

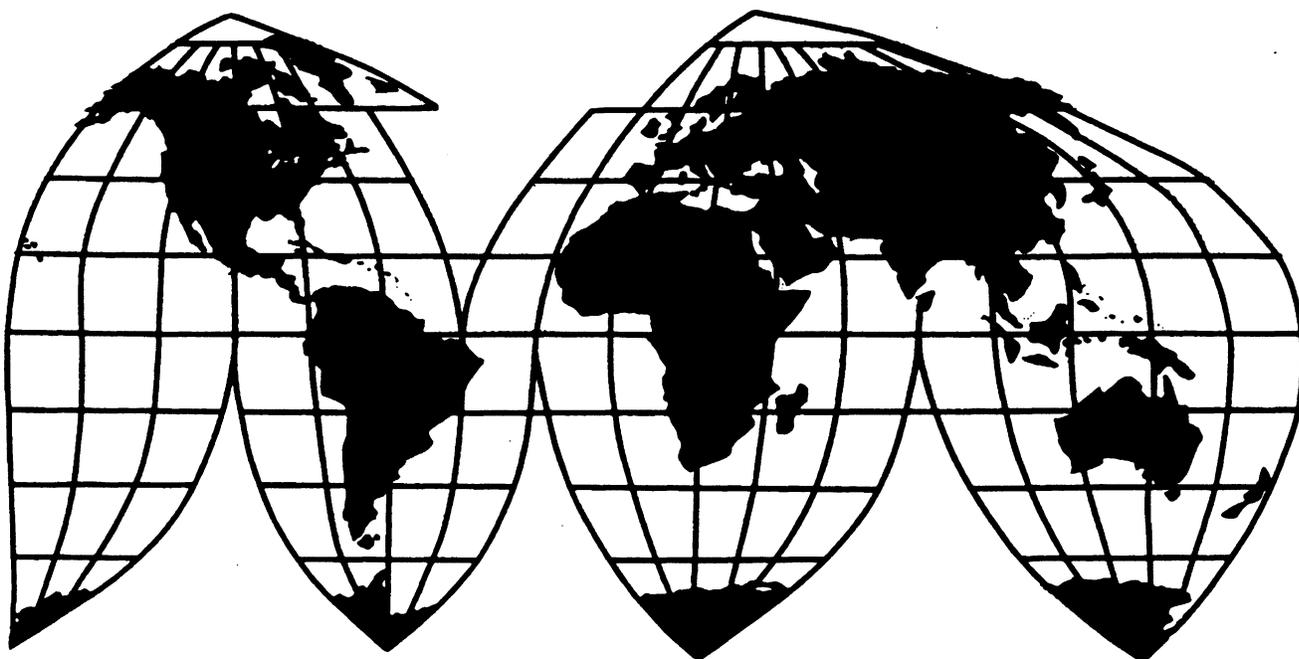
Sodium Thiosulfate From China, Germany, and the United Kingdom

Investigations Nos. 731-TA-466, 465, and 468 (Review)

Publication 3279

February 2000

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal the confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

GLOSSARY

Blythe	William Blythe & Co., Ltd.
Calabrian	Calabrian Corp.
Ciba-Geigy	Ciba-Geigy, GmbH
Chemiewerk Bad Kostritz	Chemiewerk Bad Kostritz, GmbH
Commerce	U.S. Department of Commerce
Commission/USITC	U.S. International Trade Commission
Customs	U.S. Customs Service
F.o.b.	Free-on-board
FR	<i>Federal Register</i>
FY	Fiscal year
General Chemical	General Chemical Corp./GenTek, Inc.
Goldschmidt	Th. Goldschmidt AG Chemise/Th. Goldschmidt Industriechemikalien GmbH
HTS	Harmonized Tariff Schedule of the United States
LTFV	Less-than-fair-value
PVS	PVS Chemicals, Inc.
<i>Response</i>	Response to the Commission's Notice of Institution
SCIEC	Shanghai Chemicals Import & Export Corp.
***	***
SFMW	Shanghai Fluorescence Material Works

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-466, 465, and 468 (Review)

**SODIUM THIOSULFATE FROM CHINA, GERMANY,
AND THE UNITED KINGDOM**

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty orders on sodium thiosulfate from China, Germany, and the United Kingdom would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on July 1, 1999 (64 F.R. 35687, July 1, 1999) and determined on October 1, 1999 that it would conduct expedited reviews (64 F.R. 55959, October 15, 1999). The Commission transmitted its determinations in these reviews to the Secretary of Commerce on February 17, 2000.

¹ The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 C.F.R. § 207.2(f)).

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty orders covering imports of sodium thiosulfate from China, Germany, and the United Kingdom would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. BACKGROUND

In February 1991, the Commission determined that an industry in the United States was being materially injured by reason of imports of sodium thiosulfate from China, Germany, and the United Kingdom that were being sold at less than fair value (“LTFV”).¹ The Department of Commerce issued antidumping duty orders in February 1991 on imports of sodium thiosulfate from China, Germany, and the United Kingdom.²

On July 1, 1999, the Commission instituted reviews pursuant to section 751(c) of the Act to determine whether revocation of the antidumping duty orders on sodium thiosulfate from China, Germany, and the United Kingdom would likely lead to continuation or recurrence of material injury.³

In five-year reviews, the Commission initially determines whether to conduct a full review (which would include a public hearing, the issuance of questionnaires, and other procedures) or an expedited review, as follows. First, the Commission determines whether individual responses of interested parties to the notice of institution are adequate. Second, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties – domestic interested parties (producers, unions, trade associations, or worker groups) and respondent interested parties (importers, exporters, foreign producers, trade associations, or subject country governments) – demonstrate a sufficient willingness among each group to participate and provide information requested in a full review.⁴ If the Commission finds the responses from either group of interested parties to be inadequate, the Commission may determine, pursuant to section 751(c)(3)(B) of the Act, to conduct an expedited review unless it finds that other circumstances warrant a full review. The only response to the Notice of Institution came from a domestic producer, Calabrian Corporation.⁵ No respondent interested party filed a response.⁶

On October 1, 1999, the Commission determined that the domestic interested party group response to its notice of institution was adequate but that the respondent interested party group response

¹ Sodium Thiosulfate from the Federal Republic of Germany, the People’s Republic of China, and the United Kingdom, Invs. Nos. 731-TA-465, 466, and 468 (Final), USITC Pub. 2358 (Feb. 1991) (“Original Determinations”).

² 56 Fed. Reg. 6623 (Feb. 19, 1991).

³ 64 Fed. Reg. 35687 (July 1, 1999).

⁴ See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

⁵ Calabrian Response to Notice of Institution, Aug. 20, 1999 (“Calabrian’s Response”).

⁶ Nor did any other person file a submission under Commission Rule 207.61(d).

was inadequate.⁷ Pursuant to section 751(c)(3)(B) of the Act,⁸ the Commission voted to expedite these reviews.⁹

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”¹⁰ The Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”¹¹ In its final five-year review determination, Commerce defined the subject merchandise as follows:

The merchandise covered by the antidumping duty orders includes all grades of sodium thiosulfate, in dry or liquid form, used primarily to dechlorinate industrial waste water, from the United Kingdom, Germany, and the People’s Republic of China (“PRC”). The chemical composition of sodium thiosulfate is Na₂S₂O₃. Currently, subject merchandise is classifiable under item number 2832.30.1000 of the Harmonized Tariff Schedule of the United States (“HTSUS”). The above HTSUS subheading is provided for convenience and customs purposes. The written description remains dispositive.

There have been no scope rulings for the above orders on imports of sodium thiosulfate from the subject countries.¹²

Sodium thiosulfate (Na₂S₂O₃) is a reducing agent that is used to dechlorinate water and as a fixing agent in photography.¹³ While it is sold in solid and liquid form, domestic producers typically sell it as a solid.¹⁴ In 1998, about *** percent of sodium thiosulfate was used for water treatment.¹⁵

⁷ See Explanation of Commission Determination on Adequacy in Sodium Thiosulfate from the China, Germany, and the United Kingdom, Invs. Nos. 731-TA-465, 466, and 468 (Final). See also 64 Fed. Reg. 55959 (Oct. 1, 1999).

⁸ 19 U.S.C. § 1675(c)(3)(B).

⁹ On October 1, 1999, the Commission established a schedule for the conduct of the expedited five-year reviews. 64 Fed. Reg. 55959 (Oct. 15, 1999). Subsequently, the Department of Commerce extended the date for its final results in the expedited reviews, from October 29, 1999 to January 27, 2000. 64 Fed. Reg. 62167 (Nov. 16, 1999). The Commission, therefore, revised its schedule to conform with Commerce’s new schedule.

¹⁰ 19 U.S.C. § 1677(4)(A).

¹¹ 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 96-249 at 90-91 (1979).

¹² 64 Fed. Reg. 73516 (Dec. 30, 1999).

¹³ Confidential Staff Report (Jan. 20, 2000) at I-6 (“CR”), Public Staff Report (Jan. 20, 2000) at I-5 (“PR”).

¹⁴ Id.

¹⁵ Id.

In the original investigations, the Commission determined that the domestic like product was all sodium thiosulfate, regardless of form or grade.¹⁶ Calabrian argues that the Commission should continue to define the domestic like product in the same fashion.¹⁷ There is no new information obtained during these five-year reviews that would suggest a reason for departing from the Commission's original definition of the domestic like product.¹⁸ Accordingly, we define the domestic like product as all sodium thiosulfate, regardless of form or grade.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the "domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product."¹⁹

In the original determinations concerning China, Germany, and the United Kingdom, the Commission defined the domestic industry as all producers of sodium thiosulfate.²⁰ Calabrian states that the Commission should define the domestic industry as it did in the original investigations.²¹ There is no new information obtained during these five-year reviews that would suggest a reason for departing from the Commission's original definition of the domestic industry.²² Given our definition of the domestic like product, we define the domestic industry to include all domestic producers of sodium thiosulfate.

III. CUMULATION

A. Framework²³

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the

¹⁶ Original Determinations at 5-6.

¹⁷ Calabrian Response at 6; Comments of Calabrian Corporation, Jan. 27, 2000, at 2 ("Calabrian's Comments").

¹⁸ See CR at I-6 to I-7, PR at I-5 to I-6.

¹⁹ 19 U.S.C. § 1677(4)(A).

²⁰ Original Determinations at 5-7.

²¹ Calabrian's Response at 6.

²² See CR at I-6 to I-7, PR at I-5 to I-6.

