

## EXPLANATION OF COMMISSION DETERMINATION OF ADEQUACY

in

*Heavy Forged Handtools from China*, Inv. No. 731-TA-457 (Review)

On October 1, 1999, the Commission determined that it should proceed to a full 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). Chairman Bragg and Commissioner Crawford dissented.

The Commission received a response to the notice of institution from Woodings-Verona, a division of O. Ames Co., a domestic manufacturer of each of the four domestic like products. Based on the information available, including information from the original investigation,<sup>1</sup> the Commission determined the Woodings-Verona response to be an adequate domestic interested party group response for picks and mattocks; hammers and sledges; and bars and wedges because the company appears to account for a significant share of U.S. production. The Commission determined the Woodings-Verona response to be an inadequate domestic interested party group response for axes and adzes because the company appears to account for a small share of U.S. production.<sup>2</sup>

The Commission received a joint response to the notice of institution, with company-specific information, from Fujian Machinery & Equipment I/E Corp.; Liaoning Machinery I/E Corp.; Shandong Huarong General Group Corp.; Shandong Machinery I/E Corp; and Tianjin Machinery I/E Corp. Each of the five firms exports the subject merchandise to the United States; Shandong Huarong is also a producer of the subject merchandise. Respondent interested parties were unable to estimate the share of total production or exports of subject merchandise represented by responding firms, but neither the domestic producer nor the respondent companies were able to identify other exporters of the subject merchandise. Consequently, the Commission determined that the respondent interested party group represented a significant share of total exports of subject merchandise and found the respondent interested party group response was adequate.

The Commission therefore determined to conduct a full review for all products. Despite finding the domestic interested party group response for axes and adzes to be inadequate, the Commission determined to conduct a full review for reasons of administrative efficiency.<sup>3</sup>

Chairman Bragg and Commissioner Crawford found both domestic and respondent responses to be inadequate as group responses and voted to proceed to an expedited review.

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<sup>1</sup> The domestic interested party was unable to provide data regarding its current domestic market share.

<sup>2</sup> Commissioner Askey found the Woodings-Verona response to be an adequate domestic interested party response for all four like products.

<sup>3</sup> Vice Chairman Miller also concluded that a full review is warranted because of significant like product issues.