

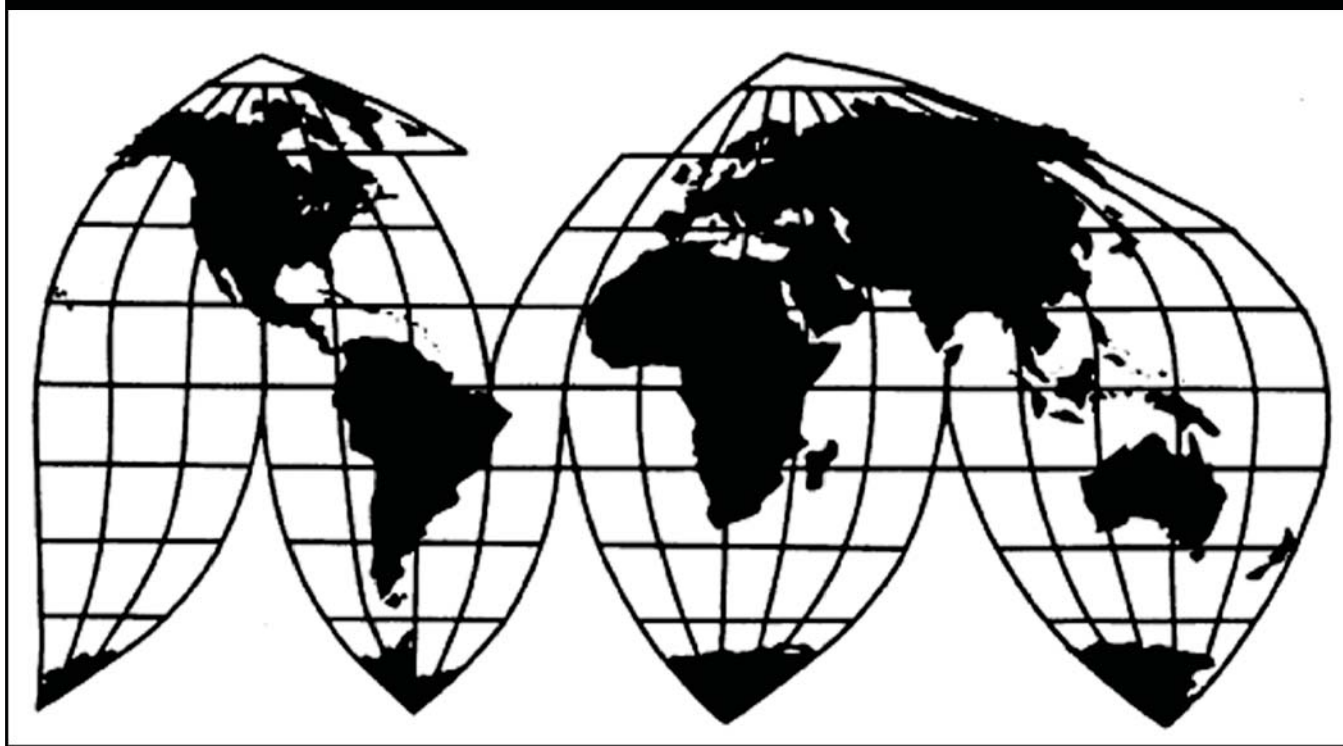
Barium Chloride from China

Investigation No. 731-TA-149 (Third Review)

Publication 4157

June 2010

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

Shara L. Aranoff, Chairman
Daniel R. Pearson, Vice Chairman
Deanna Tanner Okun
Charlotte R. Lane
Irving A. Williamson
Dean A. Pinkert

Robert B. Koopman
Acting Director of Operations

Staff assigned

Amy Sherman, Investigator
Jack Greenblatt, Industry Analyst
James Fetzer, Economist
John Ascienzo, Accountant
Charles St. Charles, Attorney
Douglas Corkran, Supervisory Investigator

Special assistance from
Steven Hudgens, Statistician

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Barium Chloride from China

Investigation No. 731-TA-149 (Third Review)

Publication 4157



June 2010

CONTENTS

	<i>Page</i>
Determination	1
Views of the Commission	3
Part I: Introduction and overview	I-1
Background	I-1
The original investigation and subsequent five-year reviews	I-2
Summary data	I-3
Previous and related investigations	I-7
Statutory criteria and organization of the report	I-7
Statutory criteria	I-7
Organization of the report	I-9
Commerce's reviews	I-10
Administrative reviews	I-10
Five-year reviews	I-11
Distribution of Continued Dumping and Subsidy Offset Act funds	I-11
The subject merchandise	I-12
Commerce's scope	I-12
Tariff treatment	I-12
The domestic like product	I-13
Description and applications	I-13
Manufacturing process	I-14
Domestic like product issues	I-16
U.S. market participants	I-16
U.S. producers	I-16
U.S. importers	I-17
U.S. purchasers	I-18
Apparent U.S. consumption and market shares	I-18
Part II: Conditions of competition in the U.S. market	II-1
U.S. market characteristics	II-1
Channels of distribution	II-1
Supply and demand considerations	II-1
U.S. supply	II-1
U.S. demand	II-3
Substitutability issues	II-7
Factors affecting purchasing decisions	II-7
Comparisons of domestic products, subject imports, and nonsubject imports	II-10
Elasticity estimates	II-14
U.S. supply elasticity	II-14
U.S. demand elasticity	II-14
Substitution elasticity	II-14
Part III: Condition of the U.S. industry	III-1
Overview	III-1
Background	III-1
Changes experienced in operations	III-1
Anticipated changes in existing operations	III-1

CONTENTS

	<i>Page</i>
Part III: Condition of the U.S. industry—Continued	
U.S. producers’ capacity, production, and capacity utilization	III-2
U.S. producers’ shipments	III-2
U.S. producers’ inventories	III-3
U.S. producers’ imports and purchases	III-3
U.S. producers’ employment, wages, and productivity	III-3
Financial experience of U.S. producer CPC	III-4
Background	III-4
Operations on barium chloride	III-4
Variance analysis	III-5
Capital expenditures and research and development expenses	III-6
Assets and return on investment	III-6
Part IV: U.S. imports and the foreign industry	IV-1
U.S. imports	IV-1
Overview	IV-1
Imports from subject and nonsubject countries	IV-1
U.S. importers’ imports subsequent to December 31, 2009	IV-3
U.S. importers’ inventories	IV-3
The industry in China	IV-4
Overview	IV-4
Barium chemical producers in China	IV-6
Global market	IV-7
Supply	IV-7
Demand	IV-8
Prices	IV-9
Part V: Pricing and related information	V-1
Factors affecting prices	V-1
Raw material costs	V-1
U.S. inland transportation costs	V-2
Pricing practices	V-2
Pricing methods	V-2
Sales terms and discounts	V-2
Price data	V-2
Price trends	V-3
Price comparisons	V-3
Appendixes	
A. <i>Federal Register</i> notices and the Commission’s statement on adequacy	A-1
B. CPC’s request to cancel the Commission’s hearing	B-1
C. Summary data	C-1
D. Responses of U.S. producers, U.S. importers, and U.S. purchasers concerning the significance of the antidumping duty order and the likely effects of revocation	D-1

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 No. 731-TA-149 (Third Review)

BARIUM CHLORIDE FROM CHINA

DETERMINATION

On the basis of the record¹ 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)), that revocation of the antidumping duty order on barium chloride from 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 this review effective July 1, 2009 (74 FR 31757, July 2, 2009) and determined on October 5, 2009 that it would conduct a full review (74 FR 54069, October 21, 2009). Notice of the scheduling of the Commission's review and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on November 30, 2009 (74 FR 62587). Counsel for the domestic interested party filed a request to appear at the hearing or, in the alternative, for consideration of cancellation of the hearing. Counsel indicated a willingness to submit written testimony and responses to any questions by a date to be specified by the Commission in lieu of an actual hearing. No other party filed a request to appear at the hearing. Consequently, the public hearing in connection with the review, scheduled for April 15, 2010, was cancelled (75 FR 20625, April 20, 2010).

¹ 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 this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order on barium chloride from 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.

I. BACKGROUND

In October 1984, the Commission determined that an industry in the United States was materially injured by reason of imports of barium chloride from China that were being sold at less than fair value.¹ On October 17, 1984, the Department of Commerce (“Commerce”) issued an antidumping duty order on imports of barium chloride from China.² In the first (March 1999) and second (July 2004) five-year reviews, both of which were conducted on an expedited basis, the Commission determined that revocation of the antidumping duty order on barium chloride from 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.³

The Commission instituted the current review effective July 1, 2009.⁴ The Commission received one submission in response to the notice of institution from Chemical Products Corporation (“CPC”), the domestic producer that accounts for an overwhelming majority of domestic production of barium chloride. On October 5, 2009, the Commission determined that the domestic interested party group response was adequate, but that the respondent interested party group response was inadequate. Notwithstanding the inadequacy of the respondent interested party group response, the Commission determined that it would conduct a full review, pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, in light of information regarding possible changes in conditions of competition.^{5 6 7}

Only domestic producer Chemical Products Corp. (“CPC”) entered an appearance in this review. In conjunction with its filing a prehearing brief, CPC requested that the Commission cancel the scheduled hearing,⁸ and the Commission granted that request. CPC submitted written testimony in lieu of a hearing presentation and subsequently filed written responses to written questions from Commissioners.

The Commission received questionnaire responses from two firms that accounted for virtually all U.S. production of barium chloride in 2009.⁹ The Commission also received questionnaire responses from eight U.S. importers of barium chloride that are estimated to have accounted for more than 75

¹ Barium Chloride from the People’s Republic of China, Inv. No. 731-TA-149 (Final), USITC Pub. 1584 (October 1984) (“original determination”).

² 49 Fed. Reg. 40635 (Oct. 17, 1984).

³ Barium Chloride from China, Inv. No. 731-TA-149 (Review), USITC Pub. 3163 (March 1999) (“first review determination”); Barium Chloride from China, Inv. No. 731-TA-149 (Second Review), USITC Pub. 4425 (July 2004) (“second review determination”).

⁴ 74 Fed. Reg. 31757 (July 2, 2009).

⁵ 19 U.S.C. § 1675(c)(5).

⁶ 74 Fed. Reg. 54069 (Oct. 21, 2009); see also Explanation of Determination on Adequacy, Confidential Staff Report (“CR”) and Public Staff Report (“PR”) at Appendix A.

⁷ Commissioners Charlotte R. Lane, Irving A. Williamson, and Dean A. Pinkert voted to conduct an expedited review. Id.

⁸ See CPC letter of April 6, 2010.

⁹ CPC, which accounts for the vast majority of domestic production of barium chloride, ***. Barium & Chemicals ***. CR/PR at III-1.

percent of subject imports and 95 percent of nonsubject imports during the period of review.¹⁰ The Commission received 11 usable purchaser questionnaires.¹¹ None of the 11 potential producers of barium chloride in China that were contacted over the course of this proceeding responded to the Commission's foreign producer questionnaire.¹²

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c) of the Act, the Commission defines "the domestic like product" and the "industry."¹³ The Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."¹⁴ The Commission's practice in five-year reviews is to look to the like product definition from the original determination and any completed reviews and consider whether the record indicates any reason to revisit the prior findings.¹⁵

1. Product Description

In its third five-year review determination, Commerce defined the subject merchandise as "barium chloride, a chemical compound having the formulas $BaCl_2$ or $BaCl_2 \cdot 2H_2O$, currently classifiable under subheading 2827.39.45 of the Harmonized Tariff Schedule of the United States."¹⁶ Commerce's definition of the subject merchandise has not changed since its original determination.

Barium chloride is produced in crystalline and anhydrous form. Crystalline barium chloride is used primarily as an intermediate in the production of molecular catalyst sieves, which oil refinery complexes use to separate out industrially useful paraxylene molecules from other mixed xylenes.¹⁷ The crystalline form also serves as a cleansing agent in the removal of soluble sulfates in certain chemical and water treatment processes, as a cleansing ingredient in lubricating oil additives, as a raw material in the production of certain chemicals, pigments, and paper coatings, and as a base material in the production of other barium intermediate products such as barium titanate and barium metaborate.¹⁸ The anhydrous form

¹⁰ CR at I-21, PR at I-17.

¹¹ CR at I-22, PR at I-18.

¹² CR at IV-6, PR at IV-4.

¹³ 19 U.S.C. § 1677(4)(A).

¹⁴ 19 U.S.C. § 1677(10); see, e.g., Cleo, Inc. v. United States, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); 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, 96th Cong., 1st Sess. 90-91 (1979).

¹⁵ See, e.g., Internal Combustion Industrial Forklift Trucks From Japan, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (December 2005); Crawfish Tail Meat From China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); Steel Concrete Reinforcing Bar From Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (February 2003).

¹⁶ CR at I-14, PR at I-12.

¹⁷ CR at I-15, PR at I-13. Paraxylene is a raw material used in the production of terephthalic acid, a precursor to the polyester PET that is used to make clothing and plastic bottles. CR at I-15-16, PR at I-13.

¹⁸ CR at I-16, PR at I-13-14.

of barium chloride is used primarily as an ingredient in heat-treating salts and metal fluxes.¹⁹ A high purity form of barium chloride is used in small quantities by certain customers in the *** industries.²⁰

2. The Commission's Original Determination and Prior Reviews

The starting point of the Commission's like product analysis in a five-year review is the like product definition in the Commission's original determination and the prior reviews.²¹ In its original determination, the Commission found that there was one like product, consisting of barium chloride in both its crystalline and anhydrous forms.²² In its first review determination, the Commission again defined the domestic like product as all barium chloride, whether crystalline or anhydrous.²³ In the second review, the Commission again found one domestic like product consisting of barium chloride in all its forms.²⁴

3. Analysis and Conclusion

No new facts have been presented on this record to warrant a conclusion different from that reached by the Commission in the two prior reviews.²⁵ We therefore find one domestic like product, co-extensive with the scope, that includes all barium chloride, whether crystalline or anhydrous.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product

¹⁹ CR at I-15, PR at I-13.

²⁰ CR at I-17, PR at I-14.

²¹ In the like product analysis for an investigation, the Commission generally considers a number of factors, including (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes and production employees; (5) customer and producer perceptions; and, where appropriate, (6) price. See The Timken Co. v. United States, 913 F. Supp. 580, 584 (CIT 1996). No single factor is dispositive, and the Commission may consider other factors relevant to a particular investigation. The Commission looks for clear dividing lines among possible like products, and disregards minor variations. See, *E.g.* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979); Torrington, 747 F. Supp. at 748-49.

²² Original Determination at 4. In a footnote to the opinion, the Commission found that high purity barium chloride produced for laboratory use was not included in the like product, noting that it was produced "only in very small amounts and at a relatively high price" and that this form of barium chloride "does not compete for general industrial use with the petitioner's or the imported product." Original Determination at 4 n.8.

In the first and second reviews the Commission explained that high purity barium chloride was not excluded from Commerce's scope, the Commission had not made a separate injury finding for high purity barium chloride and, therefore, the like product included high purity barium chloride. First Review Determination at 4 n.12, Second Review Determination at 5.

²³ First Review Determination at 4.

²⁴ Second Review Determination at 5.

²⁵ Regarding the domestic like product definition, CPC stated in response to the Commission's notice of institution that it agrees with the Commission's definition of the domestic like product as crystalline and anhydrous barium chloride, excluding high purity barium chloride. CPC Response to Notice of Institution (July 31, 2009) at 13. CPC, however, offers no argument against the domestic like product definition in the first two reviews, which included high purity barium chloride. As explained in the first two reviews, we find no basis for excluding high purity barium chloride from the domestic like product.

constitutes a major proportion of the total domestic production of the product.”²⁶ 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. Section 771(4)(B) of the Act, the related parties provision, allows the Commission to exclude certain domestic producers from the domestic industry that import subject merchandise or have a corporate affiliation with importers or exporters of subject merchandise, if the Commission finds that appropriate circumstances exist.²⁷

In the Commission’s original determination and first two five-year reviews, the Commission defined the domestic industry as all U.S. producers of the domestic like product.²⁸ In the current review, no party has raised an objection to the domestic industry definition from the original investigation, and there is no new evidence to warrant a change in the definition of the domestic industry.²⁹ Therefore, based on our definition of the domestic like product, we define the domestic industry to include all U.S. producers of the domestic like product.

III. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF ANTIDUMPING DUTY ORDER IS REVOKED

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order unless (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”³⁰ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”³¹ Thus, the likelihood standard is prospective in nature.³² The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.^{33 34 35}

²⁶ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

²⁷ 19 U.S.C. § 1677 (4)(B).

²⁸ Original Determination at 4, First Review Determination at 4-5, Second Review Determination at 6.

²⁹ 19 U.S.C. § 1677(4)(B).

³⁰ 19 U.S.C. § 1675a(a).

³¹ SAA at 883-84. The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” Id. at 883.

³² 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.

³³ 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)”), aff’d mem., 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v.

(continued...)

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.”³⁶ 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 original investigations.”³⁷

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty 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 merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”³⁸ 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).³⁹ 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.⁴⁰

In evaluating the likely volume of imports of subject merchandise if the order under review is 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.⁴¹ 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

³³ (...continued)

United States, 26 CIT 1402, 1404 nn.3, 6 (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, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

³⁴ For a complete statement of Commissioner Okun’s interpretation of the likely standard, see Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From Argentina, Brazil, Germany, and Italy, Invs. Nos. 701-TA-362 (Review) and 731-TA-707 to 710 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

³⁵ Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape From Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), 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 this issue.

³⁶ 19 U.S.C. § 1675a(a)(5).

³⁷ 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.

³⁸ 19 U.S.C. § 1675a(a)(1).

³⁹ 19 U.S.C. § 1675a(a)(1). We note that no duty absorption findings have been made by Commerce.

⁴⁰ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁴¹ 19 U.S.C. § 1675a(a)(2).

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.⁴²

In evaluating the likely price effects of subject imports if the order under review is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product 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.⁴³

In evaluating the likely impact of imports of subject merchandise if the order under review 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 the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁴⁴ 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. 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 were revoked.⁴⁵

When appropriate in this review, we have relied on the facts otherwise available, which consist of information from the original investigation and prior reviews, and information submitted in this review, including information provided by the domestic industry, questionnaire responses, and information available from published sources.^{46 47}

⁴² 19 U.S.C. § 1675a(a)(2)(A-D).

⁴³ See 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.

⁴⁴ 19 U.S.C. § 1675a(a)(4).

⁴⁵ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

⁴⁶ 19 U.S.C. § 1677e(a) authorizes the Commission to “use the facts otherwise available” in reaching a determination when (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to 19 U.S.C. § 1677m(i). The verification requirements in 19 U.S.C. § 1677m(i) are applicable only to Commerce. See Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750, 765 (Ct. Int’l Trade 2002) (“the ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of Commission investigations.”).

⁴⁷ Commissioner Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. See 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties’ suggested interpretations of the record evidence. Regardless of the level of participation, the Commission is obligated to consider all evidence relating to each of the statutory factors

(continued...)

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.”⁴⁸

1. The Commission’s Original Determination and Prior Reviews

In its original determination, the Commission observed that demand for barium chloride was contracting due to the introduction of new products and industrial processes that replaced barium chloride in certain applications. The Commission explained that this long term decline appeared to be responsible for other barium chloride manufacturers ceasing production, leaving CPC as the only significant domestic producer.⁴⁹

In its first five-year review, the Commission noted that the market for barium chloride continued to be mature and in decline. The Commission again linked this decline to the emergence of new products and processes. The Commission also noted that, since the antidumping duty order was issued, environmental concerns had caused barium chloride to be replaced with calcium chloride in certain pigment production processes. Also, as a result of environmental regulation, production of leaded gasoline in the United States, which was a major use for barium chloride in the original investigation, had ceased. The Commission observed that CPC had remained the only significant domestic producer of barium chloride in the United States, that nonsubject imports held nearly the same share of the U.S. market as they did in the original investigation, and that because barium chloride was a commodity product, “price [was] an important consideration in the purchasing decision.”⁵⁰

In the second review, the Commission noted that the market for barium chloride remained mature and shrinking and that aggregate domestic consumption in 2003 was ***, which the Commission attributed to the emergence of the same substitute products and processes that were noted in the first review. CPC remained the only significant domestic producer, and it remained subject to strict environmental requirements for handling barium chloride. Nonsubject imports had declined substantially by the time of the second review; they accounted for as much as *** and *** percent of apparent U.S. consumption in the original investigation and the first review, but less than *** in 2003. The Commission again noted the commodity nature of barium chloride and the relatively high degree of substitutability between imported and domestic barium chloride.⁵¹

2. The Current Review

There have been changes in the industry’s conditions of competition since the Commission’s original investigation in 1984. In addition to the changes noted in the two previous five-year reviews, which are still applicable to the industry, some additional changes have occurred since the Commission’s most recent five-year review in 2004. We find the following conditions of competition relevant to our determination.

⁴⁷ (...continued)

and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.” SAA at 869.

⁴⁸ 19 U.S.C. § 1675a(a)(4).

⁴⁹ Original Determination at 4-5.

⁵⁰ First Review Determination at 6-7.

