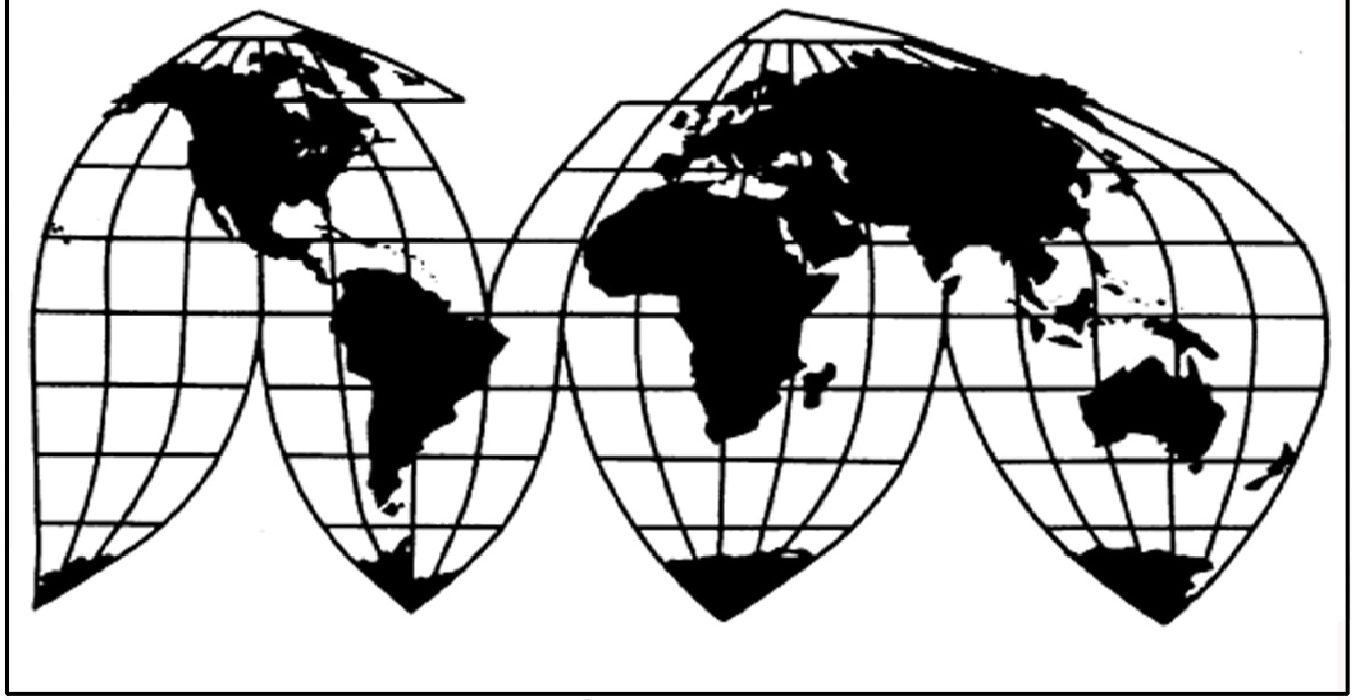
Sodium Metal From France

Investigation No. 731-TA-1135 (Preliminary)

Publication 3973 **December 2007**

U.S. International Trade Commission



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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1135 (Preliminary)

SODIUM METAL FROM FRANCE

DETERMINATION

On the basis of the record[1] developed in the subject investigation, the United States International Trade Commission (Commission) determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)) (the Act), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from France of sodium metal, provided for in subheading 2805.11.00 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV).[2]

COMMENCEMENT OF FINAL PHASE INVESTIGATION

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigation. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in section 207.21 of the Commission's rules, upon notice from the Department of Commerce (Commerce) of an affirmative preliminary determination in the investigation under section 733(b) of the Act, or, if the preliminary determination is negative, upon notice of an affirmative final determination in that investigation under section 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigation need not enter a separate appearance for the final phase of the investigation. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation.

BACKGROUND

Effective October 23, 2007, E.I. du Pont de Nemours and Co., Wilmington, DE, on behalf of the domestic industry that produces sodium metal, alleged that an industry in the United States is materially injured or threatened with material injury by reason of LTFV imports of sodium metal from France. Accordingly, effective October 23, 2007, the Commission instituted antidumping duty investigation No. 731-TA-1135 (Preliminary).

Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of October 30, 2007 (72 FR 61374). The conference was held in Washington, DC, on November 13, 2007, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Chairman Daniel R. Pearson dissenting.

VIEWS OF THE COMMISSION

Based on the record in the preliminary phase of this investigation, we find a reasonable indication that an industry in the United States is materially injured by reason of imports of sodium metal imported from France that are allegedly sold in the United States at less than fair value ("LTFV").[1]

I. THE LEGAL STANDARD FOR PRELIMINARY DETERMINATIONS

The legal standard for preliminary antidumping duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determination, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[2] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[3]

II. BACKGROUND

Sodium metal is an element that appears on the periodic table as the symbol Na. It is silver in color, although it turns a dull gray when exposed to air due to the formation of a sodium-oxide coating. Because of its high chemical reactivity, sodium metal does not occur in nature in a free state. It must be isolated and produced commercially. Sodium metal is used in a wide range of applications in metal refining and as an intermediate product in the manufacture of chemicals and pharmaceuticals.[4] Sodium metal is particularly well suited for these applications because it is a strong reducing agent. Formerly, sodium metal's largest end use was as a raw material in the production of tetraethyl lead and tetramethyl lead used to formulate anti-knock additives for gasoline used in automobiles. Consumption for this application reduced dramatically with the phasing out of leaded gasoline prior to the period examined in this investigation.[5]

The petition in this investigation was filed effective October 23, 2007. The petitioner is E.I. DuPont de Nemours & Co. Inc. ("DuPont" or "Petitioner").[6] Representatives from DuPont appeared at the conference, and DuPont filed a postconference brief. Also appearing at the conference were representatives of the sole producer of sodium metal from France (MSSA S.A.S), and its affiliated importer (MSSA Co.) (collectively "MSSA" or "Respondents"), as well as several actual or potential domestic purchasers of sodium metal. Respondents also submitted a postconference brief in this investigation.

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[1] Chairman Pearson dissenting. He joins parts I-V.A of these Views.

[2] 19 U.S.C. § 1673b(a) (2000); see also, e.g., Co-Steel Raritan, Inc. v. United States, 357 F.3d 1294 (Fed. Cir. 2004); American Lamb Co. v. United States, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); Aristech Chem. Corp. v. United States, 20 CIT 353, 354-55 (1996). No party argued that the establishment of an industry is materially retarded by reason of the allegedly unfairly traded imports.

[3] American Lamb Co., 785 F.2d at 1001; see also Texas Crushed Stone Co. v. United States, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

[4] Confidential Staff Report ("CR") at I-4, Public Staff Report ("PR") at I-4.

[5] CR at I-4-5, PR at I-4-5.

[6] Petitioner was the sole domestic producer of sodium metal during the period of investigation and therefore accounted for all reported U.S. production of sodium metal. CR/PR at Table III-1.

III. DOMESTIC LIKE PRODUCT

A. In General

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[7] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Act"), defines the relevant domestic industry as the "producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[8] In turn, 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."[9]

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[10] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[11] The Commission looks for clear dividing lines among possible like products, and disregards minor variations.[12] Although the Commission must accept the determination of the U.S. Department of Commerce ("Commerce") as to the scope of the imported merchandise allegedly subsidized or sold at less than fair value, the Commission determines what domestic product is like the imported articles Commerce has identified.[13] The Commission must base its domestic like product determination on the record in this investigation. The Commission is not bound by prior determinations, even those pertaining to the same imported products, but may draw upon previous determinations in addressing pertinent like product issues.[14]

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[7] 19 U.S.C. § 1677(4)(A).

[8] Id.

[9] 19 U.S.C. § 1677(10).

[10] See, e.g., NEC Corp. v. Dep't of Commerce, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) consumer and producer perceptions of the products; (5) common manufacturing facilities, production processes and production employees; and where appropriate, (6) price. See Nippon Steel Corp., 19 CIT at 455 n.4; Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[11] See, e.g., S. Rep. No. 249, 96th Cong., 1st Sess., at 90-91 (1979).

[12] Nippon Steel Corp., 19 CIT at 455; Torrington Co., 747 F. Supp. at 748-49; see also S. Rep. No. 249 at 90-91 (Congress has indicated that the domestic like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

[13] Hosiden Corp. v. Advanced Display Mfrs., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (Commission may find a single domestic like product corresponding to several different classes or kinds defined by Commerce); Torrington Co., 747 F. Supp. at 748-52 (affirming Commission's determination of six domestic like products in investigations where Commerce found five classes or kinds).

[14] Acciai Speciali Terni S.p.A. v. United States, 118 F. Supp. 2d 1298, 1304-05 (Ct. Int'l Trade 2000); Nippon Steel Corp. v. United States, 19 CIT at 455; Asociacion Colombiana de Exportadores de Flores v. United States, 693

(continued...)

B. Product Description

The Department of Commerce's notice of initiation defines the imported merchandise within the scope of this investigation as follows –

> sodium metal (Na), in any form and at any purity level. Examples of names commonly used to reference sodium metal are sodium metal, sodium, metallic sodium, and natrium.[15]

C. Domestic Like Product

Petitioner argues that the Commission should find one domestic like product consisting of sodium metal coextensive with Commerce's scope of investigation. Respondents do not oppose Petitioner's proposed definition of the domestic like product for purposes of the preliminary phase of this investigation. For purposes of the preliminary phase of this investigation, we find a single domestic like product defined as sodium metal, coextensive with Commerce's scope of investigation**.**

Physical Characteristics and End Uses. Sodium metal is a chemical element that is soft and malleable with a low melting point. Sodium metal has numerous industrial and commercial uses. Because it is a strong reducing agent, it is most frequently used in refining and as an intermediate product in the manufacture of chemicals, pharmaceuticals, and metals. Sodium metal may be distinguished by grade. Both DuPont and MSSA produce sodium metal by the Down's process, the electrolysis of molten sodium chloride in a Down's cell.[16] All sodium metal produced in a Down's cell is about 99.8 percent pure once it leaves the primary filtration process. Such sodium metal is commonly referred to as "technical grade," while sodium metal containing even lower levels of impurities is commonly referred to as "specialty grade."[17]

Interchangeability. Although some customers may prefer a "specialty grade" sodium metal to the "technical grade," there do not appear to be significant limits on interchangeability between the two. According to Petitioner, any "technical grade" of sodium metal is at a purity level sufficient to be interchangeable with a "specialty grade" of sodium metal, and vice versa, with one exception: neither a "technical grade" nor a "specialty grade" of sodium metal can be substituted for the highly specialized sodium metal used as a coolant for fast-breeder nuclear reactors, although this highly specialized sodium metal can be substituted for any technical or specialty grade application.[18] There is no commercial demand for breeder-grade sodium metal in the U.S. market, however, because there are no fast-breeder nuclear reactors in the United States.[19]

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[14] (...continued)
F. Supp. 1165, 1169 n.5 (Ct. Int'l Trade 1988) (particularly addressing like product determination); Citrosuco Paulista, S.A. v. United States, 704 F. Supp. 1075, 1087-88 (Ct. Int'l Trade 1988).

[15] 72 Fed. Reg. 65,295 (November 20, 2007), *Sodium Metal from France: Notice of Initiation of Antidumping Duty Investigation*.

[16] CR at I-6, PR at I-5.

[17] CR at I-7-10, PR at I-6-8.

[18] CR at I-10, PR at I-8.

[19] Conference Transcript ("Tr.") at 39-40 (Hilk).

Channels of Distribution. All sodium metal, whether produced domestically or imported, is sold directly to end users. There are no other channels of distribution for sodium metal in the Untied States.[20]

Manufacturing Facilities, Production Processes, and Employees. Sodium metal is produced by splitting apart sodium chloride, commonly known as salt. Production takes place in a "Down's cell" containing a molten salt compound with other raw materials. A Down's cell is a large, brick-lined, steel vessel containing a cathode at the top and an anode at the bottom. Electrolysis splits the salt into its sodium and chlorine components. The sodium metal is collected through a primary filtration process and is at least 99.8 percent pure, although it may undergo a secondary filtration process to achieve additional purity. All grades of sodium metal can be produced using the same equipment and by the same employees.[21]

Producer and Customer Perceptions. Overall, sodium metal in all grades and forms is perceived to be a similar product. Nevertheless, depending on the application, a purchaser may prefer one grade to another.[22]

Price. Specialty grades of sodium metal typically sell for a higher price than technical grade[23] due to a higher cost of production, although Petitioner claims that it has been virtually impossible to get a price premium for its specialty products over the last two to four years due to unfairly priced subject imports.[24]

We find that sodium metal in all grades exhibits certain general physical characteristics and uses, is generally interchangeable in end uses, is sold exclusively to end users, is produced by basically the same production processes, equipment, and employees, and is generally perceived to be a single product. Thus, we define a single domestic like product consisting of sodium metal, coextensive with the scope of investigation.

IV. DOMESTIC INDUSTRY

The domestic industry is defined as the "producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[25] In defining the domestic industry, the Commission's general practice has been to include in the industry all domestic production of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.[26] Based on our finding that the domestic like product is sodium metal, we find that the domestic industry consists of the sole domestic producer of sodium metal, DuPont.

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[20] CR/PR at Table I-2.

[21] CR at I-9, PR at I-6.

[22] CR at I-11, PR at I-8-9.

[23] CR/PR at Table I-4.

[24] Tr. at 38 (Hilk); Petitioner's Postconference Brief, Resp. to Staff Questions, at 5.

[25] 19 U.S.C. § 1677(4)(A).

[26] United States Steel Group v. United States, 873 F. Supp. 673, 681-84 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

V. REASONABLE INDICATION OF MATERIAL INJURY BY REASON OF LESS THAN FAIR VALUE IMPORTS FROM FRANCE[27]

In the preliminary phase of antidumping or countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured by reason of the imports under investigation.[28] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[29] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[30] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[31] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[32]

For the reasons stated below, we determine that there is a reasonable indication that the domestic industry producing sodium metal is materially injured by reason of subject imports from France.

A. CONDITIONS OF COMPETITION AND THE BUSINESS CYCLE

Several conditions of competition are pertinent to our analysis in the preliminary phase of this investigation.

1. Demand Conditions

Overall U.S. demand for sodium metal tends to follow general activity in the U.S. economy and demand in the sectors in which it is used. As noted above, sodium metal has numerous industrial and commercial uses. Because it is a strong reducing agent, it is most frequently used in refining and as an intermediate product in the manufacture of chemicals, pharmaceuticals, and metals.[33] There are relatively few major purchasers of sodium metal in the U.S. market. In 2006, the *** accounted for approximately *** percent of apparent U.S. consumption and *** percent of DuPont's U.S. commercial shipments.[34]

Market participants reported differing trends in U.S. demand for sodium metal over the period examined. DuPont reported a ***, while two U.S. importers ***, particularly in the near term.[35] Demand for sodium metal in the U.S. market, as measured by apparent U.S. consumption, fluctuated over the

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[27] Negligibility is not an issue in this investigation. The petition was filed effective October 23, 2007. Based on official Commerce statistics, subject imports from France accounted for approximately 97.7 percent of total imports of sodium metal between October 2006 and September 2007, the most recent 12-month period for which data were available that preceded the filing of the petition. CR at IV-7, PR at IV-5-6.

[28] 19 U.S.C. §§ 1671b(a) and 1673b(a).

[29] 19 U.S.C. § 1677(7)(B)(i). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each [such] factor . . . [a]nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B); see also, e.g., Angus Chem. Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

[30] 19 U.S.C. § 1677(7)(A).

[31] 19 U.S.C. § 1677(7)(C)(iii).

[32] 19 U.S.C. § 1677(7)(C)(iii).

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

[34] CR/PR at Table III-3; calculated from Table III-3 and Table C-1 (by quantity).

[35] CR at II-12, PR at II-7-8.

period, declining from *** pounds in 2004 to *** pounds in 2005, before increasing to *** pounds in 2006.[36] Apparent U.S. consumption was *** pounds in interim 2007, compared to *** pounds in interim 2006, a reduction that largely, but not exclusively, reflected the exit of DuPont's *** customer, Syngenta, from the sodium metal market at the end of 2006.[37]

2. Supply Conditions

The Commission received questionnaire responses from DuPont, the sole domestic producer of sodium metal during the period examined.[38] DuPont's capacity exceeded apparent U.S. consumption throughout this period.[39] Its production capacity and production remained flat during the period, although production was *** percent lower in interim 2007 than in interim 2006.[40] While DuPont's U.S. commercial shipments *** throughout the period, its export shipments ***. Given the capital intensive nature of sodium metal production, Petitioner asserts that sodium metal plants are designed for and depend on running at full capacity, 24 hours a day, seven days a week, except for scheduled maintenance shutdowns.[41]

All market participants reported that all of their commercial sales of sodium metal were to end users.[42] The vast majority of U.S. sales of sodium metal were based on long-term contracts (three years or more), followed in frequency by short-term sales, and then by spot sales.[43]

Transportation costs are a significant factor in this market. Sodium metal is shipped in bulk in the United States by iso-containers, tank rail cars, tank trucks, fused drums, and pipelines.[44] U.S. inland freight costs for the domestic product averaged *** percent of the delivered price over the period examined, while U.S. inland freight costs for sodium metal imported from France averaged *** percent of the delivered price over the same period.[45] During the period, *** percent of DuPont's commercial shipments were shipped over 1,000 miles, while importers reported that *** percent of sodium metal from

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[36] CR/PR at Table IV-6. Respondents project an increase in demand for sodium metal by certain key downstream industries in the foreseeable future, particularly sodium methylate for bio-diesel production, polysilicon wafers used in the electronics market, and titanium metal used in the aircraft industry or for military applications. Petitioner claims that all statements and projections regarding growth strategies and product development for sodium metal are speculative, and that many factors will play a role in determining whether the projected growth in demand will come to fruition.

[37] CR/PR at Table IV-6. Syngenta, which used sodium metal to make paraquat, a pesticide, closed its plant in Bayport, TX at the end of 2006. This plant ceased all U.S. production because it was no longer competitive with production of paraquat using a different input, specifically sodium cyanide. Tr. at 82-84 (Hilk).

[38] CR at III-2, III-7-8, PR at III-2, 4, 7.

[39] CR/PR at Table C-1.

[40] The industry's capacity remained flat at approximately *** pounds from 2004 to 2006 and was *** pounds in interim 2006 and interim 2007. CR/PR at C-1. Domestic production increased *** from *** pounds in 2004 to *** pounds in 2006 and was *** pounds in interim 2007 compared to *** pounds in interim 2006. CR/PR at Table C-1.

[41] Tr. 15-16, 33-34 (Hilk). DuPont's capacity utilization fluctuated between *** percent and *** percent during 2004-2006, before dropping to *** percent in interim 2007. CR/PR at Table C-1.

[42] CR at I-11, PR at I-9.

[43] CR at V-7, PR at V-5. In 2006, *** percent of U.S. shipments of domestically produced sodium metal and *** percent of subject imports were sold via long-term contracts.

[44] CR at V-4, PR at V-3. ***. CR at V-5, n.23, PR at V-3, n.23.

[45] CR at V-2, PR at V-2.

France was shipped within 100 miles, *** percent was shipped 101 to 1,000 miles, and *** percent was shipped over 1,000 miles.[46]

DuPont's share of the U.S. market, by quantity, declined steadily during the period examined.[47] The U.S. market share held by nonsubject imports, which was very small to begin with, also declined during the period examined.[48] Conversely, subject imports' share of the U.S. market increased steadily during the period.

3. Interchangeability and Other Conditions

DuPont and MSSA supply the U.S. market with various grades of sodium metal that vary in terms of the maximum allowable presence of calcium (an impurity), measured by parts per million (ppm). MSSA's production process "is basically the same" as Petitioner's production process, although MSSA claims that it has achieved a more efficient filtration process leading to a higher quality product due to less calcium content.[49] DuPont offers Technical (400 ppm calcium), Niapure (400 ppm calcium), and Niapure Select (200 ppm calcium) grade products.[50] MSSA exports to the United States four grades of subject sodium metal that include sodium metal in large bulk containers, bulk sodium metal in fused drums, and ingots, sticks, and doses in drums. MSSA's four offerings are its Technical (S+) (400 ppm calcium), SoPure (200 ppm calcium), Refined (R) (10 ppm calcium), and Extra Refined (10 ppm calcium) products.[51]

DuPont asserts that although producers may distinguish between sodium metal at different purity levels for marketing purposes, all sodium metal is essentially interchangeable. According to DuPont, sodium metal with a maximum calcium content of 400 ppm may be used in almost every application.[52] DuPont also asserts that every customer that currently purchases sodium metal from France has, at one time in the past, purchased its requirements for sodium metal from DuPont.[53] Respondents argue, however, that the sodium metal market is segmented by grade and form and that MSSA's grades of sodium metal offer advantages over DuPont's products. In particular, Respondents maintain that MSSA's technical grade and SoPure grade create less calcium buildup than do DuPont's products with the same allowable calcium content (DuPont's Technical grade and Niapure Select grade, respectively).[54] Respondents assert that calcium levels above 200 ppm can cause severe problems for purchasers as a residue made up of calcium oxides settles out of the sodium metal. This residue can plug pipelines and build up in customers' storage tanks, requiring expensive and dangerous operations to remove the calcium sludge.[55] Respondents also argue that the market is further segmented because some customers require

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[46] CR at V-3, PR at V-2. The ***. Id.

[47] CR/PR at Table IV-6.

[48] CR/PR at Table IV-6.

[49] Tr. at 89-90, 142 (Bourrier). In any final phase of this investigation, we intend to gather additional information comparing the production processes of DuPont and MSSA.

[50] CR at II-1, PR at II-1. These specifications are based on certificates of quality and show the maximum level of calcium for each grade level. The technical grade sodium metal involves only primary filtration, whereas the other two grades of sodium metal involve primary and secondary filtrations.

[51] CR at II-1, PR at II-1. All of the *** sodium metal imported from France over the period, *** pounds, was in ingot/stick/dose form used to produce ***.

[52] CR at II-2, PR at II-1-2, Tr. at 15 and 66 (Hilk).

[53] Tr. at 18 (Hilk).

[54] CR at II-2-3, PR at II-2.

[55] Tr. at 97 (Matusewitch).

sodium metal in ingot or brick form. Although subject imports from France are able to serve this market, DuPont does not produce these forms of sodium metal in the United States.[56]

DuPont reported that non-price differences are never a factor in a buyer's decision whether to purchase sodium metal from France or domestically produced sodium metal.[57] The primary importer, however, reported that non-price differences are always a factor.[58] It listed quality, ingot/brick form availability, second sourcing, and downstream competition as non-price factors that may affect purchasing decisions.[59]

B. Volume of Subject Imports

Section 771(7)(C)(I) of the Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[60] We find that subject import volume was significant during the period examined both in absolute terms and relative to consumption and production in the United States.

In absolute terms, the volume of subject imports increased by almost 200 percent from 2004 to 2006, from 5.1 million pounds in 2004 to 8.6 million pounds in 2005 and 15.1 million pounds in 2006.[61] Subject import volume was 9.6 million pounds in interim 2007 compared to 11.7 million pounds in interim 2006.[62]

The share of the quantity of apparent U.S. consumption held by subject imports increased dramatically by *** percentage points from 2004 to 2006, rising from *** percent in 2004 to *** percent in 2005, before increasing further to *** percent in 2006.[63] As the market share held by subject imports rose throughout the period examined, the share held by the domestic industry fell. As total apparent U.S. consumption increased by *** percent from 2004 to 2006, the share of the quantity of apparent U.S. consumption represented by DuPont's U.S. shipments declined from *** percent in 2004 to *** percent in 2005 and *** percent in 2006, an overall decrease of *** percentage points.[64] DuPont's market share was *** percent in interim 2007 compared to *** percent in interim 2006.[65]

The volume of nonsubject imports and their market penetration, which started from a very small base at the start of the period of investigation, declined over the period. Measured by quantity, nonsubject imports declined from 670,000 pounds in 2004 to 288,000 pounds in 2005 and 218,000 pounds in 2006, and were 210,000 pounds in interim 2007 compared to 114,000 pounds in interim 2006.[66] Nonsubject imports' share of apparent U.S. consumption declined from *** percent in 2004 to ***

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[56] CR at II-4-5, PR at II-2-3.

[57] CR/PR at Table II-1.

[58] CR/PR at Table II-1.

[59] CR at II-24, PR at II-11-12.

[60] 19 U.S.C. § 1677(7)(C)(i).

[61] CR/PR at Table IV-5.

[62] CR/PR at Table IV-5.

[63] CR/PR at Table IV-6. The market share held by subject imports was *** percent in interim 2007 as compared to *** percent in interim 2006.

[64] CR/PR at Table IV-6.

[65] Relative to U.S. production, subject imports increased from *** percent in 2004 to *** percent in 2005 and *** percent in 2006, for a period increase of *** percentage points. CR/PR at Table IV-7. Subject imports were equivalent to *** percent of U.S. production in interim 2007 as compared to *** percent in interim 2006.

[66] CR/PR at Table IV-5.

percent in 2005 and *** percent in 2006 and was *** percent in interim 2007 as compared to *** percent in interim 2006.[67]

We find for purposes of the preliminary phase of this investigation that the volume of subject imports was significant during the period examined, both in absolute terms and relative to consumption and production in the United States.

C. Price Effects of the Subject Imports

Section 771(C)(ii) of the Act provides that, in evaluating the price effects of subject imports,

> the Commission shall consider whether – (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[68]

Market participants expressed divergent views on interchangeability and the importance of price in purchasing decisions. The sole domestic producer, DuPont, indicated that subject imports are *** interchangeable with the domestic product. The primary importer of sodium metal from France, MSSA Co., however, indicated that while subject imports ***.[69] In a similar fashion, DuPont reported that non-price differences between subject imports and the domestic like product are *** a factor in purchasing decisions, whereas the primary importer of sodium metal from France stated that non-price differences are *** a factor.[70] We intend to explore issues regarding interchangeability and the importance of non-price factors in any final phase of this investigation.

In this investigation, the sole domestic. producer, DuPont, and one responding U.S. importer of sodium metal from France, MSSA Co., provided quarterly pricing data for one sodium metal product category. By quantity, pricing data reported by responding firms accounted for *** U.S. commercial shipments of U.S.-produced sodium metal and approximately *** percent of U.S. commercial shipments of sodium metal produced in France.[71]

The pricing data collected in the preliminary phase of this investigation showed mostly overselling by subject imports. On a delivered selling price basis, subject imports undersold the domestic like product in three of 12 quarters, with the margins of underselling ranging from *** percent to *** percent.[72] On a U.S. f.o.b. selling price basis, subject imports undersold the domestic like product in one of 12 quarters, with a margin of underselling of *** percent.[73]

The definition of the pricing product used in this preliminary phase of the investigation, however, encompassed sodium metal with maximum calcium levels of 400 ppm as well as sodium metal with

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[67] CR/PR at Table IV-6.

[68] 19 U.S.C. § 1677(7)(C)(ii).

[69] CR/PR at Table II-1. The other major importer of subject merchandise, Columbia Sales, reported that it ***. Another importer reported that ***, but we give relatively little weight to its response because it imported only small quantities of subject merchandise for research purposes. Id. and CR at II-19, n.58, PR at II-10, n.58.

[70] CR/PR at Table II-2.

[71] CR at V-14, PR at V-8.

[72] CR/PR at Table V-1.

[73] CR/PR at Table V-1.

maximum calcium levels of 200 ppm.[74] DuPont's Technical grade sodium metal (maximum 400 ppm calcium) accounted for *** percent of its total U.S. commercial shipments.[75] MSSA Co., however, shipped *** its SoPure grade sodium metal (maximum 200 ppm calcium) during the period examined, which amounted to *** percent of its total U.S. commercial shipments.[76] Thus, the vast majority of subject imports consisted of a purer product than the vast majority of sales of domestically produced sodium metal, and the subject SoPure product should command some type of price premium from purchasers that desire or require it for their applications. As a result, it is unclear how meaningful the evidence of underselling/overselling may be.[77] In any final phase of this investigation, we will attempt to identify any price premium that purchasers would be willing to pay for a purer product and will seek further information on this issue from the domestic producer, purchasers, and importers of the subject product.[78]

We have also considered movements in sodium metal prices over the period examined. The Commission's pricing data, whether on a U.S. delivered or f.o.b. price basis, fluctuated generally without a clear trend for the period. On a U.S. delivered price basis, there was a *** in domestic prices for the period examined, while on an f.o.b. price basis, there was a *** in domestic prices.[79] The lack of clear evidence that prices have declined precludes a finding that subject imports have depressed prices for domestically produced sodium metal to a significant degree for purposes of this preliminary determination.

