

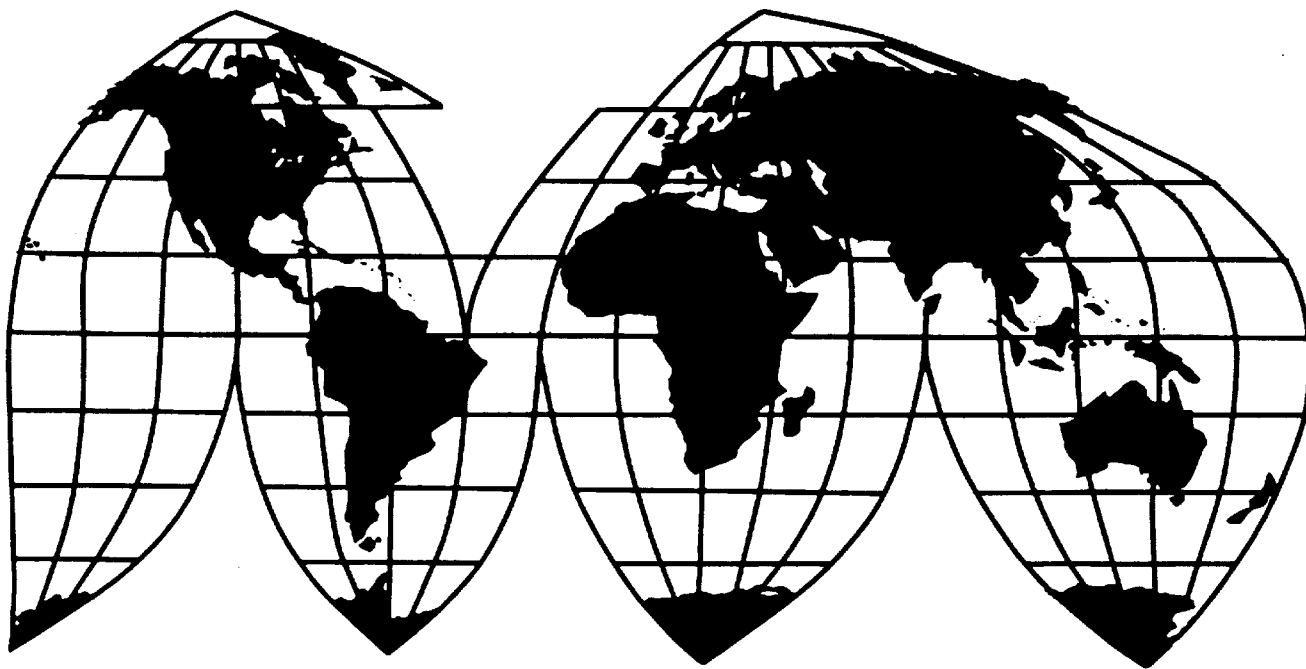
# **Certain Iron Construction Castings From Brazil, Canada, and China**

Investigation Nos. 701-TA-249 and 731-TA-262, 263, and 265  
(Second Review)

**Publication 3781**

**June 2005**

**U.S. International Trade Commission**



# U.S. International Trade Commission

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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



# UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-249 and 731-TA-262, 263, and 265 (Second Review)

CERTAIN IRON CONSTRUCTION CASTINGS FROM BRAZIL, CANADA, AND CHINA

## DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the countervailing duty order on heavy iron construction castings from Brazil would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission also determines that revocation of the antidumping duty order on heavy iron construction castings from Canada would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission further determines that revocation of the antidumping duty orders on iron construction castings (both heavy and light) from Brazil and China 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 October 1, 2004 (69 FR 58952) and determined on January 4, 2005 that it would conduct expedited reviews (70 FR 7967).

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





## VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty orders on light iron construction castings from Brazil and China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We further determine that revocation of the antidumping duty orders on heavy iron construction castings from Canada, Brazil, and China, and the countervailing duty order covering heavy iron construction castings from Brazil, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### I. BACKGROUND

In February 1986, the Commission determined that an industry in the United States was materially injured by reason of imports from Canada of heavy iron construction castings which were being sold at less than fair value.<sup>1</sup> On March 5, 1986, Commerce published an antidumping duty order covering the subject merchandise from Canada.<sup>2</sup> In May 1986, the Commission determined that an industry in the United States was materially injured by reason of imports of heavy iron construction castings from Brazil that were being subsidized by the government of Brazil, that an industry in the United States was materially injured by reason of imports of heavy iron construction castings from Brazil, India, and the People’s Republic of China (China) that were being sold at less than fair value, and that an industry in the United States was threatened with material injury by reason of imports of light iron construction castings from Brazil, India, and China that were being sold at less than fair value.<sup>3</sup> On May 9, 1986, Commerce published antidumping duty orders covering the subject merchandise from Brazil and China.<sup>4</sup> On May 15, 1986, Commerce published a countervailing duty (CVD) order covering the subject merchandise from Brazil.<sup>5</sup>

In October 1999, in the first five-year reviews of those orders, the Commission determined that revocation of the antidumping duty orders covering light iron construction castings from Brazil and China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission further determined that revocation of the antidumping duty orders covering heavy iron construction castings from Canada, Brazil, and China, and the countervailing duty order covering heavy iron construction castings from Brazil, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>6</sup> The Commission issued a negative determination with respect to the CVD order on heavy iron construction castings from India.

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<sup>1</sup> Iron Construction Castings from Canada, Inv. No. 731-TA-263 (Final), USITC Pub. 1811 (Feb. 1986).

<sup>2</sup> 51 Fed. Reg. 7600 (Mar. 5, 1986); 51 Fed. Reg. 34110 (Sept. 25, 1986) (amended). The Commission’s determination at USITC Pub. 1811, supra, and the order on construction castings from Canada covered both heavy and light castings; the order was subsequently revoked in part by Commerce to exclude light iron construction castings.

<sup>3</sup> Iron Construction Castings from Brazil, India and the People’s Republic of China, Inv. No. 701-TA-249 (Final) and Invs. Nos. 731-TA-262, 264 and 265 (Final), USITC Pub. 1838 (Apr. 1986).

<sup>4</sup> 51 Fed. Reg. 17220 (May 9, 1986). The antidumping duty orders with respect to light and heavy construction castings from India that were also issued at that time were revoked in 1991. USITC Pub. 3247 at I-3, n.3.

<sup>5</sup> 51 Fed. Reg. 17786 (May 15, 1986).

<sup>6</sup> USITC Pub. 3247 at 3, 12-13, 24.

On October 1, 2004, the Commission instituted these second reviews pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”), to determine whether revocation of the countervailing duty order on heavy iron construction castings from Brazil, the antidumping duty orders on heavy iron construction castings from Brazil, Canada, and China, or the antidumping duty orders on light iron construction castings from Brazil and China would be likely to lead to continuation or recurrence of material injury to the domestic industry.<sup>7</sup>

On January 4, 2005, the Commission determined that the domestic interested party group response to its notice of institution was adequate with respect to all of these second reviews. The Commission did not receive a response from any respondent interested party concerning subject imports from Brazil, Canada, or China and therefore determined that the respondent interested party group responses to the notice of institution were inadequate with respect to each of the reviews. In the absence of adequate respondent interested party group responses, the Commission determined to conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930, as amended.<sup>8 9 10</sup> The antidumping (AD) and countervailing (CVD) duty orders that are subject to these second reviews are as follows:

Heavy Castings: Brazil (CVD and AD), Canada (AD), and China (AD).

Light Castings: Brazil (AD) and China (AD).<sup>11</sup>

## **II. DOMESTIC LIKE PRODUCT AND INDUSTRY**

### **A. Domestic Like Product**

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”<sup>12</sup> The Act defines the “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.”<sup>13</sup>

In the final results of its expedited sunset reviews, Commerce defined the imported merchandise within the scope of the orders as follows:

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<sup>7</sup> Certain Iron Construction Castings from Brazil, Canada, and China, 69 Fed. Reg. 58952 (Oct. 1, 2004)

<sup>8</sup> 19 U.S.C. § 1675(c)(3).

<sup>9</sup> See Explanation of Determination on Adequacy, Confidential Staff Report, INV-CC-60 (May 3, 2005) (“CR”) at Appendix B.

<sup>10</sup> Vice Chairman Okun and Commissioner Pearson dissented, noting that, while they concurred with the Commission’s determination that the domestic interested party group response was adequate and that the respondent party group responses were inadequate, they voted to conduct full reviews to allow the Commission to seek information concerning changes in conditions of competition.

<sup>11</sup> A countervailing duty investigation of light iron construction castings from Brazil was terminated in 1987. 52 Fed. Reg. 29902 (Aug. 12, 1987). An antidumping duty order on light and heavy iron construction castings from India was revoked in 1991. 56 Fed. Reg. 4789 (Feb. 6, 1991). An antidumping duty order on iron construction castings from Canada was revoked in part in 1998 to exclude light iron construction castings. 63 Fed. Reg. 49687 (Sept. 17, 1998), 63 Fed. Reg. 50881 (Sept. 23, 1998) (corrected). A countervailing duty order on heavy iron construction castings from India was revoked in 1999, following the Commission’s negative determination in the first five-year reviews. 64 Fed. Reg. 61602 (Nov. 12, 1999).

<sup>12</sup> 19 U.S.C. § 1677(4)(A).

<sup>13</sup> 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

- heavy iron construction castings: manhole covers, rings, and frames, catch basin grates and frames, and clean-out covers and frames for drainage or access purposes for public utility, water, and sanitary systems.<sup>14</sup>
- light iron construction castings: valve, service, and meter boxes which are placed below ground to encase water, gas, or other valves or gas water meters.<sup>15</sup>

This merchandise is currently classifiable under the following statistical reporting numbers:

- heavy iron construction castings – 7325.10.0010 (manhole covers, rings, and frames), 7325.10.0020 (catch basin grates and frames, clean-out covers and frames), 7325.10.0025 (cleanout covers and frames);
- light iron construction castings – 7325.10.0030 (valve and service boxes), and 7325.10.0035 (meter boxes).<sup>16</sup>

In the original investigations, the Commission defined light and heavy iron construction castings as separate like products, explaining that the characteristics of heavy and light castings differ markedly even though both types are made of iron that is not alloyed and not malleable. The Commission noted in particular that heavy iron construction castings are relatively flat, designed for use on street surfaces for drainage and access purposes in water and sewage systems, and generally weigh from 270 to 1,000 pounds, whereas light iron construction castings are tubular, designed for use below the ground to encase water or gas valves and meters in utility systems, and generally weigh under 120 pounds. The Commission also noted that the foundry methods employed in the production of heavy and light castings are distinctly different, such that domestic producers equip themselves to specialize in one or the other, but not both.<sup>17</sup>

In the first five-year reviews of the orders on iron construction castings from Brazil, Canada, and China, the Commission again found heavy iron construction castings and light iron construction castings to be separate like products.<sup>18</sup>

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<sup>14</sup> 70 Fed. Reg. 24511-24513, 24529 (May 10, 2005).

<sup>15</sup> 70 Fed. Reg. 24511-13 (May 10, 2005).

<sup>16</sup> Prior to July 1, 1999, the merchandise was classifiable under statistical reporting numbers 7325.10.0010 (heavy castings) and 7325.10.0050 (light castings), 70 Fed. Reg. at 24512, 24513, 24529.

<sup>17</sup> Iron Construction Castings from Brazil, Canada, India and the People’s Republic of China, Inv. No. 701-TA-249 (Preliminary) and Invs. Nos. 731-TA-262 through 265 (Preliminary), USITC Pub. 1720 at 6-7 (Jun. 1985). The Commission also determined in the original investigations that “other” or “specialty” castings, including tree grates, water-tight, and bolt-down castings, are not like heavy or light castings in characteristics and uses. It found that those articles also differed from heavy and light casting in materials and configurations, and differed in end uses, as reflected by the differing end-users and channels of distribution. The Commission also observed that additional fabrication, finishing, and assembly are required to achieve characteristics and uses inherent to specialty castings that are not required for the production of light or heavy iron construction castings. USITC Pub. 1811 at 4, id. n.9; USITC Pub.1838 at 7, id. n.14.

<sup>18</sup> USITC Pub. 3247 at 6. The Commission explained that:

Iron construction castings are routinely divided by U.S. industry terminology and usage into two categories: “heavy” construction castings, and “light” construction castings. Heavy castings are used for drainage or access purposes by utilities and municipalities in storm drainage, water transportation and water treatment, sanitary systems, natural gas transmission, and highway systems. Heavy castings generally weigh from 270 to 1,000 pounds. Light construction castings, in contrast, are used by utilities and municipalities to encase  
(continued...)

In these reviews, the domestic producers contend that the prior like product definitions are still appropriate and that they should be continued. No party has expressed disagreement with the like product definitions, and no new information suggests that they should be revisited. Therefore, for the reasons stated in the original determinations and the first five-year reviews, we continue to define two domestic like products coextensive with the scope definitions; *i.e.*, (1) heavy iron construction castings, and (2) light iron construction castings.

## **B. Domestic Industry**

Section 771(4)(A) of the Act defines the relevant domestic industry as the “producers as a whole 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.”<sup>19</sup> We must further determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to 19 U.S.C. § 1677(4)(B). That provision of the statute allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers. Exclusion of such a producer is within the Commission’s discretion based upon the facts presented in each case.<sup>20</sup>

In the original investigations and in the first five-year reviews, the Commission defined the domestic industries as all producers of heavy iron construction castings and all producers of light iron

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<sup>18</sup> (...continued)

the underground valves and meters of water, gas, or other utilities and to provide access to this equipment for periodic adjustment or readings. Light castings generally weigh from 10 to 120 pounds. Having different functions and configurations, heavy castings and light castings are not interchangeable in end use and are perceived by producers and customers as separate products. Heavy and light castings are produced in the United States by different companies, and in different facilities using different employees. Heavy castings are produced by the sand cast method. Light castings are produced in the United States by sand cast, shell mold, or permanent mold processes. Accordingly, we again find heavy iron construction castings and light iron construction castings to be separate like products. USITC Pub. 3247 at 7 (citations omitted).

<sup>19</sup> 19 U.S.C. § 1677(4)(A). 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. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int’l Trade 1994), aff’d, 96 F.3d 1352 (Fed. Cir. 1996).

<sup>20</sup> Sandvik AB v. United States, 721 F. Supp. 1322, 1331-1332 (Ct. Int’l Trade 1989), aff’d without opinion, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int’l Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude related parties include: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, *i.e.*, whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and (3) the position of the related producers vis-a-vis the rest of the industry, *i.e.*, whether inclusion or exclusion of the related party will skew the data for the rest of the industry. See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int’l Trade 1992), aff’d without opinion, 991 F.2d 809 (Fed. Cir. 1993); Allied Mineral Products, Inc. v. United States, Slip. Op. 04-139 at 4 (Ct. Int’l Trade Nov. 12, 2004). The Commission also has considered the ratio of import shipments to U.S. production for related producers and whether the primary interests of the related producers lie in domestic production or in importation. See, e.g., Melamine Institutional Dinnerware from China, Indonesia, and Taiwan, Inv. Nos. 731-TA-741-743 (Final), USITC Pub. 3016 (Feb. 1997) at 14 n.81.

construction castings.<sup>21</sup> No party disagrees with these domestic industry definitions, and no new facts have been presented to warrant a different definition. Therefore, for the reasons stated in the original determinations and the first reviews, we continue to define two domestic industries: (1) all producers of heavy iron construction casting, and (2) all producers of light iron construction castings.<sup>22</sup>

### III. CUMULATION

#### A. Framework

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.<sup>23</sup>

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.<sup>24</sup> 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.<sup>25</sup> 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.<sup>26</sup>

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<sup>21</sup> USITC Pub. 1811 at 4-5, USITC Pub. 1838 at 7-8, USITC Pub. 3247 at 7.

