

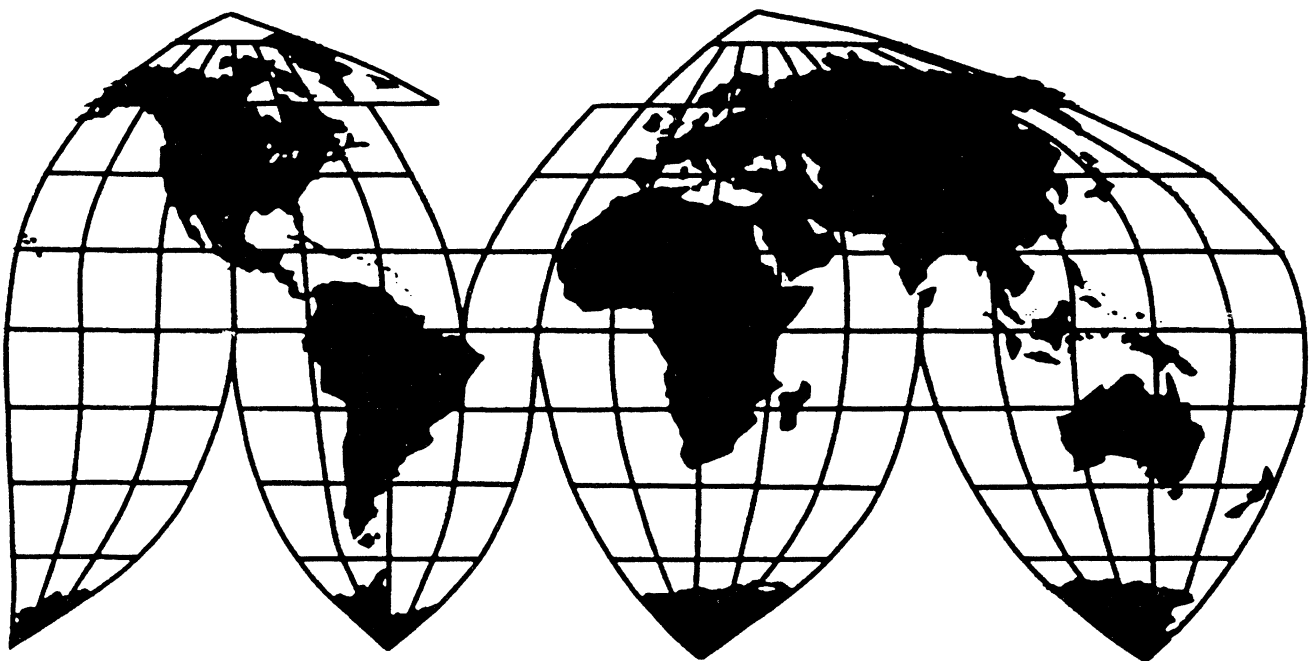
# **Anhydrous Sodium Metasilicate From France**

Investigation No. 731-TA-25 (Review)

Publication 3235

September 1999

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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## **Anhydrous Sodium Metasilicate From France**



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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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



**UNITED STATES INTERNATIONAL TRADE COMMISSION**

Investigation No. 731-TA-25 (Review)

**ANHYDROUS SODIUM METASILICATE FROM FRANCE**

**DETERMINATION**

On the basis of the record<sup>1</sup> developed in the subject five-year review, the United States International Trade Commission determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty order on anhydrous sodium metasilicate from France would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>2</sup>

**BACKGROUND**

The Commission instituted this review on October 1, 1998 (63 F.R. 52748) and determined on January 7, 1999 that it would conduct a full review (64 F.R. 4892, February 1, 1999). Notice of the scheduling of the Commission's review and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on March 3, 1999 (64 F.R. 10315). The hearing was held in Washington, DC, on July 21, 1999, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

<sup>2</sup> Commissioner Askey dissented.



## VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order covering anhydrous sodium metasilicate from France would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>1</sup>

### I. BACKGROUND

In December 1980, the Commission determined that an industry in the United States was threatened with material injury by reason of imports of anhydrous sodium metasilicate from France that were being sold at less than fair value.<sup>2</sup> On January 7, 1981, the Department of Commerce published an antidumping order covering the subject merchandise.<sup>3</sup> The Commission instituted this five-year review on October 1, 1998.<sup>4</sup>

In five-year reviews, the Commission initially determines whether to conduct a full review (which would generally include a public hearing, the issuance of questionnaires, and other procedures) or an expedited review, as follows. First, the Commission determines whether individual responses to the notice of institution are adequate. Second, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties -- domestic interested parties (producers, unions, trade associations, or worker groups) and respondent interested parties (importers, exporters, foreign producers, trade associations, or subject country governments) -- demonstrate a sufficient willingness among each group to participate and provide information requested in a full review.<sup>5</sup> If the Commission finds the responses from both groups of interested parties to be adequate, or if other circumstances warrant a full review, it will determine to conduct a full review.

In the adequacy phase of this review, the Commission received two responses to its notice of institution, one from Occidental Chemical Corporation (“Oxychem”) and one from PQ Corporation (“PQ Corp.”), both of whom are U.S. producers of the subject merchandise. Because Oxychem’s submission was filed in an untimely fashion, the submission was returned to Oxychem and not incorporated in the record of this proceeding. Neither party filed comments on the adequacy of the responses to the notice of institution.

On January 7, 1999, the Commission determined that both the domestic and respondent interested party group responses to its notice of institution were inadequate. By a tie vote, however, the Commission

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<sup>1</sup> Commissioner Askey dissenting. See Dissenting Views of Commissioner Thelma J. Askey. However, she joins in Sections I, II, and IIIA-B of these views, except as otherwise noted.

<sup>2</sup> Anhydrous Sodium Metasilicate from France, Inv. No. 731-TA-25, USITC Pub. 1118 (December 1980) (“Original Det.”).

<sup>3</sup> 46 Fed. Reg. 1667 (Jan. 7, 1981).

<sup>4</sup> 63 Fed. Reg. 52748 (Oct. 1, 1998).

<sup>5</sup> See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

found that other circumstances warranted proceeding to a full review.<sup>6</sup> Accordingly, the Commission conducted a full review.

## II. DOMESTIC LIKE PRODUCT AND INDUSTRY

### A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”<sup>7</sup> The Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”<sup>8</sup>

In its final five-year review determination, the Department of Commerce (“Commerce”) defined the subject merchandise as:

anhydrous sodium metasilicate (“ASM”), a crystallized silicate ( $\text{Na}_2\text{SiO}_3$ ) which is alkaline and readily soluble in water.<sup>9</sup>

Commerce has determined that ASM mixed with either caustic soda beads or sodium triphosphate is within the scope of the order.<sup>10</sup>

ASM is a metasilicate product that is a subclass of the sodium silicate family of chemicals. ASM is primarily produced from soda ash or caustic soda and silica sand.<sup>11</sup> Because of its alkalinity and silica content, ASM is primarily used as an additive in detergent and other cleaning products and is characterized by having superior cleansing capabilities.<sup>12</sup> ASM is also used for soil stabilization, clay processing, paper mill operations, oil service cements, textile finishing operations, and manufacturing other chemicals.<sup>13</sup>

In the original investigation, the Commission determined that there was one like product, consisting of ASM.<sup>14</sup> The domestic producer PQ Corp. -- the only party to participate in this proceeding -- has argued that the Commission should make the same domestic like product finding in this review. In our

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<sup>6</sup> Vice Chairman Miller and Commissioners Hillman and Koplan voted to conduct a full review. Chairman Bragg and Commissioners Askey and Crawford voted to conduct an expedited review. Anhydrous Sodium Metasilicate from France, 64 Fed. Reg. 4892 (Feb. 1, 1999); *see also* Statements of Chairman Lynn M. Bragg and Commissioner Stephen Koplan concerning this matter.

<sup>7</sup> 19 U.S.C. § 1677