The domestic industry's cost of goods sold ("COGS") as a share of net sales increased steadily throughout the period examined from *** percent in 2004 to *** percent in 2005 and *** percent in 2006, and was *** percent in interim 2007 compared to *** percent in 2006.[80] Unit COGS also increased from $*** in 2004 to $*** in 2005 and $*** in 2006, and was $*** in interim 2007 compared to $*** in interim 2006.[81] In a growing market from 2004 to 2006, we would have expected DuPont to be able to raise prices as its costs of production increased. While it appears that DuPont was unable to raise its prices to cover increasing costs, that failure is not clearly linked to subject imports, given the limited utility of the price comparisons discussed above.[82] We will explore this issue further in any final phase of this investigation.

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[74] The Commission collected data on sodium metal with calcium levels equal to, or less than, 550 ppm, and sold in the United States via iso-container, a rail tank car, and/or a tank truck. CR at V-13, PR at V-7.

[75] CR at II-4, PR at II-2.

[76] CR at II-4, PR at II-2.

[77] The average unit value (AUV) data shows that the AUVs for MSSA's SoPure product were *** DuPont's AUVs for its Technical grade product, except in interim 2007, were *** the AUVs for DuPont's Niapure product in 2004 and 2005, and were *** the AUVs for MSSA's own Technical grade product in every year except for 2005. CR/PR at Table I-4. This information would appear to contradict the underselling data, and reduces the probative value of the pricing comparison.

[78] Among other things, we intend to request pricing information broken out by product grade. We will also seek information on the costs of producing a purer product, which may be indicative of the price premium DuPont and MSSA should expect to receive.

[79] CR/PR at Table V-1.

[80] CR/PR at Table C-1.

[81] CR/PR at Table C-1.

[82] DuPont reported seven lost revenue allegations involving a total of $*** and eight lost sales allegations involving a total of $***. CR at V-24, PR at V-11. Commission Staff contacted the six purchasers cited in the lost revenue and/or lost sales allegations; these purchasers did not confirm any of these allegations. CR at V-26-36, PR at V-11-16 (purchasers' responses to lost revenue and/or lost sales allegations).

For the above reasons, for purposes of this preliminary investigation, there is an insufficient evidentiary basis for determining whether subject imports have had significant adverse effects on domestic prices. As noted above, we will seek further information on price effects of the subject imports in any final phase investigation.

D. Impact of the Subject Imports[83]

Section 771(7)(C)(iii) provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[84] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[85]

We have examined performance indicia for the domestic industry producing sodium metal. These data indicate declining overall trends.[86]

DuPont's production of sodium metal was relatively flat from 2004 to 2006 and was *** percent lower in interim 2007 compared to interim 2006.[87] DuPont's total U.S. shipments of sodium metal declined by *** percent from 2004 through 2006, and were *** percent lower in interim 2007 than in interim 2006.[88] However, its export shipments increased by *** percent over this same period and were *** percent higher in interim 2007 than in interim 2006.[89] The quantity of U.S. inventories of sodium metal increased by *** percent from 2004 through 2006 and was *** percent higher in interim 2007 than in interim 2006.[90] Industry capacity was flat throughout the entire period examined, while capacity

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[83] In its notice of initiation of the antidumping duty investigation, Commerce estimated that the dumping margins for subject imports from France ranged from 66.08 percent to 109.79 percent. 72 Fed. Reg. 65,295 (November 20, 2007).

[84] 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports."). SAA at 885.

[85] 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851, 885; Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386, 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 25 n.148 (Feb. 1999).

[86] While many performance indicators declined from 2004 through 2006, almost all experienced sharp declines in interim 2007. It appears that these sharp declines in interim 2007 were due in large part, but not exclusively, to the exit of DuPont's second largest customer, Syngenta, from the sodium metal market at the end of 2006 for reasons unrelated to subject imports. Tr. at 82-84 (Hilk). We have taken this fact into account in our analysis of the interim data.

[87] Production increased from *** pounds in 2004 to *** pounds in 2005, before declining to *** pounds in 2006. CR/PR at Table C-1. Production was *** pounds in interim 2007 as compared to *** pounds in interim 2006.

[88] U.S. commercial shipments of sodium metal declined from *** pounds in 2004 to *** pounds in 2005 and *** pounds in 2005. CR/PR at Table C-1. U.S. commercial shipments were *** pounds in interim 2007 as compared to *** pounds in interim 2006.

[89] U.S. export shipments of sodium metal increased from *** pounds in 2004 to *** pounds in 2005 and *** pounds in 2006. CR/PR at Table C-1. U.S. export shipments were *** pounds in interim 2007 as compared to *** pounds in interim 2006.

[90] U.S. inventory quantities of sodium metal increased from *** pounds in 2004 to *** pounds in 2005 and *** pounds in 2006. CR/PR at Table C-1. U.S. inventory quantities were *** pounds in interim 2007 as compared to

(continued...)

utilization *** from *** percent in 2004 to *** percent in 2006, but was *** percent in interim 2007 as compared to *** percent in interim 2007.[91] The average number of production and related workers, hourly wages, and productivity all declined over the period.[92]

Many of the domestic industry's financial indicators declined overall during the period examined. Operating income fell from $*** in 2004 to losses of $*** in 2005 and $*** in 2006.[93] The domestic industry's ratio of operating income to sales fell by *** percentage points from 2004 to 2006. The operating income margin declined from *** percent in 2004 to *** percent in 2005 and *** percent in 2006.[94]

Net sales declined by *** percent from 2004 to 2006 when measured by quantity, but increased by *** percent over the same period when measured by value. Net sales were *** lower by both measures in interim 2007 than in interim 2006.[95] As discussed previously, COGS as a ratio to sales steadily increased from 2004 to 2006. COGS represented *** percent of sales in 2004 and increased to *** percent of sales in 2006. It was *** percent of sales in interim 2007 compared to *** percent of sales in interim 2006.[96]

Capital expenditures for the domestic industry declined from $*** in 2004 to $*** in 2005, before falling to $*** in 2006.[97] Research and development expenses increased from $*** in 2004 to $*** in 2005, before declining to $*** in 2006.[98]

Based on the foregoing data, we find that the domestic sodium metal industry has experienced rising costs of production at the same time that sales prices have remained essentially flat. As a result of these trends, the industry has experienced progressively poorer financial results as its COGS to sales ratio has increased and positive operating income in 2004 turned to operating losses in 2005 and 2006. The industry has also experienced declines in U.S. shipments. While the industry was able to maintain production levels during most of the period, helped by increased export shipments, its production was *** lower in interim 2007 than in interim 2006, which is an important adverse development in a high fixed cost industry. Nevertheless, we lack reliable information pertaining to whether subject imports caused

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[90] (...continued)
*** pounds in interim 2006.

[91] CR/PR at Table C-1. Due to the capital intensive nature of the production process, sodium metal plants are designed to run continuously at full capacity, except for scheduled maintenance shutdowns. Tr. 15-16, 33-34 (Hilk).

[92] The average number of production and related workers increased from *** in 2004 to *** in 2005, before declining to *** in 2006, and was *** in interim 2007 as compared to *** in interim 2006. CR/PR at Table C-1. Hourly wages decreased from $*** in 2004 to $*** in 2005, before increasing to $*** in 2006, and was $*** in interim 2007 as compared to $*** in interim 2006. CR/PR at Table C-1. Productivity declined from *** pounds per hour in 2004 to *** pounds per hour in 2005, before increasing to *** pounds per hour in 2006, and was *** pounds per hour in interim 2007 as compared to *** pounds per hour in interim 2006. CR/PR at Table C-1.

[93] CR/PR at Table C-1. Operating income was *** in interim 2007 as compared to $*** in interim 2006.

[94] CR/PR at Table C-1. The operating income margin was *** percent in interim 2007 as compared to *** percent in interim 2006. DuPont ***. CR at VI-7, n. 10, PR at V-3, n.10. We intend to explore this issue in any final phase of this investigation.

[95] CR/PR at Table C-1. Net sales measured by quantity increased slightly from *** pounds in 2004 to *** pounds in 2005, before decreasing slightly to *** pounds in 2006, and were *** pounds in interim 2007 as compared to *** pounds in interim 2006. CR/PR at Table C-1. Net sales measured by value increased from $*** in 2004 to $*** in 2005, before decreasing slightly to $*** in 2006, and were $*** in interim 2007 as compared to $*** in interim 2006. CR/PR at Table C-1.

[96] CR/PR at Table C-1.

[97] CR/PR at Table VI-4. Capital expenditures were $*** in interim 2007 as compared to $*** in interim 2006.

[98] CR/PR at Table VI-4. Research and development expenses were $*** in interim 2007 as compared to $*** in interim 2006.

significant adverse price effects, and we will seek to obtain additional information regarding this issue in any final phase investigation.

We consider that the lack of reliable information in the preliminary phase investigation as to significant adverse price effects calls into question a conclusion that subject imports have had a significant adverse impact on the domestic industry. Given, however, that we lack reliable information either affirming or negating significant adverse price effects and that this deficiency could be remedied in a final phase investigation, we are unable to conclude that the record establishes clear and convincing evidence that there has been no material injury by reason of subject imports. Accordingly, we find for purposes of the preliminary determination that the domestic sodium metal industry is experiencing material injury by reason of subject imports.[99] [100]

CONCLUSION

For the reasons stated above, we find that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of sodium metal from France that are allegedly sold in the United States at less than fair value.

[99] The parties disagree as to whether the first predicate for conducting a Bratsk replacement/benefit test is met, i.e, whether sodium metal is a commodity product. See Bratsk Aluminium Smelter v. United States, 444 F.3d 1369, 1375 (Fed. Cir. 2006). However, the information collected in this investigation indicates that the second predicate for conducting a Bratsk replacement/benefit test, that nonsubject imports are a significant factor in the U.S. market, is not met. As discussed above, nonsubject imports as a share of apparent U.S. consumption declined throughout the period examined from *** percent in 2004 to *** percent in 2006 and remained under *** percent in the interim periods. CR/PR at Table IV-6. As a share of total imports, non-subject imports declined from 11.7 percent in 2004 to 1.4 percent in 2006 and were 2.1 percent in interim 2007 compared to 1.0 percent in interim 2006). CR/PR at Table IV-2. Accordingly, we need not apply the analysis dictated by Bratsk, because the record does not indicate that imports from nonsubject countries are a significant factor in the U.S. market. In any final phase investigation, any party holding a contrary view should so indicate and provide the basis for its view when providing written comments on the draft questionnaires. If warranted, we will reconsider the applicability of Bratsk in any final phase investigation.

[100] For a complete statement of Commissioner Okun's interpretation of Bratsk in a preliminary investigation, see Separate and Additional Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Concerning Bratsk Aluminium v. United States in Sodium Hexametaphosphate from China, Inv. No. 731-TA-1110 (Preliminary), USITC Pub. 3912 (Apr. 2007) at 19-25.

DISSENTING VIEWS OF CHAIRMAN DANIEL R. PEARSON

Based on the record in the preliminary phase of this investigation, I find that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of sodium metal from France that are allegedly sold in the United States at less than fair value ("LTFV").

I. THE LEGAL STANDARD FOR PRELIMINARY DETERMINATIONS

The legal standard for a preliminary antidumping determination requires the Commission to determine, based upon the information available at the time of the preliminary determination, whether there is a reasonable indication that a domestic industry is materially injured by or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[1] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[2]

II. NO REASONABLE INDICATION OF MATERIAL INJURY BY REASON OF THE SUBJECT IMPORTS[3]

In the preliminary phase of antidumping or countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured by reason of the imports under investigation.[4] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[5] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[6] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, the Commission considers all relevant economic factors that bear on the state of the industry in the United States.[7] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[8]

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[1] 19 U.S.C. § 1673b(a); see also American Lamb Co. v. United States, 785 F.2d 994, 1001-04 (Fed Cir. 1986); Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F.Supp.2d 1353, 1368-69 (CIT 1999); Aristech Chemical Corp. v. United States, 20 CIT 353, 354-55 (1996).

[2] American Lamb, 785 F.2d at 1001; see also Texas Crushed Stone Co. v. United States, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

[3] I adopt as my own the discussion of domestic like product, domestic industry, negligibility, and conditions of competition as laid out in sections III, IV, and V-A of the Views of the majority.

[4] 19 U.S.C. §§ 1671b(a) and 1673b(a).

[5] 19 U.S.C. § 1677(7)(B)(i). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each [such] factor . . . [a]nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B). See also Angus Chemical Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

[6] 19 U.S.C. § 1677(7)(A).

[7] 19 U.S.C. § 1677(7)(C)(iii).

[8] 19 U.S.C. § 1677(7)(C)(iii).

For the reasons discussed below, I find that there is no reasonable indication that the domestic industry producing sodium metal is materially injured by reason of subject imports from France.

A. Volume of Subject Imports

Section 771(7)(C)(i) of the Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[9]

The volume of subject imports first increased from 5.1 million pounds in 2004 to 8.6 million pounds in 2005, and then increased again, in 2006, to 15.1 million pounds.[10] This increase was well in excess of increases in U.S. consumption, which increased by *** percent (*** pounds) over the 3-year period.[11] Subject imports declined a bit when the interim periods are compared, from 11.7 million pounds in January-September 2006 to 9.6 million pounds in January-September 2007. Nonsubject imports displayed a contrary trend, ending markedly lower in 2006 than in 2004, before increasing in interim 2007 when compared to their interim 2006 level. As a share of apparent U.S. consumption, the quantity of subject imports gained *** percentage points from 2004 to 2005, and an additional *** percentage points between 2005 and 2006.[12] Such imports continued to increase their market share when the interim periods are compared. The market share of U.S. shipments declined steadily throughout the period, while the market share of nonsubject imports also declined steadily between 2004 and 2006, but was higher in January-September 2007 than in January-September 2006. Subject imports increased as a share of total imports over the 3-year period, ending up at 97.9 percent in January-September 2007.[13]

I determine that the volume of subject imports is significant in absolute value and, at approximately *** percent by the end of the period, currently accounts for a substantial proportion of domestic consumption. DuPont has lost market share, yet it is not clear that imports were the cause of this loss. First, as discussed below, there is substantial evidence on the record indicating that purchasers preferred the imported product because of its lower level of impurities.[14] Thus, imports were, in that sense, drawn into the market due to the significant quality differences between DuPont's product and subject imports. Second, during the period examined, DuPont increased *** its export shipments, which more than offset its decline in domestic shipments.[15] This removal of product from the domestic market in favor of exports required an increase in imports in order to meet domestic demand.[16] Therefore, although I find the subject imports to be significant both in an absolute sense and relative to domestic consumption and production, as explained below I do not find a reasonable indication that the volume of subject imports establishes, in and of itself, a link to any injury the domestic industry may have suffered during the period examined.

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[9] 19 U.S.C. § 1677(7)(C)(i).

[10] CR, PR at table IV-2.

[11] CR, PR at table C-1.

[12] CR, PR at table IV-6.

[13] CR, PR at table IV-2.

[14] CR at V-26-V-36, PR at V-12-16.

[15] CR, PR at table III-2. DuPont's domestic shipments declined steadily from *** pounds in 2004 to *** pounds in 2006, a decline of *** percent. Its export shipments, by contrast, increased from *** pounds in 2004 to *** pounds in 2006, a more than *** increase. As a result, its total shipments *** over the period, declining from *** pounds in 2004 to *** pounds in 2006.

[16] These increased export shipments likely occurred in fulfillment of a long-term contract with DuPont's *** customer, ***. Shipments under this contract ***. CR at V-12, n.46, PR at V-7, n.46.

C. Price Effects of the Subject Imports

Section 771(C)(ii) of the Act provides that, in evaluating the price effects of subject imports,

> the Commission shall consider whether – (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[17]

The Commission collected pricing data on only one product: sodium metal (Na) with calcium (Ca) levels equal to, or less than, 550 ppm, and sold to the United States via an iso-container, a rail tank car, and/or a tank truck.[18] According to staff, this product had a specification broad enough to encompass all technical and one or more specialty grades sold by market participants. For the data on quarterly price comparisons, the Commission was able to develop meaningful price comparisons for all quarters (except for the first three quarters of 2004, when no French prices were reported), for both delivered and f.o.b. price comparisons.[19] For sales made on a delivered basis, imports from France undersold U.S. product in 3 of 12 quarters with margins of underselling uniformly less than *** percent, and with margins of overselling ranging from *** percent.[20] For sales made on an f.o.b. basis, imports from France undersold U.S. product in only 1 of 12 quarters with the lone margin of underselling amounting to *** percent, and overselling margins ranging from *** percent. U.S. prices, whether on a delivered or f.o.b. basis, fluctuated over the period with no clear trend.

With regard to lost revenue and lost sales allegations made by DuPont, the purchasers did not confirm any of the allegations, which amounted to $*** in lost revenues and $*** in lost sales.[21] As noted by the majority in its discussion of conditions of competition, sodium metal purchasers appear to be very sensitive to non-price considerations, particularly the degree of calcium content in the product. Purchasers' responses suggest that they attribute many of the alleged lost revenues and lost sales to concerns about petitioner DuPont's product quality.[22] Purchasers also testified at the staff conference that they purchased MSSA product for non-price reasons, either because of product quality, superior logistics, or the fact that DuPont was their competitor in downstream markets.[23] Although we do not have the benefit of questionnaire data from purchasers in this preliminary phase, questionnaire data from importers indicate unanimous agreement that, when comparing U.S. product with subject imports, non-price factors were at least "sometimes" important.[24] I find that this evidence suggests that U.S. buyers of subject imports were purchasing what they considered to be a premium product.

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[17] 19 U.S.C. § 1677(7)(C)(ii).

[18] CR at V-13, PR at V-7.

[19] Staff presented price comparison data on both a delivered and f.o.b. basis. Although the f.o.b. prices were estimated, I believe that f.o.b. data are more representative of a true apples-to-apples comparison, inasmuch as delivered prices include U.S. inland freight, which may distort price comparisons. CR at V-14, n.50, PR at V-8, n.50. This problem may be particularly acute in this industry, because inland freight costs vary widely for the domestic product compared to the subject imports. CR at V-2, PR at V-2.

[20] CR, PR at table V-1.

[21] CR, PR at tables V-4 & V-5.

[22] CR at V-26-V-36, PR at V-12-V-16.

[23] See, e.g., conference transcript at 108 (Ms. Sloane).

[24] CR, PR at table II-2.

In determining whether there is a reasonable indication of adverse price effects from the subject imports, the statute requires us to examine both the prevalence and degree of underselling and whether prices were either depressed or suppressed by reason of the subject imports. With regard to underselling, there is scant evidence of underselling during the period examined. As noted above, when prices are compared on a f.o.b. basis, imports from France undersold U.S. product in only 1 of 12 quarters, and the underselling margin was trivial in magnitude. Moreover, overselling margins were considerable, and increased toward the end of the period.[25]

Nor is there evidence that prices have been depressed. U.S. prices, whether on a delivered or f.o.b. basis, fluctuated over the period with no clear trend.[26] On an f.o.b. basis, U.S. prices were lower at the end of the period examined than at the beginning; however, the price at the end of the period (third quarter 2007) still exceeded the price in the*** and, thus, I do not discern any significant declines in prices during the period examined.

As for price suppression, in analyzing this factor the Commission traditionally examines the ratio of cost of goods sold (COGS) to the value of net sales (the "COGS-to-sales ratio"). In this investigation, this ratio steadily increased over the period examined, from *** percent in 2004 to *** percent in 2006, with a more marked increase to *** percent in interim 2007 when compared with *** percent in interim 2006.[27] The increase in this ratio results from the fact that the value of net sales (the denominator), despite increasing over the three full years of the period examined, did not rise as fast as COGS (the numerator).[28]

A cursory review of this ratio might suggest that prices have been suppressed by reason of subject imports. However, I do not believe that interpretation to be correct, given the particular circumstances of this investigation. First, during the period examined, *** of DuPont's shipments were made pursuant to long-term contracts.[29] In particular, DuPont's contract with ***, is of *** duration and was entered into in ***.[30] There is no evidence that prices have been renegotiated since then and, in fact, DuPont indicated that ***.[31] This is significant because since ***, global commodity prices have increased sharply, leading to rapidly increasing costs for DuPont. In particular, the cost of sodium chloride, the principal raw material input used to produce sodium metal, rose by *** percent between January 2004 and September 2007.[32] It appears, therefore, that DuPont has, due to the nature of its contractual arrangements with its key customers, been unable to pass these cost increases on in the form of higher prices, leading to an increase in its COGS-to-sales ratio. Clearly, this phenomenon has nothing to do with subject imports.

Second, the increase in the COGS-to-sales ratio could also be due to decreases in the value of DuPont's sales. DuPont's total net sales value, however, did not decrease *** until the interim 2007 period.[33] The drop in sales value when the interim periods are compared related directly to a drop in shipments that can be attributed appropriately to the loss of sales to a major customer, ***, which ceased

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[25] CR, PR at table V-1. The weighted average margin of overselling was *** percent in 2005, *** percent in 2006, and *** percent in 2007.

[26] CR, PR at table V-1.

[27] CR, PR at table C-1.

[28] CR, PR at table IV-1.

[29] CR at V-7, PR at V-5. In 2006, *** percent of DuPont's commercial shipments were made pursuant to long-term contracts.

[30] In 2006, shipments to *** accounted for *** percent of DuPont's commercial shipments. CR, PR at table III-3.

[31] CR at V-9, PR at V-6. DuPont's inability to renegotiate this price is further evidenced by the fact that the average unit value of its sales to *** was considerably lower throughout the period examined than its reported quarterly sales values. CR, PR at table III-3.

[32] CR at V-1, PR at V-1.

[33] CR, PR at table III-2; CR, PR at table VI-1.

purchasing sodium metal.[34] This sales decline did not result from competition with subject imports, as *** stopped purchasing sodium metal due to ***.[35] Thus, DuPont's decline in net sales value when the interim periods are compared merely reflects the loss of this volume, and tells us nothing about price suppression. Consequently, I do not find that DuPont's rising COGS-to-sales ratio is indicative of price suppression by reason of subject imports.

Accordingly, given the lack of evidence of underselling and price depression, coupled with an absence of price suppression relating to subject imports, I do not find that subject imports had a significant adverse impact on prices received for the domestic like product.

D. Impact of the Subject Imports[36]

Section 771(7)(C)(iii) provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[37] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[38]

Some of the indicators traditionally examined by the Commission demonstrate that the industry performed relatively well during the period examined. For example, capacity, production, and capacity utilization held their own during 2004-06, as did the unit value of U.S. shipments.[39] Capacity was virtually unchanged throughout the period, and capacity utilization actually rose overall over the three calendar years, although it declined when the interim periods are compared. Production rose by *** percent between 2004 and 2006, although it was *** percent less in interim 2007 than in interim 2006. Although the quantity and value of DuPont's U.S. shipments *** declined during 2004-06, the quantity of DuPont's total shipments declined ***, and the value of such shipments actually rose, due to *** increases in export shipments. Export shipments *** between 2004 and 2006, both in terms of volume and value.[40] As noted earlier, the domestic industry's market share in terms of quantity was lower in 2006 (*** percent) than in 2004 (*** percent), and this share was lower again in interim 2007 when compared to interim 2006. The net value of the industry's sales was *** percent higher in 2006 than in 2004, although in interim 2007 it was *** percent lower than in interim 2006.[41]

The industry's financial performance slowly deteriorated between 2004 and 2006. Although the industry was *** at the start of the period, it became less and less profitable toward the end of the period,

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[34] CR, PR at table III-3.

[35] CR at II-13, n.42, PR at II-7-8, n.42; conference transcript at 11 (Silverman), 82-84 (Hilk).

[36] In its notice of initiation, Commerce estimated dumping margins ranging from 66.08 to 109.79 percent. 72 Fed. Reg. 65,295 (Nov. 20, 2007).

[37] 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.") SAA at 885.

[38] 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851, 885; Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386, 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 25 n.148 (Feb. 1999).

[39] CR, PR at table C-1.

[40] CR, PR at table III-2.

[41] CR, PR at table C-1.

***.[42] Questionnaire data indicate *** declines over the 3-year period in total number of workers and hourly wages paid to those workers, although the actual total number of hours worked increased ***. Unit labor costs decreased, as did productivity, but by a lesser amount. For the most part, trends in these indicators accelerated when the interim periods are compared.[43]

With regard to declines in DuPont's U.S. shipments, I do not find these declines significant in light of the commensurate increase in its exports, so that its total shipments remained virtually constant throughout the 3-year period. In any event, with regard to any domestic sales that DuPont may have lost, as discussed above there is no indication on this record that the subject imports, or in particular their prices, are causing the domestic industry to lose sales. There is ample record evidence, even at this preliminary stage, that purchasers have switched to the French product because it is a better product, not because of lower prices. In fact, subject imports are not systematically priced below the domestic product, as demonstrated by the lack of significant underselling. Moreover, with regard to DuPont's volume losses when the interim periods are compared, those losses were due to circumstances (a change in technology for producing the downstream product) that have nothing to do with subject imports. Finally, DuPont's declining profitability likely reflects its inability to raise its prices to keep up with rising costs, due to its being locked into long-term contracts with the majority of its customers.

Therefore, I find no reasonable indication that subject imports had a significant impact on the domestic industry.

III. NO REASONABLE INDICATION OF THREAT OF MATERIAL INJURY BY REASON OF THE SUBJECT IMPORTS

I likewise determine that there is no reasonable indication that the domestic industry is threatened with material injury by reason of the subject imports.

Capacity to produce the subject product in France (that of MSSA, the sole French producer) declined steadily from 2004 to 2006. Production showed a similar trend. Capacity is expected to increase through 2008, but is ***.[44] MSSA has some excess capacity, amounting in 2006 to less than *** pounds. MSSA is quite export-oriented, with *** percent of total shipments going to the French home market, although its share of shipments going to the European Union is not known.[45] Exports to the United States increased strongly over the 3-year period and are expected to continue to increase in 2007 and 2008. Inventories in France increased *** over the 3-year period, although they were not particularly significant as a ratio to shipments.[46] Inventories held in the United States were more substantial, but declined as a ratio to shipments toward the end of the period.[47]

With regard to the statutory factors the Commission normally considers, during the period examined there was a significant rate of increase in the volume and market penetration of the subject imports indicating the likelihood of substantially increased imports. On the other hand, subject imports were not entering at prices that would be likely to have a significant price-depressing or price-suppressing effect. In fact, there was quite consistent overselling. There is some excess capacity, but I do not consider it significant. In 2006, excess capacity was less than ***, and even assuming that all this excess

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[42] CR, PR at table VI-1.

[43] CR, PR at table C-1.

[44] CR, PR at table VII-1.

[45] Given the lack of trade barriers and customs formalities existing among countries of the European Union, I consider sales by a European producer to other European Union countries as effectively equivalent to home market sales for purposes of my analysis.

[46] CR, PR at table VII-1.

[47] CR, PR at table VII-3.

capacity would exclusively be devoted to producing for the U.S. market, I do not find this level significant in light of the fact that the U.S. market was nearly *** in 2006. Inventories in France are not substantial enough to have a significant impact, and inventories held by U.S. importers, although substantial at the beginning of the period, declined as a ratio to shipments toward the end of the period. In any event, the record indicates that such inventories are largely pre-sold.[48] Finally, there is no potential for product shifting as MSSA's facilities used to produce sodium metal cannot be used to produce any other products.[49]

I therefore determine there is no reasonable indication that the domestic industry is threatened with material injury by reason of subject imports.

IV. CONCLUSION

For the reasons stated above, I find that there is no reasonable indication that the domestic industry producing sodium metal is materially injured or threatened with material injury by reason of subject imports from France.

[48] CR at II-9, PR at II-5.

[49] CR at II-10, PR at II-6.

PART I: INTRODUCTION

BACKGROUND

This investigation results from a petition filed by E.I. DuPont de Nemours & Co. ("DuPont"), Wilmington, DE, on behalf of the domestic industry that produces sodium metal, effective October 23, 2007, alleging that an industry in the United States is materially injured or threatened with material injury by reason of less-than-fair-value ("LTFV") imports of sodium metal[1] from France. Information relating to the background of the investigation is provided below.[2]

Effective date	Action
October 23, 2007	Petition filed with Commerce and the Commission; institution of the Commission's investigation (72 FR 61374, October 30, 2007)
November 13	Commission's conference[1]
November 20	Commerce's notice of initiation (72 FR 65295, November 20, 2007)
December 6	Commission's vote
December 7	Commission's determination transmitted to Commerce
December 14	Commission's views transmitted to Commerce

[1] A list of witnesses appearing at the conference is presented in app. B.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determination of injury to an industry in the United States, the Commission--

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and . . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.*

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--

> *In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.*
> . . .