<sup>22</sup> The domestic producers identified two domestic producers, Campbell Foundry Co. and D&L Supply, among possible importers of subject merchandise from Brazil, Canada, or China. Domestic producers’ Nov. 22, 2004, response to the Commission’s notice of institution at 17 & Attachment 7. The record contains no indication, however, that those producers actually imported subject merchandise during the review period. Also, any relationship between Tyler Pipe, a domestic producer of only light castings, and Bibby Ste. Croix, a Canadian producer of only heavy castings (*id.*), is not pertinent under the related party statute because light castings from Canada are not subject to the order. While the relationship between Tyler Pipe and Bibby U.S.A., a U.S. importer (*id.*), would be pertinent under the related party provision if Bibby U.S.A. had imported subject light castings from Brazil or China, there is no evidence on the record that Bibby U.S.A. imported subject light castings.

<sup>23</sup> 19 U.S.C. § 1675a(a)(7).

<sup>24</sup> 19 U.S.C. § 1675a(a)(7).

<sup>25</sup> SAA, H.R. Rep. No. 103-316, vol. I (1994).

<sup>26</sup> For a discussion of the analytical framework of Chairman Koplán and Commissioners Hillman and Miller regarding the application of the “no discernible adverse impact” provision, see Malleable Cast Iron Pipe Fittings

(continued...)

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as the Commission initiated all the reviews on October 1, 2004.<sup>27</sup> Moreover, no party has asserted that the no discernible adverse impact exception to cumulation applies, and the record does not otherwise suggest that this is an issue.<sup>28</sup>

The Commission generally has considered four factors intended to provide a framework for determining whether the imports are likely to compete with each other and with the domestic like product.<sup>29</sup> Only a “reasonable overlap” of competition is required.<sup>30</sup> 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 are revoked. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.<sup>31</sup>

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<sup>26</sup> (...continued)

from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review) USITC Pub. 3274 (Feb. 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 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

<sup>27</sup> 69 Fed. Reg. 58952 (Oct. 2, 2004).

<sup>28</sup> No facts on the record would warrant departure from the Commission’s express and implied findings regarding no discernible adverse impact in the first review. See USITC Pub. 3247 at 11-12 (finding light castings from Brazil and China not likely to have no discernible adverse impact with reference to available aggregated castings data for Brazil and China); see also, id. at 17-24 (discussion of individual country data in context of cumulative analyses); and see individual country data in original determinations (USITC Pubs. 1811 at 6, 10-11, A31-A33, A49-A61; USITC Pub. 1838 at 8-11, 16-17, 17-24, A34 - A37, A54-A66).

<sup>29</sup> The four factors generally considered by the Commission in assessing whether subject 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).

<sup>30</sup> 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 (Feb. 1999), aff’d sub nom, Ranchers-Cattlemen 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 (Apr. 1998).

<sup>31</sup> 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).

**Heavy Iron Construction Castings.** In the original investigations, the Commission cumulated subject heavy castings imports from what were then the four subject countries, Brazil, Canada, China, and India, after finding that there was a reasonable overlap among the importers and the domestic producers as to the end users and geographic areas to which the product is directed, and that therefore heavy castings from all the subject countries compete with each other and with the domestic like product.<sup>32</sup>

In the first five-year reviews, the Commission cumulated subject heavy castings from Brazil, Canada and China.<sup>33</sup> In doing so, the Commission noted that the record indicated that domestic heavy construction castings and the subject heavy construction castings are generally fungible, that U.S. sales of heavy castings are made through similar channels of distribution, and that heavy castings are sold by U.S. producers and importers in all areas of the United States, although individual producers, importers, and distributors geographically limit sales to some extent. The Commission observed that, although China and Brazil at the time of the first review were not exporting heavy castings to the United States in more than small quantities, Chinese, Brazilian, and Canadian heavy castings had been simultaneously present in the market during the original investigations, and had competed with each other and domestic product. The Commission found that there was nothing on the record in the first review to indicate that the circumstances warranting cumulation in the original investigation would not recur if the orders were revoked and concluded that the subject imports from China, Brazil, and Canada would be likely to compete with each other and with the domestic like product in the U.S. market if the order were revoked.<sup>34</sup>

No party has argued that the Commission find no likely overlap of competition. Based on the determination in the original investigation and in the first review, and given the absence of information on this record indicating any changes in the likely overlap of competition, we find that if the orders were revoked there would likely be an overlap of competition among the subject heavy iron construction casting imports from each subject country, and between the domestic like product and subject imports from each subject country. For these reasons, and because there is no indication of other significant differences in the conditions of competition in these markets such that the likely volume and effect of subject imports would be substantially different, we conclude that it is appropriate to exercise our discretion to cumulate subject heavy construction castings imports from China, Brazil, and Canada in these reviews.

**Light Iron Construction Castings.** In its affirmative determinations in the original investigations regarding threat of material injury by reason of imports from Brazil and China, the Commission did not cumulate the subject imports but rather considered the statutory factors on a country

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<sup>32</sup> USITC Pub. 1811 at 8 at 9. The original final determinations also included a separate affirmative determination regarding the subsidized imports from Brazil, which, under the Commission's practice at that time, were not cumulated with those from less than fair value imports of heavy castings, including those from Brazil. The Court of International Trade subsequently found with respect to a separate negative preliminary determination on light castings from Brazil, in which the separate determination on heavy castings from Brazil was not at issue, that the statute required cumulation of the allegedly subsidized subject light castings imports with the allegedly less than fair value light castings imports. *Bingham & Taylor, Division, Virginia Industries, Inc. v. United States*, 10 CIT 67, 627 F. Supp 793 (1986), *aff'd* 815 F.2d 1482 (the Commission on remand cumulated all the subject light castings and reached an affirmative preliminary determination with respect to Brazil (51 Fed. Reg. 12217 (Apr. 9, 1986)), but then terminated the investigation regarding Brazil when the petitioners withdrew the petition regarding light castings from Brazil (52 Fed. Reg. 29902 (Aug. 12, 1987))).

<sup>33</sup> USITC Pub. 3247 at 14-15. By a 4-2 vote, the Commission determined not to cumulate subject heavy castings imports from India with those from Brazil, Canada, and China. Three Commissioners found that subject imports from India would be likely to have no discernible adverse impact, and one Commissioner declined to exercise discretion to cumulate. *Id.* at 12-14, 27-31.

<sup>34</sup> USITC Pub. 3247 at 14-15.

by country basis.<sup>35</sup> In the first five-year reviews, the Commission found that it was likely that there would be a reasonable overlap of competition between the subject imports from Brazil and China and between those imports and the domestic merchandise, noting that during the original investigations Chinese and Brazilian light castings were simultaneously present in the market and competed with each other and with the domestic like product. The Commission found that nothing on the record in the review indicated that these circumstances would not recur if the orders were revoked.<sup>36</sup>

No party has argued that the Commission find no likely overlap of competition. Based on the determinations in the original investigation and in the first reviews, and given the absence of information on this record indicating any changes in the likely overlap of competition, we find that if the orders were revoked there would likely be an overlap of competition between subject light iron construction casting imports from Brazil and China, and between the domestic like product and subject imports from each subject country. We also see no indication that conditions of competition would be significantly different for subject imports from Brazil and China if the antidumping duty orders were revoked. Accordingly, we exercise our discretion to cumulate the likely volume and effect of subject imports of light construction castings from Brazil and China.

#### **IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE COUNTERVAILING DUTY ORDER AND ANTIDUMPING DUTY ORDERS ARE REVOKED**

##### **A. Legal Standard In a Five-Year Review**

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order or terminate a suspended investigation unless: (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>37</sup> The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>38</sup> Thus, the likelihood standard is prospective in nature.<sup>39</sup>

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<sup>35</sup> USITC Pub. 1838 at 19-21.

<sup>36</sup> USITC Pub. 3247 at 12.

<sup>37</sup> 19 U.S.C. § 1675a(a).

<sup>38</sup> SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>39</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.



The U.S. Court of International Trade has found that “likely,” as used in the sunset review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>40</sup>

The 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.”<sup>44</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis [in antidumping investigations].”<sup>45 46</sup>

Although the standard in a five-year review is not the same as the standard applied in an original antidumping investigation, 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

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<sup>40</sup> See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”; Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int’l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int’l Trade Dec. 20, 2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int’l Trade July 19, 2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>41</sup> Vice Chairman Okun and Commissioners Lane and Pearson refer to their dissenting views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 at 15-17 (June 2004).

<sup>42</sup> Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, USITC Pub. 3698 at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” but she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue.

<sup>43</sup> Commissioner Hillman interprets the statute as setting out a standard of whether it is “more likely than not” that material injury would continue or recur upon revocation. She assumes that this is the type of meaning of “probable” that the Court intended when the Court concluded that “likely” means “probable”. See Separate Views of Vice Chairman Jennifer A. Hillman Regarding the Interpretation of the Term “Likely,” in Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, The Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom (Views on Remand), Invs. Nos. AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review) (Remand), USITC Pub. 3526 (July 2002) at 30-31.

<sup>44</sup> 19 U.S.C. § 1675a(a)(5).

<sup>45</sup> 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.

<sup>46</sup> In analyzing what constitutes a reasonably foreseeable time, Chairman Koplán 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.

merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>47</sup> 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, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>48</sup>

## **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.”<sup>49</sup>

*Generally (Heavy and Light Castings).* In the first five-year reviews, the Commission identified several conditions of competition pertinent to its analysis of the U.S. markets for heavy and light iron construction castings. It observed that the heavy and light construction castings industries are mature, primarily employing the basic sand-cast method that has changed little since the original investigations, although light castings are also produced in permanent molds in higher-volume, standardized production. The Commission found that the markets for heavy and light castings are highly cyclical, closely following trends in housing, highway, public works, and building construction, that the majority of all sales of heavy and light castings by U.S. producers and importers are to distributors, and that there is no overlap in the applications of light and heavy castings as heavy castings are mainly used for drainage purposes and light castings are mainly used to encase underground valves and meters.<sup>50</sup>

The domestic industry argues that, since the first reviews, the U.S. heavy and light castings industries have been characterized by consolidations and closures, counterbalanced by the addition of one new major production facility.<sup>51</sup>

*Heavy Castings.* Apparent U.S. consumption of heavy castings increased from 405 million pounds in 1983 to 561 million pounds in 1985, and then increased further to 683 million pounds in 1998. Since the first review, apparent U.S. consumption of heavy castings declined. In 2003, apparent U.S. consumption was 631 million pounds.<sup>52</sup>

From 1983 to 1998, domestic heavy casting capacity increased from 391 million pounds to 534 million pounds.<sup>53</sup> Domestic production of heavy iron construction castings increased from 253 million pounds in 1983 to 314 million pounds in 1985, and then increased further in the first review period to 543

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<sup>47</sup> 19 U.S.C. § 1675a(a)(1).

<sup>48</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption determinations with respect to the subject antidumping duty findings. 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.

<sup>49</sup> 19 U.S.C. § 1675a(a)(4).

<sup>50</sup> USITC Pub. 3247 at 16-17.

<sup>51</sup> Domestic Producers’ Response to Notice of Institution at 21.

<sup>52</sup> CR/PR at Table I-9.

<sup>53</sup> CR/PR at Table I-4. Domestic capacity information since 1998 is unavailable.

million pounds in 1998. Domestic production of heavy castings has declined since the first review, to 447 million pounds in 2003.<sup>54</sup>

Domestic producers' market share, after declining from 79.7 percent in 1983 to 72.6 percent in 1985, increased in the first review period to 79.5 percent in 1998. The domestic producers' market share has declined since the first review, to 71.1 percent in 2003. The decline in domestic producers' market share during the current review period is largely attributable to the increased market share of nonsubject imports. Nonsubject imports' market share increased from 15.0 percent in 1983 to 16.7 percent in 1985, and then increased to 18.8 percent in 1998. As a result of increased nonsubject imports since the first reviews, nonsubject imports' market share grew to 27.0 percent in 2003.<sup>55</sup>

In the first reviews, the Commission observed that domestic foundries, by virtue of their proximity to the municipalities and construction supply distributors, require relatively short lead times and can fill most orders for less popular or customized models without maintaining inventories for such items. The Commission noted that importers have longer lead times and generally handle only the more standardized models because of the inventory carrying costs associated with supplying a larger range of products. Thus, the Commission found that, while domestic producers may typically handle 4,000 to 5,000 heavy iron construction castings items, importers may carry only 150 to 200. The Commission also observed that, in the case of heavy castings, the substitutes for cast iron most frequently identified in questionnaire responses were plastics, concrete, fiberglass, and composites. The Commission also noted that record indicates that some domestic sales of heavy iron construction castings are subject to "Buy American" provisions.<sup>56</sup>

**Light Castings.** Apparent U.S. consumption of light iron construction castings increased in the original investigation from 76 million pounds in 1983 to 94 million pounds in 1985, and then decreased over the first review period to \*\*\* million pounds in 1998. Apparent U.S. consumption of light castings has increased since the first review, to \*\*\* million pounds in 2003.<sup>57</sup>

From 1983 to 1998, domestic light casting capacity decreased from 65 million pounds to \*\*\* million pounds.<sup>58</sup> Domestic production of light iron construction castings was 46 million pounds in 1983 and 1985, and then increased to \*\*\* million pounds in 1998. Domestic production of light castings declined since the first review, to \*\*\* million pounds in 2003.<sup>59</sup>

Domestic producers' market share, after declining from 74.8 percent in 1983 to 60.5 percent in 1985, decreased at the end of the first five-year review period to \*\*\* percent in 1998. The domestic producers' market share has dropped further since the first review to \*\*\* percent in 2003. The decline in domestic producers' market share during the current review period was accompanied by increased imports from nonsubject countries. Nonsubject imports' market share increased from 23.9 percent in 1983 to 36.0 percent in 1985, and then increased to \*\*\* percent in 1998. As a result of increased nonsubject imports since the first reviews, nonsubject imports' market share grew to \*\*\* percent in 2003.<sup>60</sup>

The Commission noted in the first reviews that light construction castings are manufactured in a range of dimensions but are relatively standardized nationwide, that some producers and respondents indicated that plastics have made gains in the market for light castings, and that the petitioners estimated

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<sup>54</sup> CR/PR at Table I-4.

<sup>55</sup> CR/PR at Table I-9.

<sup>56</sup> USITC Pub. 2347 at 17.

<sup>57</sup> CR/PR at Table I-9.

<sup>58</sup> CR/PR at Table I-5. Domestic capacity information since 1998 is unavailable.

<sup>59</sup> CR/PR at Table I-5.

<sup>60</sup> CR/PR at Table I-10.

that about 28 percent of light castings sales were subject to “Buy American” provisions in 1997 and 1998.<sup>61</sup>

Based on the record evidence, we find that conditions of competition in the heavy and light iron construction castings markets are not likely to change significantly in the reasonably foreseeable future. Accordingly, in these reviews, we find that current conditions in those markets provide us with a reasonable basis on which to assess the likely effects of revocation of the orders in the reasonably foreseeable future.

**C. Revocation of the Antidumping Duty Orders on Heavy Iron Construction Castings from Canada, Brazil, and China and the Countervailing Duty Order On Heavy Iron Construction Castings from Brazil Would be Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time**

For the reasons stated below, we determine that revocation of the antidumping duty orders on heavy iron construction castings from Canada, Brazil, and China and the countervailing duty order on heavy iron construction castings from Brazil would be likely to lead to continuation or recurrence of material injury to the domestic industry producing heavy iron construction castings within a reasonably foreseeable time.

**1. Likely Volume of Subject Heavy Iron Castings Imports**

In evaluating the likely volume of imports of subject merchandise if the antidumping and countervailing duty orders are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>62</sup> 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.<sup>63</sup>

We conclude, based on the facts available,<sup>64</sup> that the volume of imports of cumulated subject heavy iron construction castings is likely to increase significantly and would be significant if the order is revoked. In making this finding, we recognize that the volume of subject imports is currently small, both in absolute and relative terms.<sup>65</sup> In a five-year review, however, our focus is on whether subject import volume is likely to be significant within a reasonably foreseeable time if the antidumping duty order is revoked.

