

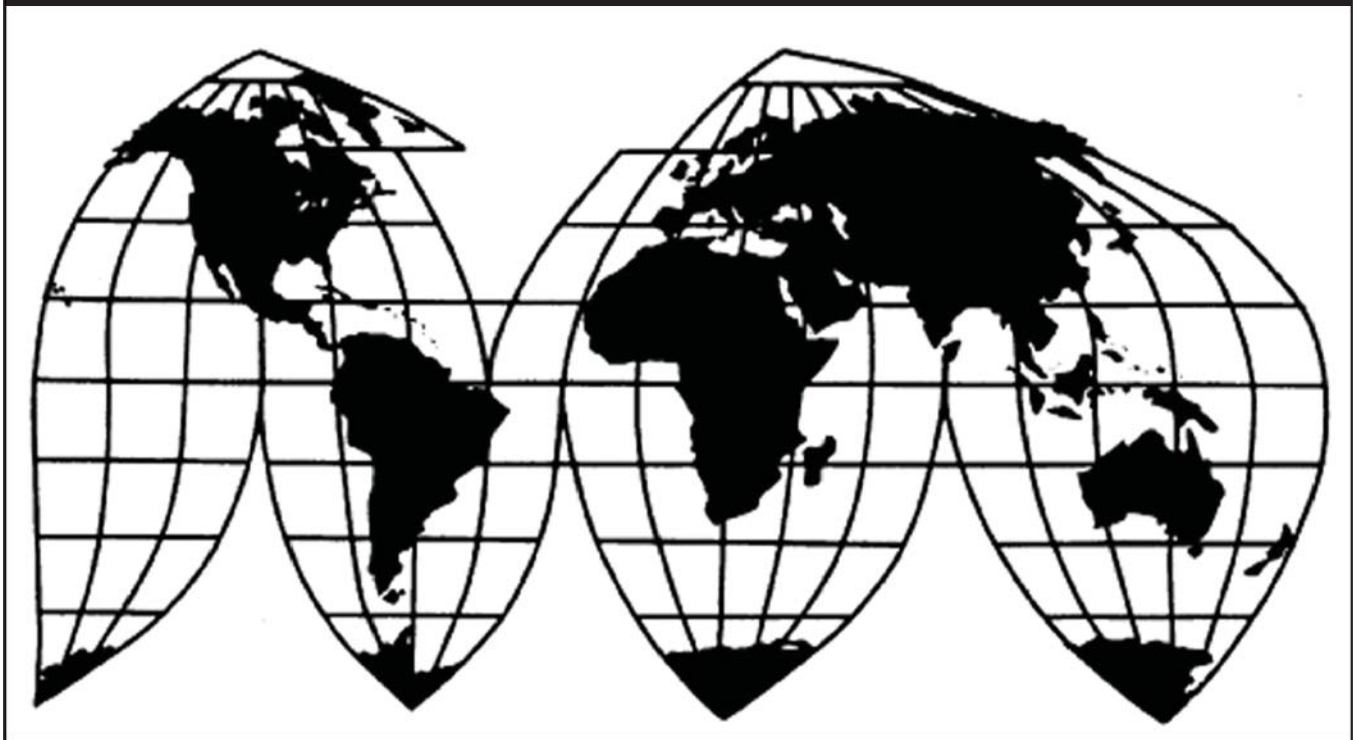
Furfuryl Alcohol From China

Investigation No. 731-TA-703 (Third Review)

Publication 4302

January 2012

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

Investigation No. 731-TA-703 (Third Review)

FURFURYL ALCOHOL 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)), that revocation of the antidumping duty order on furfuryl alcohol 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 September 1, 2011 (76 F.R. 54493) and determined on December 5, 2011 that it would conduct an expedited review (76 F.R.78945, December 20, 2011).

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 on furfuryl alcohol 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

On June 14, 1995, the Commission found that an industry in the United States was materially injured by reason of imports of furfuryl alcohol sold at less than fair value (“LTFV”) from China and South Africa.¹ On June 18, 1995, the Commission found that an industry in the United States was materially injured by reason of LTFV imports of furfuryl alcohol from Thailand.² Commerce published the antidumping duty order on imports from China on June 21, 1995,³ and the antidumping duty order on imports from Thailand on July 25, 1995.⁴ Commerce also issued an antidumping duty order on subject imports from South Africa but that order was revoked in 1999.⁵

On May 1, 2000, the Commission instituted the first reviews of the orders on subject merchandise from China and Thailand.⁶ The Commission determined that it should proceed to full reviews of the orders.⁷ The Commission subsequently determined that an industry in the United States would likely be injured by subject imports from China and Thailand within a reasonably foreseeable time if the orders were revoked.⁸ Commerce published its continuation of the antidumping duty orders on subject imports from China and Thailand shortly thereafter.⁹

The sole Thai subject producer and several Chinese subject producers appealed the Commission’s first review determinations to the Court of International Trade (“CIT”). On February 4, 2003, the CIT affirmed the Commission’s review determinations.¹⁰ Specifically, the CIT affirmed the Commission’s cumulation, likely volume, likely price, and likely impact findings.

The Commission instituted second reviews with respect to the orders on subject merchandise from China and Thailand on April 3, 2006.¹¹ On July 7, 2006, the Commission determined that it would

¹ Furfuryl Alcohol from the People’s Republic of China and South Africa, Inv. Nos. 731-TA-703 and 704, (Final) USITC Pub. 2897 (June 1995) (“USITC Pub. 2897”).

² Furfuryl Alcohol from Thailand, Inv. No 731-TA-705 (Final), USITC Pub. 2909 (July 1995).

³ 60 Fed. Reg. 32302 (June 21, 1995).

⁴ 60 Fed. Reg. 38035 (July 25, 1995).

⁵ 64 Fed. Reg. 37500 (July 12, 1999).

⁶ 65 Fed. Reg. 25363 (May 1, 2000).

⁷ Furfuryl Alcohol from China and Thailand, Inv. Nos. 731-TA- 703 and 705 (Review), USITC Pub. 3412 (Apr. 2001)(“USITC Pub. 3412”) at 4.

⁸ USITC Pub. 3412 at 3.

⁹ 66 Fed. Reg. 22519 (May 4, 2001).

¹⁰ Indorama Chemicals (Thailand) Ltd. v. United States International Trade Commission, 26 C.I.T. 1059 (CIT 2003).

¹¹ 71 Fed. Reg. 16587 (Apr. 3, 2006).

conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930, as amended.^{12 13} In September 2006, the Commission determined that revocation of the orders would be likely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.¹⁴ Commerce published continuation of the antidumping duty orders.¹⁵ Commerce later revoked the order with respect to Thailand following an administrative review.¹⁶

The Commission instituted the current review of the remaining order, on furfuryl alcohol from China, on September 1, 2011.¹⁷ The Commission received one response to its notice of institution from Penn A Kem LLC (“Penn”), the sole U.S. producer of furfuryl alcohol. No respondent interested party, whether foreign producer, exporter, or U.S. importer, responded to the Commission’s notice of institution with respect to the outstanding order on furfuryl alcohol from China. On December 5, 2011, the Commission found the domestic interested party group response to the notice of institution to be adequate and the respondent interested party group responses inadequate.¹⁸ The Commission did not find any circumstances that would warrant conducting a full review. The Commission therefore determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930, as amended.¹⁹

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c) of the Act, the Commission defines “the domestic like product” and the “industry.”²⁰ 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.”²¹ The Commission’s practice in five-year reviews is to look to the like product definition from the original determination and any completed reviews and consider whether the record indicates any reason to revisit the prior findings.²²

¹² 19 U.S.C. § 1675(c)(3).

¹³ Furfuryl Alcohol from China and Thailand, Inv. Nos. 731-TA-703 and 705 (Second Review), USITC Pub. 3885 (Sept. 2006) (“USITC Pub. 3885”) at 3-4.

¹⁴ USITC Pub. 3885 (Sept. 2006) at 3-4.

¹⁵ 71 Fed. Reg. 55804 (Sept. 25, 2006).

¹⁶ 72 Fed. Reg. 9729 (Mar. 5, 2007).

¹⁷ 76 Fed. Reg. 54493 (Sept. 1, 2011).

¹⁸ See Confidential Staff Report (“CR”) and Public Staff Report (“PR”) at Appdx. B, Explanation of Commission Determination on Adequacy.

¹⁹ Id.

²⁰ 19 U.S.C. § 1677(4)(A).

²¹ 19 U.S.C. § 1677(10); see, e.g., Cleo, Inc. v. United States, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); 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. 249, 96th Cong., 1st Sess. 90-91 (1979).

²² See, e.g., Stainless Steel Sheet and Strip from Germany, Italy, Japan, Korea, Mexico, and Taiwan, Inv. Nos. 701-TA-382 and 731-TA-798-803 (Second Review), USITC Pub. 4244 (July 2011) at 6; Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA1921-197 (Second Review), 701-TA-319, (continued...)

In its expedited sunset determination, Commerce defined the subject merchandise in this review as follows:

Furfuryl alcohol (C₄H₃OCH₂OH), which is a primary alcohol, and is colorless or pale yellow in appearance. It is used in the manufacture of resins and as a wetting agent and solvent for coating resins, nitrocellulose, cellulose acetate, and other soluble dyes.²³

Furfuryl alcohol is a colorless to light-yellow liquid, which becomes brown to dark red upon exposure to light and air. Furfuryl alcohol primarily is used in the production of furan resins.²⁴ Furfuryl alcohol is also used as a solvent in paint strippers and biocides and as an intermediate product in the production of tetrahydrofurfuryl alcohol (“THFA”), flavor and fragrance chemicals, and pharmaceutical and pesticide products.²⁵

In the original investigations and prior five-year reviews, the Commission defined a single like product, furfuryl alcohol.²⁶ The domestic producer agrees that the domestic like product should continue to be defined as furfuryl alcohol, consistent with the Commission’s prior definition of like product in the original investigations and prior reviews.²⁷ The record of this third review contains no information that would suggest a reconsideration of the like product definition is warranted. Accordingly, we define the domestic like product as furfuryl alcohol consistent with Commerce’s scope.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”²⁸

²² (...continued)

320, 325-27, 348, and 350 (Second Review), and 731-TA-573-74, 576, 578, 582-87, 612, and 614-618 (Second Review), USITC Pub. 3899 (January 2007) at 31, n. 117; Internal Combustion Industrial Forklift Trucks from Japan, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 (December 2005) at 8-9; Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 (July 2003) at 4; Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 (February 2003) at 4.

