

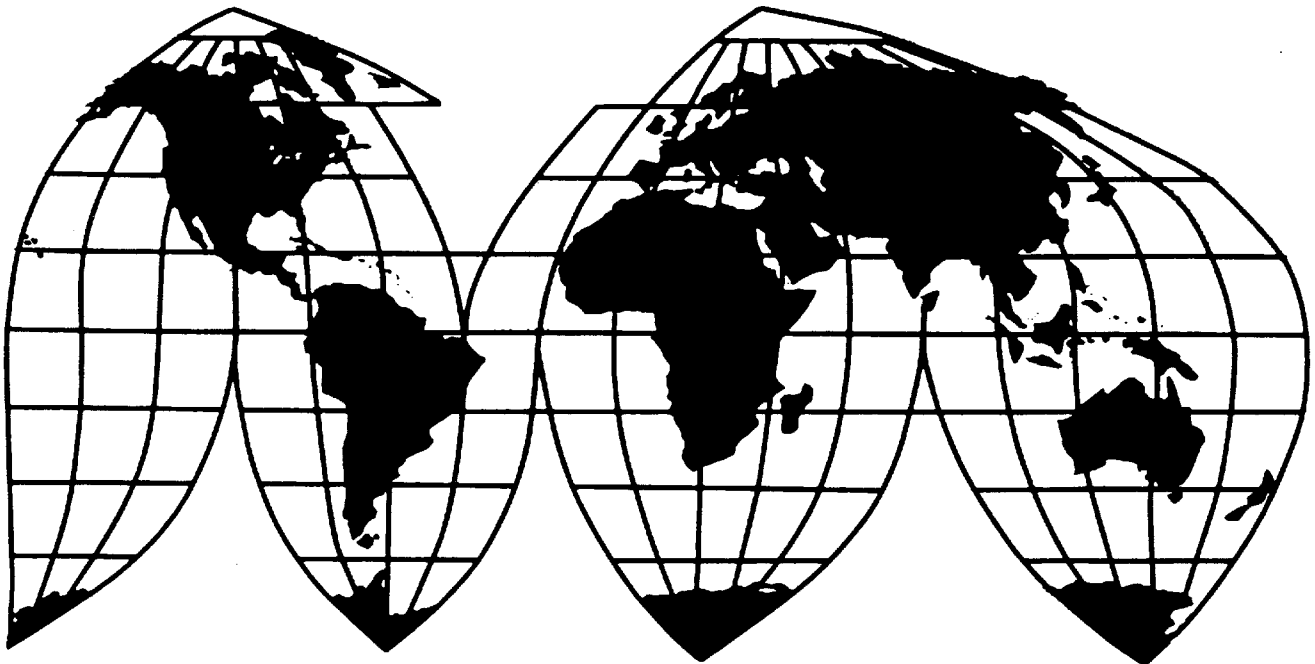
Glycine From China

Investigation No. 731-TA-718 (Second Review)

Publication 3810

October 2005

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

Stephen Koplan, Chairman
Deanna Tanner Okun, Vice Chairman
Jennifer A. Hillman
Charlotte R. Lane
Daniel R. Pearson
Shara L. Aranoff

Robert A. Rogowsky
Director of Operations

Staff assigned

Russell Duncan, *Investigator*
Karl von Schriltz, *Attorney*

George Deyman, *Supervisory Investigator*

**Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436**

U.S. International Trade Commission

Washington, DC 20436

www.usitc.gov

Glycine From China

Investigation No. 731-TA-718 (Second Review)



Publication 3810

October 2005

CONTENTS

	<i>Page</i>
Determination	1
Views of the Commission	3
Introduction	I-1
Background	I-1
The original investigation	I-1
The first review	I-1
Commerce’s new shipper reviews	I-2
Commerce’s administrative reviews	I-3
Commerce’s final results of expedited sunset review	I-3
Distribution of Continued Dumping and Subsidy Offset Act funds to affected domestic producers	I-3
Related investigations	I-4
The subject product	I-4
The scope	I-4
Description and uses	I-5
Production process	I-6
Domestic like product issues	I-6
U.S. market participants	I-6
U.S. producers	I-6
U.S. importers	I-7
Condition of the U.S. industry	I-8
U.S. production, capacity, and capacity utilization	I-8
U.S. shipments and unit values	I-9
Financial experience of U.S. producers	I-10
U.S. imports and apparent U.S. consumption	I-11
Imports	I-11
Apparent U.S. consumption and market shares	I-17
The industry in China	I-19
Chinese producers	I-19
 Appendix	
A. <i>Federal Register</i> notices and the Commission’s statement on adequacy	A-1

Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-718 (Second Review)

GLYCINE 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 section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty order on glycine 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.

BACKGROUND

The Commission instituted this review on June 1, 2005 (70 F.R. 31534) and determined on September 7, 2005 that it would conduct an expedited review (70 F.R. 55625, September 22, 2005).

The Commission transmitted its determination in this review to the Secretary of Commerce on October 31, 2005.

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

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 Act”), that revocation of the antidumping duty order covering glycine 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.

I. BACKGROUND

In March 1995, the Commission determined that an industry in the United States was threatened with material injury by reason of imports of glycine from China sold at less than fair value.² On March 29, 1995, the U.S. Department of Commerce (“Commerce”) published an antidumping duty order covering glycine from China.³

In February 2000, in the first five-year review of the order, the Commission determined that revocation of the antidumping duty order covering glycine from China would likely lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁴

On June 1, 2005, the Commission instituted this second five-year review pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”), to determine whether revocation of the antidumping duty order on glycine from China would likely lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.⁵

On September 7, 2005, the Commission determined that the domestic interested party group response to its notice of institution was adequate, but that the respondent interested party group response was inadequate.⁶ In the absence of an adequate respondent interested party group response, or other factors warranting a full review, the Commission determined to conduct an expedited review pursuant to section 751(c)(3) of the Act.^{7 8} No respondent interested party has provided any information or argument to the Commission.

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

² Glycine from the People’s Republic of China, Inv. No. 731-TA-718 (Final), USITC Pub. 2863 (Mar. 1995) (“Original Determination”) at 1.

³ 60 Fed. Reg. 16116 (Mar. 29, 1995).

⁴ Glycine from China, Inv. No. 731-TA-718 (Review), USITC Pub. 3315 (June 2000) (“First Review Determination”) at 1.

⁵ 70 Fed. Reg. 31534.

⁶ See Confidential Staff Report (“CR”); Public Staff Report (“PR”) at Appendix A.

⁷ 19 U.S.C. § 1675(c)(3).

⁸ See CR/PR at Appendix A.

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”⁹ The 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.”¹⁰

In this five-year review, Commerce has defined the scope of the antidumping duty order as follows:

The product covered by the order is glycine, which is a free-flowing crystalline material, like salt or sugar. Glycine is produced at varying levels of purity and is used as a sweetener/taste enhancer, a buffering agent, reabsorbable amino acid, chemical intermediate, and a metal complexing agent. This order covers glycine of all purity levels. Glycine is currently classified under subheading { sic } 2922.49.4020 of the Harmonized Tariff Schedule of the United States (HTSUS). In a separate scope ruling, the Department determined that D(-) Phenylglycine Ethyl Dane Salt is outside the scope of the order.¹¹

In the original investigation, the Commission defined the domestic like product as glycine of all purity levels.¹² The Commission adopted the same like product definition in the first five-year review: glycine of all purity levels, coextensive with Commerce’s scope definition.¹³

The domestic interested parties agree with the Commission’s like product definition from the original investigation and first five-year review, and claim that there have been no significant developments that would suggest that any changes are necessary.¹⁴

We find no new information on the record of this review that would warrant finding a different domestic like product definition than that found in the original investigation and the first five-year review.¹⁵ We therefore define the domestic like product in this review as glycine of all purity levels, co-extensive with Commerce’s definition of the scope of the antidumping duty order.

B. Domestic Industry

1. In General

⁹ 19 U.S.C. § 1677(4)(A).

¹⁰ 19 U.S.C. § 1677(10). See 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. 96-249 at 90-91 (1979).

¹¹ Glycine from the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Order, Case No. A-570-836, 70 Fed. Reg. 58185, 58186 (Oct. 5, 2005) (“Final Review Results”).

¹² Original Determination at I-6.

¹³ First Review Determination at 4.

¹⁴ Letter from King & Spalding to Secretary Marilyn Abbott on behalf of the Glycine Fair Trade Committee in response to the notice of institution, Glycine from China, Inv. Nos. 731-TA-718 (Second Review) (July 21, 2005) (“Domestic Interested Parties’ Response”) at 18; Letter from King & Spalding to Secretary Marilyn Abbott on behalf of the Glycine Fair Trade Committee submitting comments, Glycine from China, Inv. Nos. 731-TA-718 (Second Review) (Oct. 5, 2005) (“Domestic Interested Parties’ Comments”) at 3.

¹⁵ See, generally, CR at I-6-8; PR at I-5-6.

Section 771(4)(A) of the Act defines the relevant industry as the “domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product.”¹⁶

In its original investigation and in the first five-year review, the Commission defined the domestic industry to encompass the only two domestic producers of glycine: Chattem Chemicals, Inc. (“Chattem”) and Hampshire Chemical Corp. (“Hampshire”).¹⁷ The domestic interested parties agree with this definition of the domestic industry,¹⁸ and no new facts have been presented to warrant a conclusion different from that reached by the Commission in the original investigation and the first five-year review. We therefore define the domestic industry as the two domestic producers of glycine.¹⁹

III. WHETHER REVOCATION OF THE ORDER IS LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Legal Standard in a Five-year Review

In a five-year review conducted under section 751(c) of the 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.”²⁰ The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual 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.”²¹ Thus, the likelihood standard is prospective in nature.²² The U.S. Court of International Trade has found that

¹⁶ 19 U.S.C. § 1677(4)(A).

¹⁷ Original Determination at I-6; First Review Determination at 5.

¹⁸ Domestic Interested Parties’ Response at 19; Domestic Interested Parties’ Comments at 3.

¹⁹ There was no related party issue in either the original investigation or the first five-year review. See Original Determination at I-6; First Review Determination at 5 n.17. As neither Hampshire nor Chattem import subject merchandise, or are related to any exporter or importer of subject merchandise, there is no related party issue in this review. CR at I-9; PR at I-7.

²⁰ 19 U.S.C. § 1675a(a).

²¹ SAA at 883-84. The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” Id. at 883.

²² 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.

“likely,” as used in the sunset review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.^{23 24 25 26 27 28}

²³ 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 without opinion, 05-1019 (Fed. Cir. August 3, 2005); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int’l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int’l Trade Dec. 20, 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, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int’l Trade July 19, 2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

²⁴ Chairman Koplan agrees with the Court that “‘likely’ means ‘likely’...” Usinor Industeel, S.A. et al v. United States, No. 01-00006, Slip. Op. 02-39 at 13 (Ct. Int’l Trade April 29, 2002). Because Chairman Koplan also agrees that the term “likely” as used in the statute is not ambiguous, he does not believe that the Commission need supply a synonym for it. Nevertheless, were Chairman Koplan to select a synonym for “likely,” he would accept the Court’s conclusion that “likely” is best equated with “probable,” and that it does not mean “possible.” If some event is likely to happen, under common usage of the term, it probably will happen. If one considers the term “probably” to be tantamount to “more likely than not,” then in the context of a sunset review such as this one, upon revocation of the respective orders either injury probably will continue or recur (more likely than not) or it probably will not continue or recur.

²⁵ Vice Chairman Okun notes that consistent with her dissenting views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” to mean “probable.” See Usinor Industeel, S.A. et. al. v. United States, No. 01-00006, Slip. Op. 02-39 at 13 (Ct. Int’l Trade April 29, 2002). However, she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue. See also Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

²⁶ Commissioner Hillman interprets the statute as setting out a standard of whether it is “more likely than not” that material injury would continue or recur upon revocation. She assumes that this is the type of meaning of “probable” that the Court intended when the Court concluded that “likely” means “probable.” See Separate Views of Vice Chairman Jennifer A. Hillman Regarding the Interpretation of the Term “Likely,” in Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, The Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom (Views on Remand), Invs. Nos. AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review) (Remand), USITC Pub. 3526 (July 2002) at 30-31.