[1] The definition of the sodium metal subject to this investigation is presented later in Part I of this report in the section entitled "The Subject Merchandise."

[2] *Federal Register* notices cited in the tabulation are presented in app. A.

> *In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether . . . (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.*
> . . .
> *In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to*
> . . .
> *(I) actual and potential declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.*

Part I of this report presents information on the subject merchandise, alleged dumping margins, and domestic like product. *Part II* of this report presents information on conditions of competition and other relevant economic factors. *Part III* presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. *Parts IV and V* present the volume and pricing of imports of the subject merchandise, respectively. *Part VI* presents information on the financial experience of U.S. producers. *Part VII* presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury and the judicial requirements and information obtained for use in the Commission's consideration of Bratsk issues.

U.S. MARKET SUMMARY

Sodium metal is used in a wide range of applications as an intermediate product in the manufacture of chemicals and pharmaceuticals, and in metal refining. Consumption of sodium metal totaled approximately $*** (*** pounds) in the U.S. market in 2006. Currently, only one firm, DuPont, produces sodium metal in the United States.[3] DuPont's reported U.S. shipments of sodium metal totaled $*** (*** pounds) in 2006 and accounted for *** percent of apparent U.S. consumption by value and *** percent by quantity. U.S. imports from France totaled $13.8 million (15.1 million pounds) in 2006 and accounted for *** percent of apparent U.S. consumption by value and *** percent by quantity. U.S. imports from nonsubject sources (primarily China) totaled $0.4 million (218,000 pounds) in 2006 and accounted for *** percent of apparent U.S. consumption by value and *** percent by quantity.

[3] DuPont has been the sole U.S. producer of sodium metal for at least 15 years. Petition, exh. 1-1.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in the investigation is presented in appendix C, table C-1. U.S. industry data are based on the questionnaire response of DuPont, which accounted for all U.S. production during the period January 2004-September 2007. U.S. imports are based on official statistics from the Department of Commerce ("Commerce") except where noted. Data regarding the French industry are based on the questionnaire response of Métaux Spéciaux ("MSSA"), the sole French producer of sodium metal. Data regarding sodium metal from other countries are based on public sources, where available.

PREVIOUS AND RELATED INVESTIGATIONS

The only other investigation by the Commission to include sodium metal was a survey of the aluminum, magnesium, calcium, barium, sodium, and potassium industries in 1921.[4]

NATURE AND EXTENT OF ALLEGED SALES AT LTFV

On November 20, 2007, the Commission received notification of Commerce's initiation of antidumping duty investigation concerning sodium metal from France. The estimated weighted-average dumping margins (in percent *ad valorem*), as reported by Commerce (based on petitioners' comparison of the export price and normal value) ranged from 66.08 percent to 109.79 percent.[5]

THE SUBJECT MERCHANDISE

Commerce's Scope

Commerce has defined the imported product subject to this investigation as:

> *The merchandise covered by this investigation includes sodium metal (Na), in any form and at any purity level. Examples of names commonly used to reference sodium metal are sodium metal, sodium, metallic sodium, and natrium.*[6]

U.S. Tariff Treatment

The products subject to this investigation are currently classified in subheading 2805.11.00 of the Harmonized Tariff Schedule of the United States ("HTSUS"),[7] at a general rate of duty of 5.3 percent *ad valorem*.

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[4] *Aluminum, Magnesium, Calcium, Barium, Sodium, and Potassium: Ores, Metals, and Manufactures*, United States Tariff Commission, Tariff Information Surveys on the Articles in Paragraph 143 of the Tariff Act of 1913 and Related Articles In Other Paragraphs, 1921, C-16.

[5] 72 FR 65295 (November 20, 2007), *Sodium Metal from France: Notice of Initiation of Antidumping Duty Investigation*.

[6] 72 FR 65295 (November 20, 2007), *Sodium Metal from France: Notice of Initiation of Antidumping Duty Investigation*.

[7] While the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Table I-1
Sodium metal: Tariff treatment, 2007

HTS provision	Article description	General	Special [1]	Column 2
		Rates (*percent ad valorem*)		
2805	Alkali or alkaline-earth metals; rare-earth metals, scandium and yttrium, whether or not intermixed or interalloyed; mercury: Alkali or alkaline-earth metals:			
2805.11.00	Sodium	5.3%	Free (A+, AU, BH, CA, CL, D, E, IL, J, JO, MA, MX, P,S G)	25%

[1] General note 3(c)(i) to the HTS lists the programs related to the enumerated special duty rate symbols.

Source: HTS (2007).

THE DOMESTIC LIKE PRODUCT

The Commission's determination regarding the appropriate domestic product that is "like" the subject imported product 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. The petition contends that the domestic like product is sodium metal,[8] and no party has argued for a separate like product.

Physical Characteristics and Uses

Sodium metal is a silver-white chemical element that is soft and malleable. It has a low melting point of 97.6°C and a specific gravity of 0.97 at 20°C. It is a stable material with unlimited storage life when protected from contact with moisture, but it reacts rapidly with water. Sodium metal oxidizes in air and when exposed to air, loses its silver appearance and becomes dull gray due to the formation of a coating of sodium dioxide.[9]

Sodium metal is used in a wide range of applications as an intermediate product in the manufacture of chemicals and pharmaceuticals, and in metal refining. Sodium metal's largest end use was as a raw material in the production of tetraethyl lead and tetramethyl lead used to formulate anti-knock additives for gasoline used in automobiles, but consumption for this application was drastically reduced with the phasing out of leaded gasoline.[10] Sodium metal, however, finds continued use in such applications as the manufacture of chemicals because it is a strong reducing agent.[11] The major chemicals produced with sodium metal are sodium borohydride, sodium azide, sodium methylate, sodium tertbutoxide, agricultural chemicals (herbicides and insecticides),[12] dyes, indigo, nylon synthetic fibers, rubber compounds, and flavors and fragrances. Sodium metal is also used as a reducing agent to

[8] Petition, p. 12.

[9] Petition, pp. 3-5.

[10] Mannsville Chemical Products Corp., *Chemical Products Synopsis*, May 1999.

[11] A reducing agent is an electron donor. When reacted with another atom or molecule, the reducing agent, i.e., sodium, may if the conditions are right donate electrons to that atom or molecule. After the reaction, the reacting sodium atom loses an electron to become an ion with a charge of +1. The atom or molecule that has reacted with the sodium atom will have gained an electron to become chemically changed.

[12] One example of a herbicide that until recently was produced in the United States from sodium is Paraquat. Conference transcript, pp. 82-83 (Hilk); Paraquat Infomation Center located at http://www.paraquat.com/; retrieved on November 27, 2007.

produce pharmaceutical products such as barbiturates, vitamins A and C, ibuprophen, and sulfa methoxizane. In metal manufacturing, sodium metal is used as a reducing agent to produce pure metals such as titanium, tantalum, halfnium, and zirconium. Other metal industry uses include silicon manufacturing; refining metallic lead, silver, and zinc; alloying metals; steel de-scaling via sodium hydride. Finally, sodium metal is useful as a scavenging agent in smelting processes.[13]

Downstream products of sodium metal that are of special interest because of potential growth include sodium methylate, which may find growing use as a catalyst in the production of biodiesel fuels; polysilicon wafers used in solar cells, which may be produced from sodium metal (although other production processes exist); and titanium metal used in aircraft because of titanium's high strength to weight ratio, elevated temperature performance, and corrosion resistance. Research and development is being conducted to produce titanium metal more inexpensively from a process using sodium metal.[14]

Manufacturing Processes

Sodium metal is produced by the Down's process, through the electrolysis of molten sodium chloride (NaCl) in a Downs cell, which is the most commonly used production method (figure I-1) by both DuPont and MSSA.[15] Moreover, both DuPont and MSSA have stated that the production process for manufacturing sodium metal from Down cells in the United States and in France is essentially the same.[16] The Downs cell consists of a large steel tank lined with a refractory material containing an iron cathode near the bottom of the tank and a carbon anode near the top. Sodium metal is produced in the Downs cell by the electrolysis of molten sodium chloride. Calcium chloride (CaCl2) and barium chloride (BaCl2) are added to lower the melting point of sodium chloride from 804°C to 600°C. Sodium metal produced by this method (figure I-2) is about 99.8 percent pure.[17] The production of sodium metal is highly capital, labor, and energy intensive.[18]

The sodium metal then undergoes a primary filtration and is cooled, resulting in the precipitation of excess calcium and yielding a commercially viable product. For higher purity, in the DuPont process, ***. Although DuPont *** high-grade sodium metal containing no more than 10 ppm calcium, it ***.[19] MSSA (France) *** to produce such very low calcium sodium metal, as discussed in greater detail in *Part II* of this report.

Following filtration, the molten sodium metal is transferred to various containers for shipping such as an iso-container, a tank rail car, or a fused drum. The molten sodium can be poured into molds to form ingots or rods that can be packaged into drums.[20]

According to an industry source, the major impurities other than calcium are the halides, especially chlorides, and potassium.[21] According to this source, despite the presence of other impurities, calcium has been the only impurity that has been generally cited as a source of concern by users.

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[13] Petition, pp. 3-5.

[14] Conference transcript, pp. 94-96 (Bourrier).

[15] Petition, p. 13.

[16] Petitioner's postconference brief, p. 7; Conference transcript, p. 142 (Bourrier).

[17] Petition, p. 4.

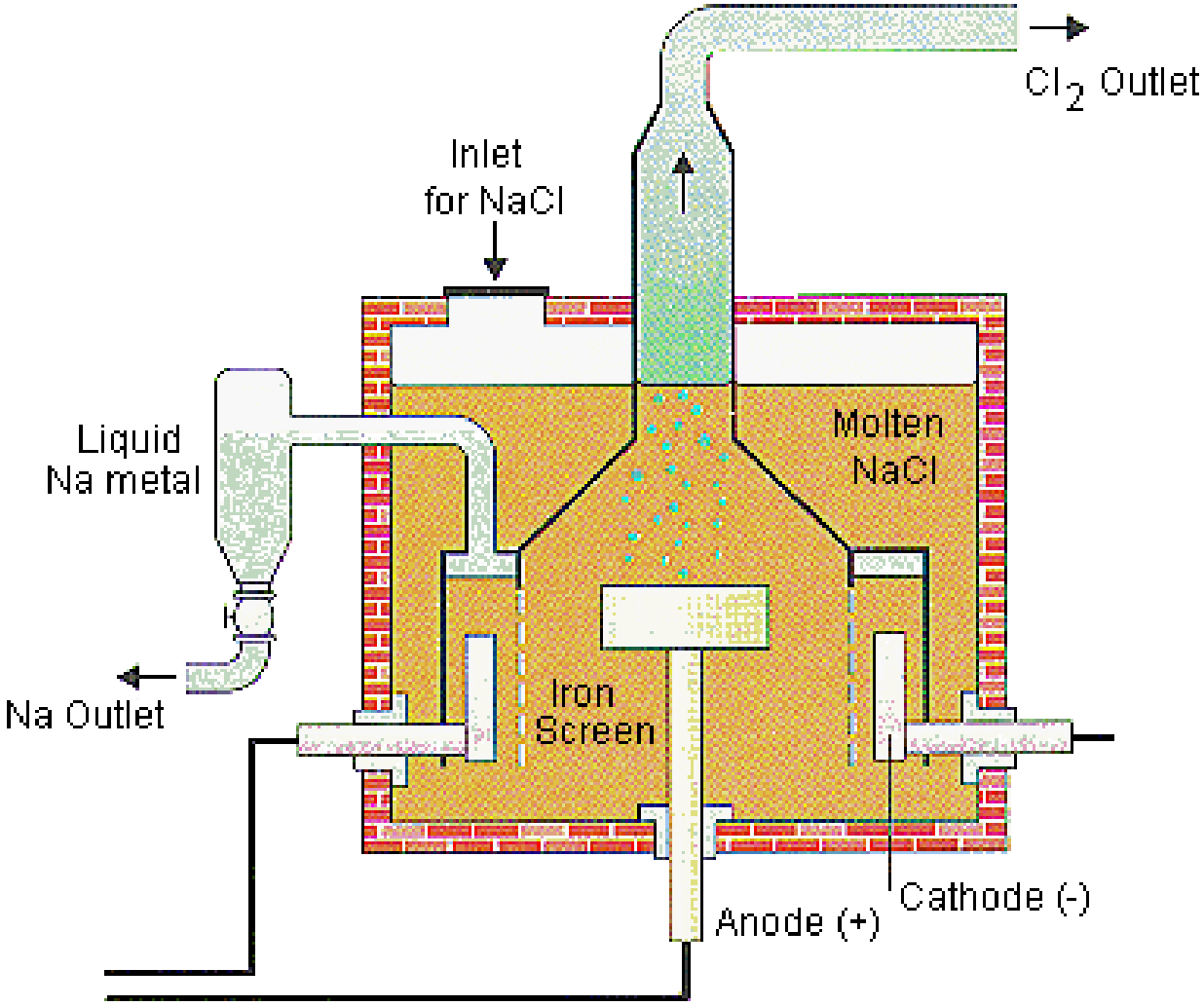
[18] Conference transcript (Hilk), p. 15.

[19] Staff telephone interview with ***, November 27, 2007.

[20] Petition, p. 15.

[21] Staff telephone interview with ***, November 27, 2007.

Figure I-1
Sodium metal: Downs cell schematic



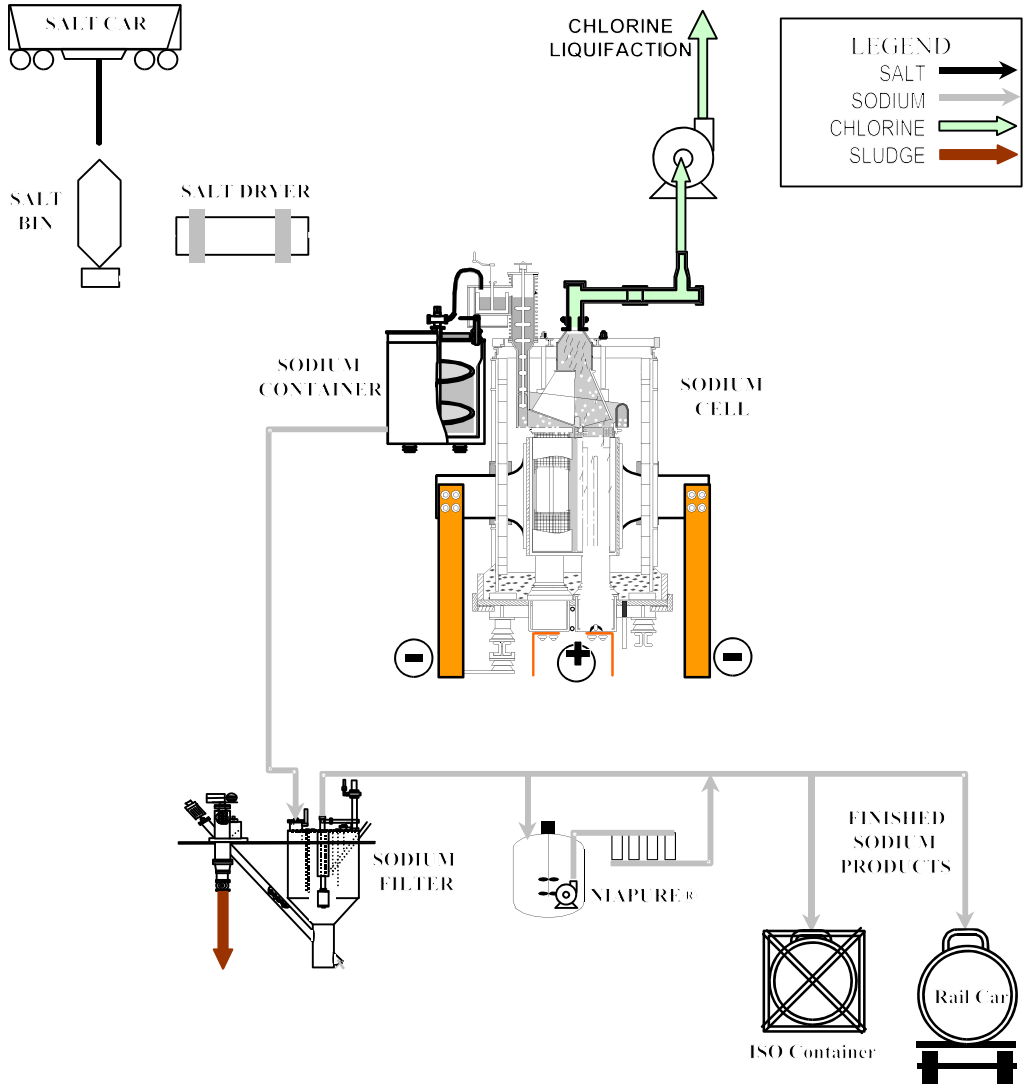
Source: Purdue University, http://chemed.chem.purdue.edu/genchem/topicreview/bp/ch20/faraday.php.

All sodium metal of whatever purity or grade is produced in the same manufacturing facilities, using the same production processes and workers.[22] However, according to testimony provided at the conference, the Downs cells used by DuPont may be used in the production of metals other than sodium (such as lithium). A representative of DuPont indicated that the company looked at the possibility of producing other metals, but nothing was sufficiently compelling as to make such a transition worthwhile.[23]

[22] Petition, p. 14.

[23] Conference transcript, pp. 63-64 (Hilk).

Figure I-2
Sodium metal: DuPont's production flow chart



Source: DuPont.

Interchangeability and Customer and Producer Perceptions

Both DuPont and MSSA (France) reported the grades of sodium metal that they produce. The following are reported official specifications for maximum calcium content in parts per million (ppm):[24]

E.I. DuPont	Technical grade	Specialty grade Niapure	Specialty grade Niapure Select
	400	400	200
MSSA	S+ grade	Sopure grade	R grade
	400	200	10

According to the petitioner, sodium metal produced by the electrolysis of molten sodium chloride in a Downs cell, which is the production process used by DuPont and MSSA, is about 99.8 percent pure once it leaves the primary filtration process. Sodium metal can be processed further via a secondary filtration system so as to increase the purity level. In the industry, sodium metal with specifications equaling about 99.8 percent purity is commonly referred to as "technical grade," whereas sodium metal exhibiting higher purity levels is commonly referred to as "specialty grade." DuPont further defines the technical grade (see the preceding tabulation) as ". . . sodium metal with calcium levels equal to, or less than 400 ppm."[25] According to the petitioner, any "technical grade" of sodium metal is at a purity level sufficient to be interchangeable with any production process that uses a "specialty grade" of sodium metal, and vice versa, but for one exception, the highly specialized sodium metal used as a coolant for fast-breeder nuclear reactors that can be easily substituted for technical and other specialty grades but not vice-versa. Although the petitioner acknowledged that the rate of buildup of residue varies by purity level, the petitioner contends that the sodium metal containers need to be cleaned so infrequently, maybe once or twice a decade that ". . . we are not talking about an actual difference."[26]

Respondent MSSA (France) contends that the cleaning of these residues is not a trivial step for the "cleaning of storage tanks is an expensive and dangerous procedure."[27] To minimize such complications, MSSA (France) contends that the Sopure grade product and the R-grade products are preferred by customers over DuPont's standard grade because of their lower calcium content which reduced the possibilty of the formation of residues in storage tanks. Likewise, according to the respondent, MSSA's R grade is preferred to DuPont's low calcium grade because of the R grade's lower calcium content.[28] Moreover, MSSA claimed at the conference that even MSSA's standard grade (S-Plus), has lower calcium and therefore less sludge buildup than DuPont's standard grade, despite both companies having the same calcium specifications, because MSSA subjects the product to additional purification steps.[29]

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[24] DuPont data are derived from Petitioner's postconference brief, Response to Questions asked by the Commission, p. 7. MSSA data are derived from Respondents' postconference brief, p. 4. MSSA's "R" grade includes both a "refined quality" for most demanding applications and an "extra refined quality" that contains a very low potassium and calcium content and is intended for high technological applications.

[25] Petitioner's postconference brief, *Response to Questions asked by the Commission*, p. 2.

[26] Petitioner's postconference brief, p. 7.

[27] Respondents' postconference brief, pp. 10-11.

[28] Respondents' postconference brief, p. 4.

[29] Conference transcript, pp. 97-98 (Matuscwitch); communication from ***, counsel to MSSA, November 20, 2007.

Taking issue with MSSA (France), DuPont contends that a degree of blockage occurs with commercial quality metal regardless of the source.[30] DuPont also contended that none of its former customers who reported quality problems to the Commission for DuPont's product raised the matter with DuPont until after they lost a sale to MSSA (France).[31]

Additional detailed information on interchangeability can be found in Part II of this report, *Conditions of Competition in the U.S. Market.*

Channels of Distribution

Over the period for which data were collected, U.S. producers and importers reported selling all of their product (other than that consumed internally) to end users of sodium metal. All sodium metal is then used by end users to make intermediate or finished products. There are no other channels of distribution for sodium metal in the United States. Table I-2 presents both the U.S. producer's and importers' reported methods of distribution. Additional information on channels of distribution can be found in Part II of this report, *Conditions of Competition in the U.S. Market.*

Table I-2
Sodium metal: U.S. producer's and importers' channels of distribution, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Price

Petitioners contend that the market for sodium metal is highly price-sensitive, with competition occurring between imports and domestic producers for sales on the basis of price.[32] Respondents point to imprtant non-price factors, including product availability in particular grades or forms; on time delivers, and logistics solutions.[33]

Prices for sodium metal may vary depending on the purity level being sold. Table I-3 and figure I-3 present average unit values for U.S. shipments of sodium metal produced in the United States, France, and all other countries (i.e., China). Table I-4 presents average unit values for U.S. shipments of sodium metal produced in the United States and imported from France, by reported grade. Pricing practices and prices reported for specific types of sodium metal in response to the Commission's questionnaires are presented in Part V of this report, *Pricing and Related Information*.

[30] Petitioner's postconference brief, pp. 13-14.

[31] Petitioner's postconference brief, *Response to Staff Questions*, p. 3.

[32] Petition, p. 15.

[33] Respondents' postconference brief, pp.4-6.

Table I-3
Sodium metal: Average unit values of U.S. shipments, by source, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Figure I-3
Sodium metal: Average unit values of U.S. shipments, by source, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Table I-4
Sodium metal: Average unit values of U.S. shipments, by selected source and reported grade, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Table 1-4 presents unit values of U.S. shipments of sodium metal by selected source and reported grade. The average unit value of DuPont's U.S. shipments of its technical grade sodium metal increased from *** per pound in 2004 to *** per pound in 2005 and remained unchanged in 2006, but was lower in interim 2007 (***) compared to interim 2006 (***). DuPont's specialty grade product, Niapure, remained stable at *** in 2004 and 2005 before dropping to *** in 2006, and was lower still in interim 2007 at *** per pound, compared to *** per pound in interim 2006. U.S. shipments of imports of technical quality sodium metal from France decreased in average unit value from 2004 (*** per pound) to 2005 (*** per pound) before recovering somewhat in 2006 (*** per pound). The Sopure quality sodium metal fluctuated slightly, starting at *** in 2004 and ending at *** in 2006. The average unit value for the Sopure sodium metal is higher in interim 2007 (*** than in interim period 2006 (***)). The average unit values of French Sopure quality sodium metal[34] generally were *** those of the technical quality sodium metal, except in ***.[35]

[34] Respondents explained that the generally lower unit values of Sopure sodium metal was due to volume differences. Respondents' postconference brief, *Answers to Staff Questions*, p. 4.

[35] Respondents' postconference brief, p. 1

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

CHANNELS OF DISTRIBUTION AND MARKET CHARACTERISTICS

The reporting U.S. producer of sodium metal, DuPont, and U.S. importers of sodium metal from France and nonsubject countries shipped their sodium metal almost exclusively to U.S. end users during January 2004-September 2007;[1] the only exception is DuPont, which uses some of its U.S.-produced sodium metal ***.[2]

DuPont produces three grades of sodium metal in the United States (all bulk sodium),[3] and MSSA (France) exports to the United States four quality levels of sodium metal that include large bulk containers, some smaller bulk sodium metal in fused drums, and ingots, sticks, and doses in drums (these latter forms of sodium metal are offered in a number of configurations, weights, and lengths).[4] The different grades/qualities of sodium metal produced by DuPont and exported from France to the United States by MSSA (France) during January 2004-September 2007 are shown in the tabulation below.

DuPont's three grades of sodium metal		MSSA (France)'s four quality levels of sodium metal	
Name	**Specification[1]**	**Name**	**Specification[1]**
Technical	99.89% pure; 400 ppm Ca[2]	Technical (S+)	99.8% pure; 400 ppm Ca
Niapure	99.89% pure; 400 ppm Ca[3]	Sopure	99.8% pure; 200 ppm Ca
Niapure select	99.91 % pure; 200 ppm Ca[4]	Refined (R)	99.9% pure; 10 ppm Ca
		Extra refined (R)	99.98% pure; 10 ppm Ca

[1] These specifications are based on certificates of quality and show the maximum level of calcium for each grade/quality level. The technical grade/quality of sodium metal involves only primary filtration, whereas the other grades/qualities of sodium metal involve primary and secondary filtrations.
[2] DuPont also provided the actual chemical analysis for its technical grade: ***.
[3] DuPont also provided the actual chemical analysis for its Niapure grade: ***.
[4] DuPont also provided the actual chemical analysis for its Niapure Select grade: ***.

Note.–Calcium levels above 200 ppm reportedly can cause severe problems for purchasers of sodium metal, because calcium residue reportedly settles out of the sodium as calcium oxides, which can plug pipelines and build up in the customer storage tanks, requiring expensive and dangerous operations to remove the sludge. (Conference transcript, p. 97 (Matusewitch)).

As seen in the previous tabulation, DuPont's technical and Niapure grades of sodium metal and MSSA (France)'s technical (S+) grade of sodium metal from France contain similar levels of calcium, while DuPont's Niapure Select grade of sodium metal and MSSA (France)'s Sopure quality of sodium metal from France contain similar levels of calcium.[5] DuPont asserted that the grades of sodium metal with a maximum of 400 ppm calcium (as shown in the tabulation--both technical grades/quality and the

[1] Petition, p. 13; and U.S. producer and importer questionnaire responses, sections II-9 and II-5, respectively.

[2] Petitioner's postconference brief, exh. 1, p. 14. DuPont used approximately *** percent of its U.S. produced sodium metal to produce *** during January 2004-September 2007.

[3] Petitioner's postconference brief, exh. 1, pp. 6-8; and conference transcript, p. 40 (Hilk).

[4] Respondents' postconference brief, Answers to Staff Questions, p. 13; Supplemental Questions from Mr. Corkran; and exh. G.

[5] There does not appear to be a U.S.-produced sodium metal comparable to MSSA's (France) refined and extra refined qualities of French sodium metal.

Niapure grade) as high enough quality for almost every application.[6] On the other hand, MSSA (France) asserted that its technical (S+) and Sopure qualities of sodium metal imported from France, with a maxium calcium content of 400 and 200 ppm, respectively, offer many important advantages over DuPont's products.[7] MSSA (France) gave the following explanation for its technical (S+) quality of sodium metal.[8]

"***[9] ***."

MSSA (France) also gave the following explanation for its asserted advantages of its Sopure quality of sodium metal over the DuPont Niapure Select grade (both with a maximum of 200 ppm calcium).[10]

***."

The following tabulation shows total quantities of each grade and form of sodium metal that DuPont produced domestically and the product imported from France by MSSA (USA) and Columbia Sales[11] on a U.S. commercial shipments basis for both the U.S.-produced and subject imported sodium metal and, for DuPont, its internal use of its U.S.-produced sodium metal during January 2004-September 2007.[12]

* * * * * * *

As seen in the above tabulation, DuPont shipped *** its technical grade (maxium 400 ppm calcium) of U.S.-produced sodium metal in the U.S. market during January 2004-September 2007 (*** percent of its total U.S. commercial shipments). On the other hand, MSSA (USA), which imports and ships most of the sodium metal from France, shipped *** its Sopure quality (maximum 200 ppm calcium) of sodium metal during January 2004-September 2007 (*** percent of its total U.S. commercial shipments). Part IV of the report also shows that most of the increase in MSSA (USA)'s U.S. shipments during 2004-2006 was accounted for by its Sopure quality of sodium metal.

