

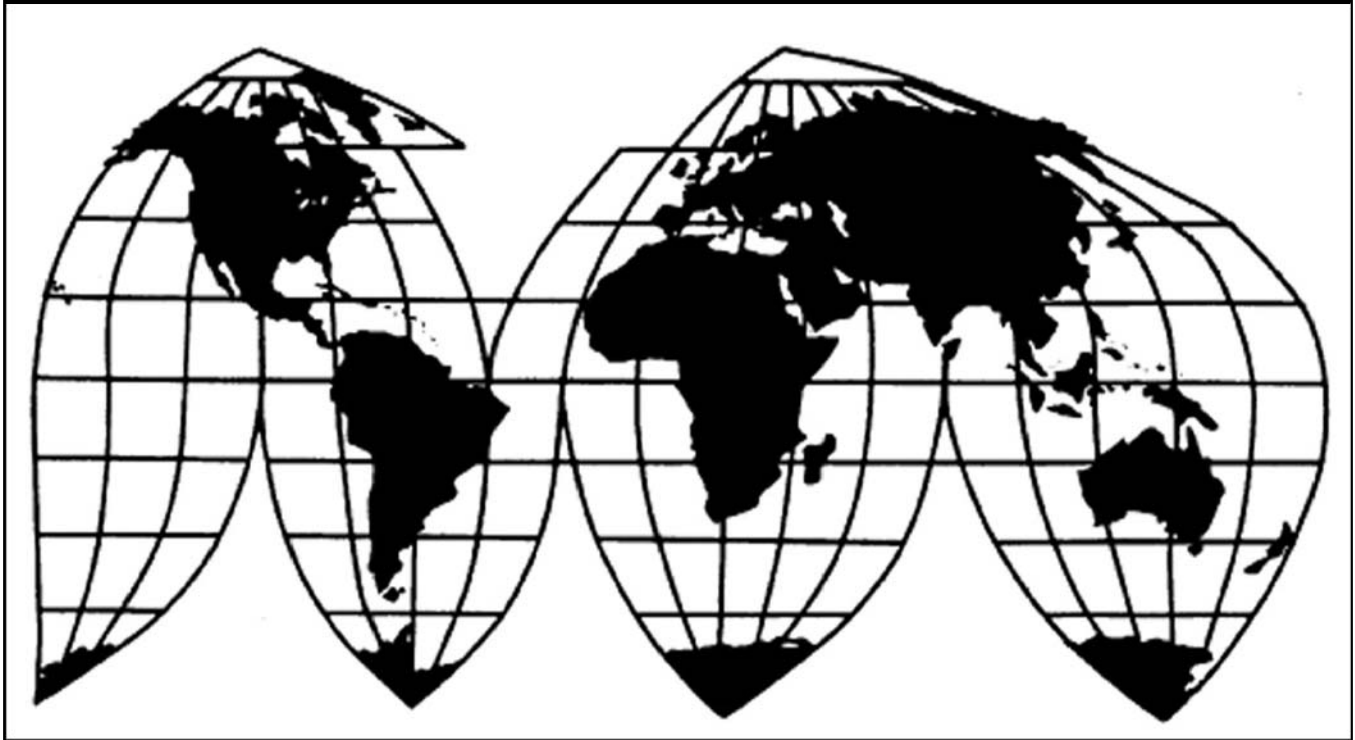
# Refined Brown Aluminum Oxide from China

Investigation No. 731-TA-1022 (Review)

Publication 4063

March 2009

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**Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

# UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1022 (Review)

REFINED BROWN ALUMINUM OXIDE FROM CHINA

## DETERMINATION

On the basis of the record<sup>1</sup> 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 refined brown aluminum oxide 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 October 1, 2008 (73 FR 57149) and determined on January 5, 2009 that it would conduct an expedited review (74 FR 1706, January 13, 2009).

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<sup>1</sup> 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 refined brown aluminum oxide (“BAO”) 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

The original investigation of refined BAO from China was instituted on November 20, 2002, based on a petition filed by Washington Mills Company, Inc. The petition was subsequently amended to add C-E Minerals, Inc. and Treibacher Schleifmittel Corp. as additional petitioners.<sup>1</sup> In November 2003, the Commission determined that an industry in the United States was materially injured by reason of imports of refined BAO from China that the Department of Commerce (“Commerce”) had determined were sold in the United States at less than fair value.<sup>2</sup> Commerce imposed an antidumping duty order on imports of refined BAO from China on November 19, 2003.<sup>3</sup>

The Commission instituted this review on October 1, 2008.<sup>4</sup> The Commission received a joint response to its notice of institution from the following four domestic producers: C-E Minerals, Inc.; Great Lakes Minerals, LLC; Treibacher Schleifmittel North America, Inc.; and Washington Mills Company, Inc. (the “Domestic Parties”). The Commission did not receive any responses from producers or exporters of refined BAO in China or from any U.S. importers of the subject merchandise.

On January 5, 2009, the Commission found the domestic interested party response to the notice of institution to be adequate and the respondent interested party response to be inadequate.<sup>5</sup> The Commission did not find any circumstances that would warrant conducting a full review and determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.<sup>6</sup> Accordingly, for our determination in this review, we rely on the facts available on the record when appropriate, which consist primarily of information from the original investigation and information collected in this five-year review, including that submitted by the Domestic Parties.<sup>7</sup>

### II. DOMESTIC LIKE PRODUCT AND INDUSTRY

#### A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”<sup>8</sup> The Act defines the “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

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<sup>1</sup> Refined Brown Aluminum Oxide from China, Inv. No. 731-TA-1022 (Final), USITC Pub. 3643 (Nov. 2003) at I-1 (“Original Determination”).

<sup>2</sup> Original Determination at 3.

<sup>3</sup> Antidumping Duty Order: Refined Brown Aluminum Oxide From The People’s Republic of China, 68 Fed. Reg. 65249 (Nov. 19, 2003).

<sup>4</sup> Refined Brown Aluminum Oxide From China, 73 Fed. Reg. 57149 (Oct. 1, 2008).

<sup>5</sup> See Explanation of Commission Determination on Adequacy.

<sup>6</sup> Id.; 19 U.S.C. § 1675(c)(3).

<sup>7</sup> See 19 U.S.C. § 1677e(a).

<sup>8</sup> 19 U.S.C. § 1677(4)(A).

under this subtitle.”<sup>9</sup> In five-year reviews, the Commission looks to the domestic like product definition from the original determination and any previous reviews and considers whether the record indicates any reason to revisit that definition.<sup>10</sup>

In its expedited sunset determination, Commerce defined the subject merchandise as:

ground, pulverized or refined brown artificial corundum, also known as brown aluminum oxide or brown fused alumina, in grit size of 3/8 inch or less. Excluded from the scope of the order is crude artificial corundum in which particles with a diameter greater than 3/8 inch constitute at least 50 percent of the total weight of the entire batch. The scope includes brown artificial corundum in which particles with a diameter greater than 3/8 inch constitute less than 50 percent of the total weight of the batch. The merchandise under investigation is currently classifiable under subheadings 2818.10.20.00 and 2818.10.20.90 of the *Harmonized Tariff Schedule of the United States* (HTSUS).<sup>11</sup>

The scope definition set out above is essentially the same as Commerce’s original scope definition.<sup>12</sup>

Refined BAO is a solid inorganic chemical derived from the aluminum oxide in mined bauxites and produced by crushing, grinding, and sieving BAO in ingot or crude form. The product is sold in a range of sizes, generally but not always with a diameter of 3/8 inch or less, to end users and to distributors.<sup>13</sup> Refined BAO is used mainly to make abrasives and refractories (heat-resistant furnace linings).<sup>14</sup>

In its original investigation, the Commission found a single domestic like product consisting of all merchandise corresponding to the scope of the investigation as well as any refined BAO where particles with a diameter greater than 3/8 inch constitute at least 50 percent of the total weight of the entire batch, as long as this product has been crushed, screened, and sorted into consistent sizes.<sup>15</sup> In this review, the Domestic Parties have stated that they agree with the Commission’s definition of the domestic like product in the original investigation.<sup>16</sup> No new information was obtained in this review that would suggest any reason for the Commission to revisit its domestic like product definition in the original investigation. Therefore, we again define the domestic like product to include all merchandise corresponding to the scope of Commerce’s review, as well as any refined BAO where particles with a diameter greater than 3/8 inch constitute at least 50 percent of the total weight of the entire batch, as long as this product has been crushed, screened, and sorted into consistent sizes.

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<sup>9</sup> 19 U.S.C. § 1677(10). See *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>10</sup> See *Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom*, Invs. Nos. 701-TA-380 to 382 and 731-TA-797 to 804 (Review), USITC Pub. 3788 at 6 (July 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

<sup>11</sup> *Refined Brown Aluminum Oxide From the People’s Republic of China: Final Results of Expedited Sunset Review*, 74 Fed. Reg. 4138-4139 (Jan. 23, 2009).

<sup>12</sup> *Antidumping Duty Order: Refined Brown Aluminum Oxide (Otherwise Known as Refined Brown Artificial Corundum or Brown Fused Alumina) From the People’s Republic of China*, 68 Fed. Reg. 65249 (Nov. 19, 2003).

<sup>13</sup> *Original Determination* at 3.

<sup>14</sup> CR at I-11, PR at I-10.

<sup>15</sup> *Original Determination* at 7.

<sup>16</sup> Domestic Parties’ Response to the Notice of Institution (Nov. 20, 2008) at 13.

## **B. Domestic Industry and Related Parties**

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.”<sup>17</sup>

In the original determination, of the six domestic producers of refined BAO, five imported the subject merchandise during the period examined and thus were related parties under the statute. The Commission found that appropriate circumstances existed to exclude one of these producers, Great Lakes Minerals, from the domestic industry. The Commission therefore defined the domestic industry as consisting of all U.S. producers of the domestic like product, with the exception of Great Lakes Minerals.<sup>18</sup>

There are currently six U.S. producers of the domestic like product: C-E Minerals, Detroit Abrasives, Great Lakes Minerals, Treibacher Schleifmittel, U.S. Electrofused Minerals, and Washington Mills.<sup>19</sup> The record indicates that none of the domestic producers imported the subject merchandise or was otherwise a related party during the period of review.<sup>20</sup> In light of our definition of the domestic like product, we find one domestic industry consisting of all domestic producers of refined BAO.

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

For the reasons stated below, we determine that revocation of the antidumping duty order on refined BAO from China would be likely to lead to continuation or recurrence of material injury to the domestic industry producing the domestic like product within a reasonably foreseeable time.

### **A. Legal Standard In a Five-Year Review**

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping 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.”<sup>21</sup> The Uruguay Round Agreements Act (“URAA”), Statement of Administrative Action (“SAA”), states that “under the likelihood standard, the Commission will engage in a counterfactual 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

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<sup>17</sup> 19 U.S.C. § 1677(4)(A).

<sup>18</sup> Original Determination at 9-11.

<sup>19</sup> CR at I-19, PR at I-14-I-15.

<sup>20</sup> CR at I-29-I-30 and I-33, PR at I-21-I-22 and I-24. According to the Domestic Parties, Great Lakes Minerals is no longer an importer and is now a significant producer of refined BAO in the United States. Domestic Parties’ Response to the Commission’s Notice of Institution at 5. The record indicates that in early 2003 the company added capital equipment to increase its crushing and sizing capability and that in late 2006 it expanded its production capacity. CR at I-21, PR at I-16. We note that because the Commission excluded Great Lakes Minerals from the domestic industry as a related party in the original investigation, its data were excluded from the domestic industry’s overall data for 2002. We have not found Great Lakes Minerals to be a related party in this review, and thus its data are included for 2007.

<sup>21</sup> 19 U.S.C. § 1675a(a).

restraining effects on volumes and prices of imports.”<sup>22</sup> Thus, the likelihood standard is prospective in nature.<sup>23</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>24</sup>

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.”<sup>27</sup> 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.”<sup>28</sup>

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 orders are revoked or the suspended investigation is terminated.”<sup>29</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is

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<sup>22</sup> The 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.

<sup>23</sup> 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.

<sup>24</sup> See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), aff’d without opinion, 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int’l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int’l Trade Dec. 20, 2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int’l Trade July 19, 2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>25</sup> For a complete statement of Commissioner 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, Inv. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review) (Remand), USITC Pub. 3754 (Feb. 2005).

<sup>26</sup> Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” but she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue.

<sup>27</sup> 19 U.S.C. § 1675a(a)(5).

<sup>28</sup> 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.*

<sup>29</sup> 19 U.S.C. § 1675a(a)(1).

terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>30 31</sup>

No respondent interested party has participated in this review. The record, therefore, contains limited information with respect to the industry producing refined BAO in China. Accordingly, we rely on the facts available on the record when appropriate, which consist primarily of information from the original investigation and information collected in this five-year review, including that submitted by the Domestic Parties.<sup>32 33</sup>

## **B. Conditions of Competition and the Business Cycle**

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.”<sup>34</sup> The following conditions of competition are relevant to our determination.

*Demand.* In the original investigation, the Commission found that demand for refined BAO declined over the period examined. This decline reportedly was caused by factors such as an overall deterioration in the economy, weak conditions in the refractory and steel industries, and increasing imports of downstream products. The quantity of apparent U.S. consumption fell by \*\*\* percent between 2000 and 2001, by \*\*\* percent between 2001 and 2002, and by \*\*\* percent when comparing the first six months of 2002 (“interim 2002”) with the first six months of 2003 (“interim 2003”).<sup>35</sup>

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<sup>30</sup> 19 U.S.C. § 1675a(a)(1). Commerce did not make any duty absorption findings with respect to the order under review. See Refined Brown Aluminum Oxide From the People’s Republic of China: Final Results of Expedited Sunset Review, 74 Fed. Reg. 4138 (Jan. 23, 2009).

<sup>31</sup> 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.

<sup>32</sup> 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 other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782(i) are applicable only to Commerce. 19 U.S.C. § 1677m(i). See Titanium Metals Corp., 155 F. Supp. 2d at 765 (“[T]he 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 a Commission investigation.”).

<sup>33</sup> Commissioner 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. 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 and the interpretations urged by participating parties, 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.

<sup>34</sup> 19 U.S.C. § 1675a(a)(4).

<sup>35</sup> The Commission recognized that the decline in apparent U.S. consumption may have been overstated due to misclassification of refined and crude BAO and overinclusion of white and pink aluminum oxide in the relevant HTSUS subheading. Original Confidential Views at 17.

The two principal end-use applications for refined BAO are abrasives and refractories.<sup>36</sup> Accordingly, demand for refined BAO is dependent on the demand for abrasives and refractories, which, in turn, is heavily dependent on the manufacturing industries using these products, such as the steel and construction industries.<sup>37</sup> There is some information in the record indicating that demand for refined BAO has been dampened by technological changes affecting the use of both abrasives and refractories.<sup>38</sup> In addition, purchasers of refined BAO are considering using higher priced abrasives instead as prices of the two have converged.<sup>39</sup>

Generally, demand for refined BAO for refractories is reported to have increased in the period following the imposition of the antidumping duty order as a result of rising worldwide steel production and increased demand for steel products in China.<sup>40</sup> Demand for refined BAO used in abrasives is reported to have increased from 2003 to 2005 and to have been stable or declining slightly since 2005.<sup>41</sup> By 2008, overall demand for refined BAO is reported to have suffered as a result of the recessions in the United States and Europe and the slowing of economic growth in China and India.<sup>42</sup> The Domestic Parties maintain that demand for refined BAO will decline sharply in 2009 as a result of upheaval in the metal polishing industry (especially related to automotive production) and a drop in steel production.<sup>43 44</sup>

*Supply.* In the original investigation, the Commission noted several changes in the domestic industry during the period examined (the acquisition by Washington Mills of the refined BAO operations of another domestic producer, Exolon; the cessation of production by 3M; and the beginning of domestic production by C-E Minerals).<sup>45</sup> The Commission also noted sales by the Defense Logistics Agency (“DLA”) of its stockpile of crude aluminum oxide (the raw material used by domestic producers) at low prices in 2001 and 2002. One domestic producer, Washington Mills, purchased this raw material from the DLA stockpile. With the exception of the DLA stockpile sales, all domestic producers of refined BAO obtained their raw material from foreign sources, including China, as there was no domestic production of crude BAO.<sup>46</sup> Finally, the Commission stated in the original investigation that the volume of nonsubject imports declined over the period examined, while recognizing that problems with HTSUS data might have affected the data.<sup>47</sup>

There have been several changes in the structure of the domestic industry since the original investigation. A new domestic producer, U.S. Electrofused Materials, moved into its Aliquippa, PA

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<sup>36</sup> CR at I-11, PR at I-10. In the original investigation the Commission stated that there were three main end-use markets for refined BAO: refractories, abrasives, and industrial. As explained in the staff report for this review, industry publications treat the abrasives and industrial end uses as a single market (the abrasives market), and we have done so also for this review. *Id.* Abrasives account for about 60 percent of worldwide demand for refined BAO, and refractory uses make up most of the remaining 40 percent. CR at I-12, PR at I-10.

<sup>37</sup> CR at I-54, PR at I-40.

<sup>38</sup> CR at I-43 and I-45, PR at I-33-I-34.

<sup>39</sup> CR at I-56, PR at I-43.

<sup>40</sup> CR at I-54, PR at I-40.

<sup>41</sup> CR at I-54, PR at I-40.

<sup>42</sup> CR at I-54, PR at I-40.

<sup>43</sup> Domestic Parties’ Final Comments (Feb. 5, 2009) at 4.

<sup>44</sup> A recent forecast for fused alumina products (fused alumina is a granular material with a high density, low porosity, low permeability, and high refractoriness; and is a product category broader than refined BAO, CR at I-11, PR at I-9) generally indicates that demand may be fairly stable in the short term, but could easily decline slightly over the longer term if manufacturing activity slows further. CR at I-54-I-55, PR at I-40 and I-43.

<sup>45</sup> Original Determination at 12-13.

<sup>46</sup> Original Determination at 13.

<sup>47</sup> Original Determination at 13-14.

facility in mid-2002 and was active during the review period;<sup>48</sup> Washington Mills sold one of its two U.S. production facilities;<sup>49</sup> and Great Lakes Minerals is no longer an importer of the subject merchandise and has increased its production of refined BAO in the United States.<sup>50</sup>

In this review, domestic producers continue to be dependent on foreign sources for crude BAO.<sup>51 52</sup> Another development affecting supply since the original investigation is that Chinese producers of refined BAO have reportedly been constrained by shortages of bauxite feedstock and other production difficulties.<sup>53</sup> The Chinese refined BAO industry, however, remains the largest in the world.<sup>54</sup>

*Substitutability.* In the original investigation, the Commission observed that purchasers characterized price as a very important factor in their purchasing decisions. While quality was the primary consideration for most purchasers, most purchasers reported that the U.S. and Chinese products were comparable in terms of quality and product consistency, as well as in terms of availability, discounts offered, minimum quantity requirements, packaging, product range, reliability of supply, and U.S. transportation costs. Most purchasers ranked the U.S. product as superior to the Chinese product in terms of technical support and service and inferior only in terms of (lowest) price. Overall, U.S. producers, importers, and purchasers reported that refined BAO produced in the United States was generally interchangeable with refined BAO produced in China. The Commission found a moderate to high degree of substitutability between refined BAO from China and the domestic like product.<sup>55</sup> There is no evidence on the record of this expedited review to suggest that these conditions affecting substitutability have changed significantly since the original investigation.

Based on the record evidence, we find that these conditions of competition are not likely to change significantly in the reasonably foreseeable future.

### **C. Likely Volume of Subject Imports**

In evaluating the likely volume of imports of subject merchandise if the antidumping duty order is 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.<sup>56</sup> 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.<sup>57</sup>

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<sup>48</sup> CR/PR at Table D-4 and n.3.

<sup>49</sup> CR at I-18, PR at I-14.

<sup>50</sup> *Id.*

<sup>51</sup> CR at I-20-I-25, PR at I-15-I-19.

<sup>52</sup> DLA stockpiles of crude aluminum oxide were exhausted during the original investigation. CR at I-31, PR at I-22.

<sup>53</sup> CR at I-50, I-60 and I-65, PR at I-39, I-46 and I-50.

<sup>54</sup> CR/PR at Table I-13 and CR at I-49-I-50, PR at I-36 and I-39.

<sup>55</sup> Original Determination at 13.

<sup>56</sup> 19 U.S.C. § 1675a(a)(2).

<sup>57</sup> 19 U.S.C. § 1675a(a)(2)(A)-(D). With regard to the second of these factors, the record in this expedited review does not contain information on inventories of the subject merchandise, or likely increases in inventories. With

(continued...)

In the original investigation subject imports totaled 68,994 short tons in 2000, 80,547 short tons in 2001, and 57,172 short tons in 2002. In interim 2002 and interim 2003, subject imports were 24,259 short tons and 22,073 short tons, respectively. The volume of U.S. shipments of subject imports was 66,046 short tons in 2000, 71,461 short tons in 2001, and 68,864 short tons in 2002. In interim 2002 and interim 2003, U.S. shipments of subject imports were 40,391 short tons and 28,262 short tons, respectively. The market share of subject imports (measured on the basis of U.S. shipments) was high throughout the period examined: \*\*\* percent in 2000, \*\*\* percent in 2001, \*\*\* percent in 2002, \*\*\* in interim 2002, and \*\*\* percent in interim 2003. The ratio of subject import volume to production in the United States was 55.7 percent in 2000, 71.0 percent in 2001, 51.9 percent in 2002, 52.2 percent in interim 2002, and 34.3 percent in interim 2003. Based on these data, the Commission found the volume of the subject imports to be significant, particularly in light of the moderate to high degree of substitutability between subject imports and the domestic product, the importance of price in purchasing decisions, and the prevalence of underselling by substantial margins.<sup>58</sup>

Subject imports declined sharply after the imposition of the antidumping duty order in November 2003, although there was a slight increase in these imports at the end of the review period in 2007. Subject imports were 57,172 short tons in 2002, 13,333 short tons in 2003, 3,093 short tons in 2004, 1,011 short tons in 2005, 2,076 short tons in 2006, and 2,922 short tons in 2007.<sup>59</sup> The market share of subject imports followed a similar course. U.S. imports from China accounted for \*\*\* percent of apparent U.S. consumption in 2002, but only 1.7 percent in 2007.<sup>60</sup>

We find that the volume of subject imports would likely be significant if the order was revoked. China had the largest refined BAO industry in the world at the time of the original investigation, and its production capacity has reportedly grown significantly since then. In 2003, worldwide production of brown fused aluminum oxide was slightly more than 1.1 million short tons, with China accounting for about 50 percent of this total.<sup>61</sup> By 2008, worldwide production of brown fused aluminum oxide had grown to an estimated 1.5 million short tons. Although there are no precise data on the record, it appears that China's share of this worldwide production was at least 50 percent, if not significantly more, given China's rapidly expanding production capacity. China's capacity to produce all fused aluminum oxide (including the subject merchandise) grew from 661,380 short tons in 2003 to 1,322,744 short tons in 2007, and its share of total worldwide capacity to produce these products increased from 54.1 percent to 70.6 percent in the same period.<sup>62</sup> We recognize that there is some indication in the record that Chinese producers of refined BAO have been constrained by shortages of bauxite feedstock and other production

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<sup>57</sup> (...continued)

regard to the third of these factors, third country import barriers, the European Union maintained an antidumping duty order on all types of fused alumina from October 1997 until October 2002. CR at I-45, PR at I-34. There is no information in the record as to any current barriers to the importation of the subject merchandise into countries other than the United States.

<sup>58</sup> Original Confidential Views at 20-21.

<sup>59</sup> CR/PR at Table I-8. We note that import data for 2000-02, 2003-04, and 2005-07 are from different sources and that the data for 2003-04 may be overstated by the inclusion of nonsubject refined aluminum oxide. CR/PR at Table I-8.

<sup>60</sup> CR/PR at Table I-11.

<sup>61</sup> CR at I-49, PR at I-39. Original Determination at VII-1.

<sup>62</sup> CR/PR at Table I-13. According to the Domestic Parties, Chinese refined BAO capacity was at least 1.1 million tons in 2007. Domestic Parties' Response to the Commission's Notice of Institution (Nov. 20, 2008) at 9.



difficulties.<sup>63</sup> Nonetheless, it is clear that China's capacity and production have grown over the review period and far surpass U.S. consumption, which was 167,086 short tons in 2007.<sup>64</sup>

The refined BAO industry in China is export oriented. It is by far the world's largest exporter of fused aluminum oxide, with its total exports rising from 740,349 short tons in 2003 to 930,306 short tons in 2007.<sup>65</sup> China's exports exceeded its home market shipments throughout the original period of investigation.<sup>66</sup> Moreover, while China's exports of refined BAO to the United States fell sharply after the imposition of the antidumping duty order in 2003, its overall exports of fused aluminum oxide (crude and refined) to the United States increased over the period of review.<sup>67</sup> If the antidumping duty order on refined BAO were revoked, Chinese producers would have an incentive to shift their exports to the higher-valued and more labor intensive refined product.

For the foregoing reasons, we find that imports of refined BAO from China would likely be significant in the reasonably foreseeable future if the antidumping duty order were revoked.

#### **D. Likely Price Effects of Subject Imports**

In evaluating the likely price effects of subject imports if the antidumping order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>68</sup>

In the original determination, the Commission found that subject imports undersold the domestic like product in 46 of the 56 quarters in which comparisons were possible, with substantial weighted-average margins of underselling. The Commission observed that prices for both the domestic like product and subject imports generally declined over the period examined. It recognized that these declining prices may have been attributable in part to a decline in raw material costs and to weak demand for refined BAO, but found that the decline in prices could not be completely attributed to these other factors. The Commission found that there was significant underselling by the subject imports and that the significant volumes of the subject merchandise depressed prices to a significant degree.<sup>69</sup>

There is no new product-specific information on prices in the U.S. market on the record in this expedited review. As explained above, we find that Chinese producers likely would increase exports to the United States significantly in the reasonably foreseeable future upon revocation of the antidumping duty order. Consequently, as in the original investigation, subject imports would likely undersell the domestic like product to gain market share, as nothing in the record of this review suggests that price does not continue to be an important factor in purchasing decisions. The volume of subject imports at those

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<sup>63</sup> CR at I-50, I-60 and I-65, PR at I-39, I-46 and I-50.

<sup>64</sup> CR/PR at Table I-11.

<sup>65</sup> CR/PR at Table I-12.

<sup>66</sup> China's exports of refined BAO accounted for the following percentages of total Chinese shipments: 65.6 percent in 2000, 62.0 percent in 2001, and 61.6 percent in 2002. CR/PR at Table I-17.

<sup>67</sup> China's exports of fused aluminum oxide to the United States were 174,134 short tons in 2003 and 206,641 short tons in 2007. CR/PR at Table I-18.

<sup>68</sup> 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.