²³ Chairman Bragg does not join Section III.A of this opinion. For a complete statement of Chairman Bragg's analytical framework regarding cumulation in sunset reviews, see Separate Views of Chairman Lynn M. Bragg Regarding Cumulation in Sunset Reviews, found in Potassium Permanganate From China and Spain, Invs. Nos. 731-TA-125-126 (Review), USITC Pub. 3245 (Oct. 1999). In particular, Chairman Bragg notes that she examines the likelihood of no discernible adverse impact only after first determining there is likely to be a reasonable overlap of competition in the event of revocation.

subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.²⁴

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market.

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.²⁵ We note that neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.²⁶ With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.²⁷

The Commission has generally considered four factors intended to provide the Commission with a framework for determining whether the imports compete with each other and with the domestic like product.²⁸ Only a “reasonable overlap” of competition is required.²⁹ In five-year reviews, the relevant inquiry is whether there would likely be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission’s traditional factors, but also other significant conditions of competition that are likely to prevail if the orders under

²⁴ 19 U.S.C. § 1675a(a)(7).

²⁵ *Id.*

²⁶ SAA, H.R. Rep. No. 103-316, Vol. I (1994).

²⁷ Commissioner Askey notes that the Act clearly states that the Commission is *precluded* from exercising its discretion to cumulate if the imports from a country subject to review are likely to have “no discernible adverse impact on the domestic industry” upon revocation of the order. 19 U.S.C. § 1675a(a)(7). Thus, the Commission must focus on whether the imports will impact the condition of the industry discernibly as a result of revocation, and not simply on whether there will be a small volume of imports after revocation, *i.e.*, by assessing their negligibility after revocation of the order. For a full discussion of her views on this issue, see Additional Views of Commissioner Thelma J. Askey in Potassium Permanganate from China and Spain, Invs. Nos. 731-TA-125-126 (Review), USITC Pub. 3245 (Oct. 1999).

²⁸ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

²⁹ *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); *Wieland Werke, AG*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996).

review are revoked. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.³⁰

Here, the statutory requirement that all of the sodium thiosulfate reviews be initiated on the same day is satisfied. For the reasons discussed below, we determine to cumulate imports from China, Germany, and the United Kingdom.^{31 32}

B. Reasonable Overlap of Competition³³

The Commission concluded in the original investigations that domestically produced sodium thiosulfate and the subject merchandise were fungible³⁴ as most purchasers in the original investigations indicated that the subject imports were of comparable quality to the domestic product.³⁵ In the original investigations, subject imports of sodium thiosulfate and the domestic product were simultaneously present in the market, sold through the same channels of distribution, and sold nationwide.³⁶ The available evidence in the current record suggests that subject merchandise and domestically produced sodium thiosulfate remain fungible and that the subject imports would compete with each other and the domestic like product if the orders were revoked. Consequently, we find that there would likely be an overlap of competition between the subject imports and the domestic like product as well as among the subject imports from the three countries.

C. Other Considerations³⁷

³⁰ See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1172 (Ct. Int'l Trade 1992) (affirming Commission's determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (Ct. Int'l Trade 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (Ct. Int'l Trade 1988).

³¹ No party has argued that subject imports from either China, Germany, or the United Kingdom "are likely to have no discernible adverse impact" on the domestic industry and we see no basis in the record to make such a finding. For a discussion of Vice Chairman Miller's and Commissioner Hillman's and Commissioner Koplan's analytical framework regarding the application of the "no discernible adverse impact" provision, see Malleable Cast Iron Pipe Fittings from Brazil, Japan, Korea, Taiwan, and Thailand, Invs. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review). For a further discussion of Commissioner Koplan's analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Invs. Nos. 303-TA-13 (Review), 701-TA-249 (Review), and 731-TA-262, 263, and 265 (Review) (Views of Commissioner Stephen Koplan Regarding Cumulation).

³² Commissioners Askey and Okun note that the market for sodium thiosulfate is price sensitive and sodium thiosulfate is a commodity-like product. Accordingly, they find that if the orders are revoked, even small increases in the volumes from each of the subject countries would have a discernible adverse impact on the domestic industry.

³³ Chairman Bragg joins in the majority's analysis and finding of a likely reasonable overlap of competition among subject imports and between subject imports and the domestic like product if the orders are revoked.

³⁴ Original Determinations at 11.

³⁵ CR at I-7, PR at I-6.

³⁶ CR at I-7 to I-8, PR at I-6.

³⁷ Chairman Bragg does not join Section III.C of this opinion. Having found a likely reasonable overlap of competition, Chairman Bragg thus turns to the issue of discernible adverse impact. Chairman Bragg incorporates an
(continued...)

As discussed above, we have also taken into account other significant conditions of competition that are likely to prevail if the orders under review were revoked in evaluating whether to cumulate imports. In this regard, we have considered the substantial capacity in the subject countries and the export orientation of the foreign industries.³⁸ No evidence in the record suggests that any of the industries in the subject countries has undergone any significant change since the original investigations,³⁹ and if the orders were revoked, we would expect competitive conditions to be similar to the conditions in existence prior to imposition of the orders. For these reasons, we conclude that it is appropriate to exercise our discretion to cumulate subject imports from all three countries in these reviews.

IV. REVOCATION OF THE ANTIDUMPING DUTY ORDERS ON SODIUM THIOSULFATE WOULD LIKELY LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order unless: (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of an order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁴⁰ The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation [of the order] . . . and the elimination of its restraining effects on volumes and prices of imports.”⁴¹ Thus, the likelihood standard is prospective in nature.⁴² The statute provides that “the Commission shall consider that the effects of revocation . . . may not be imminent, but may manifest themselves only over a longer period of time.”⁴³ According to the SAA, a “reasonably

³⁷ (...continued)

assessment of significant conditions of competition, such as the substantial capacity in the subject countries and the export orientation of the foreign industries evident in these reviews, in her analysis of the likelihood of no discernible adverse impact if each of the orders under review is revoked. Chairman Bragg finds that revocation of each of the orders under review will likely result in a discernible adverse impact on the domestic industry. Accordingly, Chairman Bragg cumulates all subject imports in these grouped reviews.

³⁸ CR at I-20, PR at I-16.

³⁹ CR at I-18 to I-20, PR at I-16.

⁴⁰ 19 U.S.C. § 1675a(a).

⁴¹ SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry).” SAA at 883.

⁴² While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁴³ 19 U.S.C. § 1675a(a)(5).

foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ time frame applicable in a threat of injury analysis [in antidumping and countervailing duty investigations].”^{44 45}

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked.”⁴⁶ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, and whether the industry is vulnerable to material injury if the order is revoked.^{47 48}

Section 751(c)(3) of the Act and the Commission’s regulations provide that in an expedited five-year review the Commission may issue a final determination “based on the facts available, in accordance with section 776.”⁴⁹ We note that the statute authorizes the Commission to take adverse inferences in five-year reviews, but emphasize that such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. We generally give credence to the facts supplied by the participating parties and certified by them as true, but base our

⁴⁴ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁴⁵ In analyzing what constitutes a reasonably foreseeable time, Commissioner Koplan examines all the current and likely conditions of competition in the relevant industry. He defines “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

⁴⁶ 19 U.S.C. § 1675a(a)(1).

⁴⁷ *Id.* The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁴⁸ Section 752(a)(1)(D) of the Act directs the Commission to take into account in five-year reviews involving antidumping proceedings “the findings of the administrative authority regarding duty absorption.” 19 U.S.C. § 1675a(a)(1)(D). Commerce stated in its expedited five-year review determination that it has not issued any duty absorption finding in this case. 64 Fed. Reg. 73013 (Dec. 29, 1999).

⁴⁹ 19 U.S.C. § 1675(c)(3)(B); 19 C.F.R. § 207.62(e). Section 776 of the Act, in turn, authorizes the Commission to “use the facts otherwise available” in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a). The statute permits the Commission to use adverse inferences in selecting from among the facts otherwise available when an interested party has failed to cooperate by acting to the best of its ability to comply with a request for information. 19 U.S.C. § 1677e(b). Such adverse inferences may include selecting from information from the record of our original determination and any other information placed on the record. *Id.*

decision on the evidence as a whole, and do not automatically accept the participating parties' suggested interpretation of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. "In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive."⁵⁰ As noted above, no respondent interested party responded to the Commission's notice of institution. Accordingly, we have relied on the facts available in these reviews, which consist primarily of the record in the Commission's original investigations on sodium thiosulfate, limited information collected by the Commission since the institution of these reviews, and information submitted by a domestic producer.

For the reasons stated below, we determine that revocation of the antidumping duty orders on sodium thiosulfate from China, Germany, and the United Kingdom would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."⁵¹

Available information does not suggest any significant changes in the conditions of competition since the original investigations. Sodium thiosulfate is a commodity product that is highly substitutable with the domestic product.⁵² In addition, the record in the original investigations indicated that there were no viable substitutes for sodium thiosulfate for its uses in water dechlorination, oil field services, and photographic services, and it also accounts for a relatively small share of the total cost of these services.⁵³ Thus, overall demand for sodium thiosulfate is fairly unresponsive to changes in price; that is, demand is inelastic.⁵⁴ Consequently, the sodium thiosulfate market is price sensitive.⁵⁵ In a price sensitive market, small volumes can have a relatively large impact on price.

Since the original investigations, U.S. consumption of sodium thiosulfate has increased steadily, as have U.S. prices.⁵⁶ U.S. production is estimated to have increased from *** pounds to *** pounds from 1989 to 1998.⁵⁷ Since the imposition of the antidumping duty orders in 1991, domestically produced sodium thiosulfate has mostly replaced the subject imports in the U.S. market. Domestic producers accounted for *** percent of the market in the first 9 months of 1990 and *** percent in

⁵⁰ SAA at 869.

⁵¹ 19 U.S.C. § 1675a(a)(4).

⁵² Calabrian's Comments at 4; CR at 1-7, PR at I-6; Original Determinations at 17.

⁵³ Original Determinations at 16-17.

⁵⁴ *Id.*

⁵⁵ CR at I-17, PR at I-14; Original Determinations at 16-17.

⁵⁶ CR at I-11 to I-12, PR at I-9.

⁵⁷ CR at Table I-1, PR at Table I-1. We rely on *** information for 1998 because it appears to be more accurate than calculations based upon numbers in Calabrian's Response. See CR at I-10 to I-11, PR at I-7.

1998.⁵⁸ Nonsubject imports were responsible for only *** percent of the market in the first 9 months of 1990 and *** percent in 1998.⁵⁹ Thus, the market share of the nonsubject imports increased only modestly following the imposition of antidumping duties.