Also seen in the above tabulation, it does not appear that DuPont routinely produces a sodium metal grade with calcium contents as low as MSSA (USA)'s refined and extra refined qualities (maximum 10 ppm calcium) and it does not produce ingots, sticks, or doses. Columbia Sales[13] asserted that some small and medium size customers require sodium in ingot form primarily because they are not equipped to handle large quantities of sodium in bulk form, or need sodium in ingot form because of the manner in which sodium is introduced into their production process.[14] As a result, Columbia Sales asserted that the ingot or brick form of sodium metal is neither interchangeable nor competive with bulk

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[6] Conference transcript, pp. 15 and 66 (Hilk).

[7] Letter from ***, Hunton & Williams LLP, counsel to respondents, November 20, 2007.

[8] Ibid.

[9] ***. Ibid.

[10] Ibid.

[11] MSSA (USA) and Columbia Sales accounted for *** percent of total reported U.S. shipments of imported sodium metal from France during January 2004-September 2007.

[12] Petitioner's postconference brief, exh. 1, pp. 6-8; and e-mail from ***, Crowell & Moring LLP, counsel to the petitioner, November 21, 2007. Respondents' postconference brief, Answers to Staff Questions, Supplemental Questions from Mr. Corkran.

[13] Columbia Sales reported that it has been a North American agent for MSSA's bulk product from France since 1990. It also acts as an importer/distributor of some sodium metal from France and sells the product as drums of sodium ingots and sodium-infused drums to the smaller customers. Conference transcript, p. 96 (Matusewitch).

[14] Conference transcript, pp. 98-99 (Matusewitch).

sodium metal.[15] On the other hand, DuPont, which imports sodium metal ingots from China, asserted that it competes with the imported French sodium metal in ingot form because it is capable of producing sodium metal in this form.[16]

SUPPLY AND DEMAND CONSIDERATIONS[17]

U.S. Supply[18]

U.S. Production

Based on available information, the single U.S. producer, DuPont, had an ability to respond to changes in U.S. demand with substantial changes in the quantity of shipments of U.S.-produced sodium metal to the U.S. market during January 2004-September 2007. Factors contributing to this degree of responsiveness of supply are discussed below.

Industry capacity

Based on DuPont's reported capacity and production, the domestic industry's annual capacity utilization for sodium metal *** during 2004-06, averaging *** percent during this period; capacity utilization was *** percent during January-September 2007 compared to *** percent during January-September 2006.[19] These levels of capacity utilization indicate that the U.S. producer of sodium metal generally had a *** amount of available capacity, particularly during January-September 2007, with which it could increase production of sodium metal in the short run in the event of a price change during January-September 2007. DuPont reported that the capital-intensive and energy-intensive nature of the sodium metal production process,[20] the *** ratio of fixed-to-variable costs,[21] and the labor-intensive

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[15] Ibid.

[16] Conference transcript, pp. 43-44 (Hilk).

[17] Short-run effects discussed in the supply and demand sections refer to changes that could occur within 12 months, unless otherwise indicated.

[18] Data on U.S. sodium metal production, production capacity, capacity utilization, inventories, and exports are shown in detail in Part III.

[19] This decrease in capacity utilization during January-September 2007 resulted *** from a decrease in DuPont's production of sodium metal, as the level of production capacity remained unchanged from January-September 2006. This reduction in production and capacity utilization reportedly occurred, at least partially, because DuPont's *** customer for its sodium metal in 2006 (accounting for *** pounds of the product), ***, closed its U.S. plant in late 2006; *** had used the sodium metal to produce Paraquat. Respondents' postconference brief, p. 9; and conference transcript, pp. 82-84 (Hilk), pp. 92-93 (Bourrier), and p. 102 (Matusewitch).

[20] DuPont reported that its sunk investment in sodium metal production facilities is four to five times the annual revenue, which results in the capital intensive nature of sodium metal production (conference transcript, p. 15 (Hilk)). In addition, DuPont reported that it located its sodium metal plant next to Niagara Falls to take advantage of the hydroelectric power, as did the French producer of sodium metal by locating its production facilities in the French Alps next to a hydroelectric power source (conference transcript, p. 16 (Hilk)).

[21] DuPont reported that its fixed costs were *** percent of its costs to produce sodium metal during 2006, while variable costs were *** percent (U.S. producer question response, section IV-B-15a). In the short run when faced with a downturn in demand, firms with high fixed costs tend to reduce selling prices and maintain production, whereas firms with high variable costs to total costs tend to reduce production and maintain prices.

nature of production[22] requires the firm to operate the plant close to 100 percent of available capacity to achieve the most efficiencies and to minimize unit costs.[23] DuPont reported that its break-even capacity was a minimum of *** Down cells during 2006 and year-to-date 2007, but for most of this period it has operated at *** this break-even capacity (*** Down cells). DuPont asserted that this critical break-even point is the available capacity it must deal with.[24]

Inventory levels

DuPont reported its end-of-period inventory quantities, which increased during 2004-06, from *** percent of the U.S. producer's total shipments of its U.S.-produced sodium metal during 2004 to *** percent during 2006; these inventories were *** percent of annualized shipments during January-September 2007 and *** percent during January-September 2006. The flexibility to use inventories to respond to price changes in the short run may be restrained to the extent that the U.S. producer's inventories consist of products that are not required by the increased demand, or consist of products already committed to customers in the U.S. and/or export markets. DuPont reported that its sodium metal inventories are ***.[25] As a result, it does not appear that DuPont's inventories of sodium metal would contribute to its supply flexibility in the short run.

Alternate markets

DuPont reported that exports of its U.S.-produced sodium metal averaged *** percent of the quantity of its total shipments of U.S.-produced sodium metal during January 2004-September 2007. These exports increased steadily during this period in absolute quantity and as a share of DuPont's total sodium metal shipments. As a share of its total shipments of sodium metal, DuPont's exports increased from *** percent during 2004 to *** percent during 2006 and increased further to *** percent during January-September 2007. The rising level of exports during the period indicates that DuPont's supply flexibility may be enhanced by shifting shipments between the United States and other markets in the short run in response to price changes. This supply flexibility attributed to exports may be restrained in the short run to the extent that DuPont's sales of sodium metal exported to third-country markets were not used/acceptable in the U.S. market or vice versa, or to the extent that DuPont has binding supply agreements longer than 12 months with customers in the U.S. and/or export markets.

Production alternatives

***.[26] The ability of the U.S. producer to shift production between sodium metal and other products would enhance its supply responsiveness in the short run in response to relative price changes between sodium metal and alternative production products. This flexibility of supply does not pertain to byproducts as no switching of production among different products occurs.

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[22] DuPont reported that sodium metal production requires a high number of operators performing physical and manual tasks while the production cells run 24 hours per day, which limits flexibility of labor use (conference transcript, pp. 16-17 (Hilk).

[23] Conference transcript, pp. 15-16 (Hilk).

[24] Petitioner's postconference brief, exh. 1, p. 13.

[25] Petitioner's postconference brief, exh. 1, p. 15.

[26] U.S. producer questionnaire response, sections II-3 and II-5.

Imports from France

Based on available information, staff believes that the lone French producer of sodium metal, MSSA (France), is likely to respond to changes in demand with relatively large changes in shipments of French-produced sodium metal to the U.S. market. Factors contributing to this degree of responsiveness of supply are discussed below.

Industry capacity

MSSA (France) reported total capacity utilization for sodium metal in France that decreased *** but still averaged *** percent 2004-06; capacity utilization was *** percent during January-September 2007 compared to *** percent during January-September 2006. MSSA (France)'s capacity utilization is estimated to average *** percent during all of 2007 and *** percent during 2008. These levels of capacity utilization indicate that MSSA (France) had limited ability to increase production of sodium metal in the short run during January 2004-September 2007 in the event of a price change, and this ability is estimated to continue throughout 2007 and during 2008.

MSSA (France) intends to construct a sodium metal production facility in China, which is expected to begin production in 2010, to serve mostly the Asian market. At the same time, MSSA (France) expects to reduce its production capacity in France to its optimum level of *** metric tons of sodium metal.[27]

Inventory levels

MSSA (France) reported end-of-period inventory quantities of sodium metal in France that increased somewhat during 2004-06, averaging *** percent of total shipments during this period; MSSA's sodium metal inventories were *** percent of its total annualized shipments during January-September 2007.[28] The flexibility to use inventories to respond to price changes in the short run may be restrained in the short run to the extent that MSSA (France)'s French inventories of sodium metal consist of products that are not required by the increased demand, or consist of products already committed to customers in the French, U.S., and/or third-country export markets. MSSA (France) reported that *** percent of its French sodium metal inventories during 2004-06 were *** and almost *** percent of these inventories in 2007 to date are ***.[29] As a result, it does not appear that MSSA (France)'s French inventories of sodium metal would contribute to its supply flexibility vis-a-vis the U.S. market in the short run.

In addition, MSSA (USA) and Columbia Sales also reported U.S. end-of-period inventory quantities of their imported sodium metal from France. These U.S. inventories of the imported sodium metal from France ranged from *** percent of total U.S. shipments during 2004 to *** percent during 2005 and 2006, and were *** percent during January-September 2007.[30] MSSA (USA) and Columbia Sales, which accounted for most of the U.S. imports of sodium metal from France during January 2004-September 2007, reported that *** percent of their U.S. inventories were committed to their contracted

[27] Foreign producer questionnaire response, section II-1 (exh. 1); and respondents' postconference brief, exh. 6, and Answers to Staff Questions, p. 29.

[28] MSSA's foreign producer questionnaire response, section II-1.

[29] Letter from ***, Hutton & Williams LLP, counsel to respondents, November 20, 2007.

[30] U.S. importer questionnaire responses, section II-5.

U.S. customers.[31] As a result, it does not appear that U.S. inventories of the imported sodium metal from France would enhance the short-run supply flexibility of this source of sodium metal in the U.S. market.

Alternate markets

MSSA (France) reported that its sodium metal produced in France was shipped *** to third-country markets, *** to the United States, and *** to very limited home-market requirements during January 2004-September 2007. This shipment pattern *** in 2007 and 2008, but at *** for the U.S. market. During January 2004-September 2007, MSSA's shipments of sodium metal to third-country markets averaged *** percent of its total shipment quantities of sodium metal, exports to the United States averaged *** percent of the total, and shipments to the home market averaged the remaining *** percent.[32] These data for alternate markets indicate that MSSA (France) had *** third-country markets for its sodium metal from which it could shift shipments of sodium metal to the United States in the short run in the event of a price change in the U.S. market. This flexibility may be restrained in the short run to the extent that MSSA (France)'s sales of sodium metal in third-country markets were not used/acceptable in the U.S. market, or to the extent that MSSA (France) has binding supply agreements longer than 12 months with customers in third-country markets.

Production alternates

MSSA (France) reported ***,[33] ***. MSSA (France) reported that ***.[34] The ability of MSSA to shift production between sodium metal and other products would enhance its supply responsiveness in the short run in response to relative price changes between sodium metal and alternative production products. This flexibility of supply does not pertain to by-products as no switching of production among different products occurs.

Supply of Nonsubject Imports of Sodium Metal to the U.S. Market

Based on import statistics presented in Part IV, several nonsubject countries, primarily China and India, exported sodium metal to the United States at least sometime during January 2004-September 2007.[35] Imports of sodium metal from nonsubject countries accounted for less than 3.5 percent of the quantity of total U.S. imports of sodium metal during this period. The share of total U.S. imports of sodium metal from nonsubject countries decreased from 11.7 percent in 2004 to 1.4 percent in 2006, while the quantity of total U.S. imports of sodium metal increased by 168.0 percent. China was the principal nonsubject country supplier by far during January 2004-September 2007.

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[31] Respondents' postconference brief, Answers to Staff Questions, p. 9.

[32] During all of 2007 and 2008, MSSA (France) projected that shipments of its sodium metal to third-countries would average 64.8 percent of its total sodium metal shipments, while shipments to the United States would average 34.5 percent.

[33] MSSA (France) reported that *** tons of chlorine are produced for each *** ton of sodium metal. U.S. foreign producer questionnaire response, sections II-2 and II-3.

[34] Ibid.

[35] MSSA (USA) reported that sodium metal was produced in only three countries, China, France, and the United States (U.S. importer questionnaire response, section III-B-18).

U.S. Demand

Demand for sodium metal, as measured by annual apparent U.S. consumption, fluctuated but increased during 2004-06, by a total of *** percent on a quantity basis during this period; apparent U.S. consumption was *** percent lower in January-September 2007 than in January-March 2006.

Overall U.S. demand for sodium metal reportedly tends to move with general economic activity in the U.S. economy,[36] and with demand in the sectors for which it is used.[37] The properties of sodium metal make it useful as a reducing agent, its principal use; in silicon manufacturing; in refining metallic lead, silver, and zinc; in alloying metals; in steel de-scaling via sodium hydride; and as a scavenging agent in smelting processes.[38] Most of the products produced with sodium metal are intermediate products rather than end products.[39] As a result, demand for sodium metal is generally derived from demand for the intermediate products it produces as well as demand for the final products, which are likely produced with a number of intermediate products and not just those produced with sodium metal.[40]

The U.S. producer and importers provided a mix of responses when reporting how U.S. demand for sodium metal has changed since January 1, 2004.[41] DuPont reported a ***, while the two responding U.S. importers of sodium metal, Columbia Sales and MSSA (USA) reported ***, particularly in the near term. The comments of these three responding firms are shown in the following tabulation.

* * * * * * *

DuPont also asserted that the U.S. sodium metal industry is a mature industry, where total market demand is not really changing to any significant degree (some industries decline and others grow), and noted that there are few new commercial accounts to be had.[42] With respect to future demand, DuPont asserted the following:

> "All statements that address expectations or projections about the future, including those about growth strategies and product development are forward looking. Such expectations/projections are not guarantees of future growth, or future performance, and involve a number of uncertainties and assumptions. Many factors play a role in projections including, but not limited to, changes in (1) laws, regulations, policies; (2) economic conditions, including inflation, interest rates and foreign currency exchange

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[36] U.S. real gross domestic product (GDP) increased by 3.6 percent in 2004, 3.1 percent in 2005, and 2.9 percent in 2006; real GDP is forecast to increase by 2.1 percent in 2007 and 2.4 percent in 2008 (*Blue Chip Economic Indicators*, Aspen Publishers, Inc., Vol. 32, No. 11, November 10, 2007, pp. 2-3). Quarterly real GDP, at annualized rates, increased by 0.6 percent during January-March 2007, 3.8 percent during April-June 2007, 3.9 percent during July-September 2007, and is forecast to increase by 1.7 percent during the last quarter of 2007 (*Blue Chip Economic Indicators*, Aspen Publishers, Inc., Vol. 32, No. 11, November 10, 2007, p. 5).

[37] Conference transcript, pp. 41-42 (Hilk); and petitioner's postconference brief, exh. 1, p. 9.

[38] Petition, pp. 4 and 12.

[39] Ibid.

[40] The varied demand for sodium metal tends to enhance its price elasticity of demand.

[41] U.S. producer and importer questionnaire responses, sections IV-B-17 and III-B-16, respectively.

[42] Conference transcript, pp. 20 and 43 (Hilk). DuPont asserted that the U.S. sodium metal market was very small, and indicated that there were a total of about 10 substantive U.S. purchasers of sodium metal (petitioner's postconference brief, pp. 9-10; and conference transcript, p. 77 (Hilk)). *** of the 10 substantive U.S. purchasers identified by DuPont provided comments in the Lost Revenue/Lost Sales section of Part V. The remaining substantive purchasers were ***.

rates, competitive pressures, and cost of raw materials; (3) research and development of new products; and (4) regulatory approval and market acceptance."[43]

On the other hand, MSSA (USA) and Columbia Sales, as noted above, identified several growing uses for sodium metal in the U.S. market. The respondents' discussions of three new/increased U.S. uses for sodium metal–sodium methylate, polysilicon wafers, and titanium[44]–and estimates of their potential are shown in the following three respective tabulations.[45]

* * * * * * *

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* * * * * * *

Substitute Products

Based on available information, U.S. end users are likely to respond to changes in the price of sodium metal with small to moderate changes in their purchases of sodium metal, such that U.S. demand may be price inelastic.[46] According to DuPont, the main contributing factor to this level of responsiveness of demand is the apparent lack of any direct substitutes for sodium metal, the generally low cost share of sodium metal, and generally no significant substitutes for the products produced with sodium metal.[47] On the other hand, the reported existence of at least some alternatives in the downstream markets,[48] such as other types of intermediate products, and the possibility of comparable imported intermediate products (some may be produced with sodium metal and some without sodium metal), and the diverse demand for sodium metal all would tend to enhance the price responsiveness of U.S. demand for sodium metal.

DuPont and U.S. importers of sodium metal were requested to discuss any substitutes for sodium metal.[49] DuPont and four U.S. importers responded. One of the four responding importers, *** did not know if substitutes exist, another importer, ***, asserted that no substitutes exist, and a third responding

[43] Petitioner's postconference brief, pp. 10-11.

[44] Conference transcript, pp. 94-96 (Bourrier).

[45] Respondents' postconference brief, p. 30, Answers to Staff Questions–pp. 1-3, and exhibits A-C. The respondents also indicated that world-wide studies are ongoing for a new generation of nuclear reactors called Sodium Fast Reactors that would use sodium metal, but this potential use may not occur until 2020 and may or may not be used in the United States (Respondents' postconference brief, exh. D).

[46] DuPont asserted that the U.S. sodium metal market is a mature market, such that lower prices will not result in increased demand, but rather will cause customers to shift between suppliers on the basis of price (petition, p. 22). In addition, Columbia Sales asserted that there were no direct substitutes for sodium metal, such that U.S. demand for sodium metal was price inelastic (staff telephone interview with ***).

[47] Petitioner's postconference brief, p. 18.

[48] MSSA (USA)'s importer questionnaire response, section III-B-17.

[49] U.S. producer and importer questionnaire responses, sections IV-B-18 and III-B-17, respectively. The producers and importers were requested to provide examples of the top two economic substitutes for sodium metal and this request was preceded by the following explanation: "Substitution in demand refers to products that can, based on market price considerations and consumer/industrial user preferences/technical requirements, reasonably be expected to substitute for each other when the price of one product changes vis-a-vis the price of the other product – some consumers/ industrial users may require greater price changes than others before they switch among the alternative products."

importer, ***, asserted that no products can be directly substituted for sodium metal. DuPont and the remaining responding importer, MSSA (USA), provided more detailed responses. DuPont reported the following:

"***."

MSSA (USA) provided the following response regarding substitutes for sodium metal:

"***."[50]

***."[51]

Because demand for sodium metal is derived from the demand for downstream products, it may be useful to consider the extent to which other downstream products could substitute for those made with sodium metal, which could affect the demand for these latter products, and, in turn, the U.S. demand for sodium metal. DuPont asserted that two U.S. producers of sodium methylate, Degussa and BASF, do not use sodium metal to produce their sodium methylate.[52] In addition, MSSA (USA) noted above alternative production processes that do not use sodium metal to produce ***. Such latter U.S. production and any imports of the downstream products (some using sodium metal and others produced with an alternative (non-sodium metal process) would increase the price elasticity of demand for the downstream products and, to some extent, the price elasticity of demand for sodium metal.

Cost Share

As noted earlier, sodium metal is used in the production of a variety of products, particularly when it is used as a reduction agent. DuPont and the responding importers reported in their questionnaire responses the shares of sodium metal costs to the total costs to produce those products associated with their two largest sales of sodium metal.[53] In addition, DuPont reported the cost share of sodium metal to produce sodium methylate.[54] The reported cost shares of sodium metal reported by DuPont were ***, ***, and ***. Columbia Sales reported that the sodium metal cost share was ***, and MSSA (USA) reported that sodium metal costs averaged ***. The cost shares, when considering the final products, are likely much lower than the figures reported.

Demand Outside the United States

The U.S. producer and U.S. importers of sodium metal were requested in their questionnaire responses to comment on demand for sodium metal outside of the United States since January 1, 2004.[55] DuPont and a single U.S. importer of sodium metal, MSSA (USA), supplied useable responses and reported that some foreign demand has increased, some is flat, and some is decreasing. In addition,

[50] "***." *** U.S. importer questionnaire response, section III-B-17.

[51] "***." *** U.S. importer questionnaire response, section III-B-17.

[52] Petitioner's postconference brief, exh. 1, p. 10.

[53] U.S. producer's and importers' questionnaire responses, sections IV-B-14 and III-B-14, respectively.

[54] Petitioner's postconference brief, exh. 1, p. 14.

[55] U.S. producer and importer questionnaire responses, sections IV-B-17 and III-B-16, respectively.

MSSA (France) reported on foreign demand for sodium metal.[56] Responses of the three responding firms are shown in the following tabulation.

* * * * * * *

SUBSTITUTABILITY ISSUES

The degree of substitution in demand between sodium metal produced in the United States and that imported from France depends upon such factors as relative prices, conditions of sales (order lead times, payment terms etc.), purchaser supply requirements, qualified status of supplier, and product differentiation. Product differentiation depends on factors such as the range of products, quality (grade standards, defect rates, product consistency, etc.), availability, reliability of supply, product services, and the market perception of these factors. Based on the reported information in the preliminary phase of this investigation, there appears to be at least moderate substitution in demand between sodium metal produced domestically and that imported from France.

The U.S. producer and importers of the subject sodium metal were requested in their questionnaire responses to describe any significant changes in the product range or marketing of sodium metal in the United States since January 2004.[57] The U.S. producer, DuPont, and three U.S. importers of the sodium metal from France responded; ***, reported some changes, while *** reported no such changes.[58] DuPont reported that ***. MSSA (USA) reported that in ***, MSSA (USA) decided to invest in a trans-loading facility in Pasadena, TX, to serve U.S. customers requiring rail-tank-car deliveries ***. The facility was built in 2004 and started operation in December 2004.

As the U.S. sales agent for the bulk sodium metal imported from France by MSSA (USA), Columbia Sales noted some additional changes in the product range of this product since January 2004.[59] Since January 2004, MSSA (USA) has been marketing an increasing share of its total U.S. imports of sodium metal from France with a new grade called Sopure,[60] which has a calcium content of less than 200 ppm. With the Sopure grade of sodium metal, according to Columbia Sales, calcium oxides do not form and, as a result, consumers do not experience plugging of their pipes or a build-up of calcium sludge in their storage tanks.[61] In addition, since January 2004, MSSA (USA)'s *** is being supplied *** material by pipeline to the customer's storage tanks from MSSA's transloading facility, ***.[62]

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[56] Foreign producer questionnaire response, section II-1 (exh. 1).

[57] U.S. producer and importer questionnaire responses, sections IV-B-13 and III-B-13, respectively.

[58] *** imports primarily sodium metal ingots from France and relatively small quantities of sodium metal in fused drums, while *** imports sodium metal from France and sells it in very small quantities to research institutions.

[59] U.S. importer questionnaire response, section III-B-19; and conference transcript, pp. 96-99 (Matusewitch).

[60] Sopure was ***, during which time *** was the U.S. importer of the sodium metal from France (staff telephone interview with ***, Hunton & Williams LLP, counsel to respondents, November 29, 2007).

[61] According to Columbia Sales, calcium levels above 200 ppm settle out of the sodium as calcium oxides. Calcium oxides can plug pipelines, thus forcing shutdown of production. Calcium oxides also can build up in customers' storage tanks, resulting in costly and potentially dangerous sludge removal every five or ten years, depending upon the amount of build-up. Conference transcript, pp. 96-97 (Matusewitch).

[62] U.S. importer questionnaire response, section III-B-19.

Factors Affecting Sales and Purchases

The U.S. producer of sodium metal, DuPont, and U.S. importers of sodium metal were requested in their questionnaires to report on the extent of interchangeability (products from different countries physically capable of being used in the same applications) of sodium metal produced domestically, imported from France and from third countries.[63] They were also asked to report the extent of any non-price differences that would affect sales/purchases in the U.S. market among these various sources of sodium metal.[64] For responses regarding the degree of interchangeability, the U.S. producer of sodium metal, DuPont, three U.S. importers of the products from France, and a single U.S. importer of the products from China (the primary nonsubject country)[65] reported the requested information, which are summarized by responding firm in table II-1. For responses regarding differences other than price affecting competition, the U.S. producer of sodium metal, DuPont, three U.S. importers of the products from France, and two U.S. importers of the products from China (the primary nonsubject country)[66] reported the requested information, which are summarized by responding firm in table II-2. The U.S. producer and importers were also requested in their questionnaires to provide any comments where products are sometimes or never interchangeable and where nonprice factors were always or frequently significant in competition between the domestic and imported sodium metal.[67]

Table II-1
Sodium metal: Perceived degree of interchangeability of sodium metal produced in the United States, imported from France, and imported from third countries that was sold in the U.S. market

* * * * * * *

Table II-2
Sodium metal: Perceived importance of differences in factors other than price between sodium metal produced in the United States, imported from France, and imported from third countries that was sold in the U.S. market

* * * * * * *

DuPont asserted that price was the largest single factor affecting purchase decisions in the U.S. market for sodium metal.[68] DuPont also asserted that U.S. customers perceive no difference between domestically produced and imported sodium metal, such that even small differences in price will lead to a rapid depression and suppression of prices for all purity levels of sodium metal.[69] On the other hand, MSSA (USA)/(France) asserted that U.S. customers purchase from MSSA (USA) instead of DuPont for various non-price reasons, including principally the following four non-price reasons–quality differences,

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[63] U.S. producer and importer questionnaire responses, sections IV-B-19 and III-B-18, respectively.

[64] U.S. producer and importer questionnaire responses, sections IV-B-20 and III-B-19, respectively. Nonprice factors referred to in the questionnaire request included quality, availability, transportation network, product range, and technical support, but nonprice factors were not necessarily restricted to only these factors.

[65] DuPont was this latter responding importer and the import products were sodium metal ***.

[66] DuPont and *** were the latter responding importers and the import products were sodium metal ***.

[67] U.S. producer and importer questionnaire responses, sections IV-B-19/20 and III-B-18/19, respectively. Most of the comments of the responding U.S. producer and U.S. importers reporting on interchangeability and nonprice factors were shown in the tables II-1 and II-2, respectively.

[68] Petitioner's postconference brief, p. 14.

[69] Petitioner's postconference brief, p. 8.

ingot/brick form availability, second sourcing, and downstream competition.[70] The respondents identified two U.S. purchasers of sodium metal, ***, that specifically indicated that quality reasons based on lower calcium levels of MSSA (USA)'s product compared to DuPont's product was the reason for purchasing the imported product. The respondents also indicated that some purchasers require ingots or bricks over bulk sodium metal and noted that the former products are not produced by DuPont; the respondents identified a U.S. purchaser of MSSA (USA)'s ingots, ***, that cited quality problems with DuPont's imported sodium metal bricks from China. The respondents cited another U.S. purchaser, ***, that reported buying ***, not because of price, but because it desired a second source of sodium metal. Finally, the respondents indicated that three U.S. purchasers, Interstate Chemical, Texas Molecular, and ***, reported purchasing sodium metal from MSSA (USA) because they did not want to rely on DuPont as their sole source of the product because they competed with DuPont in their downstream markets–sodium methylate for Interstate and Texas Molecular and *** for ***.

In addition the responses of purchasers in the Lost Revenues and Lost Sales section of Part V also cite price and non-price factors in their decisions from whom to source sodium metal.

[70] Respondents' postconference brief, pp. 10-14.

PART III: U.S. PRODUCER'S PRODUCTION, SHIPMENTS, AND EMPLOYMENT

U.S. PRODUCER

The Commission received a completed questionnaire from DuPont, the petitioner and sole U.S. producer of sodium metal. DuPont, a publicly traded firm, has a plant located at Niagara Falls, NY, which produced nearly *** pounds of sodium metal in 2006. During 2006, the Niagra Falls plant produced sodium metal (*** percent) and lithium (*** percent) on the same equipment; a by-product of these products is chlorine.[1]

U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Table III-1 presents data on the sole U.S. producer's capacity, production, and capacity utilization between 2004 and 2006, as well as for the interim (January-September) periods of 2006 and 2007.[2] The data are graphically presented in figure III-1.