<sup>69</sup> Original Determination at 16.

prices, in turn, would likely have significant depressing or suppressing effects on prices of the domestic like product.

We recognize that there is some evidence in the record that the prices of U.S. imports of Chinese product have risen since the original investigation, and particularly that such prices have recently increased sharply.<sup>70</sup> We are not persuaded by the evidence of these price increases, however, that subject imports would not undersell the domestic product if the order were revoked. An increase in subject import prices is a likely result of the imposition of an antidumping duty order. In addition, in this case, the volume of imports associated with the increasing average unit values has been very small. Moreover, it is only very recently that the prices of exports from China have risen to the levels of U.S. prices,<sup>71</sup> and it is not clear that this would be a lasting development, particularly in light of declining demand for refined BAO and the likely substantial increases in subject imports.

We conclude that, were the order revoked, subject imports from China likely would increase significantly at prices that likely would undersell the domestic like product, and those imports would likely have a significant depressing or suppressing effect on prices for the domestic like product.

### **E. Likely Impact of Subject Imports**

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including, but not limited to 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 industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>72</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.<sup>73</sup> As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the order is revoked.

In the original investigation, the Commission found that most of the domestic industry's performance indicators were weak throughout the period examined and that many worsened over the period. At the same time, subject imports were present in significant volumes and were underselling

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<sup>70</sup> The average unit values of imports of refined BAO from China increased from \$328 per short ton in 2003 to \$475 per short ton in 2007. CR/PR at Table I-8 (as noted above, the data for 2003 included non-subject refined aluminum oxide). For the January-October 2008 period, the average unit value of such imports was \$829 per short ton. CR/PR at Table I-9. The prices of Chinese exports of refined BAO to Europe also rose sharply beginning approximately in mid-2007. CR/PR at Figure I-1. Rising prices of Chinese exports since mid-2007 may have been partly attributable to an agreement among large Chinese producers to raise prices. CR at I-62, PR at I-47.

<sup>71</sup> See CR/PR at Figure I-1.

<sup>72</sup> 19 U.S.C. § 1675a(a)(4).

<sup>73</sup> 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" 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 expedited its determination in its review of refined BAO from China and found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the following margins: 135.18 percent for Zibo Jinyu Abrasive Co. Ltd., and 135.18 percent for the PRC-wide rate. Refined Brown Aluminum Oxide From the People's Republic of China: Final Results of Expedited Sunset Review, 74 Fed. Reg. 4138, 4139 (Jan. 23, 2009).

domestic producers by significant margins. The Commission recognized that there were substantial variations in the financial results of domestic producers, but concluded that the weak results of one producer in particular (\*\*\*) were due in significant part to subject imports. The Commission also recognized that declining demand for refined BAO played a role in the domestic industry's worsening performance, but concluded that the decline in demand did not detract from the fact that the significant underselling by subject imports, which were present in large volumes and at an increasing market share during the period, had a significant adverse impact on the domestic industry.<sup>74</sup>

In this expedited five-year review, we note that there is only limited information on the record concerning the condition of the domestic industry. This information is for only one year of the period of review and pertains to only some of the indicia of the domestic industry's performance.<sup>75</sup> This limited information does not permit us to determine whether the domestic industry is vulnerable to the continuation or recurrence of material injury if the antidumping duty order were to be revoked.

We find that the domestic industry has experienced some positive effects as a result of the order.<sup>76</sup> U.S. Electrofused Materials moved into its Aliquippa, PA facility in 2002 and operated throughout the period of review,<sup>77</sup> and the industry's capacity,<sup>78</sup> production,<sup>79</sup> capacity utilization,<sup>80</sup> shipments,<sup>81</sup> and net sales<sup>82</sup> were all higher in 2007 than in 2002.<sup>83</sup> There was also a slight improvement in the industry's financial performance.<sup>84</sup>

As discussed above, revocation of the antidumping duty order on refined BAO from China would likely result in a significant increase in subject import volumes, significant subject import underselling, and significant price suppression or depression. We find that the intensified subject import competition that would likely occur after revocation of the order would likely have a significant adverse impact on the domestic industry, especially in a period of declining demand. Specifically, the domestic industry would likely lose market share to subject imports, which would adversely impact the industry's production, shipments, sales, revenues, and employment. Declining production, sales and revenues, as well as depressed or suppressed prices for the domestic like product, would adversely impact the domestic

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<sup>74</sup> Original Confidential Views at 25-27.

<sup>75</sup> See CR/PR at Table I-5.

<sup>76</sup> As noted above, the data for the domestic industry's performance in 2002 excluded information pertaining to Great Lakes Minerals, which the Commission excluded from the domestic industry as a related party in the original investigation. Because we have not excluded Great Lakes Minerals from the domestic industry in this review, its information is included in the data for 2007.

<sup>77</sup> CR/PR at Table I-4 and n.3.

<sup>78</sup> The domestic industry's capacity was 250,000 short tons in 2007, as compared with \*\*\* short tons in 2002. CR/PR at Table I-5 and Original Investigation Staff Report at Table C-2.

<sup>79</sup> The domestic industry's production was 159,337 short tons in 2007, as compared with \*\*\* short tons in 2002. CR/PR at Table I-5 and Original Investigation Staff Report at Table C-2.

<sup>80</sup> The domestic industry's capacity utilization was 63.7 percent in 2007, as compared with \*\*\* percent in 2002. CR/PR at Table I-5 and Original Investigation Staff Report at Table C-2.

<sup>81</sup> The quantity of the domestic industry's U.S. shipments was 154,103 short tons in 2007, as compared with \*\*\* short tons in 2002, and the value of those shipments was \$87.0 million in 2007, as compared with \$\*\*\* in 2002. CR/PR at Table I-5 and Original Investigation Staff Report at Table C-2.

<sup>82</sup> The domestic industry had net sales of \$91.5 million in 2007, as compared with \$\*\*\* in 2002. CR/PR at Table I-5 and Original Investigation Staff Report at Table C-2.

<sup>83</sup> Improvements in these indicators can also be observed when comparing data for 2007 with data for 2002 which includes information pertaining to Great Lakes Minerals. See CR/PR at Table I-5.

<sup>84</sup> The domestic industry had an operating loss of \$125,000 in 2007, as compared with an operating loss of \$\*\*\* in 2002. CR/PR at Table I-5 and Original Investigation Staff Report at Table C-2.

industry's profitability, as well as its ability to raise capital and make and maintain necessary capital investments.

Given the likelihood of significant subject import volume and adverse price effects absent the order, we conclude that revocation of the order would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

### **CONCLUSION**

For the foregoing reasons, we determine that revocation of the antidumping duty order on refined brown aluminum oxide 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.

**INFORMATION OBTAINED IN THE REVIEW**



## INTRODUCTION

On October 1, 2008, in accordance with section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> 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 refined brown aluminum oxide (“RBAO”) from China would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.<sup>2 3</sup> On January 5, 2009, the Commission determined that the domestic interested party group response to its notice of institution was adequate<sup>4</sup> and that the respondent interested party group response was inadequate.<sup>5</sup> In the absence of respondent interested party responses and any other circumstances that would warrant the conduct of a full review, the Commission determined to conduct an expedited review of the antidumping duty order pursuant to section 751(c)(3) of the Act (19 U.S.C. § 1675(c)(3)).<sup>6</sup> The Commission voted on this review on February 19, 2009, and notified Commerce of its determination on March 2, 2009. The following tabulation presents selected information relating to the schedule of this five-year review.<sup>7</sup>

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> 73 FR 57149, October 1, 2008. 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.

<sup>3</sup> 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. 73 FR 57055, October 1, 2008.

<sup>4</sup> The Commission received one submission from domestic producers C-E Minerals, Inc. (“C-E Minerals”); Great Lakes Minerals, LLC (“Great Lakes Minerals”); Treibacher Schleifmittel North America, Inc. (“Treibacher Schleifmittel”); and Washington Mills Company, Inc. (“Washington Mills”)(collectively referred to herein as “domestic interested parties”) in response to its notice of institution for the subject review. The domestic interested parties are represented by the law firm of Schagrin Associates. The domestic interested parties reported that together they accounted for 80 percent of total U.S. production of RBAO in 2007. *Response* of domestic interested parties, November 20, 2008, p. 12.

<sup>5</sup> The Commission did not receive a response from any respondent interested parties to its notice of institution; however, an entry of appearance in the review was filed by the law firm of Fischer Fox Global PLLC on behalf of Saint-Gobain Abrasives (“Saint-Gobain”) and Allied Mineral Products, Inc. (“Allied Mineral”), importers of the subject merchandise from China.

<sup>6</sup> 74 FR 1706, January 13, 2009. The Commission’s notice of an expedited review appears in app. A. The Commission’s statement on adequacy is presented in app. B.

<sup>7</sup> Cited *Federal Register* notices beginning with the Commission’s institution of a five-year sunset review are presented in app. A.

<b>Effective date</b>	<b>Action</b>	<b>Federal Register citation</b>
October 1, 2008	Commission's institution of five-year review	73 FR 57149 October 1, 2008
October 1, 2008	Commerce's initiation of five-year review	73 FR 57055 October 1, 2008
January 5, 2009	Commission's determination to conduct an expedited five-year review	74 FR 1706 January 13, 2009
January 23, 2009	Commerce's final determination in its expedited five-year review	74 FR 4138 January 23, 2009
February 19, 2009	Date of the Commission's vote	Not applicable
March 2, 2009	Commission's determination transmitted to Commerce	Not applicable

### **The Original Investigation**

On November 20, 2002, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured and threatened with further material injury by reason of less-than-fair-value ("LTFV") imports of RBAO from China.<sup>8</sup> On September 26, 2003, Commerce made an affirmative final LTFV determination<sup>9</sup> and, on November 10, 2003, the Commission completed its original investigation, determining that an industry in the United States was materially injured by reason of LTFV imports of RBAO from China.<sup>10</sup> After receipt of the Commission's final affirmative determination, Commerce issued an antidumping duty order on imports of RBAO from China.<sup>11</sup>

### **Commerce's Original Determination and Subsequent Review Determinations**

Commerce's original determination was published on September 26, 2003, and the antidumping duty order concerning RBAO from China was issued on November 19, 2003. Commerce is currently conducting an administrative review of the subject merchandise from China for the 2006-07 period and has published its preliminary results; however, the final results of Commerce's administrative review are

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<sup>8</sup> The petition was filed by Washington Mills, North Grafton, MA. On November 27, 2002, the petition was amended to include two additional petitioners, C-E Minerals, King of Prussia, PA, and Treibacher Schleifmittel, Niagara Falls, NY. *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. I-1. On March 14, 2003, the petitioners further alleged that critical circumstances existed with respect to imports of RBAO from China. 68 FR 23966, May 6, 2003.

<sup>9</sup> Commerce further found that critical circumstances existed with respect to subject imports from China. Commerce's determination was company specific only as it applied to Chinese producer/exporter Zibo Jinyu Abrasive Co., Ltd.; otherwise, Commerce applied adverse facts available for all other Chinese producers/exporters as an adverse inference that critical circumstances were applicable for companies that refused to cooperate with its request for information. 68 FR 55589, September 26, 2003.

<sup>10</sup> The Commission found that critical circumstances did not exist with respect to imports of the subject merchandise from China. 68 FR 64369, November 13, 2003; *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. 1.

<sup>11</sup> 68 FR 65249, November 19, 2003.



not expected to be released until the end of March 2009.<sup>12</sup> No other administrative reviews have been completed since the issuance of the antidumping duty order. Although there have been three scope rulings concerning the antidumping duty order,<sup>13</sup> there have been no new shipper reviews, no changed circumstances determinations, and no duty absorption findings. The order remains in effect for all manufacturers, producers, and exporters of the subject merchandise.<sup>14</sup>

### Commerce's Final Result of Expedited Five-Year Review

On November 20, 2008, Commerce notified the Commission that it did not receive an adequate substantial response to its notice of initiation from respondent interested parties with respect to RBAO from China and that it would conduct an expedited review of the order. Commerce published the final result of its review based on the facts available on January 23, 2009. Commerce concluded that revocation of the antidumping duty order on RBAO from China would likely lead to continuation or recurrence of dumping at margins determined in its original final determination. Information on Commerce's final determination, antidumping duty order, preliminary administrative review determination, and final results of its expedited five-year review is presented in table I-1.

**Table I-1**

**RBAO: Commerce's final determination, antidumping duty order, and preliminary administrative review determination**

Action	Effective date	Federal Register citation	Period of investigation/ review	Antidumping duty margins	
				Firm-specific	Country-wide <sup>1</sup>
				Percent <i>ad valorem</i>	
Final determination	09/26/2003	68 FR 55589	04/01/2002-09/30/2002	135.18 <sup>2</sup>	135.18
Antidumping duty order	11/19/2003	68 FR 65249	--	135.18 <sup>2</sup>	135.18
Preliminary results of administrative review	12/01/2008	73 FR 72767	11/01/2006-10/31/2007	54.62 <sup>3</sup>	--
Final results of expedited five-year review	01/23/2009	74 FR 4138	--	135.18 <sup>2</sup>	135.18

<sup>1</sup> The country-wide rate applies to all companies that otherwise have not received a "firm-specific" rate.  
<sup>2</sup> Zibo Jinyu Abrasive Co., Ltd.  
<sup>3</sup> Qingdao Shunxingli Abrasives Co. Ltd. Commerce's final results of the administrative review are expected to be issued by the end of March 2009.

Source: Cited *Federal Register* notices.

<sup>12</sup> 73 FR 72767, December 1, 2008.

<sup>13</sup> See the section of this report entitled "Scope" for information concerning Commerce's scope rulings.

<sup>14</sup> *Issues and Decision Memorandum for the Final Results for the Expedited Sunset Review of the Antidumping Duty Order on Refined Brown Aluminum Oxide from the PRC*, from Stephen J. Claeys, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Import Administration, International Trade Administration, Department of Commerce, January 13, 2009, p. 2.

In its final results, Commerce explained that “{i}n determining whether revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping, the Department shall consider (a) the weighted-average dumping margin for the investigation that continued at any level above *de minimis* after the issuance of the order, and (b) imports of the subject merchandise for the period before and after the issuance of the order. . .” With respect to the subject review, Commerce found that “dumping margins have continued to exist at levels above *de minimis* since the issuance of the order, and there have been substantially lower import levels after the imposition of the order when compared to pre-order levels. . .” Therefore, Commerce found that dumping would likely continue or recur if the order were revoked.<sup>15</sup>

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

Qualified U.S. producers of RBAO are eligible to receive disbursements from U.S. Customs and Border Protection (“Customs”) under the Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”), also known as the Byrd Amendment.<sup>16</sup> Certifications were filed with Customs by three claimants (C-E Minerals, Treibacher Schleifmittel, and Washington Mills) with respect to RBAO from China during 2005-07. No other CDSOA claims/disbursements were made with respect to the subject merchandise from China prior to 2005.<sup>17</sup> Table I-2 presents CDSOA claims and disbursements for Federal fiscal years 2005-08.

### **Related Commission Investigations and Reviews**

The Commission has conducted no other related investigations or reviews concerning RBAO.

## **THE PRODUCT**

### **Scope**

In its original antidumping duty order, Commerce defined the subject merchandise as follows: The merchandise covered by this investigation is ground, pulverized or refined brown artificial corundum, also known as refined brown aluminum oxide or brown fused alumina, in grit size of 3/8 inch or less. Excluded from the scope of the investigation is crude artificial corundum in which particles with a diameter greater than 3/8 inch constitute at least 50 percent of the total weight of the entire batch. The scope includes brown artificial corundum in which particles with a diameter greater than 3/8 inch constitute less than 50 percent of the total weight of the batch.<sup>18</sup>

Commerce has received three separate requests for scope rulings since the original antidumping duty order date. The requestors, outcomes, and completion dates of Commerce’s scope rulings are listed in table I-3.

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<sup>15</sup> *Issues and Decision Memorandum for the Final Results for the Expedited Sunset Review of the Antidumping Duty Order on Refined Brown Aluminum Oxide from the PRC*, from Stephen J. Claeys, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Import Administration, International Trade Administration, Department of Commerce, January 13, 2009, pp. 3-4.

<sup>16</sup> 19 CFR 159.64(g).

<sup>17</sup> Customs’ *CDSOA Annual Reports 2003-08*, [http://www.cbp.gov/xp/cgov/trade/priority\\_trade/add\\_cvd/cont\\_dump/](http://www.cbp.gov/xp/cgov/trade/priority_trade/add_cvd/cont_dump/).

<sup>18</sup> 68 FR 65249, November 19, 2003.

**Table I-2**  
**RBAO: CDSOA claims and disbursements, Federal fiscal years 2005-08<sup>1 2</sup>**

Year	Claimant	Share of yearly allocation	Certification amount <sup>3</sup>	Amount disbursed
		Percent	Dollars	
2005	C-E Minerals	24.90	27,939,245.54	47,893.77
	Treibacher Schleifmittel	22.47	25,208,666.00	43,212.98
	Washington Mills	52.63	59,050,482.00	101,225.00
	Total, 2005	100.00	112,198,393.54	192,331.75
2006	C-E Minerals	18.30	29,900,060.00	90,504.54
	Treibacher Schleifmittel	22.92	37,446,347.00	113,346.41
	Washington Mills	58.77	96,007,586.00	290,605.53
	Total, 2006	100.00	163,353,993.00	494,456.48
2007	C-E Minerals	18.42	42,828,996.43	116,873.79
	Treibacher Schleifmittel	22.54	52,400,442.61	142,992.81
	Washington Mills	59.04	137,278,556.00	374,612.25
	Total, 2007	100.00	232,508,005.04 <sup>4</sup>	634,478.85
2008	C-E Minerals	19.16	48,820,171.37	115,213.06
	Treibacher Schleifmittel	23.31	59,400,181.80	140,181.33
	Washington Mills	57.53	146,595,586.00	345,957.93
	Total, 2007	100.00	254,815,939.17	601,352.32

<sup>1</sup> The Federal fiscal year is October 1-September 30.  
<sup>2</sup> No CDSOA claims and disbursements were made with respect to RBAO from China prior to 2005.  
<sup>3</sup> Qualifying expenditures incurred by domestic producers since the issuance of an order.  
<sup>4</sup> Total presented as reported in Annual Report does not add to figures shown.

Source: Customs' CDSOA Annual Reports 2003-08, [http://www.cbp.gov/xp/cgov/trade/priority\\_trade/add\\_cvd/cont\\_dump/](http://www.cbp.gov/xp/cgov/trade/priority_trade/add_cvd/cont_dump/).

**Table I-3**  
**RBAO: Commerce's scope rulings**

Requestor	Scope ruling	Date of completion	Federal Register citation
Cometals Division of Commercial Metals Co.; Wester Mineralien SA (Pty) Ltd.; and Polmineral Sp.zo.o.	Exclusion request granted. Crude brown aluminum oxide, in which particles with a diameter greater than 3/8 inch constitute at least 50 percent of the total weight of the entire batch, that is purchased from China and then refined in a country other than China is outside the scope of the order.	February 3, 2004	70 FR 24533 (May 10, 2005)
Cometals Division of Commercial Metals Co.	Exclusion request granted. Black aluminum oxide is excluded from the scope of the antidumping duty order.	February 7, 2005	70 FR 41374 (July 19, 2005)
3M Co.	Exclusion request denied. Semi-friable aluminum oxide and heat-treated aluminum oxide are within the scope of the antidumping duty order.	October 1, 2008	( <sup>1</sup> )

<sup>1</sup> Commerce's scope ruling has not yet been published in the Federal Register.

Source: Cited *Federal Register* notices and *Issues and Decision Memorandum for the Final Results for the Expedited Sunset Review of the Antidumping Duty Order on Refined Brown Aluminum Oxide from the PRC*, from Stephen J. Claeys, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Import Administration, International Trade Administration, Department of Commerce, January 13, 2009, p. 2.

## U.S. Tariff Treatment

During the original investigation, the subject merchandise was imported under statistical reporting number 2818.10.2000 of the Harmonized Tariff Schedule of the United States (“HTS”). Imports that entered the United States under this provision included not only refined brown aluminum oxide, but also items outside the scope of the investigation (e.g., white and pink refined aluminum oxide).<sup>19</sup> However, beginning in 2005, separate data have been collected on white, pink, and ruby aluminum oxide and on the brown product that is subject to the order. The white, pink, and ruby product is currently imported under HTS statistical reporting number 2818.10.2010 (“white, pink or ruby, containing more than 97.5 percent by weight of aluminum oxide”) and the subject merchandise is currently imported under HTS statistical reporting number 2818.10.2090 (“other”). RBAO, imported under statistical reporting number 2818.10.2090 (“artificial corundum, whether or not chemically defined: in grains, or ground, pulverized or refined, other”), has a normal trade relations tariff rate of 1.3 percent *ad valorem* applicable to imports from China.<sup>20</sup>

## Domestic Like Product and Domestic Industry

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. The domestic industry is the collection of 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, the Commission defined the domestic like product as all merchandise corresponding to the scope of the investigation, as well as any RBAO where particles with a diameter greater than 3/8 inch constitute at least 50 percent of the total weight of the entire batch, as long as this product has been crushed, screened, and sorted into consistent sizes.<sup>21</sup> The Commission defined the domestic industry as all U.S. producers of the domestic like product, as defined above, with the exception of Great Lakes Minerals, which was excluded from the domestic industry as a related party.<sup>22</sup>

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<sup>19</sup> In the original investigation, the Commission reported that other than imports from Canada and possibly Brazil, the imports reported in official import statistics were believed to be predominately, if not totally, white and pink refined product. The data for “other sources” presented in the Commission’s staff report in the original investigation, therefore, included only imports from Canada and Brazil. The staff report further noted that those data were overstated to the extent that white and pink product (in particular from Brazil) were included in the data. *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. I-1, fn. 5.

<sup>20</sup> RBAO imported into the United States has a “free” column 1-special duty rate for eligible goods under the following programs: Generalized System of Preferences, United States-Australia Free Trade Agreement, United States-Bahrain Free Trade Agreement Implementation Act, North American Free Trade Agreement (Canada and Mexico), United States-Chile Free Trade Agreement, Caribbean Basin Economic Recovery Act, United States-Israel Free Trade Area, Andean Trade Preference Act, United States-Jordan Free Trade Area Implementation Act, Dominican Republic-Central America-United States Free Trade Agreement Implementation Act, United States-Morocco Free Trade Agreement Implementation Act, United States-Singapore Free Trade Agreement, and United States-Oman Free Trade Agreement Implementation Act. A 4.1 percent column 2 rate of duty applies to RBAO imported from Cuba and North Korea.

<sup>21</sup> *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. 7.

<sup>22</sup> The Commission reported in the original investigation that there were six domestic producers of RBAO, five of which imported the subject merchandise from China during the period examined and were therefore considered  
(continued...)

The domestic interested parties indicated in their response to the Commission's notice of institution in this review that they agree with the definitions of the domestic like product and domestic industry as set out in the Commission's notice of institution and its final determination in the original investigation.<sup>23</sup> However, they point out that Great Lakes Minerals is no longer an importer but is now a "significant" producer of RBAO in the United States.<sup>24</sup>

### Physical Characteristics and Uses<sup>25</sup>

#### Refined Brown Aluminum Oxide

RBAO (also known as brown fused alumina grain or grits) is a solid inorganic chemical of the formula  $Al_2O_3$ . It is a processed form of aluminum oxide (also referred to as alumina) found in mined bauxites.<sup>26</sup> RBAO is processed from fused alumina, which is a granular material with a high density, low porosity, low permeability, and high refractoriness. In general, fused alumina has a melting point of approximately 2,500 degrees Celsius. Fused alumina (or fused aluminum oxide) is produced in various forms, the most common of which are brown fused alumina ("BFA") and white fused alumina ("WFA").<sup>27</sup>

RBAO is the most common form of fused alumina, accounting for about two-thirds of the global market, whereas the market for the white form is roughly half the size of the brown.<sup>28</sup> In addition, exports of RBAO from China are generally more widely available than the white, pink, and red forms.<sup>29</sup> *Industrial Minerals* described the primary differences in the two forms of fused alumina in very simple terms as follows: "BFA is considered the tougher all-purpose commodity material with a lower specification and, up until now, a lower price. WFA is the specialist for which consumers pay a premium."<sup>30</sup>

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<sup>22</sup> (...continued)

related parties under the statute. However, the Commission excluded only Great Lakes Minerals from the domestic industry. *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, pp. 7 and 10. Further information concerning related party issues is contained in the section of this report entitled "Related Party Issues."

<sup>23</sup> *Response* of domestic interested parties, November 20, 2008, p. 13.

<sup>24</sup> *Response* of domestic interested parties, November 20, 2008, pp. 4-5.

<sup>25</sup> Much of the industry information presented throughout this report is from articles published in *Industrial Minerals*, a London-based publication that is a source of information for the global industrial minerals industry.

<sup>26</sup> *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. I-2.

<sup>27</sup> Backus, Rachel, "Uphill Struggle," *Industrial Minerals*, December 2007, p. 33.

<sup>28</sup> Global annual production estimates for brown and white fused alumina is approximately 1 million short tons and 500,000 short tons, respectively. Tran, Alison, "Alumina: Fused and Abused," *Industrial Minerals*, July 2007, p. 37.

<sup>29</sup> Backus, Rachel, "Uphill Struggle," *Industrial Minerals*, December 2007, p. 33; Tran, Alison, "Alumina: Fused and Abused," *Industrial Minerals*, July 2007, pp. 37-43; Taylor, Lindsey, "Hot Stuff: Tabular Alumina Takes the Heat," *Industrial Minerals*, June 2003, p. 43; and Kendall, Tom, "Fused Alumina: Grinding Out a Living," *Industrial Minerals*, October 2005.

<sup>30</sup> Tran, Alison, "Alumina: Fused and Abused," *Industrial Minerals*, July 2007, p. 37.

