Silicomanganese From Brazil, China, and Ukraine

Investigations Nos. 731-TA-671-673 (Review)

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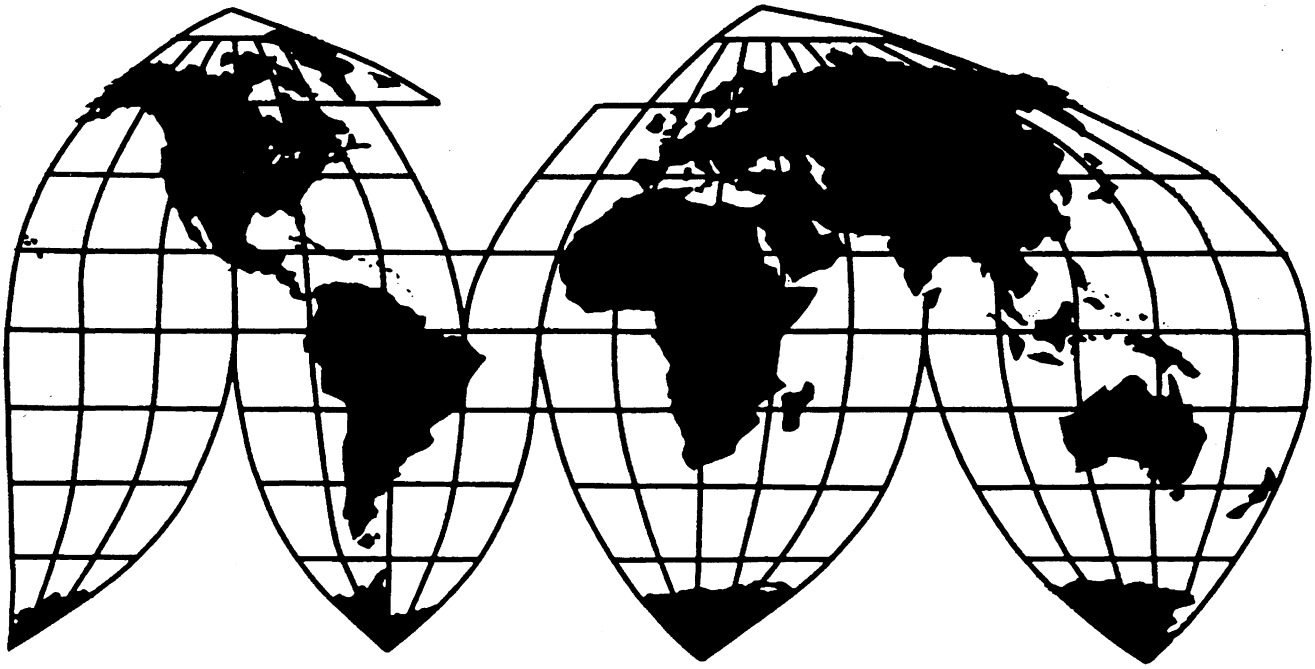
U.S. International Trade Commission



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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-671–673 (Review)

SILICOMANGANESE FROM BRAZIL, CHINA, AND UKRAINE

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission determines,[2] pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty orders on silicomanganese from Brazil and China and termination of the suspension agreement on silicomanganese from Ukraine 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 November 2, 1999 (64 F.R. 59209), and determined on February 3, 2000, that it would conduct full reviews (64 F.R. 7891, February 16, 2000). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on August 14, 2000 (64 F.R. 49595). The hearing was held in Washington, DC, on November 14, 2000, and all persons who requested the opportunity were permitted to appear in person or by counsel.

[1] The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

[2] Neither former Commissioner Thelma J. Askey nor Commissioner Dennis M. Devaney participated.

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine[1] under section 751(c) of the Tariff Act of 1930, as amended ("the Act"), that revocation of the antidumping duty orders covering silicomanganese from Brazil and China and termination of the suspended antidumping duty investigation covering silicomanganese from Ukraine 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

The original investigations of silicomanganese from Brazil, China, and Ukraine were instituted based on a petition filed by Elkem Metals Co. ("Elkem") on November 12, 1993. Effective October 31, 1994, the Department of Commerce ("Commerce") suspended the antidumping investigation of silicomanganese from Ukraine, based on an agreement by the Government of Ukraine to restrict the volume of direct or indirect silicomanganese exports to the United States and to sell such exports at or above a "reference price" in order to prevent the suppression or undercutting of price levels of U.S. domestic silicomanganese.[2] Petitioner then requested continuation of the investigation regarding silicomanganese from Ukraine. On December 14, 1994, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of imports of silicomanganese from Brazil, China, and Ukraine that were being sold at less than fair value ("LTFV").[3] On December 22, 1994, Commerce issued antidumping duty orders on silicomanganese from Brazil and China.[4]

On November 2, 1999, the Commission instituted reviews pursuant to section 751(c) of the Act to determine whether revocation of the antidumping duty orders on silicomanganese from Brazil and China and termination of the suspended antidumping duty investigation of silicomanganese from Ukraine would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.[5]

In five-year reviews, the Commission 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 each of 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

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[1] Former Commissioner Thelma J. Askey did not participate in the votes in these reviews. Commissioner Dennis M. Devaney did not participate in these reviews.

[2] 59 Fed. Reg. 60951 (November 29, 1994).

[3] Silicomanganese from Brazil, China, Ukraine, and Venezuela, Inv. Nos. 731-TA-671–674 (Final), USITC Pub. 2836 (December 1994). Hereinafter, we refer to the public version of the Commission's original opinions as "USITC Pub. 2836 " and to the confidential version as "Confidential Original Opinion."

[4] 59 Fed. Reg. 66003 (December 22, 1994).

[5] 64 Fed. Reg. 59209 (November 2, 1999).

provide information requested in a full review.[6] If the Commission finds the responses from both groups of interested parties to be adequate, or if other circumstances warrant, it will determine to conduct a full review.

In the instant reviews, the Commission received responses to the Notice of Institution from the sole domestic producer of silicomanganese, Eramet Marietta, Inc. ("Eramet"), and the union representing silicomanganese workers in the United States; two Brazilian producers that account for a substantial portion of Brazilian production; Ukrainian producers accounting for all Ukrainian production; the Ukraine Ministry of Industrial Policy; and Ronly Holdings, Ltd., an importer of subject merchandise from Ukraine.

On February 3, 2000, the Commission determined that the domestic interested party group response to its notice of institution was adequate; that the respondent interested party group responses were adequate with respect to silicomanganese from Brazil and Ukraine; but that the respondent interested party group response was inadequate with respect to silicomanganese from China.[7] The Commission then voted unanimously to proceed with full reviews with respect to silicomanganese from all three countries pursuant to section 751(c)(5) of the Act.[8]

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making determinations under section 751(c), the Commission defines "the domestic like product" and the "industry."[9] 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."[10]

Commerce has defined the subject merchandise in these reviews as follows:

> sometimes called ferrosilicon manganese, . . . a ferroalloy composed principally of manganese, silicon, and iron, and normally containing much smaller proportions of minor elements, such as carbon, phosphorous, and sulfur. Silicomanganese generally contains by weight not less than 4 percent iron, more than 30 percent manganese, more than 8 percent silicon and not more than 3 percent phosphorous. All compositions,

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[6] *See* 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602–05 (June 5, 1998).

[7] *See* Explanation of Commission Determination on Adequacy in Silicomanganese from Brazil, China, and Ukraine, Inv. Nos. 731-TA-671–673 (Review); 65 Fed. Reg. 7891 (February 16, 2000).

[8] *Id.* With respect to silicomanganese from China, the Commission determined that conducting a full review would promote administrative efficiency in light of its decision to conduct full reviews with respect to silicomanganese from Brazil and Ukraine.

[9] 19 U.S.C. § 1677(4)(A).

[10] 19 U.S.C. § 1677(10). *See* NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (CIT 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (CIT 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991). *See also* S. Rep. No. 96-249, at 90–91 (1979).

forms and sizes of silicomanganese are included within the scope of this investigation, including silicomanganese slag, fines, and briquettes.[11]

Silicomanganese is used primarily by the steel industry as a source of both silicon and manganese, and sometimes as an alloying agent in iron production. Although manufactured in three grades (A, B, and C) which are distinguished by their silicon and carbon content, most silicomanganese produced and sold in the United States conforms to the specification for grade B. Silicomanganese is generally sold in sized-lump form.[12] Silicomanganese is produced by smelting together in a submerged arc furnace sources of silicon, manganese, iron, and a carbonaceous reducing agent (usually coke).[13]

In the original investigations, the Commission defined the domestic like product as all silicomanganese.[14] In the instant reviews, the sole domestic producer of silicomanganese has urged the Commission to readopt its original like product definition, and the Brazilian and Ukrainian respondents have indicated that they do not object to the original like product definition.[15] We find no information in the record of these reviews to suggest that a different like product definition is appropriate. We therefore define the domestic like product in these reviews as all silicomanganese.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the domestic "producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[16] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States.[17] The Commission bases its analysis on a firm's production-related activities in the United States.[18]

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[11] 65 Fed. Reg. 35325 (June 2, 2000).

[12] Confidential Report ("CR") at I-11, Public Report ("PR") at I-9.

[13] CR at I-13, PR at I-10.

[14] USITC Pub. 2836 at I-6–I-7 (Commissioners Rohr and Newquist) and I-21–I-22 (Commissioners Watson, Nuzum, Crawford, and Bragg).

[15] Eramet Prehearing Brief at 4; Brazilian Respondents' Response to Notice of Institution at 4; Ukrainian Respondents' Response to Notice of Institution at 9.

[16] 19 U.S.C. § 1677(4)(A).

[17] *See, e.g.*, Uranium from Kazakhstan, Inv. No. 731-TA-539-A (Final), USITC Pub. 3213 at 8–9 (July 1999); Manganese Sulfate from the People's Republic of China, Inv. No. 731-TA-725 (Final), USITC Pub. 2932, at 5 & n.19 (November 1995) ("the Commission has generally included toll producers that engage in sufficient production-related activity to be part of the domestic industry"). *See, e.g.*, United States Steel Group v. United States, 873 F. Supp. 673, 682–83 (CIT 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996).

[18] The Commission typically considers six factors: (1) the extent and source of a firm's capital investment; (2) the technical expertise involved in U.S. production activity; (3) the value added to the product in the United States; (4) employment levels; (5) the quantities and types of parts sourced in the United States; and (6) any other costs and activities in the United States leading to production of the like product. *See* Certain Cut-to-Length Steel

(continued...)

In the original investigations, the Commission defined the domestic industry as the sole domestic producer of silicomanganese, petitioner Elkem.[19] In July 1999, the U.S. silicomanganese production assets of Elkem were acquired by Eramet SA of France and the operation was renamed Eramet Marietta Inc. ("Eramet").[20] Consistent with our definition of the like product, we define a single domestic industry consisting of Eramet, the sole domestic producer of silicomanganese.[21]

III. CUMULATION

A. Framework[22]

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 subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[23]

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[18] (...continued)
Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-387–391 (Final) and 731-TA-816–821 (Final), USITC Pub. 3273 at 8–9 (January 2000).

[19] USITC Pub. 2836 at I-7–I-8 (Commissioners Rohr and Newquist) and I-22 (Commissioners Watson, Nuzum, Crawford, and Bragg).

[20] CR at I-14–I-15, PR at I-11.

[21] There are no related parties issues in these reviews. Although Eramet ***, it is not related to any subject producer and has not imported or purchased subject merchandise during the period examined in these reviews. CR at III-1–III-2, PR at III-1.

[22] Commissioner Bragg does not join this section. While she concurs with the majority's findings of reasonable overlap of competition and likely discernible adverse impact in the event the orders are revoked, her cumulation determinations are based upon a different analytical framework than that of her colleagues. *See* Separate Views of Commissioner Lynn M. Bragg regarding Cumulation in Sunset Reviews, found in Potassium Permanganate From China and Spain, Inv. Nos. 731-TA-125–126 (Review), USITC Pub.3245 (October 1999); *see also*, Separate Views of Chairman Lynn M. Bragg Regarding Cumulation, found in Brass Sheet and Strip From Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311–317 and 379–380 (Review), USITC Pub. 3290 (April 2000). In particular, Commissioner 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. Having found a reasonable overlap of competition in these reviews for the same reason as those set forth by the Commission majority, Commissioner Bragg turns to the issue of no discernible adverse impact. Based upon the significant excess capacity in each of the subject countries as well as the subject producers' strong export orientation, Commissioner Bragg finds that revocation of the orders and termination of the suspended investigation at issue will lead to a likely discernible adverse impact to the domestic industry. CR and PR at Tables IV-4, IV-6, and IV-7. Commissioner Bragg therefore cumulates subject imports from Brazil, China, and Ukraine.

[23] 19 U.S.C. § 1675a(a)(7).

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.[24] 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.[25] 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 or the suspended investigation is terminated.[26]

The Commission has generally considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.[27] Only a "reasonable overlap" of competition is required.[28] In five-year reviews, the relevant inquiry is whether there likely would 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 competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are revoked or the suspended investigation is terminated. The Commission has considered

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[24] 19 U.S.C. § 1675a(a)(7).

[25] SAA, H.R. Rep. No. 103-316, vol. I (1994).

[26] For a discussion of the analytical framework of Chairman Koplan and Commissioners Miller and Hillman regarding the application of the "no discernible adverse impact" provision, *see* Malleable Cast Iron Pipe Fittings from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278–280 (Review) and 731-TA-347–348 (Review) USITC Pub. 3274 (February 2000). For a further discussion of Chairman 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, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review) USITC Pub. 3247 (October 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

[27] 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 (CIT 1989).

[28] *See* Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (CIT 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 (CIT 1994), *aff'd,* 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g.*, Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812–813 (Preliminary), USITC Pub. 3155 at 15 (February 1999), *aff'd sub nom*, Ranchers-Cattleman Action Legal Foundation v. United States, 74 F. Supp.2d 1353 (CIT 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761–762 (Final), USITC Pub. 3098 at 13–15 (April 1998).

factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.[29]

B. Analysis

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied. Although we note that Brazilian respondents urged us to find that imports from Brazil would be likely to have no discernible adverse impact on the domestic industry producing silicomanganese if the relevant antidumping duty order were revoked, we find, for the reasons discussed below in our analysis of the likely volume, price effects, and impact of the subject imports, that the no discernible adverse impact standard is not satisfied with respect to likely subject imports from Brazil, nor with respect to likely subject imports from China or Ukraine.

In the original investigations, three out of six Commissioners found a reasonable overlap of competition. For purposes of their present injury analysis, Commissioners Rohr, Newquist, and Nuzum cumulated imports from all subject countries. Relying on the fact that all silicomanganese serves the same end use regardless of source, they rejected claims that the Brazilian and Ukrainian products were not fungible with the domestic like product. They also rejected the claim that there was no geographic overlap of competition between the domestic like product and imports from Ukraine.[30] By contrast, Commissioners Watson, Crawford, and Bragg cumulated imports from Brazil and China for purposes of their present material injury analysis, but did not cumulate imports from Ukraine. They found no reasonable overlap of competition between imports from Ukraine and the domestic like product based principally on a lack of geographic overlap between sales of the two products. They relied secondarily on the limited substitutability between domestic and Ukrainian silicomanganese, due to the higher phosphorus content of the Ukrainian product.[31] Among the four Commissioners who reached the issue of threat, one cumulated imports from Brazil and China and the others did not cumulate subject imports from any of the four countries.[32]

In the current reviews, the record is clear that all silicomanganese sold in the United States is—and is likely to continue to be—sold through the same channels of distribution, *i.e.,* mostly directly to end users, with very limited sales through distributors, trading companies, and swaps.[33] We therefore consider whether anything has changed since 1994 with respect to either fungibility or geographic overlap, the two issues which divided the Commission in the original investigations.

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[29] *See, e.g.*, Torrington Co. v. United States, 790 F. Supp. at 1172 (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 (CIT 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (CIT 1988).

[30] USITC Pub. 2836 at I-13–I-14 (Commissioners Rohr and Newquist) and I-73–I-75 (Commissioner Nuzum).

[31] USITC Pub. 2836 at I-30–I-35.

[32] USITC Pub. 2836 at I-53 (Commissioners Watson, Crawford, and Bragg), I-80–I-81 (Commissioner Nuzum), I-69 (Commissioner Crawford).

[33] CR at II-1–II-2, PR at II-1; CR at V-4, PR at V-4.

With respect to fungibility, we note that the method of production for silicomanganese is essentially the same worldwide, and virtually all silicomanganese is used in the production of steel.[34] Although most purchasers reported that they require suppliers to be certified, most also indicated that they do not order based on country of origin; rather, once their chemical requirements are met, products from multiple suppliers are readily substitutable.[35] All parties agree that, when made from Ukrainian manganese ore, Ukrainian silicomanganese typically has a somewhat different chemistry than domestic, Brazilian, or Chinese product, because it contains both more manganese and more phosphorus. The record in these reviews does not support the conclusion, however, that any such differences in chemistry limit purchasers' ability to use Ukrainian, domestic, and other subject silicomanganese interchangeably. While phosphorus is an impurity in many steels, elevated levels of phosphorus are intentionally present in certain re-phosphorized and high-strength–low-alloy steels. Moreover, steel producers whose processes can tolerate the elevated phosphorus level of the Ukrainian product may prefer the Ukrainian product from a cost standpoint, because they obtain more manganese per short ton than they do from other silicomanganese sources.[36] In addition, there is some evidence that the Ukrainian industry can produce silicomanganese with a lower phosphorus content, either by importing higher-quality manganese ore or by double-processing silicomanganese made from Ukrainian ore.[37] We therefore find that subject imports are likely to be fungible with each other and with the domestic like product if the orders are revoked and the suspended investigation is terminated.

As noted above, those Commissioners who did not cumulate silicomanganese from Ukraine in the original investigations relied principally on the limited presence of the domestic like product in ***.[38] The record in these reviews indicates that Ronly Holdings currently imports Ukrainian silicomanganese ***.[39] Eramet reports that several of its ten largest customers ***.[40] If the suspension agreement were terminated, it is likely that Ronly Holdings would not remain the sole importer of the Ukrainian product, since there were several importers of that product in the original investigations.[41] Moreover, the fact that Ukrainian product is currently being sold in Canada[42] suggests that *** is not the only economically and logistically feasible port in North America through which Ukrainian product can be imported, making it likely that, absent the suspension agreement, Ukrainian product could find markets in other parts of the

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[34] CR at I-12–I-14, PR at I-10–I-11.

[35] CR at II-14–II-17, PR at II-8–II-9.

[36] CR at I-14, PR at I-10–I-11; CR at II-17, PR at II-11.

[37] Ukrainian Respondents' Posthearing Brief at 8.

[38] While recognizing that the statute requires consideration of offers to sell as well as actual sales, those Commissioners discounted the presence of a full-time Elkem salesman in Texas, because: (1) the salesman's job was to market Elkem's imports of silicomanganese and its other domestic products as well as domestically-produced silicomanganese; (2) Elkem sold more silicomanganese than it produced, and it would be logical for Elkem to supply customers distant from its Ohio plant with imports or swaps, rather than domestic product; and (3) the record indicated that Elkem only began making serious efforts to expand its sales into that region ***. Confidential Original Opinion, Views of Chairman Watson, Commissioner Crawford, and Commissioner Bragg on Cumulation at 9–10.

[39] Ronly Holdings Importer Questionnaire at 7.

[40] Letter from William Kramer to Donna Koehnke, August 25, 2000, identifying Eramet's ten largest customers.

[41] Original Confidential Report (November 29, 1994) at I-23, I-26.

[42] Ukrainian Respondents' Posthearing Brief at 11–12.

United States. We therefore find that there are likely to be sales of each of the subject imports and the domestic like product in the same geographical markets if the orders are revoked and the suspended investigation is terminated.

Based upon the foregoing, we find that there is likely to be a reasonable overlap of competition among the subject imports from Brazil, China, and Ukraine, and between such imports and the domestic like product if the orders are revoked and the suspended investigation is terminated. We have considered whether other conditions of competition posited by Brazilian and Ukrainian respondents, including differences in regional export markets, third-country trade barriers, and capacity trends, should lead us to decline to exercise our discretion to cumulate in these reviews.[43] We conclude, however, that the asserted differences do not undermine the fact, discussed further below, that producers in all three countries have the same ability and basic economic incentives to seek additional sales in the U.S. market if the orders are revoked and the suspended investigation is terminated. Rather, the existence of such differences is outweighed by considerations supporting cumulation, including the commodity nature of the product, the high degree of substitutability among the subject imports and the domestic like product, and the existence of excess capacity in all the subject countries. We therefore cumulate subject imports from Brazil, China, and Ukraine for purposes of our assessment of the likelihood of continuation or recurrence of material injury in these reviews.

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDERS ARE REVOKED AND/OR THE SUSPENDED INVESTIGATION IS TERMINATED[44]

A. Legal Standard In A Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order and terminate a suspended investigation unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of an order or termination of a suspended investigation "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[45] The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo—the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[46] Thus, the likelihood standard is prospective in nature.[47] The

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[43] *See* Brazilian Respondents' Prehearing Brief at 33–40; Ukrainian Respondents' Posthearing Brief at 8–10.

