

# **Granular Polytetrafluoroethylene Resin from Italy**

Investigation No. 731-TA-385 (Third Review)

**Publication 4240**

**June 2011**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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**Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been identified by the use of \*\*\*. Final identification of confidential information is in the public version of the staff report.**



UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-385 (Third Review)

GRANULAR POLYTETRAFLUOROETHYLENE RESIN FROM ITALY

**DETERMINATION**

On the basis of the record<sup>1</sup> developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty order on granular polytetrafluoroethylene resin from Italy 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 on November 1, 2010, (75 F.R. 67105) and determined on May 2, 2011, that it would conduct an expedited review (76 F.R. 28455, May 17, 2011).

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





## VIEWS OF THE COMMISSION

Based on the record in 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 granular polytetrafluoroethylene resin (“PTFE resin”) from Italy 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

In August 1988, the Commission determined that an industry in the United States was being materially injured by reason of imports of PTFE resin from Italy and Japan that were being sold at less than fair value.<sup>1</sup> That same month, Commerce issued antidumping duty orders on imports of PTFE resin from Italy and Japan.<sup>2</sup>

On August 5, 1999, the Commission voted to conduct expedited reviews in the first five-year reviews of the orders on PTFE resin from Italy and Japan,<sup>3</sup> and on December 14, 1999, the Commission determined that revocation of the orders would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>4</sup>

The Commission instituted the second reviews of the antidumping duty orders on December 1, 2004.<sup>5</sup> On March 7, 2005, the Commission determined that it would conduct full reviews,<sup>6</sup> and on December 8, 2005, the Commission determined that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>7</sup>

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<sup>1</sup> Granular Polytetrafluoroethylene Resin from Italy and Japan, Inv. Nos. 731-TA-385-386 (Final), USITC Pub. 2112 (August 1988) (“Original Determination”) at 2.

<sup>2</sup> 53 FR 33163 (Aug. 30, 1988) (Italy) and 53 FR 32267 (Aug. 24, 1988) (Japan).

<sup>3</sup> 64 FR 44537 (Aug. 16, 1999).

<sup>4</sup> Granular Polytetrafluoroethylene Resin from Italy and Japan, Inv. Nos. 731-TA-385-386 (Review), USITC Pub. 3260 (Dec. 1999) at 2.

<sup>5</sup> 69 FR 69954 (Dec. 1, 2004).

<sup>6</sup> 70 FR 14713 (Mar. 23, 2005).

<sup>7</sup> Granular Polytetrafluoroethylene Resin from Italy and Japan, Inv. No. 731-TA-385-386 (Second Review), USITC Pub. 3823 (Dec. 2005) at 2.

The Commission instituted third reviews of both orders on November 21, 2010.<sup>8</sup> On January 20, 2011, Commerce published notice that it was revoking the order on PTFE resin from Japan effective December 22, 2010, because “the domestic parties did not participate in this review.”<sup>9</sup> The Commission subsequently terminated its five-year review concerning PTFE resin from Japan.<sup>10</sup> Thus, the order on PTFE resin from Italy is the only remaining order under review.

DuPont, the only known domestic producer of PTFE resin, responded to the Commission’s notice of institution and filed comments on adequacy. No respondent interested party, however, provided any information or argument to the Commission. On May 2, 2011, the Commission determined that the domestic interested party group response to its notice of institution was adequate, but that the respondent interested party group response was inadequate.<sup>11</sup> In the absence of an adequate respondent interested party group response or other factors warranting a full review, the Commission determined to conduct an expedited review pursuant to section 751(c)(3) of the Act.<sup>12</sup>

## 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.”<sup>13</sup> 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.”<sup>14</sup> The Commission’s practice in five-year reviews is to examine the

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<sup>8</sup> Although Commerce’s initiation notice of November 1, 2010, 75 FR 67082, correctly identified the review on PTFE resin from Japan, it did not correctly identify the review of the order on PTFE resin from Italy. Instead, the notice described the review as pertaining to an order concerning certain cut-to-length carbon quality steel plate. On November 22, 2010, Commerce notified the Commission in a letter that it did not receive a notice of intent to participate in the reviews of the antidumping duty orders on PTFE from Italy and Japan and that it intended to revoke those antidumping duty orders not later than 90 days after the November 1, 2010 notice of initiation. In that letter, Commerce noted that the initiation of the review for PTFE resin from Italy was incorrectly published in the Federal Register. The Federal Register published a correction of Commerce’s initiation notice on January 12, 2011. On January 13, 2011, Commerce notified the Commission that, contrary to what was stated in its November 22, 2010 notification to the Commission, it did not intend to issue a final determination revoking the antidumping duty order on PTFE resin from Italy because of the error concerning the initiation of that review. Commerce also notified the Commission that the initiation date of the subject review concerning Italy remained November 1, 2010.

On January 27, 2011, the Commission chose to extend the deadlines in the adequacy phase of the review concerning Italy by up to 90 days under its authority for “extraordinarily complicated” reviews, which applies to this review because it is a review of a “transition order,” *i.e.*, one in effect on January 1, 1995. 76 FR 4936 (Jan. 27, 2011). By extending the deadlines in the adequacy phase, the Commission afforded interested parties the opportunity to respond to the institution notice and afforded Commission staff the standard amount of time to gather information for the Commission’s vote on adequacy.

<sup>9</sup> 76 FR 3614 (Jan. 20, 2011).

<sup>10</sup> 76 FR 8774 (Feb. 15, 2011).

<sup>11</sup> See Confidential Staff Report/Public Staff Report (“CR/PR”) at Appendix B.

<sup>12</sup> 19 U.S.C. § 1675(c)(3).

<sup>13</sup> 19 U.S.C. § 1677(4)(A).

<sup>14</sup> 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.

(continued...)

like product definition from the original determination and any completed reviews and consider whether the record indicates any reason to revisit the prior findings.<sup>15</sup>

In this third five-year review, Commerce has defined the subject merchandise as “granular PTFE resin, filled or unfilled.”<sup>16</sup> Also included in the scope is PTFE wet raw polymer imported from Italy.<sup>17</sup> Commerce has indicated that PTFE dispersions in water and PTFE fine powders are excluded from the scope.<sup>18</sup>

In the original investigations, its expedited first five-year review determinations, and its full second five-year review determinations, the Commission defined a single domestic like product consisting of all PTFE resin, which was coextensive with Commerce’s scope.<sup>19</sup>

In this third five-year review, DuPont supports the definition of the domestic like product used in the prior five-year reviews of the orders,<sup>20</sup> and no new information suggests that it should be revisited. Therefore, for the reasons stated in the original determinations and the first and second five-year reviews, we continue to define the domestic like product as all PTFE resin, coextensive with Commerce’s scope.

## **B. Domestic Industry and Related Parties**

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 constitutes a major proportion of the total domestic production of the product.”<sup>21</sup> 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 allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or which are themselves importers.

In the original investigations on Italy and Japan, the Commission defined the domestic industry to include all domestic producers of granular PTFE resin and determined that, although DuPont and Ausimont U.S.A. qualified as related parties, appropriate circumstances did not warrant their exclusion from the domestic industry.<sup>22</sup> In the first five-year reviews, the Commission defined the domestic industry to include all domestic producers of granular PTFE resin and determined that, although DuPont qualified as a related party, appropriate circumstances did not warrant its exclusion from the domestic industry.<sup>23</sup> In the second five-year reviews, the Commission defined the domestic industry to include all domestic producers of PTFE resin and determined that, although DuPont and AGC Chemicals America,

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<sup>14</sup> (...continued)

Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

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

<sup>16</sup> CR at I-7; PR at I-6.

<sup>17</sup> CR at I-7; PR at I-6.

<sup>18</sup> CR at I-7; PR at I-6.

<sup>19</sup> See e.g., Original Determination at 1-2.

<sup>20</sup> CR at I-11 n.32; PR at I-8 n.32.

<sup>21</sup> 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.

<sup>22</sup> Original Determination at 9-11.

<sup>23</sup> First Review Determination at 5-6.

Inc., qualified as related parties, circumstances did not warrant their exclusion from the domestic industry.<sup>24</sup>

In this third review, DuPont urges the Commission to define the domestic industry as consisting only of DuPont because it is the only known domestic producer of PTFE resin.<sup>25</sup> Unlike in the original investigations and first and second reviews (which covered both Italy and Japan), where DuPont qualified as a related party (by virtue of its joint venture with a Japanese producer and its imports of PTFE resin from Japan), DuPont reports that it is not a related party in this third five-year review because it does not import any subject merchandise and does not have a corporate affiliation with any producers of subject merchandise.<sup>26</sup> Accordingly, we define the domestic industry as all domestic producers of PTFE resin, *i.e.*, DuPont.

### **III. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDERS ARE 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.”<sup>27</sup> The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>28</sup> Thus, the likelihood standard is prospective in nature.<sup>29</sup> The U.S. Court of International Trade has found that

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<sup>24</sup> Second Five-Year Review Determination at 8-9.

<sup>25</sup> DuPont’s Comments at 3-4.

<sup>26</sup> CR at I-13 & n. 45; PR at I-10 & n. 45.

<sup>27</sup> 19 U.S.C. § 1675a(a).

<sup>28</sup> 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.

<sup>29</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

“likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>30 31 32</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>33</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in an original investigation.”<sup>34</sup>

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.”<sup>35</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>36</sup> 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.<sup>37</sup>

No respondent interested parties participated in this expedited review. The record, therefore, contains limited new information with respect to the PTFE resin industry in Italy, as well as limited information on the U.S. PTFE resin market during the period of review. Accordingly, for our

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<sup>30</sup> See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), 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. 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’”).

<sup>31</sup> For a complete statement of Chairman 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).

<sup>32</sup> 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 these reviews and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

<sup>33</sup> 19 U.S.C. § 1675a(a)(5).

<sup>34</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” Id.