⁵¹ Second Review Determination at 8-9.

a. Demand

The U.S. market for barium chloride continues to be mature, with no significant new end use applications foreseen.⁵² The market is concentrated among a small number of relatively large customers.⁵³ Demand for barium chloride depends upon the demand for its end use applications. The principal use for barium chloride, accounting for *** of CPC's U.S. sales, is as an intermediate material for the production of molecular catalyst sieves, which oil refinery complexes use to separate paraxylene molecules from other mixed xylenes. Accordingly, petroleum prices would be expected to affect demand for barium chloride. Barium chloride is also used to a lesser extent in the production of pigments, in water treatment applications, and as a component of molten salt baths for heat treating steel parts.⁵⁴

As measured by apparent U.S. consumption, U.S. demand for barium chloride increased from *** pounds in 2004 to *** pounds in 2005, before declining to *** pounds in 2006, *** pounds in 2007, *** pounds in 2008, and *** pounds in 2009, for an overall decline of *** percent over the period examined. It is not clear to what extent declining demand, which began in 2006, may be attributable to the economic downturn, which began in 2008.^{55 56}

b. Supply

There are currently two domestic producers of barium chloride, CPC and Barium & Chemicals, with CPC accounting for almost all production.⁵⁷ The domestic industry's annual capacity was *** from 2004 to 2009 at *** pounds.⁵⁸ The volume of subject imports from China declined to low levels after issuance of the antidumping duty order, and only small volumes of subject merchandise were imported during the period of review.⁵⁹ Nonsubject imports, after ranging between 34,000 pounds and 83,000 pounds from 2004 to 2007, increased to 563,000 pounds in 2008 and 1.0 million pounds in 2009.⁶⁰ CPC

⁵² CR at II-6, PR at II-4. CPC explains, for instance, that there has been some growth in the use of barium chloride for water treatment applications, but that it is not likely that this will result in a major increase in demand for barium chloride. CPC Response to Commission Questions at 4.

⁵³ CPC Prehearing Brief at 7.

⁵⁴ CR at II-6, PR at II-4. CPC reports that *** of its sales of barium chloride are for molecular sieves, *** percent for pigment production, *** percent for water treatment, *** percent for heat treating steel, and the remainder for other uses. CR at II-7, PR at II-4.

⁵⁵ CR/PR at Table C-1. CPC states that, after remaining steady for several years, demand dropped sharply in 2009, largely as a result of the economic downturn, and that demand has not yet recovered. CPC Prehearing Brief at 6-7, CPC Response to Commission Questions at 11. Market participants' views were mixed regarding whether demand in the future would increase, decrease, fluctuate, or remain unchanged. CR at II-8, PR at II-4-5.

⁵⁶ We realize that, because prices for barium chloride increased between 2004 and 2009, the general decline in apparent consumption could also reflect to some extent the decreased supply of barium chloride (most likely due to higher raw material costs). See discussion at CR at II-21 to II-22, PR at II-14.

⁵⁷ CR I-19, PR at I-16. CPC accounted for *** percent of production during the period examined in this five-year review. Id.

⁵⁸ CR/PR at Table C-1.

⁵⁹ CR/PR at Table I-1. Subject imports accounted for *** in each year of the period examined in this five-year review. CR/PR at Table C-1.

⁶⁰ CR/PR at Table C-1.

attributes the recent increase in nonsubject imports to purchases of barium chloride from India by ***. Those imports have reduced the share of *** requirements that are supplied by CPC.⁶¹

c. Other Conditions

As the Commission has consistently observed, barium chloride is a commodity product, and there is a high degree of substitutability between domestically produced barium chloride and the subject imports.⁶² Price is an important factor in purchasing decisions.⁶³

Raw material and natural gas costs constitute an important part of the total cost of producing barium chloride. Raw material costs accounted for approximately *** percent of U.S. producers' total cost of goods sold ("COGS") in 2009, while natural gas, an element of the industry's ***, accounted for *** percent of total COGS.⁶⁴ Raw material cost per pound nearly *** over the period of review, increasing from \$*** per pound in 2004 to \$*** per pound in 2009.⁶⁵ The industry's "other factory costs" also increased, from \$*** per pound in 2004 to \$*** per pound in 2009,⁶⁶ as did direct labor costs, which increased from \$*** per pound in 2004 to \$*** per pound in 2009.⁶⁷

C. Likely Volume of Subject Imports

1. The Commission's Original Determination and Prior Reviews

During the period examined in the original investigation, the volume of U.S. imports of barium chloride from China increased from 4.0 million pounds in 1981 to 5.3 million pounds in 1983, and increased greatly both as a share of domestic consumption and relative to domestic producers' shipments. The subject import volume was lower in interim (January to June) 1984 than in the same period in 1983, which the Commission attributed to the pending investigation.⁶⁸

In its first five-year review, the Commission observed that the volume of subject imports declined to minimal levels after the antidumping duty order was issued. The Commission found it reasonable to infer, however, that Chinese producers would resume exporting significant volumes of barium chloride to the United States if the order were revoked, given the similarity between conditions of competition at that time and those prevailing prior to issuance of the order. Additionally, the Chinese industry had substantially increased its production capacity since the original investigation to a level that was several times greater than apparent consumption in the United States.⁶⁹

In the second review, the Commission found that the volume of subject imports would likely return to significant levels absent the restraining effect of the antidumping duty order. The Commission based its conclusion on the Chinese producers' large production capacity, the continued attractiveness of the U.S. market, an increase in the volume of subject imports during the period examined, and,

⁶¹ CPC Responses to Commissioner Questions at 12, 14.

⁶² CR at II-11, PR at II-7.

⁶³ CR/PR at Table II-3 (all but one of the eight responding purchasers identified price as "very important" in their purchasing decisions).

⁶⁴ CR/PR at V-1.

⁶⁵ CR/PR at Table III-6.

⁶⁶ Prices for natural gas, reflected in CPC's "other factory costs," increased substantially in the final years of the period examined. CR at III-11 n.18, PR at III-5 n.18; CR/PR at Table III-6.

⁶⁷ CR/PR at Table III-6.

⁶⁸ Original Determination at 6.

⁶⁹ First Review Determination at 8-10.

notwithstanding other similarities between conditions of competition at that time and those prevailing at the time of the original investigation, the continued contraction of the U.S. market for barium chloride.⁷⁰

2. The Current Review

The record indicates that the antidumping duty order has had a restraining effect on the volume of subject imports, with the market share of subject imports remaining below *** percent throughout the period examined.⁷¹ Several factors support the conclusion that the subject import volume is likely to be significant in the event of revocation of the order. First, China is the world's *** producer of barium chemicals, which include barium chloride, accounting for approximately *** percent of global output.⁷²

Second, in the original investigation, exports by Chinese barium chloride producers ranged between *** pounds and *** pounds annually and accounted for as much as *** percent of those producers' total production.⁷³ Chinese producers' total exports remain substantial, ranging between 63.0 million pounds and 99.6 million pounds annually during the period examined.⁷⁴ Moreover, in the original investigation, exports to the United States accounted for as much as *** percent of total barium chloride exports by subject producers.⁷⁵ Accordingly, the producers in China are export oriented and, absent the order, would view the United States as an important export market.

Third, Chinese producers' production capacity is estimated to have increased from *** pounds at the time of the original investigation to at least 269 million pounds currently.⁷⁶ This capacity in China contrasts with total apparent U.S. consumption in 2009 of only *** pounds.⁷⁷

Fourth, due to the absence of questionnaire responses from Chinese producers, we lack current data on excess barium chloride capacity in China. We note, however, that Chinese producers' export shipments to all markets declined from 88.7 million pounds in 2008 to 63.0 million pounds in 2009. This decrease in export shipments likely increased the unused capacity available in China.⁷⁸

Fifth, the record includes evidence that prices for barium chloride in the United States are higher than prices in other markets, indicating that the U.S. market would be relatively attractive for Chinese producers.⁷⁹ We find it likely that Chinese exporters would be particularly motivated to increase exports

⁷⁰ Second Review Determination at 9-11.

⁷¹ Subject imports declined from 211,000 pounds in 2004 to zero in 2008 and 2009, and subject imports' market share declined from *** percent in 2004 to zero in 2008 and 2009. CR/PR at Table I-1.

⁷² CR at IV-8, PR at IV-6.

⁷³ Staff Report to the Commission on Investigation Number 731-TA-149 (Sep. 17, 1984) at Table 9.

⁷⁴ CR/PR at Table IV-3.

⁷⁵ Staff Report to the Commission on Investigation Number 731-TA-149 (Sep. 17, 1984) at Table 9.

⁷⁶ CR at IV-8, PR at IV-6. Chinese capacity was estimated to have increased from *** pounds in the original investigation to at least *** pounds in the first five-year review and to at least *** pounds in the second five-year review. CR at IV-5-6, PR at IV-4.

⁷⁷ *Id.*, CR/PR at Table I-1.

⁷⁸ CR/PR at Table IV-3. We have no information that would suggest that Chinese home market consumption would have increased sufficiently in 2009 to offset the decreased export shipments.

⁷⁹ *See, e.g.*, CR/PR at Tables IV-3, V-2, V-3. CPC presented evidence that prices for barium chloride in the United States are about three times those in Canada. CPC Prehearing Brief at 10, CPC Response To Commission Questions at 4 and Attachment A. CPC also states that many Chinese producers of barium chloride also produce barium carbonate, demand for which has declined along with declining demand for cathode ray tubes, its principal use, following the advent of LCD and plasma televisions. CPC maintains that the likelihood that Chinese producers would want to increase sales of barium chloride to offset declining sales of barium carbonate suggests a likely

(continued...)

of barium chloride to the United States if the order were revoked to offset in part the recent decline in Chinese producers' export shipments.⁸⁰

Accordingly, based on the demonstrated ability of Chinese barium chloride producers to increase imports into the U.S. market rapidly, their substantial production capacity and likely unused capacity, their export orientation, and the attractiveness of the U.S. market, we find that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant if the order were revoked.

D. Likely Price Effects of Subject Imports

1. The Commission's Original Determination and Prior Reviews

In its original determination, the Commission found that subject imports had substantially undersold the domestic product in every quarter of the period examined for which comparisons were available and that domestic prices had declined in the latter half of the period as a result of that underselling. The Commission also was able to confirm petitioner's lost sales allegations with respect to seven customers and more than half of the petitioner's lost revenue allegations.⁸¹

In the first five-year review, the Commission found that the average unit values ("AUVs") of the subject imports were about the same as they had been in the original investigation, whereas the domestic producers' prices were higher than they were in the original investigation. The Commission found that these comparisons, together with the commodity nature of barium chloride, the importance of price in purchasing decisions, and the information obtained during the original investigation, indicated likely underselling and adverse price effects if the order were revoked.⁸²

In the second five-year review, the Commission found that the available evidence regarding likely price effects was largely unchanged from that in the first five-year review. The Commission observed that the AUVs of the subject imports were higher than in the original investigation and the first review, but remained well below those for the domestic like product. The Commission found that, given that the conditions of competition at that time were similar to those that prevailed during the original investigation and that there was no indication that the nature of the imported product had changed, it was likely that, if the order were revoked, Chinese producers would significantly undersell the domestic like product to gain market share and subject imports would likely have significant depressing and/or suppressing effects on prices for domestic barium chloride.⁸³

2. The Current Review

The record in this review indicates that barium chloride remains a commodity product and that barium chloride from China is readily substitutable with the domestic like product.⁸⁴ Price remains an

⁷⁹ (...continued)

increase in Chinese exports to the United States if the order were revoked. CPC Prehearing Brief at 11.

⁸⁰ CR/PR at Table IV-3.

⁸¹ Original Determination at 6-8.

⁸² First Review Determination at 10-11.

⁸³ Second Review Determination 11-12.

⁸⁴ CR at II-11, PR at II-7.

important factor in the purchase of barium chloride, with most purchasers reporting that price is “very important” in purchasing decisions.⁸⁵

Although domestic producers’ prices increased over the period examined,⁸⁶ the increase was not sufficient to offset increased COGS, resulting in a cost-price squeeze for the industry.⁸⁷ In light of the minimal presence of subject imports in the U.S. market during the period examined, quarterly price comparison data are limited. The available data, however, show that the subject imports undersold the domestic like product in the majority of comparisons and, thus, have continued to compete on the basis of price notwithstanding the antidumping duty order.⁸⁸

As discussed above, if the order were revoked it is likely that the United States would become an attractive export market for Chinese producers, given their substantial unused capacity and export orientation and attractive prices in the U.S. market. It is also likely that Chinese producers would resume their aggressive underselling practices, which have persisted to some extent even with the order in place, in order to increase their U.S. market share. Given the high degree of interchangeability between subject and domestic barium chloride and the importance of price in purchasing decisions, such underselling is likely to result in significant adverse price effects. Thus, we conclude that, if the antidumping duty order were revoked, significant volumes of subject imports from China likely would significantly undersell the domestic like product to gain market share and likely would have significant depressing and/or suppressing effects on the prices of the domestic like product.

E. Likely Impact of Subject Imports⁸⁹

1. The Commission’s Original Determination and Prior Reviews

In the original investigation, the Commission found that, in the context of declining domestic consumption, the domestic industry’s market share declined, worker productivity declined, unit labor cost of production increased, and net sales, profitability, and cash flow all deteriorated. Moreover, the Commission found that any minor improvements in the industry’s performance when the interim periods were compared were attributable to the decline in subject imports following the Commission’s affirmative preliminary determination. On the basis of the record data, the Commission found that subject imports had displaced U.S. production, depressed prices, and adversely affected the profitability of the domestic

⁸⁵ CR/PR at Table II-3.

⁸⁶ *E.g.*, CR/PR at Tables V-2, V-3

⁸⁷ The industry’s unit COGS as a percentage of net sales increased overall during the period examined from *** percent in 2004 to *** percent in 2009. CR/PR at Tables III-6, C-1.

⁸⁸ The subject imports undersold the domestic product in four of six comparisons by margins ranging from *** percent to *** percent. CR/PR at Table V-2.

⁸⁹ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885, 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Tariff Act states that “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy” 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 review of the antidumping duty order on barium chloride from China, Commerce found a likely PRC-wide antidumping duty margin of 155.50 percent. 74 Fed. Reg. 55814, 55815 (Oct. 29, 2009).

industry. It concluded that the domestic industry, which had been made vulnerable by declining demand, was suffering material injury by reason of the dumped subject imports.⁹⁰

In its first five-year review, the Commission noted that the domestic industry was in a reasonably healthy financial condition. The Commission found that the improvement in the domestic industry's performance occurred because the domestic industry captured all of the market share previously held by imports from China. Thus, the Commission concluded that, should imports from China regain U.S. market share, it would come entirely at the expense of the domestic industry. The Commission found that, because the relative health of the domestic industry was primarily a result of the restraining effect of the order, revocation of the order likely would result in a significant volume of subject imports that would have significant price suppressing or depressing effects and a significant adverse impact on the industry's performance. The Commission found, therefore, that revocation would likely lead to the continuation or recurrence of material injury within a reasonably foreseeable time⁹¹

In the second review, the Commission observed that, although the industry's prices for barium chloride were higher than its prices in the original investigation and the first five-year review, the industry's total shipments declined significantly as apparent U.S. consumption declined. The Commission found that, if the order were revoked, it was likely that subject import volume would increase significantly, subject imports would undersell the domestic like product and have significant price suppressing or depressing effects, and the imports would have a significant adverse impact on the industry's performance. Accordingly, the Commission found that revocation would likely lead to the continuation or recurrence of material injury within a reasonably foreseeable time.⁹²

2. The Current Review

The condition of the domestic industry, after improving from 2004 to 2007, declined in 2008 and declined even more sharply in 2009. U.S. production of barium chloride increased irregularly from *** pounds in 2004 to *** pounds in 2007, before declining to *** pounds in 2008 and *** pounds in 2009.⁹³ The domestic industry's production capacity remained constant from 2004 to 2009 at *** pounds. Capacity utilization increased irregularly from *** percent in 2004 to *** percent in 2007, before decreasing to *** percent in 2008 and *** percent in 2009.⁹⁴

U.S. shipments increased from *** pounds in 2004 to *** pounds in 2005, before decreasing to *** pounds in 2006, *** pounds in 2007, *** pounds in 2008, and *** pounds in 2009. Net sales increased irregularly from *** pounds in 2004 to *** pounds in 2007, before decreasing to *** pounds in 2008 and *** pounds in 2009.⁹⁵

Domestic producers' inventories increased from *** pounds in 2004 to *** pounds in 2006, then declined to *** pounds in 2007, before increasing to *** pounds in 2008 and 2009.⁹⁶

⁹⁰ Original Determination 4-5, 8.

⁹¹ First Review Determination at 11-12.

⁹² Second Review Determination at 12-13.

⁹³ CR/PR at Table C-1.

⁹⁴ CR/PR at Table C-1.

⁹⁵ CR/PR at Table C-1. The growth in net sales from 2004 to 2007 reflected strong growth in domestic producers' exports in that time frame. *Id.*

⁹⁶ CR/PR at Table C-1. The ratio of domestic producers' inventories to U.S. shipments increased from *** percent in 2004 to *** percent in 2006, then declined to *** percent in 2007, before increasing to *** percent in 2008 and *** percent in 2009. *Id.*

The domestic industry's production and related workers increased from *** in 2004 to *** in 2005-2009. The number of hours worked increased from *** in 2004 to *** in 2005-2009.⁹⁷

The domestic industry's financial performance improved from 2004 to 2007, then declined sharply through 2009.⁹⁸ The industry's operating income increased from \$*** in 2004 to \$*** in 2007, before declining to \$*** in 2008 and *** in 2009.⁹⁹ The industry's operating income margin increased irregularly from *** percent in 2004 to *** percent in 2007, before declining to *** percent in 2008 and *** percent in 2009.¹⁰⁰

In addition, the industry's performance was affected by an increased COGS that was not fully offset by domestic producers' price increases.¹⁰¹ Moreover, demand, as reflected by apparent U.S. consumption, declined overall by *** percent between 2004 and 2009.¹⁰²

Accordingly, based on recent performance indicators, the current level of demand for barium chloride, and recent trends in the industry's COGS-to-net-sales ratio, we find that the domestic industry is vulnerable to material injury if the antidumping duty order were revoked.

We also find that revocation of the order would likely have a significant adverse impact on the domestic industry. As discussed above, revocation would likely lead to significant increases in the volume of subject imports that would aggressively undersell the domestic like product in order to regain market share and significantly depress and/or suppress U.S. prices. In addition, the volume and price effects of the subject imports would likely have a significant negative impact on the production, shipments, sales, market share, employment, and revenues of the domestic industry.¹⁰³ Declines in these indicators of industry performance would have a direct adverse impact on the industry's profitability, as well as its ability to raise capital and to make and maintain capital investments.

We have also considered the role of nonsubject imports in the U.S. market. Nonsubject imports increased their market share from *** percent in 2004 to *** percent in 2009.¹⁰⁴ As noted above, CPC attributes the recent increase in nonsubject imports to purchases of barium chloride from India by ***.¹⁰⁵ Accordingly, *** of nonsubject imports. There is no indication on this record, however, that the increased presence of nonsubject imports from India would prevent subject imports from aggressively re-entering the U.S. market in significant quantities. We note in this regard that the AUVs of nonsubject imports were markedly higher than the AUVs of subject imports in each year of the period examined for which comparisons are possible, indicating that subject imports likely would be priced more aggressively

⁹⁷ CR/PR at Table C-1. Productivity (pounds/hour) increased irregularly from *** in 2004 to *** in 2007, before decreasing to *** in 2008 and *** in 2009. Id.

⁹⁸ From 2004 to 2009, the domestic industry's SG&A expenses per unit *** percent, and the unit COGS ***. CR/PR at Table C-1.

⁹⁹ CR/PR at Table C-1. The industry's capital expenditures were \$*** in 2004, \$*** in 2005, \$*** in 2006, \$*** in 2007, \$*** in 2008, and *** in 2009. Id.

¹⁰⁰ CR/PR at Table C-1.

¹⁰¹ This cost-price squeeze is shown by the overall increase in the ratio of COGS to net sales in 2008 and 2009. CR/PR at Table C-1. In addition, the negative net cost/expense variance (unit costs increased from 2004 to 2009) is greater than the positive price variance (unit price increased from 2004 to 2009). CR at III-12, PR at III-5; CR/PR at Table III-7.

¹⁰² CR/PR at Table C-1.

¹⁰³ CPC explains that it ***. CR at III-11-12, PR at III-5. CPC likely would not be able to maintain its current employment levels if the antidumping duty order were revoked.

¹⁰⁴ CR/PR at Table C-1.

¹⁰⁵ CPC Responses to Commissioner Questions at 12, 14.

than both domestic barium chloride and nonsubject imports if the order were revoked.¹⁰⁶ Therefore, we conclude that nonsubject imports would not break the likely causal link between the subject imports and the continuation or recurrence of material injury to the domestic industry in the event of revocation.

We also recognize that reduced demand for barium chloride and the industry's increased COGS are factors contributing to the industry's vulnerability. These factors, however, do not sever the causal link between subject imports and likely material injury because the subject producers' incentive to ship significant volumes of aggressively priced barium chloride from China is not significantly diminished by either factor.

Consequently, we find that revocation of the order would likely have a significant adverse impact on the domestic industry, notwithstanding the increased presence of nonsubject imports in the U.S. market.

CONCLUSION

For the above reasons, we determine that revocation of the antidumping order on barium chloride from China will likely lead to continuation or recurrence of material injury to the domestic barium chloride industry within a reasonably foreseeable time.