Based on the record evidence, we find that these conditions of competition in the U.S. sodium thiosulfate market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we find that current conditions in the U.S. sodium thiosulfate market provide us with a sufficient basis upon which to assess the likely effects of revocation of the antidumping duty orders within the reasonably foreseeable future.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁶⁰ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁶¹

Prior to the antidumping duty orders, the subject imports were able to capture a significant share of the U.S. market;⁶² however, following imposition of the antidumping duty orders, the volume of subject imports declined significantly. Specifically, subject imports from the U.K. fell precipitously after imposition of the antidumping duty orders.⁶³ Subject imports from Germany began falling in 1989 before the antidumping duty order was in place and continued to fall through 1991 when the order issued.⁶⁴ Imports from China initially rose in 1991 after the order issued, then fell in 1992 and fell more sharply after Commerce’s administrative review of the margin increased the margin from 27.57 percent to 148.42 percent in 1993.⁶⁵ Prior to the orders in 1990, the market penetration for cumulated subject imports from China, Germany, and the U.K. was *** percent, but in 1998, subject imports accounted for only *** percent of U.S. apparent consumption.⁶⁶ The record does not indicate any other substantial changes in the conditions of competition during this period. Therefore, we conclude that the orders were primarily responsible for the reduction in exports of subject merchandise to the United States.

⁵⁸ CR at Table I-4, PR at Table I-4.

⁵⁹ Id.

⁶⁰ 19 U.S.C. § 1675a(a)(2).

⁶¹ 19 U.S.C. § 1675a(a)(2)(A)-(D).

⁶² Original Determinations at 16.

⁶³ CR at Figure I-1, PR at Figure I-1.

⁶⁴ Id.

⁶⁵ Id.; CR at I-4 n.9, PR at I-4 n.9.

⁶⁶ CR at Table I-4, PR at Table I-4.

There is limited information concerning the industries in the three subject countries because no foreign producers responded to the Commission's notice of institution. Consequently, there are no current data on capacity, production, or shipments of sodium thiosulfate in any of those countries, and limited data on exports.⁶⁷ There are five producers of sodium thiosulfate in Germany and one in the U.K.⁶⁸ There are 14 producers in China.⁶⁹ During the original investigations, one of these Chinese producers, SFMW, was reported to have a production capacity of ***, an amount equal to approximately *** of the apparent consumption in the United States in 1998.⁷⁰ Similarly, during the original investigations, the producer in the U.K., William Blythe & Co., Ltd., had annual capacity of *** pounds.⁷¹ The record thus reflects historical substantial available capacity to increase exports to the U.S. market.⁷² Based on the limited information in the record, we find that these firms would be able to increase exports to pre-order levels if the antidumping duty orders are revoked.⁷³

Based on the foregoing, we find it likely that producers in the three subject countries would significantly increase exports to the U.S. market if the orders were revoked.⁷⁴ ⁷⁵ Consequently, based on the facts available, we conclude that, absent the restraining effect of the orders, subject imports would likely increase to a significant level.

D. Likely Price Effects

In evaluating the likely price effects of subject imports if the antidumping duty orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with domestic like products and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the prices of domestic like products.⁷⁶

⁶⁷ CR at I-18, PR at I-16.

⁶⁸ CR at I-20, PR at I-16.

⁶⁹ Id.

⁷⁰ Id.

⁷¹ CR at Table I-5, PR at Table I-5. At the time of the initial investigations, William Blythe & Co., Ltd., exported about *** of its production and operated at under *** percent capacity utilization. Id. No more current information suggests that its export orientation has changed.

⁷² Chairman Bragg infers that, at a minimum, the current production capacities of SFMW and William Blythe & Co., Ltd., remain at the levels evidenced during the original investigations.

⁷³ Chairman Bragg infers that, at a minimum, these firms will increase exports of subject merchandise to the United States to pre-order levels in the event of revocation. See infra n.75. Chairman Bragg further notes that the SAA states that “[i]f the Commission finds that the pre-order conditions are likely to recur, it is reasonable to conclude that there is a likelihood of continuation or recurrence of injury.” SAA at 884.

⁷⁴ See SAA at 890. See also SAA at 884 (stating that if the Commission finds that pre-order conditions are likely to recur, it is reasonable to find a likelihood of continuation or recurrence of material injury).

⁷⁵ Chairman Bragg infers that, upon revocation, subject producers would revert to their historical emphasis on exporting to the United States, as evidenced in the Commission's original determinations. Based upon the record in these reviews, Chairman Bragg finds that this historical emphasis will likely result in significant volumes of subject imports into the United States if the orders are revoked.

⁷⁶ 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering
(continued...)

The record in these expedited reviews contains limited pricing data for the U.S. market. During the original investigations, the Commission found that the subject imports “easily substituted for the domestic product.” The Commission also found that there are no close substitutes for sodium thiosulfate, indicating that demand was price inelastic, i.e., demand did not vary much with changes in prices.⁷⁷ Consequently, the market for sodium thiosulfate was found to be price sensitive.⁷⁸ In the context of these competitive conditions, the Commission found indications of significant adverse price effects due to the subject imports.⁷⁹ The Commission found underselling by the subject imports to be significant as the subject imports undersold the domestic product by margins up to 30 percent, and there was uncontested evidence of price depression for one form of sodium thiosulfate.⁸⁰ In 1998, notwithstanding imposition of the antidumping duty orders, the average unit value for the subject imports was *** of the average unit value of the domestic product.⁸¹

Consequently, based on the facts available, we find it likely that, absent the antidumping duty orders, competitive conditions would return to those prevailing prior to imposition of the orders.⁸² We find that, given the fungible nature of sodium thiosulfate, the incentive to maximize the use of available capacity, and the record evidence of likely underselling, even in face of the orders, it is likely that, if the orders were revoked, cumulated subject imports would again be likely to enter the United States at prices that would significantly depress or suppress U.S. prices. Thus, we find that revocation of the antidumping duty orders would be likely to lead to significant underselling by the subject imports of the domestic like product, as well as significant price depression and suppression, within a reasonably foreseeable time.

E. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the orders are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry,

⁷⁶ (...continued)

the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

⁷⁷ Original Determinations at 16.

⁷⁸ Id.

⁷⁹ Original Determinations at 15.

⁸⁰ Id.

⁸¹ Compare CR at Table I-2 with CR at Table I-3, PR at Table I-2 with PR at Table I-3. While the average unit values may be at different levels of trade and are not necessarily sales prices, we find this disparity significant.

⁸² Chairman Bragg infers that, in the event of revocation, subject producers will revert to aggressive pricing practices in connection with exports of subject merchandise to the United States, as evidenced in the Commission’s original determinations; as a result, Chairman Bragg finds that subject imports will have significant negative price effects in the U.S. market if the orders are revoked. Chairman Bragg notes in this regard that the SAA states that “[i]f the Commission finds that the pre-order conditions are likely to recur, it is reasonable to conclude that there is a likelihood of continuation or recurrence of injury.” SAA at 884.

including efforts to develop a derivative or more advanced version of the domestic like product.⁸³ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.⁸⁴ As required by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.⁸⁵

In the original investigations, the Commission found that the domestic industry suffered material injury by reason of a significant increase in the volume of LTFV imports of sodium thiosulfate that were underselling the domestic like product and capturing a significant share of the U.S. market.⁸⁶ The domestic industry's production and shipments declined during the original period of investigation.⁸⁷ The Commission also noted significant underutilization of capacity and a decline in the number of production workers.⁸⁸ The Commission described the domestic industry's financial performance as "dismal" with the industry unable to recoup a reasonable return on its investment.⁸⁹

The orders had a positive effect on industry performance. As already noted, domestic producers increased their market share from *** percent in the first 9 months of 1990 to *** percent in 1998 while the volume of subject imports declined precipitously.⁹⁰ Domestic production increased *** percent from 1989 to 1998⁹¹ while prices of the domestic producers' shipments stabilized or increased.⁹² The domestic industry's capacity utilization also rose from *** percent in 1989 to somewhat under *** percent in 1998.⁹³ Furthermore, a fourth domestic firm has begun production of sodium thiosulfate since the original investigations.^{94 95 96}

⁸³ 19 U.S.C. § 1675a(a)(4).

⁸⁴ *Id.* Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887.

In its final five-year review determinations, Commerce assigned likely margins for all manufacturers in China at 148.42 percent. The likely margins for all producers in Germany is 100.40 percent and 50.13 percent for producers in the United Kingdom. 64 Fed. Reg. 73515, 73518 (Dec. 30, 1999).

⁸⁵ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the orders are revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

⁸⁶ Original Determinations at 15-16.

⁸⁷ Original Determinations at 7.

⁸⁸ Original Determinations at 8.

⁸⁹ 64 Fed. Reg. 73516 (Dec. 30, 1999).

⁹⁰ CR at Table I-4, PR at Table I-4.

⁹¹ CR at I-11, PR at I-7. This is based upon *** data, which, as noted, we found to be more reliable.

⁹² CR at I-11, PR at I-9.

⁹³ CR at I-11, PR at I-7 to I-8.

⁹⁴ CR at I-8, PR at I-7.

⁹⁵ The limited information in these reviews does not permit a determination on whether the domestic industry is
(continued...)

We find it likely that revocation of the orders would result in a significant increase in the volume of subject imports at prices significantly lower than those of the domestic product. Given that the market is price sensitive, even small volumes of the subject imports will have a significant adverse impact on the domestic industry. Hence, such increased imports would likely depress the industry's prices significantly, and have a significant adverse impact on the production, shipment, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, based on the limited record in these reviews, we conclude that, if the antidumping duty orders are revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty orders on sodium thiosulfate from China, Germany, and the United Kingdom would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

⁹⁵ (...continued)

vulnerable to injury if the orders are revoked. 19 U.S.C. § 1675a(a)(1)(C). See SAA at 885 (“The term ‘vulnerable’ relates to susceptibility to material injury by reason of dumped or subsidized imports. This concept is derived from existing standards for material injury and threat of material injury. . . . If the Commission finds that the industry is in a weakened state, it should consider whether the industry will deteriorate further upon revocation of an order.”).

⁹⁶ Based upon the limited record in these grouped reviews, Chairman Bragg does not find that the domestic industry is in a “weakened state,” as contemplated by the vulnerability criterion of the statute. 19 U.S.C. § 1675a(a)(1)(C).

INFORMATION OBTAINED IN THE REVIEWS

INTRODUCTION

On July 1, 1999, the Commission gave notice that it had instituted reviews to determine whether revocation of the antidumping duty orders on sodium thiosulfate from China, Germany, and the United Kingdom would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.¹ On October 1, 1999, the Commission determined that the domestic interested party response² to its notice of institution was adequate;³ the Commission also determined that the respondent interested party response was inadequate.⁴ The Commission found no other circumstances that would warrant full reviews. Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(3)).⁵ The Commission voted on these reviews on February 9, 2000, and notified Commerce of its determinations on February 17, 2000.