<sup>35</sup> 19 U.S.C. § 1675a(a)(1).

<sup>36</sup> 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings on the subject merchandise.

<sup>37</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

determination, we rely as appropriate on the facts available from the original investigations and prior reviews and the limited new information on the record in this review.<sup>38 39</sup>

We also note that the summary of findings below from the original investigations and first and second five-year reviews reflects a cumulated analysis because the Commission cumulated subject imports from Italy and Japan in those prior determinations. In this third five-year review, however, cumulation is not applicable because the order on PTFE resin from Japan was revoked by Commerce and only the order on PTFE resin from Italy remains subject to review.

## **B. Conditions of Competition**

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>40</sup>

### **1. The Original Investigations and the Prior Reviews**

In the original investigations, the Commission did not discuss conditions of competition. In the first five-year reviews, which were expedited, the Commission identified several conditions of competition relevant to its analysis. First, the Commission found that domestic PTFE resin and imported PTFE resin were generally substitutable within the same grades.<sup>41</sup> Second, it found that the PTFE resin market is considered to be mature, with relatively small growth anticipated in the future.<sup>42</sup> Third, it noted that the industry had consolidated from five to three domestic producers.<sup>43</sup> Finally, it found that PTFE resin production was technologically complex and capital intensive and that the high fixed costs

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<sup>38</sup> 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 other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782(i) are applicable only to Commerce. 19 U.S.C. § 1677m(i). See *Titanium Metals Corp. v. United States*, 155 F. Supp. 2d 750, 765 (Ct. Int’l Trade 2001) (“[T]he 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 a Commission investigation.”).

<sup>39</sup> Chairman 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 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.

<sup>40</sup> 19 U.S.C. § 1675a(a)(4).

<sup>41</sup> First Review Determination at 12.

<sup>42</sup> First Review Determination at 13.

<sup>43</sup> First Review Determination at 13.

associated with operating and maintaining a PTFE resin plant required manufacturers to sustain high capacity utilization rates to remain profitable.<sup>44</sup>

In the second five-year reviews, the Commission identified several conditions of competition relevant to its analysis. It found that U.S. demand for PTFE resin was largely derived from demand for the products that it is used to make and that U.S. demand for PTFE resin had grown substantially since the original investigations.<sup>45</sup> It noted that the domestic industry had changed composition and consolidated since the original investigations.<sup>46</sup> It again emphasized that PTFE resin production was technologically complex and capital intensive and that the high costs associated with operating and maintaining a granular PTFE resin plant required manufacturers to sustain high capacity utilization rates in order to remain profitable.<sup>47</sup> It also found that domestic PTFE resin and imported PTFE resin were considered to be generally interchangeable, that price was an important factor in purchasing decisions, that prices for PTFE resin were influenced by processing, raw materials, and transportation costs, and that most PTFE resin in United States was sold via long-term or short-term contracts.<sup>48</sup>

## 2. The Current Review

The conditions of competition relied upon by the Commission in the second five-year review generally continued to exist during the current period. The U.S. market for PTFE resin is considered to be relatively mature, with demand derived from the products that it is used to make, including gaskets, seals, and rings for the automotive industry; gaskets, linings, and packings for chemical applications; and insulators and tape for electrical applications.<sup>49</sup> Overall, apparent U.S. consumption of PTFE resin in 2009 was \*\*\* pounds, which was slightly below the level in the original investigations.<sup>50</sup>

The domestic industry has undergone significant consolidation since the original investigations. The number of U.S. producers has fallen from five in the original investigations in 1987 and the first five-year reviews in 1999 to three in the second five-year reviews in 2004 and just one known domestic producer (DuPont) in this third five-year review.<sup>51</sup> The domestic industry's share of apparent U.S. consumption has continued to decline and was at its lowest point during the period covered by this review. It was 71.5 percent in 1987, 73.0 percent in 1998, 71.4 percent in 2004, and 28.3 percent in 2009.<sup>52</sup>

Subject import market share has increased since the original investigations and reached its highest level in this review, accounting for \*\*\* percent of apparent U.S. consumption in 2009.<sup>53</sup> Nonsubject import market share also reached its highest level, \*\*\* percent, in 2009.<sup>54</sup>

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<sup>44</sup> First Review Determination at 13-14.

<sup>45</sup> Second Review Determination at 17.

<sup>46</sup> Second Review Determination at 17.

<sup>47</sup> Second Review Determination at 17.

<sup>48</sup> Second Review Determination at 18.

<sup>49</sup> CR at I-8 to I-9; PR at I-7.

<sup>50</sup> Apparent U.S. consumption of PTFE resin was \*\*\* pounds in 1987, \*\*\* pounds in 1999, \*\*\* pounds in 2004, and \*\*\* pounds in 2009. CR at I-17; PR at I-12.

<sup>51</sup> CR at I-13; PR at I-9.

<sup>52</sup> CR at I-17; PR at I-10; Second Review CR/PR at Table I-1.

<sup>53</sup> CR at I-17; PR at I-10. Subject import market share was \*\*\* percent in 1987, \*\*\* percent in 1998, and \*\*\* percent in 2004. Second Review CR/PR at Table I-1.

<sup>54</sup> Derived from CR at I-17. Nonsubject import market share was \*\*\* percent in 1987, \*\*\* percent in 1998, and \*\*\* percent in 2004. Second Review CR/PR at Table I-1.

In the absence of any evidence to the contrary on the record of this review, we adopt our findings from the second five-year reviews that the domestic like product, subject imports, and nonsubject imports are generally substitutable and that price is an important factor in purchasing decisions for PTFE resin.<sup>55</sup> We also adopt our finding from the prior five-year reviews that the high costs associated with operating and maintaining a granular PTFE resin plant require manufacturers to sustain high capacity utilization rates to stay profitable.<sup>56</sup> We note that the domestic industry's capacity utilization was higher in this third review than in the original investigations and prior five-year reviews. It was \*\*\* percent in 1987, \*\*\* percent in 1998, \*\*\* percent in 2004, and \*\*\* percent in 2009.<sup>57</sup>

Based on the record of this review, we find that the conditions of competition in the PTFE resin market are not likely to change significantly in the reasonably foreseeable future. Accordingly, in this review, we find that the current conditions of competition provide us with a reasonable basis on which to assess the likely effects of revocation of the order in the reasonably foreseeable future.

### **C. Likely Volume**

In evaluating the likely volume of imports of subject merchandise if the antidumping duty order 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.<sup>58</sup> In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>59</sup>

#### **1. The Original Investigations and the Prior Reviews**

In the original investigations, the Commission found that the volume of cumulated subject imports was significant. In so doing, it noted that the subject imports increased sharply during the period of investigation. Specifically, it found that from 1985 to 1987, shipments of cumulated subject imports increased by \*\*\* percent.<sup>60</sup> At the same time, it noted that the market share of cumulated subject imports increased from \*\*\* percent in 1985 to \*\*\* percent in 1987.<sup>61</sup>

In the first five-year reviews, the Commission found that cumulated subject import volume would likely be significant, both in absolute terms and relative to consumption and production in the United States, if the orders were revoked. The Commission found that the Italian and Japanese producers were likely to commence significant exports to the United States upon revocation based on: their past ability to

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<sup>55</sup> Second Review Determination at 19-20.

<sup>56</sup> Second Review Determination at 19-20.

<sup>57</sup> CR/PR at Table I-1; CR at I-14; PR at I-10.

<sup>58</sup> 19 U.S.C. § 1675a(a)(2).

<sup>59</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>60</sup> Original Determination at 26.

<sup>61</sup> Original Determination at 26.



easily divert PTFE resin shipments from their home markets to the United States, their export orientation, their substantial apparent capacity, and their incentive to maintain high capacity utilization rates.<sup>62</sup>

In the second five-year reviews, the Commission found that the cumulated subject import volume was likely to be significant if the orders were revoked. It noted that there was substantial production capacity in the subject countries and that the combined production capacity of the Italian and Japanese subject producers was equal to nearly \*\*\* percent of U.S. production and \*\*\* percent of U.S. consumption in 2004.<sup>63</sup> It also noted that the Italian producer's substantial presence in the U.S. market demonstrated that it relied extensively on the U.S. market to maintain capacity utilization levels and that, because the U.S. market was attractive because of its higher prices relative to most other markets and relatively large size, the Italian producer had additional incentive to increase its exports to the United States if the orders were revoked.<sup>64</sup>

### 3. The Current Review

Notwithstanding the restraining effects of the order, imports from Italy accounted for \*\*\* percent of apparent U.S. consumption in 2009, compared with \*\*\* percent in 1987, \*\*\* percent in 1998, and \*\*\* percent in 2004.<sup>65 66</sup> Thus, it is evident that, even with the order in place, subject imports have been able to increase their presence in the U.S. market.<sup>67</sup>

Two additional factors support the conclusion that the subject import volume is likely to be significant in the event of revocation of the order. First, the Italian PTFE resin industry has substantial production capacity. At the time of the first reviews, Italian capacity to produce granular PTFE resin was estimated to be \*\*\* pounds, a \*\*\* percent increase over its reported capacity in 1987 during the original investigations.<sup>68</sup> In this third five-year review, the sole producer of PTFE resin in Italy, Solvay Solexis S.p.A. ("Solvay Solexis"), did not respond to the Commission's notice of institution or requests for information. DuPont, however, estimates that Solvay Solexis increased its production capacity to 14.3 million pounds in 2007 by expanding its production facility in Spinetta Marengo, Italy.<sup>69</sup> Although it is uncertain whether Solvay Solexis's increased capacity pertains only to PTFE resin or includes other PTFE products, the record indicates that Solvay Solexis has significant production capacity for the subject product.

Second, the U.S. market is an attractive market because of its higher prices relative to most other markets and its relatively large size.<sup>70</sup> Thus, Solvay Solexis has an incentive to increase its exports of PTFE resin to the United States if the order were revoked.