Table III-1
Sodium metal: DuPont's capacity, production, and capacity utilization, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Figure III-1
Sodium metal: DuPont's capacity, production, and capacity utilization, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Reported U.S. production of sodium metal increased from *** pounds in 2004 to *** pounds in 2005, then decreased to *** pounds in 2006. Production during the interim period of 2007 was about *** percent less than production during the interim period of 2006. DuPont reported stable capacity during the period for which data were collected. Accordingly, capacity utilization tracked production, rising *** percentage points from 2004 to 2005 and then declining *** percentage points in 2006. Interim data show capacity utilization nearly *** percentage points lower in January-September 2007 than in January-September 2006.[3]

U.S. PRODUCER'S SHIPMENTS

Table III-2 presents information on DuPont's shipments of sodium metal between 2004 and 2006, and for interim periods 2006 and 2007. DuPont had *** transfers to related firms and consumed *** percent of its sodium metal internally in 2004, and consumed *** in 2006 (*** percent).[4] DuPont's U.S.

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[1] DuPont's questionnaire response; conference transcript, pp. 64 (lithium) and 16 (chlorine) (Hilk).

[2] The data in this and other tables in Part III are for DuPont; all production is in bulk.

[3] Major events in 2007 are discussed in the section of Part III entitled *U.S. Producer's Shipments*.

[4] DuPont produces *** from its internal transfers of sodium metal; *** internal transfers of sodium metal are processed into ***. Sodium metal constituted *** percent of the raw material cost of producing the downstream

(continued...)

commercial shipments of sodium metal decreased by *** percent by quantity (and *** percent by value) from 2004 to 2005, and such shipments decreased by a further *** percent by quantity (*** percent by value) between 2005 and 2006. DuPont also reported exports of sodium metal to Europe,[5] which constituted *** percent of the quantity of its shipments of sodium metal in 2004 which grew to *** of its shipments in 2006 and to *** percent in January-September 2007. DuPont reported that its exports competed directly and successfully, with MSSA's product.[6] However, MSSA reported that consumers of sodium metal in export markets have seen the same quality differences in MSSA and DuPont's products as consumers in the United States have reported.[7]

Table III-2
Sodium metal: DuPont's shipments, by types, and shares, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Table III-3 presents shipment data by DuPont's reported three largest customers and all others for the period that data were collected. As shown in that table, U.S. commercial shipments to ***, increased between 2004 and 2006, but that this increase was *** offset by decreases in shipments to ***, as well as ***. The *** in U.S. commercial shipments in interim 2007 relative to interim 2006 largely, but not exclusively, reflects ***.[8]

Table III-3
Sodium metal: DuPont's shipments to top three and all other customers, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Table III-4 presents data for DuPont's shipments by reported grade for the period for which data were collected. Shipments of technical grade sodium metal *** from *** in 2004 to *** in 2005 and then *** to *** in 2006. Additionally, shipments of technical grade sodium metal were *** in interim 2007 at *** compared to in interim 2006 at ***. The value of technical grade sodium metal remained *** at *** in 2004 and 2005 and then *** to *** in 2006, and was *** in interim 2007 (***) compared to interim 2006 (***). Shipments of specialty grade sodium metal (Niapure) initially *** from *** in 2004 to *** in 2005, before *** to *** in 2006. The value of shipments of Niapure *** the quantity of shipments. However, neither the *** quantity nor *** value of Niapure fully offset the *** in quantity and value of shipments of the technical grade sodium metal.

---

[4] (...continued)
product in 2006. *** percent of the volume of DuPont's merchant market sales of sodium metal in 2006 was used in the production of the downstream product that it produces from internally consumed sodium metal. Petitioner's postconference brief, exhibit 1, pp. 14-15.

[5] Conference transcript (Hilk), p. 80.

[6] Conference transcript (Hilk), p. 75

[7] Conference transcript (Bourrier), p. 146.

[8] DuPont's responses to staff questions, November 28, 2007.

Table III-4
Sodium metal: DuPont's commercial shipments by grade, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

U.S. PRODUCER'S IMPORTS AND PURCHASES

During the period for which data were collected, DuPont did not purchase sodium metal. The company, however, did import sodium metal from China,[9] as shown in the following tabulation:

* * * * * * *

These imports were equivalent to less than *** percent of DuPont's U.S. shipments of sodium metal in 2006.

U.S. PRODUCER'S INVENTORIES

Table III-5, which presents DuPont's end-of-period inventories for sodium metal, shows that inventories increased both absolutely and relative to production, U.S. shipments, and total shipments throughout the period for which data were collected.

Table III-5
Sodium metal: DuPont's end-of-period inventories, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

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

Table III-6 presents data on DuPont's employment-related indicia. Employment of production-related workers ("PRWs") by DuPont increased by *** workers between 2004 and 2005, before decreasing to *** in 2006 and to *** in January September 2007; the number of PRWs employed in interim period 2007 was *** than in interim period 2006. Hours worked by PRWs increased by *** percent from 2004 to 2005, and then fell by *** percent in 2006, *** 2004 levels. Wages paid to PRWs also initially increased from 2004 to 2005, and then decreased in 2006 to below 2004 levels. Productivity levels declined about *** percent from 2004 to 2005 before recovering to the 2004 level in 2006. During the interim periods productivity decreased by *** percent. Unit labor costs fluctuated modestly during the period for which data were collected.

Table III-6
Sodium metal: DuPont's employment-related data, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

[9] DuPont's importer questionnaire response.

PART IV: U.S. IMPORTS, APPARENT U.S. CONSUMPTION, AND MARKET SHARES

U.S. IMPORTERS

Table IV-1 presents information on U.S. importers. Four of the importers that submitted data in response to the Commission's U.S. importers' questionnaire indicated that they imported sodium metal from France. These four firms' imports of sodium metal from France account for *** percent of total U.S. imports from France by quantity in 2006, as measured in official Commerce statistics.[1]

Table IV-1
Sodium metal: U.S. importers and imports, by source, 2006

Importer	France	All others	Total	France	All others	Share of total imports[1]
	Quantity (*1,000 pounds*)			Share by source (*percent*)[1]		(*percent*)
Alcan[2]	***	***	***	***	***	***
Columbia Sales	***	***	***	***	***	***
DuPont	***	***	***	***	***	***
MSSA	***	***	***	***	***	***
Sigma-Aldrich	***	***	***	***	***	***
Special Materials[3]	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Official Commerce imports	15,119	218	15,337	100.0	100.0	100.0

[1] Shares are based on official import statistics.
[2] Had imports in ***.
[3] ***.

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

*** of the importers that submitted data in response to the Commission's U.S. importers' questionnaire indicated that they imported sodium metal from China: U.S. producer DuPont and ***. DuPont's imports of sodium metal from China are believed to account for ***.

U.S. IMPORTS

Table IV-2 and figure IV-1 present and depict U.S. imports of sodium metal during 2004 to 2006 and January-September 2006 and 2007. U.S. import data are based on official Commerce statistics for

[1] Fourteen firms were identified by the petitioners and U.S. Customs and Border Protection ("Customs") as possible importers of sodium metal. Three said they did not import sodium metal, three (one importing from China and two from India) stated they did import but not from France, and two were associated with firms that imported from France.

sodium metal.[2] U.S. imports of sodium metal from France nearly tripled over the period, increasing from 5.1 million pounds in 2004 to 8.6 million pounds in 2005, and reaching 15.1 million pounds in 2006. The value of imports of sodium metal from France also increased, rising from $5.4 million in 2004 to $7.8 million in 2005 and to $13.8 million in 2006. The average unit value of imports from France decreased by 14.5 percent from 2004 to 2005,[3] and remained fairly stable from 2005 to 2006 at about $0.92 per pound, before increasing to $0.95 per pound in interim 2007. In contrast, imports from nonsubject sources fell from 670,000 pounds in 2004 to 288,000 pounds in 2005 (decreasing by 57.0 percent), then falling to 218,000 pounds in 2006, an overall decline of two-thirds. The value of nonsubject imports decreased initially from $582,000 in 2004 to $296,000 in 2005 before rising again to $399,000 in 2006, and was higher in interim period 2007 than interim period 2006. The unit value for nonsubject imports more than doubled from 2004 to 2006 with ingots representing a growing share of the product mix, but was lower in interim 2007 than in interim 2006.

Table IV-2
Sodium metal: U.S. imports, by sources, 2004-06, January-September 2006, and January-September 2007

Source	Calendar year			January-September	
	2004	2005	2006	2006	2007
	Quantity (*1,000 pounds*)				
France	5,053	8,589	15,119	11,727	9,640
Other sources	670	288	218	114	210
Total	5,724	8,877	15,337	11,842	9,850
	Value (*1,000 dollars*)[1]				
France	5,379	7,814	13,834	10,736	9,122
Other sources	582	296	399	209	299
Total	5,961	8,110	14,234	10,945	9,422
	Unit value (*per pound*)[1]				
France	$1.06	$0.91	$0.92	$0.92	$0.95
Other sources	0.87	1.03	1.83	1.83	1.42
Total	1.04	0.91	0.93	0.92	0.96
	Share of quantity (*percent*)				
France	88.3	96.8	98.6	99.0	97.9
Other sources	11.7	3.2	1.4	1.0	2.1
Total	100.0	100.0	100.0	100.0	100.0
	Share of value (*percent*)				
France	90.2	96.4	97.2	98.1	96.8
Other sources	9.8	3.7	2.8	1.9	3.2
Total	100.0	100.0	100.0	100.0	100.0

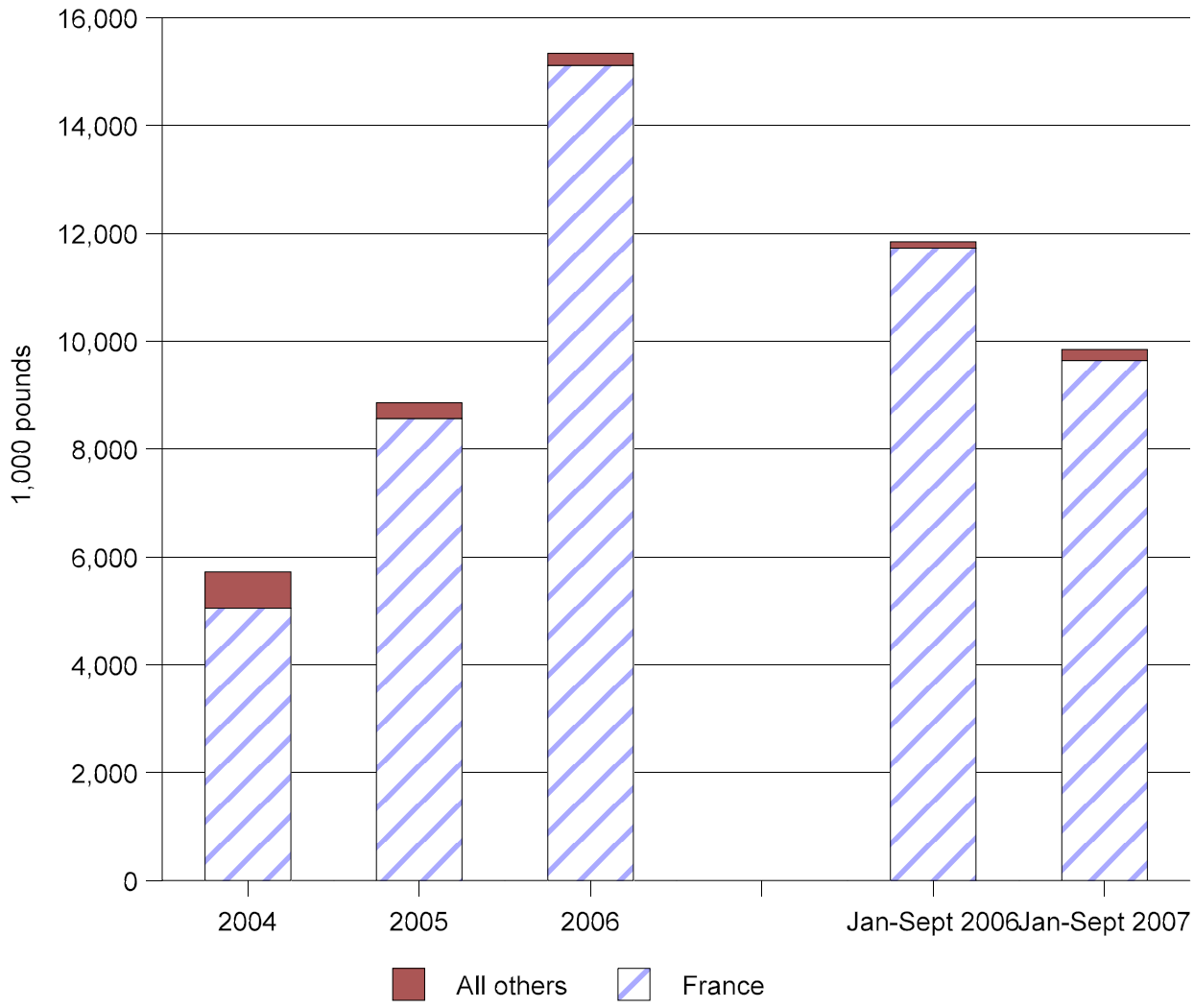
[1] Landed, duty-paid.

Source: Compiled from official Commerce statistics.

[2] HTS statistical reporting number 2805.11.0000.

[3] Respondents reported that ***. Respondents' postconference brief, *Answers to Staff Questions*, pp. 15-16.

Figure IV-1
Sodium metal: Quantity of subject and nonsubject U.S. imports, 2004-06, January-September 2006, and January-September 2007



Source: Table IV-2.

As shown in table IV-3 and figure IV-2, France has been the largest single source of U.S. imports of sodium metal on both an annual and a monthly basis. China (accounting for 0.9 percent of total U.S. imports of sodium metal during 2006) and India (0.5 percent) also exported sodium metal to the United States during the period for which data were collected, with minor additional volumes from other countries (primarily the United Kingdom in 2004). These nonsubject imports decreased by approximately two-thirds during 2004-06. By January-September 2007, nonsubject imports comprised only 2.1 percent of total imports. Figure IV-2 presents monthly imports from France and all other sources over the period for which data were collected.

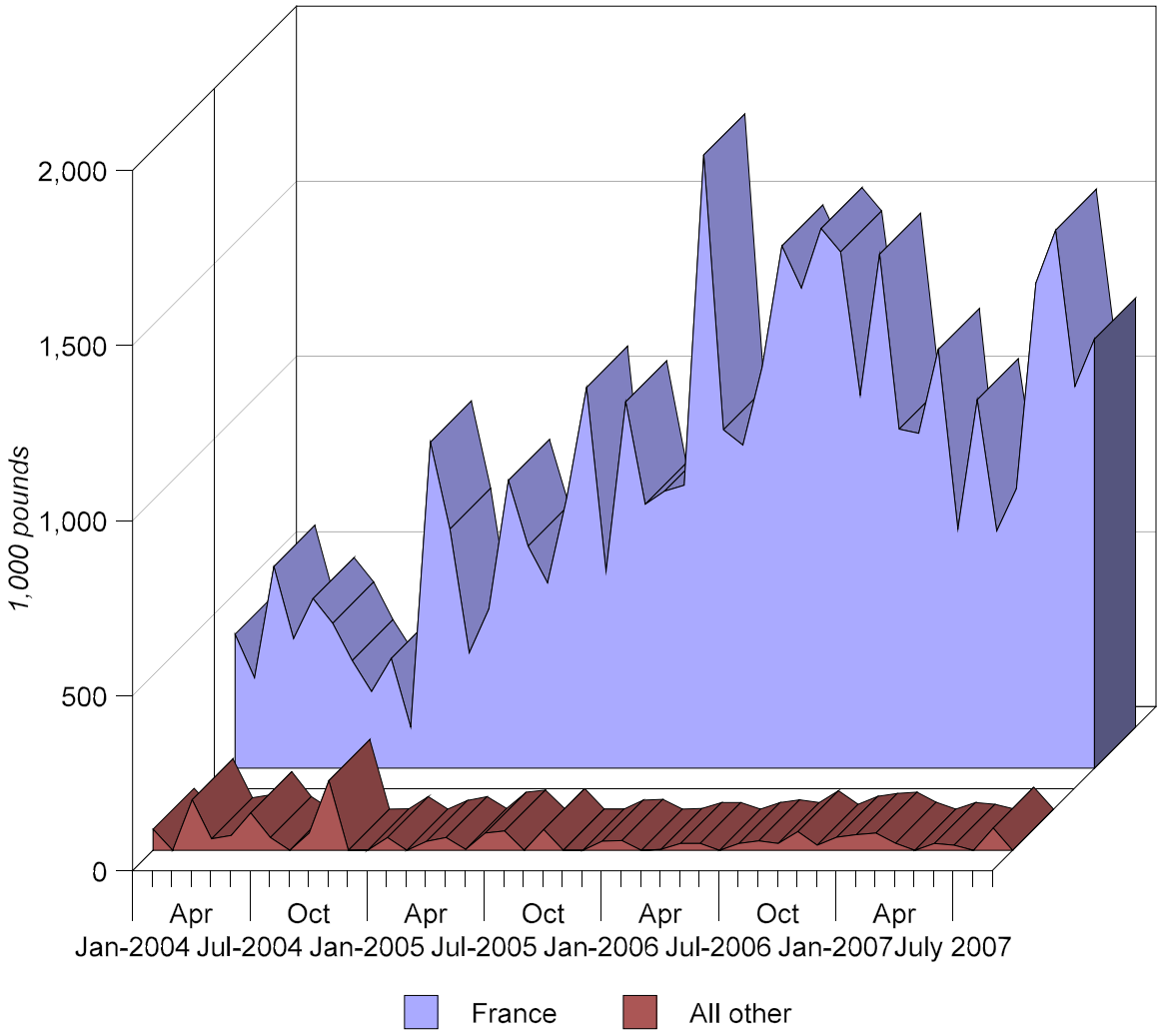
Table IV-3
Sodium metal: U.S. imports, by sources, 2004-06, January-September 2006, and January-September 2007

Source	Calendar year			January-September	
	2004	2005	2006	2006	2007
	Quantity (*1,000 pounds*)				
France	5,053	8,589	15,119	11,727	9,640
China	465	265	135	71	152
India	0	19	75	37	56
Other sources	205	4	8	6	2
Total	5,724	8,877	15,337	11,842	9,850
	Value (*1,000 dollars*)[1]				
France	5,379	7,814	13,834	10,736	9,122
China	466	231	176	109	130
India	0	48	197	93	152
Other sources	116	17	27	7	16
Total	5,961	8,110	14,234	10,945	9,422
	Unit value (*per 1,000 pounds*)[1]				
France	$1.06	$0.91	$0.92	$0.92	$0.95
China	1.00	0.87	1.30	1.53	0.86
India	([2])	2.56	2.62	2.49	2.70
Other sources	0.56	4.51	3.19	1.21	8.62
Total	1.04	0.91	0.93	0.92	0.96

[1] Landed, duty-paid.
[2] Not applicable.

Source: Compiled from official Commerce statistics.

Figure IV-2
Sodium metal: Monthly imports



Source: Compiled from official Commerce statistics.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[4] Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such

[4] Section 733(a)(1) of the Act.

merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[5] Subject imports from France accounted for 97.7 percent of total imports of sodium metal by quantity between October 2006 and September 2007.[6]

U.S. Imports by Geographic Markets

Table IV-4 presents the Customs districts of entry for subject imports of sodium metal from January 2004 to September 2007. Houston-Galveston, TX, was the largest district of entry for imports from France, accounting for 67 percent of total subject imports from 2004 to 2006 and more than four times the quantity of imports landed at any other port. New York, NY, was the next largest port with nearly 17 percent of subject imports.

Table IV-4
Sodium metal: U.S. imports from France, by Customs district, 2004-06, January-September 2006, and January-September 2007

Customs district	Calendar year			January-September 2007
	2004	2005	2006	
	Quantity (*1,000 pounds*)			
Charleston, SC	1,088	582	0	0
Detroit, MI	87	79	0	0
Houston-Galveston, TX	2,070	5,028	12,113	6,824
Los Angeles, CA	86	147	114	114
Mobile, AL	162	0	164	0
New Orleans, LA	0	406	324	245
New York, NY	634	1,333	2,131	2,399
Norfolk, VA	0	0	53	58
Ogdensburg, NY	928	1,014	219	0
Total	5,053	8,589	15,119	9,640

Source: Compiled from official Commerce statistics.

APPARENT U.S. CONSUMPTION, U.S. MARKET SHARES, AND RATIOS OF IMPORTS TO U.S. PRODUCTION

Table IV-5 presents data on the apparent U.S. consumption of sodium metal. Table IV-6 presents data on U.S. market shares. Figure IV-3 graphically presents data on apparent U.S. consumption and U.S. market shares.

Total apparent U.S. consumption increased slightly from 2004 to 2006. Imports nearly tripled between 2004 and 2006 while U.S. producers' U.S. shipments decreased by *** percent. From 2004 to 2006, the increase in imports of sodium metal from France entirely accounted for the increase in total imports. Imports from France and U.S. shipments by DuPont were lower in January-September 2007 than in January-September 2006, while imports from nonsubject sources, although relatively small, were higher.

[5] Section 771(24) of the Act.

[6] Calculated from official Commerce statistics.

Table IV-5
Sodium metal: Apparent U.S. consumption, by sources, 2004-06, January-September 2006, and January-September 2007

Item	Calendar year			January-September	
	2004	2005	2006	2006	2007
	Quantity (*1,000 pounds*)				
U.S. producer's shipments	***	***	***	***	***
U.S. imports from--					
France	5,053	8,589	15,119	11,727	9,640
All other sources	670	288	218	114	210
Total imports	5,724	8,877	15,337	11,842	9,850
Apparent U.S. consumption	***	***	***	***	***
	Value (*1,000 dollars*)				
U.S. producer's shipments	***	***	***	***	***
U.S. imports from--					
France	5,379	7,814	13,834	10,736	9,122
All other sources	582	296	399	209	299
Total imports	5,961	8,110	14,234	10,945	9,422
Apparent U.S. consumption	***	***	***	***	***

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

Table IV-6
Sodium metal: Apparent U.S. consumption and market shares, by sources, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Figure IV-3
Sodium metal: Apparent U.S. consumption, by sources, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

U.S. producer DuPont's U.S. shipments' decreased as a share of the quantity and value of apparent U.S. consumption of sodium metal from 2004 to 2006, while imports from France increased by both measures. Throughout the period for which data were collected, nonsubject imports accounted for a relatively small share of the market in terms of quantity and value (in 2006, nonsubject imports accounted for *** percent of the U.S. market by quantity, and *** percent of the U.S. market by value).

Table IV-7 presents information on the ratio of subject and nonsubject imports to U.S. production of sodium metal. Subject imports increased from *** percent of U.S. production in 2004 to *** percent of U.S. production in 2006. Nonsubject imports decreased from *** percent of U.S. production in 2004 to *** percent in 2005, and then remained below *** percent for the remainder of the period for which data were collected.

Table IV-7
Sodium metal: Ratios of U.S. imports to U.S. production, by sources, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Table IV-8 presents shipment data for DuPont and MSSA by grades and as a percent of U.S. consumption.

Table IV-8
Sodium metal: DuPont's shipments and MSSA (France)'s export shipments to the United States by calcium content, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICING

U.S. prices of sodium metal can fluctuate based on demand factors such as general U.S. economic activity, as well as shifts in demand for products in the sectors where sodium metal is used.[1] On the supply side, prices of sodium metal can also fluctuate based on the cost of sodium chloride and the energy used to produce sodium metal, as well as due to the form and possibly the purity of the product used.[2] In addition, the prices of sodium metal can fluctuate due to quantities contracted, the mode of transportation used, and the length of the contract.[3]

Raw Material Costs

Total raw material costs averaged *** percent of DuPont's total costs of goods sold for sodium metal in the United States during January 2004-September 2007. The principal raw material input used to produce domestic sodium metal is sodium chloride; the cost of energy required to produce sodium metal is also substantial.[4] Sodium chloride accounted for *** percent of DuPont's cost to produce sodium metal during 2006,[5] while the cost of energy and utilities accounted for *** percent of DuPont's cost of goods sold. DuPont stated that sodium chloride costs rose by *** percent during January 2004-September 2007,[6] but asserted that sodium metal from France, allegedly sold at less than fair value, has prevented the firm from raising its prices enough to recover these *** increased costs.[7]

Tariff Rates and Transportation Costs to the U.S. Market

The U.S. normal trade relations *ad valorem* import duty rate under HTS subheading 2805.11.00 was 5.3 percent for U.S. imports of sodium metal, including those from France, during January 2004-September 2007. Transportation charges to ship sodium metal from France to the U.S. ports of entry, as a ratio to the U.S. official customs value, increased from 5.7 percent in 2004 to 7.0 percent by January-September 2007 and averaged 6.7 percent during this period.[8]

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[1] Conference transcript, pp. 41-42 (Hilk).

[2] E-mail from ***, Crowell & Moring LLP, counsel to petitioner, October 25, 2007; and conference transcript, p. 29 (Hilk), pp. 38-39 (Hilk).

[3] There do not appear to be readily available direct substitutes for sodium metal, although substitutes for the downstream products produced with sodium metal, such as alternative downstream products made with inputs other than sodium metal and/or imports of equivalent downstream products (either made with sodium metal or made with inputs other than sodium metal), may also affect the price of sodium metal. Part II discusses in detail substitution between sodium metal and alternative input products and substitution among downstream products.

[4] Conference transcript, p. 15 (Hilk).

[5] U.S. producer questionnaire response, section IV-B-15b.

[6] U.S. producer questionnaire response, section IV-B-15c.

[7] Ibid.

[8] As a ratio to the U.S. landed duty-paid value of sodium metal from France, the transportation charges increased from 5.2 percent in 2004 to 6.3 percent by January-September 2007 and averaged 6.0 percent during this period.

U.S.-Inland Transportation Costs

DuPont and the dominant U.S. importer of sodium metal from France, MSSA (USA), reported in their questionnaire responses U.S. delivered and f.o.b. selling prices to their U.S. customers. From these data, staff calculated the average U.S. freight costs to the two companies' U.S. customers' locations for bulk shipments of sodium metal shipped by iso-containers, tank rail cars, and/or tank trucks.[9] U.S.-inland freight costs for the domestic product averaged *** percent of the delivered price during January 2004-September 2007,[10] while U.S.-inland freight costs of the sodium metal imported from France by MSSA (USA) averaged *** percent of the delivered price during October 2004-September 2007 (the earliest period that MSSA (USA) began importing sodium metal from France).[11] DuPont and three responding U.S. importers of the sodium metal from France, including MSSA (USA),[12] estimated their U.S. shipments of all their domestic and subject imported sodium metal, during January 2004-September 2007, that were shipped to U.S. customers in three specified distance categories;[13] the reported percentage shares for the three distance categories are shown in the following tabulation.

* * * * * * *

DuPont and three U.S. importers of sodium metal from France reported the U.S. geographic market area(s), during January 2004-September 2007, that were served by the firms' domestic and subject

[9] U.S. producer and importer questionnaire responses, section IV-A and III-A.1, respectively. MSSA (USA) also reported the selling price data for bulk shipments of the same sodium metal product it imported from France but shipped by U.S. pipeline to its lone U.S. customer for this mode of U.S. shipment; these pipeline shipments reportedly contained no transportation costs (e-mail and letter from ***, Hunton & Williams LLP, counsel to respondents, November 14, 2007). MSSA (USA)'s U.S. pipeline sales of its imported sodium metal from France represented *** percent of its total reported U.S. commercial shipments of the subject product during January 2004-September 2007. DuPont reported that it does not ship its sodium metal by pipeline to its U.S. customers (conference transcript, p. 46 (Hilk)). DuPont and MSSA (USA) arranged U.S.-inland freight to their U.S. customers (U.S. producer and importer questionnaire responses, sections IV-B-9 and III-B-9, respectively).

[10] Based on the reported quarterly price data, U.S. freight costs for DuPont's sodium metal fluctuated but increased from *** percent during January-March 2004 to *** percent during July-September 2007 (U.S. producer questionnaire response, section IV-A). DuPont also reported that ***. U.S. producer questionnaire response, section IV-B-13.

[11] Based on the reported quarterly price data, U.S. freight costs for MSSA (USA)'s sodium metal imported from France and shipped by iso-containers, tank rail cars, and/or by tank trucks fluctuated but decreased from a period high of *** percent during October-December 2004 to a period low of *** percent during April-June 2005 and then ended at *** percent during July-September 2007 (U.S. importer questionnaire response, section III-A.1).

[12] In addition to MSSA (USA), which imported the sodium metal from France in only bulk form (for sales to industrial/commercial users), three other importers, ***, Columbia Sales, and ***, also reported imports of sodium metal from France. *** imported sodium metal from France (in bulk form but acted only as the importer of record and did not participate in sales efforts) only during January-September 2004. Columbia Sales imports mostly the ingot form of sodium metal from France for sales to industrial/commercial users, and *** imports small quantities of sodium metal for research uses. MSSA (USA) imported *** percent of total reported U.S. imports of sodium metal from France during January 2004-September 2007, so the combined shipment data for all four importers are dominated by MSSA (USA), as are these importers' combined responses (excluding ***, because it was only able to report its imports but no sales value information).