There are two main end-use applications for RBAO: abrasives and refractories.<sup>31</sup> RBAO is used in the manufacture of a variety of abrasive products, such as bonded abrasives (e.g., grinding wheels for high tensile materials), coated abrasives (e.g., paper, discs and belts for wood and metalworking), and surface preparation products (e.g., blast media, ceramic deburring tools, and cutting tools to roughen, shape, buff, polish, or finish a workpiece). Referred to as the “workhorse of the abrasives industry,” it is considered the most widely used abrasive. RBAO is also used in various refractory applications, such as the linings of furnaces and ovens. Abrasives account for about 60 percent of the worldwide demand for RBAO, with refractory uses accounting for the bulk of the remaining 40 percent. Other specialty uses for RBAO include pigments, chemical reagents, optical powders, and non-slip flooring and floor tiles.<sup>32</sup>

### **Refined White, Pink, and Ruby Aluminum Oxide**

Refined white, pink, and red (or ruby) aluminum oxides are generally more chemically pure (in terms of aluminum oxide content) than RBAO. The chemical purity of the brown product typically ranges from 93.0 to 97.0 percent pure, whereas the chemical purity of the white product ranges from 99.5 to 99.9 percent. The pink and red forms of the product, which are produced by a very small number of companies, are produced by the addition of chromium oxide to the white fused alumina, which increases the toughness of the finished product. Pink fused alumina, which contains less than two percent chromium oxide with small amounts of titanium oxide, has medium-sized sharp or blocky grains, which make it suitable for precision grinding of hard alloy steels. Red fused alumina, which has a higher chromium oxide content of less than three percent with small quantities of silicon oxide, ferrous oxide, sodium oxide, calcium oxide, and magnesium oxide, has blocky, sharp edged, friable grains and is tougher than pink grades. The higher purity white fused alumina is made from Bayer calcined specialty alumina, whereas the brown fused alumina is produced from a calcined non-metallurgical bauxite feedstock. In addition to differences in purity, other differences in characteristics between RBAO and the pink and white products include hardness and friability.<sup>33</sup>

The more chemically pure refined white and pink aluminum oxides are ordinarily used in separate, specialized abrasive and refractory applications where brown aluminum oxide, because of the higher level of impurities, will not suffice. They ordinarily do not compete in end-use applications because of the premium price commanded by the more pure product. For example, in refractory

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<sup>31</sup> The Commission reported in the original investigation that there were three main end-use markets: refractories, abrasives, and industrial. It also reported that the refractory market was the largest end-use market, consisting of comparatively fewer customers requiring large quantities of relatively coarser RBAO. However, the Commission’s staff report in the original investigation divided the end use markets for abrasives into the bonded/coated market and the industrial market. In agreement with industry publications, these two end-use markets have been combined for purposes of the discussion in this report. *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. II-1.

<sup>32</sup> *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. I-2; Kendall, Tom, “Fused Alumina: Grinding Out a Living,” *Industrial Minerals*, October 2005; O’Driscoll, Mike, “Basics of Abrasives, Part 1: Types and Manufacture,” *Industrial Minerals*, January 2007, pp. 37-38; Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38; and “Synthetic Alumina Steels Show,” *Industrial Minerals*, March 2008, pp. 39-45.

<sup>33</sup> *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. I-3, and Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38.

applications, RBAO tends to compete more with calcined clays and calcined bauxite, whereas the refined white fused alumina competes more with tabular alumina.<sup>34</sup>

## Micro Powders

Micro powders (or microgrits) are fine-milled grades of fused alumina,<sup>35</sup> which are used in a wide range of abrasive applications in the industrial and electronic industries where fine surface finishing and polishing is required. Prices of these micro powders are reportedly nearly three to five times higher than fused alumina in traditional grit sizes, typically well exceeding \$1,000 per short ton. Estimates generally suggest that micro powders account for less than ten percent of the overall global alumina abrasives market but that the demand for the fine milled grades is growing ahead of that for traditional grit sizes. The reported growth in micro powders and the substantially higher prices that the fine-milled grades demand has attracted new capacity worldwide with the installation of micronising lines in processing facilities.<sup>36</sup>

## Manufacturing Process<sup>37</sup>

Production of RBAO uses bauxite ores which have been oven dried at high heat (calcined) to drive off both free moisture and chemically combined water. The calcined bauxite is then heated (or fused) to its melting point (about 2100 degrees Fahrenheit) in an electric arc furnace.<sup>38</sup> The varying amounts of impurities, such as iron oxide, silica, and titania, are removed in the electric arc furnace by melting the calcined bauxite with additions of carbon and iron. The carbon reacts with the oxygen in the impurities to form carbon monoxide gas, and the impurities are reduced to their corresponding metals, which, being heavier than aluminum oxide, settle to the bottom of the melt. The addition of iron to the melt results in the formation of iron salts (e.g., ferrosilicates) which also settle to the bottom. The brown aluminum oxide ingot is cooled and removed from the vessel. The impurities are removed from the bottom of the ingot, and the brown aluminum oxide is then refined (crushed, ground, and screened) into specific particle sizes. In general, the more uniform in size, the more expensive and difficult it is to manufacture.<sup>39</sup> The sized material is then packaged for shipping to end users and distributors. RBAO is

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<sup>34</sup> Backus, Rachel, "Uphill Struggle," *Industrial Minerals*, December 2007, pp. 32-38, and Tran, Alison, "Alumina: Fused and Abused," *Industrial Minerals*, July 2007, pp. 37-43.

<sup>35</sup> One fused alumina processor with facilities in Germany, Poland, and South Africa reported standardized grading attained by micro powders at FEPA grain size F1500. "Wester Expands Fused Alumina/SiC Microgrits Capacity," *Industrial Minerals*, December 2004, p. 15.

<sup>36</sup> "Minerals to the Grindstone," *Industrial Minerals*, January 2009, pp. 45-50; "Wester Expands Fused Alumina/SiC Microgrits Capacity," *Industrial Minerals*, December 2004, p. 15; and Kendall, Tom, "Fused Alumina: Grinding Out a Living," *Industrial Minerals*, October 2005.

<sup>37</sup> Unless indicated otherwise, the discussion in this section is based on information contained in *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. I-3.

<sup>38</sup> Producing fused alumina with an electric arc furnace is a very energy intensive process. At the time of the original investigation, none of the U.S. RBAO producers operated an electric arc furnace in the United States. *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. I-3, and Backus, Rachel, "Uphill Struggle," *Industrial Minerals*, December 2007, pp. 32-38.

<sup>39</sup> O'Driscoll, Mike, "Basics of Abrasives, Part 1: Types and Manufacture," *Industrial Minerals*, January 2007, pp. 35-39.

produced in facilities separate from white and pink aluminum oxide because there must be no brown aluminum oxide mixing with the white and pink product.<sup>40</sup>

Traditionally, spent aluminum oxide, including RBAO, is transported to landfills for final disposal. However, up to 30 percent of fused aluminum oxide is reportedly recycled back into the manufacturing process in North America. Domestic RBAO producer Washington Mills developed a process that enables it to collect spent aluminum oxide grains and recycle the spent product back into its aluminum oxide furnaces located in Canada. The spent aluminum oxide is blended with new bauxite and the mixture is fed into specially designed furnaces that melt and purify the liquid product. Recycling spent aluminum oxide reportedly has enabled Washington Mills to control overall costs in light of increasing raw materials costs, declining quality of raw material inputs, rising landfill costs, tighter landfill regulations, and higher freight costs.<sup>41</sup>

### **Interchangeability and Customer and Producer Perceptions<sup>42</sup>**

U.S. producers, importers, and purchasers responding to Commission questionnaires in the original investigation agreed that RBAO produced in the United States, China, and other nonsubject countries were interchangeable. They further noted that RBAO is produced to American National Standards Institute (“ANSI”) specifications, with many customers requesting certification of the product. Producers in the United States and China reported in the original investigation that they had certified the RBOA they produced to ANSI standards. The domestic interested parties in this review indicated in their response to the Commission’s notice of institution that the domestic like product and the subject imports from China remain “completely” interchangeable.<sup>43</sup>

Purchasers reported in the original investigation that refined white and pink aluminum oxide is perceived differently than RBAO by both end users and sellers. They further reported that refined white and pink aluminum oxide is ordinarily used in specialized applications where RBAO is not suitable.<sup>44</sup>

### **Channels of Distribution<sup>45</sup>**

In general, RBAO shares the same channels of distribution as refined white and pink aluminum oxide, being sold to distributors and end users. In addition, U.S. producers and importers of RBAO distribute the product through both distributors and end users. During the period examined in the original investigation, U.S. producers sold slightly more of their RBAO to end users, whereas importers generally sold more to distributors. In 2002, U.S. producers shipped 52.4 percent of their product to end users and 47.6 percent to distributors, while importers shipped 37.9 percent to end users and 62.1 percent to distributors.

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<sup>40</sup> Domestic producers Washington Mills and Treibacher Schleifmittel reported in the original investigation that they produced the brown and white products in separate facilities.

<sup>41</sup> McLeod, Don, “Special Section/Resource Management: Success Story: Recycling Spent Aluminum Oxide,” October 1, 2008, found at <http://www.ceramicindustry.com>, and Olson, Donald W., “Abrasives, Manufactured,” *U.S. Geological Survey 2007 Minerals Yearbook*.

<sup>42</sup> Unless indicated otherwise, the discussion in this section is based on information contained in *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. I-3.

<sup>43</sup> *Response* of domestic interested parties, November 20, 2008, p. 10.

<sup>44</sup> *See also* Tran, Alison, “Alumina: Fused and Abused,” *Industrial Minerals*, July 2007, pp. 37-43.

<sup>45</sup> The discussion in this section is based on information from *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, pp. I-4 and II-1.



End users and distributors that responded to the purchaser questionnaire in the original investigation reported that the RBAO they purchased was used in all primary end-use markets; however, the petitioners noted that purchases by refractory and abrasives (bonded/coated) customers tend to be made directly from manufacturers or importers, while general industrial customers (for surface preparation) tend to purchase from distributors.

### Pricing

In the Commission's original investigation, the questionnaire data showed that prices for both domestic and Chinese RBAO generally declined and that prices for RBAO imports from China were lower than domestic prices in most of the quarterly periods examined. The prices reported in the original investigation ranged from \$289 to \$719 per short ton for the domestic products and \$253 to \$833 per short ton for the Chinese products.<sup>46</sup> Historical monthly average price data for January 2003-January 2009 published by *Industrial Minerals* for RBAO indicate that average prices of European and U.S. product have remained relatively stable over the past several years at \$827 to \$882 per short ton, whereas average prices for the Chinese product have increased markedly from an average low of \$358 per short ton in December 2006 to \$959 per short ton in the fourth quarter of 2008, a level noticeably greater than that reported for the European and U.S. product.<sup>47</sup>

In the original investigation, purchasers identified the three major factors considered by their firm in deciding from whom to purchase RBAO. Sixteen of the 21 responding purchasers reported that quality was the most important factor, while price was reported as the second most important factor by 14 purchasers, and availability was reported as the third most important factor by 12 purchasers.<sup>48</sup> The domestic interested parties participating in this review contend that since the U.S. and Chinese RBAO are interchangeable, price remains a very important factor in purchasing decisions. They conclude that “{t}herefore, if the order on RBAO is revoked, Chinese imports will continue to undersell the domestic like product and depress prices.”<sup>49</sup>

With respect to prices for RBAO compared with those for refined white and pink aluminum oxide, questionnaire respondents in the Commission's original investigation reported that RBAO sold for about half the price of the white and pink products.<sup>50</sup> RBAO has a lower level of purity and has typically commanded a much lower price than the white product.<sup>51</sup> *Industrial Minerals* reports that average European prices for white fused alumina have remained relatively stable since January 2005 at \$1,000-

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<sup>46</sup> In making its determination, the Commission relied on data presented in tables D-3 and D-4 for products 2 and 3, which exclude sales by Great Lakes (which the Commission excluded from the domestic industry as a related party). \*\*\*. *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, pp. V-3 - V-5 and tables D-3 and D-4.

<sup>47</sup> Further information concerning price trends and factors affecting the price of RBAO are presented in the section of this report entitled “Prices.”

<sup>48</sup> *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. II-5.

<sup>49</sup> *Response of domestic interested parties*, November 20, 2008, p. 10.

<sup>50</sup> *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. I-4.

<sup>51</sup> Tran, Alison, “Alumina: Fused and Abused,” *Industrial Minerals*, July 2007, pp. 37-43.

1,300 per short ton.<sup>52</sup> However, the price of RBAO has increased markedly since the last half of 2007, narrowing the gap between refined white fused alumina and RBAO prices.<sup>53</sup>

## THE INDUSTRY IN THE UNITED STATES

### U.S. Producers

U.S. industry data collected in the original investigation were based on the questionnaire responses of five domestic producers that accounted for 100 percent of U.S. production of refined brown aluminum oxide during 2002.<sup>54</sup> The five U.S. producers that participated in the original investigation and their shares of total domestic production during 2002 were as follows: C-E Minerals (\*\*\*) percent), Detroit Abrasives (\*\*\*) percent),<sup>55</sup> Great Lakes Minerals (\*\*\*) percent),<sup>56</sup> Treibacher Schleifmittel (\*\*\*) percent), and Washington Mills (\*\*\*) percent).<sup>57</sup>

The domestic interested parties participating in this review of the antidumping duty order concerning U.S. imports of refined brown aluminum oxide from China indicated in their response to the Commission's notice of institution that there have been several "modest" changes to the structure of the domestic industry since the Commission's original investigation. These changes are listed below:

- Constructed at the former LTV Steel Works industrial park in Aliquippa, PA, U.S. Electrofused Minerals, a subsidiary of Brazilian integrated producer ELFUSA, currently produces refined brown aluminum oxide in the United States.
- Washington Mills sold one of its production facilities (i.e., Lakes Wales, FL).
- Great Lakes Minerals, a domestic producer that was excluded from the domestic industry during the Commission's original investigation because it was largely dependent upon imports of the subject merchandise, is no longer an importer and is now a "significant" producer of refined brown aluminum oxide in the United States.<sup>58</sup>

The domestic interested parties reported in their response that there are currently six domestic producers of refined brown aluminum oxide: C-E Minerals; Detroit Abrasives; Great Lakes Minerals;

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<sup>52</sup> "Prices," *Industrial Minerals*, January 2005-January 2009.

<sup>53</sup> Dickson, Ted, "Bauxite Supply in the Red," *Industrial Minerals*, August 2008, pp. 54-59; "Prices," *Industrial Minerals*, January 2005-January 2009.

<sup>54</sup> A sixth domestic firm (i.e., 3M) produced RBAO for its own use at a plant in, St. Paul, MN, using crude product primarily imported from Washington Mills' Canadian operations until June 2002, when it closed the facility. Following the plant's closure, 3M's Coated Abrasives Division entered into a long-term RBAO supply agreement with Washington Mills. *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. III-4.

<sup>55</sup> Detroit Abrasives \*\*\* in the original investigation. *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), p. III-6.

<sup>56</sup> In the preliminary phase of original investigation, Great Lakes Minerals \*\*\*. However, in the final phase of the original investigation, Great Lakes Minerals indicated that it \*\*\*. *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), p. III-4.

<sup>57</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), pp. III-1 - III-7.

<sup>58</sup> *Response of domestic interested parties*, November 20, 2008, pp. 4-5.

Treibacher Schleifmittel; U.S. Electrofused Minerals; and Washington Mills.<sup>59</sup> Details regarding each firm's location(s) and company shares of 2002 and 2007 total domestic production of RBAO are presented in table I-4.

**Table I-4**

**RBAO: U.S. producers, locations, and company shares of 2002 and 2007 total domestic production**

Firm	Location	Share of 2002 reported RBAO production (percent)	Estimated share of 2007 domestic production (percent)
3M	St. Paul, MN	( <sup>1</sup> )	( <sup>1</sup> )
C-E Minerals	Newell, WV	***	***
Detroit Abrasives	Owosso, MI	***	( <sup>2</sup> )
Great Lakes Minerals	Wurtland, KY	***	***
Treibacher Schleifmittel	Niagara Falls, NY	***	***
U.S. Electrofused Minerals	Aliquippa, PA	( <sup>3</sup> )	( <sup>2</sup> )
Washington Mills	North Grafton, MA Niagara Falls, NY Tonawanda, NY	***	***
Total		100.0	80.0

<sup>1</sup> 3M produced RBAO for internal consumption using crude product primarily imported from Washington Mills in Canada until June 2002, when it closed the facility. Following the plant's closure, 3M's Coated Abrasives Division entered into a long-term RBAO supply agreement with Washington Mills.

<sup>2</sup> Not available.

<sup>3</sup> U.S. Electrofused Minerals was not identified as a domestic producer in the original investigation. Press reports indicate that the company moved into its Aliquippa, PA facility in mid-2002.

Source: *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), pp. III-1 - III-7; *Response of domestic interested parties*, November 20, 2008, exh. VII; and "U.S. Electrofused Moves to New Facility," *Ceramic Industry*, August 1, 2002.

## C-E Minerals

C-E Minerals, a sister company of Treibacher Schleifmittel with 100 percent common ownership, is part of the Imerys family of companies, headquartered in Paris, France. C-E Minerals, headquartered in King of Prussia, PA, is a supplier of industrial minerals manufactured and processed at the company's plants in the United States (Georgia, Tennessee, and West Virginia), Venezuela, and China. RBAO is produced by C-E Minerals at its custom sizing and processing plant in Newell, WV. This facility processes not only RBAO, but also bauxite, silicon carbide, and other imported minerals. The company imports and processes a range of Chinese refractory and abrasive raw materials supplied from its joint venture Guizhou Star Minerals located in Xiuwen and Zhanjiang, China.<sup>60</sup> According to proprietary import statistics, C-E Minerals' imports into the United States include \*\*\*.

<sup>59</sup> *Response of domestic interested parties*, November 20, 2008, p. 11.

<sup>60</sup> C-E Minerals company website, found at <http://www.ceminerals.com/>; Backus, Rachel, "Uphill Struggle," *Industrial Minerals*, December 2007, p. 35; "Imerys Bid for UCM Group PLC," *Industrial Minerals*, February 2007; "C-E and Treibacher," *Industrial Minerals*, January 2006, p. 47; and Kendall, Tom, "Fused Alumina: Grinding Out a Living," *Industrial Minerals*, October 2005.

During 2005, C-E Minerals installed a new crushing and screening production system to help address the increased volume of material passing through its facility.<sup>61</sup> During 2007, C-E Minerals reported the capacity to produce RBAO at \*\*\* short tons and production at \*\*\* short tons, resulting in a capacity utilization of \*\*\* percent. Operating income for 2007 reported by C-E Minerals was \*\*\* and commercial sales were \*\*\*; operating income during 2002 was \*\*\* and commercial sales were \*\*\*. C-E Minerals reported an operating \*\*\* in 2007 compared with \*\*\* in 2002.<sup>62</sup>

### **Detroit Abrasives**

Detroit Abrasives, with an RBAO production facility located in Owosso, MI, is a provider of aluminum oxide media for use in sandblasting and honing applications. In addition to RBAO, the company's product offerings include white, pink, and ruby fused aluminum oxide, aluminum zirconia, and black and green silicon carbide. The company crushes and sieves purchased crude brown aluminum oxide from Canada and China into RBAO as a final product. In 2002, \*\*\*.<sup>63</sup>

### **Great Lakes Minerals**

Great Lakes Minerals was formed in March 1999 as a joint venture owned by Alcoa World Chemicals (\*\*\* percent), PE Materials (\*\*\* percent), and PR Minerals (\*\*\* percent). On May 31, 2003, Alcoa World Chemicals sold \*\*\*. Using material sourced primarily from \*\*\*,<sup>64</sup> Great Lakes Minerals specializes in the processing of industrial minerals for the refractory and abrasives markets. It is one of the leading processors of bauxite and fused aluminas in the United States with a total annual processing capacity of over 165,000 short tons. The company's production facility, located in Wurtland, KY, was designed to \*\*\*. In early 2003, Great Lakes Minerals added capital equipment to increase their crushing and sizing capability so that the company would be better equipped to handle larger sized material. Also, in December 2006, press reports indicate that Great Lakes Minerals completed yet another expansion to increase abrasive fused alumina grit annual capacity. In 2002, \*\*\*. In 2005, the company's total sales to the refractories industry in the United States accounted for 80 percent of material produced, with 20 percent of material used for abrasive applications.<sup>65</sup>

During 2007, Great Lakes Minerals reported the capacity to produce RBAO at \*\*\* short tons and production at \*\*\* short tons, resulting in a capacity utilization of \*\*\* percent. Operating income for 2007 reported by Great Lakes Minerals was \*\*\* and commercial sales were \*\*\*; operating income during 2002

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<sup>61</sup> "C-E and Treibacher," *Industrial Minerals*, January 2006, p. 47.

<sup>62</sup> *Response of domestic interested parties*, November 20, 2008, pp. 7 and 9 and exh. VII; and *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), table VI-2.

<sup>63</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), p. III-6; Detroit Abrasive company website, found at <http://detroit-abrasives.com/>. Detroit Abrasive did not provide a response to the Commission's notice of institution in this review; therefore, company-specific proprietary data are not available.

<sup>64</sup> According to proprietary import statistics, Great Lakes Minerals' imports into the United States include \*\*\*.

<sup>65</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), pp. III-4- III-6; Great Lakes Minerals company website, found at <http://www.greatlakesminerals.com/>; "Great Lakes Minerals," *Industrial Minerals*, May 2007, p. 98; and "Great Lakes Minerals," *Industrial Minerals*, August 2005, p. 61.

was \*\*\* and commercial sales were \*\*\*. Great Lakes Minerals reported an operating \*\*\* in 2007 compared with \*\*\* in 2002.<sup>66</sup>

### **Treibacher Schleifmittel**

Treibacher Schleifmittel was founded in 1898 in the Austrian village Treibach; “schleifmittel” is the German word for abrasives. Treibacher Schleifmittel is a sister company of C-E Minerals and is a wholly owned subsidiary of Imerys, a multinational corporation headquartered in France and a world leader in the refractory and abrasives fields. The Treibacher group of companies, with headquarters in Austria, is reportedly the largest worldwide manufacturer of fused alumina grains for the abrasive and refractory markets, operating plants in Austria, Brazil, China, Czech Republic, Germany, Italy, Slovenia, United States, and Venezuela. Treibacher Schleifmittel’s worldwide annual processing capacity for fused alumina grain products is reportedly more than 300,000 short tons.<sup>67</sup>

The company’s Niagara Falls, NY facility acts as a processing center, grinding, sizing, and treating imported fused aluminas, including RBAO. Material from the company’s worldwide fusion facilities, including its 90-percent owned Chinese fusion plant, Treibacher Schleifmittel Guizhou Co., is exported to the United States where it is processed at the company’s facility in Niagara Falls to make high value products. According to proprietary import statistics, Treibacher Schleifmittel’s imports into the United States include \*\*\*. Additionally, Treibacher Schleifmittel produces white aluminum oxide at its production facility in Andersonville, GA.<sup>68</sup>

The Commission reported in 2002 that \*\*\* percent of the company’s shipments were for the abrasives and polishing/blasting markets and \*\*\* percent were for the refractory market. Press reports indicate that Treibacher Schleifmittel supplies approximately 95 percent of its total output to abrasives markets in 55 countries. A relatively minor amount of the company’s total output supplies the refractories, ceramics, sand blasting, and surface protection markets. Most of these shipments are made directly to the customers rather than through distributors or traders.<sup>69</sup>

During 2007, Treibacher Schleifmittel reported the capacity to produce RBAO at \*\*\* short tons and production at \*\*\* short tons, resulting in a capacity utilization of \*\*\* percent. Operating income for 2007 reported by Treibacher Schleifmittel was \*\*\* and commercial sales were \*\*\*; operating income

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<sup>66</sup> *Response of domestic interested parties*, November 20, 2008, pp. 7 and 9 and exh. VII; and *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), table VI-2.

<sup>67</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), p. III-3; Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38; “Imerys Expands Portfolio,” *Industrial Minerals*, July 2007; “Imerys Bid for UCM Group PLC,” *Industrial Minerals*, February 2007; Moore, Paul, “The Cutting Edge,” *Industrial Minerals*, May 2006, pp. 41-45; “C-E and Treibacher,” *Industrial Minerals*, January 2006, p. 47; “World BFA Production Summary (Ex-China),” *Industrial Minerals*, May 2005, p. 47; “Corundum Conundrum,” *Industrial Minerals*, October 2003, pp. 30-39; “Treibacher Acquires Brazilian Fused Alumina Operation,” *Industrial Minerals*, November 2002, p. 17; Crossley, Penny, “Abrasive Bauxite: Giving Proppants the Nod,” *Industrial Minerals*, July 2002; Kendall, Tom, “Fused Alumina: Grinding Out a Living,” *Industrial Minerals*, October 2005.

<sup>68</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), p. III-3; “World BFA Production Summary (Ex-China),” *Industrial Minerals*, May 2005, p. 47; Crossley, Penny, “Abrasive Bauxite: Giving Proppants the Nod,” *Industrial Minerals*, July 2002; Kendall, Tom, “Fused Alumina: Grinding Out a Living,” *Industrial Minerals*, October 2005.

<sup>69</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), p. III-3; Moore, Paul, “The Cutting Edge,” *Industrial Minerals*, May 2006, pp. 41-45; “Corundum Conundrum,” *Industrial Minerals*, October 2003, pp. 30-39.

during 2002 was \*\*\* and commercial sales were \*\*\*. Treibacher Schleifmittel reported an operating \*\*\* in 2007 compared with \*\*\* in 2002.<sup>70</sup>

### **U.S. Electrofused Minerals**

U.S. Electrofused Minerals was not identified as a domestic producer in the original investigation but was identified as a domestic producer of RBAO by domestic interested parties participating in this review. In their response to the Commission's notice of institution, the domestic interested parties reported that U.S. Electrofused Minerals, a subsidiary of Brazilian integrated producer Elfusa Geral de Eletrofusao Ltda., has completed construction of its plant in Aliquippa, PA, where it produces RBAO.<sup>71</sup> Press reports indicate that the company moved into its Aliquippa, PA facility in mid-2002.<sup>72</sup> According to the company's website, U.S. Electrofused Minerals is "a world-class supplier" of aluminum oxides, spinel, mullite, alumina zirconia, and silicon carbide. Its products are processed from bauxite mined and manufactured by its parent company in Brazil, Elfusa, one of the largest manufacturers of fused oxides in the Southern Hemisphere with an annual capacity to produce over 130,000 short tons of fused oxides. Primary markets for the company's products are the abrasive, refractory, blasting, chemical, and non-skid industries.<sup>73</sup>

### **Washington Mills**

Washington Mills, headquartered in North Grafton, MA, produces a wide range of artificial abrasives, including aluminum oxide abrasives, at facilities located in Tonawanda, NY, Niagara Falls, NY, and North Grafton, MA.<sup>74</sup> The company also has aluminum oxide production facilities located in Canada and the United Kingdom. On its website, Washington Mills describes itself as follows: "One of the world's largest producers of abrasives and fused mineral products, offering an exceptionally wide line of standard abrasive grain and specialty electro-fused minerals from its worldwide multi-plant locations."<sup>75</sup>

The only producer of aluminum oxide with fusion capacity in North America, Washington Mills has an annual fusion capacity to produce more than 120,000 short tons of crude fused alumina at its fusion facilities in Canada. In its Canadian facilities, Washington Mills produces crude aluminum oxide from bauxite in electric arc furnaces, performs coarse crushing, and then ships this output to its processing plants in the United States where it further crushes, grinds, and sieves the product, and ultimately packs

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<sup>70</sup> Response of domestic interested parties, November 20, 2008, pp. 7 at fn. 20 and 9 at fn. 26 and exh. VII; and Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final), October 9, 2003 (INV-AA-154), table VI-2.