²³ 76 Fed. Reg. 78613 (December 19, 2011). The above scope definition is unchanged from Commerce’s previous five-year review determinations and the original investigation.

²⁴ CR at I-7-8; PR at I-6. Furan resins are generally used as binders in the production of sand cores, which are used in casting metal and non-metal products. Furan resins are also used as binders in plastic and foam products, mortar and cements, and paper products. CR at I-8; PR at I-6-I-7.

²⁵ USITC Pub. 3412 at 5.

²⁶ USITC Pub. 3412 at 5.

²⁷ Penn’s Response to the Notice of Institution at 11.

²⁸ 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int’l Trade 1994), aff’d, 96 F.3d 1352 (Fed.Cir. 1996).

In the original investigations, the Commission defined the domestic industry as QO Chemicals, generally known as Great Lakes, an integrated producer of furfuryl alcohol.²⁹ In the first five-year reviews, the Commission defined the domestic industry as all producers of furfuryl alcohol, Penn Chemicals, and Ferro Industries, *** of the domestic like product, and Great Lakes, which had sold its facilities to Penn in 1998.³⁰ In the second reviews, the Commission defined the domestic industry as encompassing Penn Chemicals, the sole U.S. producer of furfuryl alcohol during the second period of review.³¹

During the current review period, Penn, the successor to Penn Chemicals, was the sole U.S. producer of furfuryl alcohol.³² The domestic interested party agrees with the Commission's definition of domestic industry in the original investigations and prior reviews.³³ Given our finding with respect to the domestic like product, we define a single domestic industry consisting of the sole domestic producer of furfuryl alcohol, Penn.³⁴

III. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDER IS REVOKED

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 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 duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”³⁵ 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.”³⁶ Thus, the likelihood standard is prospective in

²⁹ USITC Pub. 2879 at 9. Although the Commission found Advanced Resin Systems, Inc. (“ARS”), a toll producer, to be a domestic producer of furfuryl alcohol, it excluded ARS from the domestic industry as a related party. USITC Pub. 2897 at I-7-I-9.

³⁰ USITC Pub. 3412 at 15; CR at I-13.

³¹ USITC Pub. 3885 at 5.

³² In July 2008, Minafin SARL, a Luxembourg-registered company, acquired the assets of Penn Chemicals and named the new company Penn A Kem LLC. CR at I-7; PR at I-6. Like its predecessor Penn Chemicals, Penn ***. CR at I-15; PR at I-10.

³³ Penn's Response to the Notice of Institution at 11.

³⁴ There are no related party issues in this review.

³⁵ 19 U.S.C. § 1675a(a).

³⁶ SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). 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.” SAA at 883.

nature.³⁷ The U.S. Court of International Trade has found that “likely,” as used in the sunset review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.^{38 39}

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.”⁴⁰ 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.”⁴¹

Although the standard in a five-year review is not the same as the standard applied in an original antidumping 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 order is revoked or the suspended investigation is terminated.”⁴² 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 order is revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁴³

As discussed above, the Commission received a response to its notice of institution from the sole domestic producer, Penn, and did not receive any respondent interested party response. Accordingly, when appropriate in this review, we have relied on the facts otherwise available, which consist of information from the original investigations and the first and second five-year reviews, as well as

³⁷ 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.

³⁸ 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 mem., 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (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, 26 CIT 1059 (Ct. Int’l Trade 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

³⁹ For a complete statement of Chairman Okun’s interpretation of the likely standard, see 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, Invs. Nos. 701-TA-362 (Review) and 731-TA-707 to 710 (Review) (Remand), USITC Pub. 3754 (Feb. 2005).

⁴⁰ 19 U.S.C. § 1675a(a)(5).

⁴¹ 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.

⁴² 19 U.S.C. § 1675a(a)(1).

⁴³ 19 U.S.C. § 1675a(a)(1). 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.

information obtained in this review, including information provided by Penn, purchaser responses to mini-questionnaires, and information available from published sources.^{44 45}

B. Conditions of Competition

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.”⁴⁶

U.S. Demand. As the Commission found in the original investigations and prior reviews, demand for furfuryl alcohol is dependent upon the demand for furan resins. There are no known substitutes for furfuryl alcohol in the production of furan resins. During the original investigation and prior review periods, apparent U.S. consumption increased overall.⁴⁷ In 2005, apparent U.S. consumption reached its highest level at *** pounds.⁴⁸ In 2010, apparent U.S. consumption was *** pounds.⁴⁹ According to Penn, U.S. demand for furfuryl alcohol is flat and the U.S. furfuryl alcohol market is a mature one.⁵⁰

Demand Outside the United States. In the prior reviews, the Commission found that global demand for furfuryl alcohol was stagnant and that there was reportedly an oversupply of furfuryl alcohol.⁵¹ In the first reviews, the Commission observed that global production capacity had increased,

⁴⁴ 19 U.S.C. § 1677e(a) 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 19 U.S.C. § 1677m(i). The verification requirements in 19 U.S.C. § 1677m(i) are applicable only to Commerce. See Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750, 765 (Ct. Int’l Trade 2002) (“the ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of Commission investigations.”).

⁴⁵ Chairman Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. See 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties’ suggested interpretations of the record evidence. Regardless of the level of participation, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.” SAA at 869.

⁴⁶ 19 U.S.C. § 1675a(a)(4).

⁴⁷ During the original period of investigation, apparent U.S. consumption increased from *** pounds in 1992 to *** pounds in 1994. During the first review period, apparent U.S. consumption increased from *** pounds in 1996 to *** pounds in 2000. During the second review period apparent U.S. consumption increased from *** in 2000 to *** pounds in 2005. CR/PR at Table E-1.

⁴⁸ CR/PR at Table E-1.

⁴⁹ CR/PR at Table E-2.

⁵⁰ Penn’s Response to the Notice of Institution at 5.

⁵¹ USITC Pub. 3412 at 17; USITC Pub. 3885 at 14.

due in large measure to increases in Chinese production capacity.⁵² As a result of the overall increase in the supply and stagnant demand, the Commission further found that prices declined worldwide but that prices in the U.S. market declined at a slower pace due to an increase in apparent U.S. consumption.⁵³

Supply. In the first and second reviews, the Commission observed that the domestic industry had undergone significant restructuring. Specifically, during the original period of investigation, Great Lakes, an integrated producer, was the sole domestic producer, ***.⁵⁴ Great Lakes exited the market in 1998 and sold its furfuryl alcohol production facilities and derivatives business to Penn *** in 1999.⁵⁵ Another domestic producer, Ferro, ***, left the market in 1999.⁵⁶

As a result of restructuring, U.S. production capacity decreased from *** pounds in 1994 to *** pounds in 2005. During the second review period, the domestic industry consisted of only one domestic producer, Penn Chemicals. Although it did not report its production capacity, Penn Chemicals indicated that it *** of its furfuryl alcohol production.⁵⁷

In this third review, the domestic industry continues to be limited to one producer, Penn, the successor to Penn Chemicals. Penn, like its predecessor, ***,⁵⁸ Penn reported that its production capacity was *** pounds in 2010.⁵⁹

During the original investigations, the domestic industry's market share fell from *** percent in 1992 to *** percent in 1994.⁶⁰ Subject imports' market share (China, South Africa, and Thailand) increased from *** percent in 1992 to *** percent in 1994. Immediately following imposition of the orders, subject imports left the U.S. market, and the domestic industry's market share grew to *** percent in 1996.⁶¹ Nonsubject imports increased overall from *** percent of the U.S. market in 1992 to *** percent in 1994. During the first review period, the domestic industry's market share decreased overall, to *** percent in 2000. Subject imports from China were absent from the U.S. market throughout the first review period. Subject imports from Thailand re-entered the U.S. market in 1998, and their market share increased overall from *** percent in 1998 to *** percent in 2000. Nonsubject imports also increased overall from *** percent in 1996 to *** percent in 2000. In the second review, the domestic industry's market share decreased to *** percent in 2005, subject imports from Thailand decreased to *** percent, and nonsubject imports increased to *** percent. During the current review (2010), subject imports from China continue to be absent from the U.S. market, while imports from Thailand are no longer subject to an order.⁶² Market shares of the domestic industry and nonsubject imports were *** percent and *** percent, respectively.⁶³

⁵² USITC Pub. 3412 at 17.

⁵³ USITC Pub. 3412 at 17.

⁵⁴ USITC Pub. 3412 at 15; CR at I-12-I-13; PR at I-9.

⁵⁵ USITC Pub. 3412 at 15; CR at I-13; PR at I-10.

⁵⁶ USITC Pub. 3412 at 15; CR at I-13; PR at I-9.

⁵⁷ USITC Pub. 3885 at 15; CR at I-15; PR at I-10; CR/PR at Table C-1.

⁵⁸ CR at I-15-I-16; PR at I-10.

⁵⁹ CR/PR at Table C-1.

⁶⁰ CR/PR at Table E-1.

⁶¹ CR/PR at Table E-2.

⁶² CR/PR at Table E-2.

⁶³ CR/PR at Table E-1.

Other Considerations. In the prior reviews, the Commission found that the U.S. market was a large, stable market for furfuryl alcohol.⁶⁴ It emphasized that the U.S. market has traditionally been dominated by a handful of purchasers.⁶⁵ The Commission further found, as a result of the large volume purchased by this concentrated group of purchasers and the fungible, commodity nature of the product, that a price differential of as little as one cent per pound could be a deciding factor in purchasing decisions.⁶⁶ Moreover, it stressed that smaller purchasers also viewed price as an important purchasing factor.⁶⁷ In the current review, the U.S. market continues to be dominated by a few large customers that base their purchasing decisions on price.⁶⁸

We find that these market conditions for furfuryl alcohol are likely to persist in the reasonably foreseeable future and provide us with a reasonable basis on which to assess the effects of revocation of the order.