¹⁰⁶ CR/PR at Table C-1. Whereas the AUVs of subject imports from China ranged between \$0.21 and \$0.24 from 2004 to 2007 (the only years in the period examined in which there were subject imports), the AUVs of all nonsubject merchandise were between \$0.64 and \$2.98 during that time. CR/PR at Table C-1. The majority of nonsubject imports during the period examined, and virtually all nonsubject imports in 2009, were from India. CR at IV-3, PR at IV-1.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

Effective July 1, 2009, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted a review to determine whether revocation of the antidumping duty order on barium chloride from China would likely lead to the continuation or recurrence of material injury to a domestic industry.^{2 3} On October 5, 2009, the Commission determined that it would conduct a full review pursuant to section 751(c)(5) of the Act.⁴ Information relating to the background and schedule of this proceeding appears in the following tabulation:⁵

Effective date	Action
October 17, 1984	Commerce’s antidumping duty order on barium chloride from China (49 FR 40635)
October 1, 1998	Commission’s institution (63 FR 52750) and Commerce’s initiation (63 FR 52683) of first review
February 4, 1999	Commerce’s final results of expedited first review (64 FR 5633)
February 24, 1999	Commission’s expedited first review determination (64 FR 10317, March 3, 1999)
March 10, 1999	Commerce’s first continuation of the antidumping duty order (64 FR 42654, August 5, 1999)
February 2, 2004	Commission’s institution (69 FR 4979) and Commerce’s initiation (69 FR 4921) of second review
June 7, 2004	Commerce’s final results of expedited second review (69 FR 31791)

¹ 19 U.S.C. 1675(c).

² *Barium Chloride from China*, 74 FR 31757, July 2, 2009. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. The Commission received one submission in response to its notice of institution for the subject review. It was filed on behalf of Chemical Products Corp. (CPC), a U.S. producer of barium chloride and the Petitioner in the original investigation.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year review of the subject antidumping duty order. *Initiation of Five-Year (“Sunset”) Review*, 74 FR 31412, July 1, 2009.

⁴ *Barium Chloride from China*, 74 FR 54069, October 21, 2009. Chairman Shara L. Aranoff, Vice Chairman Daniel R. Pearson, and Commissioner Deanna Tanner Okun found that the domestic group response was adequate and the respondent group response was inadequate, but that circumstances warranted a full review. Commissioners Charlotte R. Lane, Irving A. Williamson, and Dean A. Pinkert found that the domestic group response was adequate and the respondent group response was inadequate and voted for an expedited review.

⁵ The Commission’s notice of institution, notice to conduct a full review, scheduling notice, and statement on adequacy appear in appendix A and may also be found at the Commission’s web site (internet address www.usitc.gov). Commissioners’ votes on whether to conduct expedited or full reviews may also be found at the web site.

July 20, 2004	Commission's expedited second review determination (69 FR 44059, July 23, 2004)
August 5, 2004	Commerce's second continuation of the antidumping duty order (69 FR 47405)
July 1, 2009	Commission's institution (74 FR 31757, July 2, 2009) and Commerce's initiation (74 FR 31412) of third review
October 5, 2009	Commission's determination to conduct a full review (74 FR 54069, October 21, 2009)
October 29, 2009	Commerce's final results of expedited third review (74 FR 55814)
November 16, 2009	Commission's scheduling of the review (74 FR 62587, November 30, 2009)
April 15, 2010	Date for Commission's hearing (hearing cancelled at the request of domestic interested parties, 75 FR 20625, April 20, 2010)
May 26, 2010	Commission's vote
June 9, 2010	Commission's determination transmitted to Commerce

THE ORIGINAL INVESTIGATION AND SUBSEQUENT FIVE-YEAR REVIEWS

The original investigation resulted from a petition filed on October 25, 1983, by Chemical Products Corp. ("CPC"), Cartersville, GA. On August 27, 1984, Commerce made a final affirmative determination of sales at less than fair value ("LTFV") with respect to barium chloride imports from China.⁶ The Commission completed the original investigation in October 1984, determining that an industry in the United States was materially injured by reason of imports of barium chloride from China that were being sold at LTFV.⁷ After receipt of the Commission's determination, Commerce issued an antidumping duty order on imports of barium chloride from China, effective October 17, 1984.⁸ The final weighted-average dumping margins were 14.5 percent for SINOCEM and 14.5 percent for all others.

In March 1999, the Commission completed an expedited five-year review of the subject order and determined that revocation of the antidumping duty order on barium chloride from 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.⁹ Following affirmative determinations in the first five-year reviews by Commerce and the Commission, Commerce issued a continuation of the antidumping duty order on imports of barium chloride from China, effective March 10, 1999.¹⁰

In July 2004, the Commission completed a second expedited five-year review of the subject order and determined that revocation of the antidumping duty order on barium chloride from China would be

⁶ Commerce also made a determination that "critical circumstances" did not exist with respect to imports of barium chloride from China. *Final Determination of Sales at Less Than Fair Value; Barium Chloride From the People's Republic of China*, 49 FR 33918, August 27, 1984.

⁷ *Barium Chloride From the People's Republic of China*, Investigation No. 731-TA-149 (Final), USITC Publication 1584, October 1984.

⁸ *Barium Chloride from the People's Republic of China, Antidumping Duty Order*, 49 FR 40635, October 17, 1984.

⁹ *Barium Chloride from China*, 64 FR 10317, March 3, 1999.

¹⁰ *Continuation of Antidumping Duty Order: Barium Chloride From the People's Republic of China*, 64 FR 42654, August 5, 1999.

likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹¹ Following affirmative determinations in the second five-year reviews by Commerce and the Commission, Commerce issued a continuation of the antidumping duty order on imports of barium chloride from China, effective August 5, 2004.¹²

SUMMARY DATA

Table I-1 presents a summary of data from the original investigation as well as the first, second, and current reviews. From 1981 to 1983, the full years included in the period for which data were collected in the original investigation, U.S. imports of barium chloride from China increased over each annual period, both absolutely and relative to apparent U.S. consumption, while U.S. imports from other sources decreased over each annual period by both measures.¹³ The U.S. industry's production, U.S. shipments, and net sales value decreased over the period, while the industry's operating income decline irregularly. Likewise, capacity utilization declined each year during the period.

As noted in table I-1, certain data, including U.S. production and shipments of barium chloride for the first and second five-year expedited reviews, were based on submissions by the domestic interested party in response to the Commission's notice of institution in the respective reviews. In the current five-year review, U.S. industry data and related information are based on the questionnaire responses of two U.S. producers of barium chloride. U.S. import data are based on official Commerce statistics.

¹¹ *Barium Chloride from China*, 69 FR 44059, July 23, 2004.

¹² *Continuation of Antidumping Duty Order: Barium Chloride From the People's Republic of China*, 69 FR 47405, August 5, 2004.

¹³ The leading nonsubject sources of U.S. imports of barium chloride during 1981-83 were the Federal Republic of Germany, Italy, Belgium & Luxembourg, and France.

Table I-1

Barium chloride: Summary data from the original investigation, first, second, and current reviews, 1981-83, 1997, 2003, and 2004-09

(Quantity=1,000 pounds; value=1,000 dollars; unit value=per pound)

Item	1981	1982	1983	1997	2003	2004	2005	2006	2007	2008	2009
U.S. consumption quantity: Amount	***	***	***	***	***	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***	***	***	***	***	***
Importer's share: ¹ China	***	***	***	***	***	***	***	***	***	***	***
All other countries	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value: Amount	***	***	***	***	***	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***	***	***	***	***	***
Importer's share: ¹ China	***	***	***	***	***	***	***	***	***	***	***
All other countries	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***
U.S. imports from-- China:											
Quantity	3,994	4,319	5,330	243	573	211	174	132	43	0	0
Value	329	322	471	23	104	45	42	29	9	0	0
Unit value	\$0.08	\$0.07	\$0.09	\$0.09	\$0.18	\$0.21	\$0.24	\$0.22	\$0.21	---	---

Table continued on next page.

Table I-1--Continued

Barium chloride: Summary data from the original investigation, first, second, and current reviews, 1981-83, 1997, 2003, and 2004-09

(Quantity=1,000 pounds; value=1,000 dollars; unit value=per pound)

Item	1981	1982	1983	1997	2003	2004	2005	2006	2007	2008	2009
All other countries:											
Quantity	3,209	1,541	1,475	2,703	22	76	34	83	69	563	1,028
Value	530	282	230	870	51	94	101	67	44	319	567
Unit value	\$0.17	\$0.18	\$0.16	\$0.32	\$2.32	\$1.24	\$2.98	\$0.80	\$0.64	\$0.57	\$0.55
All countries:											
Quantity	7,203	5,860	6,805	2,945	594	287	208	215	112	563	1,028
Value	859	604	701	893	155	140	143	96	53	319	567
Unit value	\$0.12	\$0.10	\$0.10	\$0.30	\$0.26	\$0.49	\$0.69	\$0.45	\$0.47	\$0.57	\$0.55
U.S. producers'--											
Capacity quantity	***	***	***	***	(²)	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization ¹	***	***	***	***	(²)	***	***	***	***	***	***
U.S. shipments:											
Quantity	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Export shipments:											
Quantity	***	***	***	(²)	(²)	***	***	***	***	***	***
Value	***	***	***	(²)	(²)	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	(²)	(²)	\$***	\$***	\$***	\$***	\$***	\$***
Ending inventory quantity	***	***	***	(²)	(²)	***	***	***	***	***	***
Inventories/total shipments ¹	***	***	***	(²)	(²)	***	***	***	***	***	***

Table continued on next page.

Table I-1--Continued

Barium chloride: Summary data from the original investigation, first, second, and current reviews, 1981-83, 1997, 2003, and 2004-09

(Quantity=1,000 pounds; value=1,000 dollars; unit value=per pound)

Item	1981	1982	1983	1997	2003	2004	2005	2006	2007	2008	2009
Production workers	***	***	***	(²)	(²)	***	***	***	***	***	***
Hours worked (1,000 hours)	***	***	***	(²)	(²)	***	***	***	***	***	***
Wages paid (1,000 dollars)	***	***	***	(²)	(²)	***	***	***	***	***	***
Hourly wages	\$***	\$***	\$***	(²)	(²)	\$***	\$***	\$***	\$***	\$***	\$***
Productivity (pounds per hour)	***	***	***	(²)	(²)	***	***	***	***	***	***
Net sales:											
Quantity	(²)	(²)	(²)	(²)	(²)	***	***	***	***	***	***
Value	***	***	***	(²)	(²)	***	***	***	***	***	***
Unit value	(²)	(²)	(²)	(²)	(²)	\$***	\$***	\$***	\$***	\$***	\$***
Cost of goods sold	***	***	***	(²)	(²)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	(²)	(²)	***	***	***	***	***	***
SG&A	***	***	***	(²)	(²)	***	***	***	***	***	***
Operating income or (loss)	***	***	***	(²)	(²)	***	***	***	***	***	***
Unit cost of goods sold	(²)	(²)	(²)	(²)	(²)	\$***	\$***	\$***	\$***	\$***	\$***
Unit operating income or (loss)	(²)	(²)	(²)	(²)	(²)	\$***	\$***	\$***	\$***	\$***	\$***
Cost of goods sold/sales ¹	***	***	***	(²)	(²)	***	***	***	***	***	***
Operating income or (loss)/sales ¹	***	***	***	(²)	(²)	***	***	***	***	***	***

¹ In percent.

² Data not available.

Source: Data for the period 1981-83 are compiled from information presented in the Original Staff Report (September 17, 1984); data for 1997 and 2003 are compiled from information presented in the Second Review Staff Report (INV-BB-070, June 3, 2004); data for 2004-09 are from data submitted in response to Commission questionnaires. Import data are compiled from official Commerce statistics.

PREVIOUS AND RELATED INVESTIGATIONS

Barium chloride has not been the subject of any prior countervailing or antidumping duty investigations in the United States. The Commission has, however, conducted antidumping duty investigations on a related product, barium carbonate. The Commission made an affirmative final determination with respect to imports of barium carbonate from the Federal Republic of Germany in June 1981,¹⁴ and Commerce subsequently issued an antidumping order.¹⁵ In November 1998, as part of a five-year review, Commerce revoked the antidumping duty order effective January 1, 2000, because no domestic interested party responded to the notice of initiation by the applicable deadline.¹⁶

On October 25, 1983, CPC filed an antidumping duty petition on imports of barium chloride and barium carbonate (precipitated) from China. The Commission made an affirmative preliminary determination on both products;¹⁷ however, Commerce made a negative final dumping determination regarding imports of barium carbonate.¹⁸

On September 30, 2002, CPC filed an antidumping duty petition on imports of barium carbonate (regardless of form or grade) from China. The Commission made an affirmative final determination with respect to imports of barium carbonate from China in September 2003,¹⁹ and Commerce subsequently issued an antidumping duty order.²⁰ In January 2009, as part of a five-year review, Commerce determined that revocation of the order on barium carbonate would likely lead to continuation or recurrence of dumping.²¹ In March 2009, the Commission, in an expedited five-year review, determined that revocation of the antidumping duty order on barium carbonate from 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.²²

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation

¹⁴ *Precipitated Barium Carbonate From The Federal Republic of Germany*, Investigation No. 731-TA-31 (Final), USITC Publication 1154, June 1981.

¹⁵ *Precipitated Barium Carbonate From the Federal Republic of Germany; Antidumping Duty Order*, 46 FR 32864, June 25, 1981.

¹⁶ *October 1998 Sunset Reviews: Final Results and Revocations*, 63 FR 64677, November 23, 1998.

¹⁷ *Barium Chloride and Barium Carbonate (Precipitated) From The People's Republic of China*, Investigations Nos. 731-TA-149 and 150 (Preliminary), USITC Publication 1458, December 1983.

¹⁸ *Final Determination of Sales at Not Less Than Fair Value; Barium Carbonate From the People's Republic of China*, 49 FR 33913, August 27, 1984.

¹⁹ *Barium Carbonate from China*, Investigation No. 731-TA-1020 (Final), USITC Publication 3631, September 2003.

²⁰ *Antidumping Duty Order: Barium Carbonate from the People's Republic of China*, 68 FR 56619, October 1, 2003.

²¹ *Barium Carbonate from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 74 FR 882, January 9, 2009.

²² *Barium Carbonate From China*, 74 FR 10278, March 10, 2009.

“would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”

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

(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

- (A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
- (B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*
- (C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*
- (D) in an antidumping proceeding . . . , (Commerce’s findings) regarding duty absorption . . .*

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

- (A) any likely increase in production capacity or existing unused production capacity in the exporting country,*
- (B) existing inventories of the subject merchandise, or likely increases in inventories,*
- (C) the existence of barriers to the importation of such merchandise into countries other than the United States, and*
- (D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.*

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

- (A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and*
- (B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.*

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

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

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

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

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

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

Organization of the Report

Information obtained during the course of the review that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for barium chloride as collected in the review is presented in appendix C. U.S. industry data are based on the questionnaire responses of two U.S. producers of barium chloride that are believed to have accounted for virtually all domestic production of barium chloride in 2004-09. U.S. import data and related information are based on Commerce’s official import statistics and the questionnaire responses of eight U.S. importers of barium chloride that are believed to have accounted for over 75 percent of U.S. imports of barium chloride from China and for virtually all U.S. imports of barium chloride from all other sources during 2004-09. Foreign industry data and related information are based on CPC’s response to the Commission’s Notice of Institution and ***.²³ Responses by U.S. producers, importers, and purchasers of barium chloride to a series of questions concerning the significance of the existing antidumping duty order and the likely effects of revocation of the order are presented in appendix D.

²³ CPC’s response to the Notice of Institution, July 31, 2009. ***.

COMMERCE'S REVIEWS

Administrative Reviews²⁴

Commerce has completed six administrative reviews of the outstanding antidumping duty order on barium chloride from China. The results are shown in table I-2.²⁵ None of the reviews have resulted in revocations, in full or in part, and the last administrative review was carried out prior to the second five-year review in 2004.

Table I-2

Barium chloride: Administrative reviews of the antidumping duty order for China

Date results published	Period of review	Producer or exporter	Margin (percent)
January 5, 1987 (52 FR 313)	10/01/84-09/30/85	SINOCHEM ¹	7.82
January 3, 1989 (54 FR 52)	04/06/84-09/30/84	SINOCHEM ¹	27.70
	10/01/85-09/30/86	SINOCHEM ¹	60.84
July 2, 1992 (57 FR 29467)	10/01/90-09/30/91	SINOCHEM ¹	60.84
November 16, 1999 (64 FR 62168)	10/01/97-09/30/98	SINOCHEM ¹	14.50
		All others	14.50
March 17, 2003 (68 FR 12669)	10/01/00-09/30/01	SINOCHEM ¹	155.50
		China-wide rate	155.50
¹ SINOCHEM refers to China National Chemicals Import and Export Corporation. Source: Cited <i>Federal Register</i> notices.			

²⁴ No duty absorption findings were made.

²⁵ For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

Five-Year Reviews

Table I-3 presents the dumping margins calculated by Commerce in its first, second, and third reviews.

Table I-3
Barium chloride: Commerce’s first, second, and third five-year dumping margins for producers/exporters in China

Producer/exporter	First five-year review margin (percent)	Second five-year review margin (percent)	Third five-year review margin (percent)
SINOCHEM ¹	14.50	155.50	(2)
All others/PRC-Wide	14.50	155.50	155.50

¹ SINOCHEM refers to China National Chemicals Import and Export Corporation.
² Not listed separately.

Note.—The weighted-average margins in the original antidumping duty order were 14.5 percent for SINOCHEM and 14.5 percent for all others. These margins remained the same through the first five-year review. However, in the second five-year review, Commerce recalculated the margin that was determined in the original investigation. Commerce found that the outdated information of this order did not take into account changes in sales and input prices or changes in the methodology used by Commerce in NME cases.

Source: *Final Results of Expedited Sunset Review: Barium Chloride From the People’s Republic of China (PRC)*, 64 FR 5633, February 4, 1999; *Barium Chloride from The People’s Republic of China; Final Results of the Sunset Review of Antidumping Duty Order*, 69 FR 31791, June 7, 2004; and *Barium Chloride From the People’s Republic of China: Final Results of Expedited Third Sunset Review of Antidumping Duty Order*, 74 FR 55814, October 29, 2009.

DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

The Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”) (also known as the Byrd Amendment) provides that assessed duties received pursuant to antidumping or countervailing duty orders must be distributed to affected domestic producers for certain qualifying expenditures that these producers incur after the issuance of such orders.²⁶ Qualified U.S. producers of barium chloride were eligible to receive disbursements from the U.S. Customs and Border Protection (“Customs”) under CDSOA relating to the orders covering the subject merchandise beginning in Federal fiscal year 2002.²⁷ Tables I-4 presents CDSOA disbursements and claims for Federal fiscal years 2004-09, by firm.²⁸

²⁶ Section 754 of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)). The Deficit Reduction Act of 2005 repealed the CDSOA with respect to duties on entries of goods made and filed on or after October 1, 2007. *See* Pub. L. No. 109-171, 120 Stat. 4, 154 (2006).

²⁷ 19 CFR 159.64 (g).

²⁸ The Federal fiscal year begins on October 1 and ends on September 30 of the next calendar year.

Table I-4

Barium chloride: CDSOA disbursements and claims, Federal fiscal years 2004-09

Item	Federal fiscal year					
	2004	2005	2006	2007	2008	2009
Disbursements (dollars)						
CPC ¹	\$64,644	\$34,580	\$9,358	\$37,180	(²)	(²)
Claims (dollars)						
CPC ¹	\$51,928,708	\$52,063,064	\$53,587,484	\$56,193,126	(²)	(²)
¹ CPC was the only firm to submit claims and receive disbursements. ² None listed.						
Source: U.S. Customs and Border Protection's CDSOA <i>Annual Reports</i> . Retrieved from http://www.cbp.gov/xp/cgov/trade/priority_trade/add_cvd/cont_dump/ .						

THE SUBJECT MERCHANDISE

Commerce's Scope

The imported product subject to the antidumping duty order under review, as defined by Commerce in its original order, is as follows:

*Barium chloride, a chemical compound having the formulas BaCl₂ or BaCl₂•2H₂O.*²⁹

Tariff Treatment

Barium chloride is currently classifiable in the Harmonized Tariff Schedule of the United States ("HTS") under subheading 2827.39.45, a subheading that covers only the subject merchandise. As presented in table I-5, the current general tariff rate for barium chloride is 4.2 percent ad valorem.

²⁹ *Barium Chloride From the People's Republic of China: Final Results of Expedited Third Sunset Review of Antidumping Duty Order*, 74 FR 55814, October 29, 2009.

**Table I-5
Barium chloride: Tariff rates, 2010**

HTS provision	Article description	General ¹	Special ²	Column 2 ³
		Rates (percent ad valorem)		
2827	Chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide oxides:			
	Other chlorides:			
2827.39	Other:			
2827.39.45	Of barium.....	4.2%	Free (A, AU, BH, CA, CL, E, IL, J, JO, MA, MX, OM, P, PE, SG)	28.5%

¹ Normal trade relations, formerly known as the most-favored-nation duty rate.
² Special rates apply to imports of barium chloride from certain trading partners of the United States as follows: A (GSP); AU (United States-Australia Free Trade Agreement); BH (United States-Bahrain Free Trade Agreement Implementation Act); CA and MX (North American Free Trade Agreement); CL (United States-Chile Free Trade Agreement); E (Caribbean Basin Economic Recovery Act); IL (United States-Israel Free Trade Area); J (Andean Trade Preference Act); JO (United States-Jordan Free Trade Area Implementation Act); MA (United States-Morocco Free Trade Agreement Implementation Act); OM (United States-Oman Free Trade Agreement Implementation Act) ; P (Dominican Republic-Central America-United States Free Trade Agreement Implementation Act); PE (United States-Peru Trade Promotion Agreement Implementation Act); SG (United States-Singapore Free Trade Agreement). China is not eligible for any special duty rates.
³ Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.

Source: Harmonized Tariff Schedule of the United States (2010).

