

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY
in
Magnesium from Canada, Inv. Nos. 701-TA-309-A, 309-B (Second Reviews)

On October 4, 2005, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5).¹

The Commission received a response to the notice of institution from US Magnesium LLC, a domestic producer of pure and alloy magnesium. The Commission determined that the response was individually adequate. The Commission also determined that the domestic interested party group response was adequate because US Magnesium accounts for at least a substantial proportion of domestic production of pure magnesium and alloy magnesium.

With regard to respondent interested parties, the Commission received a response only from the Gouvernement du Québec (“GOQ”). The Commission determined that GOQ’s response was individually adequate. However, the Commission did not receive any responses from Canadian producers or exporters or U.S. importers and nothing in GOQ’s response indicated that it would be able to provide the type of information collected in a full review. Accordingly, the Commission determined that the respondent interested party group response was inadequate.

However, the Commission determined to conduct full reviews in this proceeding in light of several changes in the conditions of competition, including that Magnola, a large Canadian producer, reportedly ceased production of magnesium in 2003. Conducting a full review will also enable the Commission to consider the definition of the domestic like product for the purposes of these reviews. While the Commission found that pure magnesium and alloy magnesium were separate domestic like products in the first five-year reviews, in a recent investigation the Commission found a single domestic like product encompassing both pure and alloy magnesium. *Magnesium from China and Russia*, Inv. Nos. 731-TA-1071 and 1072 (Final), USITC Pub. 3763 (April 2005).

Therefore, the Commission did not exercise its discretion to conduct an expedited review, but instead determined to conduct a full 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>).

¹ Commissioner Jennifer A. Hillman dissented, voting for an expedited review in the absence of an adequate respondent interested party group response to the Commission’s notice of institution.