C. Revocation of the Order on Subject Imports From China Is Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

1. Likely Volume

In evaluating the likely volume of imports of subject merchandise if the antidumping duty order were 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.⁶⁹ 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.⁷⁰

In the original investigations, the Commission found that the volume and market share of cumulated subject imports (China, South Africa, and Thailand) increased substantially. Subject imports from China increased from *** pounds in 1992 to *** pounds in 1994.⁷¹ Immediately following imposition of the order, subject imports from China left the U.S. market. There were no subject imports

⁶⁴ USITC Pub. 3412 at 17.

⁶⁵ USITC Pub. 3412 at 17.

⁶⁶ USITC Pub. 3412 at 17.

⁶⁷ USITC Pub. 3412 at 17.

⁶⁸ Penn’s Response to the Notice of Institution at 5.

⁶⁹ 19 U.S.C. § 1675a(a)(2).

⁷⁰ 19 U.S.C. § 1675a(a)(2)(A-D).

⁷¹ CR/PR at Table E-1.

from China in the U.S. market from 1995 through 2005.⁷² According to the limited information gathered in this expedited review, subject imports from China continue to be absent from the U.S. market.⁷³

Due to the lack of response from subject producers, there is limited information in this record concerning current levels of production capacity in China. In the original investigations, the sole responding Chinese subject producer, who represented *** percent of Chinese furfuryl alcohol production, reported its production capacity to be *** pounds in 1994.⁷⁴ In the first reviews, five producers, representing up to *** percent of total Chinese production capacity, reported that their production capacity for furfuryl alcohol was *** pounds in 2000.⁷⁵ In the second reviews, production capacity in China continued to be substantial in light of the substantial volumes of Chinese exports to third country-markets, which totaled 166.3 million pounds in 2005.⁷⁶ In this third review, Penn reports that Chinese subject producers have 791.5 million pounds of production capacity which is significantly under-utilized.⁷⁷

The record indicates that subject producers are export-oriented. During the original period of investigation and first review, Chinese subject producers exported ***.⁷⁸ In the second review, Chinese subject producers *** rely heavily on their export markets.⁷⁹ The record in this third review reveals that Chinese subject producers still export substantial quantities of furfuryl alcohol to other markets. Data obtained from the *Global Trade Atlas* indicates that the volume of Chinese exports of furfuryl alcohol to third countries ranged from 116.8 million pounds (2009) to 212.3 million pounds (2008).⁸⁰ Additionally, in 2010, according to data from the Chinese Customs Statistics Information Service Center, 15 subject producers exported 15.5 million pounds of furfuryl alcohol to the EU alone.⁸¹

In addition to being export-oriented, Chinese producers have incentives to redirect exports from other markets to the United States if the order were revoked. As the Commission found in the prior reviews and the record here continues to indicate, the U.S. market is large and stable.⁸² In the first reviews, the Commission found that prices for furfuryl alcohol were generally higher in the United States than in other markets.⁸³ There is no evidence obtained in this review to suggest a change in relative pricing.

We therefore conclude based on the record in this review, which includes information from the original investigations and prior reviews, that there continues to be substantial production capacity to produce furfuryl alcohol in China, that the Chinese industry producing furfuryl alcohol remains export-

⁷² USITC Pub. 3412 at 16.

⁷³ While *Global Trade Atlas* data indicates that there were some exports from China falling under HTS subheading 2932.13.00 during this second period of review, this subheading covers THFA as well as furfuryl alcohol. The record indicates that the reported exports from China to the United States appear to consist of THFA only, not the subject product. CR at I-I-20; PR at I-13. Moreover, Penn also reports that there were no subject imports from China during this review period. Penn's Response to the Notice of Institution at 5.

⁷⁴ CR at I-19; PR at I-12; CR/PR at Table F-1.

⁷⁵ CR/PR at Table F-1.

⁷⁶ USITC Pub. 3885 at 17.

⁷⁷ Penn's Response to the Notice of Institution at 7.

⁷⁸ CR at I-19; PR at I-12; CR/PR at Table F-1.

⁷⁹ USITC Pub. 3885 at 18; CR at I-20, CR/PR at Table F-1.

⁸⁰ CR/PR at Table F-2.

⁸¹ Penn's Response to the Notice of Institution at 6 n.12 and Ex. B.

⁸² CR/PR at Table E-1.

⁸³ USITC Pub. 3412 at 18.

oriented, and that it would find the United States to be an attractive export market. Accordingly, we conclude that the volume and market share of subject imports would likely be significant within a reasonably foreseeable time if the order were revoked.

2. Likely Price Effects

In evaluating the likely price effects of subject imports if the antidumping duty order were 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 prices for the domestic like product.⁸⁴

Based on the information available in the current review, we again find that significant price effects are likely if the order were revoked. As noted above, furfuryl alcohol is highly substitutable regardless of the country of origin and price remains the principal factor in purchasing decisions.⁸⁵ As the Commission found in the prior reviews, as a result of the large volume purchased by the concentrated group of purchasers and fungible commodity nature of the product, a price differential of as little as one cent per pound could be a deciding factor in purchasing decisions.⁸⁶

Because subject imports from China have been absent from the U.S. market since the imposition of the order, there is no new product-specific pricing information on the record of this review. During the original investigations, the last period in which subject imports from China were present in the U.S. market, the Chinese product undersold the domestic like product in half of the possible price comparisons.⁸⁷ Additionally, average unit values (“AUVs”) for these subject imports from China generally were lower than the domestic like product during the original investigation.⁸⁸ The Commission found that the evidence of underselling supported a finding of significant price depression and suppression by subject imports, given the importance of price to purchasers and the domestic producer’s lowering of price.⁸⁹

In the absence of the order, subject imports from China would likely undersell the U.S. product in order to gain market share, particularly given the mature nature of the U.S. market. As noted above, the U.S. market is generally limited to a few large volume purchasers who base their purchasing decisions on price. Given the importance of price and the high substitutability of the subject product and the domestic like product, if the order were revoked, these purchasers would be likely to source the lower priced Chinese product. As a result, the domestic producer would likely be forced to cut its prices or lose a share of the mature U.S. market. Moreover, Penn indicated that retention of its market share is critical to its “revenue stream.”⁹⁰ According to Penn, given that *Global Trade Atlas* data indicates that AUVs for

⁸⁴ 19 U.S.C. § 1675a(a)(3). The SAA states that, “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

⁸⁵ CR at I-12; PR at I-9.

⁸⁶ USITC Pub. 3412 at 17.

⁸⁷ CR at I-11; PR at I-9.

⁸⁸ CR at I-11; PR at I-9.

⁸⁹ USITC Pub. 2897 at I-19.

⁹⁰ Penn’s Notice to the Notice of Institution at 6-7.

China's exports of furfuryl alcohol to the EU in 2010 were ***, it would be unable to compete with the aggressively priced subject imports absent the order.⁹¹

Thus, if the order were revoked, we find it likely that subject imports from China would enter the U.S. market at aggressive prices in order to further increase their share of this price-sensitive market. In response, domestic producers would have to either reduce their prices or relinquish market share. Accordingly, we find that, if the order were revoked, the likely significant increase in subject import volume at prices that would likely undersell the domestic like product would likely have significant adverse price effects on the domestic industry.

Consequently, on the basis of the record in this third five-year review, including information collected in the original investigation and prior reviews, we find that revocation of the antidumping duty order on imports of furfuryl alcohol from China would be likely to lead to significant underselling by the subject imports and significant price depression or suppression within a reasonably foreseeable time.

3. Likely Impact of Subject Imports⁹²

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order under review were revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industries in the United States, including, but not limited to the following: (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 industries, including efforts to develop a derivative or more advanced version of the domestic like product.⁹³ 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 industries.⁹⁴ As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industries is related to the order at issue and whether the industry is vulnerable to material injury if the order were revoked.

In the original determinations, the Commission found that the increasing volume of subject imports, and the significant market share accounted for by those imports, depressed prices to a significant degree leading to the domestic industry's loss of market share, reduced capacity utilization rates, and financial losses.⁹⁵

In the first five-year reviews, the Commission found that subject imports from China and Thailand would have a significant adverse impact on the domestic industry if the orders were revoked.

⁹¹ Penn's Notice to the Notice of Institution at 7-8 and Ex. B.

⁹² Section 752(a)(6) of the Tariff 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 conducted an expedited third five-year review with respect to the antidumping order on imports of subject furfuryl alcohol from China. It found likely weighted-average antidumping duty margins of 43.54 percent for Sinochem Shandog, 50.43 percent for Quindao, and 45.27 percent for a country-wide rate for China. CR at Table I-1 (citing 76 Fed. Reg. 78613 (Dec. 19, 2011)). Commerce has not issued any duty absorption determination with respect imports of furfuryl alcohol from China. CR at I-5; PR at I-5.

⁹³ 19 U.S.C. § 1675a(a)(4).

⁹⁴ 19 U.S.C. § 1675a(a)(4).

⁹⁵ USITC Pub. 2897 at I-17-I-20.

While the domestic industry's commercial shipments declined in terms of quantity and value, the domestic industry's operating margins remained ***. As such, the Commission concluded that the domestic industry was not currently in a weakened condition. The Commission found, however, that the volume and price effects of the cumulated subject imports likely would cause the domestic industry to lose market share, with a significant adverse impact on the domestic industry's production, shipments, sales, and revenue levels. It noted that this likely reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability as well as its ability to raise capital investments. In addition, the Commission found that revocation of the orders likely would result in employment declines.⁹⁶

In the second reviews, the Commission found that domestic production, which had decreased *** during the first review, fell further, to *** pounds in 2005.⁹⁷ The quantity of the domestic industry's commercial shipments declined from 2000 to 2005 although the value of the domestic shipments increased *** during the same period.⁹⁸ Given the absence of certain industry performance data, however, the Commission did not find the domestic industry to be vulnerable.