THE DOMESTIC LIKE PRODUCT

Description and Applications

Barium chloride is a solid chemical compound having the formula BaCl₂ (if in powdered, or anhydrous, form) or BaCl₂•2H₂O (if in crystalline form). The anhydrous form of barium chloride (BaCl₂) is used primarily as an ingredient in heat-treating salts and metal fluxes--molten baths used to harden metal parts, usually small specialty steel parts such as tools and dies.³⁰

Crystalline barium chloride (BaCl₂•2H₂O) is used primarily as an intermediate in the production of molecular catalyst sieves, which in turn are used in oil refinery complexes to separate out industrially useful paraxylene molecules from other mixed xylenes.³¹ Paraxylene is a raw material used in the production of terephthalic acid, a precursor to the polyester PET that is used to make clothing and plastic bottles.³² Barium chloride in crystalline form also serves as a cleansing agent in the removal of soluble sulfates in certain chemical and water treatment processes; as a cleansing ingredient in lubricating oil additives; and as a raw material in the production of certain chemicals, pigments, and paper coatings. The

³⁰ Staff Trip Notes, February 24, 2010, p. 2. Presented publicly with permission from CPC.

³¹ CPC's response to the Notice of Institution, July 31, 2009, p. 8.

³² CPC's response to question IV-25(b) in the producers' questionnaire. Presented publicly with permission from CPC.

crystalline form of barium chloride is also used as a base material for production of ink pigments and other barium intermediate products such as barium titanate and barium metaborate.

Barium chloride was previously used in the production of sodium metal, which was an input into leaded gasoline.³³ While this application was once a major use for barium chloride, it has been eliminated as a result of the discontinued production of leaded gasoline in the early 1980s.³⁴ Also, increased environmental regulation of barium compounds has led to the development of new processes in pigment production that substitute less costly and reportedly more environmentally friendly calcium chloride for barium chloride. Demand for barium chloride has grown slightly in certain environmental applications, particularly in wastewater treatment where the barium chloride is used to precipitate heavy metal impurities.³⁵ Nevertheless, CPC states that this application is not likely to result in a major increase in demand for barium chloride.³⁶

CPC produces a single commercial grade of the crystalline and the anhydrous product.³⁷ The stated specification for barium chloride content is 98 percent barium chloride, although the actual barium chloride content sold to customers may be much higher. Additionally, certain impurities must be kept below a given threshold. Even water is considered an impurity for the anhydrous grade barium chloride, because water molecules may interfere with the desired process in metallurgical applications. Although high purity barium chloride exists and is used in small quantities in certain applications,³⁸ CPC has stated that it does not produce a high purity form of barium chloride.³⁹

Manufacturing Process

CPC produces barium chloride by crushing barite ore (naturally occurring barium sulfate), mixing it with petroleum coke, and reducing it at high temperatures to barium sulfide, which is purified and dissolved in water. The barium sulfide solution is then reacted with hydrochloric acid to remove byproduct hydrogen sulfide as a gas. When the resulting solution is evaporated, barium chloride crystals remain. The crystalline form is reduced to the anhydrous form by applying intense heat, which drives off the water that is molecularly bonded in the crystals.⁴⁰ This barium chloride production process is depicted in Figure I-1. According to CPC, the production process is ***.⁴¹ CPC also indicated that production equipment has been updated since the last five year review, but the overall process of making barium chloride is largely unchanged.⁴²

³³ CPC's response to Commission's Questions, April 26, 2010, p. 16.

³⁴ EPA issued the first leaded gasoline reduction standards in 1973, which called for a gradual phasedown of lead to one tenth of a gram per gallon in 1986. EPA Takes Final Step in Phaseout of Leaded Gasoline, <http://www.epa.gov/history/topics/lead/02.htm>, retrieved March 17, 2010.

³⁵ CPC's response to question IV-14 in the producers' questionnaire. Presented publicly with permission from CPC.

³⁶ CPC's response to Commission's Questions, April 26, 2010, p. 4.

³⁷ CPC's response to Commission's Questions and Comments on Draft Questionnaires, January 5, 2010, p. 1.

³⁸ Barium & Chemicals produces small amounts of high purity barium chloride ***. Staff interview with ***.

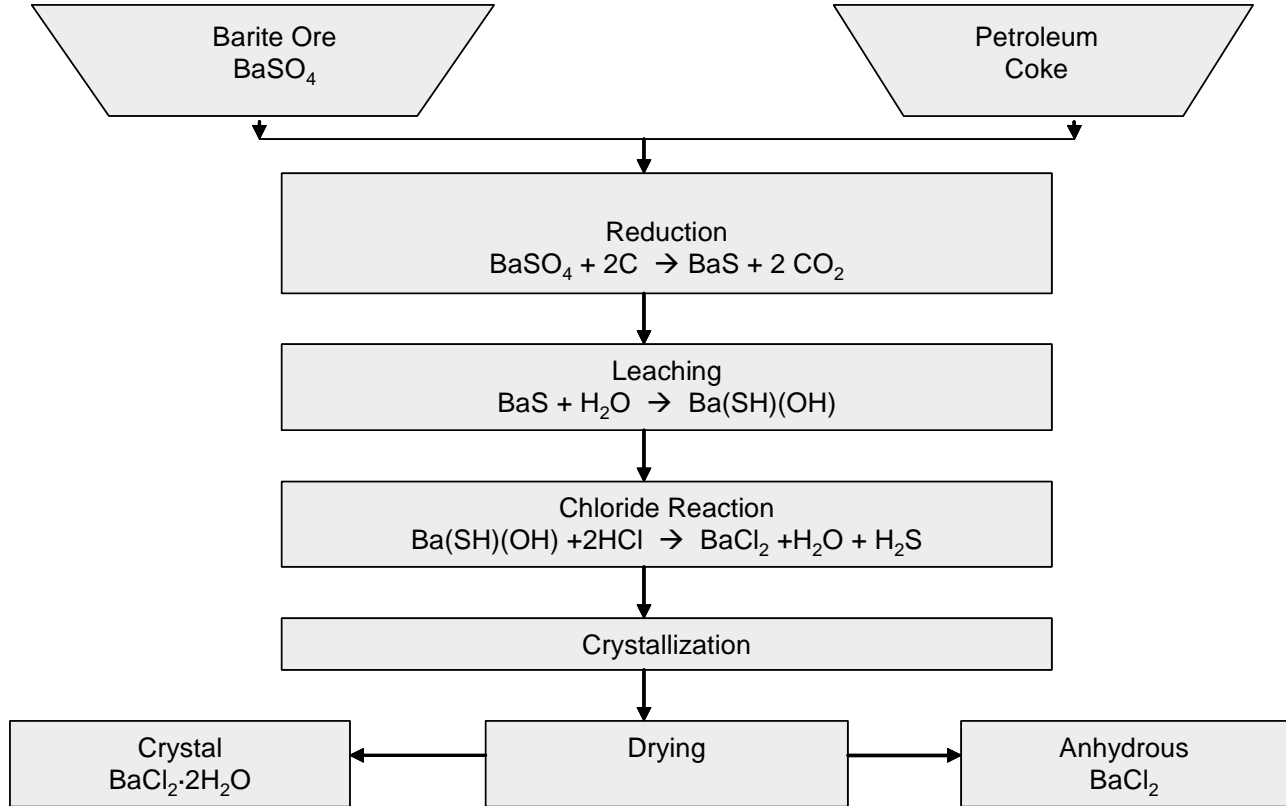
³⁹ CPC's response to Staff questions, February 23, 2010; and CPC's response to Commission's Questions and Comments on Draft Questionnaires, January 5, 2010, p. 2.

⁴⁰ Because of the additional processing and increased concentration, the anhydrous form sells at a premium price.

⁴¹ Staff Trip Notes, February 24, 2010, p. 1.

⁴² CPC's response to Staff questions, February 23, 2010. Presented publicly with permission from CPC.

Figure I-1
Barium chloride: Process flowchart



Source: CPC. Presented publicly with permission from CPC.

Barium & Chemicals produces high purity barium chloride ***. According to Barium & Chemicals, it ***,⁴³

⁴³ Barium & Chemicals' response to Staff questions, March 17, 2010.

DOMESTIC LIKE PRODUCT ISSUES

In its original determination, the Commission defined the domestic like product as crystalline and anhydrous barium chloride, excluding high purity barium chloride.⁴⁴ In its expedited first and second five-year determinations, the Commission found one domestic like product coextensive with Commerce's scope: all forms of barium chloride, including crystalline, anhydrous, and high purity. In its notice of institution in the current five-year review, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry.⁴⁵ CPC, the sole interested party commented on the Commission's definition of the domestic like product and indicated that it agrees with the Commission's definition set forth in the original investigation as "crystalline and anhydrous barium chloride, excluding high purity barium chloride."⁴⁶ However, in its comments on the draft questionnaires, CPC did not request separate data collection or other information regarding high purity barium chloride.⁴⁷

U.S. MARKET PARTICIPANTS

U.S. Producers

The structure of the domestic barium chloride industry has not changed substantially since the Commission's original investigation concerning barium chloride was conducted in 1984. During the original investigation, CPC accounted for at least *** percent of total U.S. production, and was the only firm to supply the Commission with information on its U.S. operations with respect to barium chloride.⁴⁸ CPC accounted for *** percent of U.S. production of barium chloride in 2004-09.

In the Commission's first five-year review, CPC was the only party to respond to the Commission's notice of institution. CPC described itself as the sole remaining commercial producer of barium chloride in the United States. CPC also identified three other domestic firms that produced "small" amounts of barium chloride in 1998 and explained that two of the U.S. producers (Barium & Chemicals and GTE Products Corp.) produced small amounts of barium chloride for internal consumption and that the third U.S. producer (G.F. Smith Chemical Co.) produced small amounts of ultra-pure barium chloride for laboratory use.⁴⁹

In the Commission's second five-year review, CPC again was the only party to respond to the Commission's notice of institution. CPC described itself as the sole remaining commercial producer of barium chloride in the United States, and only listed Barium & Chemicals of Steubenville, OH, and

⁴⁴ *Barium Chloride from the People's Republic of China*, Investigation No. 731-TA-149 (Final), USITC Publication 1584, October 1984. The Commission found in the original investigation that high purity barium chloride produced for laboratory use was not included in the domestic like product, noting that it was produced "only in very small amounts and at a relatively high price" and that this form of barium chloride "does not compete for general industrial use with the petitioner's or the imported product." Since Commerce did not explicitly exclude high purity barium chloride from the scope of the original order, the scope appears to include high purity barium chloride.

⁴⁵ *Barium Chloride from China*, 74 FR 31757, July 2, 2009.

⁴⁶ CPC's response to the Notice of Institution, July 31, 2009, p. 13.

⁴⁷ CPC's response to Commission's Questions and Comments on Draft Questionnaires, January 5, 2010, p. 2.

⁴⁸ CPC supplied the Commission with usable questionnaire information during the original investigation. Two other firms, Barium and Chemicals and GTE Products Corp., were identified as producers of barium chloride for internal consumption. One firm, J.T. Baker, produced very small quantities for the open market, and one firm, G.F. Smith Chemical Co., produced very small quantities of ultra-pure barium chloride for laboratory use.

⁴⁹ *Second Review Staff Report*, p. I-8.

Osram Sylvania (formerly GTE Products Corp.) of Towanda, PA, as domestic producers of small amounts of barium chloride for internal consumption.⁵⁰

In response to the Commission’s notice of institution in the present review, CPC again identified itself as the lone remaining domestic barium chloride producer.⁵¹ The Commission issued producers’ questionnaires to six firms, two of which provided the Commission with information on their barium chloride operations. These two firms are believed to have accounted for virtually all U.S. production of barium chloride in 2009.⁵² Presented in table I-6 is a list of current domestic producers of barium chloride and each company’s position on continuation of the order, production location, related and/or affiliated firms, and share of reported production of barium chloride in 2009.

Table I-6
Barium chloride: U.S. producers, positions on the order, U.S. production locations, related and/or affiliated firms, and shares of 2009 reported U.S. production

Firm	Position on continuation of the order	U.S. production location	Related and/or affiliated firms	Share of 2009 production (percent)
CPC	***	Cartersville, GA	Dellinger Management Corp.	***
Barium & Chemicals, Inc.	***	Steubenville, OH	None	***

Note.—Barium & Chemicals produced *** of barium chloride during 2004-08 and *** in 2009.

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

U.S. Importers

The Commission issued 11 questionnaires to potential U.S. importers of barium chloride identified through independent Staff research. The Commission also sent importer questionnaires to all U.S. producers. Of these, the Commission received useable data from eight U.S. importing firms on their operations involving the importation of barium chloride.⁵³ Of these eight usable questionnaires, only two reported importing barium chloride from China since 2004. Staff believes that the data reported by the responding U.S. importers account for more than 75 percent of U.S. imports of barium chloride from China and more than 95 percent of U.S. imports from all other sources during the period for which data were collected. Table I-7 lists all responding U.S. importers of barium chloride from China and other sources, their headquarters, and their shares of U.S. imports in 2009.

Table I-7
Barium chloride: U.S. importers, U.S. headquarters, and shares of imports in 2009

* * * * *

⁵⁰ Ibid.

⁵¹ CPC’s response to the Notice of Institution, July 31, 2009, pp. 8-9.

⁵² ***. Staff telephone interview with ***.

⁵³ Two firms responded that they do not import barium chloride and two firms have not responded to the importer questionnaire.

U.S. Purchasers

The Commission received 11 useable purchaser questionnaire responses from firms that have bought barium chloride since 1984.⁵⁴ Three responding purchasers are solely distributors, seven are solely end users, and one is both a distributor and an end user. In general, responding U.S. purchasers were located in the East Coast and the Midwest. The responding purchasers represented firms in the chemical industry. The largest responding purchasers of barium chloride are ***.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table I-8 and figure I-2 present apparent U.S. consumption of barium chloride for 2004-09, while table I-9 presents U.S. market shares for the same period. Official Commerce import statistics were used to derive the import component of apparent U.S. consumption.

Table I-8

Barium chloride: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2004-09

Item	Calendar year					
	2004	2005	2006	2007	2008	2009
Quantity (1,000 pounds)						
U.S. producers' U.S. shipments	***	***	***	***	***	***
U.S. imports from--						
China	211	174	132	43	0	0
All other sources	76	34	83	69	563	1,028
Total U.S. imports	287	208	215	112	563	1,028
Apparent U.S. consumption	***	***	***	***	***	***
Value (1,000 dollars)						
U.S. producers' U.S. shipments	***	***	***	***	***	***
U.S. imports from--						
China	45	42	29	9	0	0
All other sources	94	101	67	44	319	567
Total U.S. imports	140	143	96	53	319	567
Apparent U.S. consumption	***	***	***	***	***	***
Note.--Because of rounding, figures may not add to the totals shown.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

⁵⁴ Of the 11 responding purchasers, 9 purchased domestically produced barium chloride, none purchased imports of the subject merchandise from China, and 2 purchased imports of barium chloride from other sources.

Figure I-2

Barium chloride: Apparent U.S. consumption, by sources, 2004-09

* * * * *

Table I-9

Barium chloride: U.S. consumption and market shares, 2004-09

* * * * *

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

U.S. MARKET CHARACTERISTICS

Both responding U.S. producers and one of six responding importers (***) reported selling barium chloride nationally. At least three additional importers sold to each of the northeast, Midwest, mountains, and Pacific coast regions, while in the southeast and central southwest regions only the one importer and both producers reported sales.

Both U.S. producers indicated that *** of their sales were between 101 and 1,000 miles from their production facility. One producer, ***, reported that *** percent of its sales were more than 1,000 miles from its production facility while the other producer, ***, reported that *** percent of its sales were more than 1,000 miles from its production facility. Two of four reporting importers indicated that all of their sales were over 1,000 miles from with their storage facility or point of importation and one importer reported that all its sales were made 101 to 1,000 miles from its point of importation. The remaining importer reported making 50 percent of its sales between 101 and 1,000 miles from its storage facility and 40 percent over 1,000 miles from its storage facility.

The reported lead times for delivery of U.S.-produced and imported barium chloride from subject and nonsubject countries vary widely. One responding producer (***) reported making *** of its sales from inventory with a lead time of *** days while the other responding producer (***) reported making *** percent of sales from inventory with a lead time of *** weeks. *** lead times were reported for non-inventory orders by this producer. Three of four responding importers reported making all of their sales to order with lead times ranging from 30 to 90 days while one importer (***) reported making all of its sales from inventory.

CHANNELS OF DISTRIBUTION

U.S. producers and importers of Chinese barium chloride generally sell to end users, however, all but one importer of barium chloride from nonsubject countries sells to distributors (see table II-1). During 2004-09, *** of U.S. producer sales went to end users in every year. For importers of barium chloride from China, *** sales went to end users. Importers of barium chloride from other sources made *** percent of their sales to distributors in 2004 to 2005. During 2006 through 2009, at least *** percent of sales made by importers from other sources were to end users. This shift primarily reflects *** by U.S. importer ***.

Table II-1

Barium chloride: Channels of distribution for U.S. producers' and U.S. importers' U.S. shipments of barium chloride, 2004-09

* * * * *

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Industry

The only responding producer indicated that it does not anticipate any changes in terms of the availability of U.S.-produced barium chloride in the U.S. market in the future. Based on available information, U.S. barium chloride producers have the ability to respond to changes in demand with large changes in the quantity shipped to the U.S. market. Supply responsiveness is enhanced by the availability

of unused capacity, the existence of inventories, and an ability to use alternative markets, but is constrained by a limited ability to shift production.

Industry capacity

The capacity utilization rate for U.S. producers increased from *** percent in 2004 to *** percent in 2008, and then fell to *** percent in 2009. This level of capacity utilization indicates that U.S. producers have unused capacity with which they could increase production of barium chloride in the event of a price change.

Inventory levels

The ratio of inventories to total shipments for U.S. producers increased from *** percent in 2004 to *** percent in 2009. These data indicate that U.S. producers have an ability to use inventories as a means of increasing shipments of barium chloride to the U.S. market.

Alternative markets

Exports of barium chloride, as a share of total shipments, for U.S. producers increased from *** percent in 2004 to *** percent in 2009. Both U.S. producers indicated that their exports of barium chloride are not subject to any tariff or non-tariff barriers to trade in other countries. *** indicated that pricing is depressed in off-shore markets due to what it characterized as “unfair pricing practices” of the Chinese producers. These data and questionnaire responses indicate that U.S. producers have an ability to divert shipments of barium chloride to or from alternative markets in response to price changes.

Production alternatives

Both responding producers indicated that they are not able to switch production between barium chloride and other products in response to a relative change in the price of barium chloride vis-a-vis the price of other products, using the same equipment and labor. However, *** indicated that ***.¹ Therefore, U.S. producers have a limited ability to shift production in response to a price change.

According to purchaser ***.² ***.³

Subject Imports⁴

All six responding importers indicated that they do not anticipate any changes in terms of the availability of barium chloride imported from China in the U.S. market in the future. No Chinese producer responded to the foreign producer questionnaire. Based on available information, exporters of Chinese barium chloride have the ability to respond to changes in demand with moderate changes in the quantity shipped to the U.S. market. Supply responsiveness is enhanced by the ability to divert shipments from alternate markets, but is limited by an inability to use production alternatives.

¹ ***.

² ***'s response to purchaser survey for adequacy phase.

³ ***.

⁴ None of the 10 responding purchasers indicated that their firm purchased barium chloride from China before 1984 or since 2004.

Industry capacity

CPC estimates that current capacity for barium chloride production in China is 137,700 metric tons (300 million pounds) per year.⁵ However, there are no available estimates for production or capacity utilization for barium chloride production in China.

Inventory levels

There are no available estimates for inventories of barium chloride production in China.

Alternative markets

Most of the barium chloride produced in China goes to markets other than the United States. Exports of barium chloride to markets other than the United States as a share of total exports was at least 99 percent during 2004 to 2009.⁶ These data indicate that Chinese producers may be able to divert shipments of barium chloride from alternative markets in response to price changes.

Production alternatives

As noted, no Chinese producer responded to the foreign producers questionnaire. However, *** believes that the production process for barium chloride is similar in the United States, China, and the rest of the world.⁷ Therefore, Chinese producers likely have a limited ability to shift production to other products in response to a price change, as is the case with U.S. producers.

Nonsubject Imports

The only responding U.S. producer and one of eight responding importers indicated that the availability of nonsubject imported barium chloride has changed since 1984. Both indicated that there has been an increase in imports of barium chloride from India.

Five of 10 responding purchasers indicated that their firms did not purchase from nonsubject sources either before or after the antidumping duty order; three responding purchasers indicated that their pattern of purchasing is unchanged since 1984; and two responding purchasers indicated that their pattern of purchases of barium chloride from nonsubject countries changed for reasons other than the order. One purchaser (***) reported purchasing barium chloride imported from Mexico between 2004 and 2009 and another purchaser (***) reported purchasing barium chloride imported from India between 2006 and 2009.

U.S. Demand

Based on the available information, it is likely that changes in the price level of barium chloride will result in a small change in the quantity of barium chloride demanded. The main contributing factors to the small degree of responsiveness of demand for barium chloride is the lack of substitute products and the low share of cost of its principal end-use, molecular sieves, and the limited number of substitute products and the small to moderate share of cost of its other end-use products.

⁵ CPC's response to the Notice of Institution, July 31, 2009, p. 4.

⁶ Compiled from Global Trade Atlas. See table IV-3.

⁷ ***.