The Original Investigations

The Commission completed the original investigations⁶ in February 1991, determining that an industry in the United States was materially injured by reason of imports of sodium thiosulfate from China, Germany, and the United Kingdom.⁷ The Commission defined the domestic like product as sodium thiosulfate and found the relevant domestic industry to consist of producers of sodium

¹ 64 FR 35687, July 1, 1999. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

² A response to the Commission's notice was filed on behalf of Calabrian, a domestic producer of sodium thiosulfate. Production by Calabrian is believed to represent *** to *** percent of U.S. sodium thiosulfate production in 1998. *Response of Calabrian*, p. 5.

³ Commissioner Crawford dissenting.

⁴ An entry of appearance and APO application were filed by Blythe, an exporter and producer of sodium thiosulfate from the United Kingdom. However, no response to the Commission's notice was submitted by this firm.

⁵ 64 FR 55959, Oct. 15, 1999. Subsequently, Commerce extended the date for its final results in the expedited review from Oct. 29, 1999 to Jan. 27, 2000 (64 FR 62167, Nov. 16, 1999). The Commission, therefore, revised its schedule to conform with Commerce's new schedule (64 FR 66645, Nov. 29, 1999). The Commission's notices of expedited review and revised schedule appear in app. A. See the Commission's web site (<http://www.usitc.gov>) for Commissioner votes on whether to conduct expedited or full reviews. The Commission's statement on adequacy is presented in app. B.

⁶ The investigations resulted from a petition filed in July 1990 by Calabrian. Included in the petition were allegations of material injury or threat of material injury resulting from allegedly dumped imports of sodium metabisulfite from China, Germany, and the United Kingdom as well as allegedly dumped and allegedly subsidized sodium thiosulfate and sodium metabisulfite from Turkey. However, the Commission made negative determinations in its preliminary investigations for imports of sodium metabisulfite from China, Germany, Turkey, and the United Kingdom and for imports of sodium thiosulfate from Turkey. *Certain Sodium Sulfur Chemical Compounds from the Federal Republic of Germany, the People's Republic of China, Turkey, and the United Kingdom*, USITC Pub. 2307, Aug. 1990, p. 1.

⁷ *Sodium Thiosulfate from the Federal Republic of Germany, the People's Republic of China, and the United Kingdom*, USITC Pub. 2358, Feb. 1991, p. 1.

thiosulfate.⁸ After receipt of the Commission's determinations, Commerce issued antidumping duty orders on imports of sodium thiosulfate from China, Germany, and the United Kingdom.⁹

Commerce's Final Results of Expedited Sunset Reviews

As noted, Commerce extended the time limit for the final results of its expedited sunset reviews for sodium thiosulfate from China, Germany, and the United Kingdom to not later than January 27, 2000.¹⁰ Those results are provided in appendix A.

⁸ In the original preliminary investigations, the Commission found two separate like products, sodium metabisulfite and sodium thiosulfate. It based its like product finding on the "differences in characteristics and end-uses, substantial lack of interchangeability, separate manufacturing facilities and production personnel, and significant price differentials {of the two compounds}." *Certain Sodium Sulfur Chemical Compounds from the Federal Republic of Germany, the People's Republic of China, Turkey, and the United Kingdom*, p. 9. In the original final investigations, the Commission again defined the like product to be all sodium thiosulfate, regardless of form or grade. *Sodium Thiosulfate from the Federal Republic of Germany, the People's Republic of China, and the United Kingdom*, pp. 3-6. Calabrian stated in its *Response* that it agrees with the Commission's original definitions of domestic like product and domestic industry. *Response of Calabrian*, p. 6.

⁹ 56 FR 6623, Feb. 19, 1991.

China.--The original country-wide rate for China was 27.57 percent. (See 56 FR 6623, Feb. 19, 1991; Commerce's *Case History and Scope Information*, which lists a rate of 25.57 percent, appears to be in error.) Commerce used best information available (from the petition) to make its LTFV finding. 56 FR 2904, Jan. 25, 1991. The one administrative review of this antidumping order for China resulted in rates of 148.42 percent for Sinochem and 148.42 percent for all others. 58 FR 12934, Mar. 8, 1993.

Germany.--The original antidumping margins were 100.40 percent for Goldschmidt and 100.40 percent for all others. Commerce used best information available (from the petition) to make its LTFV determination since Goldschmidt did not respond to Commerce's request for information. 55 FR 51749, Dec. 17, 1990. There have been no administrative reviews of the antidumping order for Germany.

United Kingdom.--The original antidumping margins were 50.13 percent for Blythe and 50.13 percent for all others. Commerce used best information available (from the petition) to make its LTFV determination since Blythe did not respond to Commerce's request for information. 55 FR 51749, Dec. 17, 1990. There have been no administrative reviews of the antidumping order for the United Kingdom. (The one administrative review that was initiated was subsequently terminated at the request of Blythe. 59 FR 24687, May 12, 1994.)

See Commerce's web site (http://www.ita.doc.gov/import_admin/records/sunset) at *Case History and Scope Information*.

¹⁰ 64 FR 62167, Nov. 16, 1999.

THE PRODUCT

Scope

The imported products covered by these reviews are all grades of sodium thiosulfate, in dry or liquid form. The chemical composition of sodium thiosulfate is $\text{Na}_2\text{S}_2\text{O}_3$. Sodium thiosulfate is classified in HTS subheading 2832.30.10¹¹ and enters under the general duty rate of 1.5 percent ad valorem. The HTS subheading is provided for convenience and for Customs purposes; the written description remains dispositive as to the scope of the product coverage.¹²

Description and Uses¹³

Sodium thiosulfate ($\text{Na}_2\text{S}_2\text{O}_3$) is a hygroscopic¹⁴ crystalline salt, which acts as a reducing agent that spontaneously reacts with oxidizing agents such as chlorine gas. ***.¹⁵ The product commonly is used to dechlorinate industrial and municipal waste water. Also, large amounts of sodium thiosulfate are used as a fixing agent in photography to dissolve undeveloped silver halide from negatives or prints. It is also consumed in oil field applications, where it is injected into existing wells to force oil out of porous subsoil, and in leather processing.¹⁶

Sodium thiosulfate is sold commercially either in solid forms or as a liquid solution. U.S. producers normally sell it as a solid. However, if the customer is located within several hundred miles of the production facility, the product may be delivered in the form of a solution.¹⁷ However, the solution form of sodium thiosulfate has a different end use than the solid forms. In 1998, approximately *** percent of sodium thiosulfate in solution was used in water treatment (and none for photography); in contrast, approximately *** percent of solid sodium thiosulfate was used for photography, with about *** percent consumed for water treatment.¹⁸

¹¹ HTS subheading 2832.30.10 appears to include only product that falls within the scope of the subject merchandise as defined by Commerce.

¹² See Commerce's web site (http://www.ita.doc.gov/import_admin/records/sunset) at *Case History and Scope Information*.

¹³ All of the discussion in this section is from the original investigations, unless otherwise noted. *Staff Report of Jan. 28, 1991*, pp. A-6 through A-7, A-12, A-35 through A-38, A-45, and A-47 and *Economic Memorandum*, Feb. 4, 1991, pp. 3 and 12.

¹⁴ Absorbs water from the air.

¹⁵ ***.

¹⁶ Two of the U.S. producers that provided data during the original investigations, Calabrian and General Chemical, estimated that approximately *** percent and *** percent, respectively, of their sales of sodium thiosulfate were used in dechlorination. Most of the remainder of General Chemical's sales (*** percent) was used for photography. Most imported sodium thiosulfate was sold to distributors; the eventual end use of that product was unknown to the importers that provided data to the Commission.

¹⁷ In 1988, a little more than *** of U.S.-produced sodium thiosulfate was sold as a solution; virtually all imports were in solid form. In 1998, about *** of sodium thiosulfate was still produced in the United States as a solution. ***.

¹⁸ The remaining amounts were used in oil recovery, leather processing, and other uses. ***.

The subject product is also available in several grades based on an assay of purity, which, to a large extent, depends upon the purity of the raw materials. Most sodium thiosulfate is sold in technical or photographic grades. Small amounts of high-purity sodium thiosulfate may be sold as food grade, FCC grade, or as reagent grade. Most purchasers responding to questionnaires issued during the original investigations reported that the quality of U.S.-produced sodium thiosulfate was comparable to the imported products.¹⁹

The price of the different forms of sodium thiosulfate varies according to manufacturing cost and water content. Liquid sodium thiosulfate, which is in a 30-percent solution, has a lower manufacturing cost than either of the solid forms. Solid sodium thiosulfate is available in the anhydrous form, which is 100-percent sodium thiosulfate by weight, or as a pentahydrate, which is 65-percent sodium thiosulfate by weight. The prices of anhydrous sodium thiosulfate and the sodium thiosulfate pentahydrate are approximately equal on a dry-equivalent basis, but differ on a per-pound basis.²⁰

During the original investigations, domestic producers and importers sold to both distributors and end users. Price lists were published by both Calabrian and General Chemical. Both firms reported that ***. Importers did not use price lists but negotiated prices directly with each customer.

Both Calabrian and General Chemical reported selling sodium thiosulfate nationwide in 1987-89. The firms also reported that imports were being sold throughout the United States. Transportation costs were labeled as an important consideration in customers' purchasing decisions since freight costs could be as much as 25 percent. The majority of purchasers reported changing suppliers very infrequently; during the original investigations, several indicated that they used the same supplier for the past 10 to 15 years.

THE INDUSTRY IN THE UNITED STATES

U.S. Producers

At the time the original petitions were filed, there were three firms manufacturing sodium thiosulfate in the United States: Calabrian (Port Neches, TX), General Chemical (Claymont, DE), and PVS (Chicago, IL). In 1989, Calabrian, the petitioner and the only firm to respond to the Commission's notice of institution, accounted for *** percent of U.S. production of the subject product; General

¹⁹ However, some of the foreign manufacturers alleged that the quality of sodium thiosulfate manufactured by Calabrian was inferior. Further, some purchasers reported some quality problems with imports of the Chinese and UK products.

²⁰ Of the solid product sold by U.S. producers during the original investigations, *** percent was in the anhydrous form and the remainder was sodium thiosulfate pentahydrate. Only importers from the United Kingdom reported price data for anhydrous sodium thiosulfate. Pricing for the pentahydrate was reported for each of the three subject sources. (Responding importers accounted for 69 percent of reported U.S. imports from China, 89 percent from Germany, and 83 percent from the United Kingdom.)