In this third review, we collected 2010 data for several performance indicators, but lack data on the performance of the domestic industry from 2005 to 2009.⁹⁹ This limited evidence is insufficient for us to determine whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

We find that, if the order were revoked, subject imports from China would be likely to re-enter the U.S. market in significant quantities at the expense of the domestic industry. As discussed above, revocation of the antidumping duty order likely would lead to significant increases in the volume of subject imports at prices that would likely undersell the domestic like product and significantly suppress or depress U.S. prices. In addition, the likely volume and price effects of subject imports would likely cause the domestic industry to lose market share, with a significant adverse impact on the domestic industry's production, shipments, sales, and revenue levels. This reduction in the industry's production, shipments, sales, and revenue levels would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the orders would result in commensurate employment declines for the domestic industry.

In evaluating the likely impact of subject imports, we have considered the role of nonsubject imports in the U.S. market. In the original investigations, the Commission found that, while nonsubject imports were sizeable, the subject imports gained in volume and market share primarily at the expense of the domestic industry.¹⁰⁰ In the first reviews, subject imports' market share increased at the expense of both the domestic industry and nonsubject imports. In the second reviews, the Commission found that subject imports' market share had declined since the prior review. Nonsubject imports market share increased in tandem with the increase in U.S. demand.¹⁰¹ In 2010, with subject imports absent from the

⁹⁶ USITC Pub. 3412 at 19.

⁹⁷ USITC Pub. 3885 at 19; Confidential Version of Second Review Determination at 23.

⁹⁸ CR/PR at Table E-1.

⁹⁹ In 2010, the domestic industry's production was at *** pounds. Its total U.S. shipments were at *** pounds, of which *** pounds were internally consumed *** pounds were tolled and 638,388 pounds were sold in the merchant market. In 2010, the domestic industry reported an operating income of \$***. CR/PR at Table C-2 and n.1.

¹⁰⁰ USITC Pub. 2897 at I-17.

¹⁰¹ USITC Pub. 3885 at 14, CR/PR at Table FE1.

U.S. market, the domestic industry's and nonsubject imports' market share grew.¹⁰² As previously noted, there is a high degree of substitutability between subject imports and the domestic product. Based on the information available, we conclude that nonsubject imports are unlikely to prevent subject imports from China from increasing the penetration of the U.S. market significantly after revocation of the order and causing significant adverse volume and price effects with respect to the domestic industry.

We have taken into account that Penn's production of furfuryl alcohol is ***, volumes which might be less susceptible to competition from subject imports. Nevertheless, its *** constitute a significant share of its sales.¹⁰³ As noted earlier in our discussion of price effects, market share is critical to Penn's profitability, and the evidence indicates that subject imports would likely be priced well below Penn's costs of production. As a result of the likely aggressively priced subject imports, Penn would likely lose critical market share and be unable to sustain profitability.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order on furfuryl alcohol from China would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

¹⁰² CR/PR at Table E-2.

¹⁰³ CR/PR at Table C-2.

INFORMATION OBTAINED IN THE THIRD REVIEW

INTRODUCTION AND OVERVIEW

Background

On September 1, 2011, in accordance with section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ the U.S. International Trade Commission (“Commission” or “USITC”) gave notice that it had instituted a review to determine whether revocation of the antidumping duty order on furfuryl alcohol from China would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.^{2,3} On December 5, 2011, the Commission determined that the domestic interested party response to the notice of institution was adequate;⁴ the Commission also determined that the respondent interested party response was inadequate. The Commission found no other circumstances that would warrant conducting a full review.⁵ Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.^{6,7} The Commission is scheduled to vote on this review on January 20, 2012, and will notify Commerce of its determination on January 30, 2012. Selected information relating to the schedule of the current review is presented in the following tabulation.⁸

Effective date	Action	Federal Register citation
June 21, 1995	Commerce’s antidumping duty order	60 FR 32302
May 4, 2001	Commerce’s continuation of antidumping duty order after first five-year review	66 FR 22519
October 6, 2006	Commerce’s continuation of antidumping duty order after second five-year review	71 FR 59072
September 1, 2011	Commerce’s initiation and Commission’s institution of third five-year review	76 FR 54430 and 76 FR 54493
December 5, 2011	Commission’s determination to conduct expedited third five-year review and scheduling of expedited review	76 FR 78945, December 20, 2011
December 19, 2011	Commerce’s final results of expedited review	76 FR 78613
January 20, 2012	Commission’s vote	NA
January 30, 2012	Commission’s determinations transmitted to Commerce	NA

¹ 19 U.S.C. 1675 (c).

² 76 FR 54493, September 1, 2011. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. The Commission’s notice of institution is presented in app. A.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. 76 FR 54430, September 1, 2011.

⁴ The domestic producer, Penn A Kem LLC (“Penn A Kem”), submitted a response to the Commission’s notice of institution for the subject review. Penn A Kem, represented by the law firm of Thompson Hine LLP, indicated in its response that it was the sole domestic producer of furfuryl alcohol in the United States in 2010, which for purposes of the antidumping law, constitutes the “Domestic Industry.” Response of Penn A Kem to the Commission’s Notice of Institution (“Third Review Response”), October 3, 2011, p. 9. No U.S. importers or Chinese producers of furfuryl alcohol responded to the Commission’s notice of institution for the subject review.

⁵ The Commission’s statement on adequacy is presented in app. B.

⁶ 10 U.S.C. § 1675(c)(3).

⁷ 76 FR 78945, December 20, 2011. The Commission’s notice of scheduling of the expedited review appears in app. A.

⁸ Cited *Federal Register* notices beginning with the Commission’s institution of the five-year review are presented in app. A.

The Original Investigation and Five-year Reviews

Beginning in 1994, the Commission has conducted a series of Title VII investigations and five-year reviews of existing orders on furfuryl alcohol from China. The following tabulation presents actions taken by the Commission and Commerce with respect to these proceedings.

Action	Date	FR Cite
China (Inv. No. 731-TA-703):		
Commission's affirmative determination in 731-TA-703 (Final)	06/15/1995	60 FR 32339
AD order issued (A-570-835)	06/21/1995	60 FR 32302
Institution of first five-year review (full)	08/03/2000	65 FR 50003
Commission's affirmative determination in first five-year review	04/26/2001	66 FR 21015
Continuation of AD order	05/04/2001	66 FR 22519
Institution of second five-year review (expedited)	07/07/2006	71 FR 41469
Commission's affirmative determination in second five-year review	09/25/2006	71 FR 55804
Continuation of AD order	10/06/2006	71 FR 59072
Institution of third five-year review (expedited)	09/01/2011	76 FR 54493
Source: <i>Federal Register</i> notices.		

Commerce's Original Determinations and Subsequent Review Determinations

The original antidumping duty margins in 1995 for furfuryl alcohol from China ranged from 43.54 percent *ad valorem* to 50.43 percent *ad valorem*. Since the antidumping duty order was issued in 1995, Commerce has not completed any administrative reviews on furfuryl alcohol from China. The order remains in effect for all manufacturers, producers, and exporters of furfuryl alcohol from China. Information on Commerce's final determinations and antidumping duty orders is presented in table I-1.

Table I-1

Furfuryl alcohol: Commerce's final determination, antidumping duty order, and results of sunset reviews

Type of proceeding and date results published	Weighted-average margin (percent <i>ad valorem</i>)
Final determination (60 FR 22544, May 8, 1995) AD order (60 FR 32302, June 21, 1995)	Sinochem Shandong..... 43.54 Quindao 50.43 Country-wide rate for China..... 45.27
Final Results of Sunset Review (65 FR 53701, September 5, 2000) Continuation of AD Order (66 FR 22519, May 4, 2001)	Sinochem Shandong.....43.54 Country-wide rate for China..... 45.27
Final Results of Sunset Review (71 FR 35412, June 20, 2006) Continuation of AD Order (71 FR 59072, October 6, 2006)	Sinochem Shandong..... 43.54 Quindao 50.43 Country-wide rate for China..... 45.27
Final Results of Sunset Review (76 FR 78613, December 19, 2011)	Sinochem Shandong..... 43.54 Quindao 50.43 Country-wide rate for China..... 45.27
Source: Cited <i>Federal Register</i> notices.	

Commerce's Final Results of Expedited Review

Commerce conducted an expedited review with respect to furfuryl alcohol from China and issued the final results of its review based on the facts available on December 19, 2011. Commerce determined that revocation of the antidumping duty order on furfuryl alcohol from China would be likely to lead to continuation or recurrence of dumping at the China-wide weighted average percentage margin of 45.27.⁹ Commerce has not issued a duty absorption determination with respect to this order.

THE PRODUCT

Scope

In its continuation order, Commerce defined the subject merchandise as:

“... furfuryl alcohol (C₄H₃OCH₂OH). Furfuryl alcohol is a primary alcohol, and is colorless or pale yellow in appearance. It is used in the manufacture of resins and as a wetting agent and solvent for coating resins, nitrocellulose, and cellulose acetate, and other soluble dyes.

The product subject to the order is classifiable under subheading 2932.13.00 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.”¹⁰

U.S. Tariff Treatment

Furfuryl alcohol is classified under HTS subheading 2932.13.00 (“furfuryl alcohol and tetrahydrofurfuryl alcohol”). Goods entering the United States that are products of China under HTS subheading 2932.13.00 are dutiable at a column 1-general rate of 3.7 percent *ad valorem*.

Domestic Like Product and Domestic Industry

In its original determination, its full first five-year review determination, and its expedited second five-year review determination, the Commission defined the domestic like product as furfuryl alcohol, coextensive with Commerce's scope, and it defined the domestic industry as all producers of furfuryl alcohol, including toll-producers, captive producers, and merchant market producers. Penn A Kem indicated in its response to the Commission's notice of institution in this third five-year review that it agrees with the Commission's domestic like product and domestic industry definitions.¹¹

The original investigations resulted from a petition filed on May 31, 1994,¹² by counsel on behalf of Quaker Oats Chemicals, Inc. (“QO Chemicals”), the sole U.S. producer of furfuryl alcohol at that

⁹ 76 FR 78613, December 19, 2011.