Based on the large and increasing presence of subject imports in the U.S. market, the size of the PTFE resin industry in Italy, and the size and attractiveness of the U.S. market, we find that the Italian producer would likely increase its exports to the United States above their already significant level if the antidumping duty order were revoked. Thus, 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.

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<sup>62</sup> First Review Determination at 14-15.

<sup>63</sup> Second Review Determination at 22-23.

<sup>64</sup> Second Review Determination at 19.

<sup>65</sup> CR/PR at Table I-1.

<sup>66</sup> Subject import volume declined from \*\*\* pounds in 2006 to \*\*\* pounds in 2007, increased to \*\*\* pounds in 2008, decreased to \*\*\* pounds in 2009, and then dropped to \*\*\* pounds in 2010. CR at I-14; PR at I-10.

<sup>67</sup> First Review CR/PR at Table I-6.

<sup>68</sup> First Review CR/PR at Table I-4.

<sup>69</sup> DuPont Response to Notice of Institution at 6; CR at I-18; PR at I-13.

<sup>70</sup> DuPont Response to Notice of Institution at 7.

## **D. Likely Price Effects**

In evaluating the likely price effects of subject imports if an antidumping duty order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>71</sup>

### **1. The Original Investigations and the Prior Reviews**

In the original investigations, the Commission found that subject imports and the domestic like product were relatively substitutable, that price was an important factor in purchasing decisions, that subject imports consistently undersold the domestic like product by significant margins, and that domestic prices declined as a result.<sup>72</sup>

In the first five-year reviews, the Commission determined that revocation of the orders would likely lead to significant underselling and significant price depression and suppression within a reasonably foreseeable time.<sup>73</sup> It noted that, although the evidence in the record as to then-current pricing was limited, it appeared that cumulated subject imports continued to undersell the domestic like product.<sup>74</sup> The Commission found that, in light of the continued underselling despite the existence of the orders, the importance of price in purchasing decisions, and the incentive of producers to maximize capacity utilization, cumulated subject imports would likely enter the United States at prices that would significantly depress or suppress U.S. prices.<sup>75</sup>

In the second five-year reviews, the Commission found that, if the orders were revoked, significant volumes of cumulated subject imports likely would significantly undersell the domestic like product to gain market share and likely would have significant depressing or suppressing effects on the prices of the domestic like product within a reasonably foreseeable time. In support of its findings, the Commission noted that in the original period of investigation, subject imports from both Italy and Japan consistently undersold the domestic like product.<sup>76</sup> The Commission found that prices for domestic PTFE resin had declined, although not steadily, over the second period of review.<sup>77</sup> The Commission underscored that there was an incentive for subject producers from both countries to ship to the U.S. market because subject producers would be able to receive a higher price in the United States relative to third-country markets, even if they undersold the U.S. product to increase sales.<sup>78</sup> In light of the importance of price in the market, the substitutability of the domestic and subject imported products, the negative price effects of low-priced imports in the original investigations, the underselling by subject imports during the original investigations, and the incentive to obtain market share in the relatively high-

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<sup>71</sup> 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>72</sup> Original Determination at 26.

<sup>73</sup> First Review Determination at 15.

<sup>74</sup> First Review Determination at 15.

<sup>75</sup> First Review Determination at 15.

<sup>76</sup> Second Review Determination at 21.

<sup>77</sup> Second Review Determination at 21.

<sup>78</sup> Second Review Determination at 22.

priced, large, and stable U.S. market, the Commission found it likely that cumulated subject imports from Italy and Japan would have adverse price effects on domestic prices.<sup>79</sup>

## 2. The Current Review

There is no new product-specific pricing information on the record of this third five-year review. According to information provided by DuPont, the average unit value (“AUV”) of subject imports from Italy in 2009 (\$2.55 per pound) was significantly lower than the AUV of U.S. shipments reported by the domestic industry (\$5.46 per pound) in that same year.<sup>80</sup> In 2009, the AUV of subject imports from Italy also was lower than the AUV of imports from nonsubject countries, including Russia (\$2.81 per pound), India (\$2.88 per pound), China (\$3.86 per pound), the Netherlands (\$4.36 per pound), Germany (\$5.32 per pound), the United Kingdom (\$6.70 per pound), and Japan (\$7.13 per pound).<sup>81</sup> Accordingly, the AUV data collected by the Commission in this review indicate that subject imports continue to compete aggressively on price in the U.S. market, even with the order in place.<sup>82</sup>

As discussed above, in light of the maturity of the U.S. PTFE resin market, the general substitutability between the domestic like product and imports from all sources, and the importance of price in purchasing decisions, we find that the U.S. market for PTFE resin is price competitive. We also find it likely that subject imports would undersell domestic PTFE resin, as occurred in the original period of investigation, in order to increase market share. In response, domestic producers would have to either reduce their prices or relinquish market share. Accordingly, we find that, if the order were revoked, the likely significant increase in subject import volume at prices that would likely undersell the domestic like product would be likely to have significant adverse price effects on the domestic industry.

### E. Likely Impact<sup>83</sup>

In evaluating the likely impact of imports of subject merchandise if the antidumping duty orders under review were 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.<sup>84</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the

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<sup>79</sup> Second Review Determination at 22.

<sup>80</sup> CR/PR at Table I-4; CR at I-14; PR at I-10.

<sup>81</sup> CR/PR at Table I-4; CR at I-14; PR at I-10.

<sup>82</sup> CR/PR at Table I-4; CR at I-14; PR at I-10.

<sup>83</sup> Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In the final results of its expedited sunset review of the antidumping duty order, Commerce published a likely dumping margin of 46.46 percent for Montefluos S.p.A./Ausimont U.S.A. and all others. CR/PR at I-5; 76 FR 12939 (March 9, 2011).

<sup>84</sup> 19 U.S.C. § 1675a(a)(4).

industry.<sup>85</sup> As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders at issue and whether the industry is vulnerable to material injury if the order were revoked.

## 1. The Original Investigations and the Prior Reviews

In the original investigations, the Commission found that the increasing volume of the low-priced cumulated subject imports depressed prices and caused the U.S. industry to suffer growing financial losses despite increasing apparent U.S. consumption.<sup>86</sup> It noted that U.S. consumption of granular PTFE resin increased substantially, from \*\*\* pounds in 1985 to \*\*\* pounds in 1987.<sup>87</sup> It further noted that U.S. domestic shipments increased from \*\*\* pounds in 1985 to \*\*\* pounds in 1987.<sup>88</sup> The Commission also found that domestic capacity utilization for PTFE resin production fell, income-and-loss data for PTFE resin operations showed declines, and the industry suffered growing operating losses during the period of investigation, with net income following a similar trend.<sup>89</sup>

In the first five-year reviews, the Commission found that material injury would likely continue or recur should the antidumping duty orders be revoked.<sup>90</sup> It found that revocation likely would lead to significant increases in the volume of cumulated subject imports at prices that would undersell the domestic product and significantly depress U.S. prices.<sup>91</sup> It found that the volume and price effects of the cumulated subject imports likely would have a significant negative impact on the domestic industry and would likely cause the domestic industry to lose market share.<sup>92</sup> Moreover, it concluded that the loss in market share and subsequent decrease in capacity utilization would be particularly harmful in this capital-intensive industry. The Commission observed that price and volume declines would likely have a significant adverse impact on the domestic industry's production, shipments, sales, revenue, employment, profitability, and ability to raise capital and make and maintain necessary capital investments.<sup>93</sup>

In the second five-year reviews, the Commission again found that revocation would likely have a significant adverse impact on the domestic industry. The Commission noted that the domestic industry's condition began to deteriorate after 2001 and that the domestic industry generally experienced declines in shipments from 2000 to 2003, although shipments improved somewhat in 2004.<sup>94</sup> Given the overall financial deterioration of the domestic industry, the Commission found that the domestic industry was vulnerable.<sup>95</sup> It concluded that revocation of the antidumping duty orders would lead to significant increases in the volume of cumulated subject imports at prices that would undersell the domestic product and significantly depress U.S. prices and that the volume and price effects of the cumulated subject imports would have a significant negative impact on the domestic industry and would likely cause the

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<sup>85</sup> 19 U.S.C. § 1675a(a)(4).

<sup>86</sup> Original Determination at 29.

<sup>87</sup> Original Determination at 18.

<sup>88</sup> Original Determination at 18.

<sup>89</sup> Original Determination at 21-22.

<sup>90</sup> In the first five-year reviews, the Commission did not find the domestic industry to be vulnerable. First Review Determination at 17-18.

<sup>91</sup> First Review Determination at 18.

<sup>92</sup> First Review Determination at 18.

<sup>93</sup> First Review Determination at 18.

<sup>94</sup> Second Review Determination at 23-24.

<sup>95</sup> Second Review Determination at 24.

domestic industry to lose market share.<sup>96</sup> Moreover, the Commission found that the domestic industry's loss in market share and subsequent decrease in capacity utilization would be particularly harmful in this capital-intensive industry.<sup>97</sup>

## 2. The Current Review

In this review, the record information on the domestic industry's condition is limited. We collected 2009 data for several performance indicators, but no new data for other periods. The limited record is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.<sup>98</sup>

The data show that, compared to the last five-year reviews, the domestic industry has become smaller, and virtually all its performance indicators are significantly lower. In 2009, the domestic industry's capacity and production were \*\*\* pounds, and its rate of capacity utilization was \*\*\* percent.<sup>99</sup> The domestic industry's U.S. shipments were \*\*\* pounds, accounting for \*\*\* percent of apparent U.S. consumption; its net sales value was \*\*\*; its gross profits were \*\*\*; and its operating income was \*\*\*, equivalent to \*\*\* percent of net sales.<sup>100 101</sup>

Based on the record of this review, we find that, should the order be revoked, the likely volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. Declines in these indicators of industry performance would likely have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital, make and maintain capital investments, and fund research and development. As discussed above, because the PTFE resin industry has high fixed costs and must operate at high capacity utilization rates in order to remain profitable, significant declines in the domestic industry's sales volume would likely result in a rapid decline in the industry's profitability.