Demand Characteristics

According to U.S. producer CPC, the U.S. market for barium chloride continues to be mature and declining, with no significant new end use applications foreseen at this time.⁸ CPC indicated that the principal use for crystalline barium chloride is as an intermediate material for the production of molecular catalyst sieves, used in oil refinery complexes to separate para-xylene molecules from other mixed xylenes. CPC indicated that anhydrous barium chloride is used principally as a component of molten salt baths used in certain steel hardening processes. It also indicated that other formerly significant uses for barium chloride, such as in the production of pigments, are declining because of environmental restrictions applicable to the production of toxic inks.⁹

CPC indicated that about *** of its U.S. sales of barium chloride is used for molecular sieves, *** percent are used for pigments, *** percent are used for water treatment, and *** percent are used for heat treating steel.¹⁰

CPC indicated that the molecular sieves are expensive, fluid-bed catalyst reactor systems used in refinery operations to segregate out certain industrially useful para-xylenes.¹¹ It notes that ***. CPC indicated that molecular sieves are manufactured in the United States by Honeywell and understands that most new installations of molecular sieves take place at petrochemical refinery complexes under construction in Asia.¹² It indicated that demand for barium chloride varies with demand for these molecular sieves, which in turn is closely correlated with petroleum prices and demand for polyethylene containers and polyesters. According to CPC, after several years of relatively strong market conditions, demand for barium chloride has fallen sharply since late 2008. CPC also observed that other uses for crystalline barium chloride in the United States primarily involve production of certain pigments. CPC indicated that the anhydrous form of barium chloride is used primarily as an ingredient in heat-treating salts and metal fluxes -- molten-salt baths into which metal parts are inserted for purposes of hardening. According to CPC, there has been an increase in the environmental regulation of barium compounds, which has affected the production and handling of barium chloride and limited the applications in which it is used.¹³

The only responding producer and three responding purchasers indicated that demand for barium chloride in the U.S. market has increased since 1984. The producer (***) indicated that worldwide demand for molecular sieves has increased over the period and that the business is very cyclical. Three importers and one purchaser indicated that demand has not changed since 1984, one importer/purchaser and one importer indicated that demand has declined, and one purchaser indicated that demand has fluctuated.¹⁴ The importer/purchaser (***) indicated that demand decreased because of petrochemical market fluctuations and the trend to more operations using barium chloride offshore.

Two of three responding importers and two of three responding purchasers indicated that they expected no changes in future demand for barium chloride in the U.S. market. One importer indicated

⁸ CPC's response to Commission's Questions, April 26, 2010, p. 4.

⁹ CPC's response to the Notice of Institution, July 31, 2009, pp. 8, 11-12.

¹⁰ E-mail from ***, March 9, 2010.

¹¹ CPC's response to the Notice of Institution, July 31, 2009, p. 12.

¹² CPC's response to Commission's Questions, April 26, 2010, pp. 15-16.

¹³ CPC's response to the Notice of Institution, July 31, 2009, p. 12.

¹⁴ Also, the response for one importer that indicated that demand decreased due to overseas competition was not included.

that it expects demand to fluctuate.¹⁵ The remaining responding purchaser (***) expects demand to decrease as the heat treating industry loses barium chloride business to overseas business and competing technologies. The only responding producer (***) expects possible increases in demand for water treatment applications, although it does not expect this market to be nearly as large as the molecular sieve business.

As noted above, CPC indicated that demand for barium chloride is closely correlated with petroleum prices. Between January 2004 and April 2010, the price of crude oil fluctuated widely, increasing overall from \$34.31 per barrel to \$82.00 per barrel or by 139 percent (figure II-1). According to the NYMEX, the futures price for crude oil is projected to range between \$43.33 to \$163.93 per barrel in December 2011.¹⁶

CPC also indicated that barium chloride is used to produce molecular sieves that are used to segregate out certain para-xylenes. Therefore demand for barium chloride depends on prices for these para-xylenes. Between January 2004 and February 2010, the average unit value of U.S. imports of para-xylene increased by 310 percent while the average unit value of U.S. exports of para-xylene increased by 166 percent (figure II-2).

Four of seven responding purchasers indicated that demand for their end-use products using barium chloride has decreased since 1984. Two purchasers reported that demand has fluctuated and one purchaser reported that demand has increased. All seven responding purchasers indicated that demand for end use products has had an effect on their demand for barium chloride.

Business Cycles

Two of five responding purchasers indicated that the market for barium chloride is subject to business cycles. One purchaser (***) reported that the business cycle was dependent on electronics market dynamics and raw material availability. *** indicated that demand for *** is very cyclical.

Substitute Products

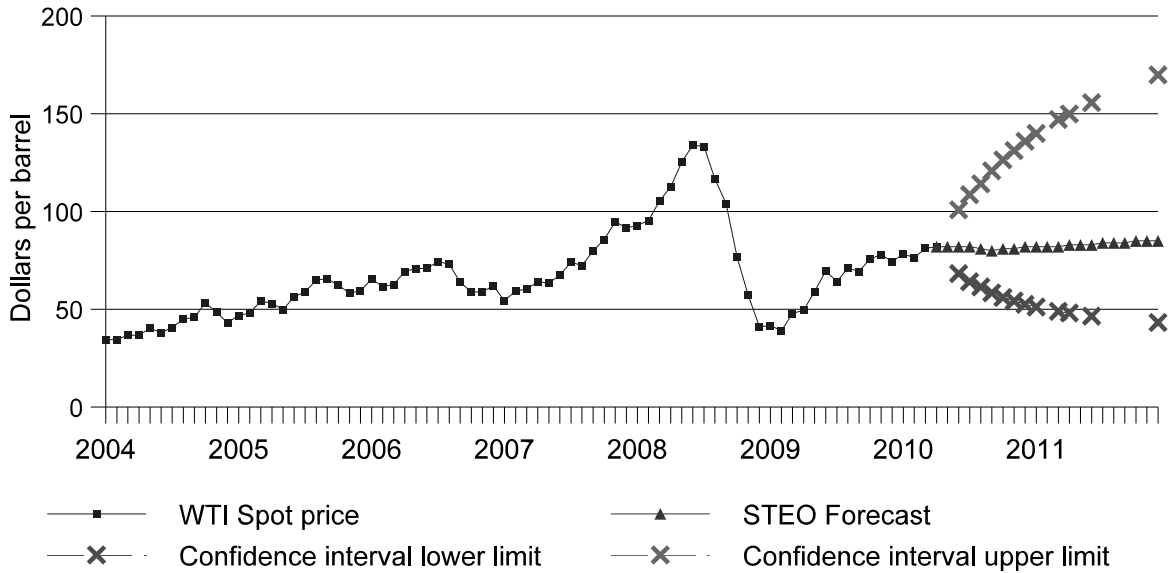
No producers or importers indicated that there were substitutes for barium chloride. However, *** indicated that in wastewater (cleansing) applications, calcium chloride could provide a mechanism for tying up sulfates, but not as efficiently as barium chloride.¹⁷ Two responding purchasers indicated that there are substitutes for barium chloride. One purchaser (***) indicated that atmosphere furnaces; vacuum furnaces, and fluidized bed furnaces are substitutes in the heat treatment of high speed steel. It indicated that all three of these substitutes have been developed by their company since 1984 to replace barium chloride. Another purchaser (***) indicated that barium carbonate can be used to make a similar end product using a different production process. Neither of the two responding purchasers reported that the price of substitutes can affect barium chloride prices. Only one purchaser and no producers or importers anticipate changes in the substitutability of other product for barium chloride. Purchaser *** indicated that based on history it expects that competing technologies will continue to be develop.

¹⁵ *** responded to both the importer and purchaser questionnaires. In instances where responses to question posed to both importers and purchasers is reported, *** is considered to be an importer.

¹⁶ These estimates are based on a 95 percent confidence interval.

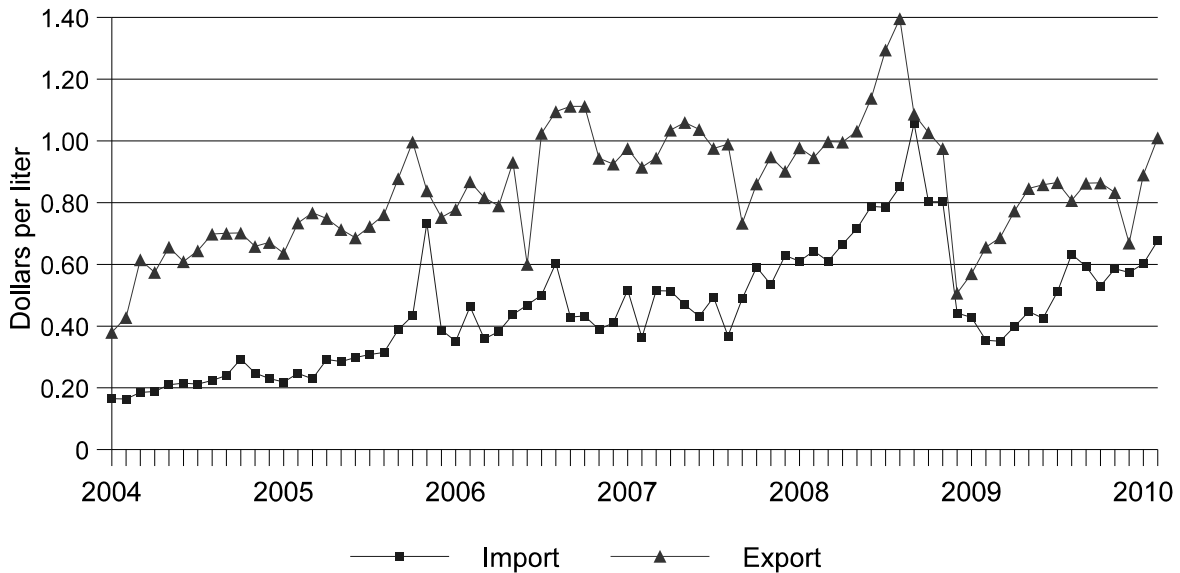
¹⁷ E-mail from ***, March 9, 2010.

Figure II-1
Oil: Short term actual and predicted monthly West Texas Intermediate (WTI) crude oil prices, January 2004 to December 2011 base case and 95 percent confidence interval



Source: U.S. EIA, retrieved on April 27, 2010.

Figure II-2
Para-xylene: Import and export average unit values, monthly, January 2004 - February 2010



Source: USITC dataweb.

Cost Share

Most firms reported that barium chloride generally accounts for a small share of the cost of molecular sieves and a small to moderate share of the cost of its other final end-use products. CPC indicated that the cost of barium chloride is only a tiny fraction of the cost of the complete molecular sieves, which are expensive.¹⁸ Five of six responding purchasers reported cost shares ranging from 3 percent to 44 percent for heat treating applications. However, one purchaser (***) reported cost shares ranging from *** percent to *** percent for use in heat treating applications.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported barium chloride depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there is a high degree of substitutability between domestically-produced barium chloride and barium chloride imported from China.

Factors Affecting Purchasing Decisions

Purchasers reported considering a variety of factors to be important when purchasing barium chloride. Information obtained from their responses indicated that availability, price, and quality are all important factors.

As indicated in table II-2, quality was named by five of eight responding purchasers as the number one factor generally considered in deciding from whom to purchase barium chloride. Also, as indicated in table II-3, six of eight responding purchasers indicated that quality meeting industry standards was a “very important” factor in their purchase decisions for barium chloride. However, only two of eight responding purchasers indicated that quality exceeding industry standards as being a “very important” factor in their purchase decisions. Many purchasers defined the quality of barium chloride by factors such as moisture, impurities, pH, particle size, composition of trace components, free flowing powder, surface area, and equal or brighter UV phosphor.

Six of eight responding purchasers reported that they require their suppliers to become certified or pre-qualified for all of their purchases. Four of these six purchasers specifically indicated that some type of ISO (International Organization for Standardization) certification was required for suppliers to qualify. Two purchasers (***) indicated that it takes one to two years for a supplier to qualify while one purchaser (***) indicated it takes six to eight months for a supplier to qualify. One of six responding purchasers indicated that since 1984, certain domestic or foreign producers failed in their attempts to certify or qualify their barium chloride or have lost their approved status. *** indicated that in 2000, distributor ***'s product from an unknown Chinese source failed qualification because the product's particle was too fine and had high moisture; that distributor ***'s product from an unknown Chinese source failed in 2001 because of high moisture; and that ***'s product from South America failed in 2000 because the product's particle was too fine.

¹⁸ CPC's response to the Notice of Institution, July 31, 2009, p. 12.

Table II-2**Barium chloride: Ranking of factors used in purchasing decisions, as reported by U.S. purchasers**

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Quality	5	0	0
Availability	1	4	0
Price	1	3	4
Approved supplier	1	0	0
Reliability	0	0	2
Other ¹	0	1	2

¹ Other factors include credit terms, delivery time, and supply ability.

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

Table II-3**Barium chloride: Importance of factors used in purchasing decisions, as reported by U.S. purchasers**

Factor	Number of firms reporting		
	Very important	Somewhat important	Not important
Availability	8	0	0
Delivery terms	2	4	2
Delivery time	7	1	0
Discounts offered	2	3	3
Extension of credit	4	3	1
Minimum quantity requirements	2	5	1
Packaging	3	5	0
Price	7	1	0
Product consistency	7	1	0
Product range	0	4	4
Quality exceeds standards	2	5	1
Quality meets standards	6	2	0
Reliability of supply	8	0	0
Technical support	3	4	1
U.S. transport cost	1	7	0

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

CPC indicated that it does not consider certification or pre-qualification requirements to be significant barriers to Chinese producers in the U.S. market. It indicated that most certifications and pre-qualifications are made known to the manufacturers and that most significant Chinese producers have ISO registration. CPC also cites the ability of ***.¹⁹

As indicated in table II-2, price was named by one of eight responding purchasers as the number one factor generally considered in deciding from whom to purchase barium chloride, and as the number two factor by three purchasers and the number three factor by four other responding purchasers. Also, as indicated in table II-3, seven of eight responding purchasers indicated that price was a “very important” factor in their purchase decisions for barium chloride. Six of eight responding purchasers indicated that the lowest-priced barium chloride “sometimes” wins a sale, one reported “usually,” and one reported “never.”

All responding purchasers indicated that availability was a “very important” factor in their purchasing decisions for barium chloride. One of eight responding purchasers reported that availability was the number one factor in their purchasing decisions and availability was identified as the number two factor by four purchasers.

Two of eight responding purchasers reported that buying a product that is produced in the United States is an important factor in their firm’s purchases of barium chloride. *** indicated that 75 percent of its purchases are of domestically-produced product because the lead times to source barium chloride from overseas sources can be too long to meet domestic customers’ needs. Seven of eight purchasers indicated that delivery time was a very important factor in their purchasing decisions.

CPC does not believe that lead times would be a significant constraint on the ability of purchasers to buy from China. It indicated that the shipping time of 3 to 4 weeks is well within the normal horizon of purchase forecasting and planning and that once a supply relationship is established a purchaser could easily place routine orders to ensure a stable supply of barium chloride. CPC also indicated that barium chloride consumption does not depend on a “just-in-time inventory system,” but is a commodity product that can be purchased well in advance of its intended date of use.²⁰

Five of eight responding purchasers indicated that they never make purchasing decisions based on the producer of the barium chloride and all seven responding purchasers indicated that their customers never based their purchasing decisions on the producer. Of the three purchasers that at least sometimes make purchasing decisions based on the producer of barium chloride, one purchaser responded “sometimes,” one responded “usually,” and one responded “always.” Five of seven responding purchasers indicated that they never make purchasing decisions based on the country of origin of the barium chloride that they purchase and all six responding purchasers indicated that their customers never based their purchasing decisions on the country of origin.

Two of eight responding purchasers indicated that either they or their customers at least sometimes specifically order barium chloride from one country in particular over other possible sources of supply. *** indicated that it purchases product from India because it is of comparable quality that has been qualified at a lower price. *** indicated that it prefers barium chloride from a supplier in the United States, as the material has consistently been of good quality, low moisture content, and well-packaged.

Only one of seven purchasers indicated that certain grades, forms, or types of barium chloride were available from a single source.

¹⁹ CPC's response to Commission's Questions, April 26, 2010, p. 1.

²⁰ CPC's response to Commission's Questions, April 26, 2010, p. 2.

Comparisons of Domestic Products, Subject Imports, and Nonsubject Imports

The only responding U.S. producer, two of three responding importers, and none of five responding purchasers reported that barium chloride produced in the United States and imported from China are always interchangeable (table II-4). One importer and one purchaser reported that barium chloride produced in the United States and imported from China are frequently interchangeable and the remaining four purchasers reported that they are sometimes interchangeable. One purchaser, ***, indicated that barium chloride produced in the United States is only sometimes interchangeable with product imported from China because of moisture and particle size and another purchaser, ***, indicated that barium chloride imported from China had higher moisture.

As indicated in table II-5, the only responding producer and both responding importers indicated that differences other than price between barium chloride produced in the United States and imported from China were never a significant factor in their firms' sales of the products. Importer *** indicated that it could find sources similar to its product for a similar price in nearly every country.

Purchasers were also asked to compare barium chloride produced in the United States and China on the basis of different purchasing factors (table II-6). The U.S. product was ranked superior by all four responding purchasers with regard to delivery time, and by three out of four purchasers in terms of availability and delivery terms. For minimum quantity requirements and technical support, the U.S. product was ranked by two of four purchasers as superior and one purchaser as comparable. The U.S.-produced product was ranked inferior by two of four purchasers and comparable by the remaining two purchasers for having a lower price. At least three of four purchasers ranked the U.S. and Chinese produced barium chloride comparable for all other characteristics provided in the question.

The only responding U.S. producer and at least one-half of responding importers reported that barium chloride produced in the United States and imported from nonsubject countries are always interchangeable. All responding purchasers indicated that barium chloride produced in the United States and imported from nonsubject countries are sometimes interchangeable. The only responding producer and at least one-half of responding importers indicated that differences other than price between barium chloride produced in the United States and imported from nonsubject countries were "never" a significant factor in their firm's sales of the products. All of these statements are also true for comparison between imports from all reported sources. Chinese product was ranked as superior to Indian product by at least one-half of purchasers in terms of delivery time and inferior by a majority of purchasers in terms of minimum quantity requirements, product consistency, product range, quality exceeding industry standards, and technical support (see table II-7).

Six of seven purchasers indicated that U.S.-produced barium chloride always meets minimum quality specifications for their use and their customers' uses. One purchaser indicated that U.S.-produced barium chloride usually meets minimum quality standards. Two of four responding purchasers indicated that Chinese-produced barium chloride sometimes meets minimum quality specifications for their use and their customers' uses, while one purchaser responded "always" and another responded "sometimes." One purchaser indicated that imports of Indian-produced barium chloride usually meet minimum quality specifications, one purchaser indicated that imports of Italian-produced barium chloride always meets minimum quality specifications, and one purchaser indicated that imports of South American-produced barium chloride rarely or never meets minimum quality specifications.

Table II-4**Barium chloride: Perceived degree of interchangeability of products produced in the United States and other countries¹**

Country comparison	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. China	1	0	0	0	2	1	0	0	0	1	4	0
U.S. vs. India	1	0	0	0	2	1	1	0	0	0	1	0
U.S. vs. Nonsubject	1	0	0	0	1	0	0	0	0	0	2	0
China vs. India	1	0	0	0	2	1	0	0	0	0	1	0
China vs. Other	1	0	0	0	1	0	0	0	0	0	2	0
India vs. Other	1	0	0	0	1	0	0	0	0	0	1	0

¹ Producers, importers, and purchasers were asked if barium chloride produced in the United States and in other countries is used interchangeably.

Note.--“A” = Always, “F” = Frequently, “S” = Sometimes, “N” = Never.

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

Table II-5**Barium chloride: Differences other than price between products from different sources¹**

Country comparison	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. China	0	0	0	1	0	0	0	2
U.S. vs. India	0	0	0	1	0	0	1	2
U.S. vs. Nonsubject	0	0	0	1	0	0	0	1
China vs. India	0	0	0	0	0	0	1	2
China vs. Other	0	0	0	1	0	0	0	1
India vs. Other	0	0	0	1	0	0	0	1

¹ Producers and importers were asked if differences other than price between barium chloride produced in the United States and in other countries are a significant factor in their firms' sales of barium chloride.

Note.--“A” = Always, “F” = Frequently, “S” = Sometimes, “N” = Never.

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

Table II-6

Barium chloride: Purchasers' comparisons of domestic and imported products

Factor	U.S. vs. China			U.S. vs. India			U.S. vs. South America		
	S	C	I	S	C	I	S	C	I
Availability	3	1	0	2	0	0	1	0	0
Delivery terms	3	1	0	1	1	0	1	0	0
Delivery time	4	0	0	2	0	0	1	0	0
Discounts offered	0	3	1	0	1	1	0	0	1
Extension of credit	0	4	0	0	2	0	0	1	0
Lower price	0	2	2	0	1	1	0	0	1
Lower transport costs	0	4	0	1	0	1	0	1	0
Min quantity requirements	2	1	1	0	2	0	0	1	0
Packaging	1	3	0	0	2	0	0	1	0
Product consistency	1	3	0	1	1	0	0	1	0
Product range	1	3	0	1	1	0	0	1	0
Quality exceeds industry standards	1	3	0	1	1	0	0	1	0
Quality meets industry standards	1	3	0	1	1	0	1	0	0
Reliability of supply	1	3	0	2	0	0	0	1	0
Technical support	2	1	1	1	1	0	1	0	0

Note.—S = domestic product superior, C = domestic product comparable, I = domestic product inferior.
Source: Compiled from data submitted in response to Commission questionnaires.