²⁷ While, for purposes of this review, Commissioner Pearson does not take a position on the correct interpretation of “likely,” he notes that he would have made the same determination under any interpretation of “likely” other than equating “likely” with merely “possible.” See Commissioner Pearson’s dissenting views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 at 15-17 (June 2004).

²⁸ Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade’s interpretation of “likely,” but she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

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.”²⁹ 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].”^{30 31}

Although the standard in a five-year review is not the same as the standard applied in an original antidumping or countervailing duty investigation, it contains some of the same fundamental elements. The statute 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.”³² 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 the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).³³

Section 751(c)(3) of the Act and the Commission’s regulations provide that in an expedited five-year review, the Commission may issue a final determination “based on the facts available, in accordance with section 776 of the Act.”³⁴ We have relied on the facts available in this review, which consist primarily of information from the original investigation and the first five-year review, information submitted by the domestic interested parties, and official Commerce statistics.

B. Conditions of Competition

²⁹ 19 U.S.C. § 1675a(a)(5).

³⁰ 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.*

³¹ In analyzing what constitutes a reasonably foreseeable time, Chairman Koplán examines all the current and likely conditions of competition in the relevant industry. He defines “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation or termination. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

³² 19 U.S.C. § 1675a(a)(1).

³³ 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the orders under review. *See* CR at I-9, as revised by Memorandum INV-CC-155 (Sept. 19, 2005); PR at I-8. 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. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

³⁴ 19 U.S.C. § 1675(c)(3)(B); 19 C.F.R. § 207.62(e). Section 776 of the Act, in turn, authorizes the Commission to “use the facts otherwise available” in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a).

In evaluating the likely impact of the subject imports on the domestic industry, 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.”³⁵

In the original investigation, the Commission identified several relevant conditions of competition. First, the Commission found that changes in glycine prices are unlikely to affect the quantity demanded because glycine is an intermediate product with no substitutes that accounts for a relatively small proportion of the cost of producing downstream products, such as pharmaceuticals, food products, pet food, and antiperspirants.³⁶ Additionally, the Commission found that glycine purchases for each end use are concentrated among relatively few purchasers, and that intense competitive pressures had motivated these purchasers to use their purchasing power to extract price concessions from glycine producers.³⁷ The Commission found that domestic producer market share had declined throughout the period of investigation (“POI”) because domestic shipments had increased less than U.S. apparent consumption.

The Commission found the same conditions of competition in the first five-year review.³⁸ It also found that U.S. apparent consumption of glycine had increased since the original investigation, and that domestic producers continued to supply a dominant share of the U.S. market, though the volume of non-subject imports had increased since the original investigation to capture a substantial share of the U.S. market.³⁹

We have no new information to suggest that the general conditions of competition in this review differ from those found in the original investigation and the first five year-review.⁴⁰ In particular, we find that changes in the price of glycine have little effect on the quantity of glycine demanded, given that glycine is an intermediate product with few substitutes that constitutes a small proportion of the cost of downstream products. U.S. apparent consumption of glycine has increased slightly since the first five-year review, and substantially since the original investigation.⁴¹ Domestic industry market share has declined significantly from the levels in the original investigation and the first five-year review, largely because non-subject import market share has more than *** since 1994.⁴² The domestic interested parties allege that the dramatic increase in non-subject import volume has resulted at least in part from the

³⁵ 19 U.S.C. § 1675a(a)(4).

³⁶ Original Determination at I-6-7. The record contains no information on whether glyphosate production is an important end use of glycine in the U.S. market.

³⁷ Original Determination at I-7.

³⁸ First Review Determination at 7.

³⁹ First Review Determination at 7-8.

⁴⁰ The domestic interested parties claim that the conditions of competition identified by the Commission in the original determination and the first five-year review determination remain substantially the same in this review. Domestic Interested Parties’ Comments at 4-5.

⁴¹ CR/PR at Table I-9 (U.S. apparent consumption was *** pounds in 2004, an increase of *** percent since 1999, and *** percent since 1994).

⁴² CR/PR at Table I-9 (domestic market share declined from *** percent in 1994 and *** percent in 1999 to *** percent in 2004, while non-subject import market share increased from *** percent in 1994 to *** percent in 1999, and to *** percent in 2004).

transshipment of subject merchandise through third countries possessing no glycine production.⁴³ As aforementioned, the domestic industry consists of two companies, Chattem and Hampshire. In 2004, their average production capacity was *** pounds and their production was *** pounds.⁴⁴

C. Likely Volume of Subject Imports

In evaluating the likely volume of subject imports were the orders to be revoked, 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.⁴⁵ 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 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.⁴⁶

In the original investigation, the Commission found that substantial underutilized Chinese glycine capacity would likely be directed to the U.S. market, given the substantial increase in subject import volume and market share over the POI, and the fact that the U.S. market for products made of glycine was then the world’s largest.⁴⁷ The Commission concluded that subject import market share would likely increase to injurious levels in the imminent future.⁴⁸

In the first five-year review, the Commission found that the antidumping order had significantly reduced the presence of subject imports in the U.S. market.⁴⁹ The Commission also found that Chinese glycine capacity had likely increased since the original investigation, given the increased number of Chinese glycine producers.⁵⁰ Because the United States remained the world’s largest market for products containing glycine, and Chinese producers had demonstrated their ability to increase subject imports sharply during the POI of the original investigation, the Commission concluded that subject imports would likely increase to a significant level were the order to be revoked.⁵¹

In this review, we find that subject import volume would likely increase significantly were the order to be revoked. Underutilized glycine capacity in China has increased substantially since the original investigation, when representatives of foreign producers and importers testified that capacity was

⁴³ Domestic Interested Parties’ Comments at 6-7. In 2002, Commerce ruled that an importer had imported subject merchandise transshipped through Korea. See CR at I-21 n.90; PR at I-12 n.91. The staff report indicates that non-subject import volume increased from 582,000 pounds in 1994 to 2.471 million pounds in 1999, and to 4.450 million pounds in 2004. CR/PR at Table I-8.

⁴⁴ CR/PR at Table I-4.

⁴⁵ 19 U.S.C. § 1675a(a)(2).

⁴⁶ 19 U.S.C. § 1675a(a)(2)(A-D).

⁴⁷ Original Determination at I-10.

⁴⁸ Original Determination at I-10.

⁴⁹ First Review Determination at 8.

⁵⁰ First Review Determination at 8-9.

⁵¹ First Review Determination at 9.

between 22 million and 33 million pounds,⁵² and the first five-year review, in which new Chinese glycine producers were identified.⁵³ Domestic interested parties have provided market research indicating that Chinese glycine capacity was over *** million pounds in 2004,⁵⁴ and an independent market research source indicates that four main Chinese glycine producers alone possessed a capacity of 50 million pounds in 2002.⁵⁵ A significant proportion of this capacity is not utilized,⁵⁶ and Chinese glycine producers have developed the ability to serve all segments of the U.S. glycine market since 1999, including the market for pharmaceutical grade glycine.⁵⁷ We consequently find that Chinese producers possess the capacity to substantially increase glycine exports to the United States were the order to be revoked.⁵⁸

We also find that Chinese producers are likely to use their underutilized capacity to increase exports of glycine to the United States significantly in the event of revocation, given their expressed interest in serving the U.S. market. Subject imports have increased significantly since 1999 notwithstanding the restraining effect of the antidumping duty order,⁵⁹ which subjects most Chinese glycine exporters to an “all others” cash deposit rate of 155.89 percent.⁶⁰ In 2003, Hebei New Donghua Amino Acid Co., Ltd., reportedly the world’s largest glycine producer with capacity ***,⁶¹ requested a new shipper review from Commerce in the hope of receiving a company-specific antidumping duty margin lower than the “all others” rate, and unsuccessfully appealed Commerce’s denial of its request to

⁵² CR at I-35; PR at I-21; Original Determination at II-23 n.86; see also CR/PR at Table I-10 (three of five major glycine producers possessed a capacity of *** million pounds in 1994).

⁵³ CR at I-33; PR at I-20; First Review Determination at 8.

⁵⁴ CR/PR at Table I-11, as modified by Memorandum INV-CC-169 (Oct. 4, 2005).

⁵⁵ CR at I-36; PR at I-21. Domestic interested parties claim that three major Chinese glycine producers increased their glycine capacity from *** metric tons in 1999 to *** metric tons in 2004, including “technical grade” glycine. Domestic Interested Party Comments at 11. Domestic interested parties contend that Chinese capacity for technical grade glycine, a portion of which is internally consumed in the production of glyphosates, should not be considered separately from glycine capacity for other uses because all grades of glycine are exported to the U.S. market and compete with the domestic like product. Id. at 10.

⁵⁶ See CR/PR at Table I-11, as modified by Memorandum INV-CC-169 (Oct. 4, 2005); CR at I-36; PR at I-21.

⁵⁷ See CR at I-36; PR at I-21; Letter from King & Spalding to Secretary Marilyn Abbott on behalf of the Glycine Fair Trade Committee and its member companies responding to the Commission’s request for supplemental information, Glycine from China, Inv. No. 731-TA-178 (Second Review) (Aug. 5, 2005) (“Domestic Interested Parties Supplemental Response”) at 4, Attachment G.

⁵⁸ Demonstrating their ability to increase glycine exports rapidly, Chinese glycine producers increased their exports of glycine to the EU substantially after the European Council declined to impose antidumping measures on Chinese glycine imports in 2000. Domestic Interested Parties Comments at 9 (citing an increase in EU imports of Chinese glycine from 2,552 metric tons in 1998 to 2,676 metric tons in 2000 to 5,852 metric tons in 2004); see also CR at I-20, as modified by Memorandum INV-CC-169 (Oct. 4, 2005); PR at I-12.

⁵⁹ CR/PR at Table I-7 (subject import volume increased from 29,000 pounds in 1999 to 555,000 pounds in 2004).

⁶⁰ CR/PR at Table I-1.

⁶¹ See Domestic Interested Parties’ Supplemental Response at Attachment A (printout of Hebei New Donghua Amino Acid Co., Ltd. website page stating that “{a}s the largest glycine production base in the world, it has an annual production capacity of 40,000 {metric} ton tech-grade glycine, 12,000 {metric} ton food and pharma grade glycine.”); CR/PR at Table I-9 (U.S. apparent consumption in 2004 was *** pounds, or *** metric tons).

the U.S. Court of International Trade.⁶² Given their presence and interest in the U.S. market, we find that absent antidumping duty disciplines, Chinese glycine producers would likely increase their exports of glycine to the U.S. market significantly.⁶³

We consequently conclude that subject import volume would likely increase significantly were the order to be revoked.

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports were the orders to be revoked, 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.⁶⁴

In the original investigation, the Commission found that the subject imports would likely enter the U.S. market at prices that would depress or suppress prices for the domestic like product.⁶⁵ The Commission observed that subject import prices had declined over the POI, and had undersold the domestic like product in the “vast majority” of pricing comparisons.⁶⁶ Because subject imports were largely substitutable for the domestic like product, and lower prices would not result in increased demand, the Commission concluded that increased supplies of lower-priced subject imports would likely depress or suppress prices for the domestic like product, particularly given the bargaining power of the relatively concentrated glycine purchasers.⁶⁷

In the first five-year review, the Commission found that subject import average unit values had declined since the original investigation, and were lower than the average unit values (“AUVs”) for the domestic like product in 1999, notwithstanding the antidumping duty order.⁶⁸ Given this trend, the underselling observed during the original investigation, and the aforementioned conditions of competition, the Commission concluded that subject imports would likely have significant price depressing and suppressing effects in the event of revocation.⁶⁹

⁶² See Glycine from China: Initiation of Antidumping New Shipper Review, Case No. A-570-836, 68 Fed. Reg. 23962 (May 6, 2003); Glycine from China: Notice of Rescission of New Shipper Review of Hebei New Donghua Amino Acid Co., Ltd., Case No. A-570-836, 69 Fed. Reg. 47405 (Aug. 5, 2004); Hebei New Donghua Amino Acid Co., Ltd. v. United States, 374 F.Supp.2d 133 (Ct. Int'l Trade 2005) (affirming rescission of new shipper review).