<sup>71</sup> Response of domestic interested parties, November 20, 2008, p. 4.

<sup>72</sup> "U.S. Electrofused Moves to New Facility," *Ceramic Industry*, August 1, 2002.

<sup>73</sup> U.S. Electrofused Minerals company website, found at <http://usminerals.com/>.

<sup>74</sup> In 2002, \*\*\*.

<sup>75</sup> Washington Mills company website, found at <http://www.washingtonmills.com/>; Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final), October 9, 2003 (INV-AA-154), pp. III-1 - III-3; Backus, Rachel, "Uphill Struggle," *Industrial Minerals*, December 2007, pp. 32-38; "World BFA Production Summary (Ex-China)," *Industrial Minerals*, May 2005, p. 47; and Kendall, Tom, "Fused Alumina: Grinding Out a Living," *Industrial Minerals*, October 2005.

the product for sale to its customers.<sup>76</sup> According to proprietary import statistics, in addition to crude product from Canada, Washington Mills imports crude aluminum oxide from \*\*\*.

Since the antidumping duty order went into effect, Washington Mills has undergone several structural changes in its business. These changes are listed below:

- From 2002 to 2004, Washington Mills sold its production facilities located in Lakes Wales, FL, and Thorold, Ontario, Canada.<sup>77</sup>
- In 2004, Washington Mills added to its capacity with the complete acquisition of Orkla Exolon in Norway.<sup>78</sup>
- More recently in 2006, Washington Mills completed the construction of a state-of-the-art microgrit processing plant at Orkla Exolon in Norway. Equipped with the latest equipment and technology, the new plant has the advanced capability to produce high quality micro grits and sub-micron powders.<sup>79</sup>

During 2007, Washington Mills reported the capacity to produce RBAO in its U.S. facilities at \*\*\* short tons and production at \*\*\* short tons, resulting in a capacity utilization of \*\*\* percent. Washington Mills explained that its capacity utilization was relatively high during 2007 because it “reduced capacity during the period of review.” Washington Mills reported \*\*\* for 2007, with commercial sales of \*\*\*. Likewise, during 2002 the company reported \*\*\*, with commercial sales of \*\*\*. Washington Mills reported an operating \*\*\* in 2007 compared with an operating \*\*\* in 2002.<sup>80</sup>

### **U.S. Producers’ Trade, Employment, and Financial Data**

Data reported by U.S. producers of RBAO in the Commission’s original investigation and in response to its five-year review institution notice are presented in table I-5. Data presented for the period examined in the final phase of the original investigation were provided by five producers (C-E Minerals, Detroit Abrasives, Great Lakes Minerals,<sup>81</sup> Treibacher Schleifmittel, and Washington Mills) that were believed to have represented 100 percent of the U.S. production of RBAO during 2002. Data presented for 2007 were provided by four producers (C-E Minerals, Great Lakes Minerals, Treibacher Schleifmittel,

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<sup>76</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), pp. III-1 - III-3; Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38; “World BFA Production Summary (Ex-China),” *Industrial Minerals*, May 2005, p. 47; “Corundum Conundrum,” *Industrial Minerals*, October 2003, pp. 30-39; and Kendall, Tom, “Fused Alumina: Grinding Out a Living,” *Industrial Minerals*, October 2005.

<sup>77</sup> *Response of domestic interested parties*, November 20, 2008, p. 4.

<sup>78</sup> Washington Mills company website, found at <http://www.washingtonmills.com/>.

<sup>79</sup> Washington Mills company website, found at <http://www.washingtonmills.com/>.

<sup>80</sup> *Response of domestic interested parties*, November 20, 2008, pp. 7 and 9 and exh. VII; and *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), table VI-2.

<sup>81</sup> The Commission excluded Great Lakes Minerals from the domestic industry in the final phase of the original investigation and, therefore, relied on data presented in table C-2 of the staff report, which excludes all “domestic” data of Great Lakes Minerals, in making its determination. Since the original investigation, however, the company ceased importing the subject merchandise and is no longer an interested party. Therefore, for comparison purposes with data provided by the domestic interested parties in their response to the Commission’s notice of institution in this review for calendar year 2007, the data presented in the body of this staff report for the period examined in the original investigation include the data provided by Great Lakes Minerals. Table C-2 from the Commission’s original staff report (excluding the “domestic” data of Great Lakes Minerals) is provided in appendix C of this report.

**Table I-5**  
**RBAO: U.S. producers' trade, employment, and financial data, 2000-02, January-June 2002, January-June 2003, and 2007<sup>1</sup>**

(Quantity=*short tons*; unit values and unit labor costs=*\$/short ton*)

Item	2000	2001	2002	January-June		2007
				2002	2003	
Capacity	217,400	217,400	246,600	112,900	133,700	250,000
Production	123,918	113,396	110,074	46,468	64,297	159,337
Capacity utilization ( <i>percent</i> )	57.0	52.2	44.6	41.2	48.1	63.7
U.S. shipments: <sup>2</sup>						
Quantity	110,414	96,434	109,808	49,657	59,272	154,103
Value (\$1,000)	51,543	46,506	48,019	22,733	24,796	86,969
Unit value	\$467	\$482	\$437	\$458	\$418	\$564
Exports:						
Quantity	10,939	8,649	8,076	4,158	4,445	( <sup>3</sup> )
Value (\$1,000)	6,083	4,441	4,299	2,243	2,260	4,478
Unit value	\$556	\$513	\$532	\$539	\$508	( <sup>3</sup> )
Total shipments:						
Quantity	121,353	105,083	117,884	53,815	63,717	( <sup>3</sup> )
Value (\$1,000)	57,626	50,947	52,318	24,976	27,056	91,447
Unit value	\$475	\$485	\$444	\$464	\$425	( <sup>3</sup> )
End-of-period inventories	41,923	53,811	47,322	47,245	48,055	( <sup>3</sup> )
Production and related workers ( <i>number</i> )	186	168	168	168	166	( <sup>3</sup> )
Hours worked ( <i>1,000 hours</i> )	388	354	332	162	171	( <sup>3</sup> )
Wages paid (\$1,000)	7,618	6,846	6,187	3,200	3,462	( <sup>3</sup> )
Hourly wages	\$19.63	\$19.34	\$18.64	\$19.75	\$20.25	( <sup>3</sup> )
Productivity ( <i>short tons/1,000 hours</i> )	319.4	320.3	331.5	286.8	376.0	( <sup>3</sup> )
Unit labor costs	\$61.48	\$60.37	\$56.21	\$68.86	\$53.84	( <sup>3</sup> )
Net sales (\$1,000)	57,626	50,947	51,837	24,976	27,056	91,447
Cost of goods sold (\$1,000)	52,491	44,981	47,081	22,397	25,675	( <sup>3</sup> )
Gross profit or (loss) (\$1,000)	5,135	5,966	4,756	2,579	1,381	( <sup>3</sup> )
SG&A (\$1,000)	4,490	4,304	4,126	1,980	2,035	( <sup>3</sup> )
Operating income or (loss) (\$1,000)	645	1,662	630	599	(654)	(125) <sup>4</sup>
COGS/sales ( <i>percent</i> )	91.1	88.3	90.8	89.7	94.9	( <sup>3</sup> )
Operating income (loss)/sales ( <i>percent</i> )	1.1	3.3	1.2	2.4	(2.4)	(0.1) <sup>4</sup>

<sup>1</sup> Data presented for 2000-02, January-June 2002, and January-June 2003 were provided by five producers (C-E Minerals, Detroit Abrasives, Great Lakes Minerals, Treibacher Schleifmittel, and Washington Mills) in the final phase of the original investigation. These five firms were believed to have represented 100 percent of the U.S. production of RBAO during 2002. For comparison purposes, the domestic industry data presented include the data provided by Great Lakes Minerals, a company excluded by the Commission from the domestic industry as a related party in its original determination. Data presented for 2007 were provided by four producers (C-E Minerals, Great Lakes Minerals, Treibacher Schleifmittel, and Washington Mills). These four firms are believed to have represented \*\*\* percent of U.S. production of RBAO during 2002 and 80.0 percent during 2007.

<sup>2</sup> Captive shipments amounted to \*\*\* percent of total reported US. shipments in 2000, 2001, 2002, January-June 2003, and 2007 respectively.

<sup>3</sup> Not available.

<sup>4</sup> \*\*\*.

Source: *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), tables III-1 and VI-1; *Response of domestic interested parties*, November 20, 2008, pp. 7 at fn. 20 and 9 at fn. 26 and exh. VII.



and Washington Mills) that are believed to have represented \*\*\* percent of U.S. production of RBAO during 2002 and 80.0 percent during 2007.

The Commission noted in its views in the final phase of the original investigation that “{m}ost of the domestic industry’s performance indicators were weak throughout the period examined and many worsened over the period.”<sup>82</sup> The data collected in the original investigation show that domestic production of RBAO fell from 2000 to 2002 with capacity utilization rates, which were relatively low in 2000, reflecting the drop in production. The domestic industry’s inventories remained fairly constant over the period examined but employment and wages generally declined. Capital expenditures rose during the period examined, although shipments and net sales declined, mirroring the domestic industry’s overall poor and deteriorating financial performance.

The domestic interested parties noted in their response to the Commission’s notice of institution in this review that despite a decline in the level of imports of RBAO from China since the antidumping duty order went into effect, “the domestic industry continues to be vulnerable to unfairly traded subject imports because the industry has not experienced significant recovery following the investigation. . .”<sup>83</sup> The data provided by domestic interested parties participating in this review indicate that the domestic industry has experienced overall improvements in capacity, production, capacity utilization, and shipments in 2007 as compared with 2002. Despite a substantial increase in unit value of shipments from 2002 to 2007, the industry also reported aggregate losses of \$125,000 during 2007. \*\*\*.<sup>84</sup>

### Related Party Issues

Each of the five U.S. producers of RBAO imported the subject merchandise from China during all or part of the period examined in the original investigation. U.S. producers Great Lakes and C-E Minerals were \*\*\*, accounting for \*\*\* percent and \*\*\* percent, respectively, of reported imports from China from 2000 to June 2003. Great Lakes imported \*\*\* and its shipments of imports of refined brown aluminum oxide from China were equivalent to \*\*\* percent of its U.S.-produced commercial shipments. On the other hand, C-E Minerals ceased importation of the subject merchandise in 2002 when it began its U.S. production operations. Petitioner Washington Mills accounted for \*\*\* percent of total reported imports of refined brown aluminum oxide from China during 2002 and domestic producer Detroit Abrasives reported a minor amount (i.e., \*\*\* tons) of imports of subject merchandise only during 2002. Petitioner Treibacher Schleifmittel, whose subject imports accounted for \*\*\* percent of total reported imports of refined brown aluminum oxide from China during 2002, reported during the original investigation that it was affiliated with Treibacher Schleifmittel Guizhou Co., Ltd., a Chinese producer of refined brown aluminum oxide, and C-E Minerals, a sister company with 100 percent common ownership.<sup>85</sup>

As indicated earlier, the Commission found in the final phase of the original investigation that appropriate circumstances existed to exclude domestic producer Great Lakes Minerals from the domestic industry as a related party. The Commission further determined that Great Lakes Minerals “\*\*\*”, and thus

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<sup>82</sup> The Commission also noted that “we discount the significance of interim 2003 data due to the pendency of this investigation at that time.” *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. 17.

<sup>83</sup> *Response* of domestic interested parties, November 20, 2008, p. 7.

<sup>84</sup> *Response* of domestic interested parties, November 20, 2008, p. 7.

<sup>85</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), pp. III-3 - III-4, III-6, and IV-1.

has a strong interest in maintaining its access to these imports. The company's sales volumes and overall financial results towards the end of the period examined reflect \*\*\*,<sup>86</sup>

The domestic interested parties participating in this review reported in their response to the Commission's notice of institution that C-E Minerals and Treibacher Schleifmittel are both related to a producer of subject merchandise in China (Treibacher Schleifmittel Guizhou Co., Ltd.); however, they reported that the related foreign producer does not export the subject merchandise to the United States.<sup>87</sup> The Chinese integrated producer of RBAO (with fusion and processing capabilities) is 90 percent-owned by Treibacher Schleifmittel. The Chinese producer procures Chinese bauxite and mainly manufactures RBAO for Asian markets, although it supplies crude brown fused alumina to Treibacher Schleifmittel in the United States for further processing into RBAO.<sup>88</sup> The domestic interested parties further indicated in their response to the Commission's notice of institution in this review that none of the domestic producers have imported the subject merchandise from China since the original investigation and no other related parties were otherwise identified.

### National Defense Stockpile

During the original investigation, the Commission reported that Washington Mills purchased aluminum oxide from the U.S. government Defense Logistics Agency ("DLA") stockpile from \*\*\*,<sup>89</sup> These purchases are presented in table I-6. Washington Mills explained that

"{i}n 1999 and 2000, we were able to purchase large quantities of U.S. government DLA stockpile crude ore at extremely low prices. Much of this low-cost crude was released to us and used in 2001 and 2002. . . There is no more crude ore remaining in the DLA stockpile."

Data published by the *U.S. Geological Survey* indicate that during 2007, sales of aluminum oxide abrasive grain by the DLA amounted to 4,514 short tons at \$1.734 million (table I-7). These sales in 2007 reportedly depleted all remaining inventory of fused aluminum oxide abrasive grain kept by the DLA.<sup>90</sup> Under Federal legislation authorizing the disposal of all aluminum oxide stockpiles, the DLA had previously planned to continue such sales until all the stockpiled aluminum oxide was sold. All of the DLA crude fused aluminum oxide stockpile was sold during 2000.<sup>91</sup>

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<sup>86</sup> *Confidential Views of the Commission*, Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final), pp. 15-16.

<sup>87</sup> *Response* of domestic interested parties, November 20, 2008, p. 12.

<sup>88</sup> "World BFA Production Summary (Ex-China)," *Industrial Minerals*, May 2005, p. 47, and Crossley, Penny, "Abrasive Bauxite: Giving Proppants the Nod," *Industrial Minerals*, July 2002.

<sup>89</sup> \*\*\*, domestic producers of RBAO reported having purchased product from the DLA during the period examined in the original investigation. *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), pp. III-2 - III-5.

<sup>90</sup> Although the *U.S. Geological Survey* indicated that the 2007 sales of aluminum oxide grain depleted the remaining stockpile inventory held by DLA, the DLA annual materials plan for fiscal year 2009 released in October 2008 reported that 5,500 short tons of abrasive aluminum oxide will be offered for sale before the plan expires in September 2009. "DNSC Slates '09 Offerings," *American Metal Market*, October 3, 2008.

<sup>91</sup> Olson, Donald W., "Abrasives, Manufactured," *U.S. Geological Survey, 2007 Minerals Yearbook*, November 2008. According to Washington Mills, although the last of the crude material was purchased in 2000, it was not released to the purchasers in that year (*see* table I-6).

**Table I-6****Aluminum oxide: Washington Mills' purchases of aluminum oxide from the DLA stockpile, 2000-02 and January-June 2003<sup>1</sup>**

Item	2000	2001	2002	January-June 2003
Crude aluminum oxide: <sup>2</sup> Quantity ( <i>short tons</i> )	***	***	***	***
RBAO: Quantity ( <i>short tons</i> )	***	***	***	***

<sup>1</sup> Company-specific sales of RBAO from the DLA subsequent to June 2003 are not available.

<sup>2</sup> All of the DLA crude aluminum oxide stockpile was sold during 2000. Data presented apparently represent releases of such sales to Washington Mills.

Source: *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), p. III-2, and Olson, Donald W., "Abrasives, Manufactured," *U.S. Geological Survey, 2002 Minerals Yearbook*.

**Table I-7****Fused aluminum oxide abrasive grain: Inventories and sales from the DLA stockpile, 2002-07**

Item	2002	2003	2004	2005	2006	2007
Sales:						
Quantity ( <i>short tons</i> )	66	2,600	1,995	2,275	2,366	4,514
Value (\$1,000)	30	643	606	871	885	1,734
Unit value ( <i>per short ton</i> )	\$455	\$247	\$304	\$383	\$374	\$384
End-of-period inventories:						
Quantity ( <i>short tons</i> )	17,809	15,212	9,138	6,861	4,691	0
Value (\$1,000)	7,500	6,500	3,100	2,200	1,700	0
Unit value ( <i>per short ton</i> )	\$421	\$427	\$339	\$321	\$362	--

Note.—Data are presented as published by the *U.S. Geological Survey* regardless of apparent reconciliation inconsistencies.

Source: Olson, Donald W., "Abrasives, Manufactured," *U.S. Geological Survey, 2002-07 Minerals Yearbooks*.

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

### U.S. Imports

During the original investigation, 14 firms believed to have accounted for virtually all imports of subject merchandise from China provided requested trade data to the Commission. As noted earlier, each of the five U.S. producers of refined brown aluminum oxide imported the subject merchandise from China during all or part of the period examined in the original investigation. Subject imports made by domestic producers Great Lakes and C-E Minerals (\*\*\*) accounted for \*\*\* percent of reported imports from China during January 2000-June 2003. Domestic producers Washington Mills and Treibacher Schleifmittel accounted for \*\*\* percent and \*\*\* percent, respectively, of total reported imports from China in 2002. Aside from the domestic producers, nine other firms reported imports of subject merchandise, three of whom were parties to the original investigation (Allied of Columbus, OH; Cometals of Fort Lee, NJ; and Saint-Gobain of Worcester, MA). Other companies providing import data were \*\*\*, Dauber Co., \*\*\*, and Golden Dynamic.<sup>92</sup>

In their response to the Commission's notice of institution in this review, the domestic interested parties listed the following seven companies that they believe to be importers of subject merchandise from China: Allied Mineral Products, Inc.; Cometals, a division of Commercial Metals Co.; Dauber Co., Inc.; Fujimi Corp.; Golden Dynamic, Inc.; Saint-Gobain Corp.; and 3M Corp.<sup>93</sup> The domestic interested parties also noted in their response that the domestic producers were not importers of the subject merchandise after the Commission's original investigation.<sup>94</sup>

RBAO import data for annual periods 2000-07 are presented in table I-8.<sup>95</sup> Monthly RBAO import data are presented in table I-9 for January 2005-October 2008. The quantity of the subject imports increased from 2000 to 2001, but fell in 2002 to a level lower than that reported for 2000. The unit value of the subject imports fell from 2000 to 2001 and increased slightly in 2002. After the imposition of the antidumping duty order, subject imports from China fell by 98.2 percent from 57,172 short tons in 2002 to 1,011 short tons in 2005, before increasing to 2,922 short tons in 2007. Unit values of subject imports increased overall subsequent to the order, from \$257 per short ton in 2002 to \$475 per short ton in 2007. Monthly import data reveal that the quantity of subject imports from China during the first 10 months of 2008 (807 short tons) was much lower than the quantity imported during the comparable period in 2007. In addition, the unit value of subject imports from China increased to \$829 per short ton during January-October 2008 and the share of total imports fell to 8.7 percent. The domestic interested parties indicated in their response to the Commission's notice of institution in this review that the antidumping duty order under review has "kept injurious RBAO imports at extremely low levels."<sup>96</sup>

During the period examined in the final phase of the original investigation, U.S. imports of RBAO were primarily from China, which by 2002 accounted for 85.5 percent of total imports. By 2005,

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<sup>92</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), pp. IV-1 - IV-2.

<sup>93</sup> *Response* of domestic interested parties, November 20, 2008, exh. V.

<sup>94</sup> *Ibid.*, p. 12.

<sup>95</sup> The data for 2000-02 are from responses to Commission questionnaires in the original investigation for China and from official import statistics for Brazil and Canada for "other" sources entered under HTS statistical reporting number 2818.10.2000. The Commission's staff report in the final phase of the original investigation indicated that the official U.S. import statistics for countries other than Brazil, Canada, and China were predominately, if not totally, nonsubject white and pink refined product. The data for 2003-07 are from official import statistic for imports entered under HTS statistical reporting number 2818.10.2000 (2003-04) and 2818.10.2090 (2005-07).

<sup>96</sup> *Response* of domestic interested parties, November 20, 2008, p. 7.

China accounted for only 6.5 percent of total U.S. imports of RBAO; however, the share of total U.S. RBAO imports held by the subject imports has since increased to 22.5 percent in 2007.

### **Leading Nonsubject Sources of Imports**

During the period for which data were collected, imports of RBAO entered the United States from a variety of sources (tables I-8 and I-9). Austria, France, Germany, and Italy were the largest nonsubject sources of imports during 2005-07, together accounting for almost two-thirds of total U.S. imports during 2007. The single largest nonsubject source of RBAO during 2005-07 was Austria, which accounted for almost one-third of total U.S. imports of RBAO during 2007. Other relatively large nonsubject sources and their respective shares of the total quantity of imported RBAO during 2007 include the following: Italy (15.4 percent), France (8.9 percent), and Germany (6.8 percent).<sup>97</sup> During the period examined by the Commission in the final phase of the original investigation, the total quantity of imports of RBAO from all nonsubject sources fell by 81.5 percent from 52,247 short tons in 2000 to 9,673 short tons in 2002. Likewise, the total quantity of imports of RBAO from all nonsubject sources fell by 30.3 percent from 14,434 short tons in 2005 to 10,061 short tons in 2007. The average unit value of all nonsubject imports rose steadily from \$392 per short ton in 2000 to \$596 per short ton in 2002, and again from \$1,307 per short ton in 2005 to \$1,693 per short ton in 2007. The unit values of U.S. imports from nonsubject countries were consistently higher than the average unit values of subject imports from China.

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<sup>97</sup> The Treibacher group of companies, with headquarters in Austria, is reportedly the largest worldwide manufacturer of fused alumina grains for the abrasive and refractory markets, operating plants in Austria, Italy, and Germany, as well as in Brazil, China, Czech Republic, Slovenia, United States, and Venezuela. According to proprietary official import statistics, Treibacher Schleifmittel's U.S. imports from \*\*\* accounted for \*\*\* percent of total U.S. imports of RBAO during 2007.

**Table I-8**  
**RBAO: U.S. imports, by source, 2000-07<sup>1</sup>**

Source	2000	2001	2002	2003	2004	2005	2006	2007
<b>Quantity (short tons)</b>								
China	68,994	80,547	57,172	13,333	3,093	1,011	2,076	2,922
Nonsubject countries:								
Austria	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	5,332	7,131	4,304	4,684	4,184
Brazil	8,300	5,571	5,122	8,192	9,897	4	123	169
Canada	43,947	23,060	4,551	1,330	5,522	990	73	38
France	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1,953	2,371	605	1,346	1,160
Germany	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	8,747	11,459	2,295	1,626	878
Italy	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1,823	5,051	2,340	806	2,003
Other <sup>3</sup>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	4,194	11,956	3,895	2,526	1,629
Subtotal, nonsubject countries	52,247 <sup>2</sup>	28,632 <sup>2</sup>	9,673 <sup>2</sup>	31,572	53,388	14,434	11,184	10,061
Total, all countries	121,241	109,179	66,844	44,904	56,481	15,445	13,260	12,983
<b>Value (\$1,000)</b>								
China	19,553	20,604	14,664	4,378	1,192	449	852	1,387
Nonsubject countries:								
Austria	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	7,100	9,495	6,879	7,408	7,850
Brazil	5,860	3,972	3,291	4,977	6,335	7	120	191
Canada	14,605	7,428	2,472	1,344	3,639	710	92	55
France	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	2,811	3,630	736	1,920	2,072
Germany	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	11,655	14,015	4,112	3,757	2,334
Italy	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1,462	3,442	1,684	694	1,379
Other <sup>3</sup>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	5,261	10,678	4,743	4,675	3,150
Subtotal, nonsubject countries	20,465 <sup>2</sup>	11,399 <sup>2</sup>	5,763 <sup>2</sup>	34,610	51,234	18,870	18,665	17,031
Total, all countries	40,019	32,003	20,428	38,988	52,425	19,319	19,517	18,418

Table continued on following page.

**Table I-8--Continued**  
**RBAO: U.S. imports, by source, 2000-07<sup>1</sup>**

Source	2000	2001	2002	2003	2004	2005	2006	2007
<b>Unit value (per short ton)</b>								
China	283	256	257	328	385	444	411	475
Nonsubject countries:								
Austria	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1,332	1,331	1,598	1,581	1,876
Brazil	706	713	643	607	640	1,585	975	1,134
Canada	332	322	543	1,011	659	717	1,261	1,455
France	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1,439	1,531	1,216	1,426	1,786
Germany	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1,332	1,223	1,791	2,311	2,658
Italy	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	802	681	720	861	688
Other <sup>3</sup>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1,254	893	1,218	1,851	1,934
Average, nonsubject countries	392 <sup>2</sup>	398 <sup>2</sup>	596 <sup>2</sup>	1,096	960	1,307	1,669	1,693
Average, all countries	330	293	306	868	928	1,251	1,472	1,419
<b>Share of quantity (percent)</b>								
China	56.9	73.8	85.5	29.7	5.5	6.5	15.7	22.5
Nonsubject countries:								
Austria	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	11.9	12.6	27.9	35.3	32.2
Brazil	6.8	5.1	7.7	18.2	17.5	0.0	0.9	1.3
Canada	36.2	21.1	6.8	3.0	9.8	6.4	0.5	0.3
France	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	4.4	4.2	3.9	10.2	8.9
Germany	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	19.5	20.3	14.9	12.3	6.8
Italy	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	4.1	8.9	15.2	6.1	15.4
Other <sup>3</sup>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	9.3	21.1	25.3	19.0	12.6
Subtotal, nonsubject countries	43.1 <sup>2</sup>	26.2 <sup>2</sup>	14.5 <sup>2</sup>	70.3	94.5	93.5	84.3	77.5
Total, all countries	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Footnotes continued on the following page.

<sup>1</sup> Data presented for 2000-02 are based on data from importer questionnaire responses received in the Commission's original investigation (China) and from official U.S. import statistics ("other" sources). Data presented for 2003-07 are based on official U.S. import statistics. Prior to 2005, the subject merchandise was classified under a statistical reporting number that included all refined aluminum oxide (i.e., subject brown aluminum oxide, as well as nonsubject white, pink, and ruby refined aluminum oxide). Beginning in 2005, the HTS segregated white, pink, and ruby aluminum oxide from the brown product subject to the order. The white, pink, and ruby product is currently classified under HTS statistical reporting number 2818.10.2010 ("white, pink or ruby, containing more than 97.5 percent by weight of aluminum oxide") and the subject merchandise is currently classified under HTS statistical reporting number 2818.10.2090 ("other"). Therefore, the data presented for 2003-04 are believed to be overstated by the inclusion of a substantial amount of nonsubject white, pink, and ruby refined aluminum oxide.