Table II-7**Barium chloride: Purchasers' comparisons of subject and nonsubject products**

Factor	China vs. Germany			China vs. India		
	S	C	I	S	C	I
Availability	1	0	0	0	1	1
Delivery terms	0	1	0	0	3	0
Delivery time	1	0	0	2	0	1
Discounts offered	0	1	0	0	3	0
Extension of credit	0	1	0	0	3	0
Lower price	0	1	0	1	2	0
Lower transport costs	1	0	0	1	2	0
Min quantity requirements	0	1	0	0	1	2
Packaging	0	1	0	1	2	0
Product consistency	0	1	0	1	0	2
Product range	0	1	0	0	1	2
Quality exceeds industry standards	0	1	0	1	0	2
Quality meets industry standards	0	1	0	0	3	0
Reliability of supply	0	1	0	0	2	1
Technical support	0	1	0	0	1	2

Note.—S = Chinese product superior, C = Chinese product comparable, I = Chinese product inferior.

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

ELASTICITY ESTIMATES

U.S. Supply Elasticity²¹

The domestic supply elasticity for barium chloride measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of barium chloride. This elasticity depends upon several factors including the level of excess capacity, the availability of alternate markets for U.S.-produced barium chloride, inventory levels, and the producers' ability to shift to the manufacture of other products. The earlier analysis of these factors indicated that the U.S. industry has flexibility in adjusting supply in response to price change. Therefore, this elasticity is likely to range between 5 and 10.

U.S. Demand Elasticity

The U.S. demand elasticity for barium chloride measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of barium chloride. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of barium chloride in the final cost of end-use products in which it is used. Because of a lack of substitutes and the low to moderate share of the cost of final end-use products, it is likely that the aggregate demand for barium chloride is moderately inelastic, with values ranging between -0.25 and -0.75.

The elasticity range of -0.25 to -0.75 implies that quantity demanded falls by 0.25 to 0.75 percent for every one percent increase in price. The quantity of apparent U.S. consumption fell by *** percent between 2004 and 2009, while the AUV of apparent U.S. consumption increased by *** percent implying that the quantity decreased by an average of *** percent for every one percent increase in the AUV. The volume of U.S. apparent consumption decreasing by a greater amount than the amount explained by the aggregate demand elasticity suggests that demand decreased between 2004 and 2009. The decrease in demand is particularly evident between 2008 and 2009, when the quantity of apparent U.S. consumption fell by *** percent and the AUV of apparent U.S. consumption increased by *** percent. This implies that the quantity decreased by an average of *** percent for every one percent increase in the AUV, which is much higher than the 0.25 to 0.75 percent explained by the U.S. demand elasticity range.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported barium chloride.²² Product differentiation, in turn, depends upon such factors as quality and conditions of sale (availability, delivery, etc.). Based on available information indicating that the domestic and imported products from China can frequently be used interchangeably, the elasticity of substitution between U.S.-produced barium chloride and imported barium chloride is likely to be in the range of 3 to 5.

²¹ A supply function is not defined in the case of a non-competitive market.

²² The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like product to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject imports (or vice versa) when prices change.

PART III: CONDITION OF THE U.S. INDUSTRY

OVERVIEW

Background

Since the Commission's 1984 investigation concerning barium chloride from China, the U.S. industry has not experienced major structural changes. During the original investigation, CPC was the only substantial producer of barium chloride, and today remains the only confirmed commercial producer of barium chloride. As detailed in *Part I* of this report, three firms were identified in the first and second five-year reviews as producing small amounts of barium chloride either for internal consumption or for laboratory use only.

In the current review, the Commission issued U.S. producer questionnaires to six firms identified in the original investigation, first and second five-year reviews, or identified by independent Staff research as possible barium chloride producers in the United States.¹ Two firms confirmed that they are producers of barium chloride in the United States.² These two firms, Barium & Chemicals³ and CPC, are believed to account for virtually all production of barium chloride in 2009.

Changes Experienced in Operations

U.S. barium chloride producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, prolonged shutdowns or curtailment of production because of shortages of materials or other reasons including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of barium chloride since 1984. *** reported changes in their U.S. operations since 1984.

Anticipated Changes in Existing Operations

The Commission requested that domestic producers provide a copy of their business plans or other internal documents that describe, discuss, or analyze expected future market conditions for barium chloride. *** submitted copies of their business plans or indicated that it anticipates any changes in the character of its operations or organization relating to the production of barium chloride in the future.

¹ U.S. producer questionnaires were issued to the firms identified in the original investigation and first and second five-year reviews as producing small amounts of high purity barium chloride for internal consumption, as well as those firms identified as manufacturers of barium chloride in the U.S. Department of Health and Human Services, Toxicological Profile for Barium and Barium Compounds (Public Health Service Agency for Toxic Substances and Disease Registry, August 2007), table 5-3, "Current U.S. Manufacturers of Barium Metal and Selected Barium Compounds" (derived from SRI 2006; SRI reports production of chemicals produced in commercial quantities), <http://www.atsdr.cdc.gov/toxprofiles/tp24-c5.pdf>.

² Three firms (***) indicated that they had not produced barium chloride during the period for which data were collected. One firm (***) did not respond to the producer questionnaire. *** and *** submitted purchaser questionnaires, and *** submitted an importer questionnaire.

³ Barium & Chemicals identified itself as a ***. Staff telephone interview with *** and ***. Barium & Chemicals provided partial data on capacity, production, and shipments; it was unable to provide inventory, employment, financial or pricing data for the six-year period requested by the Commission.

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

The Commission requested information on barium chloride capacity and production from barium chloride producers. U.S. producers' capacity, production, and capacity utilization data for barium chloride are presented in table III-1. Total reported barium chloride capacity remained the same for the period for which data was collected. U.S. production of barium chloride fluctuated up and down each year from 2004 to 2008 and was *** lower (by *** percent) in 2009 than in 2008. CPC indicated that ***.⁴ Capacity utilization likewise fluctuated up and down between 2004 and 2008 and was *** percentage points lower in 2009 than in 2008.

Table III-1

Barium chloride: U.S. capacity, production, and capacity utilization, 2004-09

* * * * *

The Commission asked domestic producers to report constraints on their capacity to produce barium chloride. Barium & Chemicals reported ***. CPC reported that ***.

Both U.S. barium chloride producers reported that they are *** to produce products other than barium chloride utilizing the same equipment or labor.

U.S. PRODUCERS' SHIPMENTS

As detailed in table III-2 the quantity of U.S. producers' U.S. shipments of barium chloride fluctuated downward by *** percent between 2004 and 2009, with the largest decline occurring between 2008 and 2009. The value of U.S. producers' U.S. shipments of barium chloride also fluctuated downward by *** percent between 2004 and 2009. CPC stated that commercial shipments decreased substantially in 2009 due to prevailing economic conditions and decreased demand for molecular sieves.⁵ U.S. commercial shipments accounted for the majority of total shipments in each year for which data was gathered; however, export shipments increased during the period for which data were gathered, up *** percent from 2004 to 2009, despite a *** decline after 2007. CPC identified its principal exports markets as ***. CPC attributed its increase in exports ***.⁶

Table III-2

Barium chloride: U.S. producers' shipments, by types, 2004-09

* * * * *

⁴ CPC's response to Staff questions, March 17, 2010.

⁵ CPC's response to Staff questions, March 17, 2010. Presented publicly with permission from CPC.

⁶ CPC's response to Commission's Questions, April 26, 2010, p. 13.

U.S. PRODUCERS' INVENTORIES

Table III-3, which presents end-of-period inventories for barium chloride, shows that inventories increased irregularly by *** percent between 2004 and 2009. CPC indicated it ***.⁷ CPC also states that barium chloride can be purchased in advance of the intended date of use and stored indefinitely, and that barium chloride consumption does not run on a “just-in-time” inventory system.⁸ In the original investigation, the ratios of inventories to total shipments *** than those reported for the period for which data were collected in the current review.⁹

Table III-3

Barium chloride: U.S. producers' end-of-period inventories, 2004-09

* * * * *

U.S. PRODUCERS' IMPORTS AND PURCHASES

*** imported barium chloride from *** during the period for which data was gathered. *** purchased ***. U.S. producers' imports and purchases of barium chloride are presented in table III-4.

Table III-4

Barium chloride: U.S. producers' imports and purchases, 2004-09

* * * * *

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

Data provided by U.S. producers on the number of production and related workers (“PRWs”) engaged in the production of barium chloride, the total hours worked by such workers, and wages paid to such PRWs during the period for which data were collected in this review are presented in table III-5. Employment, in terms of both PRWs and hours worked, increased between 2004 and 2005 (both by approximately *** percent). Employment *** between 2005 and 2009.

Hourly wages were relatively flat between 2004 and 2009, while total wages paid increased slightly over the same period. PRW productivity fluctuated between 2004 and 2008, then declined by *** percent in 2009. Productivity declined, in part, due to CPC's decision ***.¹⁰ Lower productivity resulted in higher unit labor costs, which jumped by *** percent in 2009 after remaining relatively stable between 2004 and 2008.

Table III-5

Barium chloride: U.S. producers' employment-related data, 2004-09

* * * * *

⁷ CPC's response to Staff questions, March 25, 2010.

⁸ CPC's response to Commission's Questions, April 26, 2010, p. 2.

⁹ The ratios of inventories to total shipments in the original investigation were: *** percent in 1981; *** percent in 1982; and *** percent in 1983. Original staff report, p. A-15.

¹⁰ E-mail from ***, March 17, 2010.

FINANCIAL EXPERIENCE OF U.S. PRODUCER CPC

Background

The financial results presented in this section of the report reflect the operations of CPC. The company, whose fiscal year ends October 31,¹¹ is estimated to account for virtually all of the domestic production of barium chloride from 2004 to 2009. As noted earlier in this report, a second domestic producer, Barium & Chemicals, submitted an incomplete questionnaire response. An official at Barium & Chemicals confirmed that the company produced *** of high purity barium chloride.¹² Given the *** production (*** pounds or less every period, including *** in 2009) and the fact that the company was not ***, its data are not included.

CPC, primarily a producer of barium compounds, but which also produces other chemical compounds, produces barium chloride at its facility in Cartersville, GA. As described earlier in this report, barium chloride is produced by (1) mining barite ore, (2) combining the ore with petroleum coke, (3) reducing the mixture in a rotary kiln, (4) leaching, (5) chloride reaction, (6) crystallization, (7), drying, and (8) packaging. All of CPC's barium compounds follow steps *** above at the front end of the production process, and all of the compounds follow steps *** at the back end of the process. The split-off point for barium chloride is the *** step, ***. As barium compounds *** of CPC's total production (approximately *** in 2009),¹³ *** of the costs associated with the production of barium chloride are common to, and therefore spread among, a *** production base. In fact, CPC estimated that *** percent of its CPC production costs are the same as its production costs for other barium compounds.¹⁴

CPC *** from its *** throughout most of the period during which data was collected, but by 2009 the amount had *** percent.¹⁵ Barite ore and hydrochloric acid *** accounted for approximately *** percent of CPC's raw materials costs in 2009, with the remaining *** percent largely consisting of petroleum coke.¹⁶

CPC had total annual sales in the *** range during the years leading up to 2009. In 2009, the effects of the recession reduced its sales to approximately ***.¹⁷ Thus, CPC's sales of barium chloride accounted for approximately *** percent of its total sales in recent years.

CPC internally consumed between *** and *** percent of its barium chloride every period to produce barium metaborate. The average unit sales values of the internally consumed product were *** the product sold commercially.

Operations on Barium Chloride

CPC's income-and-loss data for its operations on barium chloride are presented in table III-6. In sum, the financial results of CPC's barium chloride operations improved from 2004 to 2007, decreased in 2008, and then sharply decreased in 2009. Comparing 2009 to 2004, sales quantities were *** percent lower, and, while unit sales values were *** percent higher, unit operating costs were *** percent higher; as a result, the company's ***.

¹¹ This accounts for the differences between CPC's sales quantity and value data and its shipment quantity and value data.

¹² Staff telephone interview with ***, March 1, 2010.

¹³ CPC's U.S. producer questionnaire, question III-5.

¹⁴ E-mail from ***, March 15, 2010.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Staff telephone interview with ***, March 11, 2010.

Table III-6
Barium chloride: Results of CPC's operations, 2004-09

* * * * *

Sales quantities and average unit sales values *** by approximately *** from 2004 to 2007, resulting in a *** percent *** in net sales value. Increases in average unit operating costs were more moderate, resulting in increases in all measures and all levels of profitability – the absolute values of gross profits, net income, and cash flows ***, while the absolute value of operating income ***; the gross profit and operating margins *** percentage points, and the average unit value of gross and operating profits increased by \$***, respectively.

CPC reported *** in 2008. Sales quantities ***, and while average unit sales values ***, costs, particularly ***,¹⁸ *** even more. CPC attributed the *** to the effects of the economic recession, which began to impact sales in the second half of the year.¹⁹

The situation worsened in 2009, as sales quantities and values both decreased by approximately *** percent, and CPC reported ***. While CPC was able to respond to the decrease in sales volume by reducing the absolute level of its ***, it was not able to reduce the level of its *** costs. CPC explained that it chose not to ***.²⁰

Variance Analysis

The variance analysis showing the effects of prices and volume on CPC's sales of barium chloride, and of costs and volume on its total cost, is presented in table III-7. The analysis agrees with the previous discussion about the relationship between CPC's revenues and its costs. Specifically, the summary at the bottom of the table indicates that the *** in operating profits from 2004 to 2009 was largely the result of the *** net cost/expense variance (unit costs *** from 2004 to 2009) that was *** than the *** price variance (unit prices *** from 2004 to 2009). Of particular note are the large *** variance associated with *** in 2008 and *** in 2009, and the negative cost variances for *** (whose unit cost *** from 2004 to 2009) almost every period.

Table III-7
Barium chloride: Variance analysis on CPC's operations, 2004-09

* * * * *

¹⁸ CPC attributed most of this cost increase to the large price increases for natural gas (natural gas is used to heat CPC's kilns). On a per-unit value, the cost of natural gas increased from \$*** per pound of barium chloride in 2007 to \$*** in 2008. E-mails from ***, March 17, 2010 and March 23, 2010.

¹⁹ Staff telephone interview with ***, March 11, 2010. This is generally corroborated by the pricing data in part V of this report, where CPC reported *** the second half of 2008 and the first half of 2009.

²⁰ Ibid. See also CPC's response to Commission's Questions, April 26, 2010, p. 20, in which the company indicated the number of employees in its current workforce *** it reported for 2009 in its questionnaire response.

Capital Expenditures and Research and Development Expenses

CPC's capital expenditures and research and development ("R&D") expenses are shown in table III-8. *** of the capital expenditures were *** of barium chloride. Rather, the reported expenditures *** production. Generally, the expenditures were related to CPC's ***.²¹

Table III-8

Barium chloride: Capital expenditures and research and development expenses of CPC, 2004-09

* * * * *

Assets and Return on Investment

Data on CPC's total assets and their return on investment ("ROI") are presented in table III-9. The value of CPC's current assets, particularly ***, ***, while the original cost of its property, plant, and equipment *** and the book value of PP&E ***.

Table III-9

Barium chloride: CPC's total assets and return on investment, fiscal years 2004-09

* * * * *

²¹ Staff telephone interview with ***, March 11, 2010.

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

U.S. IMPORTS

Overview

The Commission sent questionnaires to 11 firms believed to have imported barium chloride between 2004 and 2009, as well as to all six firms initially believed to be U.S. producers. Eight firms provided data and information in response to the questionnaires, while five firms indicated that they had not imported barium chloride during the period for which data were collected.¹ U.S. import data are based on official Commerce statistics for barium chloride.² Firms responding to the Commission's questionnaire accounted for more than 75 percent of imports of barium chloride from China and more than 95 percent of imports from all other sources during 2004-09.

Imports from Subject and Nonsubject Countries

Data on U.S. imports of barium chloride from China and all other sources during 2004-09 are presented in table IV-I. Figure IV-1 presents the quantity of imports of barium chloride from China and from all other countries from 1981 to 2009. Imports of barium chloride from China decreased from 211,000 pounds in 2004 to 43,000 pounds in 2007, or by 80 percent.³ There were no imports of barium chloride from China during 2008 or 2009. ***.

The quantity of nonsubject imports increased by 1,253 percent from 2004 to 2009. The majority of nonsubject imports are from India,⁴ the source of more than 99 percent of nonsubject imports in 2009. Imports from India increased by over 5,000 percent from 2004 to 2009, increasing in small volumes from 2004 to 2007, and then increasing rapidly in 2008 and 2009. One importer, ***, stated that it imports from India because of the duty imposed on the Chinese product. Another importer, ***, indicated that it imports only *** grade barium chloride from India because of its reliability of supply, quality and cost. CPC attributed the sharp increase in nonsubject imports to ***.⁵ *** stated it began purchasing from India in 2006 due to more favorable pricing.⁶

The unit values of barium chloride imports from all other sources were higher than the unit values of barium chloride imports from China, by \$1.03 in 2004, \$2.74 in 2005, \$0.58 in 2006, and \$0.43 in 2007.

¹ Four firms did not respond to the Commission's questionnaire.

² Since January 1, 2002, the subject merchandise has been classified under HTS subheading 2827.39.45, a category that covers only barium chloride. From 1989 through 2001, barium chloride was classified under HTS subheading 2827.38.00. Prior to 1989, barium chloride was classified under item 417.70 of the Tariff Schedules of the United States.

³ The primary ports of entry for U.S. imports of barium chloride from China since 2004 have been Los Angeles, CA; San Francisco, CA; and Cleveland, OH.

⁴ The primary ports of entry for U.S. imports of barium chloride from India since 2004 (but primarily in 2008 and 2009) have been Savannah, GA; Mobile, AL; New York, NY; and Los Angeles, CA.

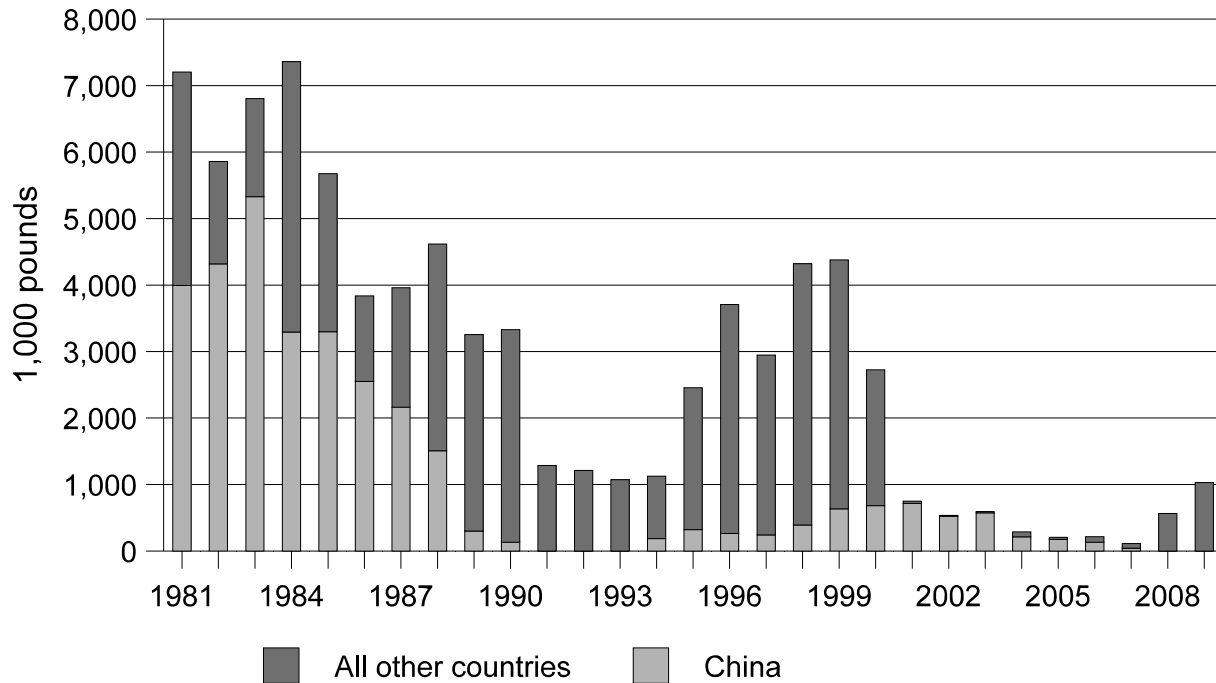
⁵ CPC's response to Commission's Questions, April 26, 2010, p. 11.

⁶ *** imports from India accounted for *** percent of all nonsubject imports in 2009.

Table IV-1
Barium chloride: U.S. imports, by sources, 2004-09

Source	Calendar year					
	2004	2005	2006	2007	2008	2009
Quantity (1,000 pounds)						
China	211	174	132	43	0	0
Other sources	76	34	83	69	563	1,028
Total	287	208	215	112	563	1,028
Value (1,000 dollars)¹						
China	45	42	29	9	0	0
Other sources	94	101	67	44	319	567
Total	140	143	96	53	319	567
Unit value (per pound)						
China	\$0.21	\$0.24	\$0.22	\$0.21	(²)	(²)
Other sources	1.24	2.98	0.80	0.64	\$0.57	\$0.55
Total	0.49	0.69	0.45	0.47	0.57	0.55
Share of quantity (percent)						
China	73.5	83.7	61.4	38.3	0.0	0.0
Other sources	26.5	16.3	38.6	61.7	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)						
China	32.4	29.4	30.6	16.7	0.0	0.0
Other sources	67.6	70.6	69.4	83.3	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
¹ Landed, duty-paid. ² Not applicable.						
Source: Compiled from official Commerce statistics.						

Figure IV-1
Barium chloride: U.S. imports, by sources, 1981-2009



Note.—Since January 1, 2002, barium chloride has been classified under HTS subheading 2827.39.45. From 1989 through 2001, barium chloride was classified under HTS subheading 2827.38.00. Prior to 1989, barium chloride was classified under item 417.70 of the Tariff Schedules of the United States.