⁶³ We also note that domestic interested parties provided information regarding possible transshipments of Chinese glycine through third countries. See Domestic Interested Parties' Comments at 6-7; see also CR at I-21 n.90; PR at I-12 n.91 (Commerce verified transshipments of Chinese glycine through Korea in 2002). Although we do not rely on this information in reaching our determination, if such transshipments are indeed occurring, they could revert to direct shipments from China upon revocation of the order, consistent with our finding that subject import volume would likely increase significantly in the event of revocation.

⁶⁴ 19 U.S.C. § 1675a(a)(3).

⁶⁵ Original Determination at I-11.

⁶⁶ Original Determination at I-11.

⁶⁷ Original Determination at I-11.

⁶⁸ First Review Determination at 9-10. The Commission acknowledged that AUV comparisons can be influenced by product mix, but used AUV data as the facts available. Id.

⁶⁹ First Review Determination at 10.

Although the record of this review contains no new data on specific product prices, the AUV of subject imports remained well below the AUV of shipments of the domestic like product in 2004,⁷⁰ as in 1999. Accordingly, we find that the underselling found in the original investigation would likely recur in the event of revocation.

We also note that the substitutability of subject imports and the domestic like product,⁷¹ and the fact that changes in the price of glycine are unlikely to effect the quantity demanded,⁷² mean that a significant increase in low-priced subject imports would likely depress and suppress prices for the domestic like product. We therefore conclude that revocation of the orders would likely result in significant adverse price effects.

E. Likely Impact of Subject Imports

In evaluating the likely impact of subject imports were the order to be revoked, 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: (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 more advanced version of the domestic like product.⁷³ 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.⁷⁴ 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 at issue and whether the industry is vulnerable to material injury if the orders are revoked.⁷⁵

⁷⁰ Compare CR/PR at Table I-5 (domestic industry AUV of *** per pound) with *id.* at Table I-7 (subject import AUV of \$1.04 per pound). We note that comparisons of AUVs are less informative than direct price comparisons because AUVs are affected by variations in product mix. See First Review Determination at 10 n.46 (noting that glycine is sold in two purity levels, technical and USP grade, with USP grade glycine generally sold at a higher price). We use AUV data here as the facts available.

⁷¹ See CR at I-36; PR at I-21 (evidence indicates that Chinese producers compete with U.S. producers in ***); Original Determination at I-11 (“the subject imports and the domestic like product are largely substitutable”).

⁷² Original Determination at I-7.

⁷³ 19 U.S.C. § 1675a(a)(4).

⁷⁴ 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce has determined that were the antidumping duty order to be revoked, dumping would likely recur at the rate of 155.89 percent for all producers. Glycine from the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Order, Case No. A-570-836, 70 Fed. Reg. 58185, 58186 (Oct. 5, 2005). CR/PR at Tables I-3-5, as modified by Memorandum INV-CC-155 (Sept. 19, 2005).

⁷⁵ 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 (continued...)

In the original determination, the Commission concluded that subject imports threatened material injury to the domestic industry in the imminent future, based on the likely substantial increase in subject import volume and the likely adverse price effects.⁷⁶ The Commission also based its conclusion on the increase in raw material costs, the domestic industry's declining production, shipments, employment, and operating income between 1993 and 1994, and Hampshire's reliance on a production process particularly sensitive to changes in capacity utilization.⁷⁷

In the first five-year review, the Commission found that the order had benefitted the domestic industry such that the industry was no longer in a vulnerable condition. However, the Commission concluded that revocation of the order would likely result in the continuation or recurrence of material injury given that the adverse price effects resulting from the likely increase in subject import volume would not spur additional glycine demand, but only inflict material injury on domestic producers.⁷⁸

The domestic interested parties claim that the transshipment of Chinese glycine through non-subject countries has rendered the domestic industry vulnerable to material injury, with declining capacity utilization, profitability, and ***.⁷⁹ Although we recognize that certain indicators of domestic industry performance have declined since 1999, we conclude that the record information in this review is not sufficient for us to make a finding on whether the domestic industry is vulnerable.

We find it likely that revocation of the order would result in a significant increase in the volume of subject imports at prices significantly lower than those of the domestic like product, and that such increased volumes of subject imports would likely depress or suppress the domestic industry's prices significantly. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's employment, profitability, and ability to raise capital and make and maintain necessary capital investments. Accordingly, based on the limited record in this review, we conclude that, if the order were to be revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order on glycine from China would likely lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

⁷⁵ (...continued)
885.

⁷⁶ Original Determination at I-12.

⁷⁷ Original Determination at I-12.

⁷⁸ First Review Determination at 11.

⁷⁹ See CR at I-19; PR at I-11; Domestic Interested Parties' Comments at 8.

INTRODUCTION

On June 1, 2005, the United States International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (“the Act”), that it had instituted a review to determine whether revocation of the antidumping duty order on glycine from China would likely lead to the continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time.¹ On September 7, 2005, the Commission determined that the domestic interested party response to its notice of institution was adequate,² but that the respondent interested party response was inadequate.³ The Commission found no other circumstances that would warrant conducting a full review. Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.⁴ The Commission voted on this review on October 19, 2005, and notified the United States Department of Commerce (“Commerce”) of its determination on October 31, 2005.

BACKGROUND

The Original Investigation

On July 1, 1994, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of less-than-fair-value (“LTFV”) imports of glycine from China.⁵ On March 15, 1995, the Commission made a final affirmative determination that domestic producers were threatened with material injury by reason of LTFV imports.⁶ Consequently, on March 29, 1995, Commerce issued an antidumping duty order instructing the U.S. Customs Service⁷ to impose a 155.89 percent *ad valorem* “all companies” duty on imports of glycine from China.⁸

The First Review

On February 3, 2000, the Commission instituted its first review on glycine from China.⁹ The Commission determined that it would conduct an expedited review.¹⁰ On June 22, 2000, the Commission determined that the revocation of the antidumping duty order on glycine from China would be likely to

¹ 70 FR 31534, June 1, 2005. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. Notices pertaining to this review, as well as the Commission’s statement on adequacy, are contained in app. A.

² The Commission received a response to its notice of institution from the Glycine Fair Trade Committee (“domestic interested party”) whose individual members, Chattem Chemicals, Inc. (“Chattem”) and Hampshire Chemical Corp. (“Hampshire”), are believed to represent 100 percent of glycine production in the United States. See King & Spalding, LLP, *Response to Notice of Institution* (“domestic interested party’s response”), July 21, 2005, p. 1.

³ The Commission failed to receive a response from any importer or foreign producer of glycine to its notice of institution within the time allotted.

⁴ 70 FR 55625, September 22, 2005.

⁵ The petition was filed by counsel on behalf of Chattem and Hampshire.

⁶ 60 FR 14962, March 21, 1995. Effective March 15, 1995.

⁷ Now, U.S. Customs and Border Protection (“Customs”).

⁸ 60 FR 16116, March 29, 1995.

⁹ 65 FR 5371, February 3, 2000.

¹⁰ 65 FR 31145, May 16, 2000.

lead to a continuation or recurrence of material injury within a reasonably foreseeable time.¹¹ Consequently, Commerce published a notice of continuation of the antidumping duty order on glycine from China, with an “all companies” rate of 155.89 percent.¹²

Commerce’s New Shipper Reviews¹³

On November 15, 1999, Commerce initiated a new shipper review of Nantong Dongchang Chemical Industry Corp. (“Nantong Dongchang”).¹⁴ On January 31, 2001, Commerce determined that Nantong Dongchang is a new shipper within the meaning of the Act and assigned a firm-specific weighted-average margin of 17.99 percent to imports of glycine into the United States produced by that firm.¹⁵ On March 5, 2001, Commerce amended its firm-specific margin on Nantong Dongchang to 18.60 percent.¹⁶

On May 24, 2002, Commerce initiated a new shipper review of Tianjin Tiancheng Pharmaceutical Co., Ltd.¹⁷ (“TTPC”).¹⁸ On August 18, 2003, Commerce rescinded its new shipper review, having determined that TTPC’s sales were not *bona fide*.¹⁹ Therefore, the “all companies” rate of 155.89 percent remained in effect for imports of glycine into the United States shipped by TTPC. TTPC appealed its case to the United States Court of International Trade (“CIT”), which denied TTPC’s motion and upheld Commerce’s decision.²⁰

On May 6, 2003, Commerce initiated a new shipper review of Hebei New Donghua Amino Acid Co., Ltd. (“New Donghua”).²¹ On August 5, 2004, Commerce rescinded its new shipper review, having determined that New Donghua’s sales were not *bona fide*.²² Therefore, the “all companies” rate of 155.89 percent remained in effect for imports of glycine into the United States shipped by New Donghua. New

¹¹ 65 FR 43037, July 12, 2000. The Commission had voted on June 22, 2000, and transmitted to Commerce its determination on June 30, 2000.

¹² 65 FR 45752, July 25, 2000.

¹³ New shipper reviews are conducted upon a written request submitted to Commerce from a firm that claims to have not exported product subject to an antidumping duty order during the order’s original period of investigation. This “new shipper” can request that Commerce conduct a separate investigation to determine a firm-specific margin so that that firm’s exports to the United States are not subject to the “all others” rate. In the case of a non-market economy such as China, firms requesting a new shipper review also have to demonstrate that their export activities are not controlled by the central government. Commerce’s authority to conduct new shipper reviews is provided under section 751(a)(2)(B) of the Act, and its regulations pertaining to new shipper reviews are provided under 19 CFR sec. 351.214.

¹⁴ 64 FR 61834, November 15, 1999.

¹⁵ 66 FR 8383, January 31, 2001.

¹⁶ 66 FR 13204, March 5, 2001.

¹⁷ Baoding Mancheng Eastern Chemical Plant was identified as the Chinese manufacturer.

¹⁸ 67 FR 36572, May 24, 2002.

¹⁹ 68 FR 49434, August 18, 2003. The preliminary new shipper determination had given TTPC a 43.44 percent firm-specific margin, and duties on its imports were put under bond until the review was rescinded.

²⁰ Tianjin Tiancheng Pharm. Co. v. United States, No. 03-00654, Slip Op. 05-29 (Ct. Int’l Trade March 9, 2005).

²¹ 68 FR 23962, May 6, 2003.

²² 69 FR 47405, August 5, 2004. The preliminary new shipper determination had given New Donghua a 8.89 percent firm-specific margin, and duties on its imports were put under bond until the review was rescinded.

Donghua appealed its case to the CIT, which denied New Donghua’s motion and upheld Commerce’s decision.²³

Commerce’s Administrative Reviews

On April 28, 2004, Commerce initiated an administrative review of its antidumping duty order on imports of glycine from Baoding Mantong Fine Chemistry Co., Ltd. (“Baoding Mantong”) in China.²⁴ On August 12, 2005, Commerce determined that imports of glycine from Baoding Mantong from China are subject to a firm-specific margin of 12.29 percent.²⁵ On September 13, 2005, Commerce amended its margin on Baoding Mantong to 2.95 percent.²⁶

Table I-1 presents the margins for imports of glycine from China as modified since the initial antidumping duty order.

Table I-1
Glycine: Antidumping duty margins for imports of glycine from China, as of September 2005

Applicable <i>Federal Register</i> notice	Firm	Rate (in percent)
65 FR 36405, June 8, 2000 ¹	All companies rate	155.89
66 FR 13204, March 5, 2001 ²	Nantong Dongchang Chemical Industry Corp.	18.60
70 FR 54012, September 13, 2005 ³	Baoding Mantong Fine Chemistry Co., Ltd.	2.95

¹ Continuation of the duty that was effective since the original investigation.

² Effective retroactively to the period of review beginning on March 1, 1999.

³ Effective retroactively to the period of review beginning on March 1, 2003.

Source: Cited *Federal Register* notices.

Commerce’s Final Results of Expedited Sunset Review

On October 5, 2005, Commerce found that revocation of the antidumping duty order on glycine from China would likely lead to continuation or recurrence of dumping at a rate of 155.89 percent for all firms.²⁷ Commerce has not issued a duty absorption determination with respect to this order.

