from Chinese manufacturers, particularly in the market for TCCA. For nearly two decades, Chinese producers have employed unfair trade practices—most notably, selling at less than fair value—to capture market share from KIK and other domestic producers. Supported by substantial government subsidies, China has developed significant overcapacity in chlorinated iso production, enabling it to

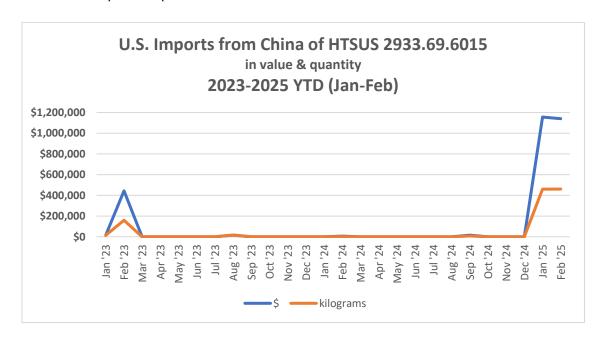
flood the global market in pursuit of dominance.

To counter these practices, the U.S. government has maintained antidumping duties (A-570-898) on Chinese-origin chlorinated isos since 2005 and countervailing duties (C-570-991) since 2014. These measures cover both granular and tableted forms of TCCA. In January 2022, following the third sunset review, the U.S. Department of Commerce and the International Trade Commission reaffirmed in 87 FR 4841 notice that revoking the antidumping order would likely lead to continued or recurring dumping, causing material injury to the U.S. industry.

In addition, the Administration imposed Section 301 tariffs under the Trade Act of 1974—25% on tableted TCCA and 7.5% on granular TCCA—in 2018 and 2019, respectively, in response to broader unfair trade practices by China.

Despite the long-standing multilayered and high rates of protections, the U.S. Department of Commerce issued a final determination in February 2025, as part of the 18th Administrative Review for the 2022–2023 period (90 FR 9710), substantially reducing antidumping duty rates by over 80%. This determination was based on the use of a surrogate country methodology involving a comparator that does not produce a like product. A preliminary version of this decision was issued six months earlier, prompting serious concern from domestic stakeholders.

The effects of this decision have been swift and profound. In just the first two months of 2025, imports of HTSUS 2933.69.6015 from China surged—rising 34,618% by value and 61,238% by volume compared to the same period the prior year. Moreover, Hebei Kaihong Chemical Co., Ltd., the apparent source of this sharp increase, has recently registered with the U.S. Environmental Protection Agency under the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), signaling a clear intent to expand its presence in the U.S. market.



The rapid increase of imports of TCCA from China are deeply troubling and underscore that, even with current trade remedies in place, Chinese producers are rapidly reasserting their presence in the U.S. market. Immediate and decisive action is necessary to prevent further erosion of the domestic industry.

In light of the foregoing, KIK respectfully urges the Administration to exclude HTSUS 2933.69.6015 from the scope of the current Section 232 investigation, as TCCA is a pesticide—not a pharmaceutical—and falls outside the intended product coverage. TCCA plays a vital role in safeguarding public health through the sanitation of pools and spas, and KIK, with its rebuilt domestic manufacturing capacity, stands ready to meet national demand. However, the persistent threat posed by unfairly traded imports from China—particularly in times of domestic supply disruption—underscores the critical need for strong and consistent tariff protections. Aligning the treatment of granular TCCA with tableted forms under Section 301 actions and ensuring both remain subject to the highest possible tariff rates, is essential to maintaining domestic production, protecting American workers, and preserving the integrity of the U.S. chemical supply chain against systemic distortions from China.

Thank you for your consideration.

Respectfully submitted,

Vishak Sankaran President, Pool Division KIK Consumer Products

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