Source: Compiled from official Commerce statistics.

U.S. IMPORTERS' IMPORTS SUBSEQUENT TO DECEMBER 31, 2009

The Commission requested importers to indicate whether they imported or arranged for the importation of barium chloride from China for delivery after December 31, 2009. ***.

U.S. IMPORTERS' INVENTORIES

Table IV-2 presents data for inventories of U.S. imports of barium chloride from China and all other sources held in the United States. ***.

Table IV-2
Barium chloride: U.S. importers' end-of-period inventories of imports, by source, 2004-09

* * * * *

THE INDUSTRY IN CHINA

Overview

At the time of the Commission's original investigation, SINOCHEM accounted for all known exports of barium chloride to the United States.⁷ SINOCHEM reported that the annual capacity to produce barium chloride in China at that time was *** pounds, that exports of barium chloride from China accounted for between *** and *** percent of Chinese production, and that exports to the United States increased from *** percent of total exports in 1981 to *** percent in 1983.⁸

In the first five-year review, no foreign producers responded to the Commission's notice of institution. In response to the Commission's notice of institution in the first five-year review, CPC reported the three Chinese firms identified in the original investigation and an additional seven Chinese plants that it claimed produced and exported barium chloride. The Commission estimated the Chinese capacity to produce barium chloride to be at least *** pounds during the first review.⁹

In the second five-year review, no foreign producers responded to the Commission's notice of institution. In response to the Commission's notice of institution in the second five-year review, CPC reported that it believed the three Chinese firms identified in the original investigation continue to have substantial production capacity. CPC also identified eight additional Chinese plants that were believed to produce barium chloride for export. The Commission reported in its second five-year review that the capacity in China to produce barium chloride was at least *** pounds.¹⁰

In the current review, no foreign producer of barium chloride in China responded to the Commission's notice of institution. Sixteen potential producers of barium chloride in China were identified from CPC's response to the Commission's notice of institution and through independent staff research. Foreign producer/exporter questionnaires were successfully issued to 11 potential barium chloride producers in China;¹¹ however, no producer of barium chloride in China responded to the Commission's questionnaire.

Table VI-3 presents data on China's exports of barium chloride. China's total exports of barium chloride increased by 33 percent from 2004 to 2007. Total exports then declined by 37 percent from 2007 to 2009. China exports most of its barium chloride to Japan, which accounted for 44 percent of total exports in 2009, followed by Korea (13 percent), Belgium (5 percent),¹² and Pakistan (4 percent).

⁷ According to SINOCHEM, barium chloride was produced for export to the United States at three plants in China: ***. *Original Staff Report of September 17, 1984*, pp. A-3 and A-8.

⁸ *Original Staff Report of September 17, 1984*, p. A-21.

⁹ Second Review Staff Report, June 3, 2004, p. I-14.

¹⁰ *Ibid.*, p. I-15.

¹¹ The Commission attempted to fax and email questionnaires to five additional firms; the questionnaires, however, were returned as undeliverable.

¹² The European Union issued an antidumping duty order on imports of barium chloride from China in 1989. The order expired in 1996. Summary of Bulletin EU3-1996. <http://europa.eu/bulletin/en/9603/p104027.htm>, retrieved March 17, 2010.

Table IV-3
Barium chloride: China's exports, by country, 2004-09

Source	Calendar year					
	2004	2005	2006	2007	2008	2009
Quantity (1,000 pounds)						
Japan	33,791	30,978	39,102	47,111	51,284	27,669
Korea	8,601	9,133	11,852	9,847	10,084	7,901
Belgium	5,844	8,962	10,223	10,602	4,539	3,325
Pakistan	399	220	534	681	428	2,751
Netherlands	2,119	2,169	2,535	4,004	3,756	2,740
Saudi Arabia	3,483	2,500	1,543	3,236	1,448	2,284
Brazil	455	894	1,634	2,410	2,497	1,984
Taiwan	1,875	930	2,404	2,904	2,604	1,858
Thailand	2,905	3,342	3,629	2,815	379	1,750
Canada	2,593	1,861	2,071	2,557	1,931	1,674
Vietnam	1,390	1,022	1,430	610	277	1,528
Russia	11	0	73	191	1,400	1,498
Poland	694	1,290	981	1,261	890	1,049
United States	255	220	132	726	0	0
All others	10,411	13,662	8,501	10,671	7,136	4,968
Total	74,826	77,183	86,645	99,624	88,652	62,980
Value (\$1,000)						
Japan	4,965	5,395	6,262	8,684	12,384	6,509
Korea	1,031	1,335	1,654	1,668	2,214	1,621
Belgium	646	1,227	1,424	1,345	823	548
Netherlands	329	359	426	656	790	470
Brazil	73	155	297	438	642	421
Pakistan	37	27	67	81	79	408
Saudi Arabia	271	298	186	394	283	358
Canada	238	259	309	376	407	289
Taiwan	195	123	313	368	498	288
Russia	1	0	12	31	291	265
Thailand	243	386	429	327	60	261
Vietnam	124	126	175	73	56	221
Poland	72	163	136	150	174	171
United States	26	26	16	134	0	0
All others	1,114	1,750	1,099	1,407	1,320	841
Total	9,365	11,629	12,805	16,131	20,022	12,672

Table continued on next page.

Table IV-3--Continued
Barium chloride: China's exports, by country, 2004-09

Source	Calendar year					
	2004	2005	2006	2007	2008	2009
Unit value (dollars per pound)						
Japan	\$0.15	0.17	0.16	0.18	0.24	0.24
Korea	0.12	0.15	0.14	0.17	0.22	0.21
Belgium	0.11	0.14	0.14	0.13	0.18	0.16
Netherlands	0.16	0.17	0.17	0.16	0.21	0.17
Brazil	0.16	0.17	0.18	0.18	0.26	0.21
Pakistan	0.09	0.12	0.13	0.12	0.18	0.15
Saudi Arabia	0.08	0.12	0.12	0.12	0.20	0.16
Canada	0.09	0.14	0.15	0.15	0.21	0.17
Taiwan	0.10	0.13	0.13	0.13	0.19	0.16
Russia	0.13	-	0.17	0.16	0.21	0.18
Thailand	0.08	0.12	0.12	0.12	0.16	0.15
Vietnam	0.09	0.12	0.12	0.12	0.20	0.14
Poland	0.10	0.13	0.14	0.12	0.20	0.16
United States	0.10	0.12	0.12	0.18	-	-
All others	0.11	0.13	0.13	0.13	0.18	0.17
Average	0.13	0.15	0.15	0.16	0.23	0.20

Source: Compiled from Global Trade Atlas, HS 28273920 "Barium Chloride" (sic).

Barium Chemical Producers in China

China is the *** producer of barium chemicals in the world, accounting for approximately *** percent of global output.¹³ CPC estimates that current capacity for barium chloride production in China is 137,700 metric tons (approximately 300 million pounds) per year.¹⁴ The following companies were identified by CPC and through independent Staff research as the top producers of barium chloride in China, having a total capacity for barium chloride of 122,000 metric tons (269.0 million pounds) per year.

¹³ ***.

¹⁴ CPC's response to the Notice of Institution, July 31, 2009, p. 4.

Qingdao Redstar Chemical Group

Qingdao Redstar Chemical Group is ***. In 2006, the company's annual capacity for barium carbonate was *** tons. Qingdao Redstar also produces ***. Its annual capacity for barium chloride was *** tons in 2006.¹⁵ According to Qingdao Redstar's website, the company has an annual barium salts production capacity of 150,000 metric tons and exports about 30 different products to over 20 countries.¹⁶

Hebei Xinji Chemical Group

Hebei Xinji Chemical Group is the ***. In 2006, its annual barium salts capacity was over *** tons, while its annual capacity for barium chloride was *** tons. Hebei Xinji produces ***.¹⁷

Shandong Xinke

Shandong Xinke was founded in 1985 and, according to its website, is the largest manufacturer of barium salts in China. It produces 80,000 tons per year of dihydrate barium chloride, 1,000 tons per year of anhydrous barium chloride; and 2,000 tons per year of high purity barium chloride. Shandong Xinke is an import and export licensed company, and 90 percent of its products are sold to over 20 countries, including the European Union, United States, Canada, Japan and Korea.¹⁸

Other Chinese Barium Chemical Producers

***.¹⁹

GLOBAL MARKET

Supply

There is limited information available with respect to the global barium chloride industry. Annual world barite production, by country, is presented in table IV-4. World barite production increased by 5 percent from 2004 to 2008, but then dropped by 32 percent in 2009. China is the largest barite producer, accounting for 55 percent of world production in 2009. Other significant barite producers include India at 15 percent and the United States at 7 percent in 2009.²⁰

¹⁵ ***.

¹⁶ Qingdao Redstar Chemical Group, <http://www.redstarchem.com/prce/info.asp>, retrieved March 10, 2010.

¹⁷ ***.

¹⁸ Shandong Xinke Environmental Chemistry Co., Ltd., <http://www.xinkechem.com>, retrieved March 9, 2010.

¹⁹ ***.

²⁰ *2008 Minerals Yearbook Barite*. U.S. Geological Survey, January 2010.

Table IV-4
Barite: World production, by country, 2004-09

Source	Calendar year					
	2004	2005	2006	2007	2008	2009 ¹
Quantity (1,000 metric tons)						
China ¹	3,900	4,200	4,400	4,400	4,600	3,000
India ¹	1,100	1,200	950	1,000	1,100	800
United States ²	532	489	589	455	648	380
Morocco ³	313	335	506	485	500	350
Iran ⁴	276	231	230	240	240	180
All others	1,549	1,315	1,245	1,130	962	790
Total	7,670	7,770	7,920	7,710	8,050	5,500
¹ Estimated. ² Sold or used by producers. ³ Estimate of marketable production data based on export data. ⁴ Data are for fiscal year beginning March 21 of the year stated.						
Source: USGS 2008 Minerals Yearbook Barite and USGS Mineral Commodity Summaries, January 2010, p. 25.						

Demand

According to *The Economics of Barytes, 2006*, barites (broadly defined) are used primarily as an additive to oil well drilling mud in the oil and natural gas exploration industry. The density of barite helps drilling mud flow down to the deepest part of the well while the relative softness of barite acts as a lubricant for the drilling bit.²¹ Since 2004, higher oil and gas prices, and increased drilling activity, have resulted in the barites market rising sharply. Barium compounds are used in such diverse applications as leaded gasoline production and in manufacturing cathode ray tubes (CRTs) for television and computer monitor display glass.²² Demand for CRT television is declining rapidly in the West; however, CRT televisions are still a much cheaper alternative, and are the favored choice in India and China, where most CRT production is now based.²³

As discussed in Part I, during the original investigation, barium chloride was used primarily as a raw material in the production of leaded gasoline within and outside the United States. Leaded gasoline was phased out in the United States in the early 1980s, but was still widely used in other countries. Today, only nine countries use leaded gasoline.²⁴

²¹ CPC's response to Commission's Questions, April 26, 2010, p. 9.

²² The latter application is primarily for barium carbonate.

²³ *The Economics of Barytes*. Roskill Information Services, 2006. Summarized by Global Information, Inc., at <http://www.the-infoshop.com/report/ros37716-baryte.html>, retrieved March 9, 2010.

²⁴ Those countries are Afghanistan, Algeria, Bosnia, Egypt, Iraq, Myanmar, North Korea, Serbia, and Yemen. China phased out the use of leaded gasoline in 2001 and India phased out its use in 2000. Leaded Petrol Phase-out: Global Status March 2010, <http://www.unep.org/pcfv/PDF/MapWorldLead-March2010.pdf>, retrieved March 25, 2010, and Asia-Pacific Lead Matrix, <http://www.unep.org/pcfv/PDF/APLeadMatrix-Oct09.pdf>, retrieved March 25, 2010.

Barium chloride producers, importers, and purchasers were asked whether demand outside the United States for barium chloride has changed since 1984. The only responding U.S. producer and one of three responding importers indicated that demand had increased. *** stated that worldwide demand for barium chloride has increased due to increased worldwide demand for molecular sieves. *** stated that while demand for barium chloride within the United States has decreased since 1984, demand has increased outside of the United States because the petrochemical market is moving off-shore. The remaining two responding importers indicated that demand outside the U.S. had not changed since 1984. The only responding purchaser indicated that it had fluctuated.

One of two responding importers indicated that it expected future demand for barium chloride outside the United States to increase. Importer *** indicated that principal factors affecting future demand will be the movement of the petrochemical market offshore and that if petrochemical sites are built overseas, barium chloride will be manufactured closer to these sites. One responding purchaser indicated that it expected demand outside the United States to remain unchanged in the future.

Prices

No Chinese producer responded to the foreign producers' questionnaire to provide information about prices of barium chloride in other markets. However, CPC was able to provide information regarding the delivered price for barium chloride from China to *** which, at \$*** per pound, CPC characterized as *** prevailing U.S. prices.²⁵ In addition, average unit values for exports of barium chloride to various markets are available from the Global Trade Atlas. During 2009, average unit values for Chinese exports to markets other than the United States ranged from \$0.14 to \$0.24 per pound (see table IV-3). Average unit values for Chinese exports to Japan, China's largest export market, increased from \$0.15 per pound in 2004 to \$0.24 per pound in 2009.

²⁵ CPC's response to Commission's Questions, April 26, 2010, p. 8 (calculated from a reported price of \$*** per metric ton).

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICING

Raw Material Costs

Raw materials and inputs constitute an important part of the final cost of barium chloride. Raw material costs accounted for approximately *** percent of the total cost of goods sold for U.S. producers during 2009, while the input natural gas accounted for *** percent of the total cost of goods sold.¹ Raw material costs of barium chloride increased from an average of \$*** per pound in 2004 to \$*** per pound in 2009. Barite ore and hydrochloric acid are the primary components of raw material costs, each accounting for approximately *** percent of raw material costs.²

Prices for barite ore and hydrochloric acid increased between 2004 and 2009 while the price of natural gas fluctuated and declined overall. The annual average price of barite ore increased from \$35.10 per metric ton in 2004 to \$52.00 per metric ton in 2009, or by about 48 percent (see table V-1). The midyear Gulf Coast list price for a grade of hydrochloric acid used by producers of barium chloride increased by *** percent between 2004 and 2009, with the price increasing by *** percent between 2004 and 2007 and by *** percent between 2007 and 2009. The annual average industrial price for natural gas fluctuated between 2004 and 2009, rising sharply in 2005 and 2008, then collapsing in 2009 to 19 percent below its 2004 level.³

Table V-1

U.S. natural gas, electricity, iron ore, and blast furnace coke prices, 2004-09

Item	2004	2005	2006	2007	2008	2009
Barite ore ¹ (per metric ton)	\$35.10	\$35.90	\$40.00	\$45.30	\$47.60	\$52.00
Hydrochloric acid (per metric ton) ²	***	***	***	***	***	***
U.S. natural gas industrial price ³	6.53	8.56	7.87	7.68	9.67	5.27

¹ f.o.b. mine.
² ***. Prices are Gulf Coast list prices taken on or near July 1 of each year.
³ Price to industrial users in dollars per thousand cubic feet.

Sources: U.S. Energy Information Administration, <http://www.eia.doe.gov>, official statistics of the U.S. Department of Energy, <http://minerals.usgs.gov/minerals/pubs/commodity/barite/mcs-2009-barit.pdf>, <http://minerals.usgs.gov/minerals/pubs/commodity/barite/mcs-2010-barit.pdf>, and ***.

U.S. producer CPC indicated that barite ore costs have risen *** over the past three to four years and natural gas pricing has been cyclical, reaching highs during the time of Hurricane Katrina and spiking again in 2008. Two responding importers, however, indicated that changes in raw material costs have not had an impact on their prices since 1984.

¹ E-mail from ***, March 17, 2010.

² Ibid.

³ CPC indicates that since the principal use for barite ore is as an additive to oil and well drilling mud, as oil and gas exploration has increased in response to higher crude oil prices, demand for barite has similarly increased. CPC's response to Commission's Questions, April 26, 2010, p. 9.

U. S. Inland Transportation Costs

The U.S.-inland transportation costs of barium chloride, as a share of the total delivered price, vary from firm to firm. One of the U.S. producers (***) estimated that the costs make up *** percent of the delivered price while the other producer (***) estimated they make up *** percent of the delivered price. Among importers of barium chloride that provided useable estimates, the costs ranged from 5 to 11 percent of the delivered price.⁴

PRICING PRACTICES

Pricing Methods

Both responding producers and all six responding importers reported that prices are at least sometimes negotiated on a transaction-by-transaction basis. *** also reported using set price lists. Both U.S. producers and two of six responding importers (***) typically quote on an f.o.b. basis and the remaining four importers generally quote delivered prices. The shipping point for the importers' f.o.b. quotes included ***.

Sales Terms and Discounts

Both U.S. producers and two of six responding importers (***) reported offering quantity discounts, while the other four importers reported offering no discounts. One U.S. producer (***) indicated that discounts are not typically offered and when they are offered it is on an account by account basis and dependent upon factors such as overall volume, history with the customer, and competitive factors.

All five responding importers reported making all of their sales on a spot basis, while the two responding U.S. producers reported making only *** percent of their sales on a spot basis. U.S. producer *** reported making the remaining *** percent of its sales with short term contracts of about 30 days while U.S. producer *** reported making *** percent of its sales on short term contracts of 30 days and the remaining *** percent of its sales on long term contracts of one year. The short term contracts fix both price and quantity and the price cannot be renegotiated. The long term contracts fix only price and can be renegotiated. Producer *** has meet or release provisions on ***, while producer *** does not have a meet or release provision on ***.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of barium chloride shipped to unrelated customers in the U.S. market during January 2004-December 2009. Pricing data were requested for the following products.

Product 1.--Crystalline barium chloride

Product 2.--Anhydrous barium chloride

One U.S. producer of barium chloride and two importers of barium chloride from China provided useable price data for at least some quarters. U.S. producer CPC's sales of the products accounted for *** percent of total U.S. producers' commercial shipment in 2009. Pricing data reported by the two

⁴ Also, one importer responded "0 percent-fob border" and another responded "varies widely."

importers accounted for *** percent of U.S. shipments of subject imports from China in 2007, the most recent year for which data was reported.

Price Trends

Quarterly weighted-average f.o.b. prices are shown in tables V-2 and V-3 and in figure V-1. U.S. producer CPC's prices for both products increased during most of 2004 to 2009. Prices for U.S.-produced product 1 and 2 increased by *** and *** percent, respectively, between the first quarter of 2004 and the first quarter of 2009. The prices of U.S.-produced product 1 and product 2 increased a further *** and *** percent, respectively, between the first quarter of 2009 and the fourth quarter of 2009.

Table V-2

Barium chloride: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, and margins of underselling/(overselling), by quarters, January 2004-December 2009

* * * * *

Table V-3

Barium chloride: Weighted-average f.o.b. prices and quantities of domestic product 2, by quarters, January 2004-December 2009

* * * * *

Figure V-1

Barium chloride: Weighted-average f.o.b. prices and quantities of domestic and imported product, by quarters, January 2004-December 2009

* * * * *

Price Comparisons

For sales of product 1, subject imports from China were priced lower than the U.S.-produced product in four of six instances, with a simple average margin of underselling of *** percent. In two instances, prices of subject imports from China were higher, with a simple average margin of overselling of *** percent. Margins of underselling ranged from *** percent to *** percent, and margins of overselling ranged from *** percent to *** percent. Underselling margins from the original investigation are summarized in table V-4. Two of three responding purchasers indicated that since 1984 the price of U.S.-produced barium chloride has changed relative to the price of barium chloride imported from China. One of these two purchasers indicated that the price of U.S.-produced barium chloride is relatively lower. In addition, one purchaser indicated that the prices have changed by the same amount since 1984.

Table V-4
Barium chloride: Instances and ranges of margins of under/overselling from the original investigation

	Underselling		Overselling	
	Number of instances	Range (<i>percent</i>)	Number of instances	Range (<i>percent</i>)
Original investigation: ¹	14	8.7 to 32.3	0	-
¹ Price data for the original investigation were for the period January 1982 to December 1984.				
Source: Staff report from the original investigation (September 17, 1984).				

APPENDIX A

***FEDERAL REGISTER* NOTICES AND THE COMMISSION'S
STATEMENT ON ADEQUACY**

DEPARTMENT OF COMMERCE**International Trade Administration****Initiation of Five-year ("Sunset") Review**

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

SUMMARY: In accordance with section 751(c) of the Tariff Act of 1930, as amended ("the Act"), the Department of Commerce ("the Department") is automatically initiating a five-year review ("Sunset Review") of the antidumping duty orders listed below. The International Trade Commission ("the Commission") is publishing concurrently with this notice its notice of *Institution of Five-year Review* which covers the same orders.

EFFECTIVE DATE: July 1, 2009.

FOR FURTHER INFORMATION CONTACT: The Department official identified in the Initiation of Review section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205-3193.

SUPPLEMENTARY INFORMATION:**Background**

The Department's procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset Reviews is set forth in the Department's Policy Bulletin 98.3 - *Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders: Policy Bulletin*, 63 FR 18871 (April 16, 1998).