[13] U.S. producer and importer questionnaire responses, sections IV-B-9 and III-B-9, respectively.

imported sodium metal.[14] DuPont and the responding importers reported selling the U.S.-produced and subject imported sodium metal nationally.[15]

Sodium metal is shipped in bulk in the United States by iso-containers,[16] tank rail cars, tank trucks,[17] fused drums,[18] and pipelines; if in molded or ingot/rod form, it is shipped loose in drums.[19] These containers are specially designed for sodium metal due to its dangerous, highly reactive nature.[20] The sodium metal is piped as a liquid into iso-containers, tank rail cars, tank trucks, and fused drums but then solidifies prior to transit (other than by pipeline, reportedly it is illegal to ship liquid sodium metal in the United States).[21] The sodium metal must then be heated at the customers' locations to liquify the material so it can be pumped into the customers' holding tanks, where the sodium metal remains in liquid form ready for use.[22] Sodium metal shipped by pipeline is kept in the liquid state.[23] Sodium metal in molded or ingot/rod form typically is used as is rather than liquefying the material prior to use.[24]

Exchange Rates

Figure V-1 shows quarterly nominal and real exchange rate indices (the latter are nominal exchange rates adjusted for relative rates of inflation in France and the United States) of the euro relative to the U.S. dollar during January 2004-June 2007,[25] the most recent period data were available.

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[14] U.S. producers' and importers' questionnaire responses, sections IV-B-10 and III-B-11, respectively.

[15] *** commented on any changes in their U.S. market areas (Ibid). ***.

[16] Iso-containers resemble tank trucks with ribbing (extra steel) around the tank. The iso-container can be moved to a truck or rail. According to DuPont, iso-containers differ from the specially designed rail cars and tank trucks in which the company also ships sodium metal. Conference transcript, pp. 49-50 (Hilk).

[17] Sodium metal quickly oxidizes in air and reacts violently with water releasing hydrogen gas, which will ignite and explode in air. Thus, companies that ship sodium metal normally use specialized containers, such as iso-containers, to protect against explosions and to permit the reduction of sodium metal to a molten state using hot oil so it can be unloaded to a storage facility. Different size iso-containers reportedly have capacities of 30,000, 33,000, and 36,000 pounds for sodium metal; tank rail cars have capacities of 100,000, 130,000, and 150,000 pounds for sodium metal; and tank trucks hold 36,000 pounds of sodium metal. Petition, exh. I-3.

[18] Fused drums have a maximum capacity of 180 kilograms, or almost 397 pounds, of sodium metal in bulk form. The sodium metal from France shipped in fused drums is the R-grade (10 ppm of calcium) and is used to produce tantalum (letter from ***, Hunton & Williams LLP, counsel to respondents, November 15, 2007; and staff telephone interview with ***).

[19] Fifty-five gallon drums are used to ship sodium metal ingots, which have maximum capacities of 100 to 162 kilograms, or about 220 pounds to 357 pounds, respectively, depending on the size of the ingots (letter from ***, Hunton & Williams LLP, counsel to respondents, November 15, 2007; and staff telephone interview with ***).

[20] Respondents' postconference brief, p. 5. DuPont reported that due to the events of 9/11/2001, U.S. security regulations changed, increasing its costs to ship and store sodium metal in the United States; these changes to its costs occurred prior to 2004 (U.S. producer questionnaire response, section IV-B-16).

[21] E-mail from ***, Crowell & Moring LLP, counsel to petitioner, October 25, 2007; and conference transcript, p. 51 (Hilk).

[22] The iso-containers, tank rail cars, and tank trucks are double-jacketed so heated oil can be pumped around the solid sodium metal to liquify the material (usually taking 8-10 hours to accomplish). Electrical bands, hot boxes, or other means are used to liquify the sodium metal in fused drums. Staff telephone interview with ***.

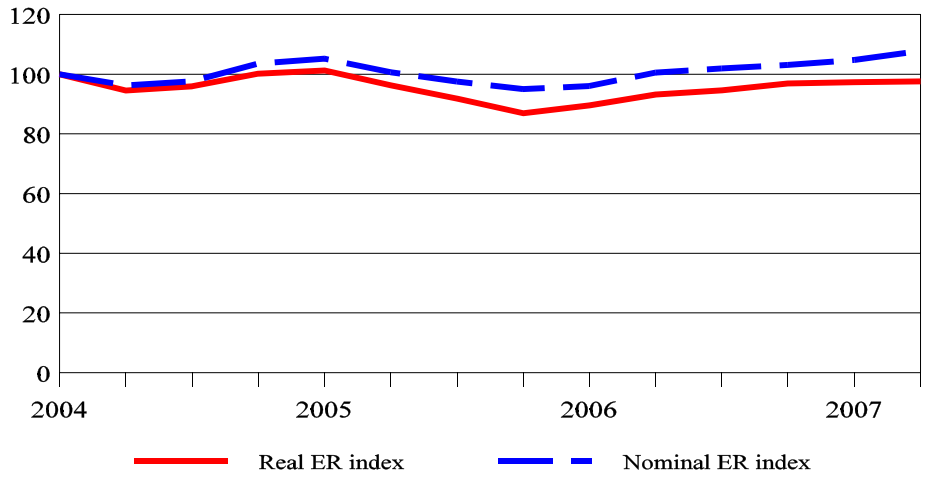
[23] *** (staff telephone interview with ***).

[24] Staff telephone interview with ***.

[25] The quarterly nominal and/or real exchange rates were calculated from quarterly-average nominal exchange rates and, for the real exchange rate, producer price indices reported by the IMF. The exchange rate indices were

(continued...)

Figure V-1
Nominal and real exchange rate indices of the euro relative to the U.S. dollar (the latter based on relative rates of inflation in France and the United States), by quarters, January 2004-June 2007



Note.--Index (Jan.-Mar. 2004=100). Exchange rates are in U.S. dollars per euro.

Source: International Monetary Fund, *International Financial Statistics*, April 2006 and January and September 2007.

The quarterly nominal value of the euro fluctuated against the U.S. dollar during January 2004-June 2007 by less than 8 percent around the initial-period level, with steady appreciation against the U.S. dollar during January-March 2006 through April-June 2007, which ended 7.8 percent higher in value than at the beginning of the period (figure V-1). The quarterly real value of the euro vis-a-vis the U.S. dollar, using the producer price indices in France and the United States, fluctuated similarly against the U.S. dollar during January 2004-June 2007, and also appreciated steadily beginning in January-March 2006, but ended 2.4 percent lower than at the beginning of the period. This real depreciation reflects, at least partially, the higher quarterly rate of inflation in the United States than in France during January 2004-June 2007, which more than offset the nominal appreciation of the euro and tempers the increase in U.S. dollar prices of imported products from France implied by the nominal appreciation of the euro.

MSSA (USA) discussed the impact of exchange rates, particularly the U.S. dollar/euro rate, on its imports of sodium metal from France since January 2004.[26] The U.S. importer reported that ***. At the time, ***, which took into consideration potential variation in the U.S. dollar/euro exchange rate. MSSA (USA) reported that ***, although part of its costs of importing sodium metal from France is in U.S. dollars (U.S.-inland transportation costs, custom duties, commission fees, and maritime shipping costs). MSSA (USA) reported that as soon as it has had the opportunity, it has ***. In 2007, MSSA (USA) reported ***,[27] and very recently ***.

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[25] (...continued)
based on exchange rates expressed in U.S. dollars per unit of the foreign currency, such that index numbers below 100 represent depreciation and numbers above 100 represent appreciation of the foreign currency vis-a-vis the U.S. dollar. The exchange rate for France is shown in U.S. dollars per euro as this country is a member of the European Economic and Monetary Union and no longer has an individual national currency.

[26] Respondents' postconference brief, Answers to Staff Questions, p. 12.

[27] ***. Respondents' postconference brief, Answers to Staff Questions, p. 7.

PRICING PRACTICES[28]

The U.S. producer, DuPont, and importers of sodium metal from France sell exclusively in the U.S. market directly to U.S. end users of sodium metal. The majority of U.S. sales of sodium metal is typically negotiated between the sodium metal suppliers and U.S. end users as multi-annual contracts/ agreements (long-term sales), followed in frequency by short-term sales and then by spot sales.[29] The U.S. producer of sodium metal and three responding U.S. importers of sodium metal from France reported their 2006 U.S. shipments by type of sale.[30] Shares of the 2006 U.S. commercial shipment quantities of the domestically produced and subject imported sodium metal, by type of sale, are shown in the following tabulation.

* * * * * * *

Negotiations involving long-term contracts/agreements usually occur in the fourth quarter of the last year of the current contract/agreement for shipments throughout the following years contracted. Short-term sales, which are typically one year in duration in the U.S. sodium metal market, are negotiated annually. Spot sales may also occur during the contract period when the purchaser requires an additional quantity beyond the contracted quantity.

Long-Term and Short-Term Contracts/Agreements

The U.S. producer, DuPont, and U.S. importers of sodium metal reported the terms of long-term and short-term contract/agreement sales and described how prices were negotiated.[31] DuPont and the two responding importers of the sodium metal from France, MSSA (USA) and Columbia Sales, reported the requested details of their long-term and any short-term contracts, which are shown in the tabulation on the following page.[32]

DuPont, MSSA (USA), and Columbia Sales also discussed how they negotiate prices for their long-term and short-term contracts for the domestic sodium metal and that imported from France; such negotiations were similar for long-term and short-term sales for DuPont and MSSA (USA), while Columbia Sales ***.[33] DuPont reported for its U.S.-produced sodium metal that it--

"***."

MSSA (USA) reported the following in discussing how it negotiated prices for its imported sodium metal from France in long-term and short-term agreements--

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[28] Information on pricing practices discussed in this section were based on questionnaire responses of the U.S. producer of sodium metal, DuPont, and importers of sodium metal from France, unless otherwise specified.

[29] Spot sales are usually one-time delivery, within 30 days of the purchase agreement; short-term sales are for multiple deliveries for up to 12 months after the purchase agreement; and long-term sales are for multiple deliveries for more than 12 months after the purchase agreement. Short-term and long-term sales can be established by contracts or verbal agreements.

[30] U.S. producers' and importers' questionnaire responses, sections IV-B-1 and III-B-1, respectively.

[31] U.S. producer and importer questionnaire responses, sections IV-B-3, 4, and 5 and III-B-3, 4, and 5, respectively.

[32] U.S. producer and importer questionnaire responses, sections IV-B-2 and 3 and III-B-2 and 3, respectively.

[33] U.S. producer and importer questionnaire responses, sections IV-B-4 and III-B-4, respectively.

"***."[34]

Columbia Sales reported the following in discussing how it negotiated prices for its imported sodium metal from France in long-term agreements--

"***."

Spot-Basis Sales

DuPont and three responding U.S. importers of sodium metal from France--Columbia Sales, MSSA (USA), and ***--discussed how they establish prices on a spot sale basis for the domestic and subject imported sodium metal.[35] DuPont reported that "***." *** reported that "***." *** reported that they determine prices for their ***.[36]

Other Pricing Practices

DuPont, the three responding U.S. importers of sodium metal from France, and the two responding importers of sodium metal from China (a nonsubject country) reported shipping most of their sodium metal, whether in bulk or ingot form, directly to end users.[37] In addition, the U.S. producer, DuPont, and four of the five responding importers of sodium metal reported that they did not sell their sodium metal over the internet; the remaining responding U.S. importer, ***, reported selling *** percent of its U.S. shipments of its imported sodium metal from France in 2006 over the internet.[38]

DuPont and two of three responding U.S. importers of the sodium metal from France, ***, reported quoting prices on a *** basis, whereas the remaining U.S. importer of the French material, ***,[39] reported quoting prices on a *** basis.[40] DuPont and the three responding U.S. importers of sodium metal from France reported offering payment terms of net *** days, although one of the importers, ***, reported offering one of its customers, ***, net *** days and another customer, ***, net *** days (the latter since the beginning of 2007).[41]

Although *** and the two responding U.S. importers of sodium metal from France, ***, reported that they have no discount policy, all three firms reported that quantity plays a role in determining price.[42]

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[34] *** cited comments of five U.S. customers–***–where *** allegedly offered lower prices than *** for sodium metal. *** of these customers are among the six purchasers cited in lost revenue and lost sales allegations; responses of all six cited purchasers are shown in the Lost Revenues and Lost Sales section of Part V.

[35] U.S. producer and importer questionnaire responses, sections IV-B-5 and III-B-5, respectively.

[36] *** (importer questionnaire response, section III-B-16).

[37] U.S. producer and importer questionnaire responses, sections II-9 and II-5, respectively. The only exception is DuPont, which *** (staff telephone interview with ***).

[38] U.S. producer and importer questionnaire responses, sections IV-B-12 and III-B-10, respectively. *** in 2006 totaled *** percent of total reported U.S. commercial shipments of the imported sodium metal from France during this period; ***.

[39] *** sells its imported sodium metal from France ***.

[40] U.S. producer and importer questionnaire responses, sections IV-B-7 and III-B-7, respectively. DuPont, MSSA (USA), and *** reported that they arranged U.S.-inland freight to their U.S. customers, whereas Columbia Sales' customers arranged the U.S.-inland freight (Ibid.).

[41] U.S. producer and importer questionnaire responses, sections IV-B-6 and III-B-6, respectively.

[42] *** importer questionnaire response, Section III-B-4; and Respondents' postconference brief, pp. 10-11. The petitioner reported that ***." E-mail from ***, Crowell & Moring LLP, counsel to petitioner, November 28, 2007.

DuPont's largest U.S. customer in 2006 was ***, accounting for *** percent of its sodium metal shipments during this year.[43] MSSA (USA) asserted that DuPont's largest customer buys sodium metal based on a global negotiation between DuPont and Rohm and Haas, such that, according to MSSA (USA), the prices agreed to in Europe, as Rohm and Haas dictates, will apply to the United States.[44] MSSA (USA) further asserted that DuPont's prices for Rohm and Haas in the United States are not influenced by the prices of imported sodium metal from France.[45] DuPont was asked to explain in its postconference brief the effect on its selling prices in the U.S. when its purchase agreement involves shipments both here in the United States and to off-shore locations.[46]

DuPont and the three responding U.S. importers of sodium metal from France--Columbia Sales, MSSA (USA),[47] and ***--reported the share of their U.S. 2006 commercial shipments that were from U.S. inventory and/or direct from U.S. production or French production/inventory; the firms also reported the order lead times for delivery to their customers from each of these supply sources.[48] These reported data are shown in the following tabulation.

* * * * * * *

PRICE DATA

U.S. selling value and quantity data were requested in U.S. producer and importer questionnaires for sales to U.S. customers for the following sodium metal product category produced in the United States and imported from France:[49]

> *Product category 1*.--Sodium metal (Na) with calcium (Ca) levels equal to, or less than, 550 ppm, and sold in the United States via an iso-container, a rail tank car, and/or a tank truck.

The price data were based on both quarterly net U.S. delivered and f.o.b. selling price data of the U.S. producer and responding U.S. importers for their shipments of the specified domestic and imported French product category 1 during January 2004-September 2007, to U.S. customers unrelated to the

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[43] U.S. producer questionnaire response, section IV-C.

[44] Conference transcript, p. 11 (Silverman).

[45] Ibid.

[46] Conference transcript, p. 51 (Benedick). DuPont did not provide an explanation as requested, however, according to its November 28, 2007, submission, DuPont's shipments to this customer ***. E-mail from ***, Crowell & Moring LLP, counsel to petitioner, November 28, 2007.

[47] MSSA (USA) reported that just-in-time deliveries and logistic solutions are very important to U.S. customers of sodium metal because sodium metal is such a highly reactive product. Large customer inventories reportedly are impractical for most customers, and sodium metal requires expensive and specially-designed transportation equipment to protect the sodium metal from contact with air and water. Respondents' postconference brief, p. 5.

[48] U.S. producer and importer questionnaire responses, sections IV-B-11 and III-B-12, respectively. All of the responding firms reported that lead times have not changed since January 2004 (Ibid.).

[49] The petitioner, DuPont, suggested this product category for collecting price data, and indicated that the specified product form (bulk) and modes of transport, on a delivered price basis, represent the normal business practice of competition in the U.S. market between the domestic and imported French sodium metal. The specified product purity includes both a technical grade and one or more specialty grades, which the petitioner asserted would not cause product aggregation problems because U.S. customers reportedly do not pay a price premium based on the calcium level in these grades of sodium metal. E-mail from ***, Crowell & Moring LLP, counsel to petitioner, October 25, 2007. In addition, DuPont asserted at the conference that if there were any product aggregation issues, they would be very minimal. Conference transcript, p. 39 (Hilk).

selling firms.[50] In addition, each U.S. importer was requested to provide the selling price data for the specified sodium metal product category that it imported from its largest nonsubject country source.

The U.S. producer of sodium metal, DuPont, and one responding U.S. importer of sodium metal from France, MSSA (USA), reported the requested selling price information, but not necessarily for all periods. DuPont reported total sales quantities of the U.S.-produced sodium metal product category 1 for pricing purposes during January 2004-September 2007 that amounted to *** pounds, or almost *** percent of their total reported U.S. commercial shipments of U.S.-produced sodium metal during this period. MSSA (USA) reported total sales quantities of the subject imported sodium metal product category 1 for pricing purposes during October 2004-September 2007 (the earliest period that MSSA (USA) began importing sodium metal from France) that amounted to *** pounds, which accounted for *** percent of total reported U.S. commercial shipments of imported sodium metal from France during January 2004-September 2007.

MSSA (USA) also reported pricing data for imported bulk sodium metal from France, with calcium levels equal to, or less than, 550 ppm that was shipped by pipeline in the United States.[51] MSSA (USA) reported total sales quantities of this latter subject imported sodium metal for pricing purposes during January 2005-September 2007 (the earliest period that MSSA (USA) began shipping its sodium metal from France by pipeline in the United States) that amounted to *** pounds, which accounted for an additional *** percent of total reported U.S. commercial shipments of imported sodium metal from France during January 2004-September 2007.

In addition, DuPont reported U.S. selling price data of sodium metal ingots that it imported from China during January 2004-September 2007.[52]

Price Trends

Weighted-average selling prices of the domestic and imported French sodium metal product category 1, for U.S. shipments by iso-containers, rail tank cars, and/or tank trucks, are DuPont's and MSSA (USA)'s reported quarterly net U.S. delivered and f.o.b. selling price data to U.S. customers.[53] Quarterly trends in weighted-average selling prices and quantities of this domestic and subject imported product category 1 for these shipping modes are shown in table V-1; price comparisons between the domestic and the subject imported product category 1 are also shown in this table. The quarterly

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[50] The reporting firms were believed to sell all of their sodium metal on a delivered price basis, such that they were requested to estimate, to the extent possible, the net f.o.b. U.S. selling value (for instance, deduct from the U.S. delivered value the U.S.-inland freight cost (or an estimate of this cost) they charged, or otherwise arranged, to deliver the sodium metal to customers at their U.S. receiving location(s)). The firms were requested not to report sales transactions where they were unable to report values on both a delivered and, either actual or adjusted, a f.o.b. U.S. point(s) of shipment basis. Price data were requested on both a U.S. delivered and f.o.b. basis because (1) DuPont and MSSA (USA) sell on a delivered price basis and (2) a U.S. f.o.b. basis, although estimated, would exclude U.S. inland freight, which may distort price comparisons when included in the price data.

[51] MSSA (USA) also sells its imported sodium metal from France in the United States by pipeline, to a single customer, MEMC, located near the U.S. port of entry and MSSA (USA)'s transloading facility, such that U.S. shipping charges are *** (staff telephone interview with ***). DuPont does not ship its U.S.-produced sodium metal commercially by pipeline in the U.S. market (E-mail from ***, Crowell & Moring LLP, counsel to petitioner, October 25, 2007).

[52] DuPont's reported total sales quantities of the imported sodium metal ingots from China for pricing purposes during January 2004-September 2007 amounted to a total of *** pounds, or *** percent of total official U.S. sodium metal imports from China during this period.

[53] The prices shown are for the data reported by DuPont and MSSA (USA), with the weighted-average prices representing each firm's total transactions within each quarter rather than also weighting of sales for two or more firms in each quarter.

weighted-average selling prices and quantities of the domestic and subject imported sodium metal product category 1 for these shipping modes are shown in figure V-2.

Weighted-average selling prices of the subject imported bulk sodium metal from France with calcium levels equal to, or less than, 550 ppm that was shipped by pipeline in the United States are shown in table V-2. Selling prices of the imported sodium metal ingot imported from China are shown in appendix D.

Table V-1
Sodium metal: Net weighted-average U.S. delivered and f.o.b. selling prices and quantities of domestic and subject imported sodium metal product category 1 and margins of underselling/ (overselling), by quarters, January 2004-September 2007

* * * * * * *

Figure V-2
Sodium metal: Net weighted-average U.S. delivered and f.o.b. selling prices and quantities of domestic and subject imported product category 1, by quarters, January 2004-September 2007

* * * * * * *

Table V-2
Sodium metal: Net weighted-average U.S. delivered and f.o.b. selling prices and quantities of bulk sodium metal from France shipped in the United States by pipeline, by quarters, January 2005-September 2007

* * * * * * *

The discussion of price trends is based on U.S. shipments by iso-containers, tank rail cars, and/or tank trucks, except where otherwise noted. The weighted-average quarterly selling prices of the U.S.-produced and imported French sodium metal product category 1, whether on a U.S. delivered or f.o.b. price basis, fluctuated generally without a clear trend during January 2004-September 2007 for the domestic product and during October 2004-September 2007 for the imported product from France (the earliest period that MSSA (USA) began importing sodium metal from France). DuPont's quarterly U.S. selling prices of its U.S.-produced product category 1 dipped below its initial-period value during the period,[54] whereas MSSA (USA)'s selling prices of the imported French product category 1 remained above its initial-period value during the period (table V-1 and figure V-2). On a delivered basis, DuPont's quarterly selling prices of its U.S.-produced sodium metal product 1 increased from $*** per pound during January-March 2004 to a period high of $*** per pound by ***, or by *** percent, and then fluctuated to end at $*** per pound in July-September 2007, or *** percent higher than the initial-period value.[55] On a U.S. f.o.b. basis, DuPont's quarterly selling prices of its U.S.-produced sodium metal product 1 increased from $*** per pound during January-March 2004 to a period high of $*** per

[54] On the other hand, DuPont's reported quarterly U.S. selling prices of its imported sodium metal ingots from China fluctuated but increased during January 2004-September 2007, by *** percent on a delivered price basis and by *** percent on an f.o.b. basis. DuPont's quarterly U.S. net f.o.b. selling values of its imported sodium metal ingots averaged $*** per pound during January 2004-September 2007 compared to $*** per pound for its U.S.-produced bulk sodium metal shipments during this period.

[55] As noted earlier in Part V, quarterly U.S. transportation costs as a share of the delivered price for DuPont's sodium metal shipped to its U.S. customers generally increased, from *** percent during January-March 2004 to *** percent during July-September 2007. Quarterly changes in delivered prices may be influenced, at least somewhat, by changes in U.S. shipping costs.

pound by ***, or by *** percent, and then fluctuated to end at $*** per pound in July-September 2007, or *** percent lower than the initial-period value.[56]

On a delivered basis, MSSA (USA)'s quarterly U.S. selling prices of its imported sodium metal product 1 from France fluctuated but increased from $*** per pound during October-December 2004 (the earliest period that MSSA (USA) began importing sodium metal from France) to a period high of $*** per pound by ***, or by *** percent, and then decreased to end at $*** per pound by ***, or *** percent above the initial-period value.[57] On a U.S. f.o.b. basis, MSSA (USA)'s quarterly selling prices of its imported sodium metal product 1 from France fluctuated but increased from $*** per pound during October-December 2004 to a period high of $*** per pound by ***, or by *** percent, and then decreased to end at $*** per pound by ***, or *** percent above the initial-period value.[58]

Total quarterly sales quantities reported by DuPont and MSSA (USA) for the U.S.-produced sodium metal product category 1 and that imported from France fluctuated during January 2004-September 2007 for the domestic product and October 2004-September 2007 for the imported product from France, with the quarterly quantities of the domestic product trending downward during this period and the quantities of the imported French product trending upwards somewhat (table V-1 and figure V-2). DuPont's quarterly shipment quantities of its U.S.-produced sodium metal product 1 fluctuated but generally decreased from *** pounds during January-March 2004 to *** pounds during July-September 2007, or by a total of almost *** percent. MSSA (USA)'s quarterly shipment quantities of its imported sodium metal product 1 from France increased from the initial-period level of *** pounds during October-December 2004 (the earliest period that MSSA (USA) began importing sodium metal from France), to a period high of *** pounds during ***, or by *** percent, then fluctuated but decreased to end at *** pounds by ***, or *** percent lower than the period-high level.

[56] Product category 1 includes DuPont's technical and specialty grades of sodium metal. DuPont reported that "it tries to capture the value for the extra costs that it incurs for the specialty grade, but it has been virtually impossible to get a premium in the last two, three, or four years, in the competitive situation in the United States" (conference transcript, p. 38 (Hilk)). However, it is not clear what this extra value would be, because DuPont was *** (petitioner's postconference brief, exh. 1, p. 2).

[57] As noted earlier in Part V, quarterly U.S. transportation costs as a share of the delivered price for MSSA's sodium metal imported from France and shipped to its U.S. customers fluctuated but decreased, from *** percent during October-December 2004 to *** percent during July-September 2007. Quarterly changes in delivered prices may be influenced, at least somewhat, by changes in U.S. shipping costs.

[58] No quarterly sales price data were reported by the two other active U.S. importers of sodium metal from France that reported shipment quantities and net f.o.b. sales values during January 2004-September 2007. Based on these companies' shipment figures, Columbia Sales, which accounted for *** percent of total reported U.S. shipments of sodium metal from France during this period, had unit net f.o.b sales values averaging $*** per pound for primarily ***. ***, which accounted for only *** percent of total reported U.S. shipments of sodium metal from France during January 2004-September 2007, had unit net f.o.b. sales values averaging $*** per pound for its imported sodium metal from France (this was sold ***).

Price Comparisons[59]

A total of 12 quarterly net weighted-average selling price comparisons were possible between the domestic sodium metal product category 1 and that imported from France and shipped to U.S. customers during January 2004-September 2007. On a delivered selling price basis, 3 of the 12 selling price comparisons involving the domestic and imported French specified sodium metal product showed that the imported product was priced less than the domestic product, whereas the remaining 9 selling price comparisons showed the subject imported product to be priced higher than the domestic product. On a U.S. f.o.b. selling price basis, 1 of the 12 selling price comparisons involving the domestic and imported French specified sodium metal product 1 showed that the imported product was priced less than the domestic product, whereas the remaining 11 selling price comparisons showed the subject imported product to be priced higher than the domestic product. The selling price comparisons involving the domestic and imported French specified sodium metal product 1 are shown by price basis and by period in table V-3.

Table V-3
Sodium metal: Number of quarterly net weighted-average U.S. delivered and f.o.b. selling price comparisons between U.S.-produced and imported French sodium metal, import quantities, ranges of under/overselling, by quarters, October 2004-September 2007

* * * * * * *

LOST REVENUES AND LOST SALES

DuPont's Allegations

In the petition, DuPont reported seven lost revenue allegations and eight lost sales allegations,[60] reportedly due to competition from imports of sodium metal from France during January 2003-September 2007 and expected in 2008.[61] The seven lost revenue allegations involved a total value of *** for *** of sodium metal, while the eight lost sales allegations involved a total value of *** for *** of sodium metal. DuPont frequently was unable to provide competing prices of the subject imported sodium metal.

The six U.S. purchasers cited in the lost revenue and/or lost sales allegations, the transaction information supplied by DuPont, and whether the responding purchasers agreed, disagreed, or cited "other" to the allegations are shown in table V-4 for lost revenue allegations and table V-5 for lost sales allegations. Comments of all six responding purchasers and of DuPont are shown in the text.

Table V-4
Sodium metal: U.S. producer's lost revenue allegations

* * * * * * *

[59] Price comparisons are based on U.S. bulk shipments of the specified sodium metal product 1 category by iso-containers, tank rail cars, and/or tank trucks. DuPont stated that "... but for reasons that could not be foreseen by the Commission staff ***, the analysis and interpretation of the price comparison data has turned out to be incomplete." Petitioner's postconference brief, p. 17.