[44] Former Commissioner Thelma J. Askey did not participate in the votes in these reviews. Commissioner Dennis M. Devaney did not participate in these reviews.

[45] 19 U.S.C. § 1675a(a).

[46] SAA at 883–84. 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). Likewise, the standard applies to suspended investigations that were never completed." SAA at 883.

[47] 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

(continued...)

statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[48] According to the SAA, a "'reasonably 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]."[49] [50]

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 or the suspended investigation is terminated."[51] 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 or the suspension agreement under review, and whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated.[52] [53]

We note that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination.[54] We generally give credence to the facts supplied by the participating parties and certified by them as true, but base our decision on the evidence as a whole, and do not automatically accept the participating parties' suggested interpretation of the record evidence.

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[47] (...continued)
making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

[48] 19 U.S.C. § 1675a(a)(5).

[49] 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.*

[50] In analyzing what constitutes a reasonably foreseeable time, Chairman 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 or termination. 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.

[51] 19 U.S.C. § 1675a(a)(1).

[52] 19 U.S.C. § 1675a(a)(1). 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.

[53] 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 has not issued any duty absorption findings with respect to these reviews.

[54] 19 U.S.C. § 1675(e).

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."[55] No respondent interested parties that produce the subject merchandise in China provided questionnaire responses or participated in these reviews. Accordingly, we have relied on the facts available in these reviews, which consist primarily of the evidence in the record from the Commission's original investigations, the information collected by the Commission since the institution of these reviews, and information submitted by interested parties in these reviews.[56]

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked or the suspended investigation is terminated, the Commission is directed to consider whether the likely volume of subject imports would be significant either in absolute terms or relative to the production or consumption in the United States.[57] 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.[58]

In evaluating the likely price effects of subject imports if the orders are revoked or the suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with the domestic like product and whether

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[55] SAA at 869.

[56] Respondent Ronly Holdings, an importer of subject merchandise from Ukraine, has urged the Commission to draw adverse inferences against the domestic industry on the grounds that the domestic industry has impeded the investigation by providing false and misleading information to the Commission. Specifically, Ronly Holdings argues that the facts in these reviews are similar to those in Ferrosilicon from Brazil, China, Kazakhstan, Russia, Ukraine, and Venezuela, Inv. Nos. 303-TA-23, 731-TA-566–570, and 731-TA-641 (Reconsideration), USITC Pub. 3218 (August 1999), and that, because Elkem, the original petitioner in the silicomanganese investigations, played a prominent role in the conspiracy to fix ferrosilicon prices, the Commission should take adverse inferences in these reviews rather than giving weight to Elkem's assessment of market conditions in the market for silicomanganese. Ronly Holdings Posthearing Brief at 4–10. We disagree. The circumstances of these reviews are very different from those in the reconsideration proceedings on ferrosilicon. While Elkem and other producers either pleaded or were found guilty of conspiring to fix prices for ferrosilicon, there has been no investigation, and certainly no conviction, for price fixing in the market for silicomanganese. In the absence of evidence that Elkem provided false or misleading information to the Commission in the original silicomanganese investigations, we decline to draw adverse inferences in these reviews based on Elkem's conduct in the ferrosilicon investigations.

[57] 19 U.S.C. § 1675a(a)(2).

[58] 19 U.S.C. § 1675(a)(2)(A)–(D).

the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the price of domestic like products.[59]

In evaluating the likely impact of imports of subject merchandise if the orders are revoked or the suspended investigation is terminated, 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, including efforts to develop a derivative or more advanced version of the domestic like product.[60] 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.[61] As instructed 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 order is revoked.[62]

For the reasons stated below, we determine that revocation of the antidumping duty orders on silicomanganese from Brazil and China and termination of the suspended antidumping investigation of silicomanganese from Ukraine would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

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[59] 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering 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.

[60] 19 U.S.C. § 1675a(a)(4).

[61] 19 U.S.C. § 1675a(a)(4). 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 the final results of its expedited reviews regarding subject imports from Brazil and China, Commerce found that revocation of the orders would be likely to lead to continuation or recurrence of dumping at the margins of 64.93 percent for Brazilian producers CPFL and Sibra; 17.60 percent for all other Brazilian producers; and 150.00 for all Chinese exporters. In its final determination in the full review of the suspended antidumping investigation of silicomanganese from Ukraine, Commerce found that termination of the suspended investigation would likely lead to continuation or recurrence of dumping at a margin of 163.00 percent for all exporters. CR at I-8–I-9, PR at I-7.

[62] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is 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.

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."[63]

Domestic demand for silicomanganese is dependent on demand for steel, and, in particular, for steel produced by minimills.[64] Domestic apparent consumption of silicomanganese has increased since the original investigations, ranging between *** and *** short tons during 1991–1993 and between *** and *** short tons during 1997–1999.[65] Although some steel producers can substitute a combination of ferrosilicon and ferromanganese for silicomanganese, such substitution is limited by both technical and cost considerations.[66] Because silicomanganese accounts for a small share of the cost of steel production, demand for silicomanganese is relatively price inelastic.[67]

As discussed above, silicomanganese is a commodity product made to common industry standards. Although silicomanganese can be produced with some variations in chemistry, the silicomanganese consumed in the United States is largely ASTM grade B, and material with a chemistry other than that specified by the ASTM standard is still viewed by the market as silicomanganese.[68] While purchasers reported that price and quality were about equally important to purchasing decisions, they also generally reported that, once the quality of any particular supplier is approved or certified, the product is easily substituted for that of any other certified supplier.[69] Thus, once a producer has qualified multiple suppliers, price takes on central importance to purchasing decisions. Silicomanganese producers and purchasers have access to current price information through the publications *Metals Week* and *Ryan's Notes*, which are used as the basis for both price negotiations and ***.[70]

The domestic industry producing silicomanganese is very small relative to demand and, since the original period of investigation, the domestic industry's market share has remained less than *** percent of the U.S. silicomanganese market. Imports are therefore required to meet demand and the large majority of demand is currently met by nonsubject imports.[71] While the principal sources of nonsubject imports are South Africa, Mexico, and Australia, the U.S. market is currently served by silicomanganese suppliers from at least 20 countries.[72] Given the large number of suppliers, the commodity nature of the product, and the rapid dissemination of pricing information, the U.S. market for silicomanganese is highly price competitive.

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[63] 19 U.S.C. § 1675a(a)(4).

[64] CR at II-10–II-11, PR at II-6–II-7.

[65] CR and PR at Table I-1.

[66] CR at II-11, PR at -7.

[67] CR at II-19, PR at II-12; Eramet Prehearing Brief at 13–14, *citing* Purchasers Questionnaires at Question III-3.

[68] CR at I-11, PR at I-9; Eramet Prehearing Brief at 6–7.

[69] CR at II-15, PR at II-9.

[70] CR at V-4, PR at V-4.

[71] CR and PR at Table I-1.

[72] CR and PR at Table IV-2; Eramet Prehearing Brief at 8–9; Brazilian Respondents' Prehearing Brief at 4–6; Ukrainian Respondents' Prehearing Brief at 3.

Finally, we note that silicomanganese producers are able, at least to a limited extent, to produce other products—particularly ferromanganese—in their silicomanganese furnaces. During the original period of investigation, the petitioner Elkem converted its Marietta silicomanganese furnace to the production of ferromanganese for a number of months and met domestic silicomanganese demand with other sources of supply.[73] While differences in relative prices of silicomanganese and ferromanganese may lead to such conversions, over the long run producers have an incentive to maintain a balance between silicomanganese and ferromanganese production, since slag from the production of ferromanganese is the principal input in silicomanganese and has no other profitable use.[74]

We find that the foregoing conditions of competition are likely to prevail for the reasonably foreseeable future and thus provide an adequate basis by which to assess the likely effects of revocation within the reasonably foreseeable future.

C. Likely Volume of Subject Imports

The Commission's volume analysis in the original investigations focused on the subject imports' ability to increase their U.S. market presence rapidly in terms of both volume and market share.[75] The orders and suspension agreement have clearly had a restraining effect on subject import volumes. The total volume of imports from all countries subject to these reviews was 168,000 short tons in 1993 but only 9,000 short tons in 1999.[76] Since imposition of the orders, there have been virtually no imports from Brazil or China. Ukraine made limited shipments within the suspension agreement quota, which permitted imports of approximately 8,000 metric tons per year, in 1997 and 1999, but none in 1995, 1996, 1998, or interim 2000.[77]

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[73] Confidential Original Opinion, Views of Chairman Watson, Commissioner Crawford, and Commissioner Bragg on No Material Injury By Reason of LTFV Imports from Brazil, China, and Ukraine at 7.

[74] CR at I-13 and n.17, PR at I-10 and n.17; Transcript of Commission Hearing (November 14, 2000) ("Hearing Tr.") at 50, 145–147; Brazilian Respondents' Prehearing Brief at 50–51.

[75] Original Confidential Opinion, Views of Commissioners Rohr and Newquist at 20–21; Views of Chairman Watson, Commissioner Crawford and Commissioner Bragg on Threat of Material Injury at 11–12; Views of Chairman Watson on Threat of Material Injury By Reason of LTFV Imports from Brazil at 3; Additional and Dissenting Views of Vice Chairman Nuzum at 24–27.

[76] CR and PR at Table I-1.

[77] CR and PR at Table D-1. In the original suspension agreement concerning silicomanganese from Ukraine, the Government of Ukraine agreed to restrict the volume of silicomanganese exports to the United States and to sell such exports at or above a "reference price" in order to prevent the suppression or undercutting of price levels for the domestic product. The export limits and reference prices established in the agreement expired on October 31, 2000. In May 2000, Commerce and the Government of Ukraine initialed a new agreement, which included a quota increase from 8,000 metric tons to 20,000 metric tons (Ukraine had requested a quota increase to 50,000 metric tons), but to date the Government of Ukraine has not signed the new agreement. At present, Commerce considers the original agreement to continue in effect. Because there have been no imports of silicomanganese from Ukraine since October 31, 2000, however, Commerce has not found it necessary to rule on the question whether Ukraine is currently entitled to export silicomanganese to the United States free of volume and price restrictions without violating the agreement. CR at I-2–I-3, PR at I-2; Hearing Tr. at 86; Eramet Posthearing Brief, Appendix at 14. On December 5, 2000, Commerce published the preliminary results of an administrative review of the suspension agreement covering the period November 2, 1998, through October 31, 1999, in which it determined that the Government of Ukraine is not in compliance with the agreement because it has failed to comply

(continued...)

For the reasons discussed below, the information available on the record in these reviews leads us to conclude that subject producers have the capability to increase substantially their cumulated shipments to the United States over current levels if the orders are revoked and the suspended investigation is terminated.

With respect to participating subject producers in Brazil,[78] reported capacity to produce silicomanganese in 1999 was *** short tons, of which *** short tons was excess capacity. In interim 2000, reported silicomanganese production capacity was *** short tons, of which *** short tons was excess capacity.[79] In addition, Brazilian producers reported end-of-period inventories of *** short tons in 1999 and *** short tons in interim 2000. Added together, Brazilian excess capacity and inventories amounted to *** short tons, the equivalent of *** percent of U.S. apparent consumption of silicomanganese in 1999, and *** short tons or the equivalent of *** percent of U.S. apparent consumption of silicomanganese in interim 2000.[80] The record further indicates that the Brazilian silicomanganese industry exports a significant proportion of its production. The industry's exports as a percentage of production ranged from *** to *** during the period examined in these reviews. Indeed, we note that the percentage of production attributable to exports was highest in interim 2000, when ***.[81] Although Brazilian producers contend that their exports are largely directed toward established customers in neighboring Mercosur markets, the record reveals that Brazil's largest export markets in

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[77] (...continued)
with the reporting requirements included therein. 65 Fed. Reg. 79922 (December 5, 2000). Commerce will reach a final determination as to whether Ukraine's failure to comply with the reporting requirements rises to the level of a violation of the agreement in April 2001. Based on the foregoing, we discount the Ukrainian respondents' claim that the lack of imports from Ukraine since expiration of the quota in October 1999 is illustrative of what is likely to occur if the suspended investigation is terminated. Ukrainian Respondents' Prehearing Brief at 8. Rather, it appears likely that Ukraine has opted to refrain from exporting silicomanganese pending the results of Commerce's annual review as well as this five-year review.

[78] Although Eramet has identified several other possible Brazilian ferroalloy producers, the limited information available on our record indicates that none of these other companies is currently producing silicomanganese. CR at IV-6–IV-7, PR at IV-5–IV-6; *http://ferbasanet.com.br/prod_6.htm* (printed January 4, 2001). Thus, although we recognize that some of these producers might be technically capable of product-shifting, we have not relied upon that potential ability in making our determinations in these reviews.

[79] CR and PR at Table IV-4. Although the capacity figures reported by the Brazilian industry represent a reduction over the capacity reported in the original investigations, we note that the difference is at least partially accounted for by a change in reporting methodology. In the original investigations, the participating Brazilian producers reported total theoretical capacity that could be used to produce either silicomanganese or ferromanganese. Confidential Original Report (November 29, 1994) at I-67, Table 1-7. In the current review, by contrast, they reported only capacity allocated to silicomanganese. CR and PR at Table IV-4, fn.1.

[80] CR and PR at Tables I-2 and IV-4. As discussed further below, we find these data for capacity and inventories indicate a likely level of subject imports which, when cumulated with the likely level of imports from China and Ukraine, is sufficient to support our affirmative determinations in these reviews. We note, moreover, that Brazilian producers have conceded that a certain amount of product-shifting between production of silicomanganese and ferromanganese is normal and that, with varying degrees of cost and complexity, shifting from production of other ferroalloys to silicomanganese is also possible. In particular, CVRD, the parent of CPFL and Sibra, has indicated that it could start up 57,000 tons of idle ferroalloy production capacity in the near future if demand warranted. CR and PR at Table IV-4, fn.1; Brazilian Respondents' Posthearing Brief, Responses to Chairman Koplan and Exhibit 1; Hearing Tr. at 42, 120–122.

[81] CR and PR at Table IV-4.

recent years have been Canada and Japan, and, in 2000, the European Union (EU).[82] Given Brazil's significant U.S. market presence during the original investigations, the industry's demonstrated ability to overcome transportation costs and other potential obstacles to sales in major world markets such as Canada, Japan, and the EU, and Brazilian producers' ability to access sufficient capacity to increase its exports to the EU from zero tons to *** tons in six months,[83] we conclude that the Brazilian industry would have the ability and incentive to increase exports to the United States if the relevant order were revoked.

With respect to producers in Ukraine,[84] reported capacity to produce silicomanganese in 1999 was *** short tons, of which *** short tons was excess capacity. In interim 2000, reported capacity was *** short tons, of which *** short tons was excess capacity.[85] In addition, Ukrainian producers reported end-of-period inventories of *** short tons in 1999 and *** short tons in interim 2000. Added together, Ukrainian excess capacity and inventories amounted to *** short tons in 1999, or the equivalent of *** percent of U.S. apparent consumption in 1999, and *** short tons, or the equivalent of *** percent of U.S. apparent consumption in interim 2000.[86] The record further indicates that the Ukrainian industry is export oriented. The industry's exports as a percentage of production ranged from *** percent to *** percent during the period examined in these reviews.[87] Although Ukrainian producers contend that their exports are largely directed toward established customers in eastern Europe and the former Soviet Union, the record reveals that Japan, Mexico, and Canada have also been significant customers in recent years.[88] Finally, we note that the EU currently has a price undertaking in place with respect to imports of silicomanganese from Ukraine. Thus, although Ukrainian producers point out that they are not subject to any antidumping duties or quotas in the EU, the price undertaking does place some limit on their access to the European market.[89] Given Ukraine's significant U.S. market presence during the original investigations, the industry's demonstrated ability to export large quantities to major world markets such as Japan, Mexico, and Canada despite asserted obstacles to exports such as transportation costs and availability of electricity, and existing excess capacity and inventories, we conclude that the Ukrainian industry would have the ability and incentive to increase exports to the United States if the suspended investigation were terminated.

Because no Chinese producers of silicomanganese are participating in these reviews, the record information on the Chinese industry is extremely limited. In the original investigations, the Commission estimated Chinese production capacity at more than *** short tons in 1993.[90] Eramet has submitted information demonstrating that the number of Chinese producers has increased since the original

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[82] CR and PR at Table F-1; Hearing Tr. at 125, 127–130.

[83] Brazilian Respondents' Posthearing Brief at 8.

[84] All known Ukrainian producers participated and provided information in these reviews.

[85] CR and PR at Table IV-7. As in the case of Brazil, we note that these capacity figures represent capacity allocated to the production of silicomanganese and do not reflect additional ferromanganese capacity that could be converted temporarily or permanently to the production of silicomanganese. *** Foreign Producer Questionnaire at 8–10; *** Foreign Producer Questionnaire at 8; Ukrainian Respondents' Posthearing Brief, Exhibit 2 at 3–5.

[86] CR and PR at Tables I-2 and IV-7.

[87] CR and PR at Table IV-7.

[88] CR and PR at Table F-2; Ukrainian Respondents' Posthearing Brief at 11–12.

[89] *** Foreign Producer Questionnaire at 7; Ukrainian Respondents' Posthearing Brief at 10; Eramet Prehearing Brief, Exhibit 17; Council Regulation 495/98, 1998 O.J. (L 062) 1–18.

[90] Confidential Original Report at I-69–I-70 and Table 18.

investigations and that Chinese production is currently rising.[91] According to the China Chamber of Commerce of Metals, Minerals and Chemicals Imports and Exports, China's exports of silicomanganese were 329,110 short tons in 1999 and 186,107 short tons in interim 2000—significantly higher than the total capacity reported to the Commission through the U.S. embassy in Beijing by a few Chinese producers.[92] The Chinese silicomanganese industry is known to be highly export oriented.[93] Since 1998, Chinese exports of silicomanganese have been subject to antidumping duties in the EU and either an antidumping duty order or a suspension agreement in Korea.[94] Available export data indicate that, until those remedies went into effect, Korea and the EU were significant markets for the Chinese product, suggesting that significant volumes of Chinese silicomanganese may have been displaced and would now be available for export to other markets, including the United States.[95]

Overall, we conclude that the likely volume of cumulated subject imports would be significant both in absolute terms and relative to consumption in the United States if the orders are revoked and the suspended investigation is terminated. We base this conclusion on a number of factors, including: the demonstrated ability of producers in all the subject countries to increase their U.S. market penetration rapidly; the existence of very large capacity allocated to the production of silicomanganese, including significant excess capacity and existing inventories, in the subject countries; the existence of additional capacity allocated to production of ferromanganese that could be used to produce silicomanganese; the demonstrated export-orientation of all of the subject industries; the existence of third country antidumping remedies which limit market access for exports from China and Ukraine; the restraining effect that the orders and suspension agreement have had on subject import volumes; and the attractiveness of the large and growing U.S. market as an outlet for excess production.

D. Likely Price Effects of the Subject Imports

In the original investigations, the Commission found that prices for both the domestic product and the subject imports declined over most of the period, while the record revealed a mixed pattern of underselling and overselling by subject imports.[96] As noted above, the U.S. market for silicomanganese remains one in which sales are made principally on the basis of price and in which widely available publications cause any price changes to be rapidly disseminated through the market.[97] Moreover, the U.S. market for silicomanganese is a highly competitive market currently served by producers in at least twenty countries in addition to the domestic industry.[98]

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[91] Eramet Prehearing Brief at 22–23 and Exhibit 22.

[92] CR and PR at Tables IV-5 and IV-6.

[93] Eramet Prehearing Brief at 23.

[94] CR at IV-11, PR at IV-9.

[95] CR and PR at Table F-1.

[96] Confidential Original Opinion, Views of Commissioners Rohr and Newquist at 21; Views of Chairman Watson, Commissioner Crawford, and Commissioner Bragg Concerning No Material Injury By Reason of LTFV Imports from Brazil, China, and Ukraine at 4–7; Additional and Dissenting Views of Vice Chairman Nuzum at 13–14.

[97] CR at II-14–II-16, PR at II-8–II-10; CR at V-4, PR at V-4.

[98] CR and PR at Table IV-2; Eramet Prehearing Brief at 8–9; Brazilian Respondents' Prehearing Brief at 4–6; Ukrainian Respondents' Prehearing Brief at 3.

During the period examined in these reviews, U.S. prices for the domestic like product generally declined in 1998 and the first part of 1999, rose in the second half of 1999 and the first half of 2000, and declined somewhat thereafter.[99] As discussed above, we have found that the volume of cumulated subject imports is likely to increase significantly if the orders are revoked and the suspended investigation is terminated. In light of the already high degree of price-based competition in the U.S. market and the inelasticity of demand for silicomanganese, we conclude that subject imports would be likely to expand their market share by lowering prices. In the short run, such imports would have to undersell the domestic like product and other subject imports to a significant degree in order to gain market share. Because of the rapid way in which price changes are communicated in this market, however, we would not expect any underselling to persist. Rather, we would expect price declines triggered by the likely large volume of subject imports to depress or suppress the overall price level in the United States to a significant degree if the orders were revoked and the suspended investigation was terminated.