We also have considered the role of factors other than the subject imports so as not to attribute injury from such factors to subject imports. The share of the U.S. market held by nonsubject imports has continued to increase since the last reviews; it was \*\*\* percent in 2004 and \*\*\* percent in 2009.<sup>102</sup> We nevertheless find that a significant portion of the expected increase in subject imports would continue to be at the expense of the domestic industry given the likelihood of subject import underselling and adverse price effects. Also, as discussed above, in 2009, the AUV of subject imports was significantly lower than

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<sup>96</sup> Second Review Determination at 24.

<sup>97</sup> Second Review Determination at 24.

<sup>98</sup> Commissioner Pinkert finds that the domestic industry is not vulnerable to material injury if the antidumping order is revoked. Although the industry's reported production, capacity, shipments, and net sales were lower in 2009 than in 2004 (the most recent year covered by the second five-year review), the industry nevertheless maintained a capacity utilization in 2009 of \*\*\* percent and had an operating income margin of \*\*\* percent. Moreover, operating income in 2009 was, at \*\*\*, up substantially from the 2004 level, when the domestic industry had operating losses totaling \*\*\*. CR at I-14; PR at I-10; Second Review CR/PR at Table I-1.

<sup>99</sup> CR at I-14; PR at I-10.

<sup>100</sup> CR at I-14; PR at I-10.

<sup>101</sup> In 2004, the domestic industry's production was \*\*\* million pounds; its production capacity was \*\*\* pounds; its capacity utilization was \*\*\* percent; its U.S. shipments were \*\*\* pounds; and its gross profits were \*\*\*. Second Review CR/PR at Table I-1. However, the domestic industry's operating income in 2009 (\*\*\*) was higher than in 2004, when the domestic industry had operating losses totaling \$2.4 million. CR at I-14; PR at I-10; Second Review CR/PR at Table I-1.

<sup>102</sup> Nonsubject import market share was \*\*\* percent in 1987 and \*\*\* percent in 1998. CR at I-14; PR at I-10; Second Review CR/PR at Table I-1.

the AUV of U.S shipments reported by the domestic industry and the AUV of imports from nonsubject countries.<sup>103</sup>

Accordingly, we conclude that, if the antidumping duty order were revoked, subject imports from Italy would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

### **CONCLUSION**

For the foregoing reasons, we determine that revocation of the antidumping duty order on PTFE resin from Italy would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>103</sup> CR/PR at Table I-4; CR at I-14; PR at I-10.

**INFORMATION OBTAINED IN THE REVIEW**





## INTRODUCTION

On November 1, 2010, in accordance with section 751(c) of the Tariff Act of 1930 (“the Act”),<sup>1</sup> as amended, the U.S. International Trade Commission (“Commission”) gave notice that it had instituted five-year reviews to determine whether revocation of the antidumping duty orders on granular polytetrafluoroethylene (“PTFE”) resin from Italy and Japan would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.<sup>2 3</sup> On January 20, 2011, the Department of Commerce (“Commerce”) published notice that it was revoking the order on Japan effective December 22, 2010, because “the domestic parties did not participate in this review.” The Commission subsequently terminated its five-year review concerning granular PTFE resin from Japan.<sup>4</sup> Hence, granular PTFE resin from Italy is the only remaining order subject to this review.

On May 2, 2011, the Commission determined that the domestic interested party group response to its notice of institution was adequate.<sup>5</sup> The Commission also determined that the respondent interested party group response was inadequate.<sup>6</sup> The Commission found no other circumstances that would warrant conducting a full review.<sup>7</sup> Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.<sup>8</sup> The Commission is tentatively scheduled to vote on these reviews on June 21, 2011, and to notify Commerce of its determinations on June 29, 2011. Information relating to the background of the reviews is presented in the tabulation below.

Effective date	Action
November 1, 2010	Commission’s institution of five-year review (75 FR 67105)
November 1, 2010	Commerce’s initiation of five-year review (76 FR 2083, January 12, 2011; 75 FR 67082)
March 9, 2011	Commerce’s final determination in its expedited five-year review (76 FR 12939)
May 2, 2011	Commission’s decision to conduct an expedited five-year review (76 FR 28455, May 17, 2011)
June 21, 2011	Scheduled date for the Commission’s vote
June 29, 2011	Commission’s determination due to Commerce
Source: Cited <i>Federal Register</i> notices.	

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<sup>1</sup> 19 U.S.C. §1675(c).

<sup>2</sup> All interested parties were requested to respond to the notice by submitting information requested by the Commission. 75 FR 67105, November 1, 2010. Copies of the Commission’s *Federal Register* notices are presented in app. A.

<sup>3</sup> In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of the five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. 75 FR 67082, November 1, 2010.

<sup>4</sup> 76 FR 3614, January, 20, 2011; and 76 FR 8774, February 15, 2011.

<sup>5</sup> The Commission received one submission in response to its notice of institution for the subject review. It was filed on behalf of: E.I. DuPont de Nemours & Co. (“DuPont”) (referred to herein as “domestic interested party”), a domestic producer of granular PTFE resin. The domestic interested party reported that it accounted for all U.S. production of granular PTFE resin in 2009. *Response* of domestic interested party, February 28, 2011, p. 9.

<sup>6</sup> The Commission received no responses to its notice of institution from respondent interested parties.

<sup>7</sup> A copy of the *Explanation of Commission Determination on Adequacy* is presented in app. B.

<sup>8</sup> 19 U.S.C. § 1675(c)(3). See the Commission’s web site (<http://www.usitc.gov>) for Commissioner votes on whether to conduct expedited or full reviews.

## The Original Investigations and Subsequent Five-Year Reviews

On November 6, 1987, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of dumped imports of granular PTFE resin from Italy and Japan.<sup>9</sup> In July 1988, Commerce made final affirmative dumping determinations, with margins as follows: Italy - Montefluos S.p.A./Ausimont U.S.A.,<sup>10</sup> 46.46 percent, and all others, 46.46 percent; Japan - Daikin Industries, Inc., 103.00 percent, Asahi Fluoropolymers Co., Ltd., 51.45 percent; and all others, 91.74 percent.<sup>11</sup> The Commission made its final affirmative injury determinations in August 1988, and Commerce issued antidumping duty orders on August 24, 1988 (Japan) and August 30, 1988 (Italy).<sup>12</sup>

The Commission instituted the first five-year reviews of the subject orders on May 3, 1999, and gave notice on August 16, 1999 that it would conduct expedited reviews.<sup>13</sup> On December 3, 1999, Commerce published its determination that revocation of the antidumping duty orders on granular PTFE resin from Italy and Japan would be likely to lead to continuation or recurrence of dumping at the rates determined in the original investigations.<sup>14</sup> The Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time, and published its determination on December 27, 1999. Commerce published notice of the continuation of the antidumping duty orders on February 8, 2000.<sup>15</sup>

The Commission instituted the second five-year reviews of the subject orders on December 1, 2004, and gave notice on March 23, 2005 that it would conduct full reviews.<sup>16</sup> On July 6, 2005, Commerce found that revocation of the antidumping duty orders on granular PTFE resin from Italy and Japan would be likely to lead to continuation or recurrence of dumping at the rates determined in the original investigations and first reviews.<sup>17</sup> The Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time, and published its determination on December 8, 2005. Commerce published notice of the continuation of the antidumping duty orders on December 22, 2005.<sup>18</sup>

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<sup>9</sup> The petition was filed by E.I. du Pont de Nemours & Co., Inc. (“DuPont”).

<sup>10</sup> Solvay Solexis S.p.A. and Solvay Solexis, Inc. are successors-in-interest to Ausimont S.p.A. and Ausimont U.S.A. Inc. See 68 FR 25327, May 12, 2003.

<sup>11</sup> 53 FR 26096, July 11, 1988 (Italy); and 53 FR 25191, July 5, 1988 (Japan).

<sup>12</sup> 53 FR 32478, Aug. 25, 1988; 53 FR 32267, August 24, 1988 (Japan); and 53 FR 33163, August 30, 1988 (Italy).

<sup>13</sup> 64 FR 23677, May 3, 1999; and 64 FR 44537, Aug. 16, 1999.

<sup>14</sup> 64 FR 67865, Dec. 3, 1999.

<sup>15</sup> 64 FR 72362, Dec. 27, 1999; and 65 FR 6147, Feb. 8, 2000.

<sup>16</sup> 69 FR 69954, Dec. 1, 2004; and 70 FR 14713, Mar. 23, 2005.

<sup>17</sup> 70 FR 38872, July 1, 2005.

<sup>18</sup> 70 FR 73026, Dec. 8, 2005; and 70 FR 76026, Dec. 22, 2005.

## Commerce's Final Result of Expedited Five-Year Review

Commerce published the result of its review based on the facts available on March 9, 2011. Commerce concluded that revocation of the antidumping duty order on granular PTFE resin from Italy would be likely to lead to continuation or recurrence of dumping at the following weighted-average margins: Montefluos S.p.A./Ausimont U.S.A. (46.46 percent) and All Others (46.46 percent).<sup>19</sup>

### Commerce's Administrative Reviews

Commerce has completed 11 administrative reviews of the antidumping duty orders on granular PTFE resin from Italy. Although there have been one circumvention finding<sup>20</sup> and one changed circumstances determination,<sup>21</sup> there have been no duty absorption findings. Information on Commerce's administrative reviews is presented in the following tabulation.