Distribution of Continued Dumping and Subsidy Offset Act Funds to Affected Domestic Producers

Since 2001, qualified U.S. producers of glycine have been eligible to receive disbursements from Customs under the Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”), also known as the Byrd Amendment.²⁸ In Federal fiscal year 2002 (ending September 30, 2003), only Chattem received CDSOA disbursements, amounting to \$239,340. In fiscal year 2003, Chattem received 20.02 percent of the CDSOA glycine funds disbursed, or \$34,404, and Hampshire received 79.98 percent, or \$137,483. In

²³ Hebei New Donghua Amino Acid Co., Ltd., v. United States, No. 04-00409, Slip Op. 05-70 (Ct. Int’l Trade June 15, 2005).

²⁴ 69 FR 23170, April 28, 2004.

²⁵ 70 FR 47176, August 12, 2005.

²⁶ 70 FR 54012, September 13, 2005.

²⁷ 70 FR 58185, October 5, 2005.

²⁸ 19 CFR 159.64(g).

fiscal year 2004, no CDSOA funds were disbursed to glycine producers. In fiscal year 2005, \$36,469 is preliminarily available for disbursement to glycine producers.²⁹

Related Investigations

On May 19, 2000, the European Union (“EU”) applied a provisional (i.e., preliminary) antidumping duty order on imports of glycine from China into the EU, at a specific duty rate of 910 euros per ton of Chinese glycine imported into the EU.³⁰ On November 16, 2000, the EU voted not to institute a definitive (i.e., final) antidumping duty order on imports of glycine from China entering the EU, and provisional antidumping duties on glycine from China into the EU were removed.³¹

THE SUBJECT PRODUCT

The Scope

The imported product subject to the antidumping duty order under review as defined by Commerce in its notice of continuation of the original order is as follows:

The product covered by this investigation is glycine, which is a free-flowing crystalline material, like salt or sugar. Glycine is produced at varying levels of purity and is used as a sweetener/taste enhancer, a buffering agent, reabsorbable amino acid, chemical intermediate, and a metal complexing agent . . . The scope of this order includes glycine of all purity levels.³²

Glycine is provided for under HTS statistical reporting number 2922.49.4020 and enters under the column 1-general rate of 4.2 percent *ad valorem*. The HTS subheading is provided for convenience and for Customs purposes, but Commerce’s written description of the merchandise is dispositive as to the scope of the product coverage.

On November 21, 1997, Commerce determined that D(-)Phenylglycine Ethyl Dane Salt is outside the scope of the antidumping duty order on glycine from China.³³

²⁹ Customs’ CDSOA Annual Reports, found at http://www.cbp.gov/xp/cgov/import/add_cvd/cont_dump, retrieved September 26, 2005.

³⁰ See Commission de communauté européenne, *Règlement du conseil instituat un droit antidumping définitif sur les importations de glycine originaire de la République populaire de Chine et portant perception définitive du droit provisoire*, Com (2000) 654 final (“EU Order”), October 18, 2000, p. 2. At comparable U.S. prices, the specific duty of 910 euros per ton of glycine would result in a tariff in the range of 25 to 35 percent on glycine imported from China into the European Union, based on staff calculations.

³¹ See EU Press Release, *2305th Council meeting- RESEARCH -Brussels*, November 16, 2000, found at <http://europa.eu.int/rapid/pressReleasesAction.do?reference=PRES/00/431&format=HTML&aged=1&language=EN&guiLanguage=en>, (“EU Press Release”) retrieved October 4, 2005.

³² 65 FR 45752, July 25, 2000.

³³ 62 FR 62288, November 21, 1997. Consolidated Pharmaceutical Group, Inc. (“Consolidated”) had requested this separate ruling on the scope of the antidumping duty order on glycine from China. Consolidated was an independent antibiotic manufacturer located in Baltimore, MD, prior to being acquired by GeoPharma, Inc. (“GeoPharma”) through its subsidiary American Antibiotics, LLC, in August 2005.

Description and Uses³⁴

Glycine, also known as aminoacetic acid, is an organic chemical which has the chemical formula C₂H₅NO₂. It is a nonessential amino acid that occurs naturally in many proteins and is especially abundant in silk fibroin, gelatin, and sugar cane. However, it is synthetically manufactured for commercial purposes. All the purity levels of glycine are chemically identical and have the same basic physical characteristics (white, odorless, and usually in powder form) and properties (sweet tasting, water soluble, pH neutral).³⁵

Table I-2 presents some of the commercially useful properties of glycine, their corresponding commercial applications, and the estimated share of U.S. consumption in 2004 for each usage.

Table I-2

Glycine: Major commercially useful properties, corresponding commercial applications, and estimated share of U.S. consumption, 2004

Property	Description and applications	Estimated share of domestic consumption, 2004 ¹ (in percent)
Medicinal agent	Used in animal feed as a prophylactic for diarrhea, such as in cat foods and chicken feed. The quality of being a flavor enhancer also contributes to animal food applications.	***
Masking agent	Used in pharmaceuticals to mask the bitter taste of some hydrolyzed proteins, such as in tablets, lozenges, syrups, mouthwash, and dentifrice.	***
Buffering agent	Used in applications to stabilize the pH levels of products that would otherwise be overly acidic, such as in antiperspirants.	
Flavor enhancer/sweetener	Used in food applications, such as carbonated soft drinks and flavor concentrates.	***
Metal-finishing	Used as a metal complexing agent in various chemical processes, such as metal-finishing and metal-plating baths.	
<p>¹ Based on data submitted by the domestic interested party. See domestic interested party's response "Market Segments," July 21, 2005, pp. 8-9. Data collected in the original investigation indicate that in 1994 the animal feed market segment accounted for *** percent of total U.S. shipments, pharmaceuticals and personal care products accounted for *** percent of total U.S. shipments, and other applications accounted for *** percent of total U.S. shipments. Original CR, p. I-13 (as revised by INV-S-022, March 2, 1995), and original PR, p. II-8.</p>		
<p>Source: Original CR, pp. I-5 to I-8, and original PR, pp. II-4 to II-5, unless otherwise noted.</p>		

³⁴ All the discussion in this section is from the original investigation unless otherwise noted. See *Confidential Staff Report* ("original CR"), February 27, 1995, pp. I-5 to I-6; and, *Glycine from The People's Republic of China*, Inv. 731-TA-718 (Final), USITC Publication 2863 ("original PR"), March 1995, pp. II-4 to II-5.

³⁵ However, glycine containing extremely high levels of impurities may not appear as white, may have an odor, and may be insoluble in water. See original CR, pp. I-5 to I-6, and original PR, p. II-4.

Production Process

U.S. producers Chattem and Hampshire both manufacture glycine for commercial sale; however, each uses a different manufacturing process and different raw materials.³⁶ Chattem's manufacturing process (the "MCA" process) occurs in batches and results in a finished product with some residual chloride but no sulfate, while Hampshire's manufacturing process is considered a semi-batch process and results in a finished product with some residual sulfate but no chloride.³⁷ Hampshire's glycine manufacturing process ***, while Chattem's glycine manufacturing process ***.³⁸

Domestic Like Product Issues

In its original determination, the Commission determined that glycine of all purity levels³⁹ constituted a single like product.⁴⁰ The Commission continued to hold that glycine of all purity levels constituted a single domestic like product in its first review of the antidumping duty order.⁴¹ In response to a question soliciting comments regarding the appropriate domestic like product in the Commission's notice of institution of this (second) review, the domestic interested party indicated that "there have been no significant product, industry, or market developments that would suggest any changes are necessary."⁴²

U.S. MARKET PARTICIPANTS

U.S. Producers

In the original investigation, the individual members of the petitioning Glycine Fair Trade Committee, Chattem and Hampshire, were the only two firms that produced glycine sold on the merchant market in the United States.⁴³ In the first review, no new producers of glycine were known to exist.⁴⁴

³⁶ See original CR, pp. I-14 to I-16, and original PR, pp. II-8 to II-9.

³⁷ See domestic interested party's response, p. 11.

³⁸ See original CR, p. I-35, and original PR, p. II-16.

³⁹ Glycine production produces yields of glycine with varying quantities of impurities. Based on the proportion of impurities, a batch of glycine will be considered either USP grade or technical grade material. USP grade glycine complies with the specifications and test methods of the *United States Pharmacopeia*, a publication of the United States Pharmacopoeial Convention, Inc., which makes this grade acceptable for use in pharmaceutical products. Technical grade glycine must meet certification requirements that are less stringent than those for USP grade glycine. Additionally, glycine can meet Food Chemicals Codex ("FCC") guidelines in order to satisfy food industry standards; this is considered FCC grade glycine. FCC grade glycine, however, differs only slightly from USP grade glycine, and is often considered fungible. See original CR, p. I-5, and original PR, p. II-4.

⁴⁰ See original PR, p. I-5.

⁴¹ See *Glycine from China*, Inv. No. 731-TA-718 (Review), USITC Publication 3315 ("Review PR"), June 2000, p. 4.

⁴² See domestic interested party's response, p. 18.

⁴³ See original CR, p. I-28, and original PR, p. II-12.

⁴⁴ See review PR, p. I-9.

Likewise, in this (second) review, no new producers of glycine in the United States are known to exist.⁴⁵ Both Chattem and Hampshire support the existing antidumping duty order on glycine from China.⁴⁶

In the original investigation, neither Chattem nor Hampshire imported glycine from China⁴⁷ and the Commission did not address the issue of related parties in its views. In the first review, neither Chattem nor Hampshire imported glycine from China.⁴⁸ In this (second) review, neither Chattem nor Hampshire import glycine from China.⁴⁹

Table I-3 presents information on the identities, ownership, plant locations, and share of production of U.S.-produced glycine in 2004.

Table I-3
Glycine: U.S. producers, ownership, plant locations, and shares of total U.S. production, 2004

Firm	Firm ownership	Plant location	U.S. production, 2004	
			Quantity (in 1,000 pounds)	Share (in percent)
Chattem	Elcat, Inc. ¹	Chattanooga, TN	***	***
Hampshire	The Dow Chemical Co. ²	Deer Park, TX	***	***
Total			***	***

¹ Chattem, Inc., divested Chattem Chemicals, Inc., to Elcat, Inc., in 1995 (www.chattem.com, which is separate from the domestic interested party's website, www.chattemchemicals.com, in these proceedings).

² The Dow Chemical Co. acquired Hampshire from Sentrachem, Ltd., a South African firm, in 1999, having received FTC approval for the merger the previous year under condition of spinning off select businesses (www.dow.com and www.ftc.gov/opa/1997/11/dow.htm).

Source: Domestic interested party's response, unless otherwise noted.

U.S. Importers

In the original investigation, 12 firms were identified as importers of glycine from China.⁵⁰ In the first review, no specific firm was identified as an importer of glycine from China.⁵¹ In this (second) review, the domestic interested party identified 12 possible U.S. importers of glycine from China, based on ***.⁵² Between January 2001 and June 2005, approximately 90 percent of glycine from China entered the United States on the East Coast, and most of the remainder entered on the West Coast.

⁴⁵ See domestic interested party's response, p. 1.

⁴⁶ Ibid., p. 2.

⁴⁷ See original CR, p. I-27 and original PR, p. II-14. However, *** imported glycine from ***.

⁴⁸ See review PR, p. I-9.

⁴⁹ See domestic interested party's response, p. 17.

⁵⁰ These twelve firms were: ***. See original CR, p. I-25 and original PR, p. II-13.

⁵¹ See Confidential Staff Report in the first review, INV-X-120, June 22, 2000 ("review CR"), pp. I-12 through I-15.

⁵² See domestic interested party's response, exh. 4A.