[60] DuPont indicated that, prior to having lost sales, it was never approached by any of its customers about concerns regarding the calcium content of DuPont's sodium metal (petitioner's postconference brief, exh. 1, pp. 3-4).

[61] DuPont's sales of sodium metal ***.

Table V-5
Sodium metal: U.S. producer's lost sales allegations

* * * * * * *

Purchaser Responses

***[62] reported that it "disagreed" with the *** involving the firm.[63] *** made the following comments:

"***."

***[64] reported "other" for the *** involving the firm.[65] *** reported that in the *** the decision was not purely a price decision. In the ***, *** made the following additional comment:

"***."[66]

In the ***, *** made the following additional comments:

"***."

***[67] reported that it "disagreed" with the *** involving the firm.[68] [69] In the ***, *** made the following additional comment:

"***."

In the ***, *** made the following comments:

"***[70]***[71]***."

*** also made the following statements:

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[62] ***. Petition, Exh. III-5, p. 1.

[63] E-mail from ***.

[64] ***. Petition, Exh. III-5, p. 2.

[65] Fax from ***.

[66] In addition, *** reported that "***." *** importer questionnaire response, section III-B-4.

[67] ***. Petition, Exh. III-5, p. 2.
***. Petitioner's postconference brief, exh. 2, pp. 2-3.

[68] E-mail and fax from ***.

[69] In addition, *** reported that ***. *** importer questionnaire response, section III-B-4.

[70] ***. Respondents' postconference brief, Answers to Staff Questions, p. 7.

[71] ***. E-mail and fax from ***. DuPont indicated that it produces a sodium metal product of 200 ppm (petitioner's postconference brief, exh. 2, p. 1).

"***."[72] "***."[73] ***[74] ***."[75]

***[76] reported that it "disagreed" with the *** involving the firm.[77] *** provided the following comments involving the ***:

"***."

In the ***, *** provided the following comments:

"***"--

1. "***."[78]

2. "***."

3. "***."

"***."

***[79] reported that it "disagreed" with the *** involving the firm.[80] *** provided the following comments involving the ***:

"***."

In the ***, *** provided the following comments:

"***."

*** provided the following additional comments:[81]

***.

***[82] reported that it "disagreed" with the *** involving the firm.[83] *** provided the following comments involving the ***:

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[72] ***.

[73] *** (petitioner's postconference brief, exh. 2, p. 2).

[74] *** (petitioner's postconference brief, exh. 2, p. 2).

[75] Respondents' postconference brief, Answers to Staff Questions, p. 7.

[76] ***. Petition, Exh. III-5, p. 2.

[77] Fax from ***.

[78] In addition, MSSA (USA) reported that "***." *** importer questionnaire response, section III-B-4.

[79] ***. Petition, Exh. III-5, p. 2.

[80] E-mail from ***.

[81] Respondents' postconference brief, exh. 3 (letter from ***).

[82] ***. Petition, Exh. III-5, p. 3.

[83] E-mail from ***.

"***."

"***," shown below.

In the ***, *** provided the following comments:

"***."[84]

"***."

Comments of Other U.S. Purchasers

U.S. purchasers of sodium metal–***,[85] ***,[86] Interstate Chemical Co.,[87] ***,[88] and Texas Molecular, LP,[89]--provided comments regarding supply comparisons between DuPont's sodium metal and the imported sodium metal from France.[90]

***. ***.[91] ***.[92] ***;[93] ***.

Interstate Chemical Co. (Interstate) stated that the firm purchases sodium metal to manufacture sodium methylate, a product that is used for numerous applications, including the catalyst system for biodiesel production; the firm noted that its involvement in sodium methylate production is recent. Interstate sells its sodium methylate produced from sodium metal imported from France to its biodiesel customers and to some of its pharmaceutical and surfactant customers.[94]

Interstate asserted that when it was first trying to secure a vendor for sodium metal, DuPont would not quote the firm a price over the phone.[95] Because Interstate did not want DuPont to know it was going to produce sodium methylate (the firms were competitors in the downstream market), it contacted MSSA (USA).[96] After hearing from MSSA (USA) about their sodium metal with lower calcium content than that of DuPont and because they were not a competitor, Interstate agreed to source the product from MSSA (USA) and, at this point, Interstate reportedly then put together several multi-year customers for

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[84] ***. Petition, Exh. III-5, p. 3.
***. *** importer questionnaire response, section III-B-4.

[85] Respondents' postconference brief, pp. 11-12 and exh. 1 (letter from ***).

[86] Respondents' postconference brief, p. 14 and exh. 4 (letter from ***).

[87] Conference transcript, pp. 113-126 (Merz).

[88] Respondents' postconference brief, p. 12 and exh. 2 (letter from ***.

[89] Conference transcript, pp. 110-113 (Harris).

[90] In addition, *** asserted that "***." *** importer questionnaire response, section III-B-4.

[91] ***. Respondents' postconference brief, exh. 4, p. 2 (letter from ***).

[92] ***. Ibid.

[93] ***. Respondents' postconference brief, exh. 4, pp. 2-3 (letter from ***).

[94] Conference transcript, pp. 113-126 (Merz). In early February 2007, prior to the firm beginning production of sodium methylate, Interstate asserted that it learned from its customers that one or two sodium methylate producers, out of three such producers attending a meeting of 100 or more major biodiesel manufacturers, attempted to coerce the biodiesel producers to sign a seven year take-or-pay contract for sodium methylate. The U.S. biodiesel producers reportedly were told that if they did not agree to the terms, the sodium methylate producers may sell their sodium methylate in Europe instead of the United States and short the market (Ibid).

[95] ***. (Staff telephone interview with ***).

[96] Interstate did not want to purchase sodium metal imported from China (the only other source of this material of which Interstate was aware of), based on everything it heard in the news about product coming out of China, including, according to Interstate, its customers' negative opinions about bringing in Chinese product.

sodium methylate supply.[97] Interstate's promotional material (submitted as an exhibit at the conference) advertises the superior quality of its sodium methylate because, at least partly, of the pure supply of sodium metal from MSSA (USA). Interstate emphasized that its decision to buy sodium metal from MSSA (USA) is not based on price but based on (1) a competitive position vis-à-vis DuPont in the downstream market and (2) because of the higher quality product from MSSA (USA).[98]

In addition, Interstate asserted that three weeks ago it received a call from the General Manager of *** who indicated that they were building inventory and had some *** for sale.[99] Interstate reported that it purchased *** from ***, because the price was below market and even below its cost.[100] According to Interstate, several customers have told the firm that they buy sodium methylate from Interstate, in part, because Interstate does not use DuPont's sodium metal as a raw material feedstock for Interstate's sodium methylate.[101]

*** manufactures in the United States a *** for the *** industry using sodium metal, which ***. *** purchases the imported sodium metal from France; according to *** DuPont currently ***. *** made the following statements:

***."[102]

Texas Molecular LP (Texas Molecular)[103] stated that earlier this year it had contacted DuPont for a price quote for approximately 3 million pounds per year of sodium metal, but the firm has not yet received a response. Texas Molecular believes it has not heard from DuPont because the latter firm is

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[97] According to Interstate, while it was gearing up its U.S. production of sodium methylate (it had not produced any yet), DuPont began to make negative comments about Interstate's product to some of the firm's target and contract customers by saying it was poor quality overall, and it had a high moisture content. Interstate stated that such claims were untrue, but, according to Interstate, DuPont tried with such claims to get its customers to exclude Interstate Chemical in the bid process for sodium methylate supply contracts.

[98] Interstate stated that it expects to expand its sodium methylate business rapidly in the coming months and years, but it must be able to depend on a reliable supply of sodium metal. It expressed concern regarding DuPont's willingness to supply Interstate, because Interstate chose to compete with them and not make product for DuPont like ***, and because Interstate testified at the Commission's conference on behalf of MSSA (USA).

[99] DuPont reportedly had, at least temporarily, cut its purchases from *** by approximately one-half of their production capacity. According to Interstate (as relayed by ***), one of DuPont's sodium methylate customers slowed its purchases.

[100] ***. *** (respondents' postconference brief, e-mail from ***). According to Interstate, the biggest issue with the biodiesel industry is having high quality. According to Interstate, *** told the firm that DuPont's sodium metal has calcium impurities that vary from tank wagon to tank wagon and needs to be filtered, occasionally multiple times, so the downstream sodium methylate will meet color, haziness specifications, and be free of suspended solids; this reportedly increases *** costs to produce ***.

[101] As examples, a few of Interstate's customers who use sodium methylate to make surfactants--products such as soaps and cosmetic facial creams-- indicated, according to Interstate, that they cannot use sodium methylate made by DuPont, because it does not pass through their chemistry lab tests due to the calcium impurities in DuPont's sodium metal. In addition, Interstate explained that its Caterpillar-made trucks (Interstate reportedly has 150 tractors and 250 tank wagons) burn diesel fuel, but Caterpillar does not allow Interstate to use more than five percent biodiesel in the Caterpillar engines right now (the Cummings engines allow 15 percent diesel), or it voids the warranty. The reason for these restrictions on biodiesel is that the industry producing biodiesel has not standardized its product quality; the specification for biodiesel is very important for truck producers like Caterpillar.

[102] ***. Letter from ***.

[103] Texas Molecular does not currently purchase sodium metal, but it is in the process of entering the sodium methylate market, and is currently negotiating with MSSA (USA) for the purchase of sodium metal to make sodium methylate. The firm expects to begin sourcing the sodium metal from MSSA (USA) in February or March of 2008.

also producing sodium methylate and Texas Molecular would be competing with DuPont.[104] Texas Molecular anticipates a strong and growing U.S. demand for sodium metal, as it meets the strong and growing U.S. demand for sodium methylate in the U.S. biodiesel market. Texas Molecular asserts that the growth of the sodium methylate market will boost overall demand for DuPont's own sodium metal production; either through their own internal consumption, or through sales of sodium metal to other sodium methylate producers.

Texas Molecular reported that it is not interested in purchasing Chinese sodium metal because of serious quality concerns it has with the Chinese product, particularly with respect to calcium content.[105] Texas Molecular reported that, in contrast to DuPont, MSSA (USA) was willing to negotiate with the firm. In addition, Texas Molecular understands that MSSA (USA)'s sodium metal is a better quality than DuPont, with less calcium, which clogs storage tanks, making it costly and dangerous to clean. Also, according to Texas Molecular, its customers told the firm that they have had concerns with sodium methylate produced using sodium metal from DuPont. Texas Molecular plans to advertise, as a sales tool, the superiority of its sodium methylate, based in part on lower residuals due to cleaner sodium metal from MSSA (USA).

[104] When Texas Molecular learned that DuPont was the only U.S. producer of sodium metal they decided not to pursue this supplier, as DuPont would be a competitor.

[105] Texas Molecular stated that for the last month, Chinese companies, through distributors in the United States, have offered pricing for the Chinese sodium metal that is actually less expensive than the French material.

PART VI: FINANCIAL EXPERIENCE OF THE U.S. PRODUCER

BACKGROUND

DuPont, the only U.S. producer of sodium metal, reported its sodium metal financial results on the basis of U.S. generally accepted accounting principles ("GAAP") and for calendar-year periods.[1]

DuPont's sodium metal operations take place within the Reactive Metals business unit which is itself one of 18 business units comprising DuPont Chemical Solutions Enterprise (DCSE). DCSE is in turn part of DuPont's Safety and Protection segment.[2] While a relatively small volume of internal consumption was reported, the majority of DuPont's sodium metal revenue represents commercial sales composed of domestic and export shipments.

OPERATIONS ON SODIUM METAL

Income-and-loss data for operations on sodium metal are presented in table VI-1 and on an average unit basis in table VI-2. A variance analysis of sodium metal financial results is presented in table VI-3.

Table VI-1
Sodium metal: Results of sodium metal operations, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Table VI-2
Sodium metal: Results of sodium metal operations (*per pound*), 2004-06, January-September 2006, and January-September 2007

* * * * * * *

Table VI-3
Sodium metal: Variance analysis of sodium metal financial results of operations, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

The underlying components of sodium metal sales volume changed somewhat during the period: in 2005 compared to 2004, internal consumption ***, while exports increased and domestic commercial sales *** (see table III-2) throughout the period. Despite these changes, sodium metal sales volume moved within a relatively narrow range during the full-year period. The interim period sales volume, in contrast, reflected a *** decline.

Consistent with relatively stable full-year sales volume, the table VI-3 variance analysis shows that *** higher sodium metal revenue in 2006 compared to 2004 was due to a positive price variance. The subsequent decline in revenue during the interim period was due to a *** reduction in sales volume, as referenced above.

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[1] ***.

[2] Letter from Crowell Moring on behalf of DuPont, November 16, 2007.

As shown in table VI-2, per pound commercial sales values *** during the period, but were *** compared to internal consumption values.[3] In part III of this report, table III-2 also shows that average domestic shipment values were *** compared to average export values.

While full-year sodium metal revenue increased *** between 2004 and 2006 and then dropped *** in interim 2007 compared to interim 2006, gross profit declined throughout the entire period. The contraction of sodium metal gross profit was principally due to higher average costs and slower growth in corresponding average sales values; i.e., when considering the period as a whole (2004 through September 2007), average sales value increased at an average annual rate of approximately *** percent, while average COGS increased at an average annual rate of approximately *** percent.[4]

Notwithstanding other factors, *** higher average sodium metal COGS (specifically other factory costs and to a certain extent direct labor) at the end of the period is generally consistent with reduced fixed cost absorption as sodium metal production declined.[5] With respect to other factory costs, the company stated that in general ***.[6]

In contrast with most cases, direct labor is the *** component of sodium metal COGS ***. With respect to this pattern, a company official stated that ". . . sodium metal production is labor intensive relative to other chemical processes. Sodium metal production requires a high number of operators performing physical and manual tasks. Because the production cells have to run 24 hours a day, flexibility of manpower is limited."[7]

Average raw material costs (primarily sodium chloride) also generally increased from 2004 through 2006. At the staff conference, a company official confirmed that the underlying cost of sodium chloride increased during the period, as opposed to just the freight-in (transportation cost) component. The company official also stated that DuPont purchases sodium chloride from multiple sources in New York state, receiving it ". . . in bulk in a very economical delivery system."[8]

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[3] With respect to the observed difference between average commercial sales values and internal consumption, DuPont stated that ***. Letter from Crowell Moring on behalf of DuPont, November 16, 2007.
***. Petitioner's postconference brief, exhibit 1, pp. 14-15. ***.

[4] In contrast, between full-year 2004 and 2006 overall average COGS increased at an average annual rate of *** percent. The difference between the COGS growth rate for the period as a whole (*** percent) and the full-year 2004-06 growth rate (*** percent) is due primarily to higher interim 2007 ***.

[5] This is consistent with statements at the staff conference that the sodium metal production process is capital intensive. According to a company official, there ". . . are three key points to remember about the production of sodium metal. It is highly capital, labor, and energy intensive. What do we mean by "capital intensive"? There is a huge sunk investment in sodium metal production facilities that is often four to five times annual revenue. Sodium metal facilities are most efficient when operating at levels close to 100 percent of their available capacity because the manufacturing operations have a high ratio of fixed-to-variable costs." Conference transcript, pp. 15-16 (Hilk). ***.
As shown in table III-1, DuPont's capacity utilization fluctuated during the full-year periods and then declined *** in interim 2007 compared to interim 2006.

[6] Letter from Crowell Moring on behalf of DuPont, November 16, 2007. ***.

[7] Staff conference transcript at pp. 16-17 (Hilk). The company official also noted that "{m}ost of our processes are very large, continuous stream, if you will. Stuff comes in, goes into a huge reactor, and then goes out the other end. In this case, you have many chemical processes running in the facility . . . Each of these modules, throughout the facility, has to be run with a modular-staffed-operator level. So the operators are running very manual types of things to produce the product." Conference transcript, p. 60 (Hilk).
***.

[8] Conference transcript, pp. 56-57 (Hilk).

The production of sodium metal generates chlorine gas which DuPont subsequently ***.[9] ***.[10]

DuPont's ratio of selling, general and administrative (SG&A) expenses to sodium metal sales ranged from *** percent to *** percent during the full-year periods, while interim period SG&A expense ratios were somewhat lower at *** percent (interim 2006) and *** percent (interim 2007).[11] The G&A component, as shown in table VI-1, represents the majority of DuPont's sodium metal SG&A expenses. According to the company, the components of SG&A include ***.[12]

Some aspects of sodium metal operations may help to explain, in part, why sodium metal SG&A expenses are relatively high. For example, a company official stated at the staff conference that sodium metal is intensive in terms of service and support and is similar in that respect to other hazardous materials. The company official also stated that ". . . we continue to employ full-time resources in the U.S. that visit our customers and work with {them} directly on the technical service and applications of how they safely use it, to make sure we maintain product stewardship all the way through to the end; after the sodium is used, how is it disposed . . ."[13]

Although SG&A expenses were *** in absolute terms and as a share of sodium metal sales, the table VI-3 variance analysis shows that net SG&A variances played a minor role in terms of explaining overall changes in sodium metal operating results.

As indicated above, the combination of a higher average annual growth rate of average COGS compared to average revenue resulted in declining gross profit throughout the full-year period and a gross loss in interim 2007. Even at its highest level in 2004, DuPont's sodium metal gross profit was *** able to cover corresponding SG&A expenses. This indicates that either sodium metal gross profit margins would have to be *** higher or corresponding SG&A expenses *** lower in order for sodium metal operations to generate operating income margins in line with DuPont's consolidated financial results.[14] While testimony at the staff conference indicated that sodium metal profitability was higher prior to the

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[9] E-mail with attachments from Crowell Moring on behalf of DuPont, November 23, 2007.

[10] ***. (Revised Exhibit S-5) November 8, 2007 Crowell Moring submission on behalf of DuPont. ***. Cost Accounting - Using a Cost Management Approach, fifth edition, pp. 260-261.
***.

[11] DuPont's consolidated overall operating expense ratio (the equivalent to what was reported as sodium metal SG&A expenses excluding non-recurring charges) ranged from 16.4 percent to 16.8 percent during the full-year periods. Retrieved at http://finance.yahoo.com/q/is?s=DD&annual on November 19, 2007.
***. E-mail with attachments from Crowell Moring on behalf of DuPont, November 21, 2007.

[12] Letter from Crowell Moring on behalf of DuPont, November 16, 2007. According to the company ***. E-mail with attachments from Crowell Moring on behalf of DuPont, November 21, 2007. ***.

[13] Conference transcript, p. 85 (Hilk). Notwithstanding aspects of DuPont's sodium metal operations which may require relatively more SG&A resources, it should be noted that the SG&A expenses in table VI-1 are substantially an allocation with only some elements specific to sodium metal. According to the company, ***. Letter from Crowell Moring on behalf of DuPont, November 16, 2007.

[14] On an overall consolidated basis, DuPont's operating income margins (excluding non-recurring items) ranged from 10.3 percent to 14.0 percent during the full-year period. Retrieved at http://finance.yahoo.com/q/is?s=DD&annual on November 19, 2007. As noted previously, DuPont's sodium metal SG&A expense ratios are *** compared to DuPont's full-year consolidated SG&A-equivalent expense ratios. In contrast, DuPont's overall consolidated gross profit margins were *** than sodium metal gross profit margins – ranging from 27.1 percent to 30.9 percent. As such, DuPont's consistent and relatively high operating profitability at the consolidated level is primarily due to higher consolidated gross profit margins, as opposed to lower SG&A expense ratios.
***.

period examined, DuPont did not provide requested supplemental information regarding actual sodium metal profitability prior to the period examined.[15]

CAPITAL EXPENDITURES, RESEARCH AND DEVELOPMENT EXPENSES, ASSETS, AND RETURN ON INVESTMENT

Data on capital expenditures, research and development ("R&D") expenses, assets, and return on investment are presented in table VI-4.

Table VI-4
Sodium metal: Capital expenditures, R&D expenses, assets, and return on investment related to sodium metal operations, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

In 2004 and 2005, DuPont's sodium metal capital expenditures were at about the same general range as its depreciation expense (see table VI-1). In 2006 and the interim periods, capital expenditures declined ***. While the company did not specify what the higher level of capital expenditures represented in 2004 and 2005, its response to a supplemental question generally indicates that the expenditures were of a routine nature: ***.[16]

In contrast with capital expenditures, sodium metal R&D expenses reached their *** level at the end of the period. When asked to specify what the reported R&D expenses represented, the company stated that ***.[17]

CAPITAL AND INVESTMENT

The Commission requested U.S. producers to describe any actual or anticipated negative effects of imports of sodium metal from France on their firms' growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments.

Actual Negative Effects

DuPont ***.

Anticipated Negative Effects

DuPont ***.

[15] Conference transcript, p. 55 (Hilk) and Petitioner's postconference brief, Exhibit 1, p. 12.

[16] Letter from Crowell Moring on behalf of DuPont, November 16, 2007. ***.

[17] Ibid.

PART VII: THREAT CONSIDERATIONS AND *BRATSK* CONSIDERATIONS

Section 771(7)(F)(I) of the Act (19 U.S.C. § 1677(7)(F)(I)) provides that–

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors[1]*--*

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

(VI) 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,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

agricultural product or the processed agricultural product (but not both),

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

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V. Information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is the information obtained for use in the Commission's consideration pursuant to the *Bratsk* rulings.

THE INDUSTRY IN FRANCE

The petition identified one producer of sodium metal in France: MSSA. Table VII-1 presents data for MSSA during 2004-06, January-September 2006, January-September 2007, and forecasts for 2007 and 2008. Production declined by *** percent between 2004 and 2006 as exports to non-U.S. markets fell ***,[3] even though exports to the United States nearly *** from 2004 to 2006 (although such shipments were *** percent lower in January-September 2007 than in January-September 2006). MSSA's shipments are projected to *** in 2008, but respondents attribute this to *** demand for sodium methylate for biodiesel production.[4] Additionally, MSSA plans to ***.[5]

Table VII-1
Sodium metal: MSSA's operations, 2004-06, January-September 2006, January-September 2007, and projected 2007-08

* * * * * * *

Table VII-2 presents MSSA (France)'s exports to the United States by grade and form. The majority of MSSA (France)'s exports to the United States are Sopure quality (99.8 percent purity with a maximum of 200 parts per million of calcium), rising from *** percent of shipments in 2004 to

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

[3] MSSA identified the following countries as export markets: ***.

[4] Respondents' postconference brief, p. 30.

[5] Respondents' postconference brief, p. 29, exh. 6.

*** percent in 2006. Shipments of sodium metal in non-ingot bulk form for rose from *** percent of total shipments in 2004 to *** percent in 2006.

Table VII-2
Sodium metal: MSSA (France)'s exports to the United States, by grade and form, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

U.S. IMPORTERS' INVENTORIES

Inventories of U.S. imports as reported are presented in table VII-3. Inventories of French sodium metal increased from 2004 to 2006, while the ratios of inventories to imports and to U.S. shipments of imports declined. Inventories from all other sources initially increased, and then decreased *** in 2006, a trend followed by the ratios of inventories to imports and inventories to U.S. shipments of imports for all other sources. Inventories from France and from nonsubject countries were higher in absolute and relative terms in January-September 2007 compared to January-September 2006.

Table VII-3
Sodium metal: U.S. importers' end-of-period inventories of imports, by source, 2004-06, January-September 2006, and January-September 2007

* * * * * * *

U.S. IMPORTERS' CURRENT ORDERS

Three U.S. importers reported that they had placed orders for sodium metal from France (*** pounds) scheduled for entry into the United States in the period of October 2007 to March 2008; *** for imports during April-June 2008 were reported. Table VII-4 presents these three U.S. importers' October 2007-June 2008 orders for sodium metal from France. ***.

Table VII-4
Sodium metal: U.S. importers' current orders, by sources, October 2007 - June 2008

* * * * * * *

ANTIDUMPING AND COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

No producer, importer, or foreign producer reported any countervailing or antidumping duty orders on sodium metal from France in third-country markets.

INFORMATION ON NONSUBJECT SOURCES

"Bratsk" Considerations

As a result of the Court of Appeals for the Federal Circuit ("CAFC") decision in *Bratsk Aluminum Smelter v. United States* ("Bratsk"), the Commission is directed to:

> *undertake an "additional causation inquiry" whenever certain triggering factors are met: "whenever the antidumping investigation is centered on a commodity product, and*

price competitive non-subject imports are a significant factor in the market." The additional inquiry required by the Court, which we refer to as the Bratsk replacement/benefit test, is "whether non-subject imports would have replaced the subject imports without any beneficial effect on domestic producers.[6]

Petitioners and Respondents agree that this is not a "*Bratsk* case." Respondents state that, ". . . sodium metal is not a commodity product because of the substantial evidence on the record documenting significant quality differences between subject imports and the domestic like product."[7] They go on, however, to state:

- "If the Commission agrees with DuPont's view, then indeed sodium metal is a commodity product for purposes of the Bratsk test. Price-competitive non-subject imports from China are a factor in the market . . . The Commission must then decide whether non-subject imports would have replaced subject imports without any beneficial effects on domestic producers. If the Commission were to credit DuPont's allegations that all sodium metal is the same, and that purchasers buy only on the basis of price, then there is every reason to believe that Chinese producers would have simply filled the gap left by MSSA if MSSA's imports were not available in the U.S. market."[8]

Petitioners apply different reasoning but also conclude that this is not a *Bratsk* case.[9]

- "Even if the Commission were to apply Bratsk to examine the effect of non-subject imports in this case, it would find that non-subject imports would not replace subject imports' market share so as to prevent a beneficial impact on domestic producers. In addition to the extrodinarily small share of non-subject imports, demand within China has increased such that overall demand for sodium metal outside of the United States has increased in spite of a decline in the European market."

Nonsubject Source Information

During the preliminary phase of this investigation, the Commission sought pricing data from U.S. importers of sodium metal from France and from all other countries. Those data are presented in Part V (France) and appendix D (China, the largest nonsubject source of imports of sodium metal) of this report. With respect to foreign nonsubject sources of supply, the Commission sought publicly available information regarding international suppliers of sodium metal since 2004 from national import and export statistics, from conference testimony, and from interviews with industry sources.

[6] *Silicon Metal from Russia, Inv. No. 731-TA-991 (Second Remand)*, USITC Publication 3910, September 2007, p. 2; citing *Bratsk Aluminum Smelter v. United States*, 444 F.3d at 1375.

[7] Respondents' postconference brief, *Answers to Questions*, p. 5.

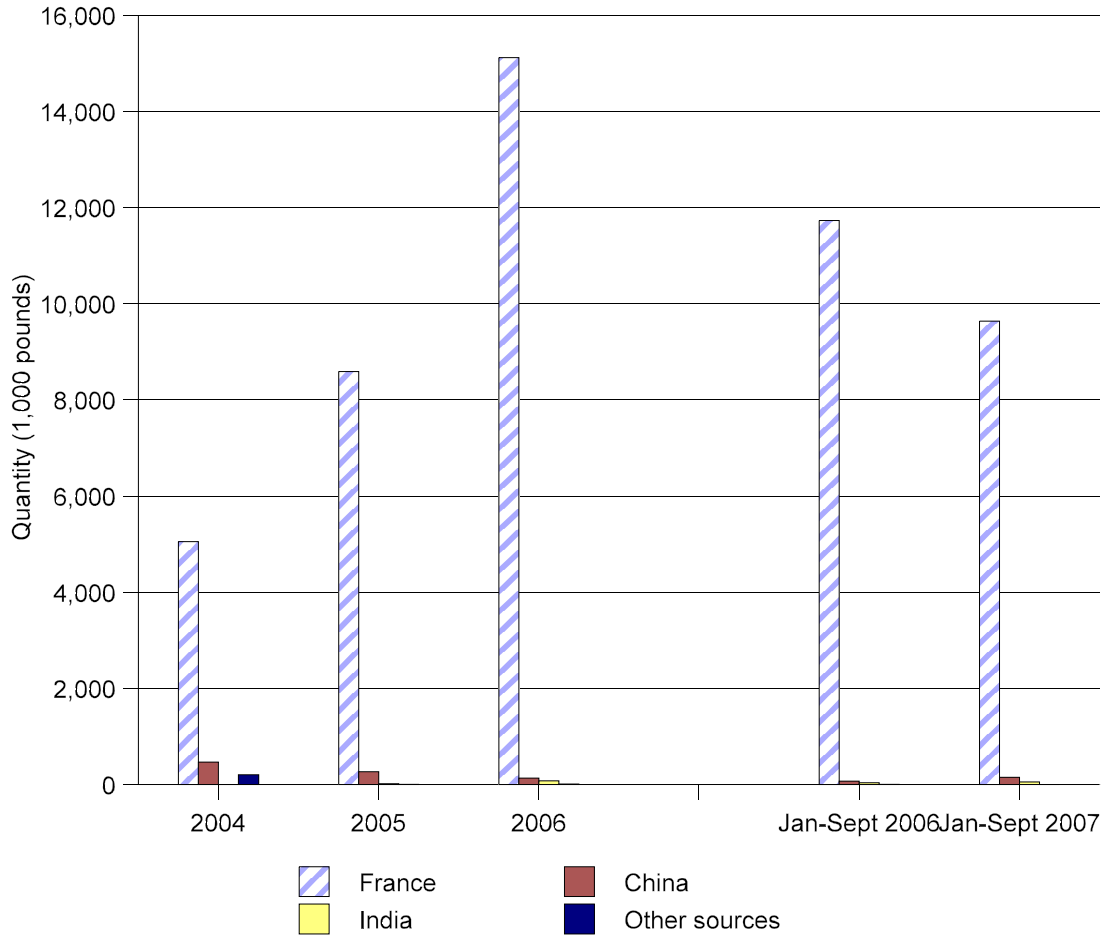
[8] Respondents' postconference brief, *Answers to Questions*, p. 6.