E. Likely Impact of the Subject Imports

In the original investigations, the Commission found that, due to falling prices, the domestic industry was unable to operate profitably despite rising apparent consumption, capacity, capacity utilization, production, shipments, and employment.[100] The industry's condition has improved in a few respects since the original investigations. Although production capacity has declined from *** short tons in 1993 to *** short tons in 1999, capacity utilization has risen from *** percent in 1993 to *** percent in 1999, and the domestic industry has increased its market share from *** percent in 1993 to *** percent in 1999.[101] On the other hand, the industry experienced a *** from 1997 to 1998 and a *** in 1999.[102] While rising prices resulted in a positive operating income margin in interim 2000,[103] we noted above that prices have been declining in the second half of 2000.[104] After two years of *** and *** in the most recent year, and with the recent recovery in prices apparently failing to continue, we find the

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[99] CR and PR at Tables V-1 and V-2; Eramet Prehearing Brief, Exhibit 7; Brazilian Respondents' Posthearing Brief, Exhibit 3.

[100] Confidential Original Report (November 29, 1994) at Tables 2, 6, 7, 8, 10, and 12.

[101] CR and PR at Table I-1.

[102] CR and PR at Table I-1.

[103] CR and PR at Table III-5.

[104] Eramet Prehearing Brief, Exhibit 7; Brazilian Respondents' Posthearing Brief, Exhibit 3.

domestic industry to be vulnerable to material injury if the orders are revoked and the suspended investigation is terminated.[105] [106]

Given the generally substitutable nature of the subject and domestic products and the inelasticity of demand for silicomanganese, we find that the significant volume of low-priced subject imports, when combined with the expected adverse price effects of those imports, would have a significant adverse impact on the production, shipments, sales, and revenues of the domestic industry. This reduction in the industry's production, sales, and revenues would have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, we conclude that, if the antidumping duty orders are revoked and the suspended investigation is terminated, the 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 silicomanganese from Brazil and China and termination of the suspended antidumping duty investigation concerning silicomanganese from Ukraine would be likely to lead to continuation or recurrence of material injury to the domestic industry producing silicomanganese within a reasonably foreseeable time.

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[105] In so concluding, we reject the claim by Brazilian and Ukrainian respondents that Eramet's 1999 acquisition of the Marietta facility has significantly strengthened the position of the domestic industry. Brazilian Respondents Prehearing Brief at 8–12, 65–70; Brazilian Respondents' Posthearing Brief, Answers to Commissioner Hillman; Ukrainian Respondents' Posthearing Brief at 5–6; Ronly Holdings Posthearing Brief at 1–2. First, we find no legal significance and little practical significance to the fact that the French government indirectly controls a significant share in Eramet's Marietta operation. CR at I-14–I-15, PR at I-11. Although Eramet's parent company provided it with *** after the acquisition, such ***. Moreover, the decline in Eramet's *** in interim 2000, appears to be due to *** rather than to *** as alleged by respondents. Eramet Posthearing Brief, Appendix at 10–11, 17.

[106] Commissioner Bragg finds that the domestic industry is currently not in a weakened condition as contemplated by the vulnerability criterion of the statute. She notes the recent sale of Elkem Metals Company's Marietta facility to Eramet SA, and the corresponding improvement in operating results subsequent to the sale. CR at I-15, PR at I-11; CR and PR at Table III-5.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On November 2, 1999, the Commission gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted reviews to determine whether revocation of the antidumping duty (AD) orders on silicomanganese from Brazil and China and termination of the suspended investigation on silicomanganese from Ukraine would likely lead to the continuation or recurrence of material injury to a domestic industry (64 FR 59209, November 2, 1999). Effective February 3, 2000, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act (65 FR 7891, February 16, 2000). Information relating to the background and schedule of these reviews is provided in the following tabulation.[1]

Effective date	Action
October 31, 1994	Commerce's suspension of investigation on silicomanganese from Ukraine (59 FR 60951, November 29, 1994)
December 22, 1994	Commerce's AD orders on silicomanganese from Brazil and China (59 FR 66003, December 22, 1994)
November 2, 1999	Commission's institution of five-year reviews (64 FR 59209, November 2, 1999)
February 3, 2000	Commission's decision to conduct full reviews (65 FR 7891, February 16, 2000)
June 2, 2000	Commerce's final results of expedited reviews on silicomanganese from Brazil and China (65 FR 35324, June 2, 2000)
August 8, 2000	Commission's scheduling of the reviews (65 FR 49595, August 14, 2000)
September 27, 2000	Commerce's final results of full review on silicomanganese from Ukraine (65 FR 58045, September 27, 2000)
November 14, 2000	Commission's hearing[1]
January 12, 2001	Date of the Commission's votes
January 25, 2001	Commission's determinations transmitted to Commerce
[1] App. B contains a list of witnesses that appeared at the hearing.	

The Original Investigations

On November 12, 1993, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of dumped imports of silicomanganese

[1] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in app. A and may also be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct an expedited or full review may also be found at the web site. Relevant Commerce notices also appear in app. A.

from Brazil, China, and Ukraine.[2] On November 7, 1994, Commerce made final affirmative dumping determinations for Brazil[3] and China[4] at the following margins: Brazil—Companhia Paulista de Ferro-Ligas, 64.93 percent; Brazil—all others, 17.60 percent; and China—all exporters, 150.0 percent. The Commission made its final affirmative injury determinations with regard to Brazil and China on December 14, 1994 (59 FR 65788, December 21, 1994). Commerce issued AD orders on silicomanganese from Brazil and China on December 22, 1994 (59 FR 66003, December 22, 1994).

Commerce suspended the AD investigation regarding silicomanganese imports from Ukraine effective October 31, 1994, based on an agreement by the Government of Ukraine to restrict the volume of direct or indirect silicomanganese exports to the United States and to sell such exports at or above a "reference price" in order to prevent the suppression or undercutting of price levels of U.S. domestic silicomanganese (59 FR 60951, November 29, 1994).[5] The export limits and reference prices established in the agreement expired on October 31, 1999, and a new agreement was initialed in May 2000 but has not yet been signed. Commerce believes that the 1994 agreement is still in effect, and, although it remains an unanswered question whether Ukraine could export silicomanganese to the United States in the absence of export levels and reference prices, Ukraine has not attempted to export any silicomanganese to the United States since the expiration of the agreement on October 31, 1999.[6]

Table I-1 presents a summary of data from the original investigations and from these reviews. A summary of data collected in these reviews is presented in appendix C. Historical data on U.S. silicomanganese imports from the subject countries are presented in appendix D.

U.S. industry data are based on the questionnaire response of Eramet Marietta, Inc., which is the successor company to the original petitioner, Elkem. Eramet accounted for all U.S. production of silicomanganese during the periods under review. U.S. import data are based on official Commerce statistics.[7]

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[2] Elkem Metals Co. (Elkem) of Pittsburgh, PA, and the Oil, Chemical and Atomic Workers, Local 3-639, Belpre, OH, filed the petition.

The petition additionally alleged that imports of silicomanganese from Venezuela were materially injuring or threatening material injury to a U.S. industry. The Commission, in its final determination on December 14, 1994, found that an industry in the United States was not materially injured or threatened with material injury, and the establishment of an industry in the United States was not materially retarded, by reason of silicomanganese imports from Venezuela, thereby terminating the investigation concerning Venezuela (59 FR 65788, December 21, 1994).

[3] 59 FR 55432, November 7, 1994.

[4] 59 FR 55435, November 7, 1994.

[5] On December 2, 1994, Commerce notified the Commission that it had continued its investigation on silicomanganese from Ukraine. Accordingly, the Commission continued its investigation on silicomanganese from Ukraine and determined on December 16, 1994, that an industry in the United States was materially injured or threatened with material injury by reason of imports from Ukraine (59 FR 65788, December 21, 1994).

[6] Telephone conversation with ***, U.S. Department of Commerce, November 29, 2000.

[7] Importers' questionnaire responses accounted for 100 percent of subject imports of silicomanganese from Ukraine in 1999 under HTS subheading 7202.30.00. No imports of silicomanganese from China were reported by importers or recorded by the U.S. Customs Service in 1999 under HTS subheading 7202.30.00. No imports of silicomanganese from Brazil were reported by importers in 1999 under HTS subheading 7202.30.00, although Customs recorded imports of silicomanganese from Brazil in 1999 of 22 tons, or approximately 0.007 percent of the total recorded imports under HTS subheading 7202.30.00.

(continued...)

Statutory Criteria and Organization of the Report

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."[8]

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury–

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account–*
>
> *(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
>
> *(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*
>
> *(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*
>
> *(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..*
>
> *(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--*

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[7] (...continued)

Most silicomanganese is classifiable under HTS subheading 7202.30.00. According to Commerce, some silicomanganese may also currently be entered under HTS statistical reporting number 7202.99.5040. All import figures used in this report, unless otherwise noted, encompass entries recorded under HTS subheading 7202.30.00 alone; that subheading's legal scope is "ferrosilicon manganese," while 7202.99.5040 covers non-enumerated ferroalloys, a less specific class of goods at a lower level of the hierarchical tariff nomenclature.

[8] Certain transition rules apply to the scheduling of reviews (such as these) involving antidumping and countervailing duty orders and suspensions of investigations that were in effect prior to January 1, 1995 (the date the WTO Agreement entered into force with respect to the United States). Reviews of these transition orders will be conducted over a three-year transition period running from July 1, 1998, through June 30, 2001. Transition reviews must be completed not later than 18 months after institution.

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) 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.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement."

Information obtained during the course of these reviews that relates to the above factors is presented throughout this report. Responses by U.S. producers, importers, and purchasers of silicomanganese and producers of silicomanganese in Brazil, China, and Ukraine to a series of questions concerning the significance of the existing AD orders/suspension agreement and the likely effects of revocation/termination are presented in appendix E.

Table I-1
Silicomanganese: Summary data from the original investigations and current reviews, 1991–93 and 1997–99
(Quantity=*1,000 short tons*; value=*million dollars*; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	Calendar year					
	1991	1992	1993	1997	1998	1999
U.S. consumption quantity: Amount	***	***	***	***	***	***
Producers' share[1 2]	***	***	***	***	***	***
Importers' share: Brazil[1]	***	***	***	***	***	(3)
Importers' share: China[1]	***	***	***	***	***	***
Importers' share: Ukraine[1]	***	***	***	***	***	***
All other countries[1]	***	***	***	***	***	***
Total imports[1]	***	***	***	***	***	***
U.S. consumption value: Amount	***	***	***	***	***	***
Producers' share[1 2]	***	***	***	***	***	***
Importers' share: Brazil[1]	***	***	***	***	***	(3)
Importers' share: China[1]	***	***	***	***	***	***
Importers' share: Ukraine[1]	***	***	***	***	***	***
All other countries[1]	***	***	***	***	***	***
Total imports[1]	***	***	***	***	***	***
U.S. imports from-- Brazil:						
Quantity	52	62	71	0	0	(4)
Value	24	26	29	0	0	(5)
Unit value	$471	$428	$411	(6)	(6)	$895
China:						
Quantity	6	13	56	0	0	0
Value	3	6	23	0	0	0
Unit value	$510	$447	$407	(6)	(6)	(6)
Ukraine:						
Quantity	0	9	41	8	0	9
Value	0	4	15	5	0	3
Unit value	(6)	$413	$369	$553	(6)	$368

Footnotes appear at the end of the table.

Item	Calendar year					
	1991	1992	1993	1997	1998	1999
All other countries:						
Quantity	226	201	179	329	382	322
Value	113	94	80	158	172	129
Unit value	$500	$470	$449	$479	$450	$400
All countries:						
Quantity	283	283	348	337	382	331
Value	140	130	148	162	172	132
Unit value	$495	$458	$425	$481	$450	$399
U.S. producers'-- Capacity quantity[7]	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization[1]	***	***	***	***	***	***
U.S. shipments: Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	$***	$***	$***	$***	$***	$***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments[1]	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (*1,000 hours*)	***	***	***	***	***	***
Wages paid (*1,000 dollars*)	***	***	***	***	***	***
Hourly wages	$***	$***	$***	$***	$***	$***
Productivity (*short tons per hour*)	***	***	***	***	***	***
Net sales: Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	$***	$***	$***	$***	$***	$***
Cost of goods sold	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Unit cost of goods sold	$***	$***	$***	$***	$***	$***
Unit operating income or (loss)	$***	$***	$***	$***	$***	$***

Footnotes appear at the end of the table.

Item	Calendar year					
	1991	1992	1993	1997	1998	1999
U.S. producers'-- Cost of goods sold/sales[1]	***	***	***	***	***	***
Operating income or (loss)/sales[1]	***	***	***	***	***	***

[1] In *percent.*
[2] ***.
[3] ***.
[4] Less than 500 short tons.
[5] Less than $500,000.
[6] Not applicable.
[7] ***.
[8] 1991–93 data represent end-of-period capacity; 1997–99 data represent average capacity.

Notes.–Because of rounding, figures may not add to the totals shown. Unit values and shares are based on unrounded data.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

COMMERCE'S RESULTS OF EXPEDITED AND FULL REVIEWS

On June 2, 2000, Commerce published its notice of the final results of its expedited reviews on the AD orders on silicomanganese from Brazil and China (65 FR 35324). As a result of its reviews, Commerce found that revocation of the AD orders would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins: Brazil-Companhia Paulista de Ferro-Ligas and Sibra Electrosiderurgia Brasileria S.A., 64.93 percent; Brazil-all others, 17.60 percent; and China-all exporters, 150.00 percent.

On September 27, 2000, Commerce published its notice of the final results of its full review on the suspended AD investigation on silicomanganese from Ukraine (65 FR 58045). Commerce found that termination of the suspended AD investigation would be likely to lead to continuation or recurrence of dumping at a margin of 163.00 percent for all exporters in Ukraine. Commerce has not issued a duty absorption determination with respect to any of the AD orders.

COMMERCE'S ADMINISTRATIVE REVIEWS

Commerce has conducted one administrative review of the AD order on silicomanganese from Brazil, covering the period from June 17, 1994, to November 30, 1995, and finding margins of 88.87 percent for the Ferro-Ligas Group (comprised of Companhia Paulista de Ferroligas (CPFL) and Sibra Eletrosiderurgica Brasileira SA (SIBRA)) and 17.60 percent for all others (62 FR 37869, July 15, 1997). Commerce has conducted one administrative review of the AD order on silicomanganese from China, covering the period from December 1, 1997, to November 30, 1998, and finding margins of 126.22 percent for Guangxi Bayi Ferroalloy Works; 182.97 percent for Sichuan Emei Ferroalloy Import and Export Co.; and 150.00 percent for all others (65 FR 31514, May 18, 2000).

Commerce is currently conducting an administrative review of the suspension agreement on silicomanganese from Ukraine, covering the period from November 1, 1998, to October 31, 1999. Commerce preliminarily found that the Government of Ukraine is not in compliance with the terms of the suspension agreement and intends to publish the final results of the administrative review—including

a decision on whether Ukraine's noncompliance, if determined to exist, constitutes a violation of the suspension agreement—not later than April 4, 2001 (65 FR 75921, December 5, 2000).[9]

ANTIDUMPING DUTIES COLLECTED

The U.S. Customs Service was not able to provide usable data on the actual duties collected under the AD orders on silicomanganese from Brazil and China and the suspended investigation on silicomanganese from Ukraine. According to Customs, there were no recorded entries of silicomanganese from the three countries during 1994–99, except for undetermined (proprietary) levels of entries and duties collected from Brazil in 1996 and from China in 1999.

DOMESTIC LIKE PRODUCT ISSUES

The Commission's decision regarding the appropriate domestic products that are "like" the subject imported products is based on a number of factors, including (1) physical characteristics and uses; (2) common manufacturing facilities and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and, where appropriate, (6) price. In the original investigations concerning silicomanganese from Brazil, China, Ukraine, and Venezuela, the Commission determined that there was a single like product consisting of all silicomanganese.[10] In these reviews, no parties have presented challenges to a domestic like product consisting of all silicomanganese.

THE PRODUCT

The imported product subject to the AD orders on silicomanganese from Brazil and China and included in the suspended investigation on silicomanganese from Ukraine has been defined by Commerce as:

> sometimes called ferrosilicon manganese, . . . a ferroalloy composed principally of manganese, silicon, and iron, and normally containing much smaller proportions of minor elements, such as carbon, phosphorous, and sulfur. Silicomanganese generally contains by weight not less than 4 percent iron, more than 30 percent manganese, more than 8 percent silicon, and not more than 3 percent phosphorous. All compositions, forms and sizes of silicomanganese are included within the scope of this investigation, including silicomanganese slag, fines, and briquettes. Silicomanganese is used primarily in steel production as a source of both silicon and manganese. These reviews cover all silicomanganese, regardless of its tariff classification. Most silicomanganese is currently classifiable under subheading 7202.30.0000 of the Harmonized Tariff Schedule of the

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[9] Commerce rescinded an administrative review covering the period from November 1, 1997, to October 31, 1998, in response to requests from petitioner and the Government of Ukraine (64 FR 68320, December 7, 1999).

[10] *Silicomanganese from Brazil, the People's Republic of China, Ukraine, and Venezuela*, Investigations Nos. 731-TA-671–674 (Final), USITC Pub. 2836, December 1994, pp. I-7 (Views of David B. Rohr and Don E. Newquist) and I-22 (Views of Peter S. Watson, Janet A. Nuzum, Carol T. Crawford, and Lynn M. Bragg).

United States (HTSUS). Some silicomanganese may also currently be classifiable under HTSUS subheading 7202.99.5040.[11]

Physical Characteristics and Uses

Silicomanganese, a metallic silvery ferroalloy, is composed principally of manganese, silicon, and iron, and normally contains small proportions of other elements, such as carbon, phosphorus, and sulfur. Silicomanganese generally contains, by weight, more than 30 percent manganese, more than 8 percent silicon, not less than 4 percent iron, and not more than 3 percent phosphorus. Commercially, silicomanganese is differentiated by grade and by size. Most, but not all, silicomanganese is manufactured and sold in three grades, known as A, B, and C, which are distinguished by their silicon and carbon contents.[12] Most silicomanganese produced and sold in the United States conforms to the specification for grade B. Silicomanganese is sold primarily in sized-lump form. Generally, size expresses the maximum and minimum dimensions of lumps found in a given shipment, and is determined by a sieving or screening process; lump sizes may also be expressed as a maximum weight and a minimum dimension. The most common sizes are 4 inches by 1 inch and 3 inches by 1 inch.[13]

Silicomanganese is used primarily by the steel industry as a source of both silicon and manganese, although some silicomanganese is used as an alloying agent in iron production. Manganese, intentionally present in nearly all steels, is used as a steel desulfurizer and deoxidizer. By removing sulfur from steel, manganese improves its hot workability by preventing embrittlement. In addition, manganese increases steel strength and hardness. Silicon is added to steel as a deoxidizer, aiding in making steels of uniform chemistry and mechanical properties. As an alloying agent, silicon increases the hardness and strength of hot-rolled steel mill products, and enhances the toughness, corrosion resistance, and magnetic and electrical properties of certain steel mill products.[14]

Use depends upon the steelmaking practices of a given steel producer. Silicomanganese may be introduced directly into the steelmaking furnace or used as a chemistry addition/deoxidizer to molten steel at the ladle metallurgy station. As a furnace addition, it is typically used in lump sizes and melted

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[11] 65 FR 35325, June 2, 2000. Although the HTSUS provisions are provided for convenience and customs purposes, the written description remains dispositive. Commerce's final statement should be read as indicating that importers may be reporting shipments under the cited provisions; only Customs can determine where each shipment is properly classified.

[12] According to standard specifications established under the aegis of the American Society for Testing and Materials (ASTM), all three grades contain 65–68 percent manganese, a maximum of 0.20 percent phosphorus, and a maximum of 0.04 percent sulfur, by weight. Grade A contains 18.5–21.0 percent silicon and a maximum of 1.5 percent carbon. Grade B contains 16.0–18.5 percent silicon and a maximum of 2.0 percent carbon. Grade C contains 12.5–16.0 percent silicon and a maximum of 3.0 percent carbon. Additionally, the content of certain minor elements such as arsenic, tin, lead, chromium, nickel, and molybdenum, is limited. See ASTM Designation A 483-64 (reapproved 1994), *Standard Specification for Silicomanganese*, tables 1 and 2 (chemical requirements).

[13] The dimensions express the diameters of the openings used in the standard screens or sieves that are used to size silicomanganese. Sizes may vary to as large as 8 inches by 4 inches or as small as 2 inches by "down," where this latter size includes lumps that are 2 inches in length and 2 inches or less in width. Lump silicomanganese is a friable product, susceptible to appreciable reduction in size by repeated handling. This generates small lumps and fines (the diameter of small lumps may be one-half that of regular-sized pieces, but there is no specified minimum diameter for fines).