CONDITION OF THE U.S. INDUSTRY

U.S. Production, Capacity, and Capacity Utilization

Data submitted by Chattem and Hampshire in the Commission's original investigation indicate that Chattem decreased capacity and production of glycine at its Chattanooga facility between 1992 and 1994,⁵³ while Hampshire increased capacity and production of glycine at its Deer Park facility in that same period.^{54 55} In the aggregate, U.S. producers' total glycine capacity increased between 1992 and 1994, while their production first increased and then decreased.⁵⁶ Capacity utilization for U.S. producers first increased by *** in 1993, then decreased by *** in 1994.⁵⁷

Data submitted by Chattem and Hampshire in the Commission's first review indicate that U.S. producers' production of glycine was *** percent greater in 1999 than in 1994.⁵⁸ Data on the industry's capacity were not provided in the first review; therefore, U.S. producers' capacity utilization in 1999 is not known.⁵⁹

Data submitted by Chattem and Hampshire in this (second) review indicate that U.S. producers have increased their average production capacity by approximately *** percent since the initial investigation ten years earlier.⁶⁰ Notably, U.S. producer Chattem increased its capacity *** when comparing 2004 with 1994, which might indicate that this producer was able to ***.⁶¹ While U.S. producers' production in 2004 was *** percent higher than in 1994, it was *** percent lower than in 1999. Capacity utilization for U.S. producers on the whole was lower in 2004 than in 1994.⁶²

Table I-4 presents information on U.S. producers' glycine capacity, production, and capacity utilization for 1992 to 1994, 1999, and 2004. Figures I-1 and I-2 present information on U.S. producers' production and shares of domestic production, respectively, in 1992-94, 1999, and 2004.

Table I-4

Glycine: U.S. producers' capacity, production, and capacity utilization, 1992-94, 1999, and 2004

* * * * *

⁵³ Chattem reported in the original investigation that it ceased production of technical grade glycine within the period of investigation due to heightened competition from Chinese technical grade glycine and the inability to supply such glycine at a profit. See original CR, fn. 59 and original PR, fn. 59.

⁵⁴ See original CR, table 2, and original PR, table 2.

⁵⁵ The original staff report additionally narrates that Hampshire had invested \$*** in additional glycine capacity in early 1993 at its Nashua facility, but due to competition from low-priced imports never began production there (Nashua data were not included in the capacity figures reported by Hampshire in the original investigation). See original CR, fn. 58, and original PR, fn. 58. On April 27, 2004, Hampshire announced plans to shut down its production facility in Nashua. See http://news.dow.com/dow_news/manufacturing/2004/20040427a.htm.

⁵⁶ See original CR, pp. I-26 to I-27, and original PR, p. II-14.

⁵⁷ See original CR, table 2, and original PR, table 2.

⁵⁸ See review CR, p. I-11.

⁵⁹ However, U.S. producers' production in 1999 ***.

⁶⁰ See domestic interested party's response, p. 10.

⁶¹ See original CR, fn. 59, and PR, fn. 59, citing hearing transcript, pp. 79-80. See also review CR, fn. 22.

⁶² This trend was driven ***.

Figure I-1
Glycine: U.S. producers' production, 1992-94, 1999, and 2004

* * * * *

Figure I-2
Glycine: U.S. producers' share of total U.S. production, 1992-94, 1999, and 2004

* * * * *

U.S. Shipments and Unit Values

Data submitted by Chatter and Hampshire in the Commission's original investigation indicate that the quantity of U.S. producers' U.S. shipments increased in 1993 and then decreased in 1994, ***.⁶³ Chatter ***.⁶⁴ Between 1992 and 1994, the value of U.S. producers' U.S. shipments also increased in 1993 and then decreased in 1994; however, the value of U.S. producers' U.S. shipments was *** percent lower in 1994 than it was in 1992.⁶⁵ The average unit value ("AUV") of U.S. producers' U.S. shipments, therefore, decreased by *** cents per pound of glycine sold from 1993 to 1994 after having increased by *** cents per pound from 1992 to 1993.⁶⁶ The AUV of Chatter's U.S. shipments increased from 1993 to 1994 ***.⁶⁷ The AUV of Hampshire's U.S. shipments decreased, allegedly due to ***.⁶⁸

Data submitted by Chatter and Hampshire in the Commission's first review indicate that U.S. producers' U.S. shipments by quantity of glycine were *** percent greater in 1999 than in 1994, while their U.S. shipments by value were *** percent greater.⁶⁹ The AUV of U.S. producers' U.S. shipments was *** higher in 1999 than reported in 1994, although it was *** the AUV in 1993.⁷⁰ As Chatter had recommenced production of technical grade glycine by 1999, *** in 1999 compared to 1994.

Data submitted by Chatter and Hampshire in this (second) review indicate that U.S. producers had lower U.S. shipments by quantity and by value in 2004 compared with the levels in 1999.⁷¹ By quantity, U.S. producers' U.S. shipments were *** percent lower in 2004 than in 1999, although still *** percent greater than in 1994.⁷² By value, U.S. producers' U.S. shipments were *** percent lower in 2004 than in 1999, which was approximately *** in 1994.⁷³ Since U.S. producers shipped *** more pounds of glycine in 2004 than in 1994 at approximately ***, the AUV of U.S. producers' U.S. shipments was *** in 2004 than in 1994 or in any other year for which data are available.⁷⁴

⁶³ See original CR, table 4 (as revised by INV-S-022, March 2, 1995), and original PR, table 4.

⁶⁴ ***. See original CR, fn. 59, and original PR, fn. 59.

⁶⁵ See original CR, table 4 (as revised by INV-S-022, March 2, 1995), and original PR, table 4.

⁶⁶ Ibid.

⁶⁷ This *** was allegedly prompted by ***. See original CR, p. I-31, and original PR, p. II-15.

⁶⁸ See original CR, p. I-31, and original PR, p. II-15.

⁶⁹ See review CR, p. I-11.

⁷⁰ Ibid.

⁷¹ See domestic interested party's response, exh. 6.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ The domestic interested party in this (second) review claims that "direct imports from China ***" and that it has been the reintroduction of Chinese glycine into the U.S. market since 2000 that has caused ***. See domestic interested party's response, pp. 14-15.

U.S. producers' internal company transfers were *** in each of the years covered.⁷⁵ Export shipments were *** from 1992 to 1994;⁷⁶ however, the Commission did not receive information on export shipments in its first and second reviews.⁷⁷

Table I-5 presents information on U.S. producers' U.S. shipments from 1992 to 1994, in 1999, and in 2004.

Table I-5
Glycine: U.S. producers' U.S. shipments, 1992-94, 1999, and 2004

* * * * *

Figures I-3 and I-5 present information on the quantity and the value of U.S. producers' U.S. shipments, respectively, from 1992 to 1994, in 1999, and in 2004, while figures I-4 and I-6 present information on the shares of U.S. producers' U.S. shipments by quantity and by value, respectively, from 1992 to 1994, in 1999, and in 2004.

Figure I-3
Glycine: Quantity of U.S. producers' U.S. shipments, 1992-94, 1999, and 2004

* * * * *

Figure I-4
Glycine: Shares of U.S. producers' total U.S. shipments, by quantity, 1992-94, 1999, and 2004

* * * * *

Figure I-5
Glycine: Value of U.S. producers' U.S. shipments, 1992-94, 1999, and 2004

* * * * *

Figure I-6
Glycine: Shares of U.S. producers' total U.S. shipments, by value, 1992-94, 1999, and 2004

* * * * *

Financial Experience of U.S. Producers

U.S. glycine producer Hampshire had purchased its glycine production facilities from W.R. Grace & Co. ("Grace") in December 1992 in a management-led buyout; therefore, data reported for calendar year 1992 are based on Grace's operations.⁷⁸

Table I-6 presents information on U.S. producers' financial experience for their glycine operations from 1992 to 1994.

⁷⁵ See original CR, table 3 (as revised by INV-S-022, March 2, 1995); original PR, table 3; review CR, table I-1; and domestic interested party's response, exh. 6.

⁷⁶ See original CR, table 3 (as revised by INV-S-022, March 2, 1995), and original PR, table 3.

⁷⁷ Statistics on export shipments are not requested in five-year review institution notices.

⁷⁸ See original CR, pp. I-35 and I-41, and original PR, pp. II-17 and II-18.

Table I-6
Glycine: Financial experience of U.S. producers, 1992-94

* * * * *

In the Commission's first review, the U.S. producers claimed that a revocation of the antidumping duty order on imports of glycine from China would have serious consequences on the financial health of the domestic industry.⁷⁹ Between 1995 and 1999, imports of glycine from China had a 155.89 percent *ad valorem* antidumping duty rate, which, according to the domestic interested party, afforded the domestic industry relief from low-priced Chinese glycine.⁸⁰ U.S. producers indicated that an increase in low-priced imports from China, were the discipline of the antidumping duty order removed, would negatively affect income and profitability as the overall demand for glycine is relative inelastic and decreases in prices do not generate higher volumes of sales among the limited number of purchasers in the market.⁸¹

In this (second) review, the domestic interested party continues to claim that a revocation of the antidumping duty order on imports of glycine from China would have serious consequences on the financial health of domestic industry.⁸² The domestic interested party claims that Chattem's profitability *** and that this firm is ***.⁸³ The domestic interested party claims that Hampshire's value of sales *** and that the firm's glycine operations' profitability ***.⁸⁴ This alleged deterioration⁸⁵ of the financial health of the domestic industry coincides with a reintroduction of imports from China into the U.S. market following the Nantong Dongchang new shipper review in early 2001 as well as with a general increase in the quantity of imports from all sources.⁸⁶

U.S. IMPORTS AND APPARENT U.S. CONSUMPTION

Imports

Total U.S. imports increased from approximately 0.2 million pounds in 1992 to 2.2 million pounds in 1994, an increase of approximately 2.0 million pounds (over 1,100 percent) over the period examined in the original antidumping duty investigation. Subject imports accounted for 74.1 percent (1.5 million pounds) of this increase, while nonsubject imports accounted for 25.9 percent (0.5 million pounds) of this increase. In March 1995, Commerce imposed the antidumping duty order on imports of glycine from China into the United States;⁸⁷ that year, subject import volume declined by 1.6 million pounds (100.0 percent) and nonsubject import volume declined by 0.4 million pounds (74.0 percent). Between 1995 and 2000, subject imports remained minimal, never surpassing 40,000 pounds, while nonsubject imports

⁷⁹ See domestic interested party's response to the first review, p. 8.

⁸⁰ *Ibid.*, p. 11.

⁸¹ *Ibid.*, pp. 3 and 11.

⁸² See domestic interested party's response, p. 15.

⁸³ *Ibid.*, p. 15.

⁸⁴ *Ibid.*, p. 16.

⁸⁵ As the Commission does not request financial data in five-year review institution notices, audited or verified financial data are not available.

⁸⁶ See table I-7. See also the decrease in the AUV of U.S. producers' U.S. shipments in 2004 compared to 1999 as reported in table I-5 of this report. The fact that the decrease in the AUV of Chattem's U.S. shipments was *** than the decrease in the AUV of Hampshire's U.S. shipments seems to support the domestic interested party's claim that Chattem's glycine operations ***, while Hampshire's glycine operations ***.

⁸⁷ 60 FR 16116, March 29, 1995.

increased in all but one year, reaching 3.3 million more pounds (approximately 2,170 percent higher) in 2000 than in 1995. In November 2000, the EU did not make its provisional antidumping duty order on glycine from China definitive.⁸⁸ In March 2001, Commerce assigned a firm-specific rate of 18.60 percent to imports of glycine by Nantong Dongchang from China into the United States.⁸⁹ Between 2000 and 2004, subject imports increased in all but one year, reaching 0.5 million more pounds (over 3,100 percent higher) in 2004 than in 2000, while nonsubject imports fluctuated, trending upwards over the period, with 1.0 million more pounds (29.5 percent higher) of imports in 2004 than in 2000. The value of subject and nonsubject imports followed roughly the same pattern as the quantity of those imports, respectively, but the difference between the AUVs of subject and nonsubject imports narrowed between 1992 and 2004. In the period from 1992 to 1994, nonsubject imports had, on average, an AUV \$1.46 higher than subject imports while in the period from 2000 to 2004, nonsubject imports had, on average, an AUV only \$0.17 higher than subject imports. In 2004, the quantity of total imports in the United States was 2.3 times greater than the level in 1994, although nonsubject imports accounted for most of this increase.⁹⁰ While subject imports accounted for 73.4 percent of the total imports by quantity in 1994, they accounted for only 11.1 percent of total imports by quantity in 2004; however, this amount may be underestimated if the domestic interested party's allegations of transshipments of Chinese glycine into the U.S. market is true.⁹¹

Table I-7 presents information on U.S. imports between 1992 and 2004. Figures I-7 and I-9 present information on U.S. imports by quantity and by value, respectively, between 1992 and 2004. Figures I-8 and I-10 present information on the shares of subject versus nonsubject U.S. imports by quantity and by value, respectively, between 1992 and 2004.