Period of review	Date results published	Margin (percent)
04/20/1988 - 07/31/1989	December 11, 1990 (55 FR 50854)	Montefluos 20.79 All others 20.79
08/01/1989 - 07/31/1990	November 15, 1991 (56 FR 58031)	Montefluos 23.57 All others 23.57
08/01/1991 - 07/31/1992	April 21, 1995 (60 FR 19884)	Ausimont 13.31 All others 46.46
08/01/1992 - 07/31/1993	October 17, 1995 (60 FR 53737)	Ausimont 2.26 All others 46.46
08/01/1993 - 07/31/1994	May 20, 1996 (61 FR 25195)	Ausimont 6.64 All others 46.46
08/01/1994 - 07/31/1995	February 6, 1997 (62 FR 5590) and April 29, 1997 (62 FR 23219)	Ausimont 15.21 All others 46.46
08/01/1995 - 07/31/1996	September 16, 1997 (62 FR 48592)	Ausimont 5.95 All others 46.46
08/01/1996 - 07/31/1997	September 14, 1998 (63 FR 49080)	Ausimont 45.72 All others 46.46
08/01/1998 - 07/31/1999	September 12, 2000 (65 FR 54993)	Ausimont 0.72 All others 46.46
08/01/1999 - 07/31/2000	January 15, 2002 (67 FR 1960)	Ausimont 2.15 All others 46.46
08/01/2000 - 07/31/2001	January 15, 2003 (68 FR 2007)	Ausimont 12.08 All others 46.46

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<sup>19</sup> 76 FR 12939, March 9, 2011.

<sup>20</sup> See the section of this report entitled "Scope" for information concerning Commerce's scope rulings and circumvention findings.

<sup>21</sup> In March 2003, Commerce published notice of the final results of its changed circumstances review, determining that Solvay Solexis S.p.A. and Solvay Solexis, Inc. are successors-in-interest to Ausimont S.p.A. and Ausimont U.S.A. Inc. See 68 FR 25327, May 12, 2003.

## Related Commission Investigations and Reviews

The Commission has conducted no other investigations or reviews concerning granular PTFE resin.

### THE SUBJECT PRODUCT

#### Commerce's Scope

In the result of its expedited five-year review, Commerce defined the subject merchandise as:

The product covered by the order is PTFE resin, filled or unfilled. The order also covers PTFE wet raw polymer exported from Italy to the United States. *See Granular Polytetrafluoroethylene Resin From Italy; Final Affirmative Determination of Circumvention of Antidumping Duty Order*, 58 FR 26100 (April 30, 1993). The order excludes PTFE dispersions in water and fine powders.<sup>22 23</sup>

#### Tariff Treatment

During the period covered by this review, subject merchandise was classified in Harmonized Tariff Schedule of the United States ("HTS") subheading 3904.61.00. This HTS subheading covers goods not included in the scope of this order, as it also includes PTFE dispersions in water, as well as fine powders. Subject granular PTFE resin was separately provided for so that import data would be reported under a new statistical category, HTS statistical reporting number 3904.61.0010, that first appeared in the 2005 HTS, Supplement 1, effective July 1, 2005.

#### Physical Characteristics<sup>24</sup>

Granular PTFE resin is a high molecular weight crystalline polymer produced by the aqueous suspension polymerization of tetrafluoroethylene monomer. PTFE resin polymers are commonly known as Teflon®, a product of DuPont, although every producer of PTFE resin has its own specific trade name.<sup>25</sup> The subject product is a specialty white, waxy crystalline fluoropolymer material known for its chemical inertness, excellent heat and chemical resistance, electrical insulation properties, mechanical strength and toughness, low coefficient of friction (lubricity), and functionality over a wide temperature range. The product may be produced as a fully fluorinated homopolymer or contain certain copolymer additives that aid in the fabrication of end use products by significantly reducing the melt viscosity. The product typically ranges in particle size from 20 microns (µ) and a bulk density of 250 grams per liter

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<sup>22</sup> 76 FR 12939, March 9, 2011.

<sup>23</sup> Although the HTS subheading is provided for convenience and customs purposes, the written description of the scope is dispositive.

<sup>24</sup> Unless indicated otherwise, the discussion in this section is based on information contained in *Granular Polytetrafluoroethylene Resin from Italy and Japan, Invs. Nos. 731-TA-385 and 386 (Second Review)*, USITC Publication 3823, December 2005, p. I-7.

<sup>25</sup> Teflon® is DuPont's registered trademark for a wide variety of fluorinated polymers. Daikin's PTFE products are sold under the Polyflon™ name, while Dyneon's PTFE products are sold under various Dyneon™ designations.

(g/l), to 650 $\mu$  and 705g/l depending upon the end-use application.<sup>26</sup> It is commonly sold in several different grades, including various sizes of powder (including presintered powder), as pellets, and as compounded molding powders containing fillers like fiberglass and carbon. Filled compounds, known as compounded molding powders in the industry, are easily produced from PTFE granular powders by mixing 5 percent to 60 percent by weight of inorganic fillers that selectively enhance properties.

### Uses<sup>27 28</sup>

Because of its high molecular weight and concomitant high melting point and melt viscosity, subject PTFE resin cannot be processed by conventional thermoplastic methods such as injection molding or extrusion. Thus, the product is typically processed by the more physically demanding processes of compression molding or ram extrusion, followed by fusing the individual PTFE particles together (sintering) at temperatures just below the melting point. Compression molded products are typically fabricated into basic stock shapes of cylinders and cubes to be machined into seals, bearings, bushings, piston rings, and diaphragms. Additionally, sheet is skived (mechanically shaved) for chemical vessel linings and gaskets. Ram extrusion products<sup>29</sup> are typically fabricated into solid rods, tubing, and extruded profiles to be machined into seals, bushings, piston rings, and linings for chemical pipe.

Finely divided granular PTFE powders known as “fine cut” in the industry are used for a variety of applications including high-performance mechanical and electrical applications, skived film and sheet, gaskets, bridge or pipeline bearing pads, piston rings, diaphragms, seal rings, valve seats, and linings. Pelletized resins are preferred for the fabrication of ball valve seats, seals, discs, labware, and smaller parts. These resins are also used to produce tank and pipe linings, ducting and expansion joints and bellows, piston rings, and other large complex moldings. Parts fabricated from pelletized resins have superior physical and electrical properties. Other selected properties of various pelletized grades are high tensile strength and surface smoothness, and free flowing characteristics excellent for high-speed automatic molding applications. Presintered resins are hard, free-flowing materials with excellent tensile strength properties. These resins are typically used to produce rods, tubing, and profiles formed by ram extrusion. During the second review, presintered forms were roughly \*\*\*.<sup>30</sup>

### Manufacturing Processes<sup>31</sup>

Granular PTFE resin is synthesized by the aqueous suspension polymerization of tetrafluoroethylene monomer alone or in combination with relatively smaller amounts of copolymer additives. The resulting white polymer is characterized by long, stringy, irregular particles roughly three-eighths inch in length and flexible in nature. Following the cessation of vigorous agitation, the stringy particles settle to the bottom of the reactor where they are discharged as wet raw polymer. Wet raw

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<sup>26</sup> A micron is one millionth of a meter.

<sup>27</sup> Unless indicated otherwise, the discussion in this section is based on information contained in *Granular Polytetrafluoroethylene Resin from Italy and Japan, Invs. Nos. 731-TA-385 and 386 (Second Review)*, USITC Publication 3823, December 2005, p. I-7 and I-8.

<sup>28</sup> Domestically produced granular PTFE resin is typically compounded by downstream processors in the United States, while most imports of granular PTFE resin are thought to be in compound form.

<sup>29</sup> Ram extrusion is a continuous molding process.

<sup>30</sup> Staff Report on *Granular Polytetrafluoroethylene Resin from Italy and Japan, Invs. Nos. 731-TA-385 and 386 (Second Review)*, *Inv. Nos. 731-TA-385 and 386 (Second Review)*, November 10, 2005, INV-CC-192, p. I-15.

<sup>31</sup> Unless indicated otherwise, the discussion in this section is based on information contained in *Granular Polytetrafluoroethylene Resin from Italy and Japan, Invs. Nos. 731-TA-385 and 386 (Second Review)*, USITC Publication 3823, December 2005, p. I-8.

polymer flows in two different directions: (1) for pelleting; and (2) for the production of fine to ultra-fine granular powder and presintered granular powder. Pelleted product is formed by passing wet raw polymer through a \*\*\* and then pelletized, dried and discharged to a pack-out facility. Granular powders are formed by \*\*\* where it is dried and then \*\*\* to produce finished fine cut resin products of varying sizes. \*\*\*.<sup>32</sup>

In the second five-year review, producers were asked whether, since 1988, they produced other products on the same equipment and machinery used in the production of granular PTFE resin or used the same production and related workers employed to produce granular PTFE resin, or anticipated doing so in the future. \*\*\* answered “No.”<sup>33</sup>

### Domestic Like Product Issues

The Commission’s decision regarding the appropriate domestic products that are “like” the subject imported products is based on a number of factors including (1) physical characteristics and uses; (2) common manufacturing facilities and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and, where appropriate, (6) price.<sup>34</sup>

In the original investigations, the Commission found that the like product consisted of all granular PTFE resin, both filled and unfilled, coextensive with the scope of the investigations and with the like product argued for by petitioner DuPont and supported by the second-largest U.S. producer (at that time), ICI Americas, Inc.<sup>35</sup> Respondent Ausimont U.S.A. had argued that there were two domestic like products consisting of (1) unfilled granular PTFE resin of all grades and (2) all filled granular PTFE resin, regardless of the type or amount of filler.