[14] Other elements are carbon, which is the principal hardening element in steel, and phosphorus and sulfur, which are impurities in steel that cause brittleness and cracking.

along with other steelmaking raw materials; as a ladle addition, silicomanganese is used in smaller sizes. Silicomanganese is mostly consumed by electric furnace steelmakers and primarily in the production of long products, including bars and structural shapes. This use in long products may be due to less restrictive specifications for silicon for these products than for flat-rolled carbon steel mill products, such as sheet and strip.[15]

Common Manufacturing Facilities and Production Employees

Silicomanganese is produced by smelting together in a submerged arc furnace sources of silicon, manganese, iron, and a carbonaceous reducing agent, usually coke.[16] The reducing agent and the other items are combined in a "charge" (which may include wood chips, dolomite, and a fluxing agent as well) and electrically heated. Impurities from the ore or other manganese sources are released and form slag, which rises to the top of the furnace and floats on top of the molten silicomanganese. Following smelting, molten metal and slag are removed or "tapped" from the furnace. The molten silicomanganese is poured into large molds (called "chills"), where it cools and hardens. Once the alloy has solidified, the chills are emptied and the alloy is crushed and sized for sale. U.S. production practices are similar to those followed in Brazil, China, and Ukraine.

The sole U.S. producer, Eramet Marietta, Inc., produces silicomanganese at a plant in Marietta, OH, that it purchased in July 1999 from Elkem A/S, a Norwegian company, which through its U.S. subsidiary, Elkem Metals Co., operated the Marietta production facility. Although Eramet produces other manganese ferroalloys as well as other alloying agents at Marietta, OH, the firm stated that it ***. Although silicomanganese-making furnaces may be switched to the production of other manganese ferroalloys, this switch is costly and seldom done, according to both the U.S. producer and respondents.[17]

Interchangeability and Customer and Producer Perceptions

All grades of silicomanganese can be manufactured in the same facilities using the same furnaces and employees, although switchover from one grade or type of manganese ferroalloy involves a cost in terms of lost production, reduced productivity, or possible contamination of the higher-grade product. In general, little difference appears to exist between the production processes of Eramet and those used abroad (a Brazilian respondent stated that it used ***). This similarity may be attributed to the diffusion of process technology, techniques, and equipment on a world-wide basis; the similarity of steelmaking techniques; and the commonality of steel recipes. The slightly different chemistry of Ukrainian silicomanganese (it has a higher phosphorus content than the U.S. or Brazilian product) stems from the content of the manganese ore smelted and the region's steelmaking practices.[18] Imported

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[15] Producers of flat-rolled steel mill products reportedly tend to use a combination of ferromanganese and ferrosilicon.

[16] For a discussion of inputs, see *Silicomanganese from Brazil, the People's Republic of China, Ukraine, and Venezuela*, op. cit., p. II-9.

[17] For a discussion of the technical constraints, see the Ferro-Ligas Group questionnaire response, p. 5. This producer ***. In the original investigations, Elkem indicated that a production changeover to ferromanganese ***.

[18] Phosphorus reportedly oxidizes readily in basic steelmaking processes, although precautions have to be taken to ensure that the pH levels remain constant. Although residual levels of phosphorus for commercial steels are limited to 0.04 percent by weight, phosphorus levels are elevated up to as much as 0.15 percent in certain classes of

(continued...)

silicomanganese, therefore, may be considered to be interchangeable with domestic silicomanganese in most applications.

Channels of Distribution

The great majority (*** percent) of Eramet's production is sold directly to steel mills in the United States.

Price

Information on pricing practices and price data that the Commission gathered from Eramet and U.S. importers of silicomanganese during the period under review appear in Part V of this report.

U.S. MARKET PARTICIPANTS

U.S. Producer

The sole U.S. silicomanganese producer is Eramet Marietta Inc., which is wholly owned by an intermediate French company, Eramet Manganese Alliages. Eramet SA of France, which is *** percent owned by the French Government, owns *** percent of Eramet Manganese Alliages; and Cogema, which is wholly owned by the French Government, owns the remaining *** percent of Eramet Manganese Alliages. Tracing corporate control in this manner, Eramet Marietta is *** percent owned by the French Government.[19]

Eramet SA purchased the production facility in Marietta, OH, from Elkem A/S, a Norwegian company, in July 1999. Elkem Metals Co., the U.S. subsidiary of Elkem A/S which operated the Marietta production facility, was the sole U.S. silicomanganese producer in the original investigation.

During the original investigation, the U.S. Defense Logistics Agency (DLA) maintained a silicomanganese stockpile for the U.S. Government, which contained *** short tons in 1994. In April 1997, the DLA sold the remaining stockpile (equal to 0.05 percent of domestic consumption that year) and currently holds no silicomanganese.[20]

U.S. Importers

*** imported from Ukraine *** and accounted for *** percent of subject imports from Ukraine during 1999 and *** percent of subject imports from Ukraine during 1997. There were no reported subject imports from Brazil or China during the period under review. Based on the combined import statistics for HTS subheading 7202.30.00 and statistical reporting number 7202.99.5040, the largest potential importers of nonsubject silicomanganese during the period of review were ***.

***.

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[18] (...continued)
re-phosphorized steels to enhance machinability, and in high strength-low alloy steels (with a carbon content of 0.15 percent or less) that are used in construction.

[19] Counsel for the participating Brazilian producers allege that Eramet is 55 percent owned by the French Government. Letter of Willkie Farr & Gallagher, August 11, 2000, p. 1.

[20] Telephone conversation with ***, DLA, on November 13, 2000.

U.S. Purchasers

Twenty-one purchasers of silicomanganese submitted usable questionnaire response data. All responding purchasers are located in the eastern half of the United States. Alabama, Arkansas, Ohio, South Carolina, and Texas each have two responding purchasers. Among the purchasers were such steel producers as ***.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table I-2 presents apparent U.S. consumption for the review period and table I-3 presents U.S. market shares for the same period.

Table I-2
Silicomanganese: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 1997–99, January–June 1999, and January–June 2000

Item	Calendar year			January–June	
	1997	1998	1999	1999	2000
			Quantity (*short tons*)		
U.S. producer's U.S. shipments	***	***	***	***	***
U.S. imports from--					
Brazil	0	0	22	0	17
China	0	0	0	0	0
Ukraine	8,259	0	9,025	9,025	0
Subtotal	8,259	0	9,047	9,025	17
Other sources	328,653	381,886	322,301	144,285	211,353
Total imports	336,911	381,886	331,348	153,310	211,370
Apparent consumption	***	***	***	***	***
			Value (*$1,000*)		
U.S. producer's U.S. shipments	***	***	***	***	***
U.S. imports from--					
Brazil	0	0	20	0	31
China	0	0	0	0	0
Ukraine	4,570	0	3,317	3,317	0
Subtotal	4,570	0	3,337	3,317	31
Other sources	157,543	171,976	128,789	56,436	95,078
Total imports	162,114	171,976	132,126	59,754	95,109
Apparent consumption	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table I-3
Silicomanganese: U.S. market shares, 1997–99, January–June 1999, and January–June 2000

* * * * * * *

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

INTRODUCTION

The discussion in this section draws from information provided in response to Commission questionnaires by 1 domestic producer; 2 Brazilian producers; 2 Ukrainian producers; 5 importers—of which *** imports from nonsubject sources, *** imports only nonsubject product, *** imports only subject product, and *** import subject product—and 21 U.S. firms that purchase domestically produced and/or imported silicomanganese. Responding purchasers account for 100 percent of the U.S. producer's domestic shipments, no imports from Brazil and China (since there were none during the time frame under consideration), and *** percent of reported imports from Ukraine.[1] The discussion also draws on information obtained by the Commission during the 1994 investigations on silicomanganese from Brazil, China, Ukraine, and Venezuela. The purchasers who provided usable data for the 1994 investigation accounted for approximately *** percent of total U.S. purchases of silicomanganese.

The remainder of Part II is organized as follows: the following section discusses the segments of the silicomanganese market and the product's channels of distribution, the next section reviews supply and demand considerations, the subsequent section discusses substitutability issues, and the remaining sections provide estimates of elasticities.

CHANNELS OF DISTRIBUTION

Most silicomanganese is sold directly to end users, although some is also exchanged among trading companies or sold through distributors. Silicomanganese is sold both on the spot market and through contracts. All three responding importers of nonsubject product did not specify how much they sold on the spot market versus under contracts. Eramet Marietta and related company Marietta Comilog, ***, reported selling *** percent of its silicomanganese under contract. The U.S. producer and all responding importers of nonsubject product reported selling nationwide. Neither responding Brazilian producer provided information specifying how much they sold on the spot market versus under contracts.[2] The two Ukrainian producers of subject product report selling through ***.[3]

Three of the 20 responding purchasers have a "Buy American" policy;[4] two of the three purchasers reported that 100 percent of their purchases were made under this policy. The remaining purchaser reported that 10 percent of its purchases were made under such a program; this same firm reported that 90 percent of its purchases were made under a U.S. product preference policy.

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[1] There was very little information from purchasers that specified country of origin. Data from responding purchasers account for a small share of reported imports of Ukrainian silicomanganese. The lone purchaser that reported purchases of Ukrainian silicomanganese, ***, reported purchases in the interim 2000 period only and stated that it purchased the silicomanganese from ***. Telephone conversation with ***. It is highly likely that Ukrainian silicomanganese has been used domestically without customer country-of-origin knowledge.

[2] The Chinese producers of subject product also did not provide such information.

[3] *** amended its purchaser questionnaire response to indicate that the purchases in question were ***.

[4] ***.

MARKET STRUCTURE

Participants

There have been limited changes in the U.S. silicomanganese market since the implementation of the antidumping duties on Brazil and China and the suspension of the investigation on Ukraine in 1994. *** importers of both subject and nonsubject product reported that there have been no significant changes in product range or marketing since 1994. A Brazilian producer stated that, since the implementation of the antidumping duties, it has increased sales to ***.[5] This Brazilian producer reported that total worldwide apparent consumption of silicomanganese increased from *** tons in 1994 to a high of *** tons in 1997, then fell to *** tons in 1999,[6] but characterizes apparent consumption as stable "despite the fact that many minimills have started up production" during this time.

*** one importer of nonsubject product reported that imports from nonsubject countries have increased since 1994. The remaining two importers of nonsubject product stated that they were unsure whether silicomanganese imports from nonsubject countries have increased.

U.S. Production

Between 1993 and 1999, U.S. production of silicomanganese increased from *** short tons to *** short tons. U.S. capacity utilization increased *** from *** percent in 1993 to *** percent in 1999.

Foreign Participants

The number of Chinese producers at the time of the original investigations was undetermined. Counsel for the U.S. producer alleges that there are currently at least 44 Chinese producers. At the time of the original silicomanganese investigations, there were five Brazilian producers and two Ukranian producers.[7] There are currently at least three Brazilian producers[8] and two Ukranian producers.

U.S. Market Leadership

Eramet, importers, and purchasers were asked if individual firms affected price. *** the responding importers reported that individual firms did not affect price. Two purchasers reported that there are no price leaders and that purchasers do not affect price.[9] Two other purchasers stated that there is a price leader; one of these two purchasers reported that the "U.S. producer sets prices" and that "all others stay close in fear of further antidumping action."[10] The remaining eight responding purchasers

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[5] *** questionnaire response.

[6] *Id.*

[7] *Silicomanganese from Brazil, the People's Republic of China, Ukraine, and Venezuela,* USITC Pub. 2836, op.cit., pp. I-67–I-71.

[8] The Brazilian respondents reported that there were 3 Brazilian producers in 1999, only 2 of which had exported any silicomanganese since 1990. *** questionnaire response.

[9] ***.

[10] ***. *** reported that it "makes for a more competitive market."

reported that they were unsure if individual firms affected price. It appears that price information is rapidly disseminated through industry publications but seemingly there is no single price leader.

Pricing

Prices were reported by 15 responding purchasers, changing as often as weekly (reported by 1 purchaser), monthly (3), quarterly (4), and 6 months to 1 year (6). Of the 21 responding purchasers, 12 reported paying prices on a delivered basis and 9 reported prices on an f.o.b. warehouse/mill basis. Generally, the lowest price usually wins the bid, as reported by 11 of the 20 reporting purchasers. Six purchasers reported that the lowest price sometimes wins the bid; two purchasers reported that the lowest prices always wins the bid; and the remaining purchaser reported that the lowest price never wins the bid.[11]

Eramet and importers were asked to compare U.S. silicomanganese prices with prices in the rest of the world. *** importer of nonsubject product reported that European prices for silicomanganese are normally lower than U.S. prices. Two remaining importers of nonsubject product responded that they were unaware of price differentials. *** report that the change in home market prices depends on the real inflation rate. In other markets, they note that prices increased until autumn 1999, followed by a sharp downturn of prices; subsequently, prices have remained low until "the present moment."

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

Based on available information, Eramet is likely to respond to changes in price with relatively small changes in the quantity of shipments to the U.S. market.

Industry capacity and export markets

Eramet's 1999 capacity utilization for silicomanganese was *** percent.[12]

In 1999, the volume of Eramet's exports was *** of its total shipments. Eramet reported exporting to *** and reported that it would be ***.

Production alternatives

Eramet was asked what production alternatives existed. There are some constraints on its ability to reduce or increase production. Specifically, the ***[13] places limits on *** and therefore production capacity. When asked whether it could switch production between silicomanganese and other products

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[11] ***. Staff interview with ***, October 20, 2000.

[12] In 1993, Elkem's capacity utilization was *** percent.

[13] ***.

using the same equipment and labor, Eramet noted that ***. Reasons cited for the *** include (1) high-carbon ferromanganese ***.[14]

Brazil

Production

Five Brazilian companies produced silicomanganese in 1994. According to counsel for Eramet, there were five producers in 1999. The Brazilian respondents, however, reported that there were three Brazilian producers in 1999—Companhia Paulista de Ferroligas (CPFL) and Sibra Eletrosiderurgica Brasileira SA (SIBRA) (collectively, the "Ferro-Ligas Group"), and Companhia de Cimento Portland Maringa (Maringa)—and that only two of these had exported any silicomanganese since 1990. Brazil's reported production was *** short tons in 1999, down from *** short tons in 1993. Brazil's reported capacity in 1999 was *** short tons, down from *** short tons in 1993. Exports from Brazil to the United States were *** short tons in 1993; there were no reported exports to the United States in 1997 through 1999.

*** reported that it anticipated *** in its exports to the United States if the duty were removed. ***.[15] It is unclear how much Brazil would be able to increase shipments to the United States if the antidumping duty is removed.

Industry capacity

Brazilian producers reported a capacity utilization rate of *** percent in 1997 and *** percent in 1999. For the first half of 2000, capacity utilization increased to *** percent. Capacity utilization in 1993 was *** percent. The only reporting Brazilian producers' aggregate inventories amounted to *** percent of production in 1997 and *** percent in 1999. The Ferro-Ligas Group reported that ***. Technical constraints also exist, such as ***.[16] The domestic producer, however, disputes the capacity information provided by the Brazilian producers.[17] Eramet reports that SIBRA's and CPFL's ***.

Alternative markets

One Brazilian producer reported that the home market is growing and that it absorbed between *** and *** percent of its production during 1997–99. Sales to export markets other than the United States *** and accounted for *** percent and *** percent of production in 1997 and 1999, respectively. Other potential markets *** included other ***.

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[14] Eramet's questionnaire response.

[15] *** fax response, November 9, 2000.

[16] For more detailed information, see *** questionnaire response, p. 6.

[17] See Eramet's posthearing brief, p. 10.

China

Production

The number of Chinese firms producing silicomanganese in 1993 is unclear. Petitioners identified eight producers; however, the final report in the 1994 investigation noted that three firms not identified by the petitioners provided questionnaire responses. Counsel for Eramet reports that there were at least 44 Chinese producers of silicomanganese in 1999. In 1993, the reporting Chinese producers indicated that they produced *** short tons of silicomanganese.[18] Responding producer capacity was *** tons in 1993, and exports from China to the United States were *** tons.

Since no Chinese producers responded to the Commission's questionnaire in the current review, it is unclear by how much China will be able to increase shipments to the United States if the duty is removed.

Industry capacity and alternative markets

Chinese producers have not cooperated in this review; thus, there are no current data on industry capacity. Chinese producers had a capacity utilization rate of *** percent in 1993, and thus had a moderate ability to expand production.

The Chinese producers reported that the home market absorbed *** percent of their production in 1993. Sales to export markets accounted for *** percent of their production. *** reported that exports from China have declined since 1995 because the Chinese face antidumping duties in the United States, the EU, and Korea.[19]

Ukraine

Production

Two companies—Joint-Stock Company Nikopol Ferroalloy Plant (Nikopol) and Joint-Stock Company Zaporozhye Ferroalloy Works (Zaporozhye), participating in these reviews as the Ukrainian Association of Producers of Ferroalloy and Other Electrometallurgical Products (UkrFa)—produced silicomanganese in Ukraine, both in 1994 and 1999. Ukraine's production was *** short tons in 1999, a *** from *** short tons in 1993. Its reported capacity in 1999 was *** tons, down from the reported *** short tons in 1993. The Ukrainian producers reported that structural problems in Ukraine, such as ***, limit production and reduce production capacity.

U.S. silicomanganese imports from Ukraine fell from 41,000 short tons in 1993 to 8,259 short tons in 1997, then increased to 9,025 short tons in 1999. U.S. imports from Ukraine accounted for *** percent of the volume of U.S. consumption in 1997 and *** percent in 1999.

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[18] These firms were believed to account for *** percent of Chinese production in 1993.

[19] *** questionnaire response.

It is unclear how much Ukraine will be able to increase shipments to the United States if the duty is terminated. Zaporozhye reported that, as a result of an electric power crisis, they expect a ***.[20] Nikopol reported that *** relating to the production of silicomanganese in the future.[21]

Industry capacity

Ukrainian producers reported a capacity utilization rate of *** percent in 1997 and *** percent in 1999, and thus have a moderate ability to expand production. Both production facilities individually in their questionnaire responses and through UkrFa's questionnaire response collectively stated that ***.[22]

The Ukrainian producers' aggregate inventories amounted to *** percent of their production in 1997 and *** percent in 1999. The Ukrainian silicomanganese production capacity is linked to the *** "***."[23] Second, ***.[24] Third, the costs of imported ore are higher due to a 20 percent value-added tax and a 5 percent import duty. Therefore, the Ukrainian producers noted that ***. Furthermore, the Ukrainian producers reported that ***.

The U.S. producers claim that the structural problems in Ukraine are not as important as the Ukrainians report. These structural problems had not prevented Ukrainian producers from increasing production by *** percent between the first half of 1999 and the first half of 2000.[25]

Alternative markets

The Ukrainian producers reported that the home market absorbed *** percent and *** percent of their shipments in 1997 and 1999, respectively. Sales to export markets other than the United States accounted for *** percent and *** percent of their shipments in 1997 and 1999, respectively. Ukrainian respondents reported other markets including ***. Ukrainian silicomanganese producers also noted that they have been subject to a trade barrier by the EU since 1995.[26]

U.S. Demand

Demand Characteristics

The level of U.S. aggregate demand for silicomanganese depends in large part upon the demand by steelmakers and producers of ferrous castings. *** and two importers of nonsubject product reported that demand had risen since 1993. One importer of nonsubject product reported that the growth was due primarily to growth in electric furnace melting. Ukranian producers reported that ***. Ferro-Ligas Group reported that ***.

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[20] ***.

[21] ***.

[22] ***.

[23] ***.

[24] ***.

[25] Eramet's prehearing brief, p. 27.

[26] ***.

U.S. apparent consumption of silicomanganese increased between 1993 and 1999. *** all 20 responding purchasers reported that there was no seasonal variation in silicomanganese demand.

Substitute Products

Eramet reported that no single product can be substituted for silicomanganese. Specifically, Eramet suggested that ***. Further, Eramet estimated that the current silicomanganese prices would have to rise *** percent before its customers would be likely to use these substitute products.

Sixteen of the 19 reporting purchasers also claimed that there are no substitute products for silicomanganese; the remaining three reported few—albeit more expensive—options. Two steelmakers reported that high-carbon ferromanganese and ferrosilicon can be substituted for silicomanganese, but went on to explain how that option is prohibitively expensive.[27] However, minimills—the primary purchasers—may not have storage capacity for these other substitute materials. One purchaser noted that aluminum and plastics are gaining market share in the automobile markets, which may reduce sales of carbon steel and hence, the demand for silicomanganese.[28]

Silicomanganese is typically purchased on quarterly contracts. According to Eramet, contracts tend to ***. The average lead time between a customer's order and delivery is ***. According to Eramet, typical negotiations are done by ***.

TRENDS IN U.S. SUPPLY AND DEMAND

Eramet, importers, and purchasers were asked to discuss any supply factors that affected the availability of silicomanganese in the U.S. market since 1994. Eramet reported that there have been *** that have affected shipment volumes or prices. *** reported that there were no changes in supply and that they do not anticipate any changes in supply. ***. Purchasers reported no change.

