

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Pure Magnesium from China, Inv. No. 731-TA-696 (Review)

On July 6, 2000, 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).¹ Regarding domestic interested parties, the Commission received a response to the notice of institution from Magnesium Corporation of America (“Magcorp”), one of two domestic producers of pure magnesium. The Commission determined that Magcorp accounted for a significant share of domestic production of pure magnesium and that the domestic interested party group response was adequate.^{2 3 4} The Commission did not receive a response from any respondent interested party. Consequently, the Commission determined that the respondent interested party group response was inadequate. The Commission did not find any circumstances that would warrant conducting a full review. The Commission, therefore, determined to conduct an expedited review. A record of the Commissioners’ votes is available from the Office of the Secretary and at the Commission’s website.

¹ The record from the full five-year review of Magnesium from Canada, Inv. Nos. 701-TA-309 A-B (Review) and 731-TA-528 (Review) has been incorporated into the record in this expedited review.

² Commissioner Bragg notes that the other producer of pure magnesium, Northwest Alloys, Inc. (“Northwest”), internally transferred a large portion of its 1999 production to its parent company, Alcoa. Excluding Northwest’s internal transfers, Magcorp accounted for an even higher share of domestic production of pure magnesium. Commissioner Bragg found that the domestic interested party group response was adequate whether based on total domestic production or only on production for the open market.

³ Commissioners Miller and Hillman took note of the fact that the other domestic producer of pure magnesium, Northwest Alloys, Inc., internally transfers large portions of its production to its parent company.

⁴ Commissioner Askey finds that the domestic interested party group response was adequate because the sole responding producer accounted for a significant share of domestic production. She notes that the other domestic producer of pure magnesium, Northwest Alloys, Inc., internally transfers large portions of its production to its parent company. However, in the preamble to its final regulations adopting the “group interested party” approach to adequacy, the Commission stated that it would assess the adequacy of the domestic group responses by examining the “responding [domestic] parties’ share of domestic production,” not by examining their share of domestic open market shipments. 63 Fed. Reg. 30603. Moreover, the Commission has not used an “open market production” analysis in any of its previous adequacy determinations. For a discussion of her approach to the group adequacy analysis, see Electrolytic Manganese Dioxide from Greece and Japan, Invs. Nos. 731-TA-406 & 408 (Review).