The Commission found that unfilled PTFE resin is the basic component of all filled resin, although the nature, volume, and value of the fillers differ. The “need” for further processing, i.e., filling, depended on the intended use of the manufactured product. Filled PTFE resin retained the desirable qualities of the unfilled product to various degrees, while meeting the additional requirements of various applications (different fillers in varying proportions impart qualities to, or enhance certain qualities of, the unfilled PTFE). The Commission found that compared to the costs of manufacturing the unfilled PTFE resin, the costs of compounding (filling), exclusive of material costs, were low, and the equipment for filling operations was significantly less expensive than the equipment for the manufacture of unfilled resin. With regard to interchangeability, the choice of unfilled or a specific filled PTFE resin for production of a specific product depended largely on the intended use of the product and the qualities necessary for that end use, and for at least some end uses, filled and unfilled PTFE resins were interchangeable. Both filled and unfilled PTFE resins were processed into various articles of trade on the same types of processing equipment, and many of these articles were produced from either unfilled or

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<sup>32</sup> Staff Report on *Granular Polytetrafluoroethylene Resin from Italy and Japan, Invs. Nos. 731-TA-385 and 386 (Second Review)*, *Inv. Nos. 731-TA-385 and 386 (Second Review)*, November 10, 2005, INV-CC-192, p. I-15.

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

<sup>34</sup> If the subject product is an intermediate product, the Commission may employ its five-factor “semifinished/finished products” test consisting of (1) uses (whether the upstream product is dedicated to the production of the downstream product); (2) markets (whether there are separate markets for the upstream and downstream products); (3) characteristics and functions (whether there are differences in the physical characteristics and functions of the upstream and downstream products); (4) value (whether there are differences in the production costs and/or sales values (transfer values or market prices as appropriate) of the upstream and downstream products); and (5) transformation processes (the significance and extent of the processes used to transform the upstream product into the downstream product).

<sup>35</sup> *Granular Polytetrafluoroethylene Resin from Italy and Japan*, USITC Publication 2112, August 1988, pp. 3-13.

filled PTFE resin. Filled and unfilled resin were manufactured by different processes: production of the unfilled product was initially a chemical process, followed by drying, grinding, and baking, whereas the production of the filled product was a mechanical operation devoted to evenly compounding an unfilled resin with filler materials of differing types and quantities. The two operations were carried out on different equipment.<sup>36</sup>

In the first and second reviews, the Commission found that the like product consisted of granular PTFE resin, coextensive with the scope of the investigations, for the reasons stated in the Commission's views in the original investigations.<sup>37 38</sup>

The information regarding the nature of granular PTFE resin is unchanged since the Commission's second five-year review. Domestic producer DuPont indicated in its response to the Commission's notice of institution in this third five-year review that it does not object to the Commission's domestic like product and domestic industry definitions.<sup>39</sup> Also, DuPont continues to emphasize the interchangeability of domestic and imported products as a key condition of competition and the price sensitivity of the U.S. market.<sup>40</sup> Purchasers \*\*\* and \*\*\* reported that there have been no changes (and do not anticipate any changes) in technology; production methods; or development efforts to produce granular PTFE resin that would affect the availability of PTFE in the U.S. market or in the market for granular PTFE resin in Italy within a reasonably foreseeable time. They also reported no change in the end uses for granular PTFE resin, and no change in the existence or availability of substitute products.<sup>41</sup>

## THE INDUSTRY IN THE UNITED STATES

### U.S. Producers

During the second reviews, there were three known U.S. producers of unfilled granular PTFE resin: (1) DuPont (2) AGC Chemicals America, Inc. ("AGC"); and (3) Daikin America, Inc. ("Daikin"). AGC and Dyneon LLC ("Dyneon") also produced filled granular PTFE resin during the period of the last review. In addition, PTFE Compounds produced (only) filled granular PTFE, from unfilled product that was \*\*\*. \*\*\* produced the unfilled product directly from raw materials, or from "scratch," meaning that they produced only granular PTFE resin from PTFE wet raw polymer. \*\*\*.<sup>42</sup>

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<sup>36</sup> *Granular Polytetrafluoroethylene Resin from Italy and Japan*, USITC Publication 2112, August 1988, pp. 3-13.

<sup>37</sup> *Granular Polytetrafluoroethylene Resin from Italy and Japan*, USITC Publication 3260, December 1999, pp. 4-5; and *Granular Polytetrafluoroethylene Resin from Italy and Japan, Invs. Nos. 731-TA-385 and 386 (Second Review)*, USITC Publication 3823, December 2005, pp. 4-5.

<sup>38</sup> The Commission noted that the scope of the first review concerning Italy was slightly broader than the scope in the original investigation on Italy, as a result of Commerce's amending of the scope on Italy in 1993 to cover wet raw polymer, an intermediate product exported from Italy to the United States. The amendment of the scope raised the possibility of two domestic like products (granular PTFE resin and wet raw polymer). However, no party argued for two domestic like products. The Commission stated that it appeared that the two products shared fundamental characteristics and that there was no domestic production of wet raw polymer for sale. *Granular Polytetrafluoroethylene Resin from Italy and Japan*, USITC Publication 3260, December 1999, p. 4, n. 18.

<sup>39</sup> *Response* of domestic interested party, February 28, 2011, p. 10.

<sup>40</sup> *Response* of domestic interested party, February 28, 2011, p. 4.

<sup>41</sup> Purchaser survey responses of \*\*\* and \*\*\*.

<sup>42</sup> Staff Report on *Granular Polytetrafluoroethylene Resin from Italy and Japan, Invs. Nos. 731-TA-385 and 386 (Second Review)*, *Inv. Nos. 731-TA-385 and 386 (Second Review)*, November 10, 2005, INV-CC-192, p. I-18-I-19.

DuPont is the largest known producer of PTFE (which consists not only of granular PTFE resin but also of PTFE fine powder and PTFE aqueous dispersions) in the United States and globally. The firm has a total annual PTFE capacity of approximately \*\*\* pounds globally, and \*\*\* pounds in the United States. Its other plants are in the Netherlands (\*\*\* pounds) and Japan (\*\*\* pounds).<sup>43</sup>

During this third expedited review, one firm (DuPont) provided the Commission with a response to its notice of institution. DuPont claims to be the only current producer of subject PTFE granular virgin resin in the United States.<sup>44 45</sup>

### U.S. Producer's Trade and Financial Data

Domestic interested parties were requested by the Commission to present certain data in their response to the notice of institution.<sup>46</sup> The following tabulation presents DuPont's data (the only U.S. producer to respond to the Commission's request for information) on its operations in 2009 ( in *1,000 pounds, \$1,000, and dollars per pound*). Reported production and capacity for 2009 is lower than the data reported for the most recent full year for the period during the second full review (2004). In 2004, U.S. granular PTFE industry's capacity was \*\*\* pounds, \*\*\* current reported capacity. Production (\*\*\* pounds), U.S. shipments (\*\*\* pounds valued at \$\*\*\*), and net sales (\*\*\* pounds valued at \$\*\*\*) followed this same trend.<sup>47</sup>

\* \* \* \* \*

### U.S. IMPORTS AND APPARENT U.S. CONSUMPTION

#### U.S. Imports

The Commission noted in the original investigation that there was at least one firm that imported granular PTFE resin from Italy. The interested parties in the full second five-year review stated in their responses that since 1987, the affiliates of Solvay Solexis and its predecessor, Ausimont, have been the main importers of subject merchandise from Italy. DuPont indicated in its response to the Commission's notice of institution in this current third five-year review that the following four firms are currently operating U.S. importers of the subject merchandise: Solvay Solexis, Inc.; Dyneon; Daikin America, Inc.; and AGC.<sup>48</sup>

The quantity and value of granular PTFE resin that entered the United States from Italy under HTS statistical reporting number 3904.61.0010 during calendar year 2009 are as follows: 1.49 million pounds and \$3.8 million. Data regarding U.S. imports of granular PTFE resin, as reported by Commerce,

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<sup>43</sup> Ibid., p. I-19.

<sup>44</sup> DuPont's subject granular PTFE production in 2009 was reported to be about \*\*\* pounds. *Response of domestic interested party*, February 28, 2011, p. 10.

<sup>45</sup> In its response to the Commission's notice of institution, DuPont reported that there were no related party issues. However, the producer has a joint venture with Japanese company Mitsui DuPont Fluorochemicals, which manufactures and exports granular PTFE resin. \*\*\*. DuPont's response to Commission questions, March 31, 2011, p. 2.

<sup>46</sup> Total U.S. industry data for 2009, the only year for which data were collected, is compiled from DuPont's response to the Commission's notice of institution.

<sup>47</sup> Data from the original investigation and subsequent five-year reviews are presented in Appendix C.

<sup>48</sup> *Response of domestic interested party*, February 28, 2011, p. 8.



are presented in table I-1.<sup>49</sup> Italian imports fell from 5.5 million pounds (valued at \$18.9 million) in 2006 to 0.8 million pounds (\$2.3 million) in 2010 while all other imports rose from 6.6 million pounds (\$24.6 million) to 14.9 million pounds (\$54.8 million) during the same period.

**Table I-1**  
**Granular PTFE resin: U.S. imports, by source, 2006-10<sup>1</sup>**

Item	2006	2007	2008	2009	2010
<b>Quantity (1,000 pounds)</b>					
Italy	5,480	4,588	5,665	1,488	770
China	1,441	1,731	3,088	2,083	5,416
Russia	2,936	2,524	2,326	1,685	2,775
Germany	1,660	1,561	1,713	791	1,466
India	0	0	501	652	3,004
United Kingdom	488	318	1,060	430	805
Netherlands	109	48	147	121	1,340
Japan	5	17	89	681	21
All other	7	90	5	4	49
Total imports	12,127	10,878	14,593	7,935	15,646
<b>Value (\$1,000)</b>					
Italy	18,922	15,834	21,097	3,798	2,319
China	5,624	8,488	12,520	8,034	19,323
Russia	7,837	6,534	7,269	4,742	8,830
Germany	8,733	9,427	9,467	4,204	8,123
India	0	5	1,500	1,875	8,570
United Kingdom	1,828	1,550	6,688	2,882	4,634
Netherlands	481	181	554	531	4,867
Japan	32	95	701	4,859	287
All other	42	180	34	32	141
Total imports	43,499	42,295	59,831	30,956	57,094

Table continued on next page.