⁸⁸ See EU Press Release.

⁸⁹ 66 FR 13204, March 5, 2001.

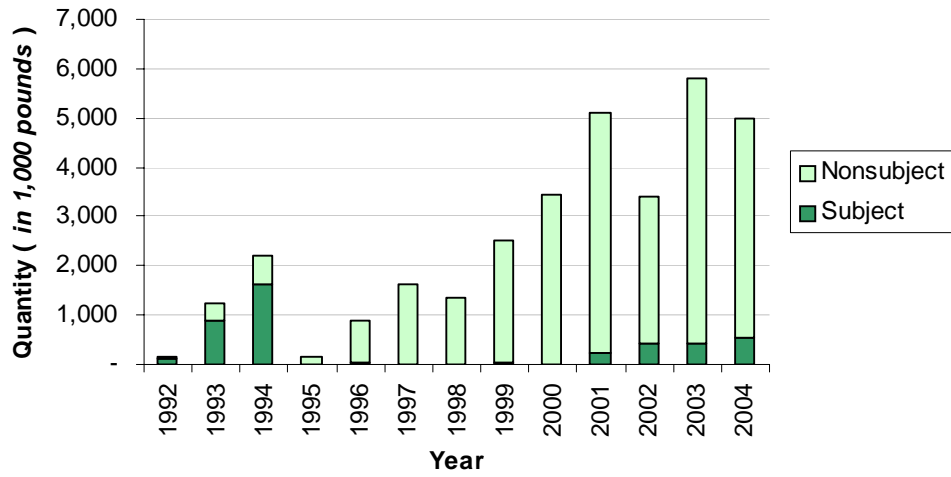
⁹⁰ Nonsubject imports were 7.6 times greater in 2004 than in 1994, while subject imports in 2004 were approximately one-third the level of 1994.

⁹¹ The domestic interested party contends that within the last two years there has been circumvention of the antidumping duty order by means of transshipment of Chinese-origin glycine through third countries such as Hungary, India, Japan, and the United Kingdom, and presented information relating to such transshipments (domestic interested party's response, pp. 7, 10, 16 (fn. 54), and app. 1). In 2002, Commerce ruled that imports of glycine by Watson Industries from Korea were within the scope of the antidumping duty order on glycine from China (domestic interested party's response, app. 1, p. 2).

Table I-7
Glycine: U.S. imports by source, 1992-2004

	Calendar year												
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Quantity (in 1,000 pounds)													
Subject ¹	112	905	1,606	0	40	2	1	29	17	227	427	418	555
Nonsubject	61	333	582	151	861	1,622	1,372	2,471	3,437	4,894	2,975	5,383	4,450
Total	174	1,238	2,189	151	901	1,625	1,373	2,500	3,455	5,121	3,402	5,801	5,005
Value (in 1,000 dollars)													
Subject ¹	190	1,381	2,216	0	176	4	5	39	24	256	444	588	578
Nonsubject	397	875	1,565	719	2,090	3,198	2,484	4,365	4,166	6,791	3,909	6,936	6,068
Total	587	2,256	3,781	719	2,266	3,202	2,489	4,403	4,190	7,047	4,353	7,525	6,646
Average unit value (per pound)													
Subject ¹	\$1.69	\$1.53	\$1.38	⁽²⁾	\$4.37	\$1.74	\$4.15	\$1.33	\$1.38	\$1.13	\$1.04	\$1.41	\$1.04
Nonsubject	6.50	2.63	2.69	4.74	2.43	1.97	1.81	1.77	1.21	1.39	1.31	1.29	1.36
Average	3.38	1.82	1.73	4.74	2.51	1.97	1.81	1.76	1.21	1.38	1.28	1.30	1.33
Share of quantity (in percent)													
Subject ¹	64.8	73.1	73.4	0.0	4.5	0.1	0.1	1.2	0.5	4.4	12.6	7.2	11.1
Nonsubject	35.2	26.9	26.6	100.0	95.5	99.9	99.9	98.8	99.5	95.6	87.4	92.8	88.9
Share of value (in percent)													
Subject ¹	32.4	61.2	58.6	0.0	7.8	0.1	0.2	0.9	0.6	3.6	10.2	7.8	8.7
Nonsubject	67.6	38.8	41.4	100.0	92.2	99.9	99.8	99.1	99.4	96.4	89.8	92.2	91.3
¹ The domestic interested party contends that an increasing amount of Chinese glycine has entered the U.S. market through transshipment arrangements in countries such as the Hungary, India, Japan, and the United Kingdom. According to the domestic interested party's analysis, *** pounds of transshipped Chinese glycine entered the U.S. market in 1999, and this amount increased to approximately *** pounds in 2003 and *** pounds in 2004. See domestic interested party's response, p. 6 of app. 1. ² Not applicable.													
Source: Official Commerce statistics.													

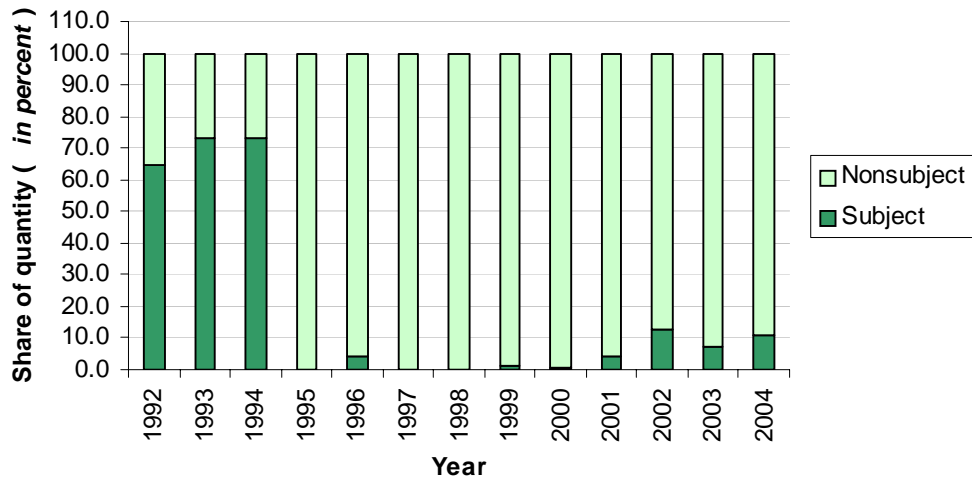
Figure I-7
Glycine: Quantity of U.S. imports, by source,¹ 1992-2004



¹ See the discussion of transshipments in footnote 91 and table I-7 of this report.

Source: Table I-7.

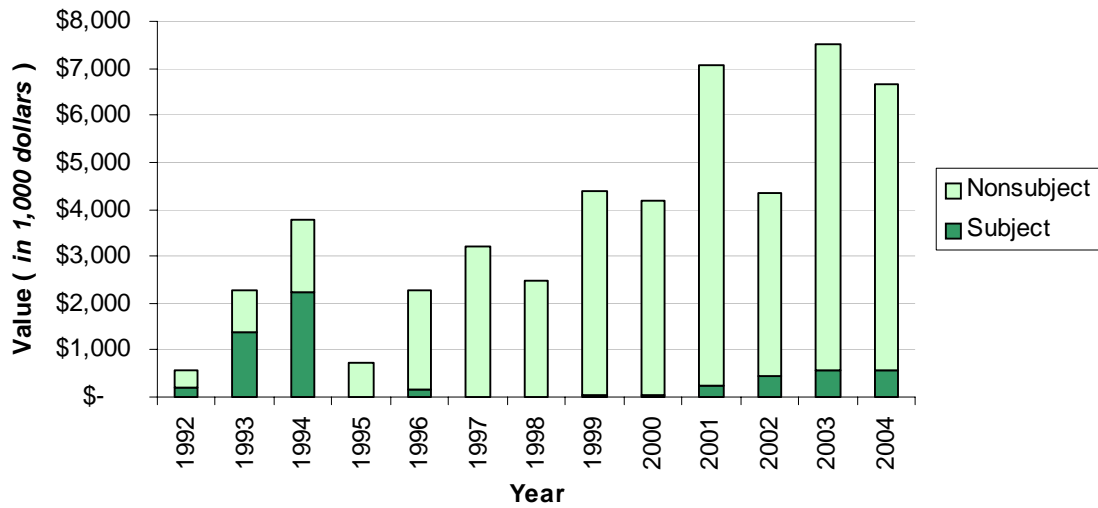
Figure I-8
Glycine: Shares of quantity of subject versus nonsubject U.S. imports, by source,¹ 1992-2004



¹ See the discussion of transshipments in footnote 91 and table I-7 of this report.

Source: Table I-7.

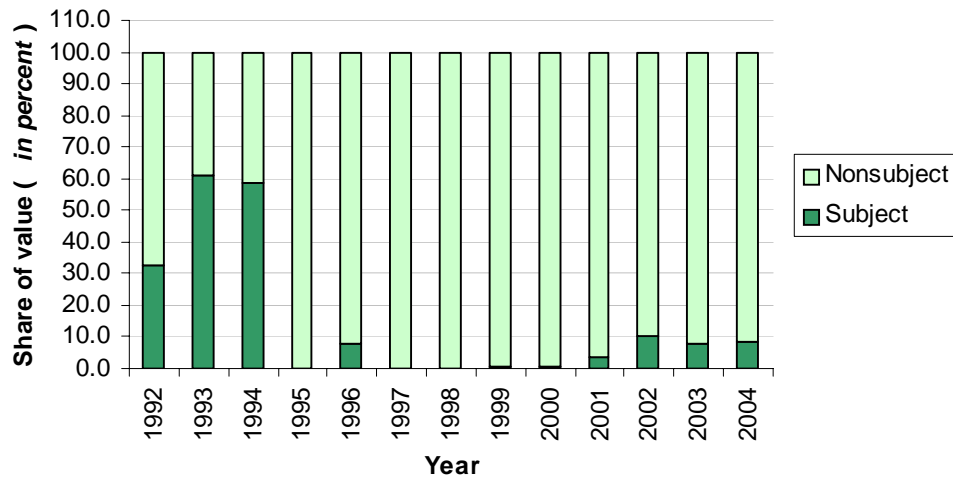
Figure I-9
Glycine: Value of U.S. imports, by source,¹ 1992-2004



¹ See the discussion on transshipments in footnote 91 and table I-7 of this report.

Source: Table I-7.