Chemical and PVS accounted for *** percent and *** percent, respectively. PVS began producing sodium thiosulfate in 1988.²¹

Each of the three facilities that manufactured the subject product at the time of the original investigations continues to operate. However, General Chemical's speciality chemicals unit, GenTek, whose operations include the production of sodium thiosulfate, was recently spun off from General Chemical. The division was reportedly completed on April 30, 1999.²² Further, Calabrian's *Response* indicates that there is now a fourth producer, Southern Ionics, which operates a plant in Tuscaloosa, AL.²³ In 1997, Southern Ionics announced that it planned to build a sulfur chemicals unit at its plant in Pasadena, TX, that would add to its sodium thiosulfate production capacity. Startup was expected to be January 1998.²⁴ At the present time, Calabrian believes that Southern Ionics' production levels are low.²⁵

***²⁶

U.S. Production, Capacity, Shipments, and Pricing

Data reported by U.S. producers of sodium thiosulfate in the Commission's original investigations and in response to its review institution notice are presented in table I-1. As shown, U.S. capacity to produce sodium thiosulfate rose steadily throughout the period reviewed during the original investigations, increasing by *** percent from 1987 to 1989. However, the quantity of product shipped increased by a lesser amount (*** percent) and capacity utilization ratios fell from *** percent in 1987 to *** percent in 1989.²⁷ The increases in capacity reported by the industry in 1988 and 1989 resulted from ***. However, the firm did not begin selling sodium thiosulfate in significant quantities until 1989.

Table I-1 also lists two sets of data for U.S. sodium thiosulfate production in 1998. The first figures are projections of industry totals based upon Calabrian's operations and its estimated share of total U.S. production in 1998. The second set of figures is based on adjusted *** data. As shown, the two sets of data are not comparable. Projections based on Calabrian's operations depict production levels and unit values much reduced in 1998 compared to those reported in 1989. Since Calabrian's *Response* states that overall demand in the United States "has increased slightly each year {emphasis provided}" since the order and that "the pricing of sodium thiosulfate in the United States improved and continues to remain steady,"²⁸ data provided by *** appear to be the more accurate. As shown by ***, U.S. production levels of sodium thiosulfate increased *** percent from 1989 to 1998. Capacity

²¹ *Staff Report of Jan. 28, 1991*, p. A-7.

²² *Chemical Week*, May 19, 1999. See <http://proquest.umi.com>.

²³ *Response* of Calabrian, p. 4. According to its website, Southern Ionics is the largest producer of sulfur solution products (including sodium thiosulfate) in the southern portion of the United States. The firm was founded in 1980. See <http://www.southernionics.com>.

²⁴ *Chemical Week*, June 11, 1997. See <http://proquest.umi.com>.

²⁵ *Response* of Calabrian, p. 6.

²⁶ ***.

²⁷ Further, U.S. producers' domestic shipments fell by *** percent from *** pounds in Jan.-Sept. 1989 to *** pounds in Jan.-Sept. 1990. *Staff Report of Jan. 28, 1991*, p. A-12.

²⁸ *Response* of Calabrian, p. 6. Further, the unit value for Calabrian product listed in table I-1 appears to be considerably understated when compared to pricing data presented in table I-2.

Table I-1
Sodium thiosulfate: U.S. producers' capacity, production, and U.S. shipments, 1987-89 and 1998

Item	1987	1988	1989	1998	
				Response ¹	***
Production (1,000 pounds)	***	***	***	***	*** ³
Capacity (1,000 pounds)	***	***	***	(2)	*** ⁴
Capacity utilization (percent)	***	***	***	(2)	(2)
U.S. shipments: Quantity (1,000 pounds)	***	***	***	***	(2)
Value (1,000 dollars)	***	***	***	***	(2)
Unit value (per pound)	\$***	\$***	\$***	***	(2)

¹ Projections based upon data reported for Calabrian's operations and the estimate that the firm accounted for *** percent of industry totals in 1998. Calabrian reported in its *Response* that it produced *** short tons of sodium thiosulfate in 1998 and shipped *** short tons, valued at \$***. The firm estimates that its 1998 production accounts for approximately *** to *** percent of total U.S. production of sodium thiosulfate.

² Not available.

³ *** data is for product that is 100 percent Na₂S₂O₃·5H₂O (i.e., the pentahydrate). Presented data is converted to 100 percent dry-weight. (The data in the staff report for the original investigations are also believed to be expressed as 100 percent dry-weight.)

⁴ Calculated from ***'s capacity figures for Calabrian and GenTek (as of mid-1999, converted to 100 percent dry-weight) plus the capacity figure that PVS reported for 1989 during the original investigations. Excluded from this estimate is Southern Ionic's capacity to produce. Also excluded are sources of by-product sodium thiosulfate. ***'s capacity figures are 100 percent Na₂S₂O₃·5H₂O.

Note.—All three producers provided data in response to the Commission's questionnaire in the original investigations. Only Calabrian provided data in response to the Commission's notice of institution for the sunset reviews.

Source: *Staff Report of Jan. 28, 1991*, pp. A-11 and A-12, for 1987-89 data; *Response of Calabrian*, p. 5, and *** for 1998 data.

utilization by the U.S. sodium thiosulfate industry was somewhat under *** percent in 1998.²⁹ In 1989, a capacity utilization ratio of *** percent was reported to the Commission.

²⁹ As indicated in a note to table I-1, the capacity figure provided does not include data for Southern Ionics. Further, the estimate is in error to the extent that PVS' capacity has changed since 1989.

The reported unit values for U.S. producer's domestic shipments of the product were level from 1987 to 1989 (table I-1).³⁰ Additional pricing information (for the anhydrous, pentahydrate, and solution products) is presented in table I-2. As shown, the prices of the anhydrous sodium thiosulfate and the pentahydrate form generally rose throughout the period of investigation, with prices increasing markedly during January-September 1990.³¹ Although the prices listed in 1991 for anhydrous sodium thiosulfate were lower than those reported during the 1990 peak, post-order prices for the solid forms were higher than those reported during the period reviewed in the original investigations and, after sharp increases during the early 1990s, have continued to increase, albeit slowly. As noted earlier, Calabrian stated in its *Response* that "the pricing of sodium thiosulfate in the United States improved {after the imposition of the antidumping orders} and continues to remain steady."³²

Table I-2							
Sodium thiosulfate: U.S. prices, by product, 1987-99							
Year	Anhydrous	Pentahydrate	Solution	Year	Anhydrous	Pentahydrate	Solution
<i>(dollars per pound)</i>							
1987	\$***	\$***	\$***	1993	\$***	\$***	\$***
1988	***	***	***	1994	***	***	***
1989	***	***	***	1995	***	***	***
Jan- Sept. 1990	***	***	***	1996	***	***	***
1990	***	***	***	1997	***	***	***
1991	***	***	***	1998	***	***	***
1992	***	***	***	1999	***	***	***
<i>Continued.</i>							

³⁰ However, unit values increased from \$*** per pound in Jan.-Sept. 1989 to *** per pound in Jan.-Sept. 1990. *Staff Report of Jan. 28, 1991*, p. A-12.

³¹ According to the staff report in the original investigations, ***. *Staff Report of Jan. 28, 1991*, p. A-45. The Commission stated in its views that "{a}lthough domestic list prices have increased since 1988, these prices do not reflect commercial reality due to the necessity to provide customers with discounts of up to 20 percent or more off the list price in order to meet lower import prices. The market price did rise during the interim period in 1990, after having been stagnant for the preceding three years. However, importers responded by underselling the domestic producers and capturing a significant share of the U.S. market." *Sodium Thiosulfate from the Federal Republic of Germany, the People's Republic of China, and the United Kingdom*, pp. 15-16.

³² *Response of Calabrian*, p. 6.

Continuation.

Note.—For 1987 through Jan.-Sept. 1990, data shown are delivered prices reported by U.S. producers in response to questionnaires issued during the original investigations. Data from 1990 (full-year) to 1999 are list prices. It is believed that the two series of data are roughly comparable. (As indicated earlier, U.S. producers provided ***. However, the prices provided during the original investigations included freight and it is presumed that the post-order list prices are on an f.o.b. basis. In 1990, most (but not all) of Calabrian's products were sold f.o.b. plant. Further, in that year, General Chemical converted its sales of sodium thiosulfate to an f.o.b. basis unless a delivered quote was necessary to meet a competitive situation). *Staff Report of Jan. 28, 1991*, p. A-40.

Source: *Staff Report of Jan. 28, 1991*, p. A-47, for 1987 to Jan.-Sept. 1990 data and *** for 1990-99 data.

There are no current financial or pricing data available for the subject product. In its views for the original investigations, the Commission stated that “{o}perating income and loss data, net sales totals, capital investment figures, and data for research and development expenditures portray a weakened industry. In particular, we note that the income/loss data depict a domestic industry which has been damaged and in which the producers have been unable to recoup a reasonable return on their capital investment, a situation which is steadily worsening.”³³

U.S. IMPORTS AND CONSUMPTION

U.S. Imports³⁴

During the original investigations, the Commission received questionnaire responses from 8 firms that imported sodium thiosulfate from China, Germany, and/or the United Kingdom. These firms were believed to represent virtually all imports of the subject product in 1989.³⁵ In its response to the Commission's notice of institution in these reviews, Calabrian indicated that Sinochem and SCIEC were the importers for sodium thiosulfate from China.³⁶ Individual U.S. importers of subject product from Germany and the United Kingdom are not known to Calabrian. Further, Calabrian itself is not an importer of sodium thiosulfate from any of the countries subject to the antidumping orders.