In the original investigations, imports of heavy castings from Canada increased from 5.4 million pounds in 1982 to 21.0 million pounds in 1985, representing an increase from 1.5 percent of domestic consumption in 1982 to 3.7 percent in 1985. Imports of heavy castings from Brazil increased from 23,000 pounds in 1982 to 19.5 million pounds in 1985, representing an increase from less than 1 percent of domestic consumption in 1982 to 3.4 percent in 1985. Imports of heavy castings from China increased

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<sup>61</sup> USITC Pub. 2347 at 17.

<sup>62</sup> 19 U.S.C. § 1675a(a)(2).

<sup>63</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>64</sup> See 19 U.S.C. § 1677e(a).

<sup>65</sup> CR/PR at Table I-9.

from 4.1 million pounds in 1982, or 1.2 percent of domestic consumption, to 19.5 million pounds in 1985, or 3.4 percent of domestic consumption. Accordingly, in 1985, imports from Canada, Brazil, and China totaled 60.0 million pounds, and represented 10.5 percent of domestic consumption.<sup>66</sup>

In the first five-year reviews, the Commission observed that in 1997 imports from Canada, Brazil, and China totaled 12.6 million pounds, or 1.8 percent of domestic consumption, and 11.5 million pounds in 1998, or 1.7 percent of domestic consumption. The Commission explained that, in assessing the likely volume of imports if the orders are revoked, it viewed the sharp reduction in imports from Canada, Brazil, and China in the first review period compared with the period of investigation as reflecting the remedial effects of the antidumping duty orders. The Commission found that, in the case of Canada, a number of factors suggested that exports of heavy castings to the United States could increase. The Commission noted that \*\*\*.

The Commission noted that there was no information available on the record in those reviews with respect to current heavy casting production capacity in China or Brazil because Chinese and Brazilian producers did not respond to the Commission's requests for data. It noted, however, that the information available in the original investigation showed that China's annual exports of both heavy and light iron construction castings to all markets, including the United States, ranged between 135 million pounds and 201.6 million pounds annually between 1981 and 1985, quantities that the Commission found to be significant relative to current total consumption in the United States. The Commission also observed that Brazil's exports of all cast-iron products to all markets, including the United States, ranged from 102 million pounds (51,000 short tons) to 224 million pounds (112,000 short tons) annually between 1981 and 1985, quantities that exceeded total U.S. consumption. The Commission found, accordingly, that the record in the review indicated that Canada, Brazil, and China had ample production capacity to increase their shipments to the United States if the orders were revoked, and that the record did not indicate that there would be any limitations on the three countries' ability to resume significant export shipments to the United States if the orders were revoked. Accordingly, the Commission found that imports of Canadian, Brazilian, and Chinese castings to the United States would be likely to increase significantly and to be significant in the reasonably foreseeable future if the orders were revoked.<sup>67</sup>

The most recent information shows that cumulated subject imports were 12 million pounds in 2003 compared with 60 million pounds in 1985, and were 1.9 percent of apparent U.S. consumption in 2003 compared with 10.7 percent in 1985,<sup>68</sup> reflecting the continuation of reduced import volume under the restraining effects of the orders.

Based on the available information in these reviews, including the determinations in the original investigations and the first five-year reviews, we conclude that the producers in Canada, Brazil, and China are significantly export-oriented and have ample production capacity to increase their shipments to the United States if the orders were revoked. The record does not indicate that there would be any limitations on Canada, Brazil, or China resuming significant imports into the United States if the orders were revoked. Accordingly, we find that the likely volume of the cumulated imports of the subject merchandise, both in absolute terms and relative to production and consumption in the United States, would be significant absent the restraining effect of the antidumping duty orders and the countervailing duty order.<sup>69</sup>

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<sup>66</sup> See USITC Pub. 3247 at 21.

<sup>67</sup> USITC Pub. 3247 at 21-22.

<sup>68</sup> CR/PR at Table I-9.

<sup>69</sup> The record contains information that the EU initiated an antidumping proceeding on heavy construction castings from China in April 2004. See Domestic Producers' Response to Notice of Institution at 22-23. However, there is no record information on the outcome of that proceeding and, therefore, we have no basis to determine the likely impact of that proceeding on U.S. imports of heavy construction castings from China in the event of

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## 2. Likely Price Effects of Subject Heavy Iron Castings Imports

In evaluating the likely price effects of subject imports if the antidumping order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>70</sup>

In the original determinations, imports of subject heavy castings from all subject sources undersold the domestic like product. As noted above, the Commission found in the first reviews that Canada, Brazil, and China were likely to significantly increase exports to the United States in the reasonably foreseeable future if the antidumping duty orders were revoked. The Commission observed that, because the market likely is fairly price competitive, the imports would have to be priced aggressively to regain market share if the orders were revoked. It observed that the cumulated subject imports, in turn, would be likely to have significant depressing and suppressing effects on prices of the domestic like product. Accordingly, the Commission found that the likely volume of imports from Canada, Brazil, and China resulting from revocation of the antidumping duty orders would be likely to have significant effects, including significant underselling of the domestic like product, on domestic prices for heavy iron construction castings.<sup>71</sup>

There is no new product-specific pricing information on the record in these reviews. Data on average unit values for subject imports and the domestic like product, however, show that the average unit value of the cumulated subject heavy castings imports was below the average unit value for the domestic like product in 2003, the only year since the first five-year reviews for which comparable data are available.<sup>72</sup>

Based on information available in these reviews, including the determinations in the original investigations and the first five-year reviews, we find that the market for the subject merchandise is fairly price competitive. If the orders were revoked, the imports would likely undersell the domestic like product and have significant depressing and suppressing effects on prices of the domestic like product. Accordingly, we find that the likely volume of imports from Canada, Brazil, and China resulting from revocation of the antidumping duty orders would be likely to have significant adverse price effects on domestic prices for heavy iron construction castings.

## 3. Likely Impact of Subject Heavy Iron Castings Imports

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in

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<sup>69</sup> (...continued)  
revocation.

<sup>70</sup> 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.

<sup>71</sup> USITC Pub. 3247 at 22-23.

<sup>72</sup> CR/PR at Tables I-4, I-7 (AUVs in 2003 were \$0.45 per pound for the domestic like product and \$0.38 per pound for the subject imports). We recognize that comparison of average unit values is normally of limited or no significance where, as here, there are likely differences in product mix between the subject imports and the domestic like product. While these AUV data are consistent with prior underselling findings, we base our price effects analysis here on the prior findings rather than these AUVs.

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.<sup>73</sup> 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.<sup>74</sup> 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 order at issue and whether the industry is vulnerable to material injury if the order is revoked.

In the original determinations the Commission found that the domestic industry producing heavy construction castings was materially injured by reason of subject imports, including those from Canada, Brazil, and China. The Commission found that, while apparent consumption increased markedly during the period of investigation, the rates at which the domestic producers of heavy construction castings increased production, shipments, capacity, capacity utilization, and employment were considerably below the rate at which domestic consumption increased. Although the domestic industry had shown some improvement during the period of investigation, six of the fifteen domestic producers reported operating losses during the entire period of investigation. In the original investigations, the Commission found it particularly significant that there were net operating losses in the domestic industry during the first year of the period of investigation and marginal operating income during the other years when considered in light of increased domestic consumption and increases in domestic production and shipments.<sup>75</sup>

In the first five-year reviews, the Commission observed that in 1997 the operating income of the domestic industry as a percent of net sales was 12.9 percent, and in 1998, it was 15.5 percent. Production exceeded capacity in both 1997 and 1998, and U.S. shipments, net sales, and number of production workers in 1998 exceeded levels in 1997. The Commission noted that domestic producers' share of apparent U.S. consumption (78.6 percent in 1997 and 79.6 percent in 1998), was comparable to their share at the beginning of the period originally investigated (79.8 percent in 1983).

The Commission also found in the first five-year reviews that the domestic industry producing heavy iron construction castings was not currently vulnerable; however, it found, given the generally substitutable nature of the subject and domestic product, that the significant potential volume of less than fair value and subsidized subject imports, when combined with the expected adverse price effects of these imports, would have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels, the Commission observed, 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.

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<sup>73</sup> 19 U.S.C. § 1675a(a)(4).

<sup>74</sup> 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 sunset reviews, Commerce determined that revocation of the countervailing duty order with respect to heavy castings from Brazil would likely lead to a countervailing duty margin of 1.06 percent. With respect to the antidumping duty order on heavy and light castings from Brazil, it determined likely weighted-average dumping margins of 58.74 for Fundicao Aldebara, Ltda, 16.61 percent for Sociedade de Metalurgia e Processos, Ltda. (SOMEPE), 5.95 percent for Companhia Siderurgica da Guanabera (COSIGUA), and 26.16 percent for all others. With respect to the antidumping duty order on heavy castings from Canada, it determined likely weighted-average dumping margins of 8.60 percent for Bibby Ste. Croix Foundries, Inc., 4.40 percent for LaPerle Foundry, Ltd., 9.80 percent for Mueller Canada, Inc., and 7.50 percent for all others. Regarding the antidumping duty order on heavy and light castings from China, Commerce determined a country-wide likely weighted-average dumping margin of 25.52 percent.

<sup>75</sup> See USITC Pub. 3247 at 23-24.

Accordingly, the Commission concluded that, if the antidumping duty orders were revoked, the subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.<sup>76</sup>

The record does not contain significant new information regarding whether the domestic industry is currently vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders on heavy iron construction castings. As noted above, however, total domestic consumption declined in 2003 compared with total domestic consumption in the first review period, and the domestic producers' share of that total consumption in 2003 declined to its lowest level in any year for which data was obtained in the original investigation and the two review periods.<sup>77</sup>

As described above, we find that the orders have had a restraining effect on the volume and market share of subject imports, and that revocation of the orders would likely lead to a significant increase in the volume of subject imports that would undersell the domestic like product and otherwise significantly suppress or depress U.S. prices.

Within the limits of the data available in these reviews, and with reference in particular to the determinations and data in the original investigation and the first five-year reviews, we also find that the volume and price effects of the subject imports would likely have a significant adverse impact on the industry's production, sales, and revenue levels and 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 orders on subject imports from Brazil, Canada, and China were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

### **C. Revocation of the Antidumping Duty Orders on Light Iron Construction Castings from Brazil and China Would be Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time**

For the reasons stated below, we determine that revocation of the antidumping duty orders on light iron construction castings from Brazil and China would be likely to lead to continuation or recurrence of material injury to the domestic industry producing light iron construction castings within a reasonably foreseeable time.

#### **1. Likely Volume of Subject Light Iron Castings Imports**

We conclude, based on the facts available, that import volume of cumulated subject light iron construction castings is likely to increase significantly and would be significant if the order is revoked. In making this finding, we recognize that the volume of subject imports has been small since the original investigation, both in absolute and relative terms.<sup>78</sup> In a five-year review, however, our focus is on whether subject import volume is likely to be significant within a reasonably foreseeable time if the antidumping duty order is revoked.

In the original determination, the Commission concluded that the domestic industry producing light iron construction castings was threatened with material injury by reason of the subject imports from Brazil, China, and India. Imports of light castings from Brazil increased from zero in 1982 to 1.64

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<sup>76</sup> USITC Pub. 3247 at 23-24.

<sup>77</sup> CR/PR at Table I-9.

<sup>78</sup> CR/PR at Table I-8. The cumulated subject imports were 3.3 million pounds in 1985. In the review periods the imports were \*\*\* pounds in 1998, 258,000 pounds in 1999, 1.4 million pounds in 2000, 2.3 million pounds in 2001, 1.8 million pounds in 2002, 3.4 million pounds in 2003, and 1.6 million pounds in 2004. Subject light casting imports accounted for \*\*\* percent of apparent U.S. consumption in 2003 compared with 3.4 percent in 1985.



million pounds in 1985, and imports of light castings from China increased from 95,000 pounds in 1982 to 1.64 million pounds in 1985.<sup>79</sup> In the first five-year reviews, the Commission noted that there were no imports of the subject merchandise from Brazil and China in 1997 and that imports from China totaled \*\*\* pounds in 1998 while imports from Brazil remained at zero. The Commission observed that, in assessing the likely volume of imports if the orders are revoked, it viewed the recent near-absence from the U.S. market of imports from Brazil and China as reflecting the remedial effects of the antidumping duty orders.<sup>80</sup>

The Commission also noted that, although production and capacity information were not available for China in the original investigation, the available export information showed that China's annual exports of all iron construction castings to all markets, including the United States, ranged between 135 million pounds and 201.6 million pounds between 1981 and 1985. Brazil's exports of all cast-iron products to all markets including the United States ranged from 102 million pounds to 224 million pounds annually between 1981 and 1985. The Commission found that there was no record information in the review indicating any likely limitations on Brazil's and China's resumption of significant export shipments to the United States if the orders were revoked. Accordingly, the Commission found in the first five-year reviews that imports of Brazilian and Chinese light iron construction castings into the United States would be likely to increase significantly in the reasonably foreseeable future if the antidumping duty orders were revoked.<sup>81</sup>

The cumulated subject imports were 3.3 million pounds in 1985, at the end of the original period of investigation. After the orders were in place, the imports were \*\*\* pounds in 1998, 258,000 pounds in 1999, 1.4 million pounds in 2000, 2.3 million pounds in 2001, 1.8 million pounds in 2002, 3.4 million pounds in 2003, and 1.6 million pounds in 2004. Subject light casting imports accounted for \*\*\* percent of apparent U.S. consumption in 2003 compared with 3.4 percent in 1985, even though the 2003 volume was larger in absolute terms than in 1985.<sup>82</sup> These low volumes continue to reflect the remedial effects of the orders.

There is no new information on the record in these reviews with respect to light iron construction casting production capacity in China or Brazil because Chinese and Brazilian producers did not respond to the Commission's requests for data. Based on the available information in this review, including the determinations in the original investigations and the first five-year reviews, we conclude that the producers in Brazil and China are significantly export oriented and have ample production capacity to increase their shipments to the United States if the orders were revoked. The record does not indicate that there would be any limitations on Brazil's or China's resumption of significant export shipments to the United States if the orders were revoked. To the contrary, the broad fluctuations in the volume of subject imports under the restraining effects of the orders, including a 2003 increase above the prior record volume in 1985,<sup>83</sup> serves to confirm that the subject producers are able quickly to increase their exports to the United States. Accordingly, we find that the likely volume of the cumulated imports of the subject merchandise, both in absolute terms and relative to production and consumption in the United States, would be significant absent the restraining effect of the antidumping duty orders.

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<sup>79</sup> See USITC Pub. 3247 at 18.

<sup>80</sup> USITC Pub. 3247 at 18.

<sup>81</sup> USITC Pub. 3247 at 18-19.

<sup>82</sup> CR/PR at Table I-8.

<sup>83</sup> See CR/PR at Table I-8.

## 2. Likely Price Effects of Subject Light Iron Castings Imports

In the original determinations, the Commission found that the available pricing data for one Brazilian light castings product demonstrated margins of underselling in excess of 10 percent throughout 1985. Light castings from China undersold the domestic product in each quarter from 1983 to 1985, in most periods by margins of approximately 30 percent. The Commission found that the domestic like product and the subject imported light castings are essentially fungible.<sup>84</sup>

In the first five-year reviews the Commission noted that there were no current price data on imports from Brazil and China and that prices for U.S. light castings generally declined over 1997 and 1998. The Commission explained that purchasers consider price to be one of the most important factors in purchasing decisions and noted the Commission's finding in the original determinations regarding the fungibility of the domestic like product and the subject imports. Thus, the Commission found it likely that Brazilian and Chinese producers would offer low prices to U.S. purchasers in order to regain market share if the antidumping duty orders were revoked.