Figure I-10
Glycine: Share of value of subject versus nonsubject U.S. imports, by source,¹ 1992-2004

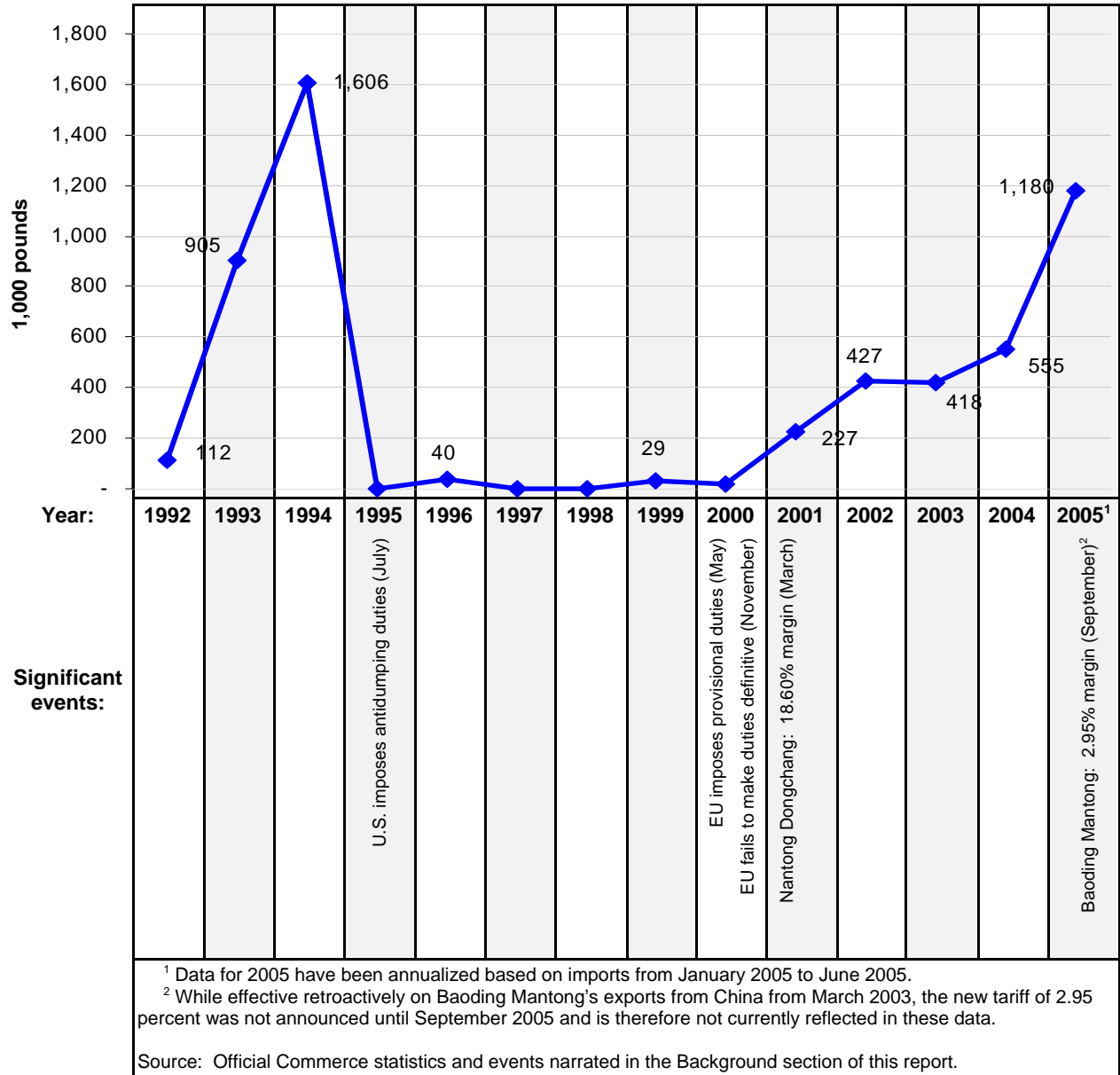


¹ See the discussion on transshipments in footnote 91 and table I-7 of this report.

Source: Table I-7.

Figure I-11 presents information relating to U.S. imports of glycine from China and significant events between January 1992 and June 2005.

Figure I-11
Glycine: Imports from China, 1992-2005¹



Apparent U.S. Consumption and Market Shares

In the original investigation, apparent U.S. consumption by quantity increased by approximately *** pounds (***) percent) in 1993 and by *** pounds (***) percent) in 1994, while apparent U.S. consumption by value increased by *** dollars (***) percent) in 1993 and by *** (***) percent) in 1994.⁹² The AUV of total glycine consumed in the United States decreased by *** percent in 1993 and by *** percent in 1994, for a loss of *** cents per pound of glycine consumed in 1994 over 1992. In this period, U.S. producers lost market share by both quantity and value to subject imports. In 1993, U.S. producers lost *** percentage points of market share by quantity in the United States, while subject imports gained *** percentage points and nonsubject imports gained *** percentage points of market share in the United States. In 1994, U.S. producers lost *** percentage points of market share in the United States, while subject imports gained *** percentage points and nonsubject imports gained *** percentage points of market share in the United States.

In the first review, apparent U.S. consumption by quantity was higher by approximately *** pounds (***) percent) in 1999 than in 1994, while apparent U.S. consumption by value was higher by *** dollars (***) percent) in 1999 than in 1994.⁹³ The AUV of total glycine consumed in the United States was *** cents per pound higher (***) percent) in 1999 over that of 1994. By 1999, U.S. producers had increased their market share by both quantity and value, with subject imports accounting for less of total imports than they had in 1994. In 1999, U.S. producers had *** percentage points higher market share by quantity and nonsubject imports had *** percentage points higher market share than in 1994, while subject imports had *** percentage points lower market share in the United States than in 1994.

In this (second) review, apparent U.S. consumption by quantity was higher by approximately *** pounds (***) percent) in 2004 than in 1999, while apparent U.S. consumption by value was lower by *** dollars (***) percent). The AUV of total glycine consumed in the United States was *** cents per pound lower (***) percent) in 2004 than the level of 1999. By 2004, U.S. producers' market share had decreased by both quantity and value, with nonsubject imports accounting for most of the increase in total imports in 2004 over 1999. In 2004, U.S. producers had *** percentage points lower market share by quantity, while subject imports had *** percentage points higher market share and nonsubject imports had *** percentage points higher market share than in 1994.

In 2004, U.S. producers had a *** percentage point lower market share by quantity and *** percentage point lower market share by value of apparent U.S. consumption than their lowest market shares, respectively, from the original investigation; most of this market share was apparently lost to nonsubject imports, which were *** percentage points higher in market share by quantity and *** percentage points higher in market share by value in 2004 over 1994. The AUV of subject imports was lower than the AUV of U.S. producers' U.S. shipments in each year for which data are available, while the AUV of nonsubject imports was higher than the AUV of U.S. producers' U.S. shipments in the original investigation but lower than the AUV of U.S. producers' U.S. shipments in the subsequent reviews.

Table I-8 presents apparent U.S. consumption between 1992 and 1994, in 1999, and in 2004. Table I-9 presents market shares between 1992 and 1994, in 1999, and in 2004. Figures I-12 and I-14 present information on apparent U.S. consumption by quantity and by value, respectively, between 1992 and 1994, in 1999, and in 2004. Figures I-13 and I-15 present information on the U.S. market shares by quantity and by value, respectively, between 1992 and 1994, in 1999, and in 2004.

⁹² See original CR, table 14 (as revised by INV-S-022, March 2, 1995), and original PR, table 14.

⁹³ See review CR, p. I-16 and table I-3.

Table I-8

Glycine: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 1992-94, 1999, and 2004

Item	Calendar year				
	1992	1993	1994	1999	2004
	Quantity (in 1,000 pounds)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. imports from:					
Subject sources	112	905	1,606	29	555
Nonsubject sources	61	333	582	2,471	4,450
Total imports	174	1,238	2,189	2,500	5,005
Apparent U.S. consumption	***	***	***	***	***
	Value (in 1,000 dollars)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. imports from:					
Subject sources	190	1,381	2,216	39	578
Nonsubject sources	397	875	1,565	4,365	6,068
Total imports	587	2,256	3,781	4,403	6,646
Apparent U.S. consumption	***	***	***	***	***
	Average unit value (per pound)				
U.S. producers' U.S. shipments	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***
U.S. imports from:					
Subject sources	1.69	1.53	1.38	1.33	1.04
Nonsubject sources	6.50	2.63	2.69	1.77	1.36
Total imports	3.38	1.82	1.73	1.76	1.33
Apparent U.S. consumption	***	***	***	***	***
Source: U.S. producers' data from table I-5 of this report and U.S. import data from table I-7 of this report.					

Table I-9

Glycine: U.S. market shares, 1992-94, 1999, and 2004

* * * * *

Figure I-12

Glycine: Quantity of apparent U.S. consumption, by source, 1992-94, 1999, and 2004

* * * * *

Figure I-13

Glycine: Market shares by quantity of apparent U.S. consumption, 1992-94, 1999, and 2004

* * * * *

Figure I-14

Glycine: Value of apparent U.S. consumption, by source, 1992-94, 1999, and 2004

* * * * *

Figure I-15

Glycine: Market shares by value of apparent U.S. consumption, 1992-94, 1999, and 2004

* * * * *

THE INDUSTRY IN CHINA

Chinese Producers

During the original investigation, the petitioners Chattem and Hampshire identified 30 firms located throughout China that they believed were producing and/or exporting glycine into the United States.⁹⁴ The petitioners contended at the time that Chinese glycine production and production capacity had increased prior to 1995 as the Chinese government targeted chemical industries as a growth sector for that country's economy.⁹⁵ Dastech, *** importer of Chinese glycine at the time of the original investigation, countered that there were only five major producers of glycine in China prior to 1995, and that all other producers were small, inefficient, and dirty "garage factories" with unstable production and quality control.⁹⁶ The five major Chinese producers at the time of the original investigation were identified as Ba Fen Shen, Baoding Zhongyuan, Dong Fang Mancheng, Suzhou Comtech, and Tiancheng.⁹⁷ Baoding Zhongyuan, Suzhou Comtech, and Tiancheng, whose exports of glycine to the United States accounted for *** percent of subject imports in 1994, provided data on their operations between 1992 and 1994.⁹⁸

In the original investigation, Commission staff calculated that the five major Chinese producers of glycine had an aggregate capacity to produce 13.9 to 15.0 million pounds of glycine.⁹⁹ Additionally, U.S. importer Dastech testified in the original investigation that Chinese capacity was between 22.0 and 26.5 million pounds in 1994,¹⁰⁰ while the Chinese exporter National Huayu Import & Export Trading Co. estimated annual glycine production capacity in China to be 33.0 million pounds.

Table I-10 presents information on the production, capacity, and shipments of glycine by Baoding Zhongyuan, Suzhou Comtech, and Tiancheng from the original investigation.

Table I-10

Glycine: Three of five main Chinese producers' capacity, production, and shipments, 1992-94

* * * * *

⁹⁴ See original CR, p. I-52, and original PR, p. II-22.

⁹⁵ See original CR, pp. I-52 to I-53, and original PR, p. II-22.

⁹⁶ See original CR, p. I-53, and original PR, p. II-22.

⁹⁷ See original CR, p. I-54, and original PR, p. II-23.

⁹⁸ Ibid.

⁹⁹ See original CR, fn. 86, and original PR, fn. 86.

¹⁰⁰ Ibid.

In its first review, the Commission did not collect any additional information on Chinese capacity, production, and shipments of glycine.¹⁰¹ However, the Commission did receive information on new Chinese glycine producers (i.e., which began operations between the original investigation and the first review in 2000) from a third-party source.¹⁰² The Commission also learned that *** in China.¹⁰³ It was estimated that ***.¹⁰⁴ The domestic interested party in the first review also added a list of six additional Chinese firms that it believed began producing glycine between the time of the original investigation and the first review in 2000.¹⁰⁵

In this (second) review, the Commission has not directly collected any additional information on Chinese capacity, production, and shipments of glycine from foreign manufacturers. The domestic interested party identifies 17 possible Chinese producers of glycine,¹⁰⁶ including: Jiangxi Rongsheng Chemical Co., Ltd. (“Jiangxi Rongsheng Chemical”), located on the Eastern province of Jiangxi and identified as a chemical and medicine intermediates factory;¹⁰⁷ Beijing Jiali Medicine Plant; Nantong Dongchang, a Chinese producer that received a firm-specific margin of 18.60 percent *ad valorem* for its exports of glycine from China to the United States in March 2001; Hubei Fengjiang Amino Acid Co., Ltd. (“Fengjiang Amino Acid”), located in the inland province Hubei; Gaocheng Holding Co. (“Gaocheng Holding”); Rudong Guangrong Chemical (“Guangrong Chemical”), located in Jiangsu province;¹⁰⁸ Jingjiang Hongcheng Chemical Plant (“Hongcheng Chemical”); Zhejiang Xin An Chemical Group (“Xin An Chemical”); Hebei Donghua, assumed to be New Donghua, the firm that submitted for but failed to receive a firm-specific margin from Commerce in 2003; Yinyan Specialty; Hubei Pingshan; Taixing Zhongdan Chemical Group (“Zhongdam Chemical”); Zhengjiang Ri Fei (“Ri Fei”); Tianjin Tiancheng Medicine Co., Ltd., assumed to be TTPC, the firm that submitted for but failed to receive a firm-specific margin from Commerce in 2002; Yuanshi Hongsheng Chemical Co., Ltd. (“Hongsheng Chemical”); Baoding Mantong; and Shenzhen New Trend Industrial Development Co., Ltd. (“New Trend”).

