

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Natural Bristle Paint Brushes from China
Inv. No. 731-TA-244 (Third Review)

On February 5, 2010, 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 (19 U.S.C. §1675(c)(3)(B)).

The Commission received a single response filed by the Paint Applicators Trade Action Coalition (“PATAC”), an ad hoc coalition of domestic producers of paint brushes. Each of the three members of PATAC is a domestic producer of paint brushes, and is therefore an interested party, as is PATAC because it is an association of domestic producers. The Commission found the individual response of each of the three domestic producers, which contained company-specific data, to be adequate. For the same reason, the Commission also found the response on behalf of PATAC to be adequate. Because the three producers that provided company-specific data collectively account for a substantial proportion of domestic production of paint brushes, the Commission further determined that the domestic interested party group response was adequate.

The Commission did not receive a response to the notice of institution from any respondent interested party. The Commission determined that the respondent interested party group response was inadequate in this review.

Notwithstanding the Commission’s determination that the respondent interested party group response was inadequate, the Commission determined to conduct a full review in light of information regarding possible changes in conditions of competition.¹ These include changes in demand in favor of synthetic filament paint brushes over natural bristle paint brushes, technological advances made by Chinese producers, and increases in distribution of paint brushes by discounters and mass merchandisers (e.g., hardware superstores).

A record of the Commissioners’ votes is available from the Office of the Secretary and the Commission’s web site (www.usitc.gov).

¹ Commissioners Lane, Williamson, and Pinkert voted to conduct an expedited review, citing both the lack of adequate respondent participation and their finding that the record in this adequacy phase did not indicate sufficient changes in the conditions of competition since the original investigation and the first and second five-year reviews to warrant conducting a full review.