Good morning. My name is Sydney Mintzer, a partner at Mayer Brown LLP, appearing today on behalf of Arkema, the lone US producer of difluoromethane, more easily referred to as R32, that is the subject of this investigation.

This may seem like familiar territory as R-32 was included in the scope of the HFC Blends and Components investigation that went final in August 2016. Indeed, several facts remain the same – the product specifications, the R-32 manufacturing process, its end uses. But what is far more important is what has changed. The Blends Order fundamentally shifted the conditions of competition in the US R-32 market. With an AD order imposed on HFC blends, blends production in the US grew significantly. Existing US blenders increased production, and there was a flurry of new entrants into the US market. You would think all that sounds pretty good for the lone US R-32 producer, who manufactures a chemical incorporated into HFC blends that are used in most residential air conditioner systems today. This change in market dynamic should have led to explosive growth in the US industry's R-32 sales and profitability. But that never happened. Rather, R-32 imports from China have skyrocketed, captured significant market share, and caused a decline in profitability over the course of the POI.

Without relief in the form of an antidumping duty order, the US R-32 industry will continue to hemorrhage. China is the global giant in R-32 production, comprising approximately 85 percent of global capacity. Arkema's US plant in Calvert City, Kentucky accounts for the majority of the remainder and, indeed, there is very little if any active production of R-32 outside of China and the United States. During the POI, Chinese capacity grew by over 80 percent, and Chinese production far outpaces Chinese domestic demand. Inevitably, Chinese domestic R-32 prices crashed, and Chinese R-32 is now entering the US market at lower and lower prices.

We recognize that the data collected by the Commission staff is still a work in progress and that several large importers have yet to submit their information. Our testimony today will rely on the best

information available to describe the material injury caused by unfairly traded subject imports and the continuing threat that it poses.

Thank you very much. We look forward to providing you with testimony today.