<sup>2</sup> Not applicable. The Commission's staff report in the original investigation indicates that data presented for "other" imports were for Brazil and Canada only. It explained that U.S. imports from countries other than Canada and possibly Brazil were believed to be predominately, if not totally, nonsubject white and pink refined aluminum oxide. It added that the official import statistics presented are overstated to the extent white and pink product (in particular from Brazil) are included.

<sup>3</sup> The largest "other" sources and their respective shares of the total quantity of imported RBAO during 2007 include the following: Slovenia (4.5 percent), United Kingdom (3.1 percent), Japan (1.8 percent), and Mexico (1.5 percent).

Note.—Because of rounding, figures may not add to the totals shown.

Source: *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), p. IV-2 and table IV-1 (2000-02), official Commerce statistics, HTS statistical reporting numbers 2818.10.2000 (2003-04) and 2818.10.2090 (2005-07).



Table I-9

## RBAO: U.S. imports, monthly entries into the United States, by sources, 2005-07, and January-October 2008

Source	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Quantity ( <i>short tons</i> )													
<b>2005:</b>													
China	9	115	22	44	0	0	88	0	219	254	142	118	1,011
Other	2,143	1,461	1,337	732	874	1,431	737	803	646	2,190	1,036	1,045	14,434
Total	2,152	1,576	1,359	776	874	1,431	825	803	866	2,444	1,177	1,163	15,445
<b>2006:</b>													
China	211	176	13	107	0	243	174	146	0	367	305	333	2,076
Other	840	975	1,412	1,119	950	846	808	656	618	1,186	813	961	11,184
Total	1,051	1,151	1,425	1,226	950	1,088	982	803	618	1,553	1,118	1,294	13,260
<b>2007:</b>													
China	309	381	433	381	338	191	34	136	0	88	279	353	2,922
Other	766	860	879	908	1,001	824	1,076	654	595	1,005	914	578	10,061
Total	1,075	1,241	1,312	1,290	1,339	1,015	1,110	789	595	1,093	1,193	931	12,983
<b>2008:</b>													
China	0	82	33	80	151	176	58	84	38	105	(')	(')	807
Other	893	534	996	1,042	936	683	818	1,057	451	1,058	(')	(')	8,468
Total	893	616	1,029	1,123	1,087	859	876	1,141	489	1,163	(')	(')	9,275

Table continued on following page.

Table I-9--Continued

## RBAO: U.S. imports, monthly entries into the United States, by sources, 2005-07, and January-October 2008

Source	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Value (\$1,000)													
<b>2005:</b>													
China	12	34	23	15	0	0	24	0	111	116	59	56	449
Other	2,307	1,937	1,923	991	1,547	1,688	1,277	1,188	1,000	1,900	1,419	1,691	18,870
Total	2,319	1,971	1,947	1,006	1,547	1,688	1,301	1,188	1,111	2,017	1,478	1,747	19,319
<b>2006:</b>													
China	90	76	4	48	0	90	66	62	0	140	141	135	852
Other	1,379	1,412	2,492	1,966	1,713	1,374	1,294	1,017	1,150	1,930	1,270	1,668	18,665
Total	1,469	1,488	2,495	2,014	1,713	1,464	1,360	1,080	1,150	2,069	1,412	1,803	19,517
<b>2007:</b>													
China	116	178	175	154	149	84	33	62	0	45	172	219	1,387
Other	1,349	1,433	1,623	1,422	1,675	1,375	1,747	1,162	972	1,701	1,580	991	17,031
Total	1,465	1,611	1,798	1,576	1,824	1,459	1,780	1,225	972	1,746	1,752	1,210	18,418
<b>2008:</b>													
China	0	89	35	49	82	89	42	64	57	162	(')	(')	669
Other	1,170	985	1,698	1,509	1,485	1,354	1,342	1,885	882	1,738	(')	(')	14,049
Total	1,170	1,074	1,733	1,558	1,567	1,444	1,384	1,949	939	1,901	(')	(')	14,718

Table continued on following page.

Table I-9--Continued

## RBAO: U.S. imports, monthly entries into the United States, by sources, 2005-07, and January-October 2008

Source	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
<i>Unit value (dollars per short ton)</i>													
<b>2005:</b>													
China	1,263	294	1,063	332	( <sup>1</sup> )	( <sup>1</sup> )	271	( <sup>1</sup> )	506	458	416	472	444
Other	1,077	1,326	1,439	1,354	1,771	1,179	1,734	1,480	1,547	868	1,371	1,618	1,307
Average	1,078	1,251	1,432	1,296	1,771	1,179	1,578	1,480	1,283	825	1,256	1,502	1,251
<b>2006:</b>													
China	427	430	288	450	( <sup>1</sup> )	369	382	425	( <sup>1</sup> )	380	463	406	411
Other	1,642	1,448	1,765	1,757	1,803	1,625	1,600	1,550	1,860	1,628	1,563	1,735	1,669
Average	1,398	1,292	1,751	1,643	1,803	1,345	1,385	1,345	1,860	1,333	1,262	1,393	1,472
<b>2007:</b>													
China	374	467	405	405	439	438	976	458	( <sup>1</sup> )	511	617	622	475
Other	1,761	1,666	1,845	1,565	1,675	1,668	1,624	1,779	1,633	1,693	1,728	1,713	1,693
Average	1,363	1,298	1,370	1,222	1,362	1,437	1,604	1,552	1,633	1,598	1,469	1,300	1,419
<b>2008:</b>													
China	( <sup>1</sup> )	1,089	1,055	606	545	508	716	763	1,503	1,549	( <sup>1</sup> )	( <sup>1</sup> )	829
Other	1,310	1,846	1,705	1,448	1,587	1,983	1,641	1,784	1,955	1,643	( <sup>1</sup> )	( <sup>1</sup> )	1,659
Average	1,310	1,745	1,683	1,388	1,442	1,680	1,580	1,709	1,920	1,635	( <sup>1</sup> )	( <sup>1</sup> )	1,587

Table continued on following page.

Table I-9--Continued

## RBAO: U.S. imports, monthly entries into the United States, by sources, 2005-07, and January-October 2008

Source	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Share of quantity (percent)													
<b>2005:</b>													
China	0.4	7.3	1.6	5.7	0.0	0.0	10.7	0.0	25.3	10.4	12.1	10.1	6.5
Other	99.6	92.7	98.4	94.3	100.0	100.0	89.3	100.0	74.7	89.6	87.9	89.9	93.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>2006:</b>													
China	20.1	15.3	0.9	8.7	0.0	22.3	17.7	18.2	0.0	23.7	27.3	25.7	15.7
Other	79.9	84.7	99.1	91.3	100.0	77.7	82.3	81.8	100.0	76.3	72.7	74.3	84.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>2007:</b>													
China	28.7	30.7	33.0	29.6	25.3	18.8	3.0	17.2	0.0	8.1	23.4	37.9	22.5
Other	71.3	69.3	67.0	70.4	74.7	81.2	97.0	82.8	100.0	91.9	76.6	62.1	77.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>2008:</b>													
China	0.0	13.3	3.2	7.2	13.9	20.5	6.6	7.4	7.7	9.0	( <sup>1</sup> )	( <sup>1</sup> )	8.7
Other	100.0	86.7	96.8	92.8	86.1	79.5	93.4	92.6	92.3	91.0	( <sup>1</sup> )	( <sup>1</sup> )	91.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	( <sup>1</sup> )	( <sup>1</sup> )	100.0
<sup>1</sup> Not applicable.													
Source: Official import statistics (HTS 2818.10.2090).													

## Ratio of Imports to U.S. Production

Information concerning the ratio of U.S. imports to U.S. production of RBAO is presented in table I-10. Subject imports of RBAO from China amounted to 55.7 percent of U.S. production during 2000, increased to 71.0 percent during 2001, but fell markedly after that point. Subject imports of RBAO from China were equivalent to only 1.8 percent of U.S. production during 2007. The ratio of nonsubject imports to domestic production fell during the period examined in the final phase of the Commission's original investigation. Nonsubject imports amounted to 6.3 percent of U.S. production during 2007.

**Table I-10**

**RBAO: Ratio of U.S. imports to U.S. production, by sources, 2000-02, January-June 2002, January-June 2003, and 2007<sup>1</sup>**

Item	2000	2001	2002	January-June		2007
				2002	2003	
<b>Quantity (short tons)</b>						
U.S. production	123,918	113,396	110,074	46,468	64,297	159,337
<b>Ratio of U.S. imports to production (percent)</b>						
China	55.7	71.0	51.9	52.2	34.3	1.8
Other	42.2	25.2	8.8	11.8	6.1	6.3
Total imports	97.8	96.3	60.7	64.0	40.5	8.1
<p><sup>1</sup> Production data presented for 2000-02, January-June 2002, and January-June 2003 were provided by five producers believed to have represented 100 percent of the U.S. production of RBAO during 2002. For comparison purposes, the domestic industry data presented include the data provided by Great Lakes Minerals, which was excluded by the Commission from the domestic industry as a related party in its original determination. Data presented for 2007 were provided by four producers believed to have represented *** percent of U.S. production of RBAO during 2002 and 80.0 percent during 2007.</p> <p>Source: <i>Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)</i>, October 9, 2003 (INV-AA-154), tables III-1 and IV-1 (2000-02, January-June 2002, and January-June 2003); official Commerce statistics, HTS statistical reporting number 2818.10.2090 (for 2007 U.S. import data); and <i>Response of domestic interested parties</i>, November 20, 2008, exh. VII (for 2007 production data).</p>						

## Apparent U.S. Consumption and Market Shares

Domestic demand for RBAO is ultimately derived from demand for end uses in which it is employed. The two main end-use applications for RBAO are for production of items used in the abrasives and refractories markets.<sup>98</sup> The domestic abrasives and refractories markets are strongly linked to activity in the U.S. manufacturing sector, especially manufacturing output in the aerospace, automotive, furniture, construction, and steel industries. However, because of improvements in technology in many industries in the U.S. manufacturing sector, growth in these industries may not necessarily lead to an increase in consumption of RBAO (e.g., improved material surface quality that

<sup>98</sup> *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643, November 2003, p. II-1.

requires less grinding and finishing operations that use abrasives).<sup>99</sup> The *U.S. Geological Survey* estimated 2007 apparent U.S. consumption of all forms of fused aluminum oxide, including RBAO, to be 253,532 short tons. The estimated value of apparent U.S. consumption of all forms of fused aluminum oxide rose from \$35 million in 2002 to \$64.4 million in 2005, a decline to \$11.7 million in 2006, and an increase to \$78 million in 2007.<sup>100</sup>

Apparent U.S. consumption and market shares of RBAO for 2000-02, January-June 2002, January-June 2003, and 2007 are presented in table I-11. During the period examined in the final phase of the original investigation, apparent U.S. consumption of RBAO fell. Calculated apparent U.S. consumption for 2007 was modestly higher than the level reported in 2002. The domestic interested parties indicated in their response to the Commission's notice of institution in this review that demand "increased slowly" from 2003 to 2007 before declining in 2008. They explained that demand was strong for the larger refractory grades of RBAO used in the steel industry but that demand for RBAO in the general industrial abrasives and the bonded coated segments weakened based primarily on the downturn in domestic auto production. They forecasted that "{d}emand is likely to fall precipitously in 2009 as a result of upheaval in the metal polishing industry, including automotive production and the significant curtailing of steel production, which will reduce demand for refractories."<sup>101</sup>

The domestic producers' market share based on quantity fell from \*\*\* percent in 2000 to \*\*\* percent in 2001, but increased to \*\*\* percent in 2002 and reached \*\*\* percent in the first six months of 2003. The subject imports from China gained market share from \*\*\* percent in 2000 to \*\*\* percent in 2002, but China's market share during January-June 2003 was lower at \*\*\* percent than that reported for the comparable period in 2002. The domestic RBAO industry in 2007 held an estimated 92.2 percent of apparent U.S. consumption on the basis of quantity and an estimated 82.5 percent on the basis of value. On the other hand, China held a 1.7-percent share of the U.S. market in 2007 on the basis of quantity and other sources held a 6.0-percent share.

## ANTIDUMPING ACTIONS OUTSIDE THE UNITED STATES

In October 1997, an antidumping duty order on all types of fused alumina from China (95 percent of which was brown fused alumina, including RBAO) was put in place by the European Union ("EU"). The duty imposed was a flat rate of 240 Euros per metric ton. The EU order, which was viewed by Treibacher Schleifmittel as somewhat ineffective, expired in October 2002. No other antidumping actions concerning RBAO outside the United States were identified in the domestic interested parties' response to the Commission's notice of institution in this review nor were any other actions identified in public searches for information.<sup>102</sup>

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<sup>99</sup> Olson, Donald W., *Abrasives, Manufactured*, U.S. Geological Survey, 2007 Minerals Yearbook, November 2008; "Corundum Conundrum," *Industrial Minerals*, October 2003, pp. 30-39; and Crossley, Penny, "Abrasive Bauxite: Giving Proppants the Nod," *Industrial Minerals*, July 2002.

<sup>100</sup> Olson, Donald W., *Abrasives, Manufactured*, U.S. Geological Survey, 2002-07 Minerals Yearbooks.

<sup>101</sup> *Response of domestic interested parties*, November 20, 2008, p. 7.

<sup>102</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), p. VII-5; "BFA Anti-Dumping Measure Expires," *Industrial Minerals*, November 2002, p. 10, and Kendall, Tom, "Fused Alumina: Grinding Out a Living," *Industrial Minerals*, October 2005.

Table I-11

RBAO: U.S. producers' U.S. shipments, U.S. shipments of imports, and apparent U.S. consumption, 2000-02, January-June 2002, January-June 2003, and 2007

Item	2000	2001	2002	Jan.-June		2007
				2002	2003	
<b>Quantity (short tons)</b>						
U.S. producers' U.S. shipments <sup>1</sup>	***	***	***	***	***	154,103
U.S. shipments of imports from-- China	66,046	71,461	68,864	40,391	28,262	2,922
Other sources <sup>2</sup>	52,247	28,632	9,673	5,489	3,948	10,061
Total import shipments	118,293	100,093	78,536	45,880	32,210	12,983
Apparent U.S. consumption	***	***	***	***	***	167,086
<b>Value (1,000 dollars)</b>						
U.S. producers' U.S. shipments <sup>1</sup>	***	***	***	***	***	86,969
U.S. shipments of imports from-- China	21,796	22,456	22,057	12,772	9,939	1,387
Other sources <sup>2</sup>	20,465	11,399	5,763	3,227	2,654	17,031
Total import shipments	42,262	33,855	27,820	15,999	12,592	18,418
Apparent U.S. consumption	***	***	***	***	***	105,387
<b>Share of consumption based on quantity (percent)</b>						
U.S. producers' U.S. shipments <sup>1</sup>	***	***	***	***	***	92.2
U.S. shipments of imports from-- China	***	***	***	***	***	1.7
Other sources <sup>2</sup>	***	***	***	***	***	6.0
Total import shipments	***	***	***	***	***	7.8
Apparent U.S. consumption	100.0	100.0	100.0	100.0	100.0	100.0
<b>Share of consumption based on value (percent)</b>						
U.S. producers' U.S. shipments <sup>1</sup>	***	***	***	***	***	82.5
U.S. shipments of imports from-- China	***	***	***	***	***	1.3
Other sources <sup>2</sup>	***	***	***	***	***	16.2
Total import shipments	***	***	***	***	***	17.5
Apparent U.S. consumption	100.0	100.0	100.0	100.0	100.0	100.0
<p><sup>1</sup> The Commission's staff report in the final phase of the original investigation indicated that to avoid double-counting, it excluded the U.S. producers' shipments of Great Lakes.</p> <p><sup>2</sup> U.S. imports are presented because U.S. shipments of imports are not available.</p>						
<p>Source: Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final), October 9, 2003 (INV-AA-154), table IV-3; Response of domestic interested parties, November 20, 2008, exh. VII; and official Commerce statistics, HTS statistical reporting number 2818.10.2090.</p>						

## THE WORLD MARKET

Total worldwide capacity of fused aluminum oxide was estimated to be approximately 1.9 million short tons in 2007. More than two-thirds of this capacity is located in China.<sup>103</sup> *Global Trade Atlas* import and export data show that China, Brazil, and France historically have been net exporters of all forms and grades of fused aluminum oxide, whereas the United States, Austria, Germany, and Italy historically have been net importers of the product. *Global Trade Atlas* data concerning the net trade balance reported for the United States, China, and other selected nonsubject countries are presented in table I-12.<sup>104</sup> These data show that China consistently held the largest net export trade balance during every annual period from 2003 to 2007, reaching a level almost twice the size of the net export trade balance held by the second largest country (i.e., France). China's net export status increased from 2003 to 2004, fell during 2005 and 2006, and again increased to a period high during 2007.

### Supply and Demand Considerations<sup>105</sup>

#### Global Supply

##### *Fused aluminum oxide capacity*

Total global production capacity for all grades of fused alumina, by source, for 1995, 2000, 2003, and 2007 is presented in table I-13. These data show that in 2007, total annual production capacity of fused aluminum oxide was estimated to be approximately 1.9 million short tons, up from a low of 1.2 million short tons in 2003. China has been, by far, the world's largest producer of fused alumina, with the annual capacity to produce 1.3 million short tons in 2007. China alone accounted for 70.6 percent of total global capacity for fused aluminum oxide during 2007.

##### *Brown fused aluminum oxide production*

During 2001, global production of brown fused aluminum oxide was estimated to be approximately 1.0 million short tons.<sup>106</sup> As is the case today, China was the largest global producer, primarily due to its proximity to rich domestic bauxite reserves. In 2001, China accounted for about one-half of total worldwide production of brown fused alumina and European countries accounted for almost one-quarter of the total. An approximate breakdown of total 2001 annual worldwide production by region is as follows: China (580,000 short tons), Europe (225,000 short tons), United States/Canada (100,000 short tons), India (33,000 short tons), and other countries (70,000 short tons).<sup>107</sup>

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<sup>103</sup> Burke, Alison, "Raw Deal for Fused Aluminas," *Industrial Minerals*, May 2005, pp. 43-45, and *2007 Annual Report on Chinese Artificial Corundum Market*, Asian Metal Ltd. (reproduced in *Response* of domestic interested parties, November 20, 2008, exh. III).

<sup>104</sup> *Global Trade Atlas* data are for HTS subheading 2818.10 and include all forms (i.e., crude and refined) and all grades (e.g., white, pink, red, and brown) of fused aluminum oxide.

<sup>105</sup> The domestic interested parties indicated in their response to the Commission's notice of institution in this review that "there have been no significant changes in the supply and demand conditions or business cycle for the domestic like product that have occurred in the U.S. or in China after 2002." *Response* of domestic interested parties, November 20, 2008, p. 11.

<sup>106</sup> Gasser, Peter, "Abrasive Trends: China Versus the Rest to Continue?" *Industrial Minerals*, January 2002.

<sup>107</sup> Kendall, Tom, "Fused Alumina: Grinding Out a Living," *Industrial Minerals*, October 2005.



**Table I-12**  
**Aluminum oxide: China and selected nonsubject country exports, imports, and trade balances,**  
**2003-07<sup>1</sup>**

Item	2003	2004	2005	2006	2007
<b>Quantity (short tons)</b>					
China:					
Exports	740,349	778,624	765,615	765,571	930,306
Imports	54,159	80,524	100,788	120,287	89,946
Trade balance	686,190	698,100	664,827	645,284	840,360
United States:					
Exports	13,438	16,135	16,137	17,505	20,995
Imports	181,588	257,126	268,260	231,301	262,217
Trade balance	(168,150)	(240,991)	(252,123)	(213,796)	(241,222)
Austria:					
Exports <sup>2</sup>	10,824	5,599	374	453	453
Imports	62,825	72,931	84,670	71,429	91,436
Trade balance	(52,001)	(67,332)	(84,296)	(70,976)	(90,983)
Brazil:					
Exports	20,848	27,640	29,499	27,371	29,349
Imports	6,895	9,937	16,612	9,235	18,010
Trade balance	13,953	17,703	12,887	18,136	11,339
Germany:					
Exports	44,911	58,043	56,520	53,740	64,293
Imports	117,042	123,754	121,437	115,090	168,944
Trade balance	(72,131)	(65,711)	(64,917)	(61,350)	(104,651)
Italy:					
Exports	29,449	34,215	43,656	31,852	31,787
Imports	55,725	74,910	72,454	64,494	73,289
Trade balance	(26,276)	(40,695)	(28,798)	(32,642)	(41,502)

<sup>1</sup> Positive numbers presented for "trade balance" show net exports and numbers in parentheses presented for "trade balance" show net imports.

<sup>2</sup> Export data for Austria are not available for HTS subheading 2818.10. The data presented for Austria are for HTS heading 2818, which includes not only aluminum oxide, but also aluminum hydroxide. Therefore, the export data presented for Austria may be overstated.

Source: *Global Trade Atlas* (HTS subheading 2818.10, which includes all grades (e.g., brown, white, pink, and red) of crude and refined aluminum oxide).

**Table I-13****Fused aluminum oxide: Global capacity, by source, 1995, 2000, 2003, and 2007<sup>1</sup>**

Source	1995	2000	2003	2007
<b>Quantity (short tons)</b>				
China	440,920	496,035	661,380	1,322,744
European countries	380,293	275,575	195,107	198,416
U.S. and Canada	242,506	242,506	97,002	66,139
Australia	110,230	55,115	55,115	55,116
Brazil	110,230	55,115	55,115	55,116
India	22,046	44,092	44,092	44,092
Japan	60,627	55,115	27,558	38,581
Other	165,345	88,184	88,184	93,696
Total	1,532,197	1,311,737	1,223,553	1,873,900
<b>Share of total capacity (percent)</b>				
China	28.8	37.8	54.1	70.6
European countries	24.8	21.0	15.9	10.6
U.S. and Canada	15.8	18.5	7.9	3.5
Australia	7.2	4.2	4.5	2.9
Brazil	7.2	4.2	4.5	2.9
India	1.4	3.4	3.6	2.4
Japan	4.0	4.2	2.3	2.1
Other	10.8	6.7	7.2	5.0
Total	100.0	100.0	100.0	100.0
<p><sup>1</sup> Data presented are for all grades (e.g., brown, white, pink, etc.) and forms (i.e., crude and refined) of fused aluminum oxide.</p> <p>Source: Backus, Rachel, "Uphill Struggle," <i>Industrial Minerals</i>, December 2007, p. 33, and <i>2007 Annual Report on Chinese Artificial Corundum Market</i>, Asian Metal Ltd. (reproduced in <i>Response of domestic interested parties</i>, November 20, 2008, exh. III).</p>				

By the time the antidumping duty order on RBAO from China was issued in 2003, annual worldwide production of brown fused alumina had grown slightly to over 1.1 million short tons, with China maintaining its share of the market at about 50 percent of the total. Supplies of brown fused alumina from China had been “cheap and plentiful” and the global price of the product had “hit rock bottom.”<sup>108</sup> The industry’s reaction to the market conditions led to a decline in production levels outside of China and eventually resulted in a major consolidation of firms, with producers either exiting the business altogether or selling to more dominant industry players. As a result, the global brown fused alumina industry outside of China was composed of a much smaller number of major producers with fully integrated facilities, including in-house fusion operations. This change reportedly reinforced the global strength of the two major French-owned producers, Treibacher Schleifmittel and Saint-Gobain.<sup>109</sup>

By 2005, industry estimates for worldwide production of brown fused alumina had again risen slightly to over 1.2 million short tons and, by 2008, total production of brown fused alumina was estimated to be about 1.5 million short tons, an increase of more than 50 percent since the Commission conducted the original investigation.<sup>110</sup> However, the dynamics of the global market for brown fused alumina were shifting as well, reflecting various changes affecting the industry in China. In 2003-04, shipments of bauxite feedstock to brown fused alumina producers and shipments of finished product to ports for export were seriously disrupted by the SARS outbreak in China and resulting government quarantine controls. More enduring, however, were widespread power supply problems within China and feedstock shortages faced by Chinese suppliers due to government pressure to close down bauxite kilns and brown fused alumina smelters for environmental reasons.<sup>111</sup> Across China, many facilities producing bauxite and brown fused alumina (mostly smaller scale facilities) reportedly have been fined or forced to completely shut down production due to noncompliance with government environmental protection standards.<sup>112</sup> In addition, the power shortages affected the quality of the brown fused alumina produced in China because intermittent production runs with limited power produced batches of material with fluctuating properties. Further, the increasing requirements for bauxite feedstock to satisfy the expanding aluminum industry in China have presented an ongoing challenge for brown fused aluminum oxide plants to procure needed volumes of quality bauxite feedstock material.<sup>113</sup> Since 2005, Chinese brown fused alumina facilities have reportedly operated at about 50 percent of capacity.<sup>114</sup> However, because of the

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<sup>108</sup> Burke, Alison, “Raw Deal for Fused Aluminas,” *Industrial Minerals*, May 2005, pp. 43-45.

<sup>109</sup> “Corundum Conundrum,” *Industrial Minerals*, October 2003, pp. 30-39, and Burke, Alison, “Raw Deal for Fused Aluminas,” *Industrial Minerals*, May 2005, pp. 43-45.

<sup>110</sup> Burke, Alison, “Raw Deal for Fused Aluminas,” *Industrial Minerals*, May 2005, pp. 43-45; Dickson, Ted, “Bauxite Supply in the Red,” *Industrial Minerals*, August 2008, pp. 54-60; and “Minerals to the Grindstone,” *Industrial Minerals*, January 2009, pp. 45 and 47.

<sup>111</sup> “Corundum Conundrum,” *Industrial Minerals*, October 2003, pp. 30-39, and Burke, Alison, “Raw Deal for Fused Aluminas,” *Industrial Minerals*, May 2005, pp. 43-45; “Minerals to the Grindstone,” *Industrial Minerals*, January 2009, pp. 45 and 47.

<sup>112</sup> *2007 Annual Report on Chinese Artificial Corundum Market*, Asian Metal Ltd. (reproduced in *Response of domestic interested parties*, November 20, 2008, exh. III).

<sup>113</sup> “Corundum Conundrum,” *Industrial Minerals*, October 2003, pp. 30-39; Burke, Alison, “Raw Deal for Fused Aluminas,” *Industrial Minerals*, May 2005, pp. 43-45; and “Minerals to the Grindstone,” *Industrial Minerals*, January 2009, pp. 45 and 47.