Eramet, importers, and purchasers were also asked to discuss how demand for silicomanganese has changed in the U.S. market since 1994. *** reported that demand has increased due to increasing total steel production, especially by minimills. *** reported that there tends to be stable demand. The Ukrainian producers did not comment on U.S. market demand trends since 1994. Purchasers generally reported that there was a direct correlation between the demand for silicomanganese and the demand for steel.[29] Similarly, most purchasers reported that there has been no change in demand for silicomanganese, other than this direct correlation.

When asked to anticipate future demand, Eramet reported that it expected demand to *** over the next five years, due to *** minimill production. Of the 18 responding purchasers, 7 expected no changes in demand, 3 expected demand to continue to grow with economic growth, 1 expected demand to fall due to a slowdown starting in August 2000, and the remaining 7 were unsure.

Brazilian producers reported that they expected there to be *** or *** in demand, whereas Ukrainian producers reported ***.

SUBSTITUTABILITY ISSUES

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[27] In its purchaser questionnaire response, *** stated that costs would be higher. ***.

[28] *** purchaser questionnaire response.

[29] For example, if a firm produces more steel, that firm will use more inputs—including silicomanganese—for steel production.

The degree of substitution between domestic and imported silicomanganese depends on factors such as relative prices, quality (chemical level of impurity, chemical consistency, etc.), availability of the silicomanganese grade required, and conditions of sale (e.g., price discounts, lead times, payment terms, and value added services). Based on available data, staff believes that there would be a moderate to high degree of substitution between the domestic silicomanganese and subject imported silicomanganese. One factor that might reduce substitutability is that most purchasers report that they do not, or seldom, change their suppliers. Most reported that when they change suppliers depends on market competition.

Factors Affecting Purchasing Decisions

Available data indicate that there are several factors that influence purchasing decisions for silicomanganese. Purchasers were asked to list the top three factors that they consider when choosing a supplier of silicomanganese. Table II-1 summarizes responses to this question. The results depicted in table II-1 are further supported by purchasers' responses to the question on how often their firm's purchasing decisions for silicomanganese are based on price and product quality.

Table II-1
Silicomanganese: Ranking of factors used in purchasing decisions, as reported by U.S. purchasers

Factor	Number one	Number two	Number three	Other[1]
	Number of firms responding			
Quality	9	6	1	0
Price	8	7	6	0
Current availability	1	2	5	1
Chemistry	1	1	0	0
Payment terms, extension of credit	1	0	3	3
Specifications/size	1	3	2	0
Delivery reliability	0	0	3	3

[1] Other (fourth, fifth, and sixth) factors include reputation of firm, past performance of supplier, and pre-arranged contract.

Source: Compiled from data submitted in response to Commission questionnaires.

Most responding purchasers (15 of 20) reported that they require suppliers to be certified for 100 percent of purchases. The time required for qualification ranged from 1 month to 9 months. Purchasers were also asked to rate the importance of 18 factors in their purchasing decisions (table II-2). Fifteen purchasers responded at least in part to this question.

Table II-2
Silicomanganese: Ranking of factor importance, as reported by U.S. purchasers

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Availability	15	-	-
Availability on contract	6	9	-
Delivery terms	10	5	-
Delivery time	15	-	-
Discounts offered	10	5	-
Lowest price	12	3	-
Minimum quantity requirements	3	5	6
Packaging	6	6	2
Product consistency	15	-	-
Product quality	15	-	-
Percentage fines	13	2	-
Size of lumps	13	1	-
Consistency of lump size	13	2	-
Product range	3	7	3
Reliability of supply	15	-	-
Technical support/service	3	12	-
Transportation network	9	6	-
U.S. transportation costs	6	8	1
Other[1]	2	-	-

[1] Other factors included ISO Certification and payment terms (reported as very important by one firm each).

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers were asked how many suppliers they contact before making a purchase. The 21 responding purchasers reported that they contact between 1 and 15 suppliers, with 5.5 suppliers contacted being the average. When asked whether purchasers specifically order silicomanganese from one country in particular, 16 responding purchasers reported that they do not order based on country of origin. In other words, once the quality of any particular supplier is approved or certified, the product is easily substituted for the product of any other certified supplier.[30]

[30] One of these 15 reporting purchasers (***) did state having a "Buy American" policy. The two other purchasers that reported having the "Buy American" policy (***) did not answer this question.

Comparisons of Domestic Product and Subject Imports

Questionnaire respondents were asked to discuss the interchangeability between U.S.-produced silicomanganese and subject product. *** most subject and nonsubject importers reported that the U.S. product and the subject product could be used interchangeably. Most purchasers that compared U.S. and subject imported silicomanganese also reported that they could be used interchangeably in the same applications. None of the 21 purchasers specifically compared U.S. and subject imported silicomanganese on the same 18 factors discussed previously.

Comparisons of Domestic Product and Nonsubject Imports

Imports of silicomanganese are available from a variety of sources not subject to the antidumping orders or suspended investigation under review, including Argentina, Australia, Canada, Chile, France, Georgia, Germany, India, Japan, Kazakhstan, Korea, Mexico, the Netherlands, Norway, Russia, South Africa, Spain, Sweden, Switzerland, the United Kingdom, and Venezuela. In 1999, nonsubject imports accounted for virtually all U.S. imports. *** most responding importers reported that domestic and nonsubject silicomanganese can be used interchangeably; *** noted that interchangeability depends on specifications. Eighteen of 19 reporting purchasers compared U.S. and nonsubject silicomanganese and reported that U.S. and nonsubject product were interchangeable. *** purchasers specifically compared the U.S. product with the Norwegian and French product. The *** purchasers found the U.S. product to be generally better, although for some factors, the U.S. product was evaluated as comparable.[31]

Comparisons of Imports from Subject Countries with Nonsubject Imports

Brazil

Eramet and the Ferro-Ligas Group reported that Brazilian and nonsubject imports were used interchangeably. The U.S. producer and importers were asked if there were differences in product characteristics or sales conditions between subject and nonsubject imported silicomanganese that are a significant factor in terms of competition among these products. Eramet and the Ferro-Ligas Group reported ***. One purchaser compared Brazil versus Mexico and South Africa and found that all three countries were comparable.

China

*** reported that Chinese and nonsubject imports were used interchangeably. *** U.S. importers were asked if there were differences in product characteristics or sales conditions between subject and nonsubject imported silicomanganese that are a significant factor in terms of competition among these products. *** reported no differences.

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[31] The U.S. product was comparable in price, packaging, product consistency and quality, size of lumps, and technical support/service.

Ukraine

*** the two responding Ukrainian producers reported that Ukrainian and nonsubject imports are used interchangeably. The U.S. producer and importers were asked if there were differences in product characteristics or sales conditions between subject and nonsubject imported silicomanganese that are a significant factor in terms of competition among these products. Eramet reported ***. Eramet reported that ***. Further, Eramet reported that ***.

MODELING ESTIMATES

Eramet believes that the COMPAS results for silicomanganese cannot be meaningful because of the small market shares of subject imports in 1999.[32] They cite the melamine investigation which did not use the COMPAS model due to the small share of imports.

While simulation models are frequently used by economists to estimate the likely impact of trade policy changes, such as tariff increases/reductions or the imposition of quotas, particular difficulties with the most common methodologies arise when imports are imperfect substitutes for domestic goods and their baseline market share is zero or close to zero. The most significant problem relates to measuring the effects of trade policy changes as percentage changes from baseline levels. When the baseline value of the import market share is zero or close to zero, it is no longer possible to estimate changes in import levels as a percentage of the baseline values.

The typical methodology employed by staff to estimate the likely impact of the recurrences or continuation of dumping in five-year review cases suffers from these same limitations. In the current case, the July 1999 to June 2000 (baseline) U.S. market share for all subject importers is *** percent. As a result, no formal simulation modeling was conducted by staff.[33]

U.S. Supply Elasticity[34]

The domestic supply elasticity for silicomanganese measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price for silicomanganese. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternative markets for U.S.-produced silicomanganese. Analysis of these factors earlier indicates that the U.S. silicomanganese industry is likely to be able to moderately increase or decrease shipments to the U.S. market within a one-year time frame; an estimate in the range of 5 to 10 is used.

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[32] Eramet's prehearing brief, app., p. 1.

[33] The simulation models typically used by the Commission are partial equilibrium models that assume domestic and imported products are less than perfect substitutes. Such models, also known as Armington models, are relatively standard in applied trade policy analysis and are used for the analysis of trade policy changes in both partial and general equilibrium. ***.

[34] A supply function is not defined in the case of a non-competitive market.

U.S. Demand Elasticity

The U.S. demand elasticity for silicomanganese measures the sensitivity of the overall quantity demanded to a change in the U.S. market price for silicomanganese. This estimate depends on the factors discussed earlier such as the existence, availability, and commercial viability of substitute products. As noted earlier, substitutes for silicomanganese exist but it may be difficult and economically not viable for firms to switch relatively quickly. Based on the available information, the aggregate demand for silicomanganese is likely to be inelastic; a range of -0.4 to -0.7 is used.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[35] Product differentiation, in turn, depends upon such factors as quality and conditions of sale. The prehearing staff estimate of the elasticity of substitution between U.S.-produced and subject silicomanganese was moderate to high, in the range of 3 to 6. The U.S. producers estimated that these should be in the range of 4–6 percent "given the clear fungibility of domestic and imported silicomanganese."[36] Staff notes, however, that silicomanganese is not a pure commodity product and that almost all purchasers require prequalification and firms have very precise specifications for orders. Based on available information, staff would keep the elasticity of substitution between U.S.-produced and subject silicomanganese as moderate to high, in the range of 3 to 6. Note that the petitioner's estimate is within the staff's range.

Exogenous Growth in Demand

As discussed previously, Eramet reported that ***. Ukrainian producers reported that ***; Ferro-Ligas Group generally agreed and added that ***. Most responding purchasers noted that there has been no change in demand, although five purchasers reported that there has been an increase in demand. Regarding future demand, there was little consensus among purchasers: seven were unsure if there would be changes in demand, six stated that there would be no change, three reported that demand would increase, and one reported that demand would decrease. Based on available information, exogenous growth in demand for silicomanganese is likely to be in the range of 2–4 percent per year.

Elasticity of Foreign Supply

The limited information available indicates that the supply of imports of silicomanganese would be slightly elastic. Elasticity of supply depends on unused capacity and the ability to shift supply between markets. Staff's prehearing estimate for foreign supply elasticity was 3 to 5.

The Brazilian respondents believed staff overestimated the elasticity of foreign supply because the Chinese producers rely on imports to supply high-grade manganese ore required in this product. Further, the consolidation of Eramet and Samancor decreases the likelihood that multinationals would suddenly begin supplying manganese ore to China if antidumping orders were revoked. In addition, they

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[35] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and U.S. domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

[36] Eramet's prehearing brief, app., p. 2.

report that Ukrainian producers demonstrate that their ***. As a result, Brazilian respondents suggest that a more appropriate foreign elasticity of supply is 1 to 3.

Eramet believed that staff underestimated the elasticity of foreign supply because there is allegedly massive unused capacity in Brazil, China, and Ukraine. Brazilian producers have increased production and capacity, and their home sales have declined; further, China and Ukraine's exports are subject to constraints in other export markets. As a result, Eramet suggests that a more appropriate foreign elasticity of supply is 5 to 10. If modeling were done, staff would use an estimate of 2 to 6.

PART III: CONDITION OF THE U.S. INDUSTRY

Information in this section is based on the questionnaire response of one producer, Eramet Marietta, that accounted for all U.S. silicomanganese production during the period for which data were collected.

U.S. PRODUCER'S CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Table III-1
Silicomanganese: U.S. producer's capacity, production, and capacity utilization, 1997–99, January–June 1999, and January–June 2000

* * * * * * *

***.[1]

U.S. PRODUCER'S DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

The unit value per short ton of U.S. shipments of silicomanganese fell by *** percent from 1997 to 1998 and by *** percent from 1998 to 1999, but rose by *** percent when comparing the interim 1999 period with the interim 2000 period (table III-2).

"***."[2] ***.[3]

Table III-2
Silicomanganese: U.S. producer's shipments, by type, 1997–99, January–June 1999, and January–June 2000

* * * * * * *

U.S. PRODUCER'S INVENTORIES

Table III-3
Silicomanganese: U.S. producer's end-of-period inventories, 1997–99, January–June 1999, and January–June 2000

* * * * * * *

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[1] ***.
[2] ***.
[3] ***.

U.S. PRODUCER'S EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-4
Silicomanganese: Average number of production and production-related workers, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997–99, January–June 1999, and January–June 2000

* * * * * * *

FINANCIAL EXPERIENCE OF THE U.S. INDUSTRY

Background

The sole U.S. producer of silicomanganese, Eramet Marietta, Inc., provided usable financial data.[4] Eramet SA (Eramet's parent company) purchased the silicomanganese production facility at Marietta, OH from Elkem KS (Elkem's parent company) on July 1, 1999.[5] Besides the subject product, silicomanganese, Eramet manufactures several grades of ferromanganese and other manganese products, aluminum hardeners, and several other nonsubject products. Silicomanganese operations accounted for approximately *** percent of the Marietta plant's net sales and *** percent of its production in 1999, according to Eramet's questionnaire response.

Operations on Silicomanganese

Eramet reported *** of silicomanganese. Because the volume and value of Eramet's ***,[6] ***. The results of Eramet's silicomanganese operations, as restated following the reclassification of certain costs, are presented in table III-5.[7]

Table III-5
Results of operations of Eramet in the production of silicomanganese, fiscal years 1997–99, January–June 1999, and January–June 2000

* * * * * * *

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[4] Eramet has a fiscal year end of ***. Eramet reported for its own silicomanganese operations at Marietta, OH from the purchase date of July 1, 1999 onwards, and for the silicomanganese operations of Elkem, the previous owner of the Marietta site, from 1997 to June 30, 1999. Eramet provided a product line income statement for 1999 and January-June 2000 for the Marietta plant with its questionnaire response. The company's questionnaire response reconciles to that income statement. Eramet also provided the Commission with a copy of its audited financial statements for the period July 1 - December 31, 1999.

[5] Eramet SA entered into a purchase and sale agreement in January 1999 with Eramet Mangan KS to acquire certain assets and liabilities relating to the manufacturing plant at Marietta, OH for approximately $***. On July 1, 1999, the closing date, Eramet SA transferred the assets and liabilities to a newly formed corporation, Eramet Marietta, Inc., in exchange for that company's stock, which it transferred to Eramet Manganese Alliage (the "intermediate parent") in exchange for equity of $*** and a loan of $***. See Eramet Marietta, Inc., Notes to Financial Statements. Additional details regarding the ownership of Eramet SA, the sale of Marietta, and the provision of working capital to Marietta are in petitioner's posthearing brief, app., pp. 16-17.

[6] ***.

[7] Eramet reclassified ***. See Eramet's posthearing brief, app., p. 10 and exh. 10.

Total sales quantities decreased irregularly between 1997 and 1999, and decreased as well between January-June 1999 and the same period in 2000. While the value of sales declined between 1997 and 1999, sales values increased between January-June 1999 and the same period in 2000. The effect of the decrease in the quantity on sales and income was exacerbated by a sales price decline of about $*** per short ton between 1997 and 1999. The unit sales price declined *** the unit cost of goods sold between 1997 and 1999. Although sales volume decreased between January-June 1999 and the same period in 2000, unit sales prices increased by about $*** per short ton, and the unit cost of goods sold declined by about $*** per short ton between the two periods. Primarily because of the price decrease that *** the decrease in costs, *** and margins worsened from a ***, or from a *** of sales. These two indicators improved between January-June 1999 and the same period in 2000, from an operating ***. Eramet stated that its per-unit cost of goods sold ***.[8] Reported changes in sales also are supported by data for the two pricing products that Eramet provided the Commission.[9]

Changes in Eramet's operating income are further evidenced by a variance analysis that shows the effects of prices and volume on net sales and of costs and volume on its total costs (table III-6). This analysis shows that the decrease in operating income between 1997 and 1999 of $*** was attributable to a $*** unfavorable price variance that was not offset by the favorable variance on net cost/expense. An increase in operating income between January-June 1999 and the same period in 2000 of $*** was attributable to favorable variances on price, net cost/expense, and volume.

Table III-6
Variance analysis for the silicomanganese operations of Eramet, fiscal years 1997–99 and January–June 1999–2000

* * * * * * *

Capital Expenditures, Research and Development (R&D) Expenses, and Investment in Productive Facilities

Capital expenditures, R&D expenses, and the original cost and book value of property, plant, and equipment used in the production of silicomanganese are shown in table III-7.

Table III-7
Capital expenditures, research and development expenses, and the value of assets of Eramet with respect to silicomanganese, fiscal years 1997–99, January–June 1999, and January–June 2000

* * * * * * *

[8] Eramet's posthearing brief, p. 10.

[9] On an aggregated basis, these two products accounted for *** of Eramet's sales, reported in the financial section of the Commission's questionnaire. Generally, the unit values of spot sales were ***, and trends in unit prices followed the pattern that was described earlier.

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

Import data in table IV-1 were compiled from official U.S. Department of Commerce statistics. As the table indicates, subject imports combined accounted for less than 3 percent of total imports during every calendar-year period under review and for 5.9 percent during the first half of 1999.

Table IV-1
Silicomanganese: U.S. imports, by sources, 1997–99, January–June 1999, and January–June 2000

Source	Calendar year			January–June	
	1997	1998	1999	1999	2000
	Quantity (*short tons*)				
Brazil	0	0	22	0	17
China	0	0	0	0	0
Ukraine	8,259	0	9,025	9,025	0
All subject countries	8,259	0	9,047	9,025	17
Other sources	328,653	381,886	322,301	144,285	211,353
Total	336,911	381,886	331,348	153,310	211,370
	Value (*$1,000*)				
Brazil	0	0	20	0	31
China	0	0	0	0	0
Ukraine	4,570	0	3,317	3,317	0
All subject countries	4,570	0	3,337	3,317	31
Other sources	157,543	171,976	128,789	56,436	95,078
Total	162,114	171,976	132,126	59,754	95,109
	Unit value (*per short ton*)				
Brazil	(1)	(1)	$895	(1)	$1,874
China	(1)	(1)	(1)	(1)	(1)
Ukraine	$553	(1)	368	$368	(1)
All subject countries	553	(1)	369	368	1,874
Other sources	479	$450	400	391	450
Total	481	450	399	390	450

Footnotes appear at the end of the table.

Table IV-1—Continued
Silicomanganese: U.S. imports, by sources, 1997–99, January–June 1999, and January–June 2000

Source	Calendar year			January–June	
	1997	1998	1999	1999	2000
	Share of quantity (*percent*)				
Brazil	0.0	0.0	(2)	0.0	(2)
China	0.0	0.0	0.0	0.0	0.0
Ukraine	2.5	0.0	2.7	5.9	0.0
All subject countries	2.5	0.0	2.7	5.9	(2)
Other sources	97.5	100.0	97.3	94.1	100.0
Total	100.0	100.0	100.0	100.0	100.0
	Share of value (*percent*)				
Brazil	0.0	0.0	(2)	0.0	(2)
China	0.0	0.0	0.0	0.0	0.0
Ukraine	2.8	0.0	2.5	5.6	0.0
All subject countries	2.8	0.0	2.5	5.6	(2)
Other sources	97.2	100.0	97.5	94.4	100.0
Total	100.0	100.0	100.0	100.0	100.0

[1] Not applicable.
[2] Less than 0.05 percent.

Note—Because of rounding, figures may not add to the totals shown; unit values and shares are calculated from unrounded data.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Four importers, located in New York, Pennsylvania, Ohio, and ***, provided usable information on silicomanganese. ***.[1] The remaining three importers imported from Mexico, Norway, and South Africa, separately and exclusively. Principal sources of nonsubject imports are South Africa, Mexico, and Australia, as shown in table IV-2, which presents salient data on imports from leading nonsubject sources.

[1] Commission staff were unable to determine conclusively the U.S. purchaser of the Ukrainian silicomanganese imported by *** "***." *** initially indicated purchases of Ukrainian silicomanganese ***. ***.

Table IV-2
Silicomanganese: U.S. nonsubject imports, by sources, 1997–99, January–June 1999, and January–June 2000

Source	Calendar year			January–June	
	1997	1998	1999	1999	2000
	Quantity (*short tons*)				
South Africa	96,370	129,778	98,446	43,144	55,046
Australia	55,883	62,940	74,352	27,886	30,559
Mexico	44,441	45,275	64,807	38,357	31,990
Kazakhstan	0	2,927	30,585	10,105	30,774
Venezuela	28,329	19,511	18,604	9,921	14,771
Georgia	10,612	22,405	14,798	2,754	0
India	32,929	46,179	11,982	4,684	38,033
France	13,513	9,648	7,434	7,434	1,488
	Value (*$1,000*)				
South Africa	45,008	56,273	38,833	16,686	24,953
Australia	25,640	27,910	30,839	11,147	15,084
Mexico	20,670	20,313	25,825	15,344	14,083
Kazakhstan	0	1,237	11,444	3,582	13,667
Venezuela	13,032	8,608	6,994	3,565	6,555
Georgia	5,375	10,074	6,133	1,113	0
India	16,172	20,952	4,778	1,852	15,993
France	6,896	4,621	3,146	3,146	680

Table continued on next page.