Initiation of Review

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping duty orders:

DOC Case No.	ITC Case No.	Country	Product	Department Contact
A-570-007	731-TA-149	PRC	Barium Chloride (3rd Review)	Matthew Renkey (202) 482-2312
A-570-002	731-TA-130	PRC	Chloropicrin (3rd Review)	Matthew Renkey (202) 482-2312
A-570-888	731-TA-1047	PRC	Floor-Standing, Metal Top Ironing Tables And Parts Thereof	Dana Mermelstein (202) 482-1391
A-570-886	731-TA-1043	PRC	Polyethylene Retail Carrier Bags	Dana Mermelstein (202) 482-1391
A-557-813	731-TA-1044	Malaysia	Polyethylene Retail Carrier Bags	Dana Mermelstein (202) 482-1391
A-549-821	731-TA-1045	Thailand	Polyethylene Retail Carrier Bags	Dana Mermelstein (202) 482-1391
A-427-001	731-TA-44	France	Sorbitol (3rd Review)	Dana Mermelstein (202) 482-1391
A-475-820	731-TA-770	Italy	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-588-843	731-TA-771	Japan	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-580-829	731-TA-772	South Korea	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-469-807	731-TA-773	Spain	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-401-806	731-TA-774	Sweden	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-583-828	731-TA-775	Taiwan	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-570-887	731-TA-1046	PRC	Tetrahydrofurfuryl Alcohol	Matthew Renkey (202) 482-2312

Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the pertinent statute and Department's regulations, the Department schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on the Department's sunset Internet Web site at the following address: "<http://ia.ita.doc.gov/sunset/>." All submissions in these Sunset Reviews must be filed in accordance with the Department's regulations regarding format, translation, service, and certification of documents. These rules can be found at 19 CFR 351.303.

Pursuant to 19 CFR 351.103 (d), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 10 days of the publication of the Notice of Initiation.

Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order ("APO") immediately following publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304-306.

Information Required from Interested Parties

Domestic interested parties defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b)) wishing to participate in a Sunset Review must respond not later than 15 days after the

date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the order without further review. See 19 CFR 351.218(d)(1)(iii).

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements.¹ Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews. Please consult the Department's regulations at 19 CFR Part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section

751(c) of the Act and 19 CFR 351.218 (c).

June 23, 2009.

John M. Andersen,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. E9-15570 Filed 6-30-04; 8:45 am]

BILLING CODE 3510-DS-S

¹ In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests to extend that five-day deadline based upon a showing of good cause.

**INTERNATIONAL TRADE
COMMISSION****[Investigation No. 731-TA-149 (Third
Review)]****Barium Chloride From China****AGENCY:** United States International
Trade Commission.**ACTION:** Institution of a five-year review
concerning the antidumping duty order
on barium chloride from China.

SUMMARY: The Commission hereby gives
notice that it has instituted a review
pursuant to section 751(c) of the Tariff
Act of 1930 (19 U.S.C. 1675(c)) (the Act)
to determine whether revocation of the
antidumping duty order on barium
chloride from 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;¹ to be
assured of consideration, the deadline
for responses is July 31, 2009.
Comments on the adequacy of responses
may be filed with the Commission by
September 15, 2009. For further
information concerning the conduct of
this review 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), as most recently
amended at 74 FR 2847 (January 16,
2009).**DATES:** *Effective Date:* July 1, 2009.**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

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 09-5-195, expiration date June 30, 2011. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

the 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 October 17, 1984, the Department of Commerce issued an antidumping duty order on imports of barium chloride from China (49 FR 40635). Following first five-year reviews by Commerce and the Commission, effective March 10, 1999, Commerce issued a continuation of the antidumping duty order on imports of barium chloride from China (64 FR 42654, August 5, 1999). Following second five-year reviews by Commerce and the Commission, effective August 5, 2004, Commerce issued a continuation of the antidumping duty order on imports of barium chloride from China (69 FR 47405). The Commission is now conducting a third review to determine whether revocation of the order 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 a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions. The following definitions apply to this review:

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

(2) The *Subject Country* in this review is 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 determination, the Commission defined the Domestic Like Product as crystalline and anhydrous barium chloride, excluding high purity barium chloride. In its expedited first and second five-year review determinations, the Commission found one Domestic Like Product coextensive with Commerce's scope: all forms of barium chloride,

including crystalline, anhydrous, and high purity. For purposes of this notice, you should consider the Domestic Like Product to be all forms of barium chloride, including crystalline, anhydrous, and high purity.

(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 determination, the Commission defined the Domestic Industry as producers of crystalline and anhydrous barium chloride, excluding producers of high purity barium chloride. In its expedited first and second five-year review determinations, the Commission defined the Domestic Industry as all domestic producers of barium chloride. For purposes of this notice, you should consider the Domestic Industry to be all domestic producers of barium chloride.

(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 review 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 review 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 review.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation. The Commission's designated agency ethics official recently has advised that a five-year review is no longer considered the "same particular matter" as the corresponding underlying original investigation for purposes of 18 U.S.C. 207, the post employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 73 FR 24609 (May 5, 2008). This advice was developed in consultation with the Office of Government Ethics. Consequently, former employees are no

longer required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter, 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 this review available to authorized applicants under the APO issued in the review, 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 review. 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 this review 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 July 31, 2009. 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 an expedited or full review. The deadline for filing such comments is September 15, 2009. 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 review must be served on all other parties to the review (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 review 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 determination in the review.

Information To Be Provided in Response to This Notice of Institution: 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) 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 this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order 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 Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 2003.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and E-mail address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) 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 2008, except as noted (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) Capacity (quantity) of your firm to produce the *Domestic Like Product* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

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

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

(e) The value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2008 (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 duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

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

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

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2008 (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 duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

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

(b) Capacity (quantity) of your firm to produce the *Subject Merchandise* in the *Subject Country* (i.e., the level of production that your establishment(s)

could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

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

(12) 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 the Subject Country after 2003, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Country, and such merchandise from other countries.

(13) (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: This review is 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.

Marilyn R. Abbott,

Secretary.

William R. Bishop,

Acting Secretary to the Commission.

[FR Doc. E9-15641 Filed 7-1-09; 8:45 am]

BILLING CODE P

**INTERNATIONAL TRADE
COMMISSION**

**[Investigation No. 731-TA-149 (Third
Review)]**

Barium Chloride From China

AGENCY: United States International
Trade Commission.

ACTION: Notice of Commission
determination to conduct a full five-year
review concerning the antidumping
duty order on barium chloride from
China.

SUMMARY: The Commission hereby gives
notice that it will proceed with a full
review pursuant to section 751(c)(5) of
the Tariff Act of 1930 (19 U.S.C.
1675(c)(5)) to determine whether
revocation of the antidumping duty

order on barium chloride from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the review will be established and announced at a later date. For further information concerning the conduct of this review 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).

DATES: *Effective Date:* October 5, 2009.

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 this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: On October 5, 2009, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Act. The Commission found that the domestic interested party group response to its notice of institution (74 FR 31757, July 2, 2009) was adequate and that the respondent interested party group response was inadequate. The Commission also found that other circumstances warranted conducting a full review.¹ A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

Authority: This review is 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.

By order of the Commission.

Issued: October 14, 2009.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E9-25246 Filed 10-20-09; 8:45 am]

BILLING CODE 7020-02-P

¹ Commissioners Charlotte R. Lane, Irving A. Williamson, and Dean A. Pinkert found that no other circumstances warranted conducting a full review and voted for an expedited review.

DEPARTMENT OF COMMERCE**International Trade Administration****A-570-007****Barium Chloride From the People's Republic of China: Final Results of Expedited Third Sunset Review of Antidumping Duty Order**

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

EFFECTIVE DATE: October 29, 2009.

SUMMARY: On July 1, 2009, the Department of Commerce (the "Department") initiated a sunset review of the antidumping duty order on barium chloride from the People's Republic of China ("PRC"). On the basis of a notice of intent to participate and an adequate substantive response from domestic interested parties, as well as a lack of response from respondent interested parties, the Department conducted an expedited (120-day) sunset review. As a result of the sunset review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. The dumping margins are identified in the Final Results of Review section of this notice.

FOR FURTHER INFORMATION CONTACT: Melissa Blackledge or Howard Smith, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; Telephone: (202) 482-3518 or (202) 482-5193, respectively.

SUPPLEMENTARY INFORMATION:**Background**

On July 1, 2009, the Department published the notice of initiation of the third sunset review of the antidumping duty order on barium chloride from the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). See *Initiation of Five-year ("Sunset") Review*, 74 FR 31412 (July 1, 2009). On July 6, 2009, the Department received a notice of intent to participate from Chemical Products Corporation ("CPC"), a domestic interested party, within the deadline specified in section

351.218(d)(1)(i) of the Department's regulations. CPC claimed interested party status under section 771(9)(C) of the Act as a domestic producer of barium chloride in the United States. On July 31, 2009, the Department received a substantive response from CPC within the deadline specified in section 351.218(d)(3)(i) of the Department's regulations. The Department did not receive a response from any respondent interested party to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department determined to conduct an expedited review of the order.

Scope of the Order

The merchandise covered by the order is barium chloride, a chemical compound having the formulas BaCl₂ or BaCl₂-2H₂O, currently classifiable under item number 2827.39.45.00 of the Harmonized Tariff Schedule of the United States ("HTSUS").¹ Although the HTSUS item number is provided for convenience and for U.S. Customs and Border Protection purposes, the written description remains dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the "Issues and Decision Memorandum" ("Decision Memorandum") from John M. Andersen, Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Import Administration, which is dated concurrently with this notice, and hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the order were revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit in room 1117 of the main Commerce building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

Pursuant to section 752(c) of the Act, we determine that revocation of the

antidumping duty order on barium chloride from the PRC would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margin:

Exporter/Manufacturer	Margin (percent)
PRC-Wide	155.50

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

Dated: October 22, 2009.

Ronald K. Lorentzen,

Acting Assistant Secretary for Import Administration.

[FR Doc. E9-26109 Filed 10-28-09; 8:45 am]

BILLING CODE 3510-DS-S

¹ The scope reflects the HTSUS item number currently in effect.

**INTERNATIONAL TRADE
COMMISSION**

[Investigation No. 731-TA-149 (Third Review)]

Barium Chloride From China

AGENCY: United States International Trade Commission.

ACTION: Scheduling of a full five-year review concerning the antidumping duty order on barium chloride from China.

SUMMARY: The Commission hereby gives notice of the scheduling of a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty order on barium chloride from 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 this review 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).

DATES: *Effective Date:* November 16, 2009.

FOR FURTHER INFORMATION CONTACT: Amy Sherman (202-205-3289), 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 October 5, 2009, the Commission determined that responses to its notice of institution of the subject five-year review were such that a full review pursuant to section 751(c)(5) of the Act should proceed (74 FR 54069, October 21, 2009). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

Participation in the review 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 this review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the review need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

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

Staff report.—The prehearing staff report in the review will be placed in the nonpublic record on March 26, 2010, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the review beginning at 9:30 a.m. on April 15, 2010, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before April 9, 2010. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on April 14, 2010, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules.

Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions.—Each party to the review may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is April 6, 2010. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is April 26, 2010; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the review may submit a written statement of information pertinent to the subject of the review on or before April 26, 2010. On May 19, 2010, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before May 21, 2010, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other

parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This review is 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: November 23, 2009.

By order of the Commission.

William R. Bishop,

Acting Secretary to the Commission.

[FR Doc. E9-28443 Filed 11-27-09; 8:45 am]

BILLING CODE P

**INTERNATIONAL TRADE
COMMISSION**

**[Investigation No. 731-TA-149 (Third
Review)]**

Barium Chloride From China

AGENCY: United States International
Trade Commission.

ACTION: Revised schedule for the subject
review.

DATES: *Effective Date:* April 9, 2010.

FOR FURTHER INFORMATION CONTACT:
Amy Sherman (202-205-3289), 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: On November 16, 2009, the Commission established a schedule for the conduct of this review (74 FR 62587, November 30, 2010).

Subsequently, counsel for domestic interested party filed a request to appear at the hearing or, in the alternative, for consideration of cancellation of the hearing. Counsel indicated a willingness to submit written testimony and responses to any questions by a date to be specified by the Commission in lieu of an actual hearing. To date, no other party has filed a request to appear at the hearing. Consequently, the public hearing in connection with the review, scheduled to begin at 9:30 a.m. on April 15, 2010, at the U.S. International Trade Commission Building, is cancelled.

The Commission has determined to accept the offer to submit written testimony in lieu of an oral public hearing presentation. Written testimony shall be filed with the Commission by the close of business on Thursday, April 15, 2010. The party is expected to respond to the Commission's written questions in its post-hearing brief, which is due to be filed on April 26, 2010. Additional changes to the schedule are as follows: The final staff report in the review will be placed in the nonpublic record on May 10, 2010, and a public version will be issued thereafter; the Commission will make available to parties all information on which they have not had an opportunity to comment on May 17, 2010; and parties may submit final comments on this information on or before May 19, 2010.

For further information concerning this investigation see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Authority: This review is 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.

Dated: Issued: April 9, 2010.

By order of the Commission.

William R. Bishop,

Acting Secretary to the Commission.

[FR Doc. 2010-9030 Filed 4-19-10; 8:45 am]

BILLING CODE P

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Barium Chloride from China
Inv. No. 731-TA-149 (Third Review)

On October 5, 2009, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Tariff Act of 1930 (as amended 19 U.S.C. § 1675(c)(5)).

The Commission received a single response to its notice of institution. The response, which contained company-specific data, was filed on behalf of Chemical Products Corporation, a domestic producer accounting for an overwhelming majority of domestic production of barium chloride. The Commission found the individual response of the domestic producer adequate. The Commission also determined that the domestic interested party group response to its notice of institution was adequate.

No responses were received from any respondent interested parties. Consequently, the Commission determined that the respondent interested party group response was inadequate.

Notwithstanding the Commission's determination that the respondent interested party group response was inadequate, the Commission determined to conduct a full review in light of information regarding possible changes in conditions of competition.¹ These include possible changes in market conditions and an increase in non-subject imports of barium chloride since the second five-year review.

A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (<http://www.usitc.gov>).

¹ Commissioners Lane, Williamson, and Pinkert voted to conduct an expedited review, citing both the lack of adequate respondent participation and their finding that the record in this adequacy phase did not indicate sufficient changes in the conditions of competition since the original investigation and the first and second five-year reviews to warrant conducting a full review.

APPENDIX B

CPC'S REQUEST TO CANCEL THE COMMISSION'S HEARING

Client Matter No.: C 15260-00005

J. Christopher Wood
Direct: 202.955.8595
Fax: 202.530.9698
CWood@gibsondunn.com

April 6, 2010

VIA EDIS

The Honorable Marilyn R. Abbott
Secretary
U.S. International Trade Commission
500 E Street SW
Washington, D.C. 20436

PUBLIC DOCUMENT

Investigation No. 731-TA-149
(3rd Sunset Review)

Re: *Barium Chloride from the People's Republic of China: Inv. No. 731-TA-149 (Third Sunset Review): Request to Appear at Hearing and Request for Consideration of Cancellation of Hearing*

Dear Secretary Abbott:

On behalf of Chemical Products Corporation (“CPC”), a domestic producer of the subject merchandise in the above-referenced sunset review, we hereby file this request to appear at the hearing scheduled for April 15, 2010 in connection with this review. This request is timely filed pursuant to the Commission’s scheduling notice of November 30, 2009. *Barium Chloride from China*, 74 Fed. Reg. 62,587 (Nov. 30, 2009).

We further respectfully request that the Commission consider whether the scheduled hearing should be cancelled given considerations of cost and administrative efficiency. CPC recognizes that the hearing can provide an important opportunity for the Commission to achieve a fuller understanding of the facts and legal issues involved in the proceeding. In

GIBSON DUNN

Marilyn R. Abbott
April 6, 2010
Page 2

this sunset review, however, several circumstances noted below indicate that the benefits of a hearing would be limited and may not justify the burden of a hearing on the Commission and staff as well as on CPC. Accordingly, if the Commission is amenable, CPC would propose to submit written testimony and responses to any questions by a date to be specified by the Commission in lieu of an actual hearing.

First, because respondent parties have declined to participate in any phase of this sunset review, it is unlikely that an oral hearing will elicit new information concerning the Chinese barium chloride industry or the likely effect and impact of future imports on the domestic industry. In fact, CPC likely will be the only attendee to appear at the hearing. While CPC is willing to participate fully in the hearing, we expect that our testimony would focus on the points that we have made previously through our substantive response, questionnaire response, and in our pre-hearing brief submitted to the Commission by separate cover today. Accordingly, a hearing is unlikely to raise any new factual or legal issues not previously presented to the Commission.

Second, a public hearing is not likely to allow the Commission and CPC to fully discuss any questions that the Commission may have for CPC based on the information provided. Because CPC essentially is the only domestic producer of barium chloride, the Prehearing Report has necessarily redacted basic trade and financial data and industry trend

Marilyn R. Abbott
April 6, 2010
Page 3

data to avoid revealing business proprietary information of CPC. Thus, it is likely that CPC, in order to respond fully to questions from the Commission, would need to provide supplemental written responses in a confidential post-hearing submission, comparable to the written responses that it could provide to the Commission in lieu of a public hearing.

Finally, given the state of CPC's barium chloride operations and the difficult economic environment, CPC currently is operating under very severe constraints concerning business travel and other discretionary expenses. Cancellation of the hearing would provide a substantial benefit to CPC in terms of cost savings.

We would like to emphasize that this request that the Commission consider cancelling the hearing scheduled for April 15 does not result from any lack of interest by CPC in continuing the order. CPC maintains an extremely strong interest in retaining the antidumping duty order on barium chloride from China and remains committed to cooperating with the Commission throughout this proceeding. Should the Commission choose to hold the oral hearing as scheduled on April 15, CPC will attend and participate fully.

We appreciate the Commission's willingness to consider the possibility of cancelling the scheduled hearing and allowing CPC to submit written testimony and answers to questions at a date to be determined by the Commission.

GIBSON DUNN

Marilyn R. Abbott
April 6, 2010
Page 4

Our firm, as counsel to CPC, is the only party listed the Public Certificate of Service list issued by the Commission in this review. Accordingly, we have not served this submission on any person or entity, nor have we included a Certificate of Service with this filing.

Thank you for your attention to this filing. Please contact the undersigned if you have questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Christopher Wood". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

J. Christopher Wood
Counsel to Chemical Products Corporation

JCW/nex

APPENDIX C
SUMMARY DATA

Table C-1
Barium chloride: Summary data concerning the U.S. market, 2004-09

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

Item	Reported data						Period changes					
	2004	2005	2006	2007	2008	2009	2004-09	2004-05	2005-06	2006-07	2007-08	2008-09
				*	*	*	*	*	*	*	*	*
U.S. imports from:												
China:												
Quantity	211	174	132	43	0	0	-100.0	-17.3	-24.1	-67.5	-100.0	(2)
Value	45	42	29	9	0	0	-100.0	-7.0	-29.9	-69.9	-100.0	(2)
Unit value	\$0.21	\$0.24	\$0.22	\$0.21	(2)	(2)	(2)	12.5	-7.8	-7.4	(2)	(2)
All other sources:												
Quantity	76	34	83	69	563	1,028	1,252.9	-55.5	145.9	-16.9	714.5	82.5
Value	94	101	67	44	319	567	501.0	6.9	-33.7	-33.8	619.6	77.9
Unit value	\$1.24	\$2.98	\$0.80	\$0.64	\$0.57	\$0.55	-55.6	140.2	-73.1	-20.3	-11.7	-2.5
All sources:												
Quantity	287	208	215	112	563	1,028	258.6	-27.4	3.6	-48.0	402.2	82.5
Value	140	143	96	53	319	567	306.4	2.4	-32.6	-44.8	499.6	77.9
Unit value	\$0.49	\$0.69	\$0.45	\$0.47	\$0.57	\$0.55	13.4	41.1	-35.0	6.1	19.4	-2.5
				*	*	*	*	*	*	*	*	*

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

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

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

APPENDIX D

**RESPONSES OF U.S. PRODUCERS, U.S. IMPORTERS, AND
U.S. PURCHASERS CONCERNING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF
REVOCATION**

**U.S. PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested U.S. producers to describe any changes in the character of their operations or organizations relating to the production of barium chloride in the future if the antidumping duty finding on barium chloride from China were to be revoked. (Question II-4). The following are quotations from the responses of producers.

* * * * *

The Commission requested U.S. producers to describe the significance of the existing antidumping finding covering imports of barium chloride from China in terms of its effect on their firm's production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. (Question II-15.) The following are quotations from the responses of producers.

* * * * *

The Commission requested U.S. producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values relating to the production of barium chloride in the future if the antidumping duty finding on barium chloride were revoked. (Question II-16.) The following are quotations from the responses of producers.

* * * * *

**U.S. IMPORTERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested U.S. importers to describe any anticipated changes to the character of their operations or organizations relating to the importation of barium chloride in the future. (Question II-3.) The following are quotations from the responses of U.S. importers.

* * * * *

The Commission requested U.S. importers to describe any anticipated changes to the character of their operations or organizations relating to the importation of barium chloride in the future if the antidumping duty order were to be revoked. (Question II-4.) The following are quotations from the responses of U.S. importers.

* * * * *

The Commission requested U.S. importers to describe the significance of the existing antidumping duty order covering imports of barium chloride from China in terms of its effect on their imports, U.S. shipments of imports, and inventories. (Question II-9). The following are quotations from the responses of importers.

* * * * *

The Commission requested U.S. importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of barium chloride in the future if the existing antidumping duty order was revoked. (Question II-10). The following are quotations from the responses of importers.

* * * * *

**U.S. PURCHASER COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION**

The Commission asked U. S. purchasers to comment on the likely effect of any revocation of the antidumping duty order covering barium chloride from China. They were asked to discuss the potential effects of revocation of the antidumping duty order in terms of (1) the future activities of their firm and (2) the U.S. market as a whole. Their responses are as follows.

* * * * *