<sup>114</sup> Burke, Alison, “Raw Deal for Fused Aluminas,” *Industrial Minerals*, May 2005, pp. 43-45; Dickson, Ted, “Bauxite Supply in the Red,” *Industrial Minerals*, August 2008, p. 60.

global consolidation of firms and fairly limited options for supply outside of China, fused alumina producers elsewhere have reportedly operated their facilities at relatively high capacity utilization rates.<sup>115</sup>

The primary producers of brown aluminum oxide worldwide include Alcan Bauxite and Alumina (France), Boxitogorsk Alumina (Russia), Elfusa Geral de Eletrofusao Ltda (Brazil), Saint-Gobain (Japan, China, Brazil), and Imerys, through Treibacher Schleifmittel and C-E Minerals (Austria, Germany, Italy, Slovenia, Czech Republic, United States, Venezuela, Brazil, and China).<sup>116</sup> The primary global producers typically produce a wide range of fused alumina grades (e.g., brown, white, pink, and red) in a wide range of sizes.<sup>117</sup> Regional and niche market producers of brown fused alumina included Carborundum Universal Ltd. and Orient Abrasives Ltd. (India); ZAC (Ukraine); Australian Fused Minerals Pty Ltd. (Australia); Daehan Ceramics (Korea); and Showa Denko KK (Japan).<sup>118</sup> Table I-14 provides available information regarding worldwide producers of fused alumina.

## Global Demand

The demand for RBAO is dependent on the demand for both abrasives and refractories. The demand for these products, in turn, is heavily dependent on the manufacturing industries that use these products, such as the steel and construction industries.<sup>119</sup> The global RBAO market also is influenced by economic and technological trends in the global manufacturing sectors. Demand for RBAO used in abrasive applications has been affected by improved technology in certain manufacturing sectors that has resulted in improved surface quality that requires less grinding and finishing operations that use abrasives.<sup>120</sup> Demand for RBAO used in refractory applications also has been affected by technological shifts over the last decade that have resulted in the use of higher performance, longer lasting refractories, which has caused an overall decline in the consumption of refractories per ton of steel produced.<sup>121</sup>

Global demand for RBAO for refractories has increased since the antidumping duty order was imposed in 2003, benefitting primarily from a rise in worldwide steel production and an increase in demand for steel products in China.<sup>122</sup> For abrasives, the market gradually improved from 2003 to 2005 but was described as being either generally stable or declining slightly thereafter.<sup>123</sup> By 2008, the recession in the United States and Europe, the slowing of the expanding economies in China and India, and the decline in global steel production in the second half of the year had a noticeable downward impact on the demand for raw materials around the world, including RBAO.<sup>124</sup> The most recent forecasts for fused alumina products indicate that “{o}verall consumption is predicted to be fairly stable in the

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<sup>115</sup> Tran, Alison, “Alumina: Fused and Abused,” *Industrial Minerals*, July 2007, pp. 37-43.

<sup>116</sup> Tran, Alison, “Alumina: Fused and Abused,” *Industrial Minerals*, July 2007, pp. 37-43.

<sup>117</sup> “Corundum Conundrum,” *Industrial Minerals*, October 2003, p. 31, pp. 30-39.

<sup>118</sup> Tran, Alison, “Alumina: Fused and Abused,” *Industrial Minerals*, July 2007, pp. 37-43.

<sup>119</sup> Burke, Alison, “Raw Deal for Fused Aluminas,” *Industrial Minerals*, May 2005, pp. 43-45.

<sup>120</sup> Olson, Donald W., *Abrasives, Manufactured, U.S. Geological Survey, 2007 Minerals Yearbook*, November 2008.

<sup>121</sup> “Synthetic Alumina Steels Show,” *Industrial Minerals*, March 2008, pp. 39-45.

<sup>122</sup> Burke, Alison, “Raw Deal for Fused Aluminas,” *Industrial Minerals*, May 2005, pp. 43-45; “C-E and Treibacher,” *Industrial Minerals*, January 2006, p. 47; Tran, Alison, “Quest for Calcined Bauxite,” *Industrial Minerals*, March 2007, pp. 32-41; and *Response of domestic interested parties*, November 20, 2008, p. 9 and exh. III.

<sup>123</sup> Burke, Alison, “Raw Deal for Fused Aluminas,” *Industrial Minerals*, May 2005, pp. 43-45; Tran, Alison, “Quest for Calcined Bauxite,” *Industrial Minerals*, March 2007, pp. 32-41; and Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38.

<sup>124</sup> “China’s New IM Export Taxes,” *Industrial Minerals*, November 2008.

**Table I-14**  
**Major world fused alumina producers (excluding China)**

Firm	Location	Capacity <sup>1</sup> (short tons)	Notes
Saint-Gobain	United States		The plant in Massachusetts imports and processes RBAO manufactured at Saint-Gobain's Chinese joint venture plant. <sup>1</sup> The plant in Alabama produces fused aluminum oxide.
	China	33,000	Zhengzhou Saint-Gobain White Dove Ceramic Materials Co. Ltd. joint venture produces RBAO for export to Saint-Gobain's U.S. operations and for external sales. Products include abrasive grade BFA and WFA. Company may no longer be in operation
	Poland	11,000	Former Polish producer Korund SA facility that produces BFA.
	Brazil	20,000 (fusion) 33,000 (refining)	Saint-Gobain Arasivos Ltda (formerly known as Norton Industria e Comercio Ltda) operates fusion and refining facilities for grains and micro-powder products destined for the home market and South America. Three-fourths of the fusion capacity in Brazil is for BFA, one-fourth is for WFA.
	Japan		Produces WFA.
	Canada		Produces WFA.
Treibacher Schleifmittel (owned by Imerys) (total fusion capacity worldwide 330,000 short tons)	Austria		Largest plant and headquarters of the group.
	United States (New York and Georgia)		General Abrasives (New York) plant was purchased in 1991 and Georgia plant was acquired from Imerys sister company C-E Minerals in 2000.
	Italy		Acquired remainder of joint venture Samatec in 1993.
	Slovenia		Tovarna Dusika Ruse Nekovine plant purchased in 1995.
	Germany		Surfatec plant purchased in 2001 and H.C. Starck plant purchased in 1996.
	China		Xia Xun plant purchased in 1999.
	Czech Republic		Chemical Works Sokolov plant purchased in 2001.
	Venezuela		Plant purchased from Imerys sister company C-E Minerals in 2001.
	Brazil	33,000 (fusion)	Plant purchased from Alcoa in 2002. Ninety percent of sales are to customers in Brazil and the remainder to other South American countries. Produces BFA and WFA, among other products.
Washington Mills	United States	130,000 (fusion)	Washington Mills, the only company with fusion capacity in North America, fuses material (both BFA and WFA) at a plant located in Niagara Falls (on the Canadian side of the border) and produces the refined products in the United States.
Australian Fused Materials	Australia	24,000	Australian Fused Materials Pty Ltd. (Doral Mineral Industries Ltd., Japan Abrasive Co., Ltd., and Alcoa) has the capacity to produce WFA

*Table continued on next page.*

**Table I-14—Continued**

**Major world fused alumina producers (excluding China)**

<b>Firm</b>	<b>Location</b>	<b>Capacity<sup>1</sup> (short tons)</b>	<b>Notes</b>
Elfusa	Brazil	130,000 (fusion)	Elfusa is part of Brazil's Curimbaba Group, a major bauxite producer and raw material supplier for Elfusa. Elfusa produces a wide range of BFA and WFA products, approximately 70 percent of which is BFA.
PEMAR (owned by Alcan)	France	44,000 (fusion)	PEMAR produces BFA, among other products. About 70 percent of the companies production is exported, of which about 25 percent is exported outside of the EU.
Alumines Durmax	France	7,000	Alumine Durmax produces high purity BFA for high tech markets.
Delachaux	France	11,000	Produces fused alumina "chromium corundum" for refractories.
Alcan	France		Alcan produces WFA and BFA.
Wester Mineralien	Germany	39,000	Wester Mineralien GmbH processes RBAO and RWAQ sourced from WFA and BFA produced in China. The company has expanded its capacity to process microgrits.
Motim	Hungary	55,000	Motim Electrocorundum Ltd. produces a wide range of fused alumina products, including among others BFA and WFA.
Carborundum	India	21,000	Carborundum Universal Ltd. produces both BFA and WFA, approximately two-thirds of which is BFA. The company is an integrated producer of BFA and WFA that focuses on local niche markets.
Orient Abrasives	India	17,000	Orient Abrasives is an integrated producer of BFA and WFA that focuses on local niche markets.
Japan Carlit	Japan	11,000	
Showa Denko	Japan	11,000	The company produces BFA and WFA, among other products.
Dae Han Ceramics	Korea		The company produces only WFA.
Union Corp.	Korea	15,000	The company produces only WFA for high performance refractories.
Polmineral (subsidiary of Wester)	Poland	10,000	From crude product imported from China, the company produces RBAO and RWAQ, among other products.
Boxitogorsk Glinozem	Russia	121,000	Produces WFA.
Wester Mineralien SA	South Africa	28,000	From crude product imported from China, the company produces RBAO. It has increased capacity to produce microgrits.
Zaporozhsky Abrazivny Combinat	Ukraine	88,000	The company is a supplier to the German and Italian markets. Capacity to produce microgrits has increased.

<sup>1</sup> It is unclear as to the nature of Saint-Gobain's U.S. operations in Massachusetts. Since the company's website indicates that it is a producer of microgrits, it is possible that the company imports RBAO and further refines the material in the United States; however, information confirming that assumption is not publicly available. The domestic interested parties participating in this review did not identify Saint-Gobain as a producer of the domestic like product.

Note.—Brown fused alumina ("BFA"), White fused alumina ("WFA").

Source: Various *Industrial Minerals* publications.

short term, but it could easily decline slightly over the next two or three years, if manufacturing levels slow down further.”<sup>125</sup>

## Substitute Products

In the final phase of the original investigation, the Commission reported that 13 out of 20 purchasers, 2 out of 4 U.S. producers, and 2 out of 7 U.S. importers that provided a response to the Commission’s questionnaire indicated that there were no substitutes for RBAO. The remaining questionnaire respondents indicated that the following products could be considered substitutes for RBAO: out of specification material, refined white or pink aluminum oxide,<sup>126</sup> tabular aluminum, bauxite, garnet, Saint-Gobain stone blast, DuPont Strautolite, starblast, coal slag, steel grit and shot, organic abrasives, plastic and glass beads, sinterball, emery, silicon carbide, sand, and zirconia aluminum. However, a number of those that named substitute products also reported that substitution would either reduce quality or performance, greatly increase costs, or require reengineering.<sup>127</sup>

Since the antidumping duty order was issued, however, limited RBAO availability, increases in prices of RBAO, and increased performance requirements of certain end-use products appear to have heightened the industry’s interest in the use of substitute materials for RBAO.<sup>128</sup> In fact, *Industrial Minerals* reports that “{i}n all of fused alumina’s market applications, there are alternative raw minerals. Therefore, the future of fused alumina appears to depend on whether its benefits are not outweighed by its availability and cost.”<sup>129</sup>

Prior to 2007, RBAO did not face any remarkable threat of substitution in abrasive applications since it was considered a relatively cost-effective abrasive material.<sup>130</sup> The uses of RBAO for abrasive applications at that time were considered to be well-defined in the mature abrasives market, despite some successful efforts to find substitute synthetic and nonmineral abrasives.<sup>131</sup> The abrasives industry that was supplied by RBAO at that time had already been “pared down to essential applications and most of the

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<sup>125</sup> “Minerals to the Grindstone,” *Industrial Minerals*, January 2009, p. 47.

<sup>126</sup> The Commission’s questionnaire in the final phase of the original investigation asked purchasers to compare pink and white aluminum oxide to RBAO. Ten of eleven responding purchasers reported differences in characteristics between the white/pink products and RBAO, including friability, purity, and hardness. Four purchasers reported that the white/pink products were not interchangeable with RBAO while eight reported that they could be used to replace RBAO, although a number of these reported that RBAO could not be used in applications that used the white/pink product. Most purchasers reported that refined white and pink aluminum oxides were not perceived as the same as RBAO by either end users or sellers and all purchasers reported that RBAO was “significantly” less expensive. *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), p. II-5.

<sup>127</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), p. II-6.

<sup>128</sup> “Refractories,” *Industrial Minerals*, November 2004, p. 86; “Refractories Reviewed in Beijing,” *Industrial Minerals*, May 2007, p. 27; Backus, Rachel, “Calcined Aluminas: Quality, Not Quantity,” *Industrial Minerals*, September 2007, pp. 37 and 46; Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38; “Synthetic Alumina Steels Show,” *Industrial Minerals*, March 2008, pp. 39-45; “CMP’s Great Leap Forward,” *Industrial Minerals*, April 2008, pp. 80-85; and Dickson, Ted, “Bauxite Supply in the Red,” *Industrial Minerals*, August 2008, pp. 54-60.

<sup>129</sup> Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38.

<sup>130</sup> Olson, Donald W., *Abrasives, Manufactured, U.S. Geological Survey, 2007 Minerals Yearbook*, November 2008.

<sup>131</sup> Kendall, Tom, “Fused Alumina: Grinding Out a Living,” *Industrial Minerals*, October 2005, and Tran, Alison, “Alumina: Fused and Abused,” *Industrial Minerals*, July 2007, pp. 37-43.

erosion of these applications by form to fit manufacturing and other abrasive products has ceased.”<sup>132</sup> On the other hand, due to the environmental concerns of the use of silica sand in abrasive blasting applications, RBAO’s use in this application has increased as an acceptable substitute.<sup>133</sup> Further, since 2007, increasing prices for RBAO and falling prices for higher performance abrasives (e.g., diamond and cubic boron nitride super abrasives) reportedly gave customers an incentive to explore these higher performance abrasives as potential replacements for RBAO.<sup>134</sup>

For certain RBAO refractory applications, other high alumina aggregates perform comparably and could be considered acceptable substitutes for RBAO, depending on the price. Therefore, tabular alumina, refined white aluminum oxide, calcined mullites, sintered mullites, and other specialty fused or sintered aggregates can be substituted for RBAO in certain refractory applications.<sup>135</sup> As early as 2004, the trend for requirements in refractories applications was the increased use of purer, higher performance materials (e.g., synthetic minerals) in an attempt to optimize refractory quality, performance, and lifespan.<sup>136</sup> This trend, along with the supply and price dynamics for RBAO, could provide the refractory industry the incentive to upgrade refractory formulations and use these higher performance raw materials in place of RBAO.<sup>137</sup>

Historically, there has been a substantial difference in price for RBAO and the more chemically pure refined white aluminum oxide. However, by 2008, the sharp increase in prices for RBAO eroded the price differential between the two products and substitutions of the higher purity white product for RBAO in both the abrasives and refractory applications reportedly are expected. In addition, the increase in RBAO prices may result in substitutions of tabular alumina for RBAO in refractory applications.<sup>138</sup>

## Prices

### Factors Affecting Prices

The basic raw material used in the production of RBAO is crude brown aluminum oxide (or crude brown fused alumina), which is, in turn, produced from the mined raw material bauxite.<sup>139</sup> <sup>140</sup> The main costs involved in the production of crude brown fused alumina are electrical power costs and raw material

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<sup>132</sup> Tran, Alison, “Alumina: Fused and Abused,” *Industrial Minerals*, July 2007, pp. 37-43.

<sup>133</sup> Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38.

<sup>134</sup> Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38.

<sup>135</sup> RBAO can only be used in refractory applications where operating temperatures do not exceed 1,500 degrees Celsius and can only compete with tabular alumina in refractory applications for the lower temperatures. Taylor, Lindsey, “Hot Stuff: Tabular Alumina Takes the Heat,” *Industrial Minerals*, June 2003, pp. 38-43, and O’Driscoll, Mike, “Mullite Makes Good,” *Industrial Minerals*, October 2004, p. 33.

<sup>136</sup> “Refractories,” *Industrial Minerals*, November 2004, p. 86; “Refractories Reviewed in Beijing,” *Industrial Minerals*, May 2007, p. 27; Tran, Alison, “Alumina: Fused and Abused,” *Industrial Minerals*, July 2007, pp. 37-43; and Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38.

<sup>137</sup> Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38; “Synthetic Alumina Steels Show,” *Industrial Minerals*, March 2008, pp. 39-45; “CMP’s Great Leap Forward,” *Industrial Minerals*, April 2008, pp. 80-85; and Dickson, Ted, “Bauxite Supply in the Red,” *Industrial Minerals*, August 2008, pp. 54-60.

<sup>138</sup> Dickson, Ted, “Bauxite Supply in the Red,” *Industrial Minerals*, August 2008, pp. 54-60.

<sup>139</sup> Approximately 1.3-1.7 short tons of bauxite produces 1 short ton of brown fused alumina. *2007 Annual Report on Chinese Artificial Corundum Market*, Asian Metal Ltd. (reproduced in *Response of domestic interested parties*, November 20, 2008, exh. III), and Crossley, Penny, “Abrasive Bauxite: Giving Proppants the Nod,” *Industrial Minerals*, July 2002.

<sup>140</sup> Whereas brown fused alumina is produced from bauxite, white fused alumina is produced from calcined alumina. “New Aluminations,” *Industrial Minerals*, January 2006, p. 48.



(mined bauxite) costs.<sup>141</sup> Crude brown aluminum oxide from which RBAO is produced, however, is not manufactured in the United States. Domestic RBAO producers with crushing capabilities import the crude brown fused alumina in loose bulk form. During 2003-07, China accounted for the vast majority (70.7 percent to 84.5 percent) of total U.S. crude fused alumina imports (table I-15).<sup>142</sup> After importation, the crude product is crushed, screened, sieved, and packaged into a final product, RBAO, in the United States. Crude brown fused alumina is believed to account for approximately 50 to 60 percent of the total cost to produce RBAO.<sup>143</sup>

**Table I-15**  
**Crude aluminum oxide: U.S. imports, by source, 2003-07**

Source	2003	2004	2005	2006	2007
<b>Quantity (short tons)</b>					
Canada	21,050	22,144	8,687	4,839	7,075
China	98,135	159,123	184,152	131,139	178,015
France	0	8	161	3,336	3
Germany	207	990	1,516	110	130
Guyana	0	0	0	0	4,286
Russia	806	335	50	1,376	1,060
Venezuela	15,463	16,621	22,811	44,511	21,805
Other <sup>1</sup>	272	84	453	119	180
Total	135,934	199,304	217,830	185,429	212,554
<b>Value (\$1,000)</b>					
Canada	6,964	8,259	4,055	4,154	5,238
China	19,928	37,503	52,728	36,918	55,506
France	0	15	177	545	23
Germany	297	279	538	168	189
Guyana	0	0	0	0	742
Russia	361	171	33	1,483	753
Venezuela	5,160	6,283	8,157	11,928	12,423
Other <sup>1</sup>	406	169	254	185	186
Total	33,116	52,679	65,943	55,381	75,061

Table continued on following page.

<sup>141</sup> In China, more than half of the total production cost for crude brown fused alumina is the power cost. 2007 Annual Report on Chinese Artificial Corundum Market, Asian Metal Ltd. (reproduced in Response of domestic interested parties, November 20, 2008, exh. III).

<sup>142</sup> Proprietary Customs import statistics indicate that during 2003-07, China was a supplier of crude aluminum oxide to the major U.S. producers of RBAO. \*\*\*.

<sup>143</sup> Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final), USITC Publication 3643, November 2003, pp. III-1, III-4, and V-1.

Table I-15—Continued

## Crude aluminum oxide: U.S. imports, by source, 2003-07

Source	2003	2004	2005	2006	2007
<b>Unit value (per short ton)</b>					
Canada	\$331	\$373	\$467	\$858	\$740
China	203	236	286	282	312
France	<sup>(2)</sup>	1,976	1,103	163	6,895
Germany	1,432	282	355	1,522	1,453
Guyana	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	173
Russia	448	509	673	1,078	710
Venezuela	334	378	358	268	570
Other <sup>1</sup>	1,493	2,012	561	1,555	1,033
Average	244	264	303	299	353
<b>Share of quantity (percent)</b>					
Canada	15.5	11.1	4.0	2.6	3.3
China	72.2	79.8	84.5	70.7	83.8
France	0.0	0.0	0.1	1.8	0.0
Germany	0.2	0.5	0.7	0.1	0.1
Guyana	0.0	0.0	0.0	0.0	2.0
Russia	0.6	0.2	0.0	0.7	0.5
Venezuela	11.4	8.3	10.5	24.0	10.3
Other <sup>1</sup>	0.2	0.0	0.2	0.1	0.1
Total	100.0	100.0	100.0	100.0	100.0
<sup>1</sup> Other sources include Australia, Austria, Brazil, Czech Republic, Hungary, India, Israel, Italy, Norway, Slovak Republic, Switzerland, Trinidad and Tobago, and the United Kingdom. <sup>2</sup> Not applicable.  Note.—During January–October 2008, the quantity, value, and unit value of crude aluminum oxide imported into the United States from China, the largest supplier, was 213,496 short tons, \$104.4 million, and \$491 per short ton, respectively.  Source: Official Commerce statistics, HTS statistical reporting number 2818.10.1000.					

The largest global sources of bauxite suitable for fused alumina production are China, South America, Africa, and Australia.<sup>144</sup> Total world reserves of bauxite are estimated at 28 million short tons. In terms of annual production, bauxite from which brown fused alumina is made accounts for over 3 million short tons. However, there is a limited choice for sources of bauxite used for refractory grade applications. The only two commercial world sources are China and Guyana. For abrasives applications, commercial sources of bauxite include Guinea, China, Guyana, and Brazil.<sup>145 146</sup> Due to its abundant bauxite reserves, China has been the world's primary feedstock source for over a decade for bauxite suitable for use in brown fused alumina production and has been a leading supplier of brown fused alumina.<sup>147</sup> It is estimated that the country produces almost 2 million short tons of nonmetallurgical

<sup>144</sup> Moore, Paul, "The Cutting Edge," *Industrial Minerals*, May 2006, pp. 41-45.

<sup>145</sup> Tran, Alison, "Quest for Calcined Bauxite," *Industrial Minerals*, March 2007, pp. 32-41.

<sup>146</sup> In the recent past, Australia has also been a commercial source for bauxite for abrasives applications; however, Australian production of nonmetallurgical grades of bauxite has now ceased. Dickson, Ted, "Bauxite Supply in the Red," *Industrial Minerals*, August 2008, pp. 54-60.

<sup>147</sup> Crossley, Penny, "Abrasive Bauxite: Giving Proppants the Nod," *Industrial Minerals*, July 2002; Tran, Alison, "Quest for Calcined Bauxite," *Industrial Minerals*, March 2007, pp. 32-41; Tran, Alison, "Alumina: Fused (continued...)

bauxite annually for refractory, abrasive, and other applications.<sup>148</sup> Since the antidumping duty order was issued, however, concerns regarding the availability of bauxite in China and rising bauxite prices have been felt globally, contributing to tighter supplies and rising prices for downstream products, including brown fused alumina and RBAO—a situation that is not expected to change in the near term.<sup>149 150</sup>

In an effort to conserve feedstock bauxite for its domestic needs, the Chinese government implemented a number of measures that have included specific bauxite export reduction targets in an effort to control the supply. Chinese export licenses and a string of export rebate cuts that began in 2002 have restricted such exports to the world market. In fact, reports indicate that the quantity of Chinese nonmetallurgical bauxite available for export fell from 1.4 million short tons in 2004 to approximately 1.0 million short tons in 2007.<sup>151</sup> Most recently, China imposed a 15-percent export duty on brown fused alumina, effective December 1, 2008.<sup>152</sup>

## Price Trends

Since the antidumping duty on RBAO from China was imposed, tighter supplies and higher prices for raw materials have led to rising RBAO prices.<sup>153</sup> In addition, China's largest RBAO producers have reportedly come to an agreement to allow prices of Chinese RBAO to rise. *Industrial Minerals* reports that “{i}n July 2007, producers gathered to strike an agreement to allow ex-works prices of

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<sup>147</sup> (...continued)

and Abused,” *Industrial Minerals*, July 2007, pp. 37-43; and Dickson, Ted, “Bauxite Supply in the Red,” *Industrial Minerals*, August 2008, pp. 54-60.

<sup>148</sup> Tran, Alison, “Quest for Calcined Bauxite,” *Industrial Minerals*, March 2007, pp. 32-41.

<sup>149</sup> “Refractories,” *Industrial Minerals*, September 2003, p. 106; Moore, Paul, “Minerals in Refractory Shapes: Which Way Now?” *Industrial Minerals*, June 2004, pp. 42-47; O’Driscoll, Mike, “Mullite Makes Good,” *Industrial Minerals*, October 2004, p. 33; “Great Lakes Minerals,” *Industrial Minerals*, August 2005, p. 61; Moore, Paul, “The Cutting Edge,” *Industrial Minerals*, May 2006, pp. 41-45; Tran, Alison, “Quest for Calcined Bauxite,” *Industrial Minerals*, March 2007, pp. 32-41; “Great Lakes Minerals,” *Industrial Minerals*, May 2007, p. 98; Tran, Alison, “Alumina: Fused and Abused,” *Industrial Minerals*, July 2007, pp. 37-43; Backus, Rachel, “Calcined Aluminas: Quality, Not Quantity,” *Industrial Minerals*, September 2007, pp. 37 and 46; *2007 Annual Report on Chinese Artificial Corundum Market*, Asian Metal Ltd. (reproduced in *Response* of domestic interested parties, November 20, 2008, exh. III); O’Driscoll, Mike, “Made in the USA,” *Industrial Minerals*, May 2008, p. 57; Dickson, Ted, “Bauxite Supply in the Red,” *Industrial Minerals*, August 2008, pp. 54-60; “Imerys 30m Aluminosilicate Investment Plan,” *Industrial Minerals*, October 2008; and “Minerals to the Grindstone,” *Industrial Minerals*, January 2009, pp. 45 and 47.

<sup>150</sup> The number of bauxite producers in China, the largest of a handful of global bauxite suppliers, has dropped dramatically over the past several years with only a very few suppliers of calcined bauxite remaining. In 2005, reports indicated that there were over 60 bauxite producers in China. By 2007, this number stood at less than 20. The decline is due to environmental restrictions enforced by the Chinese government that have forced bauxite producers to convert their round kilns to more costly rotary kilns or to simply shut down their operations. The Chinese government plans to dismantle all the round/beehive kilns by 2010. This type of kiln has traditionally been used for calcining bauxite. “Minerals to the Grindstone,” *Industrial Minerals*, January 2009, pp. 45 and 47.

<sup>151</sup> Tran, Alison, “Quest for Calcined Bauxite,” *Industrial Minerals*, March 2007, pp. 32-41; Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38; and Moores, Simon, “Indian Refractories Hot Under Collar,” *Industrial Minerals*, July 2008, pp. 40-46.

<sup>152</sup> “China’s New IM Export Taxes,” *Industrial Minerals*, November 2008.

<sup>153</sup> “Corundum Conundrum,” *Industrial Minerals*, October 2003, pp. 30-39; O’Driscoll, Mike, “Mullite Makes Good,” *Industrial Minerals*, October 2004, p. 33; “Great Lakes Minerals,” *Industrial Minerals*, August 2005, p. 61; and “Sharp Jump in Chinese Bauxite & BFA Prices,” *Industrial Minerals*, July 2008.

abrasive grade BFA finished grits to rise significantly. Since then, it is understood that producers have had at least three more meetings to set higher prices.”<sup>154</sup>

Price data for the following two RBAO products are published monthly in issues of *Industrial Minerals* magazine:

- Brown fused alumina, 94% Al<sub>2</sub>O<sub>3</sub> CIF, FEPA 8-220,<sup>155</sup> European/U.S.; and
- Brown fused alumina, 94% Al<sub>2</sub>O<sub>3</sub> CIF, FEPA 8-220, Chinese (EC duty paid for January 2003-April 2005).