¹⁰ *Furfuryl Alcohol from the People's Republic of China; Final Results of Expedited Third Sunset Review of the Antidumping Duty Order*, 76 FR 78613, December 19, 2011.

¹¹ Penn a Kem's Third Review Response, October 3, 2011, p. 11.

¹² The original petition was also filed with respect to imports of furfuryl alcohol from South Africa and Thailand. However, the antidumping duty orders that resulted from those original findings were revoked for South Africa, effective June 1, 1998 (64 FR 37500, July 12, 1999), prior to the first five-year review, and for Thailand, effective May 4, 2006 (72 FR 9729, March 5, 2007), after the Commission's determination in the second five-year review.

time.¹³ Since 1992 (the beginning of the period examined in the original investigations), only one plant (in Memphis, TN) has continuously produced furfuryl alcohol in the United States. Another plant (in Omaha, NE) was already idle in June 1999, when both plants were purchased by Penn Specialty Chemicals, Inc. (“Penn Chemicals”) from the Great Lakes Chemical Corp. (otherwise known as “QO Chemicals” in reference to the two plants’ ownership by the Quaker Oats Company prior to 1985). Penn Chemicals, however, shut down the Omaha plant in December 1999. A third U.S. plant, owned and operated by Ferro Industries in Walton Hills, OH, was refitted to produce furfuryl alcohol in *** but was subsequently idled in mid-1999. In its full first five-year review determination, the Commission defined the domestic industry to include Penn Chemicals, Ferro Industries, and Great Lakes. In its expedited second five-year review determination, the Commission found Penn Chemicals to be the sole domestic producer of furfuryl alcohol.

In its response to the Commission’s notice of institution in this third five-year review, Penn A Kem reported that, in July 2008, Minafin SARL, a Luxembourg-registered company, acquired the assets of Penn Chemicals and named the new company Penn A Kem LLC. Penn A Kem further reported that it is currently the only domestic producer of furfuryl alcohol and it is not related to any exporter or importer of the subject merchandise.¹⁴

Physical Characteristics and Uses

Furfuryl alcohol, also known as furyl carbinol, 2-hydroxymethylfuran, and 2-furanmethanol, is a colorless to light-yellow liquid which, upon exposure to light and air, becomes brown to dark red. The chemical has an assigned Chemical Abstracts service registry number of CAS 98-00-0. Chemically, the properties of furfuryl alcohol are typical of those of all alcohols. Furfuryl alcohol can be chemically combined with organic acids to form esters, dehydrated or reacted with certain other organic chemicals to form ethers, or oxidized (i.e., combined with oxygen) to form an aldehyde or acid.¹⁵

The principal use of furfuryl alcohol in the form of a monomer¹⁶ is in the production of furan resins, which, in turn, are used mainly as binders in the production of sand cores for the ferrous and non-ferrous foundry industries (casting metal and non-metal products). According to the report from the original investigations and the report from the first reviews, furan resins account for more than 90 percent of the annual domestic consumption of furfuryl alcohol.¹⁷ Although there are alternatives to furan resin as a binding agent, there are no known substitutes for furfuryl alcohol in the production of furan resin. In addition to the production of furan resins, furfuryl alcohol is used as a component in copolymer resins, THFA production, fiber-reinforced plastics, low-fire-hazard foams, and corrosion-resistant cements; as an intermediate chemical in the production of flavor and fragrance chemicals, pharmaceutical and pesticide products; and as a specialty solvent in paint strippers and biocides.¹⁸

Manufacturing Process and Production Employees

¹³ In its original determination, the Commission defined the domestic industry as QO Chemicals, generally known as Great Lakes Chemical Corp., an integrated producer of furfuryl alcohol. Also, in the original determination, the Commission excluded domestic producer Advanced Resin Systems, Inc. (“ARS”) from the domestic industry as a related party.

¹⁴ Penn A Kem’s Third Review Response, October 3, 2011, pp. 2-3 and 11.

¹⁵ *Staff Report*, March 23, 2001 (INV-Y-054) (“Confidential First Review Report”), p. I-11.

¹⁶ A monomer is the smallest repeating molecular unit comprising the long chain of a polymeric chemical. For example, styrene is the monomer for polystyrene and vinyl chloride is the monomer for polyvinyl chloride.

¹⁷ Confidential First Review Report, p. I-10; and Confidential Investigation Report, p. II-7. Actual figures were not available, and the information is from market participants.

¹⁸ *Ibid.*

Furfuryl alcohol is produced by the addition of hydrogen to a precursor chemical, furfural, using a suitable catalyst. Furfural, the basic raw material for furfuryl alcohol and other chemical products,¹⁹ is produced by combining agricultural by-products such as corncocks, sugarcane bagasse, and other biomass, with an acid. Two commercial methods of producing furfuryl alcohol are currently in use, a vapor-based process and a liquid-based process. In the vapor-based process, used by manufacturers other than in China, the furfural feedstock is vaporized, mixed with hydrogen gas, and passed through a copper catalyst to produce crude furfuryl alcohol vapor, which is then condensed and distilled to yield the desired level of purity. In the older liquid-based method, used by producers in China, liquid furfural is mixed with a powdered catalyst, and hydrogen gas is bubbled through the mixture yielding crude furfuryl alcohol, which in the vapor-based process must be distilled to the desired level of purity.²⁰

The vapor-based process generally is considered more cost efficient because it consumes less energy and feedstock per pound of product and results in a higher grade of crude material, reducing distillation needs. Plant and equipment are specific to furfuryl alcohol production and are not readily converted to alternative use. Employment is often shared with downstream or upstream products, but employment is a relatively minor cost factor in the industry.²¹

Interchangeability and Customer and Producer Perceptions

Imported furfuryl alcohol from subject country China generally is considered to be interchangeable with domestically produced furfuryl alcohol. During the original investigations, eleven of 12 responding purchasers reported that there were no significant differences between the furfuryl alcohol that they bought from various suppliers. ***.²² During the first five year reviews, purchasers did not report changing suppliers frequently, and reported that there were no types or grades of furfuryl alcohol that were available from only one source or country. *** and all three responding importers reported that product from all countries was interchangeable.²³ Three purchasers compared the interchangeability of U.S. and Chinese furfuryl alcohol: two reported that they were interchangeable and the other reported that they were not.²⁴

In its response to the Commission's notice of institution in the second five-year reviews, Penn indicated that furfuryl alcohol from the United States and China remain fungible.²⁵ In its response to the Commission's notice of institution in the current third five-year review, Penn A Kem did not comment on fungibility between furfuryl alcohol from the United States and China.

¹⁹ Furfural is also the precursor chemical to furan and tetrahydrofuran ("THF"), which are used to make products such as "Spandex."

²⁰ Confidential First Review Report, March 23, 2001, p. I-11.

²¹ Ibid.

²² *Staff Report*, May 25, 1995 (INV-S-072) ("Confidential Investigation Report"), p. II-55.

²³ *Staff Report*, May 25, 1995 (INV-S-072) ("Confidential Investigation Report"), p. II-13; Confidential First Review Report, pp. II-11-13.

²⁴ Ibid.

²⁵ Penn's Response to the Commission's Notice of Institution (Second Review) ("Second Review Response"), May 23, 2006, p. 4.

THE U.S. MARKET

Penn A Kem reported that since the imposition of the order unfairly traded imports of Chinese furfuryl alcohol to the United States ceased, or were significantly reduced.²⁶ Penn A Kem indicated that due to the absence of unfairly-traded Chinese furfuryl alcohol from the U.S. market imposed from the order, Penn A Kem has been able to produce and market furfuryl alcohol at profitable levels.²⁷

Channels of Distribution

The U.S. producer has concentrated channels of distribution in *** since 2000. However, for the broader U.S. market, furfuryl alcohol usually is sold directly from the U.S. producer (open market sales) and U.S. importers to end users throughout the United States; smaller quantities are sold through chemical distributors.²⁸ During the first five year reviews, approximately *** percent of all furfuryl alcohol sold in the United States was purchased by three large purchasers: Ashland, Borden, and Delta. Ashland reported that ***. Borden and Delta reported ***. In the original investigations, Ashland, Borden, and Delta accounted for approximately *** percent of total furfuryl alcohol purchases in the United States in 1994.²⁹ Ashland continued to produce foundry resins in 2006.³⁰ Borden and Delta merged their foundry businesses into a new firm, HA-International, LLC, in May 2001 and in 2006 continued to offer resins for bonding sand, resin coated sand for the shell process, and refractory coatings.³¹

U.S. Supply and Demand

Penn A Kem reported that it is not aware of any changes in the supply and demand conditions of the business cycle during the period of current third five-year review. However, Penn A Kem indicated that the Chinese furfuryl alcohol industry maintains a very high capacity to produce furfuryl alcohol well in excess of its historical and current production levels.³²

Prices

Furfuryl alcohol is sold by weight and is generally recognized as comprising only one type; however, there can be various levels of impurities, color, and “cloud point.” It is sold chiefly on a contract basis, with the exception of a somewhat limited amount of spot sales. By the first five-year reviews in 2000, *** of the U.S. production of furfuryl alcohol was transferred to customers under toll agreements to ***.³³

During the original investigations, there was a pattern of declining prices for furfuryl alcohol during the period examined (1992-94). For imports from China in *** of the *** instances where price comparisons were possible, the Chinese product was priced *** the domestic product by an average of

²⁶ Penn A Kem’s Third Review Response, p. 3.

²⁷ Ibid.

²⁸ However, *** of Penn A Kem’s furfuryl alcohol production in the United States is consumed internally in the production of THFA.

²⁹ Confidential First Review Report, pp. I-12 and II-2; Confidential Investigation Report, p. II-19.

³⁰ *Staff Report* (INV-DD-116), (“Confidential Second Review Report”), August 14, 2006, p. I-13.

³¹ Ibid.

³² Penn A Kem’s Third Review Response, p. 11.

³³ Confidential First Review Report, p. V-3.