Accordingly, the Commission found that the likely volume of imports from Brazil and China resulting from revocation of the antidumping duty orders would be likely to have a significant effect on domestic prices for light iron construction castings, and concluded that the Brazilian and Chinese subject merchandise is likely to enter the United States at prices that would significantly undersell domestic castings and have a significant depressing or suppressing effect on prices for the domestic like product.<sup>85</sup>

There is no new product-specific pricing information on the record in these reviews. Data on average unit values for subject imports and the domestic like product, however, show that the average unit values of the cumulated subject light castings imports was below the average unit value for the domestic like product in 2003, the only year since the first five-year reviews for which average unit value comparison data is available.<sup>86</sup>

As noted above, we again find that producers in Brazil and China are likely to significantly increase exports to the United States in the reasonably foreseeable future if the antidumping duty orders are revoked. In the absence of any evidence of the contrary, we also find that, subject imports would likely undersell the domestic like product if the orders were revoked and would be likely to have significant depressing and suppressing effects on prices of the domestic like product. Accordingly, we find that the likely volume of imports from Brazil and China resulting from revocation of the antidumping duty orders would be likely to have significant adverse price effects on domestic prices for light iron construction castings.

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<sup>84</sup> See USITC Pub. 3247 at 19.

<sup>85</sup> USITC Pub. 3247 at 19.

<sup>86</sup> CR/PR at Tables I-5, I-8 (AUVs in 2003 were \$0.29 per pound for subject imports and \$\*\*\* per pound for domestic like product). We recognize that comparison of average unit values is normally of limited or no significance where, as here, there are likely differences in product mix between the subject imports and the domestic like product. While these AUV data are consistent with prior underselling findings, we base our price effects analysis here on the prior findings rather than these AUVs.

### 3. Likely Impact of Subject Light Iron Castings Imports<sup>87</sup>

In concluding in the original determinations that the domestic industry producing light construction castings was threatened with material injury by reason of subject imports from Brazil and China, the Commission found that the domestic industry producing light construction castings was beginning to experience difficulties and was vulnerable to material injury from imports, particularly in terms of declining income toward the end of the period and flat or decreasing prices for the domestic product.<sup>88</sup>

In the first five-year reviews, the Commission found that the domestic industry producing light iron construction castings was vulnerable to material injury if the orders were revoked. It based that finding primarily upon the operating loss experienced by the domestic industry of \*\*\* in 1997 and \*\*\* in 1998.

The Commission stated that, given the generally substitutable nature of the subject imports and the domestic like product, the significant volume of low-priced subject imports, when combined with the expected adverse price effects of these imports, would have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability and employment levels as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, the Commission concluded that, if the antidumping duty orders were revoked, the subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.<sup>89</sup>

We find that the limited information available in these reviews does not provide a basis for departing from the Commission's prior findings that the domestic industry producing light iron construction castings is vulnerable to material injury if the orders were revoked. We note that the industry's share of apparent U.S. consumption in 2003 was only \*\*\* percent, \*\*\*.<sup>90</sup> Although the domestic producers' market share has been lost largely to nonsubject rather than to subject imports,<sup>91</sup> we find that the loss of market share indicates that the industry may be more vulnerable now than previously. Accordingly, we again find that the industry is vulnerable to material injury if the orders were revoked. We also find, as explained above, that revocation of the orders on light iron construction castings would likely lead to a significant increase in the volume of subject imports that would undersell the domestic like product and otherwise significantly suppress or depress U.S. prices. We also find that the volume and price effects of the subject imports would likely have a significant adverse impact on the industry's production, sales, and revenue levels and 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 orders on subject imports from Brazil and China were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

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<sup>87</sup> In the final results of its expedited sunset reviews, Commerce determined that revocation of the antidumping duty order with respect to heavy and light castings from Brazil would likely lead to weighted-average dumping margins of 58.74 for Fundicao Aldebara, Ltda, 16.61 percent for Sociedade de Metalurgia e Processos, Ltda. (SOMEPE), 5.95 percent for Companhia Siderurgica da Guanabera (COSIGUA), and 26.16 percent for all others. With respect to the antidumping duty order on heavy and light castings from China, it determined a country-wide likely weighted-average dumping margin of 25.52 percent.

<sup>88</sup> See USITC Pub. 3247 at 20.

<sup>89</sup> USITC Pub. 3247 at 19-20.

<sup>90</sup> CR/PR at Table I-10 (domestic producers' market share was 74.8 percent in 1983, 66.9 percent in 1984, 60.5 percent in 1985, \*\*\* percent in 1997, \*\*\* percent in 1998, and, as noted, \*\*\* percent in 2003).

<sup>91</sup> Id.

## **CONCLUSION**

For the above-stated reasons, we determine that revocation of the antidumping duty orders on heavy iron construction castings from Canada, Brazil, and China, and the countervailing duty order covering heavy iron construction castings from Brazil, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We further determine that revocation of the antidumping duty orders on light iron construction castings from Brazil and China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

# INFORMATION OBTAINED IN THE SECOND REVIEWS

## INTRODUCTION

### Background

On October 1, 2004, the U.S. International Trade Commission (“Commission”) gave notice that it had instituted second five-year reviews to determine whether revocation of the countervailing duty order on heavy iron construction castings from Brazil, the antidumping duty order on heavy iron construction castings from Canada, and/or the antidumping duty orders on iron construction castings (both heavy and light) from Brazil and China would be likely to lead to continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to the notice by submitting information requested by the Commission. The Commission received only one submission in response to its notice, from domestic interested parties.<sup>3</sup> On January 4, 2005, the Commission determined that the domestic interested party group response to its notice of institution was adequate; the Commission also determined that the respondent interested party group responses were inadequate (in fact, nonexistent).<sup>4</sup> In the absence of adequate respondent interested party group responses, the Commission determined to conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(3)).<sup>5</sup> The Commission voted on these reviews on May 24, 2005, and notified the U.S. Department of Commerce (“Commerce”) of its determinations on June 7, 2005. Information relating to the background of the reviews is presented in table I-1.

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<sup>2</sup> 69 FR 58952. Copies of selected *Federal Register* notices are presented in app. A.

<sup>3</sup> The response was filed on November 22, 2004, on behalf of domestic interested parties Deeter Foundry, Inc. (“Deeter”); East Jordan Iron Works, Inc. (“East Jordan”); LeBaron Foundry, Inc. (“LeBaron”); Municipal Castings, Inc. (“Municipal Castings”); Neenah Foundry Co. (“Neenah”); Tyler Pipe Co. (“Tyler Pipe”); and U.S. Foundry & Manufacturing Co. (“U.S. Foundry”). In 2003, those firms reportedly accounted for approximately \*\*\* percent of U.S. production of heavy iron construction castings and for approximately \*\*\* percent of U.S. production of light iron construction castings (Domestic Interested Parties’ November 22, 2004, Response to the Notice of Institution (“Domestic Interested Parties’ Response”), p. 18). Tyler Pipe, a producer of light iron construction castings, is not an interested party in connection with the countervailing duty review on heavy iron construction castings from Brazil and the antidumping review on heavy iron construction castings from Canada (Domestic Interested Parties’ Response, pp. 4-5).

<sup>4</sup> A copy of the *Explanation of Commission Determination on Adequacy* is presented in app. B.

<sup>5</sup> Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissenting. Vice Chairman Okun and Commissioner Pearson concluded that the domestic group response was adequate and the respondent group response was inadequate, but that circumstances warranted a full review.

**Table I-1**  
**Iron construction castings: Chronology of investigation Nos. 701-TA-249 and 731-TA-262, 263, and 265 (Second Review)**

Effective date	Action
October 1, 2004	Commission institutes second five-year reviews (69 FR 58952)
October 1, 2004	Commerce initiates second five-year reviews (69 FR 58890)
January 4, 2005	Commission votes to conduct expedited second five-year reviews
January 11, 2005	Commission issues scheduling notice for second five-year reviews (70 FR 7967, February 16, 2005)
May 10, 2005	Commerce issues determinations of final results of second five-year reviews (70 FR 24511 and 70 FR 24529)
May 24, 2005	Date of the Commission's votes
June 7, 2005	Date of Commission's transmittal of determinations and views to Commerce
Source: Cited <i>Federal Register</i> notices and the Commission's approved schedule for the reviews.	

### **The Original Investigations and the First Five-Year Reviews**

The original investigations resulted from petitions filed on behalf of the Municipal Castings Fair Trade Council, a trade association representing 15 domestic producers of iron construction castings, on May 13, 1985, alleging that an industry in the United States was materially injured and threatened with further material injury by reason of imports from Brazil of certain iron construction castings that were allegedly being subsidized by the Government of Brazil, and by reason of imports of such castings from Brazil, Canada, China, and India that were allegedly being sold in the United States at less than fair value ("LTFV").<sup>6</sup> In February 1986, the Commission determined that an industry in the United States was materially injured by reason of imports from Canada of heavy iron construction castings that Commerce found to be sold at LTFV, and that an industry in the United States was threatened with material injury by reason of imports from Canada of light iron construction castings that Commerce found to be sold at LTFV.<sup>7</sup> In April 1986, the Commission determined that an industry in the United States was materially injured by reason of imports of heavy iron construction castings from Brazil that were being subsidized by the Government of Brazil, that an industry in the United States was materially injured by reason of imports from Brazil, China, and India of heavy iron construction castings that were being sold at LTFV, and that an industry in the United States was threatened with material injury by reason of imports from Brazil, China, and India of light iron construction castings that were being sold at LTFV.<sup>8</sup> Commerce

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<sup>6</sup> On July 3, 1985, the Commission made affirmative preliminary determinations on all countries except for a negative determination on light iron construction castings from Brazil that were alleged to be subsidized.

<sup>7</sup> *Iron Construction Castings from Canada: Inv. No. 731-TA-263 (Final)*, USITC Publication 1811, February 1986, p. 1. The Commission found two like products (heavy and light iron construction castings) and two domestic industries: (1) an industry producing heavy iron construction castings and (2) an industry producing light iron construction castings. *Ibid.*, p. 4.

<sup>8</sup> *Iron Construction Castings from Brazil, India and the People's Republic of China, Invs. Nos. 701-TA-249 (Final) and 731-TA-262, 264, and 265 (Final)*, USITC Publication 1838, April 1986, p. 1. The Commission found two like products (heavy and light iron construction castings) and two domestic industries: (1) an industry producing heavy iron construction castings and (2) an industry producing light iron construction castings. *Ibid.*, pp. 5-6.

issued a countervailing duty order on imports of heavy iron construction castings from Brazil on May 15, 1986,<sup>9</sup> and antidumping duty orders on imports of heavy and light iron construction castings from Brazil,<sup>10</sup> Canada,<sup>11</sup> China,<sup>12</sup> and India<sup>13</sup> in March and May of 1986.<sup>14</sup>

On November 2, 1998, the Commission gave notice that it had instituted five-year reviews on iron construction castings. On October 20, 1999, the Commission determined that revocation of the countervailing duty order on heavy iron construction castings from Brazil; revocation of the antidumping duty order on heavy iron construction castings from Canada; and revocation of the antidumping duty orders on iron construction castings (both heavy and light) from Brazil and China would be likely to lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>15</sup> A historical chronology of the original investigations and their first reviews is presented in table I-2.

### Related Commission Investigations

On October 8, 1980, the Commission published its determination that an industry in the United States was materially injured by reason of imports of heavy iron construction castings from India that were being subsidized by the Government of India.<sup>16</sup> On October 16, 1980, Commerce issued a countervailing duty order covering the subject merchandise from India.<sup>17</sup> On November 2, 1998, the Commission instituted a five-year review concerning the countervailing duty order on India. On October 29, 1999, the Commission determined that revocation of the countervailing duty order on iron metal castings from India would not be likely to lead to continuation or recurrence of material injury to an

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<sup>9</sup> 51 FR 17786, May 15, 1986. The order imposed a countervailing duty of 3.40 percent *ad valorem* on all entries of heavy castings from Brazil.

<sup>10</sup> 51 FR 17220, May 9, 1986. The order imposed antidumping duties of 58.74 percent *ad valorem* for Fundicao Aldebara Ltda.; 16.61 percent *ad valorem* for Sociedade de Metalurgia E Processos Ltda.; 5.95 percent *ad valorem* for Usina Siderurgica Paraende S.A.; and 26.16 percent *ad valorem* for all other manufacturers, producers, and exporters in Brazil.

<sup>11</sup> 51 FR 7600, March 5, 1986. The order imposed antidumping duties of 9.80 percent *ad valorem* for Mueller Canada, Inc.; 8.60 percent *ad valorem* for Bibby Ste. Croix Foundries, Inc.; 3.90 percent *ad valorem* for LaPerle Foundry, Ltd.; and 7.0 percent *ad valorem* for all other manufacturers, producers, and exporters in Canada.

<sup>12</sup> 51 FR 17222, May 9, 1986. The order imposed an antidumping duty of 11.66 percent *ad valorem* on all manufacturers, producers, and exporters in China.

<sup>13</sup> 51 FR 17221, May 9, 1986. The order imposed an antidumping duty of 0.90 percent for Serampore and all other manufacturers, producers, and exporters in India except for Kejwiral (*de minimis*, excluded from the order) and Kajiria (*de minimis*, excluded from the order).

<sup>14</sup> On February 6, 1991, Commerce revoked the antidumping duty order on heavy and light iron construction castings from India following its decision on remand (56 FR 4789, February 6, 1991). On September 17, 1998, Commerce revoked in part the antidumping duty order on heavy and light iron construction castings from Canada by eliminating light castings from the order (63 FR 49687, September 17, 1998).

<sup>15</sup> *Iron Metal Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China: Invs. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review)*, USITC Publication 3247, October 1999, p. 1.

<sup>16</sup> *Certain Iron-Metal Castings from India, Inv. No. 303-TA-13 (Final)*, USITC Publication 1098, September 1980.

<sup>17</sup> 45 FR 68650, October 16, 1980.

**Table I-2****Iron construction castings: Selected historical actions taken by the Commission and Commerce prior to the current reviews**

Effective date	Action
<b>Investigation No. 701-TA-249 (Final) (Brazil):</b>	
May 7, 1986	Commission issues affirmative determination (51 FR 16906)
May 15, 1986	Commerce issues countervailing duty order (51 FR 17786)
<b>Investigation No. 701-TA-249 (Review) (Brazil):</b>	
November 2, 1998	Commission institutes review (63 FR 58758)
November 2, 1998	Commerce initiates review (63 FR 58709)
February 24, 1999	Commission determines to conduct full review (64 FR 9176)
October 25, 1999	Commission issues affirmative determination (64 FR 58442)
November 12, 1999	Commerce issues continuation of countervailing duty order (64 FR 61591)
<b>Investigations Nos. 731-TA-262, 263, and 265 (Final) (Brazil, Canada, and China):</b>	
March 5, 1986 and May 7, 1986	Commission issues affirmative determinations (51 FR 7646 and 51 FR 16906)
March 5 and May 9, 1986	Commerce issues antidumping duty orders (51 FR 7600, 51 FR 17220, 51 FR 17222)
<b>Investigations Nos. 731-TA-262, 263, and 265 (Review) (Brazil, Canada, and China):</b>	
November 2, 1998	Commission institutes reviews (63 FR 58758)
November 2, 1998	Commerce initiates reviews (63 FR 58709)
February 24, 1999	Commission determines to conduct full reviews (64 FR 9176)
October 25, 1999	Commission issues affirmative determinations (64 FR 58442)
November 12, 1999	Commerce issues continuation of antidumping duty orders (64 FR 61590)
Source: Cited <i>Federal Register</i> notices.	

industry in the United States within a reasonably foreseeable time,<sup>18</sup> and Commerce revoked the countervailing duty order effective January 1, 2000.<sup>19</sup>

On December 18, 1980, the Commission made an affirmative preliminary determination concerning imports of certain iron construction castings from India that were alleged to be sold at LTFV. Commerce subsequently issued a negative determination as to the existence of LTFV sales, and the Commission's investigation was terminated.<sup>20</sup>

<sup>18</sup> 64 FR 58442, October 29, 1999; determination upheld in *Neenah Foundry Co. v. United States*, 25 CIT 766, 155 F. Supp. 2d 766 (2001).

<sup>19</sup> 64 FR 61602, November 12, 1999.

<sup>20</sup> 46 FR 39871, August 5, 1981.



On January 19, 1984, the Commission instituted investigation No. 332-176, *Competitive Assessment of the U.S. Foundry Industry*.<sup>21</sup> Part III of the investigation dealt with iron construction castings. On December 2, 1985, the Commission instituted investigation No. TA-201-58, *Certain Metal Castings*, and at the end of its investigation made a negative determination.<sup>22</sup> The iron construction castings included in the current reviews were also included in *Certain Metal Castings*.