Table IV-2—Continued
Silicomanganese: U.S. nonsubject imports, by sources, 1997–99, January–June 1999, and January–June 2000

Source	Calendar year			January–June	
	1997	1998	1999	1999	2000
	Unit value (*per short ton*)				
South Africa	$467	$434	$394	$387	$453
Australia	459	443	415	400	494
Mexico	465	449	398	400	440
Kazakhstan	(1)	423	374	355	444
Venezuela	460	441	376	359	444
Georgia	507	450	414	404	(1)
India	491	454	399	395	420
France	510	479	423	423	457

[1] Not applicable.

Note.—Unit values are calculated from the unrounded data.

Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. IMPORTERS' INVENTORIES

No responding importer reported inventories of any silicomanganese from the subject countries during the periods under review. End-of-period inventories of imported silicomanganese from nonsubject countries are shown in table IV-3. Such inventories consist of silicomanganese from Argentina, France, Georgia, India, Italy, Mexico, Norway, and South Africa.

Table IV-3
Silicomanganese: U.S. importers' end-of-period inventories of imports from nonsubject countries, 1997–99, January–June 1999, and January–June 2000

Item	Calendar year			January–June	
	1997	1998	1999	1999	2000
Imports from nonsubject countries:					
Inventories (*short tons*)	10,514	36,611	16,017	26,803	20,230
Ratio to imports (*percent*)	3.2	9.6	5.0	9.3	4.8
Ratio to U.S. shipments of imports (*percent*)	10.7	30.8	12.4	22.3	20.0
Imports from all countries:					
Inventories (*short tons*)	10,514	36,611	16,017	26,803	20,230
Ratio to imports (*percent*)	3.1	9.6	4.8	8.7	4.8
Ratio to U.S. shipments of imports (*percent*)	10.7	30.8	12.4	22.3	20.0

Notes.—Partial-year ratios based on annualized shipment data. Ratios incorporate data from firms that provided both inventories and import data.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data submitted in response to Commission questionnaires.

THE INDUSTRIES IN BRAZIL, CHINA, AND UKRAINE

China was the world's largest producer of silicomanganese in 1998, followed by Ukraine in second place, and Brazil in seventh, according to data published by the U.S. Geological Survey.[2]

Brazil

Two Brazilian silicomanganese producers, Companhia Paulista de Ferroligas (CPFL) and Sibra Eletrosiderurgica Brasileira SA (SIBRA) (collectively, the "Ferro-Ligas Group"), representing approximately *** percent of Brazilian silicomanganese production in 1998 and *** percent of Brazilian silicomanganese production in 1999, are participating in these reviews and responded to the Commission's questionnaires with usable data (table IV-4).[3] In its response to the notice of institution, counsel for the Brazilian producers listed one additional Brazilian silicomanganese producer, ***, data

[2] Thomas S. Jones, "Manganese," in U.S. Geological Survey, *Minerals Yearbook* (1999), table 9. The largest export markets for Brazil, China, and Ukraine and export figures for these markets are included in app. F.

[3] Coverage estimates for 1998 based on figures supplied by counsel for the Brazilian producers in the Brazilian producers' response to notice of institution. Coverage estimates for 1999 based on ***.

for which were received by the Commission on November 13, 2000.[4] Based on participating Brazilian producers' estimates of national production, as noted above, and questionnaire data, total Brazilian production capacity estimates range from *** short tons in 1998 to *** short tons in 1999.

Counsel for Eramet, in its response to the notice of institution, listed two Brazilian silicomanganese producers, Casil SA and Rima Industrial SA,[5] in addition to the companies listed above. The U.S. producer's counsel alleges that the five Brazilian producers have an estimated aggregate production capacity of 528,000 short tons (479,000 metric tons), of which the two participating Brazilian producers account for *** percent.[6]

Commission staff sent a cable transmission to the U.S. embassy in Brasilia requesting information on the Brazilian silicomanganese industry. *** contacted three firms on which information was requested. Casil stated that it produces ***. Rima Industrial stated that it does not produce silicomanganese. Ferroligas Assufun SA is "out of business."[7] Commission staff also sent *** a facsimile transmission requesting information on Ferbasa, which one publication indicates is a Brazilian silicomanganese producer with a capacity of 124,000 short tons.[8] No response was received in response to this request.

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[4] In the foreign producers'/exporters' questionnaire response by the participating Brazilian producers, ***. The participating Brazilian producers also acknowledge an unspecified number of "small {silicomanganese} producers." *Id.*

Commission staff received one page of the foreign producer's questionnaire from *** on November 13, 2000, transmitted through *** and subsequently through counsel for the participating Brazilian producers. This page contained production and shipments data. In its transmission to the consulate in Sao Paulo, *** stated that it was providing this information "to be presented" in the Commission's review investigation and that ***, November 9, 2000.

Commission staff transmitted the remaining pages of the foreign producer's questionnaire to *** on November 15. On December 5, *** responded that *** had not produced or exported silicomanganese since December 22, 1994. On December 15, however, Commission staff received a facsimile transmission from *** explaining ***. Commission staff believes, despite its contradictory submission statements, that *** does produce silicomanganese and has included the production and shipments data provided through the consulate in Sao Paulo in the table containing data about the Brazilian silicomanganese producers.

[5] Commission staff successfully transmitted a questionnaire to Rima Industrial but did not receive a response. Repeated attempts by Commission staff to contact Casil were unsuccessful.

[6] Chairman Koplan, during the hearing in these review investigations on November 14, 2000, asked the Brazilian silicomanganese producers to

> identify each silicomanganese production facility owned by CVRD starting in the original . . . period of investigations, indicating which is still operating and address the current status of each facility on a furnace-by-furnace basis. Please be as specific as possible about whether declines in reported capacity reflect furnaces that have been disassembled and sold off, are idle and could be restarted, are converted to other products, that could be reconverted, that type of thing.

Hearing transcript, p. 121. The requested information is located in the Brazilian producers' posthearing brief in "Answers to Questions from Chairman Koplan" and the revised page 10 of the Brazilian producers' questionnaire response, dated November 13, 2000.

[7] U.S. consulate in Sao Paulo, Brazil, cable to USITC, October 2000.

[8] Roskill Information Services, *Economics of Manganese* (9th ed.) (2000), as indicated by counsel for Eramet.

According to ***, the European Union (EU) had AD relief in place against Brazilian silicomanganese from 1995 to 1998.[9]

Table IV-4
Silicomanganese: Data for responding producers in Brazil, 1997–99, January–June 1999, and January–June 2000

* * * * * * *

China

No Chinese silicomanganese producers are participating in the Commission's reviews. In its response to the notice of institution, counsel for the U.S. producer alleges the existence of 44 silicomanganese producers in China of undetermined production capacity. No Chinese companies responded to Commission questionnaires sent by facsimile. Repeated telephone calls by Commission staff to the Chinese embassy in Washington, DC, have not been returned.[10]

The U.S. embassy in Beijing responded in November 2000 to a Commission request for information on the Chinese silicomanganese industry. The embassy received aggregate export information on Chinese silicomanganese from China's Chamber of Metals, Minerals and Chemicals Imports and Exports (the Chamber), which are presented in table IV-5.

[9] ***.

[10] Telephone messages were left by Brian Allen, USITC, on September 18, 20, and 28, 2000.

Table IV-5
Silicomanganese: Exports of China to the United States and other markets, 1997–99 and January–June 2000

Item	1997	1998	1999	January–June 2000
	Quantity (*short tons*)			
Exports to— United States	0	0.33	0	0
Other markets[1]	472,939	328,187	329,110	186,107
	Value (*$1,000*)			
Exports to— United States	0	1.2	0	0
Other markets	190,600	130,770	117,940	65,100
	Unit value (*per short ton*)			
Exports to— United States	(2)	3,636	(2)	(2)
Other markets	$403	$398	$358	$350

[1] "Japan and South Korea appear to be the major markets for these exports." U.S. embassy in Beijing, cable to USITC, November 2000.
[2] Not applicable.

Source: China Chamber of Commerce of Metals, Minerals and Chemicals Imports and Exports.

The Chamber stated that "it did not have information on annual production, industry capacity, or finished inventory"[11] but provided to the U.S. embassy a list of companies not listed in the Commission's request for information that "produce silicomanganese or at least one element of silicomanganese."[12] Of the companies whose names the Commission provided to the U.S. embassy, five responded with usable data, which is presented in table IV-6.

[11] U.S. embassy in Beijing, cable to USITC, November 2000.
[12] *Id.*

Table IV-6
Silicomanganese: Data for responding producers in China, 1997–99, January–June 2000, and projected 2000–01

Item	1997	1998	1999	January–June 2000	2000 (est.)	2001 (est.)
	Quantity (*short tons*)					
Capacity	117,862	130,875	***	***	***	***
Production	88,943	***	***	***	***	***
Shipments: Home market	28,589	***	***	***	([1])	([1])
Capacity utilization (*percent*)	75.5	***	67.2	82.5	87.4	90.1

[1] No company provided home market shipments estimates for 2000 or 2001.

Notes.—Figures for 1997–99 and the partial 2000 period are based on the five companies that provided data, including two companies that apparently ceased operations during these periods. Estimated figures for 2000 and 2001 are based on the remaining three companies that provided data.

Source: U.S. embassy in Beijing, cable to USITC, November 2000.

The five Chinese silicomanganese producers that responded to the U.S. embassy's request for information were ***. *** apparently ceased operations in 1998. *** apparently ceased production in 1999 and ceased operations in 2000. *** reported *** production in 1999 and the partial 2000 period, but estimated some production in 2000 and 2001. *** reported and estimated *** capacity utilization for all periods above. The Chinese producers also reported some finished inventory and export data, but not uniformly or completely.

In February 1998, the EU imposed antidumping duties on silicomanganese from China; and in July 1998, Korea imposed antidumping duties on silicomanganese from China, although a question exists whether this AD order remains in effect or has been superceded by or exists concurrently with a suspension agreement between Korea and China.[13] Indonesia apparently had "provisional measures" in place against Chinese silicomanganese for four months beginning in October 1998.[14] Japan had AD relief in place against silicomanganese from China from 1994 to 1998.[15]

Ukraine

Two Ukrainian silicomanganese producers, Nikopol Ferroalloy Works and Zaporozhye Ferroalloy Works, representing all Ukrainian silicomanganese production, are participating in these reviews and responded to the Commission's questionnaires with usable data. In its response to the notice of institution, Eramet's counsel alleges that these two companies have an estimated aggregate production

[13] Brazilian producers' posthearing brief, in "Answers to Questions from Commissioner Hillman," p. 1.

[14] *Id.*

[15] *Id.*

capacity of 1.27 million short tons (1.15 million metric tons). Data for the responding Ukrainian producers are presented in table IV-7.[16]

In terms of production capacity, ***. Citing "{n}umerous industry sources," counsel for Eramet states that Nikopol is the world's largest producer of silicomanganese.[17]

According to ***, the EU currently has AD relief in place against silicomanganese from Ukraine. The AD relief is apparently in the form of a "price undertaking" accepted by the two Ukrainian producers.[18]

Table IV-7
Silicomanganese: Data for responding producers in Ukraine, 1997–99, January–June 1999, and January–June 2000

* * * * * * *

[16] Chairman Koplan, during the hearing in these review investigations on November 14, 2000, asked for the following information from the Ukrainian silicomanganese producers:

> {P}lease identify each silicomanganese production facility owned by {Nikopol and Zaporozhye}, starting in the original period of investigation, indicate which are still operating and address . . . the current status of each facility on a furnace-by-furnace basis. Please be as specific as possible about whether declines in reported capacity reflect furnaces that have been dis-assembled and sold off, are idle and could be restated {sic}, are converted to other products but could be reconverted, et cetera.
>
> Please also supply data on your total manganese ferroalloy capacity, the number of furnaces that could be used to produce silicomanganese and the allocation of capacity between silico-manganese and other manganese ferroalloys for each furnish {sic} for 1999 and projected 2000.
>
> Also state what price level for silicomanganese would make it feasible for you to convert some furnaces to produce silicomanganese instead of other manganese ferroalloy products.
>
> Finally, please document your arguments regarding the electricity shortage that acts as a constraint on your ability to produce silicomanganese . . . .

Hearing transcript, pp. 125–26. Some of this information may be found in exhibit 2 of the Ukrainian producers' posthearing brief. The Ukrainian producers were not able to gather the remaining information to be included in this report, but may submit it prior to the closing of the record.

[17] Eramet's prehearing brief, p. 23.

[18] Ukrainian producers' posthearing brief, p. 10.

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

The principal raw materials used in the production of silicomanganese are manganese ore and/or high-carbon ferromanganese slag. Eramet Marietta reported that *** affected its selling price. Two importers of nonsubject product reported that the costs of raw materials did not change significantly between 1997 and 1999. One importer *** and one subject exporter *** reported that "raw materials do not affect selling price;" rather, silicomanganese "prices are set by the market." Exporters from Ukraine allegedly had a much different experience.[1]

Eramet reported that raw material prices have not affected its selling price. In the future, Eramet plans to *** as a substitute for other sources. However, it noted that a ***.

Transportation Costs to the U.S. Market

Based on 1999 official statistics, transportation charges from Brazil to the U.S. market are estimated to be 9.7 percent of customs value. The corresponding amounts are 2.2 percent for imports from China and 16.4 percent for imports from Ukraine.

U.S. Inland Transportation Costs

Eramet reported that U.S. inland transportation costs accounted for approximately *** percent of the total delivered price of silicomanganese. *** importers of nonsubject product reported transportation costs, which accounted for between 4 percent and 8 percent of the silicomanganese delivered price.

Tariff Rates

Imports of silicomanganese are included in HTS subheading 7202.30.00 and statistical reporting number 7202.99.5040. The normal trade relations tariff rate for these tariff items in 1999 was 3.9 percent *ad valorem* for 7202.30.00 and 5 percent *ad valorem* for 7202.99.5040.

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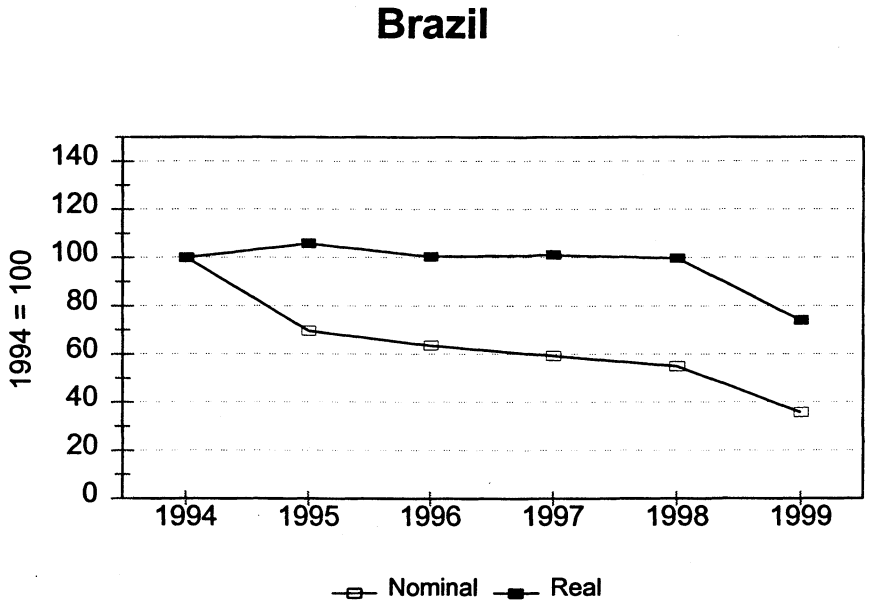
[1] In 1997 and 1998, the two exporters from Ukraine faced an increase in the price of raw materials of *** percent and *** percent, respectively, due to price increases for manganese raw materials between *** percent and *** percent, coke between *** percent and *** percent, and for electric power between *** percent and *** percent. In 1999, demand changes in the ferroalloys market contributed to a fall of *** percent in the 1999 price of silicomanganese. In the first half of 2000, prices of raw materials for the two subject Ukrainian producers reversed the previous year's trend and increased by *** percent due to an increase in raw material costs, specifically an increase of *** percent for manganese and an increase in the cost of electric power by *** percent. Ukrainian Association of Producers of Ferroalloys and Other Electromagnetic Metallurgical Products Producers (UkrFa) questionnaire response, p. 10.

Exchange Rates

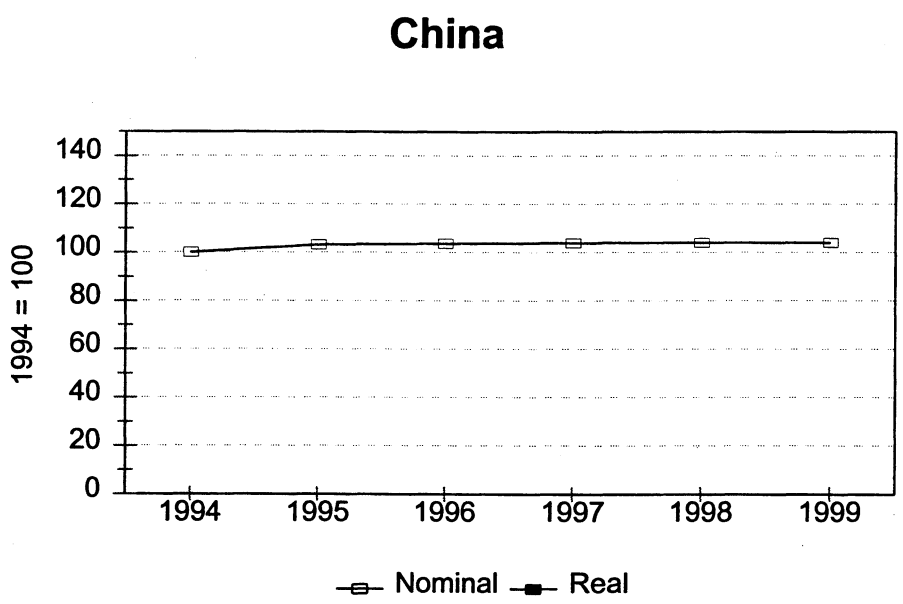
Annual exchange rates relative to the U.S. dollar reported by the International Monetary Fund for Brazil, China, and Ukraine for the period January 1994–December 1999 are shown in figures V-1, V-2, and V-3.

Figure V-1
Exchange rates: Indexes of the nominal and real exchange rates of the Brazilian reales relative to the U.S. dollar, by year, 1994–99



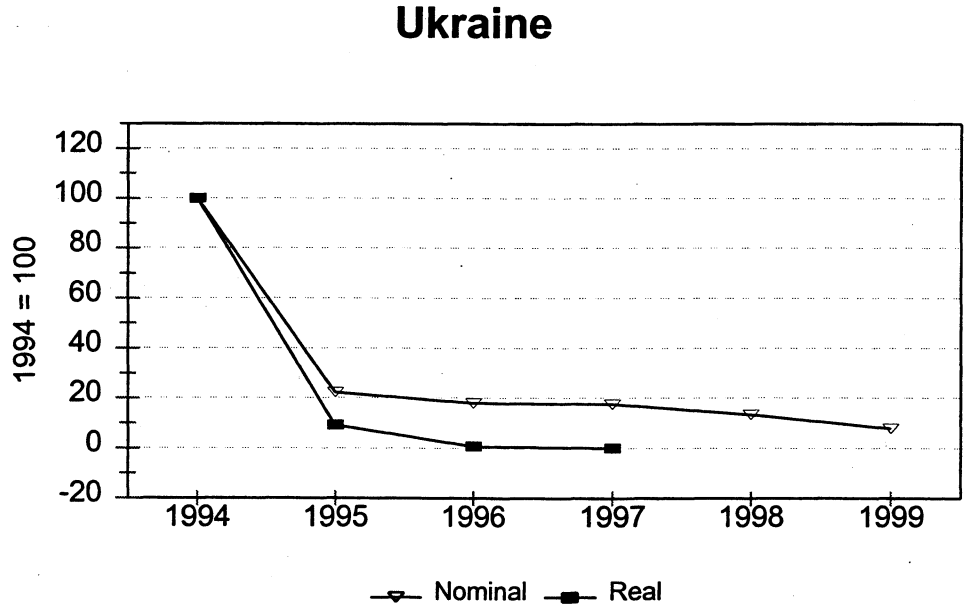
Source: International Monetary Fund, *International Financial Statistics*, July 2000.

Figure V-2
Exchange rates: Index of the nominal exchange rate of the Chinese yuan relative to the U.S. dollar, by year, 1994–99



Source: International Monetary Fund, *International Financial Statistics*, July 2000.

Figure V-3
Exchange rates: Indexes of the nominal and real exchange rates of the Ukrainian hryvnias relative to the U.S. dollar, by year, 1994–99



Source: International Monetary Fund, *International Financial Statistics*, July 2000.