*** percent. In the remaining *** instances, the Chinese product was priced *** the comparable U.S. product by an average of *** percent.³⁴

During the first five-year reviews, no importer pricing data were obtained on imports of Chinese furfuryl alcohol as there were no imports of the subject product from China during the period examined (1998-2000).³⁵

According to the domestic interested party in the second five-year reviews, price quotes for furfuryl alcohol from China (for delivery to ***) ranged between \$0.43 and \$0.44 per pound, which was well below Penn A Kem's 2005 price of \$*** per pound and an average import price of \$0.50 per pound f.o.b.³⁶

In its response to the Commission's notice of institution for the current third five-year review, Penn A Kem reported that to the best of its knowledge Chinese exporters have not sold furfuryl alcohol in the United States since the imposition of the order. However, Penn A Kem indicated that data acquired from Chinese export statistics show average f.o.b. values for 2010 exports to the European Union that were ***.³⁷

THE INDUSTRY IN THE UNITED STATES

U.S. Producers

Significant restructuring of the U.S. furfuryl alcohol industry took place since the time of the original investigation, when Great Lakes, an integrated producer, was the sole domestic producer, selling most of its product to end users. Since that time, Penn bought the facilities of Great Lakes and sold one of the plants, leading to a sharp decline in capacity and a shift in sales from end users to *** during the period of second review.

Since 1992 (the beginning of the period examined in the original investigations), only one plant in Memphis, TN, has produced furfuryl alcohol continuously in the United States. It is currently owned by Penn A Kem, the successor to Penn Chemicals ("Penn"). Another plant in Omaha, NE was already idle in June 1999 when both plants were purchased by Penn from "QO," a subsidiary of the Great Lakes Chemical Corp. ("Great Lakes"), which was otherwise known as "QO Chemicals" in reference to the two plants' ownership by the Quaker Oats Co. prior to 1985. Penn shut down the Omaha plant in December 1999 and ***. ***. Another firm, ARS, produced furfuryl alcohol in Houston, TX, *** from June 1990 through November 1992. The reasons for its demise were complex, including ***. A fourth U.S. plant, owned and operated by Ferro Corp. ("Ferro") in Walton Hills, OH, was refitted to produce furfuryl alcohol for ***, under a toll agreement from *** and was then idled.³⁸ Hence, by 2000, only one U.S. plant produced furfuryl alcohol.

Penn was a worldwide producer of specialty chemical products, including furfural, THF, and THFA. In 2000, the ***. Most of the remaining production was internally consumed in the manufacture of THFA.³⁹ In 2005, the situation ***.⁴⁰

In its response to the Commission's notice of institution in this third five-year review, Penn A Kem reported that, in July 2008, Minafin SARL, a Luxembourg-registered company, acquired the assets

³⁴ Confidential Investigation Report, p. II-58.

³⁵ Confidential First Review Report, p. V-4.

³⁶ Confidential Second Review Report, p. I-15.

³⁷ Penn A Kem's Third Review Response, p. 6 and exh. B.

³⁸ Confidential Investigation Report, pp. II-15-16; Confidential First Review Report, p. I-12.

³⁹ Confidential First Review Report, p. I-12.

⁴⁰ Confidential Second Review Report, p. I-16.

of Penn Specialty Chemicals, Inc. and named the new company Penn A Kem LLC. Penn A Kem further reported that it is currently the only domestic producer of furfuryl alcohol and it is not related to any exporter or importer of the subject merchandise.⁴¹

U.S. Production, Capacity, Shipments, and Financial Data

Trade and financial data for furfuryl alcohol reported in the Commission's original investigation and first five-year review and in response to the Commission's notice of institution for the second and third five-year reviews are presented in appendix C.

From 1992 to 1994, the period for which data were collected in the original investigation, the domestic industry's capacity remained flat, but capacity utilization declined due to falling production and shipments, as commercial sales decreased even though internal consumption remained stable. The average unit value of U.S. shipments, composed of internal shipments and commercial shipments, fell. Employment indicators generally declined as sales contracted and workers were laid off. Workers in the Memphis plant were ***. Financial indicators generally declined during the period, as net sales declined in absolute terms and as expressed by average unit values, and as the cost of goods sold per pound increased.⁴²

During the period of the first five-year reviews, the domestic industry's operations and market share declined ***: capacity and shipments fell ***, due largely to declines in ***. ***. After 1996, most of what was produced was either internally consumed by Penn in the production of THFA or ***. In 2000, ***. Unit values of shipments were not presented because of changes in the relative mix of different types of shipments and because ***. Operating income for Penn's furfuryl alcohol operations fluctuated during the period but ***. ***.⁴³

In 2001, Penn entered bankruptcy proceedings. *** Penn emerged from those proceeding in 2003, ***. During this period, Penn believed that the antidumping orders were necessary to protect it against the excess capacity and aggressive pricing of exporters in China and Thailand.⁴⁴

In 2005, Penn ***. In addition, its ***. The unit values for toll shipments which were substantially lower than the firms commercial shipments, may reflect only the tolling charges.⁴⁵

In 2010, Penn A Kem ***. Further, its ***.⁴⁶

U.S. IMPORTS AND CONSUMPTION

U.S. Importers and Imports

During the original investigations, the Commission identified seven firms that accounted for the vast majority of furfuryl alcohol imports (from all sources) during the period 1992-94, and each provided data. During this period, *** shared imports from China almost equally, with *** importing a minor amount. *** was the importer of the subject merchandise from Thailand. *** also imported furfuryl alcohol from South Africa. *** imported from Korea, and *** imported from the United Kingdom.⁴⁷

⁴¹ Penn A Kem's Third Review Response, pp. 2-3.

⁴² Confidential Investigation Report, pp. II-20-33.

⁴³ Confidential First Review Report, pp. III-1 and III-10.

⁴⁴ Confidential Second Review Report, p. I-20.

⁴⁵ Ibid.

⁴⁶ Penn A Kem's Third Review Response, p. 10.

⁴⁷ Confidential Investigation Report, p. II-7.

During the first five-year reviews, the bulk of imported furfuryl alcohol was imported by three large chemical distributors: ***.⁴⁸

According to the domestic interested party in the second five-year review, Chemtex *** the sole importer of furfuryl alcohol from Thailand.⁴⁹ There were no importers of the subject merchandise from China during the second five-year review. There is no other information on the record concerning importers of furfuryl alcohol from other sources in the second five-year review.

According to Penn A Kem, the domestic interested party in the third five-year review, subject imports from China left the U.S. market upon issuance of the original order and subject imports from China have not returned to the U.S. market.⁵⁰ Penn A Kem further reported that to the best of its knowledge, Chinese exporters have not sold furfuryl alcohol in the United States since imposition of the order. However, Penn A Kem indicated that data acquired from Chinese export statistics reveal average f.o.b. values for 2010 exports from China to the European Union that were ***.⁵¹

Import data for furfuryl alcohol are presented in appendix D. Table D-1 presents import data from the original investigations and the first five-year reviews through 2000, using data submitted in response to Commission questionnaires and data from official Commerce statistics.⁵² Tables D-2 and D-3 present data for the 2001-05 and 2006-10 periods, respectively, from official Commerce statistics, which contain imports of THFA in addition to furfuryl alcohol. It is likely that there were no imports of furfuryl alcohol from China after the imposition of the antidumping duty order in 1995, and that any imports shown entering under HTS subheading 2932.13.00 from China consist of THFA. It is also likely that any imports entering under HTS subheading 2932.13.00 from countries other than China are not THFA, but rather are furfuryl alcohol.

Table D-2 presents import data from official statistics for 1992-2005, and these data contain both furfuryl alcohol and THFA. However, except for China, the data are very likely close to the actual imports of furfuryl alcohol. In addition, in the original investigations, the petitioner expressed a belief that the only other producers of THFA at that time were in Brazil and Japan, and were producing exclusively for their domestic markets.⁵³

Based on table D-1, the total quantity of U.S. imports of furfuryl alcohol from China and Thailand increased overall during the period examined during the Commission's original investigations (1992-94), while U.S. imports of furfuryl alcohol from other sources also fluctuated upward. During the period of the first five-year reviews (1996-2000), imports of the subject merchandise from China ceased (based on questionnaire responses), while imports from Thailand increased from *** in the last year of the original investigation period, and imports from all other sources expanded *** (with a peak in 1999). From 2001-05, imports from Thailand fluctuated, ending at a lesser volume than that of the latter part of the second five-year review period. Imports from all other sources continued to expand unevenly. The average unit values of imports from Thailand were higher than those of imports from all other sources (other than China) with the exception of 1999.

Table D-3 presents import data from official statistics for 2006-10, which contain data for both furfuryl alcohol and THFA. Relatively minor U.S. imports from China under HTS subheading 2932.13.00 during 2007-10 are believed to be THFA. Although Belgium was the predominant source of U.S. imports of furfuryl alcohol during the 2006-10 period, South Africa was the largest single source of U.S. imports of furfuryl alcohol in calendar year 2010.

⁴⁸ Confidential First Review Report, p. I-13.

⁴⁹ Confidential Second Review Report, p. I-21.

⁵⁰ Penn A Kem's Third Review Response, p. 5.

⁵¹ Ibid., p. 6 and ex. B.

⁵² Confidential Second Review Report, p. I-21.

⁵³ Ibid., p. I-25.

Apparent U.S. Consumption

Apparent U.S. consumption and market shares for the periods 1992-94, 1996-2000, 2005, and 2010 are presented in appendix E. As shown in table E-1, apparent consumption declined between 1992-94 and 2000, ***. The U.S. producers' share of this declining consumption decreased during 1992-94 as subject imports grew and to a much lesser extent as imports from all other countries increased their market share slightly. From 1996-2000, U.S. producers initially gained back, ***, only to *** lose it to imports from countries other than Thailand in the earlier part of the period, and in the later part of the period, in part to increasing imports from Thailand. In 2005, apparent U.S. consumption was at its highest, ***, with imports from sources other than Thailand capturing their highest share yet of apparent consumption. Imports from Thailand subsided from their high share in 2000 to *** percent in 2005.

Table E-2 shows that in 2010, the volume of apparent consumption was *** percent lower than in 2005, with the U.S. market share at *** percent, imports from China at *** percent, and all other import sources at *** percent.