Average monthly price data for these two products for January 2003-January 2009 are presented in figure I-1. These data indicate that average prices of European and U.S. product have remained relatively stable over the past six years, with only a slight increase from \$827 to \$882 per short ton during that period. Average prices for the Chinese product increased from \$441 per short ton in January 2003 to \$496 per short ton in October 2006, then fell to a low of \$358 in December 2006 before increasing markedly to \$959 per short ton in the fourth quarter of 2008, a level greater than that reported for the European and U.S. product. The domestic interested parties’ response to the Commission’s notice of institution in these current five-year reviews did not specifically address the increase in prices since the antidumping duty order was imposed. Instead, they simply indicated that “{s}ignificant underselling will certainly continue or recur in the absence of the dumping order on RBAO.”<sup>156</sup>

## THE SUBJECT INDUSTRY IN CHINA

In the original investigation, the Commission transmitted foreign producer questionnaires to 15 producers and six exporters of refined brown aluminum oxide in China that were believed to have accounted for most of the subject merchandise exported to the United States at that time. Nine producers and four exporters responded to the Commission’s request for information during the original investigation. These producers’ exports of the subject merchandise to the United States accounted for 59.8 percent of the total U.S. imports of refined aluminum oxide (all grades) from China during 2002. According to information provided in the petition, China’s level of production of brown aluminum oxide (refined and crude) in 2001 was estimated to be 550,000 to 600,000 short tons. According to Chinese customs figures, China exported nearly 490,000 short tons of fused alumina (85 to 90 percent is estimated to have been brown aluminum oxide (refined and crude)). In 2000, the United States (28.7 percent) was the top export market for Chinese exports, followed by Japan (27.0 percent), South Korea (7.7 percent), the Netherlands (4.5 percent), and South Africa (4.3 percent). Other export destinations included Canada, India, Italy, Taiwan, and Thailand.<sup>157</sup>

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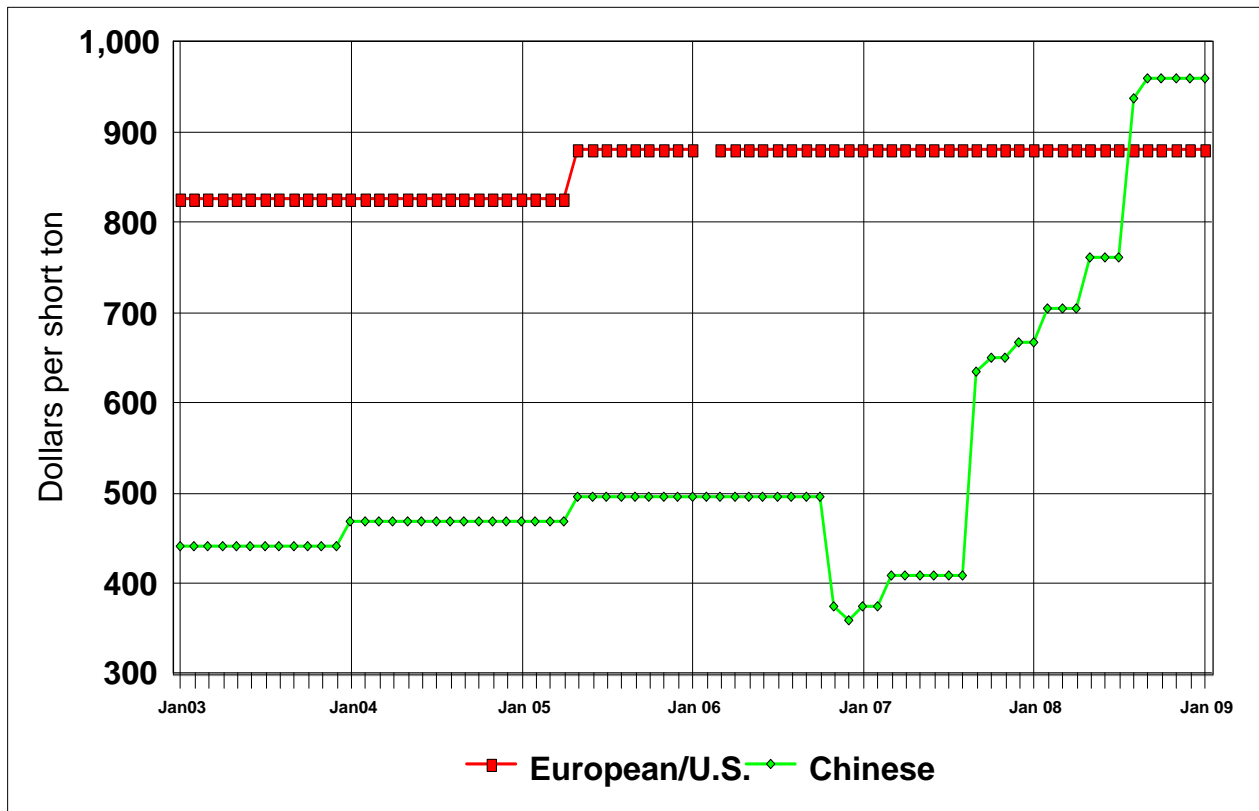
<sup>154</sup> Backus, Rachel, “Uphill Struggle,” *Industrial Minerals*, December 2007, pp. 32-38.

<sup>155</sup> Three primary standards exist for classifying grit sizes. In the United States, the Coated Abrasives Manufacturing Institute (“CAMI”) standard is used. In Europe, the Federation of European Producers of Abrasives (“FEPA”) standard is used. In Japan, the Japanese Industrial Standards (“JIS”) are used. The scope of the subject merchandise is defined to be in grit sizes of 0.375 inches or less in diameter, whereas FEPA 8 is equivalent to 0.087 inches in diameter and FEPA 220 is equivalent to 0.0025 inches in diameter. “Grit and Microgrit Conversion Grading Chart,” [http://www.reade.com/Sieve/grit\\_conversion.html](http://www.reade.com/Sieve/grit_conversion.html), and “Abrasive Grains 101,” United Abrasive’s Manufacturers Association, <http://www.uama.org/Abrasives101/101Standards.html>.

<sup>156</sup> *Response of domestic interested parties*, November 20, 2008, p. 6.

<sup>157</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), pp. VII-1 - VII-2.

**Figure I-1**  
**RBAO: Average monthly prices for European/U.S. and Chinese brown fused alumina, 94% Al<sub>2</sub>O<sub>3</sub>, CIF, FEPA 8-220, January 2003-January 2009**



Source: *Industrial Minerals*, January 2003-January 2009.

The Commission did not receive any responses to the Commission's notice of institution in this review from Chinese producers of the subject merchandise. However, the domestic interested parties' response to the Commission's notice of institution listed 11 known producers of RBAO in China that have exported the subject merchandise to the United States or other countries since 2002.<sup>158</sup> They pointed out that since the imposition of the antidumping duty order on RBAO, Chinese capacity to produce the subject merchandise has "skyrocketed" and argued that the domestic industry remains threatened by Chinese overcapacity and underselling.<sup>159</sup> They further pointed out that Chinese RBAO capacity was at least 1.1 million tons in 2007, a level far greater than the U.S. industry's production capacity of approximately \*\*\* short tons in 2007.<sup>160</sup> They argued that "{w}hile demand from the Chinese steel industry for RBAO for refractories has certainly grown over the POR, that demand is now placating along with the worldwide steel industry decline, leaving the Chinese with a large amount of excess capacity."<sup>161</sup>

China has long been described as the leading global producer of brown fused alumina, the feedstock material used in the production of RBAO. Table I-16 provides available information regarding Chinese producers of brown fused alumina. As explained in greater detail in the section of this report entitled "Factors Affecting Prices," the supply shortages of bauxite and brown fused aluminum oxide in China are well documented. In fact, U.S. RBAO producer Washington Mills described China's supply problems as "{t}he most significant recent development in the global fused alumina market."<sup>162</sup> China's supply problems have resulted in increasing prices globally and the tightening of global supply for brown fused alumina and the RBAO from which it is made. In December 2007, *Industrial Minerals* reported that the Chinese fused alumina supply problems were primarily due to the following factors:

- increased Chinese domestic demand;
- tighter Chinese environmental controls that restrict the supply of alumina as plants are closed or operate less frequently;
- increased Chinese power costs and availability;
- efforts to divert scarce bauxite and power resources in China to other more strategic industries;
- increased cost of domestic Chinese transportation; and
- increased sea freight cost and scarcity of bulk ocean vessels.<sup>163</sup>

By 2008, because of the shortages of bauxite and electrical power in China, the publication reported that Chinese production of brown fused alumina was "well below peak levels, possibly as low as 50% capacity."<sup>164</sup>

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<sup>158</sup> The 11 Chinese producers listed include the following firms: Bosai Minerals Group Co., Ltd.; Guizhou Dazhong No.7 Grind Co.; Hainan Meida Import and Export Co., Ltd.; Henan Mianchi Great Wall Corundum Co., Ltd.; Xiyang Mianchi; Henan Yilong High & New Materials. Co., Ltd.; Sanmenxia Mingzhu Electric Smelting Co., Ltd.; Shanxi Qinxin Group; Taiyuan Twin-Tower Aluminum Oxide, Inc.; Qingdao Shunxingli Abrasives Co., Ltd.; and Zibo Jinyu Abrasive Co. *Response* of domestic interested parties, November 20, 2008, exh. VI.

<sup>159</sup> *Response* of domestic interested parties, November 20, 2008, pp. 7 and 11.

<sup>160</sup> *Response* of domestic interested parties, November 20, 2008, p. 9.

<sup>161</sup> *Response* of domestic interested parties, November 20, 2008, p. 9.

<sup>162</sup> Backus, Rachel, "Uphill Struggle," *Industrial Minerals*, December 2007, pp. 32-38.

<sup>163</sup> Backus, Rachel, "Uphill Struggle," *Industrial Minerals*, December 2007, pp. 32-38.

<sup>164</sup> O'Driscoll, Mike, "Mineral Processing in Asia," *Industrial Minerals*, March 2008, pp. 77-81.

**Table I-16**  
**Major Chinese brown fused alumina producers**

<b>Firm</b>	<b>Capacity (metric tons)</b>	<b>Notes</b>
Bosai Minerals Group Co., Ltd.	90,000	Main products include grain sands and segment sands, with more than half of its output exported to overseas markets.
China Mineral Processing Ltd.		A major player in China's mineral export and domestic markets, the company has traditionally concentrated on hard mineral processing (i.e. crushing, grinding, sizing, packing) for products such as BFA. Production in 2007 amounted to 324,800 mt of processed minerals. New capacity expansions in 2008 will add 40,000 tpa to the product lines.
China Qisha Group Co.	100,000	
Deng Feng Refractory & Building Material Co. Ltd.		
Guizhou Dazhong China No.7 Grinding Wheel Co. Ltd.	85,000	Main products include brown fused alumina segment sands and grain sands. In terms of capacity, it is the largest single producer of BFA in China with estimated fusion capacity of 80-90,000 tpa for BFA. Products include a wide range of refractory and abrasive products, including micro powders. Combined fusion capacity for BFA and WFA is 100,000 tpa.
Henan Mianchi Great Wall Corundum Co. Ltd.	40-50,000	Products include BFA and WFA for abrasives and refractories.
Henan Yichuan Tianlong Abrasives & Refractories Co. Ltd.	7,000	
Henan Yilong High & New Material Co., Ltd.	50,000	Main products include RBAO, which are sold in foreign and Chinese markets.
Henan Yinchuan Zhongzhou Abrasives Plant	>10,000	
Henan Zhongyuan Abrasives and Refractories Co., Ltd.	30,000-40,000	Main products include BFA for refractories and abrasives.
Huang He Cast Plant	55,000	
Kaileng Special Refractory Material Group JSC Ltd.		Main products include BFA and WFA.
Louyang Yichuan Zhongyuan Abrasive Powder Plant	>10,000	
Nanchuan Minerals Group ("NMG")(including Guizhou Guiyang Emery Factory and Nanchuan Jingshan Fused Alumina)	130,000	Main products include BFA abrasive grits and refractory grains. NMG owns the largest abrasive bauxite mine in the world with 150,000 tpa mined and calcined bauxite. It is the largest BFA producer in Asia and the only BFA producer in China with its own bauxite mine. The company's three facilities operated at 77 percent capacity utilization in 2007.

*Table continued on next page.*

**Table I-16—Continued**  
**Major Chinese brown fused alumina producers**

<b>Firm</b>	<b>Capacity (metric tons)</b>	<b>Notes</b>
Pingguo Jingshan Brown fused Alumina Factory	20,000	Main product is RBAO in grit sizes 24 and 150.
San Feng Abrasives Factory	21,000	Products include BFA crude, grains and powder.
Sanmenxia Mingzhu Electric Smelting Co., Ltd.	50,000	Main products include crude and refined brown fused alumina
Shanxi Qinxin Group	100,000	Main products include crude and refined brown fused alumina.
Si Sha Co., Ltd.	20-25,000	Produces BFA.
Taiyuan Twin-Tower Aluminum Oxide Inc.	60,000 (BFA) 30,000 (RBAO)	Products include BFA in lump, abrasive grains, and micro powders. In 2000, company produced 38,000 mt BFA, about 20 percent of which was for the domestic market and most of the rest exported for both refractory and abrasive markets in the United States.
United Abrasives Factory	>10,000	
Xinyu Abrasives Co. Ltd.		A medium sized producer of BFA for refractory use.
Yichuan Sanhua Mining Co. Ltd.	>10,000	
Zhengzhou Saint-Gobain White Dove Ceramic Materials Co. Ltd.	30,000	Products include abrasive grade BFA and WFA. Company may no longer be in operation.
Zhengzhou Shangjie Abrasive Wheel Factory	30,000	Products include BFA and WFA grains for abrasives and refractories.
Zhengzhou Songshan Abrasives Co. Ltd.	>10,000	
Zhengzhou Yellow River Abrasives Co.		
Zhengzhou Yulong Abrasive Co. Ltd.	>10,000	
Zunyi Jingshan Brown Fused Alumina Factory	50,000	
ZYR Abrasives Co.		Products include BFA for abrasives.
Total estimated BFA capacity	1,040,500	
<p>Note.—Brown fused alumina (“BFA”), White fused alumina (“WFA”), tons per annum (“tpa”).</p> <p>Source: Various <i>Industrial Minerals</i> articles, and 2007 <i>Annual Report on Chinese Artificial Corundum Market</i>, Asian Metal Ltd. (reproduced in <i>Response</i> of domestic interested parties, November 20, 2008, exh. III).</p>		



## **RBAO Operations**

Table I-17 presents trade data for the Chinese RBAO industry compiled during the original investigation (2002-02, January-June 2002, and January-June 2003) and U.S. imports from China for 2007. As these data show, Chinese production increased throughout the period for which data were collected in the original investigation. Moreover, the Chinese producers also reported in their questionnaire responses in the original investigation that they forecasted production to increase further in 2003 and 2004 over the 2002 level. During the period examined in the original investigation, the Chinese producers operated their facilities at relatively low aggregate capacity utilization rates ranging from 69.3 to 75.2 percent.<sup>165</sup>

## **Export Profile**

*Global Trade Atlas* statistics concerning exports of crude and refined fused alumina (HTS subheading 2818.10) from China for 2003-07 are presented in table I-18. These data show that total exports of fused aluminum oxide from China to the world increased by 25.7 percent from 740,349 short tons in 2003 to 930,306 short tons in 2007. The two largest export markets for Chinese fused aluminum oxide during 2003-07 were the United States and Japan, accounting for 22.2 percent and 18.9 percent of total exports of fused aluminum oxide made by China during 2007, respectively.

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<sup>165</sup> *Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)*, October 9, 2003 (INV-AA-154), table VII-1.

Table I-17

RBAO: China's capacity, production, shipments, and inventories, 2000-02, January-June 2002, January-June 2003, and 2007<sup>1</sup>

Item	2000	2001	2002	January-June		2007
				2002	2003	
<b>Quantity (short tons)</b>						
Capacity	155,809	193,879	219,027	111,116	122,429	( <sup>2</sup> )
Production	113,098	144,185	164,795	80,803	84,828	( <sup>2</sup> )
End-of-period inventories	23,476	17,910	20,134	20,509	19,646	( <sup>2</sup> )
Shipments:						
Internal consumption	2,493	5,257	4,654	2,692	2,054	( <sup>2</sup> )
Home market	64,310	88,940	94,279	46,927	44,300	( <sup>2</sup> )
Exports:						
United States	35,286	29,801	34,173	17,905	16,263	2,922 <sup>3</sup>
All other markets	91,941	123,830	124,807	54,620	71,779	( <sup>2</sup> )
Total exports	127,227	153,631	158,980	72,525	88,042	( <sup>2</sup> )
Total shipments	194,030	247,828	257,913	122,144	134,396	( <sup>2</sup> )
<b>Ratios and shares (percent)</b>						
Capacity utilization	72.6	74.4	75.2	72.7	69.3	( <sup>2</sup> )
Inventories to production	20.8	12.4	12.2	12.7	11.6	( <sup>2</sup> )
Inventories to total shipments	12.1	7.2	7.8	8.4	7.3	( <sup>2</sup> )
Share of total quantity of shipments:						
Internal consumption	1.3	2.1	1.8	2.2	1.5	( <sup>2</sup> )
Home market	33.1	35.9	36.6	38.4	33.0	( <sup>2</sup> )
Exports to:						
United States	18.2	12.0	13.2	14.7	12.1	( <sup>2</sup> )
All other markets	47.4	50.0	48.4	44.7	53.4	( <sup>2</sup> )
All export markets	65.6	62.0	61.6	59.4	65.5	( <sup>2</sup> )
<p><sup>1</sup> Data presented for 2000-02, January-June 2002, and January-June 2003 were provided in the final phase of the original investigation by nine producers and four exporters in China. These producers' exports of the subject merchandise to the United States accounted for 59.8 percent of the total U.S. imports of refined aluminum oxide (all grades) from China during 2002.</p> <p><sup>2</sup> Not available.</p> <p><sup>3</sup> Official import statistics for HTS statistical reporting number 2818.10.2090 (more specific to refined brown aluminum oxide) is presented in lieu of export data because <i>Global Trade Atlas</i> Chinese export data are for HTS subheading 2818.10, which includes all forms (i.e., crude and refined) and all grades (e.g., brown, white, pink, and red) of fused aluminum oxide.</p>						
<p>Source: <i>Staff Report on Refined Brown Aluminum Oxide from China, Investigation No. 731-TA-1022 (Final)</i>, October 9, 2003 (INV-AA-154), table VII-1 (2000-02, January-June 2002, and January-June 2003), and official Commerce statistics (HTS statistical reporting number 2818.10.2090 (2007)).</p>						

**Table I-18**  
**Fused aluminum oxide: China's export shipments, 2003-07**

Item	2003	2004	2005	2006	2007
<b>Quantity (short tons)</b>					
Exports:					
United States	174,134	159,118	208,828	167,201	206,641
Japan	155,235	148,362	137,716	144,841	175,796
Netherlands	70,764	106,192	52,030	67,868	87,367
India	30,596	37,282	32,192	37,027	64,240
Korea	60,463	54,756	46,218	54,367	62,431
Italy	29,612	39,535	46,765	37,376	50,662
Russia	17,747	25,367	31,541	40,070	43,550
Taiwan	26,160	27,063	24,796	29,265	28,700
Thailand	19,585	17,177	21,335	21,446	27,823
All other <sup>1</sup>	156,053	163,773	164,193	166,111	183,095
World	740,349	778,624	765,615	765,571	930,306
<b>Value (\$1,000)<sup>2</sup></b>					
Exports:					
United States	34,158	36,504	50,691	37,792	58,196
Japan	43,424	50,234	52,881	55,370	76,533
Netherlands	13,653	28,085	14,429	16,711	25,728
India	7,030	10,260	8,291	9,516	18,706
Korea	14,999	16,676	14,483	16,913	23,721
Italy	6,463	11,276	14,432	10,855	17,161
Russia	4,094	7,640	9,059	11,164	13,432
Taiwan	6,156	7,892	7,648	8,335	10,502
Thailand	4,855	5,492	6,716	6,279	9,422
All other <sup>1</sup>	38,211	47,413	49,255	52,041	66,549
World	173,042	221,473	227,884	224,975	319,951

Table continued on following page.

**Table I-18—Continued**  
**Fused aluminum oxide: China's export shipments, 2003-07**

Item	2003	2004	2005	2006	2007
<b>Unit value (per short ton)</b>					
Exports:					
United States	\$196	\$229	\$243	\$226	\$282
Japan	280	339	384	382	435
Netherlands	193	264	277	246	294
India	230	275	258	257	291
Korea	248	305	313	311	380
Italy	218	285	309	290	339
Russia	231	301	287	279	308
Taiwan	235	292	308	285	366
Thailand	248	320	315	293	339
All other <sup>1</sup>	245	290	300	313	363
World	234	284	298	294	344
<b>Share of quantity (percent)</b>					
Exports:					
United States	23.5	20.4	27.3	21.8	22.2
Japan	21.0	19.1	18.0	18.9	18.9
Netherlands	9.6	13.6	6.8	8.9	9.4
India	4.1	4.8	4.2	4.8	6.9
Korea	8.2	7.0	6.0	7.1	6.7
Italy	4.0	5.1	6.1	4.9	5.4
Russia	2.4	3.3	4.1	5.2	4.7
Taiwan	3.5	3.5	3.2	3.8	3.1
Thailand	2.6	2.2	2.8	2.8	3.0
All other <sup>1</sup>	21.1	21.0	21.4	21.7	19.7
World	100.0	100.0	100.0	100.0	100.0
<sup>1</sup> The "all other" category includes data for 82 export markets for the Chinese material. The largest of these other export markets for the Chinese product include Poland, Germany, Turkey, and Slovenia. <sup>2</sup> F.o.b. port in China.					
Source: <i>Global Trade Atlas</i> , (HTS subheading 2818.10, which includes all forms (i.e., crude and raw) and all grades (e.g., brown, white, pink, and red) of fused aluminum oxide.					

**APPENDIX A**  
***FEDERAL REGISTER* NOTICES**



the EAR are the foreign-produced direct product of U.S.-origin technology.

In accordance with the provisions of Section 766.24(e) of the EAR, the Respondents may, at any time, appeal this Order by filing a full written statement in support of the appeal with the Office of the Administrative Law Judge, U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022.

In accordance with the provisions of Section 766.24(d) of the EAR, BIS may seek renewal of this Order by filing a written request not later than 20 days before the expiration date. The Respondents may oppose a request to renew this Order by filing a written submission with the Assistant Secretary of Commerce for Export Enforcement, which must be received not later than seven days before the expiration date of the Order.

A copy of this Order shall be served on the Respondents and the Related Persons and shall be published in the **Federal Register**.

This Order is effective immediately and shall remain in effect for 180 days.

Entered this 17th day of September, 2008.

**Darryl W. Jackson**,  
Assistant Secretary of Commerce for Export Enforcement.

[FR Doc. E8-23089 Filed 9-30-08; 8:45 am]

**BILLING CODE 3510-DT-P**

**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 order 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 order.

**DATES:** *Effective Date:* October 1, 2008.

**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 & Constitution Ave., 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 order:

DOC case No.	ITC case No.	Country	Product	Department contact
A-570-882 .....	731-TA-1022 .....	PRC .....	Refined Brown Aluminum Oxide .....	Brandon Farlander (202) 482-0182.

**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 sunset 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, service, and certification of documents. These rules can be found at 19 CFR 351.303.

Pursuant to 19 CFR 351.103(c), 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.<sup>1</sup> 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: September 24, 2008.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. E8-23161 Filed 9-30-08; 8:45 am]

**BILLING CODE 3510-DS-P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Advance Notification of Sunset Reviews**

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

**ACTION:** Notice of upcoming sunset reviews.

**Background**

Every five years, pursuant to section 751(c) of the Tariff Act of 1930, as amended, the Department of Commerce ("the Department") and the

International Trade Commission automatically initiate and conduct a review to determine whether revocation of a countervailing or antidumping duty order or termination of an investigation suspended under section 704 or 734 would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.

**Upcoming Sunset Reviews for November 2008**

The following Sunset Review is scheduled for initiation in November 2008 and will appear in that month's Notice of Initiation of Five-Year Sunset Reviews.

	Department contact
<b>Antidumping Duty Proceedings</b>	
Malleable Cast Iron Pipe Fittings from the PRC (A-570-881) .....	Juanita Chen (202) 482-1904.
High and Ultra-High Voltage Ceramic Station Post Insulators From Japan (A-588-862) .....	Brandon Farlander (202) 482-0182.

**Countervailing Duty Proceedings**

No Sunset Reviews of countervailing duty orders are scheduled for initiation in November 2008.

**Suspended Investigations**

No Sunset Reviews of suspended investigations are scheduled for initiation in November 2008.

The Department's procedures for the conduct of Sunset Reviews are set forth in 19 CFR 351.218. 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). The Notice of Initiation of Five-Year ("Sunset") Reviews provides further information regarding what is required of all parties to participate in Sunset Reviews.

Pursuant to 19 CFR 351.103(c), 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.

Please note that if the Department receives a Notice of Intent To Participate from a member of the domestic industry within 15 days of the date of initiation, the review will continue. Thereafter, any interested party wishing to participate in the Sunset Review must provide substantive comments in response to the notice of initiation no later than 30 days after the date of initiation.

This notice is not required by statute but is published as a service to the international trading community.

Dated: September 24, 2008.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. E8-23160 Filed 9-30-08; 8:45 am]

**BILLING CODE 3510-DS-P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review**

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

**FOR FURTHER INFORMATION CONTACT:** Sheila E. Forbes, Office of AD/CVD

Operations, Customs Unit, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230, telephone: (202) 482-4697.

**Background**

Each year during the anniversary month of the publication of an antidumping or countervailing duty order, finding, or suspended investigation, an interested party, as defined in section 771(9) of the Tariff Act of 1930, as amended, may request, in accordance with 19 CFR 351.213, that the Department conduct an administrative review of that antidumping or countervailing duty order, finding, or suspended investigation.

**Respondent Selection**

In the event the Department limits the number of respondents for individual examination for administrative reviews initiated pursuant to requests made for the orders identified below, the Department intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports during the period of review (POR). We intend to release the CBP data under Administrative Protective Order (APO) to all parties having an APO within five days of publication of

<sup>1</sup> 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.