PRICING PRACTICES

Silicomanganese is sold by weight and grade. Prices differ by the type of silicomanganese, chiefly determined by manganese and silicon content. In some sales, there are deductions determined by the levels of impurities. Price data for silicomanganese are publically available in the publications *Metals Week* and *Ryan's Notes*.

In 1999, Eramet sold *** percent of its silicomanganese directly to end users and the balance was sold through wholesalers/distributors. *** of reported silicomanganese imports were sold to end users from 1997–99. ***.

Eramet negotiates prices on a transaction-by-transaction basis and by contract for multiple shipments. Approximately *** percent of Eramet's sales are on a contract basis and *** are on a spot basis.[2] Many *** prices from such publications as *Ryan's Notes* and *Metals Week*. Importers also reported using such publications to base their price negotiations since these publications poll the industry and report similar transaction prices. Eramet reported establishing ***. *** importers of nonsubject product reported not having a discount policy; most reported that their prices were normally determined using bids.

Eramet reported selling on a delivered basis. For importers of nonsubject product, the average lead time between a customer's order and delivery is between *** days and *** days. "Competitive situations" through customer contacts seem to be the way prices are determined by such importers. Ukrainian producers noted that average lead times were ***, and did not give any additional information regarding contracts. The Ferro-Ligas Group reported that there is ***; Chinese producers provided no information.

Transportation costs account for *** percent of the total delivered cost of domestic silicomanganese and are arranged for by the U.S. producer. Eramet noted that *** percent of its sales occur within 100 miles of its facility, *** percent of its sales are between 101 and 1,000 miles of its facility. *** percent of Eramet's sales are to customers over 1,000 miles away. Eramet's market for the subject product is national and there has been no change in the geographic market since 1994.

PRICE DATA

The Commission requested that U.S. producers and importers of silicomanganese provide quarterly data for the total quantity and value of silicomanganese that was shipped to unrelated customers in the U.S. market. Data were requested for the period January 1997–June 2000. The products for which pricing data were requested are as follows:

> ***Product 1***.–ASTM grade B bulk silicomanganese sold to steel producers under quarterly requirement contracts
>
> ***Product 2***.–ASTM grade B bulk silicomanganese sold as spot sales

Eramet and importers of nonsubject product provided limited usable pricing data for sales of the requested products; no firm reported pricing data for all products for all quarters. Pricing data reported

[2] Eramet's prehearing brief, p. 13.

by these firms accounted for *** percent of U.S. producers' shipments of silicomanganese, no U.S. imports from Brazil and China in 1999, and *** percent of imports from Ukraine since 1997.[3]

Price Comparisons and Trends

Table V-1, below, shows f.o.b. delivered price comparisons between U.S. and Ukrainian product 1. Only one comparison could be made, in the second quarter of 2000 for product 1; ***.

U.S. f.o.b. prices of silicomanganese have been falling since the first quarter of 1998 and only began to recover in the third quarter of 1999 (table V-2).

Table V-1
Silicomanganese: Weighted-average delivered prices and quantities of domestic and imported product 1 (reported by purchasers) and margins of underselling/(overselling), by quarters, January 1998–June 2000

* * * * * * *

Table V-2
Silicomanganese: Weighted-average f.o.b. prices and quantities of U.S. products 1 and 2, by quarters, January 1997–June 2000

* * * * * * *

[3] Purchases of Ukrainian silicomanganese were reported in the interim 2000 period. According to official import statistics, there were no imports of Ukrainian silicomanganese during this period. Therefore, it is probable that these purchases came from existing inventory of Ukrainian silicomanganese imported in 1997 or 1999.

APPENDIX A

FEDERAL REGISTER NOTICES AND THE COMMISSION'S STATEMENT ON ADEQUACY

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731–TA–470–472 and 671–673 (Review)]

Silicon Metal From Argentina, Brazil, and China and Silicomanganese From Brazil, China, and Ukraine

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the antidumping duty orders on silicon metal from Argentina, Brazil, and China; the antidumping duty orders on silicomanganese from Brazil and China; and the suspended investigation on silicomanganese from Ukraine.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on silicon metal from Argentina, Brazil, and China; the antidumping duty orders on silicomanganese from Brazil and China; and the suspended investigation on silicomanganese from Ukraine would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; [1] to be assured of consideration, the deadline for responses is December 21, 1999. Comments on the adequacy of responses may be filed with the Commission by January 13, 2000.

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 F.R. 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at http://www.usitc.gov/rules.htm.Q02

EFFECTIVE DATE: November 2, 1999.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193) or Vera Libeau (202–205–3176), 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:

Background

On the dates listed below, the Department of Commerce issued antidumping duty orders on the subject imports:

Order date	Product/country	Inv. No.	F.R. cite
6/10/91	Silicon metal/China	731–TA–472	56 F.R. 26649
7/31/91	Silicon metal/Brazil	731–TA–471	56 F.R. 36135
9/26/91	Silicon metal/Argentina	731–TA–470	56 F.R. 48779
12/22/94	Silicomanganese/Brazil	731–TA–671	59 F.R. 66003
12/22/94	Silicomanganese/China	731–TA–672	59 F.R. 66003

On October 31, 1994, the Department of Commerce suspended an antidumping duty investigation (Inv. No. 731–TA–673) on imports of silicomanganese from Ukraine (59 F.R. 60951, Nov. 29, 1994). The Commission is conducting reviews to determine whether revocation of the orders and termination of the suspended investigation would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or an expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions

The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are Argentina, Brazil, China, and Ukraine.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original determinations concerning silicon metal, the Commission found one Domestic Like Product: silicon metal, regardless of grade, having a silicon content of at least 96.00 percent but less than 99.99 percent of silicon by weight, and excluding semiconductor grade silicon. In its original determinations concerning silicomanganese, the Commission found one Domestic Like Product: all silicomanganese. For purposes of this notice, you should report information separately on each of the following Domestic Like Products: (1) silicon metal, regardless of grade, having a silicon content of at least 96.00 percent but less than 99.99 percent of silicon by weight, and excluding semiconductor grade silicon and (2) all silicomanganese.

(4) The *Domestic Industry* is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original determinations concerning silicon metal, the Commission found one Domestic Industry: producers of silicon metal, regardless of grade, having a silicon content of at least 96.00 percent but less than 99.99 percent of silicon by weight, and excluding semiconductor grade silicon. In its original determinations concerning silicomanganese, the Commission one Domestic Industry: producers of silicomanganese. For purposes of this notice, you should report information separately on each of

[1] No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 99–5–037, expiration date July 31, 2002. Public reporting burden for the request is estimated to average 7 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436.

the following Domestic Industries: (1) producers of silicon metal, regardless of grade, having a silicon content of at least 96.00 percent but less than 99.99 percent of silicon by weight, and excluding semiconductor grade silicon and (2) producers of silicomanganese.

(5) The *Order Dates* are the dates that the antidumping duty orders under review became effective and the investigation was suspended. In these reviews, the Order Dates are as shown in the preceding tabulation.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

Participation in the Reviews and Public Service List

Persons, including industrial users of the Subject Merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and APO Service List

Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. § 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification

Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written Submissions

Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is December 21, 1999. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is January 13, 2000. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 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. Also, in accordance with sections 201.16(c) and 207.3 of the Commission's 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 APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability To Provide Requested Information

Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information To Be Provided in Response to This Notice of Institution

Please provide the requested information separately for each Domestic Like Product, as defined above, and for each of the products identified by Commerce as Subject Merchandise. If you are a domestic producer, union/worker group, or trade/business association; import/export Subject Merchandise from more than one Subject Country; or produce Subject Merchandise in more than one Subject Country, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent Subject Country. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Product to which your response pertains, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders and termination of the suspended investigation on each Domestic Industry for which you are filing a response in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of each Domestic Like Product for which you are filing a response. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in the Subject Countries that currently export or have exported Subject Merchandise to the United States or other countries since the years the petitions were filed. The Subject Merchandise, the Subject Countries, and the years the petitions were filed are listed below:

Subject merchandise/subject countries	Years
Silicon metal/Argentina, Brazil, and China	1990
Silicomanganese/Brazil, China, and Ukraine	1993

(7) If you are a U.S. producer of a Domestic Like Product, provide the following information separately on your firm's operations on each product during calendar year 1998 (report quantity data for silicon metal in gross tons; quantity data for silicomanganese in short tons; and value data in thousands of U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of each Domestic Like Product accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of each Domestic Like Product produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Countries, provide the following information on your firm's(s') operations on that product during calendar year 1998 (report quantity data for silicon metal in gross tons; quantity data for silicomanganese in short tons; and value data in thousands of U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from the Subject Countries accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of Subject Merchandise imported from the Subject Countries; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of Subject Merchandise imported from the Subject Country.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Countries, provide the following information on your firm's(s') operations on that product during calendar year 1998 (report quantity data for silicon metal in gross tons; quantity data for silicomanganese in short tons; and value data in thousands of U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in the Subject Countries accounted for by your firm's(s') production; and

(b) The quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from the Subject Countries accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for each Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Countries since the Order Dates, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Countries, and such merchandise from other countries.

(11) (Optional) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: October 25, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99–28531 Filed 11–1–99; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731–TA–470–472 and 671–673 (Review)]

Silicon Metal From Argentina, Brazil, and China and Silicomanganese From Brazil, China, and Ukraine

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission determinations to conduct full five-year reviews concerning the antidumping duty orders on silicon metal from Argentina, Brazil, and China; the antidumping duty orders on

[1] Commissioner Askey did not make a determination as to whether the respondent interested party group response was adequate in this review.

[2] Chairman Bragg and Commissioner Koplan dissenting.

silicomanganese from Brazil and China; and the suspended investigation on silicomanganese from Ukraine.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)) to determine whether revocation of the antidumping duty orders on silicon metal from Argentina, Brazil, and China and the antidumping duty orders on silicomanganese from Brazil and China; and termination of the suspended investigation on silicomanganese from Ukraine would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. 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); a schedule for the reviews will be established and announced at a later date. 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).

EFFECTIVE DATE: February 3, 2000.

FOR FURTHER INFORMATION CONTACT: George Deyman (202–205–3197), 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 February 3, 2000, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission, in consultation with the Department of Commerce, grouped these reviews because they involve similar domestic like products. See 19 U.S.C. § 1675(c)(5)(D); 63 F.R. 29372, 29374 (May 29, 1998). With regard to silicon metal from Argentina and Brazil and silicomanganese from Brazil and Ukraine, the Commission found that both the domestic interested party group responses and the respondent interested party group responses to its notice of institution [1] were adequate and voted to conduct full reviews. With regard to both silicon metal and silicomanganese from China, the Commission found that the domestic interested party group responses were adequate and the respondent interested party group responses were inadequate. The Commission also found that other circumstances warranted conducting full reviews.

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.

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: February 9, 2000.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 00–3706 Filed 2–15–00; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-828; A-351-824]

Silicomanganese From the People's Republic of China and Brazil; Final Results of Antidumping Duty Expedited Sunset Reviews

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Final Results of Antidumping Duty Expedited Sunset Reviews: Silicomanganese from the People's Republic of China and Brazil.

SUMMARY: On November 2, 1999, the Department of Commerce ("the Department") published the notice of initiation of sunset reviews of the antidumping duty orders on silicomanganese from the People's Republic of China ("China") and Brazil. The products covered by these orders are silicomanganese, which is sometimes called ferrosilicon manganese. On the basis of notices of intent to participate and adequate substantive comments filed on behalf of a domestic interested party and inadequate response (in these cases, no response) from respondent interested parties, we determined to conduct expedited reviews. Based on our analysis of the comments received, we find that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping at the levels listed below in the section entitled "Final Results of Reviews."

EFFECTIVE DATE: June 2, 2000.

FOR FURTHER INFORMATION CONTACT: Martha V. Douthit, Import Administration, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 482-5050.

SUPPLEMENTARY INFORMATION:

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Tariff Act of 1930, as amended ("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 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").

Background

On November 2, 1999, the Department published the notice of initiation of sunset reviews of the antidumping duty orders on silicomanganese from China and Brazil (64 FR 59160). We received a Notice of Intent to Participate on behalf of Eramet Marietta Inc. ("Eramet"), in each of the two sunset reviews, by November 17, 1999, within the deadline specified in section 351.218(d)(1)(i) of the Sunset Regulations. Eramet claimed interested-party status under section 771(9)(C) of the Act as a domestic producer of silicomanganese.[1]

We received a complete substantive response, in each of the two sunset reviews, on behalf of Eramet within the 30-day deadline specified in the Sunset Regulations under section 351.218(d)(3)(i). In its substantive response, Eramet indicated that Elkem, now Eramet, was the petitioner in the original investigation and participated actively in these proceedings since their inception. We did not receive a substantive response from any respondent interested party to these proceedings. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department 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). The reviews at issue concern transition orders within the meaning of section 751(c)(6)(C)(ii) of the Act. Therefore, the Department determined that the sunset reviews of the antidumping duty orders on silicomanganese from China and Brazil are extraordinarily complicated and extended the time limit for completion of the final results of these reviews until not later than May 30, 2000, in accordance with section 751(c)(5)(B) of the Act.[2]

Scope of Review

The merchandise covered by these antidumping duty orders is silicomanganese. Silicomanganese, which is sometimes called ferrosilicon manganese, is a ferroalloy composed principally of manganese, silicon, and iron, and normally containing much smaller proportions of minor elements, such as carbon, phosphorous, and sulfur. Silicomanganese generally contains by weight not less than four percent iron, more than 30 percent manganese, more than eight percent silicon, and not more than three percent phosphorous. All compositions, forms, and sizes of silicomanganese are included within the scope of these reviews, including silicomanganese slag, fines, and briquettes. Silicomanganese is used primarily in steel production as a source of both silicon and manganese. These reviews cover all silicomanganese, regardless of its tariff classification. Most silicomanganese is currently classifiable under subheading 7202.30.0000 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Some silicomanganese may also currently be classifiable under HTSUS subheading 7202.99.5040. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these reviews remain dispositive.

These reviews cover all imports from all manufacturers and exporters of silicomanganese from China and Brazil.

Analysis of Comments Received

All issues raised in this case by parties to these sunset reviews are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Jeffrey A. May, Director, Office of Policy, Import Administration, to Troy H. Cribb, Acting Assistant Secretary for Import Administration, dated May 30, 2000, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail were the orders to be revoked. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in room B–099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at www.ita.doc.gov/import_admin/records/frn/. The paper copy and electronic version of the Decision Memo are identical in content.

Final Results of Reviews

We determine that revocation of the antidumping duty orders on silicomanganese from China and Brazil would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

CHINA

Manufacturer/exporter	Margin (percent)
All Manufacturers/Producers/ Exporters	150.00

BRAZIL

Manufacturer/exporter	Margin (percent)
Companhia Paulista de Ferro-Ligas and Sibra Electro-Siderurgia Brasileria S.A.	64.93
All Others	17.60

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing these determinations and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: May 17, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00–13881 Filed 6–1–00; 8:45 am]

BILLING CODE 3510–DS–P

[1] Eramet asserts that on June 30, 1999, Elkem Metals Company ("Elkem"), the original petitioner, sold its silicomanganese operations to Eramet SA. As a result, Eramet, a subsidiary of Eramet SA, now owns these operations.

[2] See Extension of Time Limit for Final Results of Five-Year Reviews, 65 FR 11761 (March 6, 2000).

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731–TA–470–472 and 671–673 (Review)]

Silicon Metal From Argentina, Brazil, and China and Silicomanganese From Brazil, China, and Ukraine

AGENCY: United States International Trade Commission.

ACTION: Scheduling of full five-year reviews concerning the antidumping duty orders on silicon metal from Argentina, Brazil, and China; the antidumping duty orders on silicomanganese from Brazil and China; and the suspended investigation on silicomanganese from Brazil.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty orders on silicon metal from Argentina, Brazil, and China; the antidumping duty orders on silicomanganese from Brazil and China; and termination of the suspended investigation on silicomanganese from Ukraine would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. 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). 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).

EFFECTIVE DATE: August 8, 2000.

FOR FURTHER INFORMATION CONTACT: Olympia DeRosa Hand (202–205–3182), 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:

Background

On February 3, 2000, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (65 F.R. 7891, February 16, 2000). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's web site.

Participation in the Reviews and Public Service List

Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and BPI Service List

Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff Report

The prehearing staff report in the reviews will be placed in the nonpublic record on October 24, 2000, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on November 14, 2000, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before November 7, 2000. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on November 9, 2000, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written Submissions

Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is November 2, 2000. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is November 22, 2000; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before November 22, 2000. On January 5, 2001, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before January 9, 2001, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also 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. The Commission has determined to waive rule 207.3(c) in order to permit the filing of public versions of posthearing briefs in these reviews on November 27, 2000.

In accordance with sections 201.16(c) and 207.3 of the Commission's 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.

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: August 8, 2000.
By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 00–20530 Filed 8–11–00; 8:45 am]
BILLING CODE 7020–02–U

DEPARTMENT OF COMMERCE

International Trade Administration

[A–823–805]

Final Results of Full Sunset Review: Silicomanganese From Ukraine

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of full sunset review: silicomanganese from Ukraine.

SUMMARY: On May 30, 2000, the Department of Commerce ("the Department") published a notice of preliminary results of the full sunset review of the suspended antidumping investigation on silicomanganese from Ukraine (65 FR 34440) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). We provided interested parties an opportunity to comment on our preliminary results. We did not receive comments from either domestic or respondent interested parties. As a result of this review, the Department finds that termination of the suspended antidumping investigation would be likely to lead to continuation or recurrence of dumping at levels indicated in the *Final Results of Review* section of this notice.

EFFECTIVE DATE: September 27, 2000.

FOR FURTHER INFORMATION CONTACT: Martha V. Douthit, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482–5050 or (202) 482–3330, respectively.

Statute and Regulations

Unless otherwise indicated, all citations to the Act are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department regulations are to 19 CFR Part 351 (1999). 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").

Background

On May 30, 2000, the Department of Commerce ("the Department") published in the **Federal Register** a notice of preliminary results of the full sunset review of the suspended antidumping investigation on silicomanganese from Ukraine, pursuant to section 751(c) of the Act. In our preliminary results, we found that termination of the suspended antidumping investigation would be likely to lead to continuation or recurrence of dumping, and we preliminarily determined the following dumping margin likely to prevail if the suspended antidumping investigation were terminated:

Manufacturers/Exporters	Margin (percent)
Country-wide	163.00

We did not receive a case brief on behalf of either domestic or respondent interested parties within the deadline specified in 19 CFR 351.309(c)(1)(i).

Scope of Review

The merchandise covered by this sunset review is silicomanganese. Silicomanganese, which is sometimes called ferrosilicon manganese, is a ferroalloy composed principally of manganese, silicon, and iron, and normally containing much smaller proportions of minor elements, such as carbon, phosphorous, and sulfur. Silicomanganese generally contains by weight not less than four percent iron, more than 30 percent manganese, more than eight percent silicon, and not more than three percent phosphorous. All compositions, forms, and sizes of silicomanganese are included within the scope of this review, including silicomanganese slag, fines, and briquettes. Silicomanganese is used primarily in steel production as a source of both silicon and manganese. This sunset review covers all silicomanganese, regardless of its tariff classification. Most silicomanganese is currently classifiable under subheading 7202.30.0000 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Some silicomanganese may also currently be classifiable under HTSUS subheading 7202.99.5040. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the subject merchandise remains dispositive.

Analysis of Comments Received

The Department did not receive case briefs from either domestic or respondent interested parties. Therefore, we have not made any changes to our

preliminary results of May 30, 2000 (65 FR 34440).

Final Results of Review

As a result of this review, the Department finds that termination of the suspended antidumping investigation on silicomanganese from Ukraine would be likely to lead to continuation or recurrence of dumping at the level listed below:

Manufacturers/Exporters	Margin (percent)
Country-wide	163.00

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

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

Dated: September 21, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00–24848 Filed 9–26–00; 8:45 am]

BILLING CODE 3510–DS–P

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

Silicon Metal from Argentina, Brazil, and China, Inv. Nos. 731-TA-470-472 (Review)
and
Silicomanganese from Brazil, China, and Ukraine, Inv. Nos. 731-TA-671-673 (Review)

On February 3, 2000, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)(5)). The Commission, in consultation with the Department of Commerce, grouped these reviews because they involve similar domestic like products. *See* 19 U.S.C. § 1675(c)(5)(D); 63 *Fed. Reg.* 29372, 29374 (May 29, 1998).

***Silicon Metal from Argentina, Brazil, and China,* Inv. Nos. 731-TA-470-472 (Review)**

With respect to *Silicon Metal from Argentina* and *Silicon Metal from Brazil*, Inv. Nos. 731-TA-470-471 (Review), the Commission determined that both domestic and respondent interested party group responses to the notice of institution were adequate and voted to conduct full reviews. As pertains to domestic interested parties, the Commission received a joint response containing company-specific information on behalf of three domestic producers of silicon metal accounting for the majority of U.S. production of silicon metal, as well as a response from unions representing all silicon metal workers in the United States. As pertains to respondent interested parties, the Commission received responses from the sole Argentine producer of silicon metal as well as from six Brazilian producers and exporters accounting for nearly all Brazilian production and exports to the United States. The Commission also received responses from an importer and end user of silicon metal from Brazil and from a Brazilian trade/business association, seven of whose 19 members are Brazilian producers and exporters of silicon metal.