THE INDUSTRY IN CHINA

During the original investigation, the Commission reported that there were at least 16 producers of furfuryl alcohol in China. Data were provided to the Commission in that original investigation by one Chinese producer (Sinochem Shandong Import & Export Group) that accounted for an estimated *** percent of China's production in 1994. Respondents in the first five-year review of the order indicated that there were as many as 32 Chinese producers of furfuryl alcohol at that time. Five Chinese producers representing an estimated *** percent of production capacity in China during 2000 and three Chinese exporters answered the Commission's foreign producer questionnaire in the full first five-year review of the order. In its response to the Commission's notice of institution in the expedited second five-year review, Penn Chemical listed 32 producers of furfuryl alcohol in China.⁵⁴ Penn A Kem listed 17 known current producers of furfuryl alcohol in China in its response to the Commission's notice of institution in this current third five-year review.⁵⁵

Appendix F presents information on the industry in China from the original investigations and the first five-year reviews. As shown in table F-1, the Chinese industry exported the majority of its production, and had some excess capacity available throughout 1996-2000. In addition, by 2000, its capacity and production was large compared to that of the U.S. industry. The domestic interested party in the second five-year reviews alleged that the producers of furfuryl alcohol in China in 2005 had a capacity of over 800 million pounds.⁵⁶ In its response to the Commission's notice of institution for the third five-year review, Penn A Kem estimated that Chinese manufacturers have at least 791 million pounds of production capacity that is under-utilized and that they export to markets such as Japan, The United States, Canada, the European Union, and Southeast Asia.⁵⁷

Data on China's exports of furfuryl alcohol (combined with nonsubject product THFA) to the world market for 2000-05 and 2006-10 are also presented in appendix F, table F-2. The data show a large increase in exports of furfuryl alcohol from China in 2005 and a pattern of steady increases during previous years, with the exception of 2002. Exports of furfuryl alcohol from China dropped slightly in 2006 before increasing once again in 2007 and 2008. Exports of furfuryl alcohol from China declined in

⁵⁴ Confidential Second Review Report, pp. 29-30.

⁵⁵ Penn A Kem's Third Review Response, p. 8 and exh. C.

⁵⁶ *Ibid.*, p. 30.

⁵⁷ Penn A Kem's Third Review Response, p. 8 and exh. D.

2009 from the eleven year high of 2008 and fell further in 2010. Exports listed as destined for the United States are all THFA.

Antidumping Duty Orders in Third-Country-Markets

On October 27, 2003, the EU imposed antidumping duties on furfuryl alcohol from China.⁵⁸ The antidumping duty rates were the following:

Gaoping	18.3 percent
Huilong	17.9 percent
Linzi	8.9 percent
Zhucheng	10.3 percent
All others	32.1 percent.

⁵⁸ Confidential Second Review Report, p. 29.

APPENDIX A

***FEDERAL REGISTER* NOTICES**

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Five-Year (“Sunset”) Review

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

SUMMARY: In accordance with section 751(c) of the Tariff Act of 1930, as amended (“the Act”), the Department of Commerce (“the Department”) is automatically initiating a five-year review (“Sunset Review”) of the antidumping duty orders listed below. The International Trade Commission (“the Commission”) is publishing concurrently with this notice its notice of *Institution of Five-Year Review* which covers the same orders.

DATES: *Effective Date:* September 1, 2011.

FOR FURTHER INFORMATION CONTACT: The Department official identified in the *Initiation of Review* section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205–3193.

SUPPLEMENTARY INFORMATION:

Background

The Department’s procedures for the conduct of Sunset Reviews are set forth in its Procedures for Conducting Five-Year (“Sunset”) Reviews of Antidumping and Countervailing *Duty Orders*, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department’s conduct of Sunset Reviews is set forth in the Department’s Policy Bulletin 98.3—*Policies Regarding the Conduct of Five-year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders: Policy Bulletin*, 63 FR 18871 (April 16, 1998).

Initiation of Review

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping duty orders:

DOC Case No.	ITC Case No.	Country	Product	Department contact
A–821–807	731–TA–702	Russia	Ferrovandium and Nitrided Vandium (3rd Review).	David Goldberger (202) 482–4136.
A–570–831	731–TA–683	PRC	Fresh Garlic (3rd Review)	Dana Mermelstein (202) 482–1391.
A–570–835	731–TA–703	PRC	Furfuryl Alcohol (3rd Review)	Julia Hancock (202) 482–1394.

Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the pertinent statute and Department's regulations, the Department schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on the Department's Internet Web site at the following address: <http://ia.ita.doc.gov/sunset/>. All submissions in these Sunset Reviews must be filed in accordance with the Department's regulations regarding format, translation, and service of documents. These rules can be found at 19 CFR 351.303.

This notice serves as a reminder that any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information. See section 782(b) of the Act. Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives in all AD/CVD investigations or proceedings initiated on or after March 14, 2011. See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Interim Final Rule*, 76 FR 7491 (February 10, 2011) ("*Interim Final Rule*") amending 19 CFR 351.303(g)(1) & (2). The formats for the revised certifications are provided at the end of the *Interim Final Rule*. The Department intends to reject factual submissions in investigations/proceedings initiated on or after March 14, 2011 if the submitting party does not comply with the revised certification requirements.

Pursuant to 19 CFR 351.103(d), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 10 days of the publication of the Notice of Initiation.

Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order ("APO") immediately following publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304–306.

Information Required From Interested Parties

Domestic interested parties defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b) wishing to participate in a Sunset Review must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the order without further review.

See 19 CFR 351.218(d)(1)(iii).

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements. Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews.¹ Please consult the Department's regulations at 19 CFR part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

Dated: August 25, 2011.

Christian Marsh,

Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2011–22465 Filed 8–31–11; 8:45 am]

BILLING CODE 3510-DS-P

¹ In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests to extend that five-day deadline based upon a showing of good cause.

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 furfuryl alcohol 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 consideration, the deadline for responses is October 3, 2011. Comments on the adequacy of responses may be filed with the Commission by November 10, 2011. 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), as most recently amended at 74 FR 2847 (January 16, 2009).

DATES: *Effective Date:* September 1, 2011.

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 June 21, 1995, the Department of Commerce (“Commerce”) issued an antidumping duty order on imports of furfuryl alcohol from China (60 FR 32302). Following first five-year reviews by Commerce and the Commission, effective May 4, 2001, Commerce issued a continuation of the antidumping duty order on imports of furfuryl alcohol from China (66 FR

22519). Following second five-year reviews by Commerce and the Commission, effective October 6, 2006, Commerce issued a continuation of the antidumping duty order on imports of furfuryl alcohol from China (71 FR 59072). The Commission is now conducting a third 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, its full first five-year review determination, and its expedited second five-year review determination, the Commission defined the *Domestic Like Product* as furfuryl alcohol, coextensive 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, its full first five-year review determination, and its expedited second five-year review determination, the Commission defined the *Domestic Industry* as all producers of furfuryl alcohol, including toll-producers, captive producers, and merchant market producers. Specifically, in its original determination, the Commission defined the *Domestic Industry* as QO Chemicals, generally known as Great Lakes, an integrated producer of furfuryl alcohol. Although the Commission found Advanced Resin Systems, Inc. (“ARS”) to be a domestic producer of furfuryl alcohol in the original determination, it excluded ARS from the domestic industry as a related party. In its full first five-year review determination, the Commission defined the *Domestic Industry* to include Penn Chemicals,

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–703; Third Review]

Furfuryl Alcohol From China; Institution of a Five-Year Review Concerning the Antidumping Duty Order on Furfuryl Alcohol From China

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted a review

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. 11–5–258, expiration date June 30, 2014. Public reporting burden for the request is estimated to average 15 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.

Ferro Industries, and Great Lakes. In its expedited second five-year review determination, the Commission found Penn Chemicals to be the sole producer of furfuryl alcohol and, therefore, defined the *Domestic Industry* to be Penn Chemicals.

(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 advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation. The Commission's designated agency ethics official has advised that a five-year review is not considered the "same particular matter" as the corresponding underlying original investigation for purposes of 18 U.S.C. § 207, the post employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR § 201.15(b)), 73 FR 24609 (May 5, 2008). This advice was developed in consultation with the Office of Government Ethics. Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR § 201.15, even if the corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter, 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 October 3, 2011. 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 November 10, 2011. 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) 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 2005.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and e-mail address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) 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 2010, except as noted (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) Capacity (quantity) of your firm to produce the *Domestic Like Product* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

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

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

(e) The value of (i) Net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) 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 2010 (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*.

(11) 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 2010 (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;

(b) Capacity (quantity) of your firm to produce the *Subject Merchandise* in the *Subject Country* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) 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.

(12) 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 2005, 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.

(13) (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.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011-22272 Filed 8-31-11; 8:45 am]

BILLING CODE 7020-02-P

“Final Results of Review” section of this notice.

DATES: *Effective Date:* December 19, 2011.

FOR FURTHER INFORMATION CONTACT: Jennifer Moats, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–5047.

SUPPLEMENTARY INFORMATION:

Background

On June 1, 2011, the Department initiated the third sunset review of the antidumping duty order on furfuryl alcohol from the PRC, pursuant to section 751(c) of the Act and 19 CFR 351.218(c)(2).¹ The Department received a notice of intent to participate from Penn A Kem LLC (“the domestic interested party”) within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested party claimed interested party status under section 771(9)(C) of the Act, as a manufacturer of a domestic like product in the United States.

We received a complete substantive response from the domestic interested party within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no responses from respondent interested parties. As a result, the Department conducted an expedited sunset review of the *Order*, pursuant to 19 CFR 351.218(e)(1).

Scope of the Order

The merchandise covered by the order is furfuryl alcohol (C₄H₃OCH₂OH). Furfuryl alcohol is a primary alcohol, and is colorless or pale yellow in appearance. It is used in the manufacture of resins and as a wetting agent and solvent for coating resins, nitrocellulose, cellulose acetate, and other soluble dyes.