### III. Programmatic Targets

During Fiscal Year 2009, upon request of a self-governance tribe, MMS will negotiate funding agreements for its eligible programs beyond those already negotiated.

Dated: September 24, 2008.

**Randall B. Luthi,**

*Director, Minerals Management Service.*

[FR Doc. E8-23175 Filed 9-30-08; 8:45 am]

BILLING CODE 4310-MR-P

## DEPARTMENT OF THE INTERIOR

### National Park Service

#### Flight 93 National Memorial Advisory Commission

**AGENCY:** National Park Service, Interior.

**ACTION:** Notice of November 1, 2008 Meeting.

**SUMMARY:** This notice sets forth the date of the November 1, 2008 meeting of the Flight 93 Advisory Commission.

**DATES:** The public meeting of the Advisory Commission will be held on Saturday, November 1, 2008 from 10 a.m. to 1 p.m. (Eastern). The Commission will meet jointly with the Flight 93 Memorial Task Force.

*Location:* The meeting will be held at the Somerset County Courthouse, Court Room #1, located at 111 E. Union Street, Somerset, PA 15501.

*Agenda:*

The November 1, 2008 joint Commission and Task Force meeting will consist of

1. Opening of Meeting and Pledge of Allegiance.

2. Review and Approval of Commission Minutes from August 2, 2008.

3. Reports from the Flight 93 Memorial Task Force and National Park Service. Comments from the public will be received after each report and/or at the end of the meeting.

4. Old Business.

5. New Business.

6. Public Comments.

7. Closing Remarks.

**FOR FURTHER INFORMATION CONTACT:**

Joanne M. Hanley, Superintendent, Flight 93 National Memorial, 109 West Main Street, Somerset, PA 15501, 814.443.4557.

**SUPPLEMENTARY INFORMATION:** The meeting will be open to the public. Any member of the public may file with the Commission a written statement concerning agenda items. Address all statements to: Flight 93 Advisory Commission, 109 West Main Street, Somerset, PA 15501.

Dated: September 8, 2008.

**Joanne M. Hanley,**

*Superintendent, Flight 93 National Memorial.*

[FR Doc. E8-22924 Filed 9-30-08; 8:45 am]

BILLING CODE 4312-25-P

## INTERNATIONAL TRADE COMMISSION

### [Investigation No. 731-TA-1022 (Review)]

#### Refined Brown Aluminum Oxide From China

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of a five-year review concerning the antidumping duty order on refined brown aluminum oxide from China.

**SUMMARY:** The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on refined brown aluminum oxide 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;<sup>1</sup> to be assured of consideration, the deadline for responses is November 20, 2008. Comments on the adequacy of responses may be filed with the Commission by December 15, 2008. 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:* October 1, 2008.

**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

<sup>1</sup> 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. 09-5-189, expiration date June 30, 2011. 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.

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 November 19, 2003, the Department of Commerce issued an antidumping duty order on imports of refined brown aluminum oxide from China (68 FR 65249). The Commission is conducting a review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

*Definitions.*—The following definitions apply to this review:

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

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

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determination, the Commission defined the *Domestic Like Product* as all merchandise corresponding to the scope of the investigation, as well as any refined brown aluminum oxide where particles with a diameter greater than 3/8 inch constitute at least 50 percent of the total weight of the entire batch, as long as this product has been crushed, screened, and sorted into consistent sizes.

(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, the Commission defined the *Domestic Industry* as all U.S. producers of the domestic like product, as defined above, with the exception of Great Lakes Minerals, which was excluded from the domestic industry as a related party.

(5) The *Order Date* is the date that the antidumping duty order under review became effective. In this review, the *Order Date* is November 19, 2003.

(6) 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 recently has advised that a five-year review is no longer 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 no longer 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 November 20, 2008. 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 December 15, 2008. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

*Inability to provide requested information.*—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the

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

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

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

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

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

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

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

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

United States or other countries since the *Order Date*.

(7) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2007 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

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

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

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

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2007 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

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

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

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

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2007 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide

the information, on an aggregate basis, for the firms which are members of your association.

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

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

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

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

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

By order of the Commission.

Issued: September 19, 2008.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E8-22490 Filed 9-30-08; 8:45 am]

**BILLING CODE 7020-02-P**

## DEPARTMENT OF JUSTICE

### Notice of Lodging of Proposed Settlement Agreement Under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)

Notice is hereby given that on September 19, 2008, a proposed Settlement Agreement regarding the East Helena Superfund Site, Operable Unit No. 2 (the Site), was filed with the United States Bankruptcy Court for the Southern District of Texas in *In re Asarco LLC*, No. 05-21207 (Bankr. S.D. Tex.) (Docket No. 9231). The settlement reserves claims for any liabilities for property owned by Debtors and for groundwater contamination, among other things. The proposed Agreement entered into by the United States on behalf of the Environmental Protection Agency (EPA), the State of Montana, and Asarco LLC and Asarco Master Inc. (the Debtors), provides, *inter alia*, that with respect to the Site, (1) the United States on behalf of EPA shall have an allowed general unsecured claim of \$13,209,783 for past and future response costs, and (2) the Debtors will not oppose disbursements out of the Asarco Environmental Trust up to \$5,773,371 to perform work described by EPA's proposed plan for Site remediation.

The Department of Justice will receive comments relating to the proposed Agreement for a period of thirty (30) days from the date of this publication. Comments should be addressed to the Assistant Attorney General, Environment and Natural Resources Division, and either e-mailed to [pubcomment-ees.enrd@usdoj.gov](mailto:pubcomment-ees.enrd@usdoj.gov) or mailed to P.O. Box 7611, U.S. Department of Justice, Washington, DC 20044-7611, and should refer to *In re Asarco LLC*, DJ Ref. No. 90-11-3-08633.

The proposed Agreement may be examined at the Office of the United States Attorney for the Southern District of Texas, 800 North Shoreline Blvd, #500, Corpus Christi, TX 78476-2001, at the office of the Environmental Protection Agency Region 8, 1595 Wynkoop Street, Denver, Colorado 80202-1129. During the public comment period, the proposed Agreement may also be examined on the following Department of Justice Web site, [http://www.usdoj.gov/enrd/Consent\\_Decrees.html](http://www.usdoj.gov/enrd/Consent_Decrees.html). A copy of the proposed Agreement may also be obtained by mail from the Consent Decree Library, P.O. Box 7611, U.S. Department of Justice, Washington, DC 20044-7611 or by faxing or e-mailing a request to Tonia Fleetwood ([tonia.fleetwood@usdoj.gov](mailto:tonia.fleetwood@usdoj.gov)), fax no.

Township 47 North, Range 78 West, Sixth Principal Meridian, Wyoming, Group No. 773, was accepted November 17, 2008.

Copies of the preceding described plats and field notes are available to the public at a cost of \$1.10 per page.

Dated: January 7, 2009.

**John P. Lee,**

*Chief Cadastral Surveyor, Division of Support Services.*

[FR Doc. E9-454 Filed 1-12-09; 8:45 am]

BILLING CODE 4310-22-P

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 701-TA-455 (Final)]

### Circular Welded Carbon Quality Steel Line Pipe From China

#### Determination

On the basis of the record<sup>1</sup> developed in the subject investigation, the United States International Trade Commission (Commission) determines, pursuant to section 705(b) of the Tariff Act of 1930 (19 U.S.C. 1671d(b)) (the Act), that an industry in the United States is materially injured or threatened with material injury by reason of imports from China of circular welded carbon quality steel line pipe from China, provided for in subheadings 7306.19.10 and 7306.19.51 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce (Commerce) to be subsidized by the Government of China.<sup>2</sup>

#### Background

The Commission instituted this investigation effective April 3, 2008, following receipt of a petition filed with the Commission and Commerce by Maverick Tube Corp. (Houston, TX), Tex-Tube Co. (Houston, TX), U.S. Steel Corp. (Pittsburgh, PA), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (Pittsburgh, PA).<sup>3</sup> The final phase of the

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

<sup>2</sup> Commissioners Charlotte R. Lane, Irving A. Williamson, and Dean A. Pinkert based their affirmative determinations on findings of present material injury. Chairman Shara L. Aranoff, Vice Chairman Daniel R. Pearson, and Commissioner Deanna Tanner Okun based their affirmative determinations on findings of threat of material injury, and further determined that they would not have found material injury but for the suspension of liquidation.

<sup>3</sup> On April 4, 2008, Wheatland Tube Co. (Sharon, PA) separately filed an entry of appearance in

investigation was scheduled by the Commission following notification of a preliminary determination by Commerce that imports of circular welded carbon quality line pipe from China were being subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)). Notice of the scheduling of the final phase of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the **Federal Register** of September 22, 2008 (73 FR 54618). The hearing was held in Washington, DC, on November 24, 2008, and all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determination in this investigation to the Secretary of Commerce on January 7, 2009. The views of the Commission are contained in USITC Publication 4055 (January 2009), entitled *Circular Welded Carbon Quality Line Pipe from China: Investigation No. 701-TA-455 (Final)*.

By order of the Commission.

Issued: January 7, 2009.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E9-446 Filed 1-12-09; 8:45 am]

BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-1022 (Review)]

### Refined Brown Aluminum Oxide From China

**AGENCY:** United States International Trade Commission.

**ACTION:** Scheduling of an expedited five-year review concerning the antidumping duty order on refined brown aluminum oxide from China.

**SUMMARY:** The Commission hereby gives notice of the scheduling of an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty order on refined brown aluminum oxide from China would be likely to

support of the petition. Council for petitioning firm Tex-Tube Co. amended its entry of appearance on October 31, 2008, to also include domestic producers Northwest Pipe Co. (Vancouver, WA); Stupp Corp. (Baton Rouge, LA); and TMK IPSCO Tubulars (Lisle, IL); the same council once again amended its entry of appearance on November 3, 2008, to add domestic producer American Steel Pipe Division of ACIPCO (Birmingham, AL).

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:* January 5, 2009.

**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 January 5, 2009, the Commission determined that the domestic interested party group response to its notice of institution (73 FR 57149, October 1, 2008) 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.<sup>1</sup> Accordingly, 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 February 2, 2009, 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

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

notice of institution,<sup>2</sup> 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 February 5, 2009 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 February 5, 2009. 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. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

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

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

By order of the Commission.

Issued: January 8, 2009.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E9-480 Filed 1-12-09; 8:45 am]

**BILLING CODE 7020-02-P**

<sup>2</sup> The Commission has found the responses submitted on behalf of C-E Minerals, Inc.; Great Lakes Minerals, LLC; Treibacher Schleifmittel North America, Inc.; and Washington Mills Company, Inc. to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

## DEPARTMENT OF JUSTICE

### Bureau of Alcohol, Tobacco, Firearms and Explosives

[OMB Number 1140-0049]

#### Agency Information Collection Activities: Proposed Collection; Comments Requested

**ACTION:** 30-Day Notice of Information Collection Under Review: Application for National Firearms Examiner Academy.

The Department of Justice (DOJ), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995. The proposed information collection is published to obtain comments from the public and affected agencies. This proposed information collection was previously published in the **Federal Register** Volume 73, Number 207, page 63512-63513 on October 24, 2008, allowing for a 60-day comment period.

The purpose of this notice is to allow for an additional 30 days for public comment until February 12, 2009. This process is conducted in accordance with 5 CFR 1320.10.

Written comments and/or suggestions regarding the items contained in this notice, especially the estimated public burden and associated response time, should be directed to The Office of Management and Budget, Office of Information and Regulatory Affairs, Attention Department of Justice Desk Officer, Washington, DC 20503. Additionally, comments may be submitted to OMB via facsimile to (202) 395-5806.

Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

—Enhance the quality, utility, and clarity of the information to be collected; and

—Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

#### Overview of This Information Collection

(1) *Type of Information Collection:* Extension of a currently approved collection.

(2) *Title of the Form/Collection:* Application for National Firearms Examiner.

(3) *Agency form number, if any, and the applicable component of the Department of Justice sponsoring the collection:* Form Number: ATF F 6330.1. Bureau of Alcohol, Tobacco, Firearms and Explosives.

(4) *Affected public who will be asked or required to respond, as well as a brief abstract:* Primary: State, Local, or Tribal Government. Other: Federal. Abstract: The information requested on this form is necessary to process requests from prospective students to attend the ATF National Firearms Examiner Academy and to acquire firearms and tool mark examiner training. The information collection is used to determine the eligibility of the applicant.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* There will be an estimated 75 respondents, who will complete the form within approximately 12 minutes.

(6) *An estimate of the total burden (in hours) associated with the collection:* There are an estimated 15 total burden hours associated with this collection.

If additional information is required contact: Lynn Bryant, Clearance Officer, United States Department of Justice, Policy and Planning Staff, Justice Management Division, Suite 1600, Patrick Henry Building, 601 D Street, NW., Washington, DC 20530.

Dated: January 8, 2009.

**Lynn Bryant,**

*Department Clearance Officer, PRA, United States Department of Justice.*

[FR Doc. E9-464 Filed 1-12-09; 8:45 am]

**BILLING CODE 4410-FY-P**

	Original Net Subsidy Rate	Amended Net Subsidy Rate
Huludao Companies .....	35.63%	31.29%
Liaoning Northern Steel Pipe Co., Ltd. ....	40.05%	(no change)
All Others Rate .....	37.84%	35.67%

### Countervailing Duty Order

On January 7, 2009, in accordance with section 705(d) of the Act, the ITC notified the Department of its final determination that the industry in the United States producing line pipe is materially injured within the meaning of section 705(b) (1)(A)(i) of the Act by reason of subsidized imports of line pipe from the PRC. Therefore, countervailing duties will be assessed on all unliquidated entries of line pipe from the PRC entered or withdrawn from warehouse, for consumption, on or after September 9, 2008, the date on which the Department published its preliminary affirmative countervailing duty determination in the **Federal Register**. See *Circular Welded Line Pipe from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 73 FR 52297 (September 9, 2008).

In accordance with section 706 of the Act, the Department will direct CBP to continue to suspend liquidation, effective the date of publication of this order in the **Federal Register** and to assess, upon further advice by the Department pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the amended net countervailable subsidy rates for the subject merchandise as noted above. Further, with respect to Huludao, we are directing CBP to require a cash deposit for such entries of subject merchandise in the amount indicated above that are entered, or withdrawn from warehouse, for consumption on or after the publication date of this amended final determination in the **Federal Register**. We are further directing CBP to grant a refund for any over collection on entries entered, or withdrawn from warehouse, for consumption on or after the publication date of the *Final Determination* and on or before the publication date of the amended final determination and order in the **Federal Register**, provided the importer makes such a request pursuant to 19 USC § 1520(a)(4).

Regarding the rate applied to all other companies not individually investigated for the amended final, we are directing CBP to require a cash deposit for such entries of subject merchandise in the amount indicated above that are

entered, or withdrawn from warehouse, for consumption on or after the publication date of the amended final determination in the **Federal Register**. We are further directing CBP to grant a refund for any over collection on entries entered, or withdrawn from warehouse, for consumption on or after the publication date of the *Final Determination* and on or before the publication date of the amended final determination in the **Federal Register**, provided the importer makes such a request pursuant to 19 USC § 1520(a)(4).

This notice constitutes the countervailing duty order with respect to line pipe from the PRC, pursuant to section 706(a) of the Act. Interested parties may contact the Department's Central Records Unit, Room 1117 of the Main Commerce Building, for copies of an updated list of countervailing duty orders currently in effect.

This order is issued and published in accordance with section 736(a) of the Act, 19 CFR 351.211(b) and 19 CFR 351.224(e).

Dated: January 14, 2009.

**Ronald K. Lorentzen,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E9-1446 Filed 1-22-09; 8:45 am]

**BILLING CODE 3510-DS-S**

## DEPARTMENT OF COMMERCE

### International Trade Administration

**A-570-882**

#### Refined Brown Aluminum Oxide from the People's Republic of China: Final Results of Expedited Sunset Review

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

**SUMMARY:** On October 1, 2008, the Department of Commerce (the Department) initiated a sunset review of the antidumping duty order on refined brown aluminum oxide (RBAO) from the People's Republic of China (PRC) pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). The Department conducted an expedited (120-day) sunset review of this order. As a result of this sunset review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of

dumping. The dumping margins are identified in the *Final Results of Review* section of this notice.

**EFFECTIVE DATE:** January 23, 2009.

**FOR FURTHER INFORMATION:** David Goldberger or Brandon Farlander, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4136 or (202) 482-0182, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background:

On October 1, 2008, the Department published the notice of initiation of the sunset review of the antidumping duty order on RBAO from the PRC pursuant to section 751(c) of the Act. See *Initiation of Five-Year ("Sunset") Review*, 73 FR 57055, October 1, 2008. The Department received a Notice of Intent to Participate from the following domestic producers of RBAO: C-E Minerals, Inc., Great Lakes Minerals LLC, Treibacher Schleifmittel North America, Inc., U.S. Electrofused Minerals, Inc., and Washington Mills Company, Inc. (collectively "the domestic interested parties"), within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested parties claimed interested party status under section 771(9)(C) of the Act, as manufacturers of a domestic-like product in the United States. We received a complete substantive response from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no substantive responses from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited (120-day) sunset review of the order.

##### Scope of the Order

The merchandise covered by this order is ground, pulverized or refined brown artificial corundum, also known as brown aluminum oxide or brown fused alumina, in grit size of 3/8 inch or less. Excluded from the scope of the order is crude artificial corundum in which particles with a diameter greater than 3/8 inch constitute at least 50 percent of the total weight of the entire

batch. The scope includes brown artificial corundum in which particles with a diameter greater than 3/8 inch constitute less than 50 percent of the total weight of the batch. The merchandise under investigation is currently classifiable under subheadings 2818.10.20.00 and 2818.10.20.90 of the *Harmonized Tariff Schedule of the United States* (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise covered by the order 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 the Expedited Sunset Review of the Antidumping Duty Order on Refined Brown Aluminum Oxide from the PRC" (Decision Memo), which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the order were to be revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room 1117 of the main Commerce building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn/index.html>. The paper copy and electronic version of the Decision Memo are identical in content.

**Final Results of Review**

We determine that revocation of the antidumping duty order on RBAO from the PRC 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)
Zibo Jinyu Abrasive Co., Ltd. ....	135.18
PRC-wide .....	135.18

This notice also serves as the only reminder to parties subject to administrative protective orders (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 or destruction of APO materials or conversion to judicial protective orders is hereby requested. Failure to comply with the regulations and terms of an

APO is a violation which is subject to sanction.

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

Dated: January 14, 2009.

**Ronald K. Lorentzen,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E9-1504 Filed 1-22-09; 8:45 am]

**BILLING CODE 3510-DS-S**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**Board of Visitors Meeting**

**AGENCY:** Defense Acquisition University, DoD.

**ACTION:** Notice of meeting.

**SUMMARY:** The next meeting of the Defense Acquisition University (DAU) Board of Visitors (BoV) will be held at Defense Acquisition University, Fort Belvoir, VA. The purpose of this meeting is to report back to the BoV on continuing items of interest.

**DATES:** January 28, 2009 from 0900-1500.

**ADDRESSES:** Defense Acquisition University, Bldg. 226, Fort Belvoir, VA 22060.

**FOR FURTHER INFORMATION CONTACT:** Ms. Christen Goulding at 703-805-5134.

**SUPPLEMENTARY INFORMATION:** The meeting is open to the public; however, because of space limitations, allocation of seating will be made on a first-come, first served basis. Persons desiring to attend the meeting should call Ms. Christen Goulding at 703-805-5134.

Dated: January 14, 2009.

**Patricia L. Toppings,**

*OSD Federal Register Liaison Officer, Department of Defense.*

[FR Doc. E9-1407 Filed 1-22-09; 8:45 am]

**BILLING CODE 5001-06-P**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**Defense Science Board**

**AGENCY:** Department of Defense.

**ACTION:** Notice of advisory committee meetings.

**SUMMARY:** The Defense Science Board Task Force on the Fulfillment of Urgent Operational Needs will meet in closed session on February 12 and 13, 2009, in Arlington, VA. The exact meeting location is still to be determined.

The mission of the Defense Science Board is to advise the Secretary of Defense and the Under Secretary of Defense for Acquisition, Technology & Logistics on scientific and technical matters as they affect the perceived needs of the Department of Defense. These meetings will assess the effectiveness of the processes used by the Department of Defense for the generation of urgent operational need requirements and the acquisition processes used to fulfill such requirements. Consequently, this Task Force will have access to all levels of classified information needed to develop its assessment and recommendations.

**FOR FURTHER INFORMATION CONTACT:**

LtCol Charles Lominac, USAF, Defense Science Board, 3140 Defense Pentagon, Room 3B888A, Washington, DC 20301-3140, via e-mail at [charles.lominac@osd.mil](mailto:charles.lominac@osd.mil), or via phone at (703) 571-0081.

**SUPPLEMENTARY INFORMATION:** The task force's findings and recommendations, pursuant to 41 CFR 102-3.140 through 102-3.165, will be presented and discussed by the membership of the Defense Science Board prior to being presented to the Government's decision maker.

Pursuant to 41 CFR 102-3.120 and 102-3.150, the Designated Federal Officer for the Defense Science Board will determine and announce the **Federal Register** when the findings and recommendations of the February 12 and 13 meetings are deliberated by the Defense Science Board.

Interested persons may submit a written statement for consideration by the Defense Science Board. Individuals submitting a written statement must submit their statement to the Designated Federal Official at the address detailed above, at any point, however, if a written statement is not received at least 10 calendar days prior to the meeting, which is the subject of this notice, then it may not be provided to or considered by the Defense Science Board. The Designated Federal Official will review all timely submissions with the Defense Science Board Chairperson, and ensure they are provided to members of the Defense Science Board before the meeting that is the subject of this notice.

Dated: January 15, 2009.

**Patricia L. Toppings,**

*OSD Federal Register Liaison Officer, Department of Defense.*

[FR Doc. E9-1403 Filed 1-22-09; 8:45 am]

**BILLING CODE 5001-06-P**





**APPENDIX B**  
**COMMISSION'S STATEMENT ON ADEQUACY**



## **EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY**

in

### *Refined Brown Aluminum Oxide from China* Inv. No. 731-TA-1022 (Review)

On January 5, 2009, 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 a joint response to its notice of institution from C-E Minerals, Inc.; Great Lakes Minerals, LLC; Treibacher Schleifmittel North America, Inc.; and Washington Mills Company, Inc., domestic producers of refined brown aluminum oxide. The Commission determined that the individual responses of these four domestic producers were adequate. The Commission also determined that the domestic interested party group response was adequate.

The Commission received no response from any respondent interested party, and therefore determined that the respondent interested party group response to the notice of institution 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 web site (<http://www.usitc.gov>).



**APPENDIX C**

**TABLE C-2 FROM COMMISSION'S STAFF REPORT IN THE FINAL PHASE  
OF THE ORIGINAL INVESTIGATION**



The Commission excluded Great Lakes Minerals from the domestic industry in the final phase of the original investigation. Therefore, the Commission relied on data presented in table C-2 of the staff report, which excludes all “domestic” data of Great Lakes Minerals, in making its determination. Since the original investigation, however, domestic producer Great Lakes Minerals has ceased importing the subject merchandise and is no longer an interested party. Therefore, for comparison purposes with data provided by the domestic interested parties in their response to the Commission’s notice of institution in this review for calendar year 2007, the data presented in the body of this staff report for the period examined in the original investigation include the data provided by Great Lakes Minerals. Table C-2 from the Commission’s original staff report has been reproduced in this appendix.





Table C-2

RBAO: Summary data concerning the U.S. market (excluding all "domestic" data reported by Great Lakes),<sup>1</sup> 2000-2002, January-June 2002 and January-June 2003

(Quantity=Short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per ton; and period changes=percent, except where noted)

Item	Calendar year			January-June		Period changes			
	2000	2001	2002	2002	2003	2000-2002	2000-2001	2001-2002	Jan.-June 2002-Jan.-June 2003
U.S. consumption quantity: Amount	***	***	***	***	***	***	***	***	***
Producers' share <sup>1</sup>	***	***	***	***	***	***	***	***	***
Importers' share: <sup>1</sup>									
China (Great Lakes)	***	***	***	***	***	***	***	***	***
China (all other)	***	***	***	***	***	***	***	***	***
China (total)	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***	***
U.S. consumption value: Amount	***	***	***	***	***	***	***	***	***
Producers' share <sup>1</sup>	***	***	***	***	***	***	***	***	***
Importers' share: <sup>1</sup>									
China (Great Lakes)	***	***	***	***	***	***	***	***	***
China (all other)	***	***	***	***	***	***	***	***	***
China (total)	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***	***
U.S. shipments of imports from--									
China (Great Lakes)									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
China (all other)									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
China (total)									
Quantity	66,046	71,461	68,864	40,391	28,262	4.3	8.2	-3.6	-30.0
Value	21,796	22,456	22,057	12,772	9,939	1.2	3.0	-1.8	-22.2
Unit value	\$330.02	\$314.24	\$320.29	\$316.22	\$351.67	-2.9	-4.8	1.9	11.2
Ending inventory	29,858	38,487	29,983	24,151	17,605	0.4	28.9	-22.1	-27.1
Other sources: <sup>2</sup>									
Quantity	52,247	28,632	9,673	5,489	3,948	-81.5	-45.2	-66.2	-28.1
Value	20,465	11,399	5,763	3,227	2,654	-71.8	-44.3	-49.4	-17.8
Unit value	\$391.70	\$398.14	\$595.83	\$587.81	\$672.16	52.1	1.6	49.7	14.3
Ending inventory	0	0	0	0	0	(3)	(3)	(3)	(3)
All sources:									
Quantity	118,293	100,093	78,536	45,880	32,210	-33.6	-15.4	-21.5	-29.8
Value	42,262	33,855	27,820	15,999	12,592	-34.2	-19.9	-17.8	-21.3
Unit value	\$357.26	\$338.24	\$354.23	\$348.71	\$390.95	-0.8	-5.3	4.7	12.1
Ending inventory	29,858	38,487	29,983	24,151	17,605	0.4	28.9	-22.1	-27.1

Table continued on next page.

(Quantity=Short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per ton; and period changes=percent, except where noted)

Item	Calendar year			January-June		Period changes			
	2000	2001	2002	2002	2003	2000-2002	2000-2001	2001-2002	Jan.-June 2002-Jan.-June 2003
U.S. producers'--									
Capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization <sup>1</sup>	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments <sup>1</sup>	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000 hours)	***	***	***	***	***	***	***	***	***
Wages paid (1,000 dollars)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (tons per 1,000 hours)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
COGS	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales <sup>1</sup>	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales <sup>1</sup>	***	***	***	***	***	***	***	***	***

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> U.S. imports from other sources.

<sup>3</sup> Not applicable.

<sup>4</sup> Undefined.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission producer and importer (China) questionnaires and official Commerce statistics.