With respect to *Silicon Metal from China*, Inv. No. 731-TA-472 (Review), the Commission determined that the domestic interested party group response was adequate. The Commission received a joint response containing company-specific information on behalf of three domestic producers of silicon metal accounting for the majority of U.S. production of silicon metal, as well as a response from unions representing all silicon metal workers in the United States. Because no respondent interested party responded to the notice of institution, the Commission determined that the respondent interested party group response was inadequate. The Commission further determined to conduct a full review, however, because conducting a full review would promote administrative efficiency in light of the Commission's decision to conduct full reviews with respect to *Silicon Metal from Argentina* and *Silicon Metal from Brazil.*

***Silicomanganese from Brazil, China, and Ukraine*, Inv. Nos. 731-TA-671-673 (Review)**

With regard to *Silicomanganese from Brazil* and *Silicomanganese from Ukraine*, Inv. Nos. 731-TA-671 and 673 (Review), the Commission determined that both domestic and respondent interested party group responses to the notice of institution were adequate and voted to conduct full reviews. Regarding domestic interested parties, the Commission received a response from the sole domestic producer of silicomanganese and the union representing silicomanganese workers in the United States. Regarding respondent interested parties, the Commission received responses from two Brazilian producers that account for a substantial portion of Brazilian production and nearly all subject imports,

and Ukrainian producers accounting for all Ukrainian production. The Commission also received responses from the Ukraine Ministry of Industrial Policy and from Ronly Holdings, Ltd., an exporter of subject merchandise from Ukraine.

With regard to *Silicomanganese from China*, Inv. No. 731-TA-672 (Review), the Commission determined that the domestic interested party group response was adequate. The Commission received a response from the sole domestic producer of silicomanganese and the union representing silicomanganese workers in the United States. Because no respondent interested party responded to the notice of institution, the Commission determined that the respondent interested party group response was inadequate. The Commission further determined to conduct a full review, however, because conducting a full review would promote administrative efficiency in light of the Commission's decision to conduct full reviews with respect to *Silicomanganese from Brazil* and *Silicomanganese from Ukraine*.

APPENDIX B

CALENDAR OF THE PUBLIC HEARING

CALENDAR OF PUBLIC HEARINGS

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject:	Silicomanganese from Brazil, China, and Ukraine
Invs. Nos.:	731-TA-671–673 (Review)
Date and Time:	November 14, 2000 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room, 500 E Street, SW, Washington, DC.

OPENING REMARKS

In Support of Continuation (**William D. Kramer**, Verner, Liipfert, Bernhard, McPherson and Hand, Chartered)
In Support of Revocation (**Christopher S. Stokes**, Willkie Farr & Gallagher)

In Support of the Continuation of the Orders:

Verner, Liipfert, Bernhard, McPherson and Hand, Chartered
Washington, DC
on behalf of

Petitioner Company

Robert L. Flygar, Manager, Commercial & Site Services, Eramet Marietta Incorporated
Thomas T. Pompili, Manager, Manganese Alloys, Erament North America, Incorporated
Kenneth R. Button, Senior Vice President, Economic Consulting Services Incorporated
Jennifer Lutz, Economist, Economic Consulting Services Incorporated

William D. Kramer)
)–OF COUNSEL
Clifford E. Stevens, Jr.)

In Support of the Revocation of the Orders:

Embassy of Ukraine, Washington, DC

Yaroslav V. Voitko, Chief of Mission, Trade and Economic Mission of Ukraine
Yurii O. Krutovertsev, Deputy Chief of Mission, Trade and Economic Mission of Ukraine

Willkie Farr & Gallagher
Washington, DC
on behalf of

Brazilian Producers

Jose Luiz Amarante Araujo, Commercial Director, CPFL/SIBRA
Marcus Costa Moraes, Business Analyst, CPFL/SIBRA
Daniel Marx, Vice President, Alloys, Considar Incorporated

Christopher S. Stokes–OF COUNSEL

Nateman Kalik Lewin
Washington, DC
on behalf of

Ukrainian Producers

Sergey Kudryavtsev, Executive Director, UkrFa
Oleg Zamaldinov, Economist, UkrFa
Lyudmila Suslo, Attorney, UkrFa
Jane Glezin, Translator

Martin J. Lewin–OF COUNSEL

REBUTTAL/CLOSING REMARKS

In Support of Continuation (**William D. Kramer**, Verner, Liipfert, Bernhard, McPherson and Hand, Chartered)
In Support of Revocation (**Christopher S. Stokes**, Willkie Farr & Gallagher)

APPENDIX C

SUMMARY TABLE

Table C-1
Silicomanganese: Summary data concerning the U.S. market, 1997-99, January-June 1999, and January-June 2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data			January-June		Period changes			Jan.-June
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
Brazil	***	***	(2)	***	(2)	(3)	***	(3)	(3)
China	***	***	***	***	***	***	***	***	***
Ukraine	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
Brazil	***	***	(2)	***	(2)	(3)	***	(3)	(3)
China	***	***	***	***	***	***	***	***	***
Ukraine	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. imports from--									
Brazil:									
Quantity	0	0	22	0	17	(4)	(4)	(4)	(4)
Value	0	0	20	0	31	(4)	(4)	(4)	(4)
Unit value	(4)	(4)	$894.67	(4)	$1,873.84	(4)	(4)	(4)	(4)
Ending inventory quantity	0	0	0	0	0	(4)	(4)	(4)	(4)
China:									
Quantity	0	0	0	0	0	(4)	(4)	(4)	(4)
Value	0	0	0	0	0	(4)	(4)	(4)	(4)
Unit value	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Ending inventory quantity	0	0	0	0	0	(4)	(4)	(4)	(4)
Ukraine:									
Quantity	8,259	0	9,025	9,025	0	9.3	-100.0	(4)	-100.0
Value	4,570	0	3,317	3,317	0	-27.4	-100.0	(4)	-100.0
Unit value	$553.39	(4)	$367.57	$367.57	(4)	-33.6	-100.0	(4)	-100.0
Ending inventory quantity	0	0	0	0	0	(4)	(4)	(4)	(4)
Subtotal:									
Quantity	8,259	0	9,047	9,025	17	9.5	-100.0	(4)	-99.8
Value	4,570	0	3,337	3,317	31	-27.0	-100.0	(4)	-99.1
Unit value	$553.39	(4)	$368.85	$367.57	$1,873.84	-33.3	(4)	(4)	409.8
Ending inventory quantity	0	0	0	0	0	(4)	(4)	(4)	(4)
Other sources:									
Quantity	328,653	381,886	322,301	144,285	211,353	-1.9	16.2	-15.6	46.5
Value	157,543	171,976	128,789	56,436	95,078	-18.3	9.2	-25.1	68.5
Unit value	$479.36	$450.33	$399.59	$391.15	$449.85	-16.6	-6.1	-11.3	15.0
Ending inventory quantity	10,514	36,611	16,017	26,803	20,230	52.3	248.2	-56.3	-24.5
All sources:									
Quantity	336,911	381,886	331,348	153,310	211,370	-1.7	13.3	-13.2	37.9
Value	162,114	171,976	132,126	59,754	95,109	-18.5	6.1	-23.2	59.2
Unit value	$481.18	$450.33	$398.75	$389.76	$449.97	-17.1	-6.4	-11.5	15.4
Ending inventory quantity	10,514	36,611	16,017	26,803	20,230	52.3	248.2	-56.3	-24.5

Table continued on next page.

Table C-1--Continued
Silicomanganese: Summary data concerning the U.S. market, 1997-99, January-June 1999, and January-June 2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data					Period changes			
				January-June					Jan.-June
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. producers':									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid ($1,000s)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (short tons /1,000 hours)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) ***.
(3) ***.
(4) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires, and official statistics of the U.S. Department of Commerce.

APPENDIX D

U.S. IMPORT HISTORY OF SILICOMANGANESE FROM SUBJECT AND SELECTED NONSUBJECT COUNTRIES

Table D-1
Silicomanganese: U.S. imports, by subject and selected nonsubject countries, 1992-99, January-June 1999, and January-June 2000

Item	1992	1993	1994	1995	1996	1997	1998	1999	Interim 1999	Interim 2000
	Quantity (*short tons*)									
Brazil	61,512	71,400	23,560	151	0	0	0	22	0	17
China	12,591	56,430	19,751	0	0	0	0	0	0	0
Ukraine	8,810	41,493	15,460	0	0	8,259	0	9,025	9,025	0
Subtotal	82,913	169,323	58,771	151	0	8,259	0	9,047	9,025	17
South Africa	70,562	63,461	114,245	109,882	103,478	96,370	129,778	98,446	43,144	55,046
Australia	35,256	33,720	37,488	51,054	55,495	55,883	62,940	74,352	27,886	30,559
Mexico	21,839	25,309	20,021	24,636	26,025	44,441	45,275	64,807	38,357	31,990
Subtotal	127,657	122,490	171,754	185,572	184,998	196,694	237,993	237,605	109,387	117,594
All others	72,916	72,769	72,882	147,707	171,102	131,958	143,893	84,696	34,898	93,759
Subtotal	200,573	195,258	244,636	333,279	356,100	328,653	381,886	322,301	144,285	211,353
Total	**283,487**	**364,581**	**303,407**	**333,430**	**356,100**	**336,911**	**381,886**	**331,348**	**153,310**	**211,370**

Note.--In their response to the notice of institution, counsel for the domestic industry stated that adjusted total imports in 1993 were 348,343 short tons and in 1994 were 300,086 short tons.

Source: Compiled from official Commerce statistics (HTS subheading 7202.30.00).

Figure D-1. Silicomanganese: Imports from subject and nonsubject countries, 1992-99

Source: Official statistics of the U.S. Department of Commerce.

APPENDIX E

U.S. PRODUCER'S, U.S. IMPORTERS', U.S. PURCHASERS', AND FOREIGN PRODUCERS' COMMENTS REGARDING EFFECTS OF THE ORDERS/SUSPENSION AGREEMENT AND THE LIKELY EFFECTS OF REVOCATION/TERMINATION

U.S. PRODUCER'S COMMENTS REGARDING THE EFFECTS OF REVOKING THE ANTIDUMPING DUTY ORDERS AND TERMINATING THE SUSPENDED INVESTIGATION

Anticipated Operational/Organizational Changes If the Orders Were to Be Revoked and the Suspended Investigation Was to Be Terminated (Question II-4)

The Commission requested the U.S. producer to describe any anticipated changes in the character of its operations or organization relating to the production of silicomanganese in the future if the relevant antidumping duty (AD) orders on imports of silicomanganese from Brazil and/or China were revoked and/or if the suspended investigation on imports of silicomanganese from Ukraine was terminated. Its response follows.

Eramet—"***."

Significance of Existing Orders/Suspension Agreement in Terms of Trade and Related Data (Question II-14)

The Commission requested the U.S. producer to describe the significance of the existing AD orders on imports of silicomanganese from Brazil and China and of the suspension agreement on imports of silicomanganese from Ukraine in terms of the effect on the firm's production capacity, production, U.S. shipments, inventories, purchases, and employment. Its response follows.

Eramet—"***."

Anticipated Changes in Trade and Related Data If the Orders Were Revoked/Suspended Investigation Was Terminated (Question II-15)

The Commission requested the U.S. producer to describe any anticipated changes in its production capacity, production, U.S. shipments, inventories, purchases, and employment relating to the production of silicomanganese in the future if the AD orders on imports of silicomanganese from Brazil and/or China were revoked and/or the suspended investigation on imports of silicomanganese from Ukraine was terminated. Its response follows.

Eramet—"***."

Significance of Existing Orders/Suspension Agreement in Terms of Financial Data (Question III-8)

The Commission requested the U.S. producer to describe the significance of the existing AD orders on imports of silicomanganese from Brazil and China and of the suspension agreement on imports of silicomanganese from Ukraine in terms of the effect on the firm's revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. Its response follows.

Eramet—"***."

Anticipated Changes in Financial Data If the Orders Were Revoked/Suspended Investigation Was Terminated (Question III-9)

The Commission requested the U.S. producer to describe any anticipated changes in its revenues, costs, products, cash flow, capital expenditures, research and development expenditures, or asset value relating to the production of silicomanganese in the future if the AD orders on imports of silicomanganese from Brazil and/or China were revoked and/or the suspended investigation on imports of silicomanganese from Ukraine was terminated. Its response follows.

Eramet—"***."

U.S. IMPORTERS' COMMENTS REGARDING THE EFFECTS OF REVOKING THE ANTIDUMPING DUTY ORDERS AND TERMINATING THE SUSPENDED INVESTIGATION

Anticipated Operational/Organizational Changes If the Orders Were to Be Revoked and the Suspended Investigation Was to Be Terminated (Question II-4)

The Commission asked importers to describe any anticipated changes in the character of their operations or organization relating to the importation of silicomanganese in the future if the AD orders on imports of silicomanganese from Brazil and/or China were revoked and/or the suspended investigation on imports of silicomanganese from Ukraine was terminated. Their responses follow.

—"."

***—"No."

Significance of Existing Orders/Suspension Agreement in Terms of Trade and Related Data (Question II-8)

The Commission asked importers to describe the significance of the existing AD orders on imports of silicomanganese from Brazil and China and of the suspension agreement on imports of silicomanganese from Ukraine in terms of their effect on their firms' imports, U.S. shipments of imports, and inventories. Their responses follow.

—"."

***—"Prior to the antidumping duties, we had imported small quantities from ***. This ceased after the duty orders."

***—"We represent the ***."

***—No answer.

Anticipated Changes in Trade and Related Data If the Orders Were to Be Revoked/Suspended Investigation Was to Be Terminated (Question II-9)

The Commission asked importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of silicomanganese in the future if the relevant AD orders on imports of silicomanganese from Brazil and/or China were revoked and/or the suspended investigation on imports of silicomanganese from Ukraine was terminated. Their responses follow.

***—"See response to question II-4 above."

***—"Currently, we import from ***, and we would expect this source would be unable to compete with the lower priced material from China, Brazil, and the Ukraine, so we would be importing considerably less."

***—"We would aim to have a reasonable market share at the expense of other importers."

***—"No."

U.S. PURCHASERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION/TERMINATION

Effects of Revocation/Termination on Future Activities of the Firms and the U.S. Market as a Whole (Question III-11)

The Commission requested U.S. purchasers to comment on the likely effects of revocation of the AD orders on imports of silicomanganese from Brazil and/or China and/or the termination of the suspension agreement on silicomanganese from Ukraine on (1) the future activities of their firms and (2) the U.S. market as a whole. Their responses follow.

***—"(1) None. (2) None."

***—"(1) Antidumping duty orders are unfamiliar to *** therefore we are unable to determine the effect of revocation of the antidumping orders." (2) No answer.

***—"(1) Short-term price decrease–U.S. suppliers go out of business with us at the mercy of foreign supply. (2) Same as above?"

***—"(1) Unsure. However, revocation of duties may result in lower SiMn prices. (2) Unsure."

***—"(1) Unknown. (2) Unknown."

***—"(1) Possible lowering of cost." (2) No answer.

***—"(1) Revoking the antidumping duty orders should lower prices, however this will not affect our purchasing patterns. (2) No comment."

***—"(1) Will enable us to lower our costs. (2) The supply will increase, {and} the price difference between markets, i.e., the U.S., Asia and Europe, will decrease. The U.S. market will better reflect the world market."

***—"(1) No change—same buying practice. (2) Same thing that happened before."

***—"(1) No effect. (2) Minimal effect."

***—(1) "It would mean better prices and more competition. (2) Better prices and make U.S. steel production more efficient."

***—(1) & (2) No answer.

***—"(1) Do not know. (2) Do not know."

***—"(1) None. (2) Not qualified to comment."

***—"(1) Price may go down. (2) Price may go down."

***—"(1) Domestic prices would go down. (2) Prices would drop."

***—"(1) We have purchased our supply from the same source for many years at market prices. The above-mentioned changes may lower market prices but would probably not change our supply pattern. (2) The changes mentioned will likely lower prices in the United States."

***—"(1) As mentioned earlier in this report, we don't purchase material from mentioned countries. If this production and importing is stopped, it could create a shortage and prices will rise. (2) Same as above."

FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF REVOKING THE ANTIDUMPING DUTY ORDERS AND TERMINATING THE SUSPENDED INVESTIGATION

Anticipated Operational/Organizational Changes If the Orders Were to Be Revoked and the Suspended Investigation Was to Be Terminated (Question II-3)

The Commission asked foreign producers/exporters to describe any anticipated changes in the character of their operations or organization relating to the production of silicomanganese in the future if the AD orders on imports of silicomanganese from Brazil and/or China were revoked and/or the suspended investigation on imports of silicomanganese from Ukraine was terminated. Their responses follow.

Brazil

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Ukraine

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Significance of Existing Orders/Suspended Investigation in Terms of Trade and Related Data (Question II-15)

The Commission asked foreign producers/exporters to describe the significance of the existing AD orders on imports of silicomanganese from Brazil and China and of the suspension agreement on imports of silicomanganese from Ukraine in terms of the effects on the firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. Their responses follow.

Brazil

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Ukraine

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__"."

Anticipated Changes in Trade and Related Data If Orders Were to Be Revoked/Suspended Investigation Was to Be Terminated (Question II-16)

The Commission asked foreign producers to describe any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, and inventories relating to the production of silicomanganese in the future if the AD orders on imports of silicomanganese from Brazil and/or China were revoked and/or the suspended investigation on imports of silicomanganese from Ukraine was terminated. Their responses follow.

Brazil

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Ukraine

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APPENDIX F

EXPORT MARKETS FOR BRAZILIAN, CHINESE, AND UKRAINIAN SILICOMANGANESE

Table F-1
Silicomanganese: Exports of Brazil and China, by markets, 1996–98

Exporting country and markets	Calendar year		
	1996	1997	1998
	Quantity (*short tons*)		
Brazil to—			
Canada	21,587	24,258	21,284
Japan	34,918	25,836	7,994
Argentina	4,506	15,017	5,366
Netherlands	88	0	1,736
Colombia	1,858	2,719	1,079
Chile	577	1,134	949
Paraguay	716	1,075	689
Mexico	8,059	648	370
Netherlands Antilles	2,865	0	0
Poland	2,241	0	0
Saudi Arabia	0	6,707	0
Trinidad and Tobago	0	2,751	0
Turkey	2,762	0	0
Worldwide	81,271	84,445	40,342

Table continued on next page.

Table F-1—Continued
Silicomanganese: Exports of Brazil and China, by markets, 1996–98

Exporting country and markets	Calendar year		
	1996	1997	1998
	Quantity (*short tons*)		
China to—			
Korea	119,514	173,676	133,116
Japan	49,551	53,196	55,082
Taiwan	0	0	36,521
Singapore	16,552	27,325	25,860
Malaysia	25,168	27,908	20,019
Thailand	26,558	21,269	17,669
Indonesia	18,563	37,819	10,172
India	11	6,876	6,055
Mexico	12,545	5,817	4,444
Canada	5,952	2,866	4,189
Qatar	3,357	0	3,307
Netherlands	74,250	59,821	2,802
Egypt	1,328	0	2,205
South Africa	0	0	2,183
New Zealand	1,691	2,465	1,338
Philippines	1,218	0	1,262
Russia	0	5,357	1,058
Hong Kong	117	1,022	331
Argentina	0	2,205	0
Italy	15,541	2,205	0
United States	0	0	3
Worldwide	400,143	472,838	328,121

Notes.—Data compiled at the six-digit Harmonized Tariff Schedule level (7202.30). There were no reported exports from Ukraine during the above periods. Worldwide totals do not equal individual figures shown because of omitted individual countries, inconsistencies in United Nations (UN) data, and/or possible shipments to locations not tracked by the UN. UN data not available for 1999 or 2000.

Source: UN Harmonized Schedule Merchandise Trade data.

Table F-2
Silicomanganese: Exports of Ukraine, by markets, 1997–99

Markets	Calendar year		
	1997	1998	1999
	Quantity (*short tons*)		
Russian Federation	127,941	105,315	121,285
Turkey	90,249	79,920	72,045
Japan	68,136	36,971	31,005
Finland	12,432	18,682	16,305
Belarus	0	9,183	10,143
United States	8,258	0	9,026
Poland	10,604	7,596	7,894
Mexico	3,354	19,606	5,450
Egypt	13,976	9,670	4,234
Worldwide	365,994	341,727	303,159

Notes.—Data compiled at the six-digit Harmonized Tariff Schedule level (7202.30). Worldwide totals may not equal individual figures shown because of omitted individual countries, inconsistencies in UN data, and/or possible shipments to locations not tracked by the UN. Data reflects importing countries' reported imports of Ukrainian silicomanganese.

Source: UN Commodity Trade Statistics (as reported in Eramet's prehearing brief, exh. 14).