In addition to the investigations that resulted in issuance of orders, the Commission also conducted a countervailing duty investigation of light iron construction castings from Brazil. In August 1987, the Commission terminated the countervailing duty investigation of light iron construction castings from Brazil in response to petitioners' withdrawal of the petition.<sup>23</sup> The termination followed an affirmative preliminary determination<sup>24</sup> on remand from a decision of the Court of International Trade holding that the statute required those allegedly subsidized imports from Brazil to be cumulated with allegedly less-than-fair-value imports of light iron construction castings from Brazil and other countries.<sup>25</sup>

### COMMERCE'S ADMINISTRATIVE REVIEWS

Commerce has conducted numerous administrative reviews of the antidumping duty orders on iron construction castings from Canada, Brazil, and China as shown in the following tabulation:<sup>26</sup>

Period of review	Date results published	Margin (percent)
March 1, 1987 - February 29, 1988	January 5, 1990 (55 FR 460)	Bibby Ste.-Croix Foundries <sup>27</sup> .....4.64
October 21, 1985 - April 30, 1987 October 21, 1985 - April 30, 1988	June 27, 1990 (55 FR 26238)	Industria Viana, Ltd. 10/21/85 - 4/30/87.....25.50 COSIGUA 10/21/85 - 4/30/87.....15.30 05/01/87 - 4/30/88.....8.46
May 1, 1988 - April 30, 1989	October 25, 1990 (55 FR 43019)	COSIGUA.....58.74
May 1, 1987 - April 30, 1988 May 1, 1988 - April 30, 1989	January 24, 1991 (56 FR 2742)	China (all exporters) 05/01/87- 04/30/88.....24.21 05/01/88 - 4/30/89.....45.92
October 28, 1985 - February 28, 1987	May 21, 1991 (56 FR 23274)	Founderie Grand'Mere.....1.37 Founderie Laroche.....1.38 LaPerle Foundry.....3.16 Mueller Canada.....7.21

Tabulation continued on next page.

<sup>21</sup> *Competitive Assessment of the U.S. Foundry Industry*, Inv. No. 332-176, USITC Publication 1582, September 1984.

<sup>22</sup> *Certain Metal Castings*, Inv. No. TA-201-58, USITC Publication 1849, June 1986.

<sup>23</sup> 52 FR 29902, August 12, 1987.

<sup>24</sup> 51 FR 12217, April 9, 1986.

<sup>25</sup> Bingham & Taylor, Division, Virginia Industries, Inc. v. United States, 10 CIT 67, 627 F. Supp. 793 (1986), aff'd 815 F. 2d 1482 (Fed. Cir. 1987).

<sup>26</sup> The tabulation includes only those Administrative Reviews for which final results were determined.

<sup>27</sup> Names of firms are presented as published in *Federal Register* notices.

Period of review	Date results published	Margin (percent)
May 1, 1989 - April 30, 1990	March 27, 1992 (57 FR 10644)	Guangdong Metal & Minerals Import and Export Corporation . . . . . 92.74 All others . . . . . 92.74
May 1, 1990 - April 30, 1991	June 8, 1992 (57 FR 24245)	Guangdong Metal & Minerals Import and Export Corporation . . . . . 92.74 All others . . . . . 92.74
March 1, 1992 - February 28, 1993	May 17, 1994 (59 FR 25603)	Associated Foundry Ltd. . . . . 9.80 Bibby Foundry Ltd. . . . . 9.80 Bibby Waterworks Inc. . . . . 9.80 Dobney Foundry Ltd. . . . . 9.80 Bibby St. Croix (to include Bibby Ste-Croix Foundries, Inc. and Bibby Ste-Croix Division). . . . . 9.80 LaPerle Foundry, Inc. . . . . 9.80 McCoy Foundry Company. . . . . 7.50 Penticton Foundry Ltd. . . . . 9.80 Titan Foundry Ltd. . . . . 9.80 Titan Supply Ltd. . . . . 9.80 Trojan Industries Inc. . . . . 9.80
May 1, 1993 - April 30, 1994	October 2, 1995 (60 FR 51454)	MACHIMPEX, Liaoning . . . . . 92.74
March 1, 1999 - February 29, 2000	April 12, 2002 (66 FR 18900)	Canada Pipe, Ltd. . . . . 3.89
March 1, 2000 - February 28, 2001	August 16, 2002 (67 FR 53564)	Canada Pipe, Ltd. . . . . 1.43
May 1, 1987 - April 30, 1988 May 1, 1988 - April 30, 1989 May 1, 1989 - April 30, 1990	September 9, 2002 (67 FR 57211)	PRC-wide Rate <sup>28</sup> 05/01/87-04/30/88 . . . . . 12.50 PRC-wide Rate 05/01/88-04/30/89 . . . . . 28.77 Guangdong Metals & Minerals Import & Export Corporation 05/01/89-04/30/90 . . . . . 22.50 PRC-wide Rate 05/01/89-04/30/90 . . . . . 28.77

**COMMERCE’S FINAL RESULTS OF EXPEDITED SUNSET REVIEWS**

Commerce conducted expedited reviews with respect to the countervailing duty order on heavy iron construction castings from Brazil, the antidumping duty order on heavy iron construction castings from Canada, and the antidumping duty orders on iron construction castings (both heavy and light) from Brazil and China. The final results of these reviews were issued on May 10, 2005.<sup>29</sup> Commerce determined that revocation of the countervailing duty order on heavy iron construction castings from Brazil would likely lead to continuation or recurrence of countervailable subsidies at a country-wide weighted average margin of 1.06 percent, and that revocation of the antidumping duty order on heavy and light iron construction castings from Brazil would likely lead to continuation or recurrence of dumping at weighted average margins of 58.74 percent for Fundicao Aldebara, Ltda., 16.61 percent for Sociedade de

<sup>28</sup> The Court of International Trade determined that China National Machinery Import and Export Corporation (MACHIMPEX Lianong) was not within the scope of review for 1987-1988, 1988-1989, and 1989-1990. Duties for Overseas Trade Corporation (“Overseas”) imports from MACHIMPEX Lianong were assessed at the 11.66 percent deposit rate that Overseas paid upon importation, rather than at the PRC-wide rate.

<sup>29</sup> Copies of Commerce’s notices are presented in app. A.

Metalurgia E Processos, Ltda., 5.95 percent for Companhia Siderurgica da Guanabara (“COSIGUA”), and 26.16 percent for all others. Commerce also determined that revocation of the antidumping duty order on heavy iron construction castings from Canada would likely lead to continuation or recurrence of dumping at weighted average margins of 8.60 percent for Bibby Ste. Croix Foundries, Inc., 4.40 percent for LaPerle Foundry, Ltd., 9.80 percent for Mueller Canada, Inc., and 7.50 percent for all others; and that revocation of the antidumping duty order on heavy and light iron construction castings from China would likely lead to continuation or recurrence of dumping at a country-wide weighted average margin of 25.52 percent.

**DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY  
OFFSET FUNDS TO AFFECTED DOMESTIC PRODUCERS**

Qualified U.S. producers of iron construction castings have been able to receive disbursements from U.S. Customs and Border Protection (“Customs”) under the Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”), also known as the Byrd Amendment.<sup>30</sup> Table 1-3 presents CDSOA disbursements for Federal fiscal years 2002-04.

**Table I-3**  
**Iron construction castings: CDSOA disbursements, by firms, Federal fiscal years 2002-04**

Item	2002	2003	2004
<i>Dollars (actual)</i>			
Amounts disbursed: <sup>1</sup>			
Alhambra Foundry	3,051	65,925	9,562
Allegheny	1,084	23,500	3,436
East Jordan	36,133	830,787	130,643
LeBaron	6,529	146,587	23,565
Municipal Castings	1,092	24,808	3,711
Neenah	36,698	999,264	156,170
Tyler Pipe	1,233	34,949	7,931
U.S. Foundry	5,380	121,996	18,614
Total	91,201	2,247,817	353,632
Amount in clearing account <sup>2</sup>	1,693,490	548,158	571,705
<sup>1</sup> As presented in Section I of Customs' <i>Annual Reports</i> . <sup>2</sup> Amount of antidumping duty cash deposits and bonds on all unliquidated entries subject to antidumping duties as of October 1, as presented in Section III of Custom's <i>Annual Reports</i> .			
Source: Customs' CDSOA <i>Annual Reports</i> . Retrieved at <a href="http://www.cbp.gov/xp/cgov/import/add_cvd/">www.cbp.gov/xp/cgov/import/add_cvd/</a> .			

<sup>30</sup> 19 U.S.C. § 1675c, 19 C.F.R. 159.64(g).

## THE PRODUCT

### Scope

The merchandise covered by these reviews is heavy and light iron construction castings, classified in Harmonized Tariff Schedule of the United States (“HTS”) subheading 7325.10.00.<sup>31</sup> This merchandise enters free of duty under column 1-general, regardless of subject country of origin. The specific product definitions for each of the subject countries vary somewhat. Presented below are Commerce’s definitions applicable to the various countries and orders, according to the most recent *Federal Register* notices.

#### Heavy Iron Construction Castings from Brazil

The imported products subject to the countervailing duty order on heavy iron construction castings from Brazil have been defined by Commerce as:

“ . . . certain heavy iron construction castings from Brazil. This merchandise is defined as manhole covers, rings and frames; catch basin grates and frames; and cleanout covers and frames. The DGO700 frame and the DG0641 grate from Southland Marketing are outside the scope of the order.”<sup>32</sup>

#### Heavy Iron Construction Castings from Canada

The imported products subject to the antidumping duty order on heavy iron construction castings from Canada have been defined by Commerce as:

“...certain iron construction castings. Heavy castings are limited to manhole covers, rings, and frames, catch basins, grates and frames, cleanout covers and frames used for drainage or access purposes for public utility, water and sanitary systems . . . These articles must be of cast iron, not alloyed, and not malleable.”<sup>33</sup>

#### Heavy and Light Iron Construction Castings from Brazil

The imported products subject to the antidumping duty order on heavy and light iron construction castings from Brazil have been defined by Commerce as:

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<sup>31</sup> Effective July 1, 1999, under changes approved by the Committee for Statistical Annotation of the Tariff Schedules, heavy and light castings have been reported under the following statistical reporting numbers (set forth with explanatory descriptors):

- 7325.10.0010 - Manhole covers, rings and frames {heavy}
- 7325.10.0020 - Catch basins, grates and frames {heavy}
- 7325.10.0025 - Cleanout covers and frames {heavy}
- 7325.10.0030 - Valve and service boxes {light}
- 7325.10.0035 - Meter boxes {light}
- 7325.10.0080 - Other

Prior to 1999, iron construction castings were reported under statistical reporting number 7325.10.0010, manhole covers, rings and frames, and 7325.10.0050, other.

<sup>32</sup> 64 FR 30313, June 7, 1999.

<sup>33</sup> *Ibid.*

“...certain iron construction castings. Heavy castings are limited to manhole covers, rings, and frames, catch basins, grates and frames, and cleanout covers and frames used for drainage or access purposes for public utility, water and sanitary systems. Light castings are limited to valve, service, and meter boxes which are placed below ground to encase water, gas, or other valves, or water or gas meters. These articles must be of cast iron, not alloyed, and not malleable . . . On April 28, 1995, the Department determined, in response to a request from Southland Marketing, Inc., that the Polycast 700 Series frame, part number DG0700, and grate, part number DG0641, are not within the scope of the antidumping duty order on iron construction castings from Brazil (see Notice of Scope Rulings, 60 FR 36782, (July 18, 1995)).”<sup>34</sup>

### **Heavy and Light Iron Construction Castings from China**

The imported products subject to the antidumping duty order on heavy and light iron construction castings from China have been defined by Commerce as:

“...certain iron construction castings. Heavy castings are limited to manhole covers, rings, and frames, catch basins, grates and frames, cleanout covers and frames used for drainage or access purposes for public utility, water and sanitary systems. Light castings are limited to valve, service, and meter boxes which are placed below ground to encase water, gas, or other valves, or water or gas meters. These articles must be of cast iron, not alloyed, and not malleable . . . In response to a request from Jack’s International Trading Associates, Ltd., on August 28, 1995, the Department determined that certain cast iron, floor area drains are outside the scope of the order. See Notice of Scope Rulings, 60 FR 54213 (October 20, 1995). Further, in response to a request from The Metraflex Company, on August 13, 1997, the Department determined that “Y” pipe strainers are outside the scope of the of the order (see Notice of Scope Rulings, 62 FR 62288 (November 21, 1997)).”<sup>35</sup>

### **Description**

The heavy iron construction castings covered by these reviews consist of manhole covers, rings, and frames;<sup>36</sup> catch basin grates and frames; and cleanout covers and frames. The light iron construction castings covered by these reviews consist of valve, service, and meter boxes. These articles are cast from either gray iron (containing flakes of graphite), which provides excellent machinability, good wear resistance, and high vibration absorption, but has lower elasticity, or are cast from ductile iron (containing high carbon and silicon content), having a high modulus of elasticity and high strength to permit heavier loads with less deflection. Heavy iron construction castings usually have walls of 1 inch (25.4 mm) or greater thickness, and light iron construction castings typically have 1/4-inch (6.4 mm) thick walls.

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<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> A “ring” refers to a manhole cover frame that is circular in dimension. A “frame” in this definition is typically noncircular in dimension.

## Uses

### Heavy Iron Construction Castings

Heavy construction castings are used for drainage or access purposes by utilities and municipalities in storm drainage, water transportation and water treatment, sanitary systems, natural gas transmission, and highway systems, and are typically installed by general contractors, or more rarely by municipal work crews. Manhole sets, consisting of a cover and a frame, and sometimes accessory parts such as rings, constitute the bulk of both domestic production and imports of heavy construction castings. Heavy castings generally range in weight from 270 to 1,000 pounds (123 to 454 kg) and are produced by the sand cast method. High-performance construction castings, such as those used in airport runways, are increasingly being made of ductile iron, a stronger and more expensive material than gray iron.

Although the basic configurations of the heavy construction castings included in these reviews vary little, there are many models of each of these products. Individual models are distinguished by their dimensions, markings, vents, pick holes, and other characteristics. Some differences in the models result from the differing weather and wear problems characteristic of the different regions in which they are used. For example, castings in the Northwest are designed to handle heavy rain runoff, whereas those sold in the Southwest are designed to prevent clogging with sand.

Other differences result from the preferences of the individual municipalities and utilities that are the end users of these products. Domestic foundries, by virtue of their proximity to the end users and construction supply distributors, require relatively short lead times and can fill most orders for less popular or customized models without maintaining inventories of such items. Importers, with their longer lead times, generally handle only the faster-moving, more standardized models because of the resulting inventory carrying costs incurred in supplying a complete range of products. Thus, while domestic producers may typically handle 4,000 to 5,000 items, importers may carry only 150 to 200.

### Light Iron Construction Castings

Light construction castings consist of valve, service, and meter boxes. These products are used by utilities and municipalities to encase the underground valves and meters of water, gas, or other utilities, and to provide access to this equipment for periodic adjustment or readings. Light castings are also manufactured in sets, usually containing three pieces -- a base, a top, and a cover with lettering and/or a pattern. Light castings generally range in weight from 10 to 120 pounds (4.5 to 55 kg) and are produced in the United States by sand cast, shell mold, or permanent mold processes. Such castings are manufactured in a range of dimensions, but are relatively standardized nationwide. Valve, service, and meter boxes must reach below the frost line and consequently the type of boxes used in Northern regions may differ from those used in Southern regions. Light castings are typically made of gray iron, but other materials are increasingly being used. For natural gas applications, the underground sections and, occasionally, the covers of valve, service, and meter boxes, are increasingly made of plastic.