As shown in figure I-1 and table I-3, U.S. imports of sodium thiosulfate from China and Germany entered in relatively small amounts at the beginning of the original review period

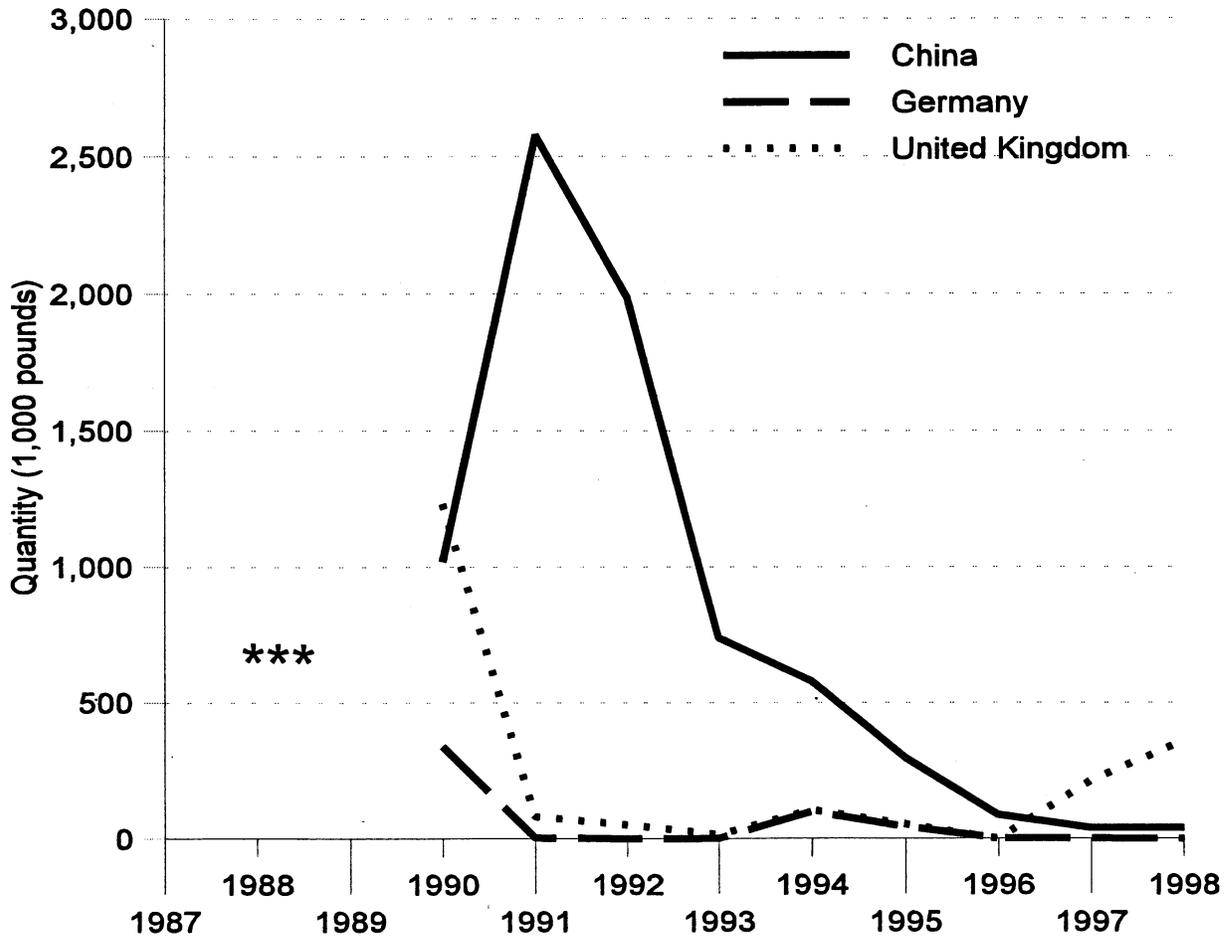
³³ *Sodium Thiosulfate from the Federal Republic of Germany, the People's Republic of China, and the United Kingdom*, p. 8.

³⁴ In the original investigations, the Commission cumulated imports from the three countries subject to investigation. *Sodium Thiosulfate from the Federal Republic of Germany, the People's Republic of China, and the United Kingdom*, pp. 10-12.

³⁵ *Staff Report of Jan. 28, 1991*, p. A-8.

³⁶ *Response of Calabrian*, pp. 4-5.

Figure I-1
 Sodium thiosulfate: U.S. imports from China, Germany, and the United Kingdom, by quantity, 1987-98



Source: *Staff Report of Jan. 28, 1991*, p. A-33 for 1987-89 (which were from questionnaires), and official Commerce statistics for 1990-98.

Table I-3
Sodium thiosulfate: U.S. imports, 1987-90 and 1998

Item	1987	1988	1989	1990	1998
	Quantity (1,000 pounds dry-weight)				
China	***	***	***	1,019	40
Germany	***	***	***	338	0
United Kingdom	***	***	***	1,231	360
Subtotal	***	***	***	2,588	400
Other sources ¹	(2)	(2)	***	134	1,380
Total	(2)	(2)	***	2,722	1,780
	Value (1,000 dollars)				
China	***	***	***	159	12
Germany	***	***	***	70	0
United Kingdom	***	***	***	346	50
Subtotal	***	***	***	575	62
Other sources ¹	(2)	(2)	***	74	291
Total	(2)	(2)	***	649	353
	Unit value (per pound)				
China	\$***	\$***	\$***	\$0.16	\$0.30
Germany	***	***	***	0.21	-
United Kingdom	***	***	***	0.28	0.14
Average	***	***	***	0.22	0.16
Other sources ¹	(2)	(2)	***	0.55	0.21
Average	(2)	(2)	***	0.24	0.20
<i>Continued.</i>					

Continuation.

¹ The primary other source in 1998 was Taiwan.

² Not available. U.S. imports of sodium thiosulfate were not reported separately in official Commerce statistics until Jan. 1, 1989.

Note.—Data on the value of annual imports reviewed by Customs that are subject to the antidumping duty orders are as follows: China (confidential data not available to the Commission for FY 1994 through FY 1996 and FY 1998 and 0 for FY 1997); Germany (confidential data not available to the Commission for FY 1994 and FY 1998 and 0 for FY 1995 through FY 1997); and the United Kingdom (confidential data not available to the Commission for FY 1994 through FY 1996 and FY 1998 and *** for FY 1997. *Antidumping/Countervailing Duty Annual Report*.

Source: *Staff Report of Jan. 28, 1991*, pp. A-32 and A-33, for 1987-89 imports (where subject sources were from questionnaires and available nonsubject sources were from official Commerce statistics) and official Commerce statistics for 1990 and 1998 imports.

(1987-September 1990)³⁷ but increased sharply over the next few years. Subject imports from the United Kingdom rose from 1987 to 1988, then declined in the next year. The quantity of subject product imported from Germany peaked in 1989, while imports of sodium thiosulfate from China and the United Kingdom increased through at least 1990. Cumulated subject imports rose *** percent from 1987 to 1989. Nonsubject imports were minimal in 1989 (the only full year for which such data were available during the original investigations).³⁸

Following the imposition of the orders in February 1991, imports of sodium thiosulfate from the United Kingdom dropped to much lower levels for the years 1991 through 1996 (figure I-1). As noted earlier, German subject imports had already begun declining. In contrast, subject imports from China did not fall until 1992 and declined further after Commerce issued the final results of the first administrative review in March 1993 (which increased the country-wide dumping rate for China from 27.57 percent to 148.42 percent).³⁹ Subject imports from China and Germany remain negligible;⁴⁰ imports of sodium thiosulfate from the United Kingdom have increased since 1996.

³⁷ Full-year data for 1990 are also provided in table I-3. The petition for the original investigations was filed in July 1990; the staff report for the investigations presented interim data for Jan.-Sept. 1989 and Jan.-Sept. 1990, as well as annual data for 1987-89.

³⁸ Imports of sodium thiosulfate were not separately reported in official Commerce statistics prior to Jan. 1, 1989. The *Staff Report* for the original investigations did not present data for total imports or show total U.S. consumption and market penetration ratios for 1987 or 1988. See the next section of this report for the import and import market penetration data for the Jan.-Sept. 1989 and Jan.-Sept. 1990 periods considered by the Commission during the original investigations.

³⁹ 58 FR 12934, Mar. 8, 1993.

⁴⁰ No subject imports from Germany entered the United States in 1998 and virtually none were imported in 1996 or 1997.

The only pricing data available for imports are unit values based on official Commerce statistics.⁴¹ As shown in table I-3, reported unit values for Chinese subject imports in 1998 are quite a bit higher than the values reported in 1989. In contrast, the unit values for sodium thiosulfate imported from other sources, including nonsubject countries, are lower today than during the original investigations.⁴² According to ***, ***.⁴³ The Commission found during the original investigations that the domestic market for sodium thiosulfate is price sensitive.⁴⁴

Apparent U.S. Consumption

The major markets for sodium thiosulfate are for water dechlorination and photographic processing.⁴⁵ Sodium thiosulfate competes for sales in the photographic market with such substitutes as ammonium thiosulfate. According to ***, ***. Further, as noted earlier, sodium thiosulfate in solution form is mainly used for water dechlorination, as is sulfur dioxide. *** forecasts that while ***,⁴⁶

As shown in table I-4, shipments by U.S. producers dominated the domestic market in 1989, the last full year examined during the original investigations. However, U.S. producers' domestic shipments fell by *** percent from interim 1989 to interim 1990 while subject imports more than tripled. The share of the U.S. market held by domestic firms fell from *** percent in January-September 1989 to *** percent in January-September 1990 as imports rose to *** percent of the market.⁴⁷ According to table I-4, apparent U.S. consumption of the subject product in 1998 is *** percent more than that reported in 1989. Further, domestic producers' share of the U.S. market have returned to the high levels found in the late 1980s. The market share held by subject imports is small; nonsubject imports hold only a *** percent market share. However, it should be noted that the rise in U.S. consumption, as calculated in table I-4,

⁴¹ A comparison of the unit values listed for 1989 (shown in table I-2) to the weighted-average net delivered prices reported by importers during the original investigations for 1989 (listed in table 17 of the *Staff Report of Jan. 28, 1991*, p. A-47) generally shows the official Commerce statistics to track the reported prices, albeit at an earlier level of trade.

⁴² Part of this decline may be due to use of a different valuation. The data for 1998 shown in table I-3 are landed duty-paid values; the valuation used in the original staff report was not provided.

⁴³ ***.

⁴⁴ *Sodium Thiosulfate from the Federal Republic of Germany, the People's Republic of China, and the United Kingdom*, pp. 12 and 16-17.

⁴⁵ *Economic Memorandum*, Feb. 4, 1991, p. 12.

⁴⁶ ***.

⁴⁷ The *Staff Report* for the original investigations also presented market shares that were calculated using producers' U.S. shipments and U.S. shipments of subject imports only for 1987 to 1989 and January-September 1989 and January-September 1990. (As noted earlier, data for nonsubject imports were not available for 1987 or 1988.) U.S. producers' market share, as calculated, declined from *** percent in 1987 to *** percent in 1988 and to *** percent in 1989, while the market share of subject imports rose from *** percent in 1987 to *** percent in 1988, and then fell back to *** percent in 1989. *Staff Report of Jan. 28, 1991*, p. A-37.

