



FACT SHEET

Commerce Preliminarily Finds No Countervailable Subsidization of Certain Magnesia Carbon Bricks from the People's Republic of China

- On December 17, 2009, the Department of Commerce (Commerce) announced its negative preliminary determination in the countervailing duty (CVD) investigation on imports of certain magnesia bricks from the People's Republic of China (China).
- For the purposes of CVD investigations, subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Chinese producers/exporters have not received countervailable subsidies.
- Mandatory respondent, the Mayerton Companies, was found to have received a preliminary net subsidy rate of 0.07 percent. The other mandatory respondent, the RHI Companies, was found to have received a preliminary net subsidy rate of 0.88 percent. Since the net countervailable subsidies for these respondents are less than one percent, Commerce considers the company rates to be *de minimis* or zero.
- Since both mandatory respondents received a preliminary *de minimis* net subsidy rate, all other Chinese producers/exporters have also been assigned a preliminary *de minimis* net subsidy rate.
- As a result of this negative preliminary determination, Commerce will not instruct U.S. Customs and Border Protection to collect a cash deposit or bond on imports of certain magnesia carbon bricks from China.
- The petitioner for this investigation is Resco Products, Inc. (PA).
- Magnesia carbon bricks are a type of refractory brick used in furnaces primarily for the production of iron and steel. The merchandise subject to this investigation consists of chemically bonded (resin or pitch) magnesia carbon bricks with a magnesia component of at least 70 percent magnesia by weight, and with carbon levels ranging from trace amounts to 30 percent by weight.
- The products covered by this investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the categories: 6902.10.10.00, 6902.10.50.00, 6815.91.00.00, and 6815.99. While the HTSUS subheadings are provided for convenience and customs purposes, Commerce's written description of the subject merchandise governs the scope of this investigation.
- From 2006 to 2008, imports of certain magnesia carbon bricks from China increased 3.78 percent by volume and were valued at an estimated \$50.8 million in 2008.

NEXT STEPS

- Commerce is currently scheduled to make its final determination in March 2010.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of magnesia carbon bricks from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a countervailing duty order. However, if the final determination by Commerce is negative, the investigation will be terminated.

PRELIMINARY SUBSIDY RATES:

PRODUCER/EXPORTER	SUBSIDY RATE
The Mayerton Companies (Dalian Mayerton Refractories Co., Ltd. and Liaoning Mayerton Refractories Co., Ltd.)	0.07 percent (<i>de minimis</i>*)
The RHI Companies (RHI Refractories Liaoning Co., Ltd., RHI Refractories (Dalian) Co., Ltd., and Liaoning RHI Jinding Magnesia Co., Ltd.)	0.88 percent (<i>de minimis</i>*)
All Others	<i>de minimis</i>*

**de minimis* = less than 1% for developed countries; less than 2% for developing countries.

CASE CALENDAR:

EVENT	DATE
Petition Filed	July 29, 2009
DOC Initiation Date	August 18, 2009
ITC Preliminary Determination	September 14, 2009
DOC Preliminary Determination	December 16, 2009
DOC Final Determination*	March 1, 2010
ITC Final Determination**	April 13, 2010
Issuance of Order***	April 20, 2010

* This deadline may be extended under the governing statute.

** This will take place only in the event of final affirmative determinations by Commerce.

*** This will take place only in the event of final affirmative determinations by both Commerce and the ITC.

IMPORT STATISTICS:

CHINA	2006	2007	2008
Volume (tons)	65,418	64,701	67,882
Value (USD)	38,034,440	39,740,629	50,784,069

*Source: ITC Dataweb import statistics.

*The merchandise subject to the investigations is most closely classified under the HTSUS statistical categories 6902.10.10.00 and 6902.10.50.00. Petitioner stated that subject merchandise may also enter under subheadings 6815.91.00.00 and 6815.99. Import data under these subheadings and statistical categories were not used to report volume and value of subject merchandise because only a very small portion of imports is entered under these categories.