## Production Process

### Heavy Iron Construction Castings

Foundries produce iron castings by pouring molten iron into sand molds, allowing the iron to cool and solidify, and removing ("shaking out") the solidified casting from the mold for finishing and sale. The molten iron is produced from pig or scrap iron, coke, and limestone in cupola furnaces, but can also be made in electric furnaces. The molds into which the iron is poured are produced in several ways. The sand-cast method is used to produce heavy castings and, in some foundries, light castings. In this process,

green sand<sup>37</sup> is packed into metal frames (“flasks”) fitted with wood or metal patterns bearing the external shapes of the finished castings. Each mold consists of two flasks of sand -- the “cope” with the pattern of the casting’s top half and the “drag” with the bottom half. After the sand has been packed firmly, the patterns are removed and the cope and drag are joined such that an internal cavity having the shape of the entire casting is created. Molten iron is poured into this cavity. After a cooling period, the green sand mold is shaken loose from the iron casting. Once completely cooled, the casting is finished, stored, and allowed to rust slightly to protect the casting from further deterioration. The green sand is reprocessed and used for further molds.

### **Light Iron Construction Castings**

Light castings have some inner surfaces that can be formed only with sand “cores” inserted into the cavity before the cope and drag are closed. Molten iron is poured into the mold cavity via a hole (“sprue”) cut through the sand. After the iron cools, the casting is shaken out of the sand on shaker belts, and the sand from the molds and cores is reprocessed for further use. The casting is then particle blasted or ground to remove rough edges and overpourings, and then dip-painted or sold as is.

The shell mold process used by some producers to make light castings is similar to the sand cast method, except that the cores are made of resin-treated sand, which is baked and placed inside a metal mold. The sand-resin mold is designed to burn and separate itself from the iron casting at 1,200 degrees F. Some foundries produce light castings in permanent molds. These molds are made of a metal with a higher melting point than that of the cast gray iron and, instead of being discarded after each pour, are used for up to several thousand pours. However, initial tooling costs for permanent molds are high; therefore, the process is economical only for high-volume, standardized production.

## **THE INDUSTRIES IN THE UNITED STATES**

### **U.S. Producers**

The original 1985 petitions concerning Brazil, Canada, and China were filed by the Municipal Castings Fair Trade Council (“MCFTC”).<sup>38</sup> In the original investigations, the Commission found that, as of 1983, iron construction castings were produced in approximately 40 foundries on a regular basis and in numerous small jobber foundries on an intermittent basis. The Commission found two domestic industries, one producing heavy iron construction castings and the other producing light iron construction castings. In the first full five-year reviews, the Commission again found two domestic industries, consisting of nine producers of heavy iron construction castings and four producers of light iron construction castings (with no overlap in production of the two products).<sup>39</sup>

Domestic interested parties indicated in their response to the Commission’s notice of institution of the current reviews that as of November 2004 there were 12 U.S. producers of iron construction

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<sup>37</sup> Green sand is sand mixed (“mulled”) with a water-base binder, such as bentonite.

<sup>38</sup> At the time of the filing of the original petitions the MCFTC was comprised of the following 15 firms: Alhambra Foundry, Inc. (“Alhambra”); Allegheny Foundry Co. (“Allegheny”); Bingham & Taylor (“Bingham & Taylor”); Campbell Foundry Co. (“Campbell”); Charlotte Pipe & Foundry Co.; Deeter; East Jordan; Le Baron; Municipal Castings; Neenah; Opelika Foundry Co., Inc.; Pinkerton Foundry, Inc.; Tyler Pipe; U.S. Foundry; and Vulcan Foundry, Inc.

<sup>39</sup> In the original investigation and the first review, no party requested the exclusion of any domestic producers from the domestic industry, and the Commission found that appropriate circumstances did not exist to exclude any domestic producers from the domestic industry under the statute’s related party provision.

castings.<sup>40</sup> The domestic interested parties also indicated that the U.S. industry has been characterized by consolidations and closures, plus the addition of one new major producing facility since the first reviews of these investigations in 1998.<sup>41</sup> Consolidations of companies and capacity included Neenah's purchase of Deeter Foundry, Inc. in 2000. \*\*\*.<sup>42</sup> East Jordan began operation of a new foundry for the manufacture of construction castings in Ardmore, OK, in September 2001.<sup>43</sup> In 2003, Neenah undertook a financial restructuring program that included a prepackaged Chapter 11 bankruptcy filing. The firm's production operations continued during and after the restructuring, which was completed in October, 2003.<sup>44</sup>

### **U.S. Capacity, Production, Shipments, and Employment**

Seven producers responded jointly and in a timely manner to the Commission's notice of institution for these subject reviews: Deeter, East Jordan, LeBaron, Municipal Castings, Neenah, Tyler Pipe, and U.S. Foundry. These firms reportedly accounted for an estimated \*\*\* percent of U.S. production of heavy iron construction castings in 2003 and \*\*\* percent of U.S. production of light iron construction castings.<sup>45</sup> Information on the U.S. industry is therefore based on the data from these seven firms. Information on the domestic industry's capacity, production, shipments, and employment during 1983-1985, 1997-1998, and 2003 is presented in table I-4 (heavy castings), table I-5 (light castings), and table I-6 (heavy and light castings combined).

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<sup>40</sup> Ten producers (Alhambra, Campbell, D&L Foundry & Supply, Deeter, East Jordan, LeBaron, Leed, Municipal Castings, Neenah, and U.S. Foundry) produce heavy iron construction castings and four producers (Alhambra, Bingham & Taylor, East Jordan, and Tyler Pipe) produce light iron construction castings; Alhambra and East Jordan produce both heavy and light iron construction castings. Domestic Interested Parties' Response, pp. 15-17.

Tyler Pipe, a producer of light iron construction castings, is a subsidiary of McWane, Inc., a U.S. firm that also owns Bibby Ste. Croix, a Canadian manufacturer of heavy iron construction castings, and Bibby USA, a U.S. importer of subject merchandise. Two domestic producers, Campbell Foundry Co. and D&L Supply, are identified by the domestic interested parties as possible importers of subject merchandise during the review period. Also, U.S. producer Deeter is a wholly owned subsidiary of U.S. producer Neenah Foundry. Domestic interested parties' November 22, 2004, response to Commission's notice of institution, pp. 4-5, 15-16, and Attachment 7; Domestic interested parties' December 1, 2004, response to Commission's request for information, p. 3.

<sup>41</sup> Domestic Interested Parties' Response, p. 21.

<sup>42</sup> Ibid.

<sup>43</sup> Ibid.

<sup>44</sup> "Neenah Financial Restructuring Now Complete," *Foundry Management and Technology*, October 10, 2003.

<sup>45</sup> Domestic Interested Parties' Response, pp. 17-18.



**Table I-4****Heavy iron construction castings: U.S. producers' capacity, production, shipments, and employment, 1983-85, 1997-98, and 2003**

Item	1983	1984	1985	1997	1998	2003 <sup>1</sup>
Capacity (1,000 pounds)	390,782	413,827	458,432	523,626	533,763	(2)
Production (1,000 pounds)	253,174	295,516	313,723	527,194	542,637	446,955
Capacity utilization (percent)	64.8	71.4	68.4	100.7	101.7	(2)
U.S. shipments:						
Quantity (1,000 pounds)	323,000	376,000	407,000	518,062	543,430	448,273
Value (\$1,000)	(2)	(2)	(2)	244,560	259,790	202,445
Unit value (per pound)	(2)	(2)	(2)	\$0.47	\$0.48	\$0.45
Production and related workers	1,166	1,244	1,244	1,613	1,625	(2)
<sup>1</sup> Data for 2003 are for five producers that accounted for approximately *** percent of U.S. production of heavy iron construction castings in that year. <sup>2</sup> Not available.						
Source: Compiled from data presented in the staff reports in the original investigations, the first five-year reviews, and the Domestic Interested Parties' Response in these second five-year reviews.						

**Table I-5****Light iron construction castings: U.S. producers' capacity, production, shipments, and employment, 1983-85, 1997-98, and 2003**

Item	1983	1984	1985	1997	1998	2003 <sup>1</sup>
Capacity (1,000 pounds)	64,726	67,201	70,236	***	***	(2)
Production (1,000 pounds)	46,417	50,911	45,694	***	***	***
Capacity utilization (percent)	71.7	75.8	65.1	***	***	(2)
U.S. shipments:						
Quantity (1,000 pounds)	57,000	61,000	57,000	***	***	***
Value (\$1,000)	(2)	(2)	(2)	***	***	***
Unit value (per pound)	(2)	(2)	(2)	***	***	***
Production and related workers	369	397	342	***	***	(2)
<sup>1</sup> Data for 2003 are for two producers that accounted for approximately *** percent of U.S. production of light iron construction castings in that year. <sup>2</sup> Not available.						
Source: Compiled from data presented in the staff reports in the original investigations, the first five-year reviews, and the Domestic Interested Parties' Response in these second five-year reviews.						

**Table I-6****Iron construction castings (heavy and light): U.S. producers' capacity, production, shipments, and employment, 1983-85, 1997-98, and 2003**

Item	1983	1984	1985	1997	1998	2003 <sup>1</sup>
Capacity (1,000 pounds)	455,508	481,028	528,668	***	***	( <sup>2</sup> )
Production (1,000 pounds)	299,591	346,427	359,417	***	***	***
Capacity utilization (percent)	65.8	72.0	68.0	***	***	( <sup>2</sup> )
U.S. shipments:						
Quantity (1,000 pounds)	380,000	437,000	464,000	***	***	***
Value (\$1,000)	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	***	***	***
Unit value (per pound)	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	***	***	***
Production and related workers	1,535	1,641	1,586	***	***	( <sup>2</sup> )
<sup>1</sup> Data for 2003 are for five producers that accounted for approximately *** percent of U.S. production of heavy iron construction castings in that year, and for two producers that accounted for approximately *** percent of U.S. production of light iron construction castings in that year. <sup>2</sup> Not available.						
Source: Compiled from data presented in the staff reports in the original investigations, the first five-year reviews, and the Domestic Interested Parties' Response in these second five-year reviews.						

**U.S. IMPORTS AND CONSUMPTION****U.S. Imports**

Table I-7 presents information on U.S. imports of heavy iron construction castings from Brazil, Canada, and China, and table I-8 presents information on imports of light iron construction castings from Brazil and China during 1983-85 and 1997-2004.

**Table I-7**  
**Heavy iron construction castings: U.S. imports, 1983-85 and 1997-2004**

Source	1983	1984	1985	1997	1998	1999	2000	2001	2002	2003	2004
<b>Quantity (1,000 pounds)</b>											
Brazil	1,873	11,328	19,508	227	73	263	1,146	607	505	391	1,458
Canada	8,635	14,313	21,004	11,879	10,178	12,924	10,912	12,223	9,921	9,557	12,834
China	10,799	15,123	19,482	518	1,279	2,224	4,217	2,131	1,179	2,285	3,462
Subtotal	21,307	40,764	59,994	12,624	11,530	15,411	16,275	14,961	11,605	12,233	17,754
All other	60,888	99,406	93,792	129,208	128,388	170,063	188,388	146,687	178,246	170,255	186,047
Total	82,195	140,170	153,786	141,832	139,918	185,474	204,663	161,648	189,851	182,488	203,801
<b>Value (1,000 dollars)<sup>1</sup></b>											
Brazil	255	1,473	2,911	67	37	71	261	171	133	156	686
Canada	2,352	3,461	5,128	3,799	3,558	4,740	4,038	4,370	3,714	3,359	5,171
China	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	339	588	858	1,366	752	547	1,136	2,130
Subtotal	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	4,205	4,183	5,669	5,665	5,293	4,394	4,651	7,987
All other	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	29,288	29,704	40,444	43,562	32,954	37,214	38,819	61,134
Total	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	33,493	33,887	46,113	49,227	38,247	41,608	43,470	69,121
<b>Unit value (per pound)</b>											
Brazil	\$0.14	\$0.13	\$0.15	\$0.30	\$0.51	\$0.27	\$0.23	\$0.28	\$0.26	\$0.40	\$0.47
Canada	0.27	0.24	0.24	0.32	0.35	0.37	0.37	0.36	0.37	0.35	0.40
China	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.65	0.46	0.39	0.32	0.35	0.46	0.50	0.62
Subtotal	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.33	0.36	0.37	0.35	0.35	0.38	0.38	0.45
All other	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.23	0.23	0.24	0.23	0.22	0.21	0.23	0.33
Average	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.24	0.24	0.25	0.24	0.24	0.22	0.24	0.34
<sup>1</sup> Landed, duty-paid. <sup>2</sup> Not available. <sup>3</sup> Not applicable.											
Note.—Data for 1983-85 are for U.S. shipments of imports. Data for 1983-85 do not contain imports under former TSUSA item 657.0990, which encompassed some subject heavy iron construction castings and subject and nonsubject light iron construction castings.											
Source: Compiled from data presented in the staff reports in the original investigations, the first five-year reviews, and official Commerce statistics.											

**Table I-8**  
**Light iron construction castings: U.S. imports, 1983-85 and 1997-2004**

Source	1983	1984	1985	1997	1998	1999	2000	2001	2002	2003	2004
<b>Quantity (1,000 pounds)</b>											
Brazil	0	780	1,640	0	0	0	63	409	222	882	661
China	927	1,608	1,644	0	***	258	1,294	1,884	1,556	2,526	940
Subtotal	927	2,388	3,284	0	***	258	1,357	2,293	1,778	3,408	1,601
All other	18,228	27,753	33,933	30,073	***	47,933	99,631	104,063	81,909	83,776	102,241
Total	19,155	30,141	37,217	30,073	***	48,191	100,988	106,356	83,688	87,184	103,842
<b>Value (1,000 dollars)<sup>1</sup></b>											
Brazil	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	0	0	16	126	82	240	246
China	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	***	78	312	711	787	765	440
Subtotal	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	***	78	328	837	869	1,005	686
All other	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	8,866	***	12,433	26,050	26,804	20,221	21,675	35,574
Total	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	8,866	***	12,511	26,378	27,641	21,090	22,680	36,260
<b>Unit value (per pound)</b>											
Brazil	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	\$0.26	\$0.31	\$0.37	\$0.27	\$0.37
China	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	\$***	\$0.30	0.24	0.38	0.51	0.30	0.47
Subtotal	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	\$***	\$0.30	0.24	0.37	0.49	0.29	0.43
All other	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	\$0.29	***	0.26	0.26	0.26	0.25	0.26	0.35
Average	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0.29	***	0.26	0.26	0.26	0.25	0.26	0.35
<sup>1</sup> Landed, duty-paid. <sup>2</sup> Not available. <sup>3</sup> Not applicable.											
Note.—Data for 1983-85 are for U.S. shipments of imports. Data for 1983-85 do not contain imports under former TSUSA item 657.0990, which encompassed some subject heavy iron construction castings and subject and nonsubject light iron construction castings.											
Source: Compiled from data presented in the staff reports in the original investigations, the first five-year reviews, and official Commerce statistics.											

### Apparent U.S. Consumption

Table I-9 presents information on heavy iron construction castings - U.S. shipments of domestic product, U.S. imports from Brazil, Canada, and China, apparent U.S. consumption, and market shares during 1983-85 and 1997-2003. Table I-10 presents information on light iron construction castings - U.S. shipments of domestic product, U.S. imports from Brazil and China, apparent U.S. consumption, and market shares during 1983-85 and 1997-2003. Table I-11 combines this information to present information on heavy and light iron construction castings - U.S. shipments of domestic product, U.S. imports from Brazil, Canada, and China, apparent U.S. consumption, and market shares during 1983-85 and 1997-2003.