[9] Petitioner's postconference brief, Exhibit 1, pp. 17-18.

Overview

As discussed in Part IV of this report, the leading nonsubject countries are China and India. In 2004, the United Kingdom was the second largest nonsubject source. No further imports from the United Kingdom have been reported, however, and the former UK manufacturer (Octel) no longer produces sodium metal.[10] Imports from all nonsubject countries combined accounted for only 1.4 percent, by quantity, of total U.S. imports of sodium metal during 2006. Figure VII-1 shows the volume of subject and nonsubject imports for the period for which data were collected. Figure VII-2 shows the average unit values of imports from France, China, India, and all other sources during the period for which data were collected.

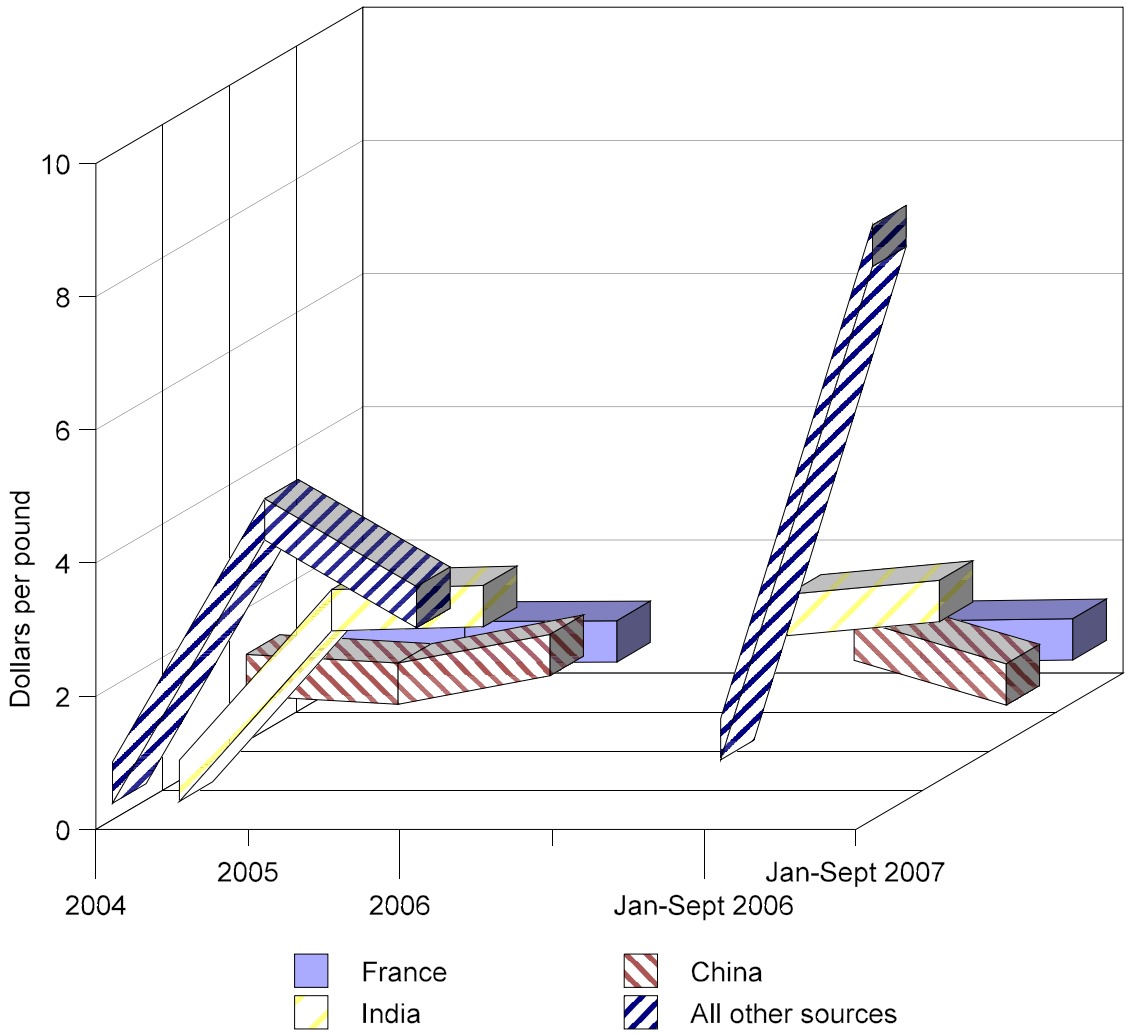
Figure VII-1
Sodium metal: U.S. imports, by sources, 2004-06, January-September 2006, and January-September 2007



Source: Table IV-3.

[10] Petitioner's postconference brief, p. 11.

Figure VII-2
Sodium metal: Average unit values of U.S. imports, by sources, 2004-06, January-September 2006, and January-September 2007



Source: Table IV-3.

As shown in table VII-5, there are few large-scale sources of exports of sodium metal other than France and the United States. Of these countries, China and, to a lesser extent, India, have been active in both the U.S. market and the global market.

Table VII-5
Sodium metal: Reporting countries' export statistics, 2004-06

Source	Calendar year		
	2004	2005	2006
	Quantity (*1,000 pounds*)		
China	15,102	17,492	16,733
United States	6,469	8,603	10,398
Saudi Arabia	6,532	8,401	4,965
Russia	310	322	348
Canada	91	113	243
Singapore	59	580	240
India	358	878	142
Other sources	843	1,588	296
Total	29,764	37,977	33,365

Note.--France does not publish its export data for this product.

Source: Compiled from *Global Trade Atlas*.

China and India

Other than the United States and France, China is the leading and, according to an industry source, only other "significant" producer of sodium metal. Chinese producers use Down cells similar to the production process in the United States and France. According to the industry source, with a reported capacity of *** metic tons,[11] China is currently experiencing excess capacity,[12] but its sodium metal facilities are located in a remote region of China and the producers rely on relatively inefficient and slow trucks for shipments. The leading Chinese producer of sodium metal is a company located in Inner Mongolia, Lanti, followed by four or five smaller producers. The sodium metal produced in China is used primarily for internal use for such applications as indigo dye manufacture and chemicals used for crop protection.[13]

Despite these limitations, China has developed business relations with both DuPont and MSSA (France) for sodium metal. As documented in the conference transcript, MSSA plans to open a plant in China to produce sodium metal in part because of expected growth in demand in China, the largest global market for sodium metal.[14] MSSA has further stated that it plans to reduce capacity in France when the Chinese plant becomes operational.[15] MSSA indicates that China is a competitor for the lower-purity

[11] Telephone interview with ***, November 21, 2007.

[12] Conference transcript, p. 27 (Mr. Hilk).

[13] Telephone interview with ***, November 21, 2007.

[14] There appear to be differing opinions as to the market conditions and competitive conditions of the Chinese sodium metal industry.

[15] Conference transcript, p. 92 (Bourrier).

sodium metal which is the only grade it reportedly makes.[16] DuPont also has also reportedly developed business relations in China for sodium metal. MSSA (France) reported that DuPont has stopped producing sodium metal in the form of bricks but chosen instead to sell the technology to a Chinese producer which exports that grade at least, in part, to DuPont.[17]

India is a far smaller exporter of sodium metal than China, and little is known about its industry. However, as shown in table VII-6, India, like China, exports to a number of global markets, including the United States.

[16] Conference transcript, p. 127 (Bourrier).

[17] Conference transcript, p. 160 (Silverman). Staff interview with *** confirms the information described by MSSA.

Table VII-6
Sodium metal: Export destinations for China and India 2004-06

Item	Calendar year		
	2004	2005	2006
	Quantity (*1,000 pounds*)		
China:			
India	9,704	9,568	11,208
Brazil	2,390	2,989	2,140
Finland	201	119	993
Netherlands	697	3,132	945
Germany	119	118	257
Czech Republic	247	57	247
Japan	348	252	212
United States	726	430	207
Taiwan	169	254	148
Belgium	106	71	80
All others	394	503	296
Total	15,102	17,492	16,733
India:			
South Korea	0	2	44
Congo	6	0	19
United States	17	1	15
United Arab Emirates	47	516	15
Sudan	10	0	13
Argentina	0	2	10
Nigeria	83	32	6
United Kingdom	53	31	5
Tanzania	00	4	2
Nepal	23	226	1
All others	120	64	12
Total	358	878	142

Source: Compiled from *Global Trade Atlas*.

APPENDIX A

FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–1135 (Preliminary)]

Sodium Metal From France

AGENCY: United States International Trade Commission.

ACTION: Institution of antidumping duty investigation and scheduling of a preliminary phase investigation.

SUMMARY: The Commission hereby gives notice of the institution of an investigation and commencement of preliminary phase antidumping duty investigation No. 731-TA–1135 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) (the Act) to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from France of sodium metal, provided for in subheading 2805.11.00 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value. Unless the Department of Commerce extends the time for initiation pursuant to section 732(c)(1)(B) of the Act (19 U.S.C. 1673a(c)(1)(B)), the Commission must reach a preliminary determination in antidumping investigations in 45 days, or in this case by December 7, 2007. The Commission's views are due at Commerce within five business days thereafter, or by December 14, 2007.

For further information concerning the conduct of this investigation 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 and B (19 CFR part 207).

EFFECTIVE DATE: October 23, 2007.

FOR FURTHER INFORMATION CONTACT: Fred Ruggles (202–205–3187/ *fred.ruggles@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 at 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 investigation may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION:

Background. This investigation is being instituted in response to a petition filed effective October 23, 2007, by E.I. DuPont de Nemours & Co., Wilmington, DE, on behalf of the domestic industry that produces sodium metal.

Participation in the investigation and public service list. Persons (other than petitioners) wishing to participate in the investigation as parties must file an

[20] Domestic Producers' Comments at 27–29.

[21] Domestic Producers' Comments at 17.

entry of appearance with the Secretary to the Commission, as provided in sections 201.11 and 207.10 of the Commission's rules, not later than seven days after publication of this notice in the **Federal Register**. Industrial users and (if the merchandise under investigation is sold at the retail level) representative consumer organizations have the right to appear as parties in Commission antidumping investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this investigation available to authorized applicants representing interested parties (as defined in 19 U.S.C. 1677(9)) who are parties to the investigation under the APO issued in the investigation, provided that the application is made not later than seven days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Conference. The Commission's Director of Operations has scheduled a conference in connection with this investigation for 9:30 a.m. on November 13, 2007, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Fred Ruggles (*202–205–3187/ fred.ruggles@usitc.gov*) not later than November 9, 2007, to arrange for their appearance. Parties in support of the imposition of antidumping duties in this investigation and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the conference.

Written submissions. As provided in sections 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before November 16, 2007, a written brief containing information and arguments pertinent to the subject matter of the investigation. Parties may file written testimony in connection with their presentation at the conference no later than three days before the conference. If briefs or written testimony contain 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 investigation must be served on all other parties to the investigation (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This investigation is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.12 of the Commission's rules.

Issued: October 25, 2007.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E7–21300 Filed 10–29–07; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–427–827]

Sodium Metal from France: Notice of Initiation of Antidumping Duty Investigation

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

EFFECTIVE DATE: November 20, 2007.

FOR FURTHER INFORMATION CONTACT: Dennis McClure at or Joy Zhang, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–5973 and (202) 482–1168, respectively.

SUPPLEMENTARY INFORMATION:

INITIATION OF INVESTIGATION

The Petition

On October 22, 2007, the Department of Commerce (Department) received an antidumping duty petition concerning sodium metal from France, filed by E.I. DuPont de Nemours & Co. Inc. (the petitioner) on behalf of the domestic industry producing sodium metal. *See* Antidumping Duty Petition on Sodium Metal from France (Petition). On October 29, 2007, the Department clarified that the official filing date for the Petition was October 23, 2007. *See* Memorandum from Lisa Nguyen, Import Policy Analyst, to Deputy Assistant Secretary Stephen Claeys: Decision Memorandum Concerning Petition Filing Date, dated October 29, 2007.

The petitioner is the only domestic producer of sodium metal. On October 25, 2007, the Department issued a request for additional information and clarification of certain areas of the Petition. On October 30, 2007, in response to the Department's request, the petitioner filed a supplement to the Petition. On November 1, 2007, the Department requested further clarification with regard to the Petition and the October 30, 2007, supplement to the Petition. The petitioner filed a second supplement to the Petition on November 2, 2007. On November 6, 2007, the Department requested further clarification and additional information in regard to the petitioner's November 2, 2007, supplement to the Petition. The petitioner further supplemented the Petition on November 8, 2007. On November 9, 2007, the Department requested further clarification and additional information in regard to the petitioner's November 8, 2007, supplement to the Petition. Finally, the petitioner supplemented the Petition on November 9, 2007.

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of sodium metal from France are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act and that such imports are materially injuring, or threatening material injury to, an industry in the United States.

The Department finds that the petitioner filed this Petition on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act and has demonstrated that the petitioner is the only known member of the industry with respect to the initiation of the antidumping duty investigation that the petitioner is requesting. *See* the ''Determination of Industry Support for the Petition'' section below.

Period of Investigation

Because the Petition was filed on October 23, 2007, the anticipated period of investigation (POI) is October 1, 2006, through September 30, 2007. *See* 19 CFR 351.204(b).

Scope of the Investigation

The merchandise covered by this investigation includes sodium metal (Na), in any form and at any purity level. Examples of names commonly used to reference sodium metal are sodium metal, sodium, metallic sodium, and natrium. The merchandise subject to this investigation is classified in the Harmonized Tariff Schedule of the United States (HTSUS) as subheading 2805.11.0000. The American Chemical Society Chemical Abstract Service (CAS) has assigned the name ''Sodium'' to sodium metal. The CAS registry number is 7440–23–5. For purposes of the investigation, the narrative description is dispositive, not the tariff heading, CAS registry number or CAS name, which are provided for convenience and customs purposes.

Comments on Scope of Investigation

We are setting aside a period for interested parties to raise issues regarding product coverage, as discussed in the preamble to the regulations. *See Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997). The Department encourages all interested parties to submit such comments within 20 calendar days of signature of this notice. Comments should be addressed to Import Administration's Central Records Unit (CRU), Room 1870, U.S.

Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determination.

Determination of Industry Support for the Petition

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers who support the petition account for (i) at least 25 percent of the total production of the domestic like product and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers accounting for more than 50 percent of the total production of the domestic like product, the Department shall (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A), or (ii) determine industry support using a statistically valid sampling method if there is a large number of producers in the industry.

Section 771(4)(A) of the Act defines the ''industry'' as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether ''the domestic industry'' has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information because the Department determines industry support at the time of initiation. Although this may result in different definitions of the domestic like product, such differences do not render the decision of either agency contrary to law. *See USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001); *see also Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

Section 771(10) of the Act defines the domestic like product as ''a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.'' Thus, the reference point from which the domestic like–product analysis begins is ''the article subject to an investigation,'' *i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition.

With regard to the domestic like product, the petitioner does not offer a definition of domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that sodium metal constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like–product analysis, see the *Antidumping Duty Investigation Initiation Checklist: Sodium Metal from France (Initiation Checklist*) at Attachment II (Analysis of Industry Support), on file in the CRU, Room B–099 of the main Department of Commerce building.

In determining whether the petitioner has standing (i.e., those domestic workers and producers supporting the petition account for (1) at least 25 percent of the total production of the domestic like product and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition), we considered the industry support data contained in the Petition with reference to the domestic like product as defined in Attachment I (Scope of the Petition) to the *Initiation Checklist*. To establish industry support, the petitioner indicated that it was the sole producer of the domestic like product and provided its production statistics for the domestic like product for the year 2006. The Petition indicates that the petitioner is the sole producer of sodium metal. For further discussion see the *Initiation Checklist* at Attachment II.

Our review of the data provided in the Petition, supplemental submissions, and other information readily available to the Department indicates that the petitioner has established industry support. First, the Petition established support from the domestic producer accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling). *See* Section 732(c)(4)(D) of the Act. Second, the domestic producer has met the statutory criteria for industry support under 732(c)(4)(A)(i) because the domestic producer who supports the Petition accounts for at least 25 percent of the total production of the domestic like product. Finally, the domestic producer has met the statutory criteria for industry support under 732(c)(4)(A)(ii) because the domestic producer supporting the Petition accounts for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition. Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. *See Initiation Checklist* at Attachment II.

The Department finds that the petitioner filed the Petition on behalf of the domestic industry in accordance with section 732(c)(4)(A) of the Act. The petitioner is an interested party as defined in section 771(9)(C) of the Act and had demonstrated sufficient industry support in favor of the initiation of the antidumping duty investigation. *See Initiation Checklist* at Attachment II.

Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than fair value. The petitioner contends that the industry's injured condition is illustrated by the reduced market share, lost revenue and sales, underutilized production and capacity, reduced shipments, underselling and price depressing or suppressing effects, reduced employment, and decline in financial performance. We have assessed the allegations and supporting evidence regarding material injury and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. *See Initiation Checklist* at Attachment III.

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which the Department based its decision to initiate this investigation of imports of sodium metal from France.

The sources of data for the deductions and adjustments relating to the U.S. price as well as normal value (NV) for France are discussed in greater detail in the *Initiation Checklist*. Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we will re–examine the information and revise the margin calculations, if appropriate.

Export Price

The petitioner provide two different calculations for export price (EP). The first calculation was based on estimates, which were in turn based on certain assumptions. The second calculation was based on the average unit values (AUVs) for U.S. import data during the POI as reported on the ITC's Dataweb for HTSUS subheading 2805.11.0000. *See* Petition, Exhibits II–1 and 6. For initiation, we did not rely on the estimated prices because we did not find the estimated prices to be reasonable because the assumptions were not based on prices from an actual sale or price quotes. Instead, we relied on the AUV to calculate EP, which was based on customs data. The petitioner calculated the AUV based on U.S. imports of sodium metal during the POI obtained from U.S. import statistics for HTSUS subheading 2805.11.0000. The petitioner states, to the best of its knowledge, sodium metal is the only product that is properly classifiable under this HTSUS number. The petitioner calculated net price by deducting an amount for foreign inland freight for shipping the subject merchandise and for returning the iso–container. The petitioner also deducted an amount for ocean freight for returning the iso–container to arrive at an ex–factory price. *See* November 2, 2007, supplement to the Petition at page 11 and Exhibit S–24.

Normal Value

The petitioner based NV on a sale of sodium metal by M.S.S.A. to one of its home market customers in France during the POI. *See* Exhibit S–25 of the November 8, 2007, supplement to the Petition. The petitioner deducted freight expense. *See* Exhibit II–9 of the Petition. The petitioner then deducted home market packing expenses and added U.S. packing expenses. See Exhibit II–5 and II–10 of the Petition. The petitioner then converted the Euro per metric ton amount to a U.S. dollar per pound amount by applying the POI exchange rate and converted the per metric ton dollar amount to pounds.

Sales–Below-Cost Allegation

The petitioner has provided information demonstrating reasonable grounds to believe or suspect that sales of sodium metal in France were made at prices below the fully absorbed cost of production (COP), within the meaning of section 773(b) of the Act, and requested that the Department conduct a sales–below-cost investigation.

An allegation of sales below COP need not be specific to individual exporters or producers. *See* Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103–316, Vol. 1 (1994) at 833 (SAA). Thus, the Department's practice, as reflected in the SAA, is to consider allegations of below–cost sales in the aggregate for a foreign country. *Id.* Further, section 773(b)(2)(A) of the Act requires that the Department have ''reasonable grounds to believe or suspect'' that below–cost sales have occurred before initiating such an investigation. Reasonable grounds exist when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the foreign market in question are at below–cost prices.

As described in the section below on ''Cost of Production and Constructed Value,'' the Department calculated a country–specific COP for sodium metal for France.

Based upon a comparison of the prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(I) of the Act. Accordingly, the Department is initiating a country–wide cost investigation with regard to France. We note, however, that if we determine that the home market (*i.e.*, France) is not viable, our initiation of a country–wide cost investigation with respect to sales in the home market will be rendered moot. *See Initiation Checklist*.

Cost of Production and Constructed Value

Pursuant to section 773(a)(4) of the Act, COP consists of the cost of manufacturing (COM); selling, general and administrative (SG&A); financial expenses; and packing.

Pursuant to section 773(a)(4) of the Act, the petitioner calculated a single constructed value (CV) as the basis for NV. The petitioner calculated CV using the COM; SG&A expenses; financial expenses; and packing expenses. The petitioner then added the average profit rate based on the 2006 financial statements of a chemical producer in France. *See Initiation Checklist*.

Specifically, the petitioner calculated COM and packing based on publicly available data and on a U.S. producer's cost experience, adjusted for known differences (*e.g.*, labor), to manufacture sodium metal in France, basing these adjustments on publicly available data. To calculate SG&A and financial expense rates, the petitioner relied on the most contemporaneous financial statements for a chemical producer in France. *See Initiation Checklist*.

The petitioner determined the input quantities of raw materials needed to produce one metric ton of sodium metal based on the experience of a U.S. sodium metal producer. See the November 8, 2007, supplement to the Petition at revised Exhibit 4. The petitioner valued the required raw material input quantities based on its own experience and publicly available information and provided an affidavit in the November 8, 2007, supplement to the Petition at revised Exhibit 23 as support.

The petitioner determined labor costs using the labor cost experience of a U.S. sodium metal producer to manufacture one metric ton of sodium metal, adjusted by the ratio of labor costs in France to that of the United States. The petitioner obtained the annual French and U.S. labor costs from the International Labor Organization statistics for 2005 for France and the United States. *See* the November 8, 2007, supplement to the Petition at page 8 and Exhibit 30.

The petitioner determined energy costs using input quantities of electricity needed to produce one metric ton of sodium metal based on the experience of a U.S. sodium metal producer and values using the Energy Information Administration publication for electricity and natural gas costs in France for 2006. In addition, the petitioner used the cost experience in 2006 of a U.S. sodium metal producer for steam, water, and nitrogen to manufacture one metric ton of sodium metal. See the November 8, 2007, supplement to the Petition at page 3 and Exhibits 9 and 10. The petitioner provided an affidavit in the November 8, 2007, supplement to the Petition at revised Exhibit 23 as support.

The petitioner determined the fixed overhead costs (exclusive of energy and labor) using the cost experience of a U.S. sodium metal producer to manufacture one metric ton of sodium metal adjusted to reflect costs in France. Specifically, the petitioner determined

the ratio of total fixed overhead to the total of raw materials, labor, variable overhead, and energy and utilities in 2006 for a U.S. producer and applied this ratio to these same factors included in its build–up of the cost of manufacturing of one metric ton of sodium metal. *See* the November 8, 2007, supplement to the Petition at pages 5 and 6 and revised Exhibits 4 and 5.

To calculate SG&A expense, interest expense and profit, the petitioner relied on the financial statements of a French chemical producer (*i.e.*, Rhodia) for the fiscal year ended December 31, 2006. *See* the November 8, 2007, supplement to the Petition at pages 6 and 7 and Exhibit 28.

The petitioner then reduced its calculated cost of producing one metric ton of sodium metal by allocating a portion of the total cost of production to the production of chlorine gas, which is a joint product in the production of sodium metal. The petitioner based this allocation on the experience of a U.S. sodium metal producer. *See* the November 8, 2007, supplement to the Petition at page 7 and the affidavit at Exhibit 29, which was provided as support.

Fair–Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of sodium metal from France are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of export price to NV, the estimated average dumping margin based on a price–to-price comparison is 66.08 percent, and the estimated average dumping margin based on a price–to-CV comparison is 109.79 percent.

Initiation of Antidumping Investigation

Based upon the examination of the Petition on sodium metal from France, we find that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether imports of sodium metal from France are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Respondent Selection

For this investigation, the Department intends to select respondents based on CBP data for U.S. imports during the POI. We intend to make our decision regarding respondent selection within 20 days of publication of this **Federal Register** notice. The Department invites comments regarding the CBP data and respondent selection within seven calendar days of publication of this **Federal Register** notice.

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of the Petition has been provided to representatives of the government of France. We will attempt to provide a copy of the public version of the Petition to all exporters named in the Petition, as provided for in 19 CFR 351.203(c)(2).

ITC Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determination by the ITC

The ITC will preliminarily determine no later than December 7, 2007, whether there is a reasonable indication that imports of sodium metal from France are materially injuring or threatening material injury to a U.S. industry. A negative ITC determination will result in the investigation being terminated; otherwise, this investigation will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

DATED: November 13, 2007.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E7–22675 Filed 11–19–07; 8:45 am]

BILLING CODE 3510–DS–S

APPENDIX B

CONFERENCE WITNESSES

CALENDAR OF PUBLIC CONFERENCE

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

Subject: Sodium Metal from France

Inv. No.: 731-TA-1135 (Preliminary)

Date and Time: November 13, 2007 - 9:30 a.m.

The conference was held in Room 101 (Main Hearing Room) of the United States International Trade Commission Building, 500 E Street, SW, Washington, DC.

In Support of the Imposition of an Antidumping Duty Order:

Crowell & Moring
Washington, DC
on behalf of

DuPont

Kenneth J. Hilk, Business/Marketing Manager, DuPont

Brian D. Merrill, Global Sales Leader (via teleconference), DuPont

Bruce Petrovick, Senior Account Manager, Sales., Dupont

Sabina K. Neumann, Economist, Crowell & Moring

Matthew P. Jaffe)
Christopher E. Gagne) OF COUNSEL

In Opposition to the Imposition of an
Antidumping Duty Order:

Hunton & Williams LLP
Washington, D.C.
on behalf of

MSSA S.A.S. and MSSA Co.

Jean-Loup Bourrier, Product Manager, MSSA S.A.S.

Marc Matusewitch, President, Columbia Sales International, Inc.

Beth A. Sloane, Purchasing Manager, Afton Chemical Corp.

Bill Merz, Vice President, Sales Marketing & Sourcing, Interstate Chemical Co.

Roland Harris, Director of Purchasing, Texas Molecular LP

William Silverman
Richard P. Ferrin --OF COUNSEL

APPENDIX C

SUMMARY DATA

Table C-1
Sodium metal: Summary data concerning the U.S. market, 2004-06, January-September 2006, and January-September 2007

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

	Reported data					Period changes			
				January-September					Jan.-Sept.
Item	2004	2005	2006	2006	2007	2004-06	2004-05	2005-06	2006-07
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
France	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
France	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. imports from:									
France:									
Quantity	5,053	8,589	15,119	11,727	9,640	199.2	70.0	76.0	-17.8
Value	5,379	7,814	13,834	10,736	9,122	157.2	45.3	77.0	-15.0
Unit value	$1.06	$0.91	$0.92	$0.92	$0.95	-14.0	-14.5	0.6	3.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	670	288	218	114	210	-67.4	-57.0	-24.2	84.2
Value	582	296	399	209	299	-31.3	-49.1	34.9	43.0
Unit value	$0.87	$1.03	$1.83	$1.83	$1.42	110.7	18.5	77.9	-22.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	5,724	8,877	15,337	11,842	9,850	168.0	55.1	72.8	-16.8
Value	5,961	8,110	14,234	10,945	9,422	138.8	36.1	75.5	-13.9
Unit value	$1.04	$0.91	$0.93	$0.92	$0.96	-10.9	-12.3	1.6	3.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid ($1,000s)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

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

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

APPENDIX D

QUESTIONNAIRE SELLING PRICE DATA FOR SODIUM METAL INGOTS IMPORTED FROM CHINA

Table D-1
Sodium metal: Net weighted-average U.S. delivered and f.o.b. selling prices and quantities of sodium metal ingots imported from China, by quarters, January 2004-September 2007

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