Table I-4
Sodium thiosulfate: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, on the basis of quantity, 1989, January-September 1989, January-September 1990, and 1998

Item	1989	January-September		1998
		1989	1990	
Quantity (1,000 pounds dry-weight)				
U.S. producers' U.S. shipments	***	***	***	*** ¹
U.S. imports:				
China	300	187	870	40
Germany	433	433	338	0
United Kingdom	190	136	1,176	360
Subject sources	923	756	2,383	400
Other	85	18	112	1,380
Total	1,009	774	2,496	1,780
Apparent U.S. consumption	***	***	***	***
Share of consumption (percent)				
U.S. producers' U.S. shipments	***	***	***	*** ¹
U.S. imports:				
China	***	***	***	***
Germany	***	***	***	***
United Kingdom	***	***	***	***
Subject sources	***	***	***	***
Other sources	***	***	***	***
Total	***	***	***	***

¹ U.S. production.

Source: *Staff Report of Jan. 28, 1991*, p. A-35, for 1989, January-September 1989, and January-September 1990 data (where imports are from official Commerce statistics); 1998 imports are from official Commerce statistics; and 1998 U.S. production is from ***, converted to 100 percent dry-weight.

could be somewhat overstated.⁴⁸ As noted earlier, Calabrian stated in its *Response* that overall demand for sodium thiosulfate has increased “slightly” each year since the antidumping orders went into effect.⁴⁹

THE FOREIGN INDUSTRIES

Minimal information was obtained on the industries producing sodium thiosulfate in China and Germany during the original investigations. According to the U.S. embassy in Beijing, China, sodium thiosulfate was exported by SCIEC during the period examined in the original investigations.⁵⁰ However, SCIEC did not produce the subject product, but acted as an exporting agent. Its primary supplier was SFMW. SFMW’s reported production capacity was *** to *** pounds annually. The firm sold *** pounds of sodium thiosulfate abroad in 1988 and *** pounds in 1989. The U.S. embassy in Bonn, Germany, identified Goldschmidt, Ciba-Geigy, and three smaller firms as producers of sodium thiosulfate in Germany. No statistics on the operations of the sodium thiosulfate industry in Germany were available. Blythe, the only manufacturer of sodium thiosulfate in the United Kingdom identified by the Commission, did provide data on its operations to the Commission. Data for its operations are listed in table I-5. As shown, almost *** of Blythe’s shipments of sodium thiosulfate were to the home market during the original investigations. Exports to sources other than the United States were also significant. In 1989, only *** percent of its shipments were exported to the United States.⁵¹

In its *Response*, Calabrian identified two producers of sodium thiosulfate in Germany (Goldschmidt and Ciba-Geigy) and one producer in the United Kingdom (Blythe).⁵² According to ***, Chemiewerk Bad Kostritz also manufactures sodium thiosulfate in Germany and 14 firms produce in China.⁵³ Again, no further information on the overseas operations of the subject producers is available. There are no antidumping orders in place, other than in the United States, for sodium thiosulfate produced in China, Germany, or the United Kingdom.⁵⁴

⁴⁸ As indicated in the source note to table I-4, apparent U.S. consumption for 1998 was calculated using U.S. production and not U.S. shipments. Exports of sodium thiosulfate by U.S. producers in 1998 are not available. It is possible that such exports are as high as 8.4 million pounds, which is the Commerce export figure for all thiosulfates. (Official Commerce export statistics group sodium thiosulfate with other thiosulfates. See official Commerce export statistics for HTS heading 2832.30). However, this is unlikely; in 1989, U.S. producers exported only *** pounds of sodium thiosulfate. *Staff Report of Jan. 28, 1991*, p. A-12.

⁴⁹ *Response of Calabrian*, p. 6.

⁵⁰ Based upon data presented in the Staff Report for the original investigations, SCIEC did not appear to be the only firm exporting sodium thiosulfate during the period reviewed. *Staff Report of Jan. 28, 1991*, p. A-30.

⁵¹ *Staff Report of Jan. 28, 1991*, pp. A-29 through A-31.

⁵² *Response of Calabrian*, p. 4.

⁵³ ***.

⁵⁴ See World Trade Organization (www.wto.org).

Table I-5
Sodium thiosulfate: Blythe's capacity and shipments, 1987-89 and 1998

Item	1987	1988	1989	1998
	<i>Quantity (1,000 pounds, except as noted)</i>			
Capacity	***	***	***	(1)
Production	***	***	***	(1)
Capacity utilization (<i>percent</i>)	***	***	***	(1)
Shipments: Home market	***	***	***	(1)
Exports: United States	***	***	***	(1)
Other	***	***	***	(1)
Total exports	***	***	***	(1)
Total shipments	***	***	***	(1)

¹ Not available.

Source: *Staff Report of Jan. 28, 1991*, p. A-31, for 1987-89.

APPENDIX A
FEDERAL REGISTER NOTICES

**INTERNATIONAL TRADE
COMMISSION**

[Investigations Nos. 731-TA-465, 466, and
468 (Reviews)]

**Sodium Thiosulfate From China,
Germany, and United Kingdom**

AGENCY: United States International
Trade Commission.

ACTION: Scheduling of expedited five-
year reviews concerning the
antidumping duty orders on sodium
thiosulfate from China, Germany, and
United Kingdom.

SUMMARY: The Commission hereby gives
notice of the scheduling of expedited
reviews pursuant to section 751(c)(3) of
the Tariff Act of 1930 (19 U.S.C.
1675(c)(3)) (the Act) to determine
whether revocation of the antidumping
duty orders on sodium thiosulfate from
China, Germany, and United Kingdom
would be likely to lead to continuation
or recurrence of material injury within
a reasonably foreseeable time. For
further information concerning the
conduct of these reviews and rules of
general application, consult the
Commission's Rules of Practice and
Procedure, part 201, subparts A through
E (19 CFR part 201), and part 207,
subparts A, D, E, and F (19 CFR part
207). Recent amendments to the Rules
of Practice and Procedure pertinent to
five-year reviews, including the text of
subpart F of part 207, are published at
63 FR 30599, June 5, 1998, and may be
downloaded from the Commission's
World Wide Web site at [http://
www.usitc.gov/rules.htm](http://www.usitc.gov/rules.htm).

EFFECTIVE DATE: October 1, 1999.

FOR FURTHER INFORMATION CONTACT:
Debra Baker (202-205-3180), Office of
Investigations, U.S. International Trade

Commission, 500 E Street SW,
Washington, DC 20436. Hearing-
impaired persons can obtain
information on this matter by contacting
the Commission's TDD terminal on 202-
205-1810. Persons with mobility
impairments who will need special
assistance in gaining access to the
Commission should contact the Office
of the Secretary at 202-205-2000.
General information concerning the
Commission may also be obtained by
accessing its internet server ([http://
www.usitc.gov](http://www.usitc.gov)).

SUPPLEMENTARY INFORMATION:**Background**

On October 1, 1999, the Commission
determined that the domestic interested
party group responses to its notice of
institution (64 FR 35687, July 1, 1999)
were adequate¹ and the respondent
interested party group responses were
inadequate. The Commission did not
find any other circumstances that would
warrant conducting full reviews.²
Accordingly, the Commission
determined that it would conduct
expedited pursuant to section 751(c)(3)
of the Act.

Staff Report

A staff report containing information
concerning the subject matter of the
reviews will be placed in the nonpublic
record on November 22, 1999, and made
available to persons on the
Administrative Protective Order service
list for these reviews. A public version
will be issued thereafter, pursuant to
section 207.62(d)(4) of the
Commission's rules.

Written Submissions

As provided in section 207.62(d) of
the Commission's rules, interested
parties that are parties to the reviews
and that have provided individually
adequate responses to the notice of
institution,³ and any party other than an
interested party to the reviews may file
written comments with the Secretary on
what determinations the Commission
should reach in the reviews. Comments
are due on or before November 29, 1999,
and may not contain new factual
information. Any person that is neither
a party to the five-year reviews nor an
interested party may submit a brief

¹ Commissioner Crawford dissenting.

² A record of the Commissioners' votes, the
Commission's statement on adequacy, and any
individual Commissioner's statements will be
available from the Office of the Secretary and at the
Commission's web site.

³ The Commission has found the response
submitted by Calabrian Corp. to be individually
adequate. Comments from other interested parties
will not be accepted (see 19 CFR 207.62(d)(2)).

written statement (which shall not contain any new factual information) pertinent to the reviews by November 29, 1999. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determinations

The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: October 8, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-26905 Filed 10-14-99; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION**

[Investigations Nos. 731-TA-465, 466, and 468 (Review)]

**Sodium Thiosulfate From China,
Germany, and United Kingdom**

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject five-year reviews.

EFFECTIVE DATE: November 18, 1999.

FOR FURTHER INFORMATION CONTACT:

Debra Baker (202-205-3180), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION: On October 1, 1999, the Commission established a schedule for the conduct of these expedited five-year reviews (64 FR 55959, October 15, 1999) and identified the parties to the reviews that have provided individually adequate responses to the notice of institution. Subsequently, the Department of Commerce extended the date for its final results in the expedited reviews from October 29, 1999 to January 27, 2000. In order to have the benefit of the Department of Commerce's findings, the Commission, therefore, is revising its schedule to conform with Commerce's new schedule.

The Commission's new schedule for the five-year reviews is as follows: the staff report will be placed in the nonpublic record on January 20, 2000; the deadline for interested party comments (which may not contain new factual information) on the staff report is January 25, 2000; the deadline for interested party comments (which may not contain new factual information) on Commerce's final results is January 31, 2000; and the deadline for brief written statements (which shall not contain new factual information) pertinent to the

reviews by any person that is neither a party to the five-year reviews nor an interested party is January 31, 2000.

For further information concerning these five-year reviews, see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and F (19 CFR part 207).

Authority: These five-year reviews are being conducted under authority of title VII of the Tariff Act of 1930; the Commission is using its authority under 19 U.S.C. 1675(c)(5)(B) to extend the deadline for these reviews. Further, this notice is published pursuant to § 207.62 of the Commission's rules.

Issued: November 22, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-30936 Filed 11-26-99; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF COMMERCE**International Trade Administration****[A-412-805; A-428-807; A-570-805]****Final Results of Expedited Sunset Reviews: Sulfur Chemicals (Sodium Thiosulfate) From the United Kingdom, Germany, and the People's Republic of China****AGENCY:** Import Administration, International Trade Administration, Department of Commerce.**ACTION:** Notice of final results of expedited sunset reviews: sulfur chemicals (sodium thiosulfate) from the United Kingdom, Germany, and the People's Republic of China.

SUMMARY: On July 1, 1999, the Department of Commerce ("the Department") initiated sunset reviews of the antidumping duty orders on sulfur chemicals (sodium thiosulfate) from the United Kingdom, Germany, and the People's Republic of China (64 FR 35588) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of notices of intent to participate and adequate substantive comments filed on behalf of Calabrian Corporation, a domestic interested party, and inadequate response (in these cases, no response) from respondent interested parties, the Department determined to conduct expedited reviews. As a result of these reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping at the levels indicated in the *Final Results of Reviews* section of this notice.