**Table I-9**  
**Heavy iron construction castings: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, 1983-85 and 1997-2003**

Item	1983	1984	1985	1997	1998	1999	2000	2001	2002	2003
<b>Quantity (1,000 pounds)</b>										
U.S. producers' domestic shipments	323,000	376,000	407,000	518,062	543,430	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	448,273
U.S. imports <sup>2</sup> from:										
Brazil	1,873	11,328	19,508	227	73	263	1,146	607	505	391
Canada	8,635	14,313	21,004	11,879	10,178	12,924	10,912	12,223	9,921	9,557
China	10,799	15,123	19,482	518	1,279	2,224	4,217	2,131	1,179	2,285
Subtotal	21,307	40,764	59,994	12,624	11,530	15,411	16,275	14,961	11,605	12,233
All other sources	60,888	99,406	93,792	129,208	128,388	170,063	188,388	146,687	178,246	170,255
Total imports	82,195	140,170	153,786	141,832	139,918	185,474	204,663	161,648	189,851	182,488
Apparent U.S. consumption	405,195	516,170	560,786	659,894	683,348	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	630,761
<b>Share of U.S. consumption based on quantity (percent)</b>										
U.S. producers' domestic shipments	79.7	72.8	72.6	78.5	79.5	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	71.1
U.S. imports <sup>2</sup> from:										
Brazil	0.5	2.2	3.5	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.1
Canada	2.1	2.8	3.7	1.8	1.5	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1.5
China	2.7	2.9	3.5	0.1	0.2	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	0.4
Subtotal	5.3	7.9	10.7	1.9	1.7	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1.9
All other sources	15.0	19.3	16.7	19.6	18.8	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	27.0
Total imports	20.3	27.2	27.4	21.5	20.5	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	28.9
<sup>1</sup> Not available. <sup>2</sup> Data for 1983-85 are for U.S. shipments of imports. Data for 1983-85 also do not contain shipments of imports under former TSUSA item 657.0990, which encompassed some subject heavy iron construction castings and subject and nonsubject light iron construction castings. <sup>3</sup> Not applicable. <sup>4</sup> Less than 0.05 percent.										
Note.--Because of rounding, figures may not add to the totals shown.										
Source: Compiled from data presented in the staff reports in the original investigations, the first five-year reviews, the Domestic Interested Parties' Response in these second five-year reviews, and official Commerce statistics.										

**Table I-10**  
**Light iron construction castings: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, 1983-85 and 1997-03**

Item	1983	1984	1985	1997	1998	1999	2000	2001	2002	2003
<b>Quantity (1,000 pounds)</b>										
U.S. producers' domestic shipments	57,000	61,000	57,000	***	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***
U.S. imports <sup>2</sup> from:										
Brazil	0	780	1,640	0	0	0	63	409	222	882
China	927	1,608	1,644	0	***	258	1,294	1,884	1,556	2,526
Subtotal	927	2,388	3,284	0	***	258	1,357	2,293	1,778	3,408
All other sources	18,228	27,753	33,933	30,073	***	47,933	99,631	104,063	81,910	83,776
Total imports	19,155	30,141	37,217	30,073	***	48,191	100,988	106,356	83,688	87,184
Apparent U.S. consumption	76,155	91,141	94,217	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
<b>Share of U.S. consumption based on quantity (percent)</b>										
U.S. producers' domestic shipments	74.8	66.9	60.5	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
U.S. imports <sup>2</sup> from:										
Brazil	( <sup>3</sup> )	0.9	1.7	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
China	1.2	1.8	1.7	( <sup>3</sup> )	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
Subtotal	1.2	2.7	3.4	( <sup>3</sup> )	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
All other sources	23.9	30.5	36.0	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
Total imports	25.2	33.1	39.5	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
<sup>1</sup> Not available. <sup>2</sup> Data for 1983-85 and 1997-98 are for U.S. shipments of imports. Data for 1983-85 also do not contain shipments of imports under former TSUSA item 657.0990, which encompassed some subject heavy iron construction castings and subject and nonsubject light iron construction castings. <sup>3</sup> Not applicable.										
Note.—Due to rounding, figures may not add to the totals shown.										
Source: Compiled from data presented in the staff reports in the original investigations, the first five-year reviews, the Domestic Interested Parties' Response in these second five-year reviews, and official Commerce statistics.										

**Table I-11**  
**Construction castings (heavy and light): U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, 1983-85 and 1997-03**

Item	1983	1984	1985	1997	1998	1999	2000	2001	2002	2003
<b>Quantity (short tons)</b>										
U.S. producers' domestic shipments	380,000	437,000	464,000	***	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***
U.S. imports <sup>2</sup> from:										
Brazil	1,873	12,108	21,148	227	73	263	1,208	1,017	727	1,273
Canada	8,635	14,313	21,004	11,879	10,178	12,924	10,912	12,223	9,921	9,557
China	11,726	16,731	21,126	518	***	2,482	5,511	4,015	2,735	4,811
Subtotal	22,234	43,152	63,278	12,624	***	15,669	17,631	17,255	13,383	15,641
All other sources	79,116	127,159	127,725	159,282	***	217,997	288,020	250,749	260,156	254,032
Total imports	101,350	170,311	191,003	171,905	***	233,665	305,651	268,004	273,539	269,672
Apparent U.S. consumption	481,350	607,311	655,003	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
<b>Share of U.S. consumption based on quantity (percent)</b>										
U.S. producers' domestic shipments	78.9	72.0	70.8	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
U.S. imports <sup>2</sup> from:										
Brazil	0.4	2.0	3.2	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
Canada	1.8	2.4	3.2	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
China	2.4	2.8	3.2	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
Subtotal	4.6	7.2	9.6	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
All other sources	16.4	20.9	19.5	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
Total imports	21.1	28.0	29.2	***	***	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	***
<sup>1</sup> Not available. <sup>2</sup> Data for 1983-85 and 1997-98 are for U.S. shipments of imports. Data for 1983-85 also do not contain shipments of imports under former TSUSA item 657.0990, which encompassed some subject heavy iron construction castings and subject and nonsubject light iron construction castings. <sup>3</sup> Not applicable. <sup>4</sup> Less than 0.05 percent.										
Source: Compiled from data presented in the staff reports in the original investigations, the first five-year reviews, the Domestic Interested Parties' Response in these second five-year reviews, and official Commerce statistics.										

## THE INDUSTRY IN BRAZIL

During the original investigations on Brazil, there were approximately 1,000 foundries in that country, of which some 490 produced iron castings. The 30 largest iron foundries, each producing in excess of 44 million pounds annually, accounted for approximately 50 to 55 percent of iron castings production. Four known producers of heavy iron construction castings exported to the United States in 1984. The production of manhole covers declined from 40 million pounds in 1980 to 20 million pounds in 1983 before rising to 32 million pounds in 1985; the annual capacity to produce manhole covers was about 44 million pounds. The foundry industry in Brazil was characterized as being well-developed, with production of construction castings being automated and probably as technologically efficient as the foundries in the United States and Canada.<sup>46</sup>

In the first reviews on Brazil, no producers of iron construction castings in Brazil responded to the Commission's questionnaires. In their response to the notice of institution, counsel for U.S. producers listed 79 producers of heavy and/or light iron construction castings in Brazil and estimated that Brazil had an aggregate production capacity of 449.5 million pounds.<sup>47</sup>

In the current reviews, domestic interested parties identified 96 producers/exporters of iron construction castings in Brazil. They mentioned that Brazil produces construction castings primarily for export and alleged that it has the ability to greatly increase the capacities of its labor-intensive facilities in response to changes in demand and is well-positioned to once again sell unfairly in the United States, the world's largest market for construction castings, should the countervailing and antidumping duty orders on Brazil be revoked.<sup>48</sup>

## THE INDUSTRY IN CANADA

During the original investigation on Canada, there were approximately 120 iron foundries in that country, with total production capacity estimated to be 3 billion pounds. Canadian iron foundry shipments decreased from 2.4 billion pounds in 1979 to 1.2 billion pounds in 1982, but then rose to 1.9 billion pounds in 1984. Production of heavy castings rose from \*\*\* million pounds in 1982 to \*\*\* million pounds in 1984, while production of light castings increased from \*\*\* million pounds to \*\*\* million pounds during the same period. Exports to the United States in 1984 of heavy castings were \*\*\* million pounds and of light castings were \*\*\* million pounds; exports to other countries were negligible.<sup>49</sup>

In the first review on Canada, counsel for U.S. producers listed 13 producers of heavy iron construction castings in Canada. One Canadian producer (\*\*\*), accounting for about \*\*\* percent of U.S. imports of heavy iron construction castings from Canada in 1998, responded to the Commission's questionnaire. Its production in 1998 was \*\*\* million pounds.<sup>50</sup>

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<sup>46</sup> *Iron Construction Castings from Brazil, India, and the People's Republic of China*, Investigations Nos. 701-TA-249 (Final) and 731-TA-262, 264, and 265 (Final), USITC Publication 1838, April 1986, pp. A-34 to A-35.

<sup>47</sup> *Iron Metal Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China*, Investigations Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review), USITC Publication 1811, October 1999, pp. IV-8-IV-9.

<sup>48</sup> Domestic Interested Parties' Response, pp. 21-22 and attachment 1.

<sup>49</sup> *Iron Construction Castings from Canada*, Investigation No. 731-TA-263 (Final), USITC Publication 1811, February 1986, pp. A-31 to A-33, and from the corresponding business proprietary version of the report, memorandum INV-J-019, February 4, 1986.

<sup>50</sup> *Iron Metal Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China*, Investigations Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-  
(continued...)



In the current reviews, domestic interested parties identified 13 producers/exporters of iron construction castings in Canada. They mentioned that Canada has a fully developed public works sector and is known to have a viable home market for construction castings.<sup>51</sup>

### THE INDUSTRY IN CHINA

Production and most other data were not available for the foundry industry in China during the original investigations. Exports to the United States of iron construction castings rose from 1.3 million pounds in 1981 to 31 million pounds in 1985. Exports to third countries were much larger throughout the period. It was also mentioned that there was a large home market for iron construction castings in China.<sup>52</sup>

In the first review on China, no producers in China responded to the Commission's questionnaires. In their response to the notice of institution, counsel for U.S. producers listed 86 producers of the subject merchandise (heavy or light) in China and estimated that China possessed a production capacity of 625.6 million pounds for iron castings.<sup>53</sup>

In the current reviews, domestic interested parties identified 120 producers of iron construction castings in China. They mentioned that China produces construction castings primarily for export and alleged that China has the ability to greatly increase the capacities of its labor-intensive facilities in response to changes in demand and is well-positioned to once again sell unfairly in the United States, the world's largest market for construction castings, should the antidumping duty order on China be revoked. They also mentioned that exports of construction casting products from China to the European Community - the largest export market for such products in the post-antidumping-duty-order period - may soon be severely restricted due to the filing of an antidumping duty petition on heavy construction castings in March 2004, thus likely resulting in the diversion of exports to the United States if the U.S. antidumping duty order is revoked.<sup>54</sup>

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<sup>50</sup> (...continued)

TA-262, 263, and 265 (Review), USITC Publication 1811, October 1999, pp. IV-8-IV-9.

<sup>51</sup> Domestic Interested Parties' Response, p. 21 and attachment 3.

<sup>52</sup> *Iron Construction Castings from Brazil, India, and the People's Republic of China*, Investigations Nos. 701-TA-249 (Final) and 731-TA-262, 264, and 265 (Final), USITC Publication 1838, April 1986, pp. A-36 to A-37.

<sup>53</sup> *Iron Metal Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China*, Investigations Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review), USITC Publication 1811, October 1999, pp. IV-8-IV-9.

<sup>54</sup> Domestic Interested Parties' Response, pp. 21-23 and attachment 4.



**APPENDIX A**  
***FEDERAL REGISTER* NOTICES**



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## INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-249 and 731-TA-262, 263 and 265 (Second Review)]

### Certain Iron Construction Castings From Brazil, Canada, and China

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of five-year reviews concerning the countervailing duty order on heavy iron construction castings from Brazil, the antidumping duty order on heavy iron construction castings from Canada, and the antidumping duty orders on iron construction castings from Brazil and China.

**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 countervailing duty order on heavy iron construction castings from Brazil, the antidumping duty order on heavy iron construction castings from Canada, and/or the revocation of the antidumping duty orders on iron construction castings from Brazil and China 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;<sup>1</sup> to be assured of consideration, the deadline for responses is November 22, 2004. Comments on the adequacy of responses may be filed with the Commission by December 14, 2004. 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,

<sup>1</sup> 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. 04-5-099, expiration date June 30, 2005. 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.

subparts A, D, E, and F (19 CFR part 207).

**EFFECTIVE DATE:** October 1, 2004.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202-205-3193), 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>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

*Background*—The Department of Commerce issued antidumping duty orders on imports of certain iron construction castings from Canada on March 5, 1986 (51 FR 7600) and from Brazil and China on May 9, 1986 (51 FR 17220). On May 15, 1986, the Department of Commerce issued a countervailing duty order on imports of certain heavy iron construction castings from Brazil (51 FR 17786). Following five-year reviews by Commerce and the Commission, effective November 12, 1999, Commerce issued a continuation of the countervailing duty order on heavy iron construction castings from Brazil, a continuation of the antidumping duty order on heavy iron construction castings from Canada, and a continuation of the antidumping duty orders on iron construction castings from Brazil and China (64 FR 61590-61592). The Commission is now conducting second reviews to determine whether revocation of the orders 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 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 Brazil, Canada, and China.

(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 iron construction castings from Brazil, Canada, and China, the Commission found two separate Domestic Like Products: "heavy" and "light" iron construction castings. One Commissioner defined the Domestic Like Products differently. On September 23, 1998, the Department of Commerce issued the final results of a changed circumstance review concerning iron construction castings from Canada, in which the antidumping duty order with respect to "light" castings was revoked (63 FR 50881). In its full five-year review determinations, the Commission found, with respect to Canada, one Domestic Like Product consisting of all "heavy" construction castings and, with respect to Brazil and China, two separate Domestic Like Products consisting of all "heavy" iron construction castings and all "light" iron construction castings.

(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 and its full five-year review determinations, the Commission defined the Domestic Industries as all producers of "heavy" iron construction castings and all producers of "light" iron construction castings.

(5) 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.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission is seeking guidance as to whether a second transition five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

*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 November 22, 2004. 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 December 14, 2004. 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, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). 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 by the Commission in its original and first five-year review determinations, 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, 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 countervailing duty order and antidumping duty orders on the Domestic Industry 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 the Domestic Like Product. 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 after 1998.

(7) If you are a U.S. producer of the Domestic Like Product, provide the following information on your firm's operations on that product during calendar year 2003 (report quantity data in pounds and value data in 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 the Domestic Like Product accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the 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 any Subject Country, provide the following information on your firm's(s') operations on that product during calendar year 2003 (report quantity data in pounds and value data in 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 each Subject Country accounted for by your firms'(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 each Subject Country; 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 each Subject Country.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in any Subject Country, provide the following information on your firm's(s') operations on that product during calendar year 2003 (report quantity data in pounds and value data in 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 each Subject Country accounted for by your firms'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 each Subject Country accounted for by your firms's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in each Subject Country after 1998, 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 each Subject Country, 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.

By order of the Commission.

Issued: September 23, 2004.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 04-22131 Filed 9-30-04; 8:45 am]

**BILLING CODE 7020-02-P**





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**INTERNATIONAL TRADE  
COMMISSION**

**[Investigations Nos. 701-TA-249 and 731-TA-262, 263, and 265 (Second Review)]**

**Certain Iron Construction Castings  
From Brazil, Canada, and China**

**AGENCY:** International Trade Commission.

**ACTION:** Scheduling of expedited five-year reviews concerning the countervailing and antidumping duty orders on certain iron construction castings from Brazil, Canada, and China.

**SUMMARY:** The Commission hereby gives notice of the scheduling of expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the countervailing duty order on heavy iron construction castings from Brazil, the antidumping duty order on heavy iron construction castings from Canada, and/or the revocation of the antidumping duty orders on iron construction castings (heavy and light) from Brazil and China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**EFFECTIVE DATE:** January 11, 2005.