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<sup>49</sup> Data for 2005 are not available. HTS statistical reporting number 3904.61.0010, which contains only subject merchandise, became effective in mid-2005.

**Table I-4--Continued**  
**Granular PTFE resin: U.S. imports, by source, 2006-2010<sup>1</sup>**

Item	2006	2007	2008	2009	2010
<b>Unit value (\$/pound)</b>					
Italy	\$3.45	\$3.45	\$3.72	\$2.55	\$3.01
China	\$3.90	\$4.90	\$4.05	\$3.86	\$3.57
Russia	\$2.67	\$2.59	\$3.12	\$2.81	\$3.18
Germany	\$5.26	\$6.04	\$5.53	\$5.32	\$5.54
India	--	\$16.34	\$2.99	\$2.88	\$2.85
United Kingdom	\$3.74	\$4.87	\$6.31	\$6.70	\$5.75
Netherlands	\$4.42	\$3.79	\$3.77	\$4.39	\$3.63
Japan	\$6.84	\$5.71	\$7.91	\$7.13	\$13.82
All other	\$5.81	\$2.00	\$7.23	\$7.04	\$2.88
Average	\$3.59	\$3.89	\$4.10	\$3.90	\$3.65
<sup>1</sup> No imports reported under HTS statistical reporting number 3904.61.0010 until January 2006, which contains only subject merchandise, that became effective in mid-2005. Source: Official Commerce statistics, HTS statistical reporting number 3904.61.0010.					

### Apparent U.S. Consumption and Market Shares

Apparent consumption, based upon U.S. shipments and imports, in 2009 was \*\*\* million pounds (valued at \$\*\*\* million). Domestic production accounted for \*\*\* percent of apparent U.S. consumption, while imports from Italy accounted for \*\*\* percent. Purchaser \*\*\* reported that granular resins and raw materials (the prices of which have increased) are in tight supply.<sup>50</sup> \*\*\* also emphasizes China as playing a larger role in the market (raw material and finished products) and asserts that China has taken some U.S. market share from the domestic producer.<sup>51</sup>

### SUMMARY DATA

Appendix C presents selected data from all investigations and reviews that the Commission has compiled regarding granular PTFE resin since the original investigations.

### ANTIDUMPING ACTIONS OUTSIDE THE UNITED STATES

Based on available information, subject granular PTFE resin from Italy has not been subject to any other import relief investigations in any other countries.

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<sup>50</sup> The company credited the tight supply of granular resins to the 2007 shutdown of AGC's Bayonne, NJ facility, and to \*\*\* decision to shift the majority of its "free flow" products from the U.S. to its facility in \*\*\*. \*\*\* also reported that several manufacturers rationed granular resins during 2009-10. Purchaser survey response of \*\*\*.

<sup>51</sup> Purchaser survey responses of \*\*\*.

## THE INDUSTRY IN ITALY

Solvay Solexis (Solvay) is the only known producer of PTFE resins in Italy. In 2008, this Belgian owned firm had a reported aggregate annual production capability for \*\*\*, following a \*\*. Solvay was reportedly \*\* for a family of \*\* at its fluorinated polymers plant at Spinetta Marengo, Italy.<sup>52</sup> DuPont contends that a 30 percent rise in Solvay's Italian PTFE capacity to 14.3 million pounds between 2005-07 would increase the vulnerability of the domestic market to harmful effects from a foreseeable, near-term influx of aggressively priced granular PTFE resin imports from Italy that would occur if the antidumping order were lifted.<sup>53</sup> DuPont asserts that in fall 2008, granular PTFE resin sold for \$5 per kilogram in the European Union ("E.U."), while in the United States it sold for \$9. DuPont argues that in the absence of the antidumping duty order, Italian granular PTFE resin could fetch a price 80 percent higher in the U.S. when compared with the E.U. market. Further, the U.S. currently imports approximately 60 percent of granular PTFE resin produced in the E.U. DuPont states that "if the order is revoked, the U.S. market would become even more attractive for Solvay, which would lead to widespread underselling of domestic producers of PTFE, as well as significant downward pressure on PTFE prices."<sup>54</sup>

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<sup>52</sup> \*\*.

<sup>53</sup> *Response of domestic interested party*, February 28, 2011, p. 5.

<sup>54</sup> *Response of domestic interested party*, February 28, 2011, p. 7.



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



review (“Sunset Review”) of the antidumping and countervailing 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.

**DATES:** *Effective Date:* November 1, 2010.

**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 and 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 and countervailing duty orders:

**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

DOC case No.	ITC case No.	Country	Product	Department contact
A–533–817 .....	731–TA–817 .....	India .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482–4136.
A–560–805 .....	731–TA–818 .....	Indonesia .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482–4136.
A–475–826 .....	731–TA–819 .....	Italy .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482–4136.
A–588–847 .....	731–TA–820 .....	Japan .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482–4136.
A–580–836 .....	731–TA–821 .....	South Korea .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482–4136.
A–475–703 .....	731–TA–385 .....	Italy .....	Certain Cut-to-Length Carbon-Quality Steel Plate (3rd Review).	David Goldberger (202) 482–4136.
A–588–707 .....	731–TA–386 .....	Japan .....	Granular Polytetrafluoroethylene (3rd Review).	David Goldberger (202) 482–4136.
A–588–866 .....	731–TA–1090 .....	Japan .....	Superalloy Degassed Chromium .....	Dana Mermelstein (202) 482–1391.
A–570–827 .....	731–TA–669 .....	PRC .....	Cased Pencils (3rd Review) .....	David Goldberger (202) 482–4136.
A–570–804 .....	731–TA–464 .....	PRC .....	Sparklers (3rd Review) .....	Jennifer Moats (202) 482–5047.
A–533–809 .....	731–TA–639 .....	India .....	Forged Stainless Steel Flanges (3rd Review).	Dana Mermelstein (202) 482–1391.

DOC case No.	ITC case No.	Country	Product	Department contact
A-583-821 .....	731-TA-640 .....	Taiwan .....	Forged Stainless Steel Flanges (3rd Review).	Dana Mermelstein (202) 482-1391.
C-533-818 .....	701-TA-388 .....	India .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482-4136.
C-560-806 .....	701-TA-389 .....	Indonesia .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482-4136.
C-475-827 .....	701-TA-390 .....	Italy .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482-4136.
C-580-837 .....	701-TA-391 .....	South Korea .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482-4136.

### 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 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(c), 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. Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews.<sup>1</sup> 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).

Dated: October 27, 2010.

**Susan H. Kuhbach,**

*Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.*

[FR Doc. 2010-27522 Filed 10-29-10; 8:45 am]

**BILLING CODE 3510-DS-P**

<sup>1</sup> 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.



consideration, the deadline for responses is December 1, 2010. Comments on the adequacy of responses may be filed with the Commission by January 14, 2011. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as most recently amended at 74 FR 2847 (January 16, 2009).

**DATES:** *Effective Date:* November 1, 2010.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

*Background.*—On August 24, 1988, the Department of Commerce ("Commerce") issued an antidumping duty order on imports of granular polytetrafluoroethylene resin from Japan (53 FR 32267). On August 30, 1988, Commerce issued an antidumping duty order on imports of granular polytetrafluoroethylene resin from Italy (53 FR 33163). Following first five-year reviews by Commerce and the Commission, effective January 3, 2000, Commerce issued a continuation of the antidumping duty orders on imports of granular polytetrafluoroethylene resin from Italy and Japan (65 FR 6147, February 8, 2000). Following second five-year reviews by Commerce and the Commission, effective December 22, 2005, Commerce issued a continuation of the antidumping duty orders on imports of granular polytetrafluoroethylene resin from Italy and Japan (70 FR 76026). The

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.

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**INTERNATIONAL TRADE COMMISSION**

[Investigations Nos. 731-TA-385 and 386 (Third Review)]

**Granular Polytetrafluoroethylene Resin From Italy and Japan**

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

**ACTION:** Institution of five-year reviews concerning the antidumping duty orders on granular polytetrafluoroethylene resin from Italy and Japan.

**SUMMARY:** The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on granular polytetrafluoroethylene resin from Italy and Japan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;<sup>1</sup> to be assured of

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<sup>1</sup>No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 11-5-231,

Commission is now conducting third reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

*Definitions.*—The following definitions apply to these reviews:

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

(2) The *Subject Countries* in these reviews are Italy and Japan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determinations, its expedited first five-year review determinations, and its full second five-year review determinations, the Commission defined the *Domestic Like Product* as granular polytetrafluoroethylene resin, coextensive with Commerce's scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, its expedited first five-year review determinations, and its full second five-year review determinations, the Commission defined the *Domestic Industry* to include all U.S. producers of granular polytetrafluoroethylene resin.

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

*Participation in the reviews and public service list.*—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in

the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are 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 has advised that a five-year review is not 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 not 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 these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

*Certification.*—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the

Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

*Written submissions.*—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is December 1, 2010. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is January 14, 2011. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

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

*Information To Be Provided In Response to this Notice of Institution:* If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject*

*Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term "firm" includes any related firms.

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

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

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

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

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

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 2004.

(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 2009, 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(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2009 (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 each *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 each *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 each *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(ies)*, provide the following information on that product during calendar year 2009 (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 each *Subject Country* accounted for by your firm's(s') production; and

(b) Capacity (quantity) of your firm to produce the *Subject Merchandise* in each *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 each *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 each *Subject Country* after 2004, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs

into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country*, and such merchandise from other countries.

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

By order of the Commission.

