

## EXPLANATION OF COMMISSION DETERMINATION OF ADEQUACY

in

### *Cased Pencils from China*

Inv. No. 731-TA-669 (Fourth Review)

On September 6, 2016, the Commission determined to conduct a full review in the subject five-year review pursuant to section 751(c) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c).

The Commission received two submissions from domestic producers of cased pencils in response to its notice of institution: a joint response from Musgrave Pencil Co., Inc., General Pencil Co., Inc., and RoseMoon, Inc.; and a response from Dixon Ticonderoga Company. The Commission unanimously found each domestic producer's individual response to be adequate. Because the Commission received data from producers accounting for virtually all domestic production of cased pencils in 2015, the Commission unanimously determined that the domestic interested party group response was adequate.

The Commission also unanimously determined that the respondent interested party group response was inadequate, as no respondent interested party filed a response to the notice of institution.

However, in light of the time that has transpired since the Commission conducted a full investigation in this matter and certain changes in conditions of competition that have occurred in the U.S. market since the original investigations, including changes in the composition of the domestic and foreign industries, the Commission concluded that conducting a full review was warranted.<sup>1</sup>

A record of the Commissioners' votes is available from the Office of the Secretary and at the Commission's website ([www.usitc.gov](http://www.usitc.gov)).

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<sup>1</sup> Chairman Williamson, Commissioner Pinkert, and Commissioner Schmidlein voted to conduct an expedited review of the order.