**FOR FURTHER INFORMATION CONTACT:**

Harry Lenchitz (202-205-2737 or [harry.lenchitz@usitc.gov](mailto:harry.lenchitz@usitc.gov)), 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*). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

*Background.* On January 4, 2005, the Commission determined that the domestic interested party group response to its notice of institution (69 FR 58952, October 1, 2004) of the subject five-year reviews was adequate and that the respondent interested parties responses were inadequate. The Commission did not find any other circumstances that would warrant conducting full reviews.<sup>1</sup> Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.<sup>2</sup>

*Staff report.* A staff report containing information concerning the subject matter of the reviews will be placed in the nonpublic record on May 3, 2005, and made available to persons on the Administrative Protective Order service list for these reviews. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

*Written submissions.* As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the reviews and that have provided individually adequate responses to the notice of institution,<sup>3</sup> and any party other than an interested party to the reviews may file written comments with the Secretary on what determinations the Commission should reach in the reviews. Comments are due on or before May 10, 2005, and may not contain new factual information. Any person that is neither a party to the five-year reviews nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the reviews by May 10, 2005. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of

the Commission's rules, as amended, 67 FR 68036 (November 8, 2002).

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

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

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

Issued: February 9, 2005.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 05-2925 Filed 2-15-05; 8:45 am]

**BILLING CODE 7020-02-P**

<sup>1</sup> 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.

<sup>2</sup> Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissenting.

<sup>3</sup> The Commission has found the responses submitted by Deeter Foundry, Inc.; East Jordan Iron Works, Inc.; LeBaron Foundry, Inc.; Municipal Castings, Inc.; Neenah Foundry Co.; Tyler Pipe Co.; and U.S. Foundry & Mfg. Corp. to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

(A-570-502)

**Certain Iron Construction Castings  
From The People's Republic of China;  
Five-year ("Sunset") Review of  
Antidumping Duty Order; Final Results**

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

**SUMMARY:** Summary: On October 1, 2004 the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on certain iron construction castings ("iron castings") from the People's Republic of China ("the PRC"). On the basis of the notice of intent to participate, and adequate substantive response filed on behalf of the domestic interested parties and no response from respondent interested parties, the Department

conducted an expedited sunset review. As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the levels listed below in the section entitled "Final Results of Review."

**EFFECTIVE DATE:** May 10, 2005.

**FOR FURTHER INFORMATION CONTACT:** Martha V. Douthit, Office of Policy, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC, 20230; telephone: (202) 482-5050.

**SUPPLEMENTARY INFORMATION:**

**Background**

On October 1, 2004, the Department initiated a sunset review of the antidumping duty order on iron castings from the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act").<sup>1</sup> The Department received a Notice of Intent to Participate on behalf of Deeter Foundry, Inc., East Jordan Iron Works, Inc., LeBaron Foundry, Inc., Leed Foundry, Inc., Municipal Castings, Inc., Neenah Foundry Company, Tyler Pipe Company, and U.S. Foundry & Manufacturing Co. (collectively, "domestic interested parties"), within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. The domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of the subject merchandise. We received a substantive response from the domestic interested parties within the deadline specified in the Department's regulations under section 351.218(d)(3)(i). However, we did not receive responses from any respondent interested parties as required in section 351.218(d)(3)(i) of the Department's regulations. As a result, the Department conducted an expedited sunset review of this order pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations.

**Scope of the Order**

The merchandise covered by the antidumping duty order consists of certain iron construction castings from the PRC, limited to manhole covers, rings, and frames, catch basin grates and frames, clean-out covers and frames used for drainage or access purposes for public utility, water and sanitary systems, classifiable as heavy castings under Harmonized Tariff Schedule

(HTS) item number 7325.10.0010; and to valve, service, and meter boxes which are placed below ground to encase water, gas, or other valves, or water and gas meters, classifiable as light castings under HTS item number 7325.10.0050. The HTS item numbers are provided for convenience and customs purposes only. The written description remains dispositive.

**Analysis of Comments Received**

All issues raised in this case are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated May 2, 2005, 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 if the order were revoked. Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Department Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>, under the heading "May 2005". The paper copy and electronic version of the Decision Memo are identical in content.

**Final Results of Review**

We determine that revocation of the antidumping duty order on iron castings from the PRC would likely lead to continuation or recurrence of dumping at the following weighted-average percentage margin:

Manufacturers/ Exporters/Producers	Weighted-Average Margin (Percent)
PRC wide-rate .....	25.52

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 of the Department's regulations. Timely 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.

We are issuing and publishing the results and notice in accordance with

sections 751(c), 752, and 777(i)(1) of the Act.

Dated: May 2, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E5-2290 Filed 5-9-05; 8:45 am]

**BILLING CODE 3510-DS-S**

<sup>1</sup> See *Initiation of Five-Year (Sunset) Reviews*, 69 FR 58890 (October 1, 2004).

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**DEPARTMENT OF COMMERCE****International Trade Administration  
(A-122-503)****Certain Iron Construction Castings  
from Canada; Five-year ("Sunset")  
Review of Antidumping Duty Order;  
Final Results**

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

**SUMMARY:** Summary: On October 1, 2004, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on certain iron construction castings ("iron castings") from Canada. On the basis of the notice of intent to participate, and an adequate substantive response filed on behalf of the domestic interested parties and an inadequate response from respondent interested parties, the Department conducted an expedited sunset review. As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the levels listed below in the section entitled "Final Results of Review."

**EFFECTIVE DATE:** May 10, 2005.

**FOR FURTHER INFORMATION CONTACT:** Martha V. Douthit, Office of Policy, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC, 20230; telephone: (202) 482-5050.

**SUPPLEMENTARY INFORMATION:****Background**

On October 1, 2004, the Department initiated a sunset review of the antidumping duty order on iron castings from Canada pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). See *Initiation of Five-year ("Sunset") Reviews*, 69 FR 58890 (October 1, 2004). The Department received a Notice of Intent to Participate on behalf of Deeter Foundry, Inc., East Jordan Iron Works, Inc., LeBaron Foundry, Inc., Leed Foundry, Inc., Municipal Castings, Inc., Neenah Foundry Company, Tyler Pipe Company, and U.S. Foundry &

Manufacturing Co. (collectively, “domestic interested parties”), within the deadline specified in section 351.218(d)(1)(i) of the Department’s regulations. Domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of the subject merchandise. The Department notes that Tyler Pipe is a U.S. producer of light castings only and is not an interested party in this proceeding.

The Department received a complete response from the domestic interested parties within the deadline specified in the Department’s regulations under section 351.218(d)(3)(i). However, the Department received no responses from respondent interested parties as required in section 351.218(d)(3)(i) of the Department’s regulations. As a result, the Department conducted an expedited sunset review pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department’s regulations.

#### Scope of the Order

The merchandise subject to the antidumping duty order consists of certain iron construction castings from Canada, limited to manhole covers, rings, and frames, catch basin grates and frames, clean-out covers and frames used for drainage or access purposes for public utility, water and sanitary systems, classifiable as “heavy” castings under Harmonized Tariff Schedule (“HTS”) item number 7325.10.0010. These articles must be of cast iron, not alloyed, and not malleable.

On September 23, 1998, the Department issued final results of a changed circumstances review, in which the Department revoked the order with respect to “light” castings. As a result, only one HTS item number applies to this order. That number, HTS item number 7325.10.000, is provided for convenience and customs purposes only. The written description remains dispositive.

#### Analysis of Comments Received

All issues raised in this case are addressed in the “Issues and Decision Memorandum” (“Decision Memo”) from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated May 2, 2005, 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 if the order were revoked. Parties can find a complete discussion

of all issues raised in this sunset review and the corresponding recommendations in this public memo, which is on file in room B-099 of the main Department Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>, under the heading “May 2005.” The paper copy and electronic version of the Decision Memo are identical in content.

#### Final Results of Review

We determine that revocation of the antidumping duty order on iron castings from Canada would likely lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturers/Exporters/Producers	Weighted-Average Margin (Percent)
Bibby Ste. Croix Foundries, Inc. ....	8.60
LaPerle Foundry, Ltd ....	4.40
Mueller Canada, Inc. ....	9.80
All Others .....	7.50

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 section 351.305 of the Department’s regulations. Timely 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.

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

Dated: May 2, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E5-2291 Filed 5-9-05; 8:45 am]

**BILLING CODE 3510-DS-S**

Department”) initiated a sunset review of the antidumping duty order on certain iron castings (“iron castings”) from Brazil. On the basis of the notice of intent to participate, and an adequate substantive response filed on behalf of the domestic interested parties and no response from respondent interested parties, the Department conducted an expedited sunset review. As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the levels listed below in the section entitled “Final Results of Review.”

**DATES:** *Effective Date:* May 10, 2005.

**FOR FURTHER INFORMATION CONTACT:** Martha V. Douthit, Office of Policy, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-5050.

**SUPPLEMENTARY INFORMATION:**

**Background**

On November 1, 2004, the Department initiated a sunset review of the antidumping duty order on iron castings from Brazil pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”).<sup>1</sup> The Department received a Notice of Intent to Participate on behalf of Deeter Foundry, Inc., East Jordan Iron Works, Inc., LeBaron Foundry, Inc., Leed Foundry, Inc., Municipal Castings, Inc., Neenah Foundry Company, Tyler Pipe Company, and U.S. Foundry & Manufacturing Co. (collectively, “the domestic interested parties”), within the deadline specified in section 351.218(d)(1)(i) of the Department’s regulations. The domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of the subject merchandise. We received a complete response from the domestic interested parties within the deadline specified in the Department’s regulations under section 351.218(d)(3)(i). However, we did not receive responses from any respondent interested parties as required in section 351.218(d)(3)(i) of the Department’s regulations. As a result, the Department conducted an expedited sunset review of this order pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department’s regulations.

**Scope of the Order**

The merchandise covered by the antidumping duty order consists of certain iron construction castings from

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-351-503]

**Certain Iron Construction Castings From Brazil; Final Results of Five-Year (“Sunset”) Review of Antidumping Duty Order**

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

**SUMMARY:** On October 1, 2004 the Department of Commerce (“the

Brazil, limited to manhole covers, rings, and frames, catch basin grates and frames, clean-out covers and frames used for drainage or access purposes for public utility, water and sanitary systems, classifiable as heavy castings under Harmonized Tariff Schedule (HTS) item number 7325.10.0010; and to valve, service, and meter boxes which are placed below ground to encase water, gas, or other valves, or water and gas meters, classifiable as light castings under HTS item number 7325.10.0050. The HTS item numbers are provided for convenience and customs purposes only. The written description remains dispositive.

**Analysis of Comments Received**

All issues raised in this case are addressed in the “Issues and Decision Memorandum” (“Decision Memo”) from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated May 2, 2005, 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 if the order were revoked. Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Department Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>, under the heading “May 2005.” The paper copy and electronic version of the Decision Memo are identical in content.

**Final Results of Review**

We determine that revocation of the antidumping duty order on iron castings from Brazil would likely lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/ Producers	Weighted- average margin (percent)
Fundicao Aldebara, Ltda. Aldebara .....	58.74
Sociedade de Metalurgia E Processos, Ltda. SOMEP .....	16.61
Companhia Siderurgica da Guanabara COSIGUA (for- merly Usina Siderurgica Paraende, S.A. (USIPA) .....	5.95
All Others .....	26.16

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 of the Department’s regulations. Timely 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.

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

Dated: May 2, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E5-2293 Filed 5-9-05; 8:45 am]

**BILLING CODE 3510-DS-P**



respondent interested parties, the Department conducted an expedited sunset review. As a result of this review, the Department finds that revocation of the countervailing duty order would likely lead to continuation or recurrence of countervailable subsidies at the levels listed below in the section entitled "Final Results of Review".

**EFFECTIVE DATE:** May 10, 2005.

**FOR FURTHER INFORMATION CONTACT:** Martha V. Douthit, Office of Policy, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC, 20230; telephone: (202) 482-5050.

**SUPPLEMENTARY INFORMATION:**

**Background**

On October 1, 2004, the Department initiated a sunset review of the countervailing duty order on iron castings from Brazil pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act").<sup>1</sup> The Department received a Notice of Intent to Participate on behalf of Deeter Foundry, Inc., East Jordan Iron Works, Inc., LeBaron Foundry, Inc., Leed Foundry, Inc., Municipal Castings, Inc., Neenah Foundry Company, Tyler Pipe Company, and U.S. Foundry & Manufacturing Co. (collectively, "domestic interested parties"), within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. Domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of the subject merchandise.

We received a complete response from the domestic interested parties within the deadline specified in the Department's regulations under section 351.218(d)(3)(i). However, we did not receive responses from any respondent interested parties as required in section 351.218(d)(3)(i) of the Department's regulations. As a result of receiving no responses from respondent interested parties, the Department conducted an expedited sunset review pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations.

**Scope of the Order**

The merchandise covered by the countervailing duty order consists of certain heavy iron construction castings from Brazil, limited to manhole covers, rings, and frames, catch basin grates and frames, cleanout covers and frames used for drainage or access purposes for public utility, water and sanitary

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

(C-351-504)

**Certain Iron Construction Castings from Brazil; Five-year ("Sunset") Review of Countervailing Duty Order; Final Results**

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

**SUMMARY:** Summary: On October 1, 2004, the Department of Commerce ("the Department") initiated a sunset review of the countervailing duty order on certain iron construction castings ("iron castings") from Brazil. On the basis of the notice of intent to participate, and no substantive response filed on behalf of the domestic interested parties and no response from

<sup>1</sup> See *Initiation of Five-Year ("Sunset") Reviews*, 69 FR 58890 (October 1, 2004.)

systems, classifiable as heavy castings under Harmonized Tariff Schedule (“HTS”) item number 7325.10.0010. The HTS item numbers are provided for convenience and customs purposes only. The written description remains dispositive.

Dated: May 2, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E5-2294 Filed 5-9-05; 8:45 am]

**BILLING CODE 3510-DS-S**

### Analysis of Comments Received

All issues raised in this case are addressed in the “Issues and Decision Memorandum” (“Decision Memo”) from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated May 2, 2005, 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 if the order were revoked. Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendations in this public memo, which is on file in room B-099 of the main Department Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov>, under the heading “May 2005.” The paper copy and electronic version of the Decision Memo are identical in content.

### Final Results of Review

We determine that revocation of the countervailing duty order on iron castings from Brazil would likely lead to continuation or recurrence of countervailable subsidies at the following percentage weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted-Average Margin (Percent)
Country-wide rate .....	1.06

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 of the Department’s regulations. Timely 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.

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

**APPENDIX B**  
**STATEMENT ON ADEQUACY**



## **EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY**

in

*Iron Construction Castings from Brazil, Canada, and China,*  
Inv. Nos. 701-TA-249, 731-TA-262, 263, 265 (Second Review).

On January 4, 2005, the Commission determined that it should proceed to expedited reviews in the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).<sup>1</sup>

With regard to each of the reviews, the Commission determined that the domestic interested party group response to the notice of institution was adequate. The Commission received an adequate joint response with company specific data from seven domestic producers: Deeter Foundry, Inc.; East Jordan Iron Works, Inc.; LeBaron Foundry, Inc.; Municipal Castings, Inc.; Neenah Foundry; Tyler Pipe Co.; and U.S. Foundry & Manufacturing Co. Because the Commission received an adequate response from domestic producers accounting for a substantial percentage of U.S. production, the Commission determined that the domestic interested party group response was adequate.

The Commission did not receive a response from any respondent interested parties in the reviews concerning subject imports from Brazil, Canada, or China and therefore determined that the respondent interested party group responses to the notice of institution were inadequate with regard to each of the reviews. In the absence of adequate respondent interested party group responses, the Commission determined to conduct expedited reviews. A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (<http://www.usitc.gov>).

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<sup>1</sup> Vice Chairman Okun and Commissioner Pearson dissent. While they concur with the Commission's determination that the domestic interested party group response was adequate and that the respondent party group responses were inadequate, Vice Chairman Okun and Commissioner Pearson did not exercise their discretion to conduct expedited reviews, but instead voted to conduct full reviews.

The record indicates that since issuance of the original countervailing duty order and antidumping orders, there have been changes in the conditions of competition pertaining to the domestic industry, particularly consolidations. In addition, the Commission currently is conducting a fact-finding investigation at the request of the Ways and Means Committee of the U.S. House of Representatives concerning the competitive conditions facing producers in the larger U.S. foundry industry (*Foundry Products: Competitive Conditions in the U.S. Market*, Inv. 332-460). Conducting full reviews would have allowed the Commission to seek information concerning these changes in conditions of competition.