Issued: October 26, 2010.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 2010-27438 Filed 10-29-10; 8:45 am]

**BILLING CODE 7020-02-P**

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**FOR FURTHER INFORMATION CONTACT:** Joseph Shuler or Nancy Decker, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; *telephone:* (202) 482-1293 or (202) 482-0196, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On November 1, 2010, the Department published the notice of initiation of the third sunset review of the antidumping duty order on PTFE resin from Italy pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). See *Initiation of Five-Year (“Sunset”) Review*, 75 FR 67082 (November 1, 2010) (“*Initiation Notice*”). On January 12, 2011, the **Federal Register** published a correction to that notice, indicating that an incorrect product name for this case was listed in the *Initiation Notice*. See *Initiation of Five-Year (“Sunset”) Review: Correction*, 76 FR 2083 (January 12, 2011) (“*Correction Notice*”). We allowed interested parties an extension of time in which to file a notice of intent to participate and substantive responses. On January 13, 2011, we also notified the International Trade Commission (“ITC”) of these new deadlines. On January 12, 2011, the Department received a notice of intent to participate from a domestic interested party, E.I. DuPont de Nemours & Co. (“DuPont” or “domestic interested party”). Submission of the notice of intent to participate was filed by DuPont within the deadline specified in 19 CFR 351.218(d)(1)(i), as extended due to the *Correction Notice*. DuPont claimed interested party status under section 771(9)(C) of the Act, as a producer of PTFE resin in the United States. On February 11, 2011, the Department received a substantive response from the domestic interested party within the deadline specified in 19 CFR 351.218(d)(3)(i), as extended due to the *Correction Notice*. We received no substantive responses from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department is conducting an expedited sunset review of the antidumping duty order.

**Scope of the Order**

The product covered by the order is PTFE resin, filled or unfilled. The order also covers PTFE wet raw polymer exported from Italy to the United States. See *Granular Polytetrafluoroethylene Resin From Italy; Final Affirmative Determination of Circumvention of*

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-475-703]

**Granular Polytetrafluoroethylene Resin From Italy: Final Results of Expedited Sunset Review of the Antidumping Duty Order**

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

**DATES:** *Effective Date:* March 9, 2011.

**SUMMARY:** On November 1, 2010, the Department of Commerce (“Department”) initiated the third sunset review of the antidumping duty order on granular polytetrafluoroethylene resin (“PTFE resin”) from Italy. The Department has conducted an expedited sunset review of this order. As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the margins identified in the Final Results of Review section of this notice.

*Antidumping Duty Order*, 58 FR 26100 (April 30, 1993). The order excludes PTFE dispersions in water and fine powders. During the period covered by this review, such merchandise was classified under item number 3904.61.00 of the Harmonized Tariff Schedule of the United States (“HTSUS”). We are providing this HTSUS number for convenience and customs purposes only. The written description of the scope remains dispositive.

**Analysis of Comments Received**

All issues raised in this review are addressed in the Issues and Decision Memorandum (“Decision Memorandum”) from Gary Taverman, Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration, dated March 1, 2011, which is 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 7046 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet 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 sections 752(c)(1) and (3) of the Act, we determine that revocation of the antidumping duty order on PTFE resin from Italy would be likely to lead to continuation or recurrence of dumping at the following percentage margins:

Manufacturer/exporter	Weighted-average margin (percent)
Montefluos S.p.A./Ausimont U.S.A. <sup>1</sup> .....	46.46
All Others .....	46.46

This notice also serves as the only reminder to parties subject to administrative protective order (“APO”)

of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. 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: March 1, 2011.

**Ronald K. Lorentzen,**  
*Deputy Assistant Secretary for Import Administration.*

[FR Doc. 2011-5373 Filed 3-8-11; 8:45 am]

**BILLING CODE 3510-DS-P**

<sup>1</sup> Solvay Solexis S.p.A. and Solvay Solexis, Inc. are successors-in-interest to Ausimont S.p.A. and Ausimont U.S.A. Inc. See *Granular Polytetrafluoroethylene Resin from Italy; Final Results of Changed Circumstances Review*, 68 FR 25327 (May 12, 2003).

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**INTERNATIONAL TRADE  
COMMISSION**

[Investigation No. 731–TA–358: (Third Review)]

**Granular Polytetrafluoroethylene Resin From Italy; Scheduling of an Expedited Five-Year Review Concerning the Antidumping Duty Order on Granular Polytetrafluoroethylene Resin From Italy**

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

**ACTION:** Notice.

**SUMMARY:** The Commission hereby gives notice of the scheduling of an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty order on granular polytetrafluoroethylene resin from Italy 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:* May 2, 2011.

**FOR FURTHER INFORMATION CONTACT:** Stefania Pozzi Porter (202–205–3177; [Stefania.PozziPorter@usitc.gov](mailto:Stefania.PozziPorter@usitc.gov)), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the

Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

*Background.* On May 2, 2011, the Commission determined that the domestic interested party group response to its notice of institution (75 FR 67105, November 1, 2011) of the subject five-year review was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting a full review.<sup>1</sup> Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.

*Staff report.* A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on June 1, 2011, and made available to persons on the Administrative Protective Order service list for this review. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

*Written submissions.* As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided individually adequate responses to the notice of institution,<sup>2</sup> and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before June 6, 2011, and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by June 6, 2011. However, should the Department of Commerce extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic

means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). 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).

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

*Determination.* The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).<sup>3</sup>

**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: May 9, 2011.

By order of the Commission.

**James R. Holbein,**

*Acting Secretary to the Commission.*

[FR Doc. 2011–11647 Filed 5–11–11; 8:45 am]

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<sup>1</sup> A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

<sup>2</sup> The Commission has found the responses submitted by IDENTIFY to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

<sup>3</sup> See revised schedule, 76 FR 4936, January 27, 2011.

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





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**INTERNATIONAL TRADE  
COMMISSION**

[Investigation No. 731-TA-385 (Third  
Review)]

**Granular Polytetrafluoroethylene Resin  
From Italy; Scheduling of an Expedited  
Five-Year Review Concerning the  
Antidumping Duty Order on Granular  
Polytetrafluoroethylene Resin From  
Italy**

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

**ACTION:** Notice.

**SUMMARY:** The Commission hereby gives notice of the scheduling of an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty order on granular polytetrafluoroethylene resin from Italy 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:* May 2, 2011.

**FOR FURTHER INFORMATION CONTACT:** Stefania Pozzi Porter (202-205-3177; [Stefania.PozziPorter@usitc.gov](mailto:Stefania.PozziPorter@usitc.gov)), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility

impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

*Background.* On May 2, 2011, the Commission determined that the domestic interested party group response to its notice of institution (75 FR 67105, November 1, 2011) of the subject five-year review was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting a full review.<sup>1</sup> Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.

*Staff report.* A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on June 1, 2011, and made available to persons on the Administrative Protective Order service list for this review. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

*Written submissions.* As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided individually adequate responses to the notice of institution,<sup>2</sup> and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before June 6, 2011, and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by June 6, 2011. However, should the Department of Commerce extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce's final

results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). 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).

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

*Determination.* The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).<sup>3</sup>

**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: May 9, 2011.

By order of the Commission.

**James R. Holbein,**

*Acting Secretary to the Commission.*

[FR Doc. 2011-11981 Filed 5-16-11; 8:45 am]

**BILLING CODE P**

<sup>1</sup> A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

<sup>2</sup> The Commission has found the responses submitted by *Identify* to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

<sup>3</sup> See revised schedule, 76 FR 4936, January 27, 2011.

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**INTERNATIONAL TRADE  
COMMISSION**

**[Investigation No. 731-TA-385 (Third  
Review)]**

**Granular Polytetrafluoroethylene Resin  
From Italy; Correction of Notice of  
Scheduling**

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

**ACTION:** Notice.

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**SUMMARY:** In a notice published in the  
**Federal Register** May 12, 2011 (76 FR  
27663), the Commission published a  
notice of scheduling of an expedited  
five-year review on an antidumping  
duty order on granular  
polytetrafluoroethylene resin from Italy.

**CORRECTION:** The Commission hereby  
corrects the investigation number to Inv.  
No. 731-TA-385 (Third Review), and  
footnote 2 that replaces IDENTIFY with  
E.I. DuPont de Nemours & Co.

**DATES:** *Effective Date:* May 13, 2011.

**FOR FURTHER INFORMATION CONTACT:**  
Stefania Pozzi Porter (202-205-3177;  
*Stefania.PozziPorter@usitc.gov*), Office  
of Investigations, U.S. International  
Trade Commission, 500 E Street, SW.,  
Washington, DC 20436. Hearing-  
impaired persons can obtain  
information on this matter by contacting  
the Commission's TDD terminal on 202-  
205-1810. Persons with mobility  
impairments who will need special  
assistance in gaining access to the  
Commission should contact the Office  
of the Secretary at 202-205-2000.  
General information concerning the  
Commission may also be obtained by  
accessing its Internet server (*http://  
www.usitc.gov*). The public record for  
this review may be viewed on the  
Commission's electronic docket (EDIS)  
at *http://edis.usitc.gov*.

**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: May 13, 2011.

**James R. Holbein,**

*Acting Secretary to the Commission.*

[FR Doc. 2011-12277 Filed 5-18-11; 8:45 am]

**BILLING CODE P**



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



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

in

*Granular Polytetrafluoroethylene Resin from Italy*  
Inv. No. 731-TA-385 (Third Review)

On May 2, 2011, the Commission determined to conduct an expedited review in the subject five-year review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

The Commission received a single response to its notice of institution from the sole domestic producer of granular polytetrafluoroethylene resin, E.I. DuPont de Nemours & Co. The Commission found this response to be individually adequate. The Commission also found 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.

The Commission did not find any circumstances that would warrant conducting a full review of the order. The Commission, therefore, determined to conduct an expedited review of the order.

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





**APPENDIX C**  
**SUMMARY DATA FROM THE SECOND REVIEW**



**Table I-1**  
**Granular PTFE resin: Summary data from the original investigations, the first reviews, and the current reviews, 1985-1987 and 1997-2004**

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