The product subject to the order is classifiable under subheading 2932.13.00 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the “Issues and Decision Memorandum for the Final Results of

¹ See *Initiation of Five-Year (“Sunset”) Review*, 76 FR 54430 (September 1, 2011); see also *Notice of Antidumping Duty Order: Furfuryl Alcohol From the People’s Republic of China (“PRC”)*, 60 FR 32302 (June 21, 1995) (“*Order*”).

the Expedited Third Sunset Review of the Antidumping Duty Order on Furfuryl Alcohol from the People’s Republic of China” (“Decision Memorandum”) from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, dated concurrently with and hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the order was to be revoked. Parties may find a complete discussion of all issues raised in the review and the corresponding recommendations in this public memorandum which is on file electronically via Import Administration’s Antidumping and Countervailing Duty Centralized Electronic Services System (“IA ACCESS”). Access to IA ACCESS is available in the Central Records Unit Room 7046 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be access directly on the Web at <http://ia.ita.doc.gov/frn>. The signed Decision Memorandum and the electronic versions of the Decision Memorandum are identical in content.

Final Results of Review

We determine that revocation of the *Order* would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/exporters/ producers	Weighted- average margin (percent)
Qingdao Chemicals & Medicines & Health Products Import & Export Company	50.43
Sinochem Shandong Import and Export Company	43.54
PRC-Wide Entity	45.27

Notice Regarding Administrative Protective Order (“APO”)

This notice also serves as the only reminder to parties subject to APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return of 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.

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–835]

Furfuryl Alcohol From the People’s Republic of China: Final Results of Expedited Third Sunset Review of the Antidumping Duty Order

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

SUMMARY: On September 1, 2011, the Department of Commerce (“Department”) initiated the third five-year (“sunset”) review of the antidumping duty order on furfuryl alcohol from the People’s Republic of China (“PRC”) pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). On the basis of a notice of intent to participate, and an adequate substantive response filed on behalf of the domestic interested party, as well as a lack of response from respondent interested parties, the Department conducted an expedited sunset review of the antidumping duty order, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1). As a result of the sunset review, the Department finds that revocation of the antidumping duty order on furfuryl alcohol from the PRC would be likely to lead to continuation or recurrence of dumping at the levels indicated in the

This sunset review and notice are in accordance with sections 751(c), 752, and 771(i)(1) of the Act.

Dated: December 12, 2011.

Paul Piquado,

Assistant Secretary for Import Administration.

[FR Doc. 2011-32442 Filed 12-16-11; 8:45 am]

BILLING CODE 3510-DS-P

**INTERNATIONAL TRADE
COMMISSION**

**[Investigation No. 731–TA–703 (Third
Review)]**

**Furfuryl Alcohol From China;
Scheduling of an Expedited Five-Year
Review**

AGENCY: United States International
Trade Commission.

ACTION: Notice.

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 furfuryl alcohol 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).

DATES: *Effective Date:* December 5, 2011.

FOR FURTHER INFORMATION CONTACT: Cynthia Trainor (202) 205–3354, 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 December 5, 2011, the Commission determined that the domestic interested party group response to its notice of institution (76 FR 54493, September 1, 2011) 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,

¹ A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be

the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.

Staff report.—A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on January 4, 2012, 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,² 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 January 9, 2012 and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by January 9, 2012. However, should the Department of Commerce extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce's final results is 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. Please consult the Commission's rules, as amended, 76 Fed. Reg. 61937 (Oct. 6, 2011) and the Commission's Handbook on Filing Procedures, 76 FR 62092 (Oct. 6, 2011), available on the Commission's Web site at <http://edis.usitc.gov>.

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

available from the Office of the Secretary and at the Commission's Web site.

² The Commission has found the responses submitted by domestic producer Penn A Kem LLC to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: December 14, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011–32524 Filed 12–19–11; 8:45 am]

BILLING CODE 7020–02–P

APPENDIX B
STATEMENT ON ADEQUACY

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Furfuryl Alcohol from China
Inv. No. 731-TA-703 (Third Review)

On December 5, 2011, 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).

The Commission received one submission to its notice of institution. The response was filed by Penn A. Kem LLC, the sole U.S. producer of furfuryl alcohol. The Commission found the individual response to be adequate, and determined that because the responding producer accounted for a substantial percentage of U.S. production, the domestic interested party group response was adequate.

The Commission received no response from any respondent interested party, and therefore determined that the respondent group response was inadequate. In the absence of an adequate respondent interested party group response or any other circumstances warranting 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 website. (www.usitc.gov).

APPENDIX C

TRADE, EMPLOYMENT, AND FINANCIAL DATA

Table C-1
Furfuryl alcohol: U.S. producers' trade, employment, and financial data, 1992-94, 1996-2000, and 2005

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Table C-2
Furfuryl alcohol: Trade, employment, and financial data, 2010

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APPENDIX D
IMPORT DATA

Table D-1

Furfuryl alcohol: U.S. imports, based on a combination of questionnaire data and official Commerce statistics, by source, 1992-2005.

* * * * *

Table D-2

Furfuryl alcohol: U.S. imports, based on official Commerce statistics, by source, 1992-2005

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<i>Quantity (1,000 pounds)</i>														
China	0	628	6,909	0	144	355	802	701	1,976	390	628	532	0	0
Thailand	84	389	2,537	335	0	0	645	3,146	4,023	1,585	2,616	1,935	4,395	2,667
Subtotal	84	1,016	9,447	335	144	355	1,447	3,848	5,999	1,974	3,243	2,467	4,395	2,667
Other ¹	15	5,684	1,153	4,155	8,341	5,018	14,874	24,111	15,484	16,790	8,330	13,093	16,393	30,761
Total	100	6,700	10,600	4,490	8,485	5,373	16,320	27,958	21,483	18,764	11,574	15,559	20,789	33,428
<i>Landed duty-paid value (\$1,000)</i>														
China	0	372	3,490	0	118	286	763	683	1,397	382	562	505	0	0
Thailand	53	244	1,313	215	0	0	430	1,822	2,208	806	1,406	993	2,619	1,925
Subtotal	53	616	4,803	215	118	286	1,193	2,505	3,605	1,188	1,968	1,498	2,619	1,925
Other ¹	53	3,241	1,464	3,375	6,114	2,965	10,499	14,504	8,250	7,798	3,638	5,761	7,345	16,207
Total	106	3,857	6,267	3,591	6,233	3,251	11,692	17,009	11,855	8,986	5,606	7,259	9,964	18,131
<i>Landed duty-paid unit value (dollars per 1,000 pounds)</i>														
China	(²)	0.59	0.51	(²)	0.82	0.80	0.95	0.97	0.71	0.98	0.90	0.95	(²)	(²)
Thailand	0.63	0.63	0.52	0.64	(²)	(²)	0.67	0.58	0.55	0.51	0.54	0.51	0.60	0.72
Subtotal	0.63	0.61	0.51	0.64	0.82	0.80	0.82	0.65	0.60	0.60	0.61	0.61	0.60	0.72
Other ¹	3.45	0.57	1.27	0.81	0.73	0.59	0.71	0.60	0.53	0.46	0.44	0.44	0.45	0.53
Total	1.07	0.58	0.59	0.80	0.73	0.61	0.72	0.61	0.55	0.48	0.48	0.47	0.48	0.54

¹ Primarily Belgium and South Africa.

² Not applicable.

Source: Official Commerce statistics (HTS subheading 2932.13.00).

Table D-3
Furfuryl alcohol: U.S. imports, by sources, 2006-10

Source	Calendar year				
	2006	2007	2008	2009	2010
Quantity (1,000 pounds)					
China	0	59	38	0	16
All others	30,952	22,601	22,254	15,837	29,657
Total imports	30,952	22,660	22,292	15,838	29,673
Value¹ (\$1,000)					
China	0	84	51	4	54
All others	16,685	14,309	14,003	8,402	18,428
Total imports	16,685	14,393	14,054	8,406	18,482
Unit value (dollars per pound)					
China	(²)	\$1.43	\$1.36	\$8.10	\$3.34
All others	0.54	0.63	0.63	0.53	0.62
Total imports	0.54	0.64	0.63	0.53	0.62
Share of quantity (percent)					
China	0.0	0.3	0.2	0.0	0.1
All others	100.0	99.7	99.8	100.0	99.9
Total imports	100.0	100.0	100.0	100.0	100.0
Share of value (percent)					
China	0.0	0.6	0.4	0.0	0.3
All others	100.0	99.4	99.6	100.0	99.7
Total imports	100.0	100.0	100.0	100.0	100.0
<p>Note.--Principal 2010 nonsubject import sources for furfuryl alcohol include South Africa, Belgium, Argentina, and Canada.</p> <p>¹ Landed, duty-paid. ² Not applicable.</p> <p>Source: Compiled from official Commerce statistics (HTS 2932.13.00).</p>					

APPENDIX E
APPARENT CONSUMPTION

Table E-1

Furfuryl alcohol: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, by quantity, 1992-94, 1996-2000, and 2005

* * * * *

Table E-2

Furfuryl alcohol: U.S. apparent consumption and market shares, 2010

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APPENDIX F
DATA FOR THE INDUSTRY IN CHINA

Table F-1
Furfuryl alcohol: China's capacity, production, shipments, and inventories, 1992-94, and 1996-2000

* * * * *

Table F-2
Furfuryl alcohol:¹ China's export shipments, 2000-05 and 2006-10

Item	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Quantity (1,000 pounds)											
Exports: United States ²	2,180	288	644	568	128	110	42	760	177	133	3
All other markets ³	82,504	91,747	90,902	96,411	116,611	166,335	163,417	197,179	212,284	116,803	158,824
Total exports	84,685	92,035	91,546	96,979	116,739	166,445	163,459	197,939	212,460	116,936	158,827

¹ Data from HTS subheading 2932.13 include furfuryl alcohol and THFA.

² U.S. statistics show no imports from China in 2004-05. See official statistics in appendix D tables.

³ Other relatively large export markets for furfuryl alcohol from China include Japan, Korea, and Taiwan.

Source: *Global Trade Atlas*.