Table I-11 presents information on Chinese producers’ capacity, production, and exports in 1999 provided by the domestic interested party in its July 2005 filing.

Table I-11
Glycine: Chinese producers’ capacity, production, and export shipments, 1999

* * * * *

Information available on the Chinese glycine industry continues to be sparse and contradictory. The domestic interested party claims that in 2004 Chinese producers of glycine had an annual capacity of over *** pounds,¹⁰⁹ which would indicate *** over the estimated 22 to 33 million pounds of annual glycine capacity estimated by various sources during the original investigation. Other sources indicate that

¹⁰¹ See review CR, p. I-20.

¹⁰² See review CR, pp. I-20 to I-21.

¹⁰³ Glyphosate is sold as “N-(Phosphonomethyl) Glycine.” Its chemical formula is C₃H₈NO₅P. Glyphosate is an aminophosphonic analogue of the natural amino acid glycine and the name is a contraction of glycine “phosphosate.”

¹⁰⁴ See review CR, p. I-21, ***.

¹⁰⁵ See domestic interested party’s response from the first review, pp. 9-10.

¹⁰⁶ See domestic interested party’s response, exh. 5, and domestic interested party’s supplemental response, August 5, 2005.

¹⁰⁷ See Jiangxi Rongsheng Chemical referenced at <http://www.kuan.cn/Region/JiangXi/Jing-De-Zhen/Le-Ping/>.

¹⁰⁸ See Guangrong Chemical referenced at <http://www.chinachemnet.com/rudongguangrong/prod.htm>.

¹⁰⁹ See domestic interested party’s response, exh. 5.

the relative size and capability of glycine producers in China are unknown.¹¹⁰ It has been noted that, unlike in the domestic market for glycine in the United States, producers of glycine in China consume *** their glycine capacity in the manufacture of glyphosate, and that sources account for glycine capacity for glyphosate and glycine capacity for commercial sale differently.¹¹¹ While a separate market research source indicates a lower capacity of approximately 50 million pounds of glycine among four main producers in 2002, this level of capacity, in isolation, would *** when compared to data available from the main Chinese producers in the original investigation:

Glycine. Drug makers include Jiangsu Nantong Chemical Factory, Changchun Changan Pharma Factory, Liaoning Benxi Chemical Factory, Shijiazhuang Donghua Chemical Factory. Their annual production capacity totals 23,000 tons, far outstripping the current market needs of less than 10,000 tons/year. Low in content (95% generally), domestic glycine is not qualified enough for medicinal needs. To fill the gap, Hubei Province has recently pooled RMB 46.62 million in building a production facility of medicinal glycine. The project started construction in early 2002, and is scheduled to start production in 2003, with an annual production capacity of 1,500 tons/year.¹¹²

The research above might support three claims made by the domestic interested party: (1) that the central and regional governments of China have been proactive in the development of amino acid production capacity, including glycine, in recent years;¹¹³ (2) that Chinese producers compete with U.S. producers in *** even if most Chinese glycine is technical grade;¹¹⁴ and, (3) that there is excess glycine capacity within the domestic Chinese market.¹¹⁵

¹¹⁰ See ***.

¹¹¹ See ***.

¹¹² See [iiiChina \(iiichina.net\)](http://iiichina.net) *Amino Acids: Current Production Status 2002* at http://iiichina.net/br/news/Amino%20Acids_Current%20Production%20Status.pdf.

¹¹³ See domestic interested party's response in the first review, p. 6, and app. 6.

¹¹⁴ See domestic interested party's response, p. 9.

¹¹⁵ *Ibid.*, pp. 11-12.

APPENDIX A

***FEDERAL REGISTER* NOTICES AND THE COMMISSION'S
STATEMENT ON ADEQUACY**

**INTERNATIONAL TRADE
COMMISSION****[Investigation No. 731-TA-718 (Second
Review)]****Glycine From China****AGENCY:** United States International
Trade Commission.**ACTION:** Institution of a five-year review
concerning the antidumping duty order
on glycine from China.

SUMMARY: The Commission hereby gives
notice that it has instituted a review
pursuant to section 751(c) of the Tariff
Act of 1930 (19 U.S.C. 1675(c)) (the Act)
to determine whether revocation of the
antidumping duty order on glycine from
China would be likely to lead to
continuation or recurrence of material
injury. Pursuant to section 751(c)(2) of
the Act, interested parties are requested
to respond to this notice by submitting
the information specified below to the
Commission; ¹ to be assured of

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 05-5-127, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

consideration, the deadline for responses is July 21, 2005. Comments on the adequacy of responses may be filed with the Commission by August 16, 2005. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: June 1, 2005.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background. On March 29, 1995, the Department of Commerce issued an antidumping duty order on imports of glycine from China (60 FR 16116). Following five-year reviews by Commerce and the Commission, effective July 25, 2000, Commerce issued a continuation of the antidumping duty order on imports of glycine from China (65 FR 45752). The Commission is now conducting a second review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions. The following definitions apply to this review:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The *Subject Country* in this review is China.

(3) The *Domestic Like Product* is 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*. In its original determination, the Commission defined the *Domestic Like Product* as all glycine, regardless of grade. In its expedited five-year review determination, the Commission continued to define the *Domestic Like Product* as all glycine, coextensively with Commerce's scope.

(4) The *Domestic Industry* is 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. In its original determination and its expedited five-year review determination, the Commission defined the *Domestic Industry* as all domestic producers of glycine.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the review and public service list. Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission is seeking guidance as to whether a second transition five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal

consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this review available to authorized applicants under the APO issued in the review, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the review. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification. Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this review must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions. Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is July 21, 2005. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The deadline for filing such comments is August 16, 2005. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary

by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

Inability to provide requested information. Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination in the review.

Information to be Provided in Response to this Notice of Institution: As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of

subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 1999.

(7) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2004 (report quantity data in pounds and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in pounds and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country*; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country*.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in pounds and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production; and

(b) The quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* after 1999, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country*, and such merchandise from other countries.

(11) (Optional) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: May 23, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05-10884 Filed 5-31-05; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION**

[Investigation No. 731-TA-718 (Second Review)]

Glycine From China

AGENCY: United States International Trade Commission.

ACTION: Scheduling of an expedited five-year review concerning the antidumping duty order on glycine from China.

SUMMARY: The Commission hereby gives notice of the scheduling of an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty order on glycine from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: September 7, 2005.

FOR FURTHER INFORMATION CONTACT: Russell Duncan (202-708-4727), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On September 7, 2005, the Commission determined that the domestic interested party group response to its notice of institution (70 FR 31534, June 1, 2005) of the subject five-year review was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting a full review.¹ Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.²

Staff report.—A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on September 30, 2005, and made available to persons on the Administrative Protective Order service list for this review. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

Written submissions.—As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided individually adequate responses to the notice of institution,³ and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before October 5, 2005, and may not contain new factual information. Any person that is neither a party to the review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by October 5, 2005. However, should the Department of Commerce extend the time limit for its completion of the final results of its review, comments (which shall not contain new factual information) on Commerce's final results may be submitted three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the

Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 (c) of the Commission's rules.

By order of the Commission.

Issued: September 16, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05-18894 Filed 9-21-05; 8:45 am]

BILLING CODE 7020-02-P

¹ A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

² Commissioner Aranoff did not participate in this determination.

³ The Commission has found the responses submitted by the Glycine Fair Trade Committee and its individual members Chattem Chemicals, Inc., and Hampshire Chemical Corp., to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

DEPARTMENT OF COMMERCE**International Trade Administration**

(A-570-836)

Glycine from the People's Republic of China; Final Results of the Expedited Sunset Review of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On June 1, 2005, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on glycine from the People's Republic of China pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). See *Initiation of Five-year (Sunset) Reviews*, 70 FR 31423 (June 1, 2005). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties and inadequate response from respondent interested parties (in this case, no response), the Department conducted an expedited sunset review of the antidumping duty order pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(B) of the Department's regulations. As a result of this sunset review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the levels indicated in the "Final Results of Review" section of this notice.

EFFECTIVE DATE: October 5, 2005.

FOR FURTHER INFORMATION CONTACT: Maureen Flannery, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1388.

SUPPLEMENTARY INFORMATION:**Background**

On June 1, 2005, the Department initiated a sunset review of the antidumping duty order on glycine from the People's Republic of China pursuant to section 751(c) of the Act. See *Initiation of Five-year (Sunset) Reviews*, 70 FR 31423 (June 1, 2005). The Department received a Notice of Intent to Participate from the following domestic interested parties: the Glycine Fair Trade Committee ("Committee"), an *ad hoc* coalition of domestic producers, and its individual members, Hampshire Chemical Corp. and Chattem Chemicals, Inc. (collectively "the domestic interested parties"), within the deadline specified in 19 CFR

351.218(d)(1)(I). The domestic interested parties claimed interested party status under section 771(9)(c) of the Act, as U.S. manufacturers of glycine, and sections 771(9)(E) and (F) of the Act, as a trade or business association of domestic manufacturers of glycine whose members are engaged in the production of glycine in the United States. The Department received a complete substantive response from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). However, the Department did not receive any responses from the respondent interested parties to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited sunset review of this antidumping duty order.

Scope of the Order

The product covered by the order is glycine, which is a free-flowing crystalline material, like salt or sugar. Glycine is produced at varying levels of purity and is used as a sweetener/taste enhancer, a buffering agent, reabsorbable amino acid, chemical intermediate, and a metal complexing agent. This order covers glycine of all purity levels. Glycine is currently classified under subheading 2922.49.4020 of the Harmonized Tariff Schedule of the United States (HTSUS). In a separate scope ruling, the Department determined that D(-) Phenylglycine Ethyl Dane Salt is outside the scope of the order. *See Notice of Scope Rulings*, 62 FR 62288 (November 21, 1997). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under the order is dispositive.

Analysis of Comments Received:

All issues raised in this review are addressed in the Issues and Decision Memorandum ("Decision Memorandum") from Barbara E. Tillman, Acting Deputy Assistant Secretary, Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated September 29, 2005, which is hereby adopted by this notice. The issues discussed in the accompanying Decision Memorandum include the likelihood of continuation or recurrence of dumping were the order revoked and the magnitude of the margin likely to prevail. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in the

Central Records Unit, room B-099 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

The Department determines that revocation of the antidumping duty order on glycine from the People's Republic of China would be likely to lead to continuation or recurrence of dumping at the rates listed below:

Producers/Exporters	Weighted-Average Margin (percent)
Baoding Mantong Fine Chemistry Co., Ltd. ...	155.89
Nantong Dongchang Chemical Industry Corp.	155.89
PRC-wide rate	155.89

Notification regarding Administrative Protective Order:

This notice also serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: September 29, 2005.

Barbara E. Tillman,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5-5461 Filed 10-4-05; 8:45 am]

BILLING CODE 3510-DS-S

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Glycine from China, Inv. No. 731-TA-718 (Second Review)

On September 7, 2005, the Commission determined that it should proceed to an expedited review in the subject five-year review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).¹

The Commission determined that the domestic producer responses filed by the Glycine Fair Trade Committee, and its individual members Chatten Chemicals, Inc. and Hampshire Chemical Corp., were individually adequate. Because these producers account for all domestic production of glycine, the Commission further determined that the domestic interested party group response was adequate.

The Commission did not receive a response from any respondent interested party in the review and, therefore, determined that the respondent interested party group response was inadequate.

Given the absence of an adequate respondent interested party group response, and any other circumstances that might warrant proceeding to a full review, the Commission determined to conduct an expedited review. A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (<http://www.usitc.gov>).

¹ Commissioner Aranoff did not participate in this determination.