FOR FURTHER INFORMATION CONTACT: Kathryn B. McCormick or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 30, 1999.

Statute and Regulations

These reviews were conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*"), and in 19 CFR Part 351 (1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the

Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

Scope

The merchandise covered by the antidumping duty orders includes all grades of sodium thiosulfate, in dry or liquid form, used primarily to dechlorinate industrial waste water, from the United Kingdom, Germany, and the People's Republic of China ("PRC"). The chemical composition of sodium thiosulfate is Na₂S₂O₃. Currently, subject merchandise is classifiable under item number 2832.30.1000 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The above HTSUS subheading is provided for convenience and customs purposes. The written description remains dispositive.

There have been no scope rulings for the above orders on imports of sodium thiosulfate from the subject countries.

History of the Orders

In the original investigations, covering the period February 1, 1990, through July 31, 1990, the Department determined the following weighted-average dumping margins: 100.40 percent for Th. Goldschmidt AG ("Goldschmidt"), the German respondent, and "all others" (55 FR 51749, December 17, 1990); 50.13 percent for William Blythe & Co., Ltd. ("Blythe"), the British respondent, and "all others" (*id.*); and a country-wide rate of 25.57 percent for all producers/exporters of subject merchandise from the PRC (56 FR 2904, January 25, 1991).

Since the issuance of these orders, there has been one administrative review of the order on imports from the PRC, covering the period December 12, 1990, through January 31, 1992, in which China National Chemicals Import and Export Corporation ("Sinochem") and "all others" were assigned a margin of 148.42 percent *ad valorem*.¹

Background

On July 1, 1999, the Department initiated sunset reviews of the antidumping duty orders on sodium thiosulfate from the United Kingdom, Germany, and the PRC (64 FR 35588), pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate on behalf of

Calabrian Corporation ("Calabrian") within the deadline (July 15, 1998) specified in section 351.218(d)(1)(i) of the *Sunset Regulations* in all three reviews. As the petitioner in the original investigations and a participant in the administrative review of the order on imports from the PRC, Calabrian claimed interested-party status under section 771(9)(C) of the Act as a U.S. producer of the domestic like product. Subsequently, we received Calabrian's complete substantive responses to the notice of initiation on August 2, 1999. Although we received a Notice of Intent to Participate from General Chemical Corporation in the German order and an application for release of business proprietary information under administrative protective order ("APO") from Blythe in the British order, we did not receive a substantive response from either of the parties. Without a substantive response from any respondent interested party, the Department, pursuant to 19 CFR 351.218(e)(1)(ii)(C), determined to conduct expedited, 120-day reviews of these orders.

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). On November 16, 1999, the Department determined that the sunset reviews of the antidumping duty orders on sodium thiosulfate from the United Kingdom, Germany, and the PRC are extraordinarily complicated and, therefore, the Department extended the time limit for completion of the final results of these reviews until not later than January 27, 2000, in accordance with section 751(c)(5)(B) of the Act.²

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted these reviews to determine whether revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order, and it shall provide to the International Trade Commission ("the Commission") the

magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, Calabrian's comments with respect to continuation or recurrence of dumping and the magnitude of the margin for each of the orders are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (*see* section II.A.2). In addition, the Department indicated that normally it will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (*see* section II.A.3).

In addition to consideration of the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant reviews, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

Calabrian argues that revocation of the orders would result in the continuation of dumping by producers/exporters of sodium thiosulfate from subject countries and the likelihood of dumping levels equal to or greater than those that existed prior to imposition of the orders (*see* August 2, 1999, Substantive Responses of Calabrian (United

¹ See *Sodium Thiosulfate From the People's Republic of China; Final Results of Antidumping Administrative Review*, 58 FR 12934 (March 8, 1993).

² See *Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 62167 (November 16, 1999).

Kingdom, Germany, and the PRC) at 3). With respect to import volumes for the subject merchandise from the United Kingdom and Germany, Calabrian asserts that German and British exports decreased precipitously upon the imposition of the respective orders in 1991. Therefore, they contend that the drop in import volumes from 1991 to the present is evidence that dumping would continue if the order were revoked. *Id.* With respect to import volumes for subject merchandise from the PRC, Calabrian asserts that Chinese exports decreased precipitously upon completion of the first administrative review in March of 1993 and remained significantly below pre-order levels through 1996 (see August 2, 1999, Substantive Response of Calabrian (PRC) at 4).

With respect to whether dumping continued at any level above *de minimis* after the issuance of the order, Calabrian notes that, without any completed administrative reviews, British and German producers/exporters continue to dump, albeit at reduced volumes, and continue to be subject to their original rates of 50.13 percent and 100.40 percent, respectively (see August 2, 1999, Substantive Responses of Calabrian (United Kingdom and Germany) at 8). Similarly, according to Calabrian, Chinese producers/exporters continued to dump after the order, with declining volumes once the final results of the first administrative review were issued and the antidumping duty deposit rate increased to 148.42 percent.

As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, if companies continue dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed. In these cases, dumping margins above *de minimis* continue to exist for shipments of subject merchandise from all producers/exporters from the subject countries.

Consistent with section 752(c) of the Act, the Department also considered the volume of imports before and after issuance of the orders. By examining U.S. Census Bureau IM146 reports, the Department finds that, consistent with import statistics provided by Calabrian, imports of the subject merchandise from the United Kingdom and Germany declined significantly immediately following the issuance of the orders, and continue to remain at very low levels. Chinese imports increased following the issuance of the order (56 FR 6623, February 19, 1991) and decreased dramatically only after the administrative review, in which the

margins rose to 148.42 percent for Sinochem and "all others." Imports from China continue to remain at very low levels.

Therefore, the Department finds that the existence of dumping margins after the issuance of the orders is highly probative of the likelihood of continuation or recurrence of dumping. Deposit rates for exports of the subject merchandise by all known producers and exporters from the United Kingdom, Germany, and the PRC are above *de minimis*. Therefore, given that dumping has continued over the life of the orders, respondent interested parties have waived their right to participate in these reviews before the Department, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue if the orders were revoked.

Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation (see section II.B.1 of the *Sunset Policy Bulletin*). Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty-absorption determinations (see sections II.B.2 and 3 of the *Sunset Policy Bulletin*).

Calabrian asserts that, with respect to Germany and the United Kingdom, the Department should provide to the Commission the company-specific and "all others" margins determined in the original investigations as the rates likely to prevail if the orders were revoked (see August 2, 1999, Substantive Responses of Calabrian (United Kingdom and Germany) at 6). With respect to the margin on imports from the PRC, Calabrian asserts that the Department should report to the Commission the margin of 148.42 percent, from the first administrative review, after which Chinese imports declined significantly.

Finally, Calabrian notes that the Department has not issued any determinations with regard to duty absorption under these antidumping duty orders. However, the company asserts that, in instances where the foreign exporter sells the subject merchandise through an affiliated importer, absent findings in these sunset

proceedings that no duty absorption is taking place, the Department should assume that on those transactions duty absorption is taking place.

The Department agrees with Calabrian's arguments concerning the choice of margins to report to the Commission for each of the countries. As noted in the *Sunset Policy Bulletin*, the rates from the original investigation are the only rates that reflect the behavior of exporters without the discipline of the order. Absent argument or evidence to the contrary, in the reviews of the United Kingdom and Germany, we find no reason to deviate from our stated policy. Therefore, consistent with section II.B.1 of the *Sunset Policy Bulletin*, the Department finds that the original rates are probative of the behavior of manufactures/exporters from the United Kingdom and Germany.

With respect to the PRC, as we stated in the *Sunset Policy Bulletin*, a company may choose to increase dumping in order to maintain or increase market share. As a result, increasing margins may be more representative of a company's behavior in the absence of an order (see section II.B.2 of the *Sunset Policy Bulletin*). In addition, the *Sunset Policy Bulletin* notes that the Department will normally consider market share for purposes of determining whether a more recent rate is probative of an exporter's behavior. However, absent information on market share and absent argument or evidence to the contrary, we have relied on Chinese import volumes in the present case. Specifically, we found that imports from China increased after the issuance of the order, from approximately 462,000 kilograms in 1990, to 1.17 million kilograms in 1991. At the same time, dumping increased as reflected in the final results of the administrative review covering December 1990 through January 1992. Therefore, in light of the correlation between the increase in imports and the increase in the dumping margins of Sinochem and "all others" in the period between the original period of investigation and the first period of review, the Department finds the more recent rate from the review to be the most probative of the behavior of Chinese producers/exporters, were the order revoked.

As such, the Department will report to the Commission the company-specific and "all others" rates from the original British and German investigations and the country-wide rate for Chinese producers/exporters determined in the 1990/92 review as contained in the Final Results of Reviews section of this notice.

Finally, we disagree with Calabrian's assertion that we should assume that duty absorption is taking place under these orders in instances where the foreign exporter sells the subject merchandise through an affiliated importer. Because Calabrian did not request an administrative review or a

duty-absorption determination in 1996 or 1998 with respect to these orders, the Department did not conduct a duty-absorption inquiry.³ Therefore, given the lack of a finding of duty absorption, the Department will not assume a determination of duty-absorption for purposes of these sunset reviews.

Final Results of Reviews

As a result of these reviews, the Department finds that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the margins listed below:

Country	Manufacturer/exporter	Margin (percent)
United Kingdom	William Blythe & Co., Ltd	50.13
	All Others 50.13	50.13
Germany	Th. Goldschmidt AG	100.40
	All Others 100.40	100.40
China (PRC)	Country-wide	148.42

This notice serves as the only reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

These five-year ("sunset") reviews and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: December 23, 1999.

Richard W. Moreland,
Acting Assistant Secretary for Import Administration.

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APPENDIX B
STATEMENT ON ADEQUACY

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Sodium Thiosulfate from China, Germany, and the United Kingdom, Invs. Nos. 731-TA-465-466 and 468 (Review)

On October 1, 1999, the Commission determined that it should proceed to expedited reviews in each of the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

The Commission determined that the domestic interested party group response was adequate in each review.¹ In this regard, the Commission received a single response to its notice of institution from Calabrian Corp., a domestic producer accounting for approximately half of the domestic production of sodium thiosulfate.²

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 in each review.

The Commission did not find any circumstances that would warrant conducting full reviews. The Commission, therefore, determined to conduct expedited reviews.

¹Commissioner Crawford dissented.

²Commissioner Crawford determined that the domestic interested party group response was inadequate because the share of domestic production accounted for by the sole domestic producer responding to the notice of institution does not demonstrate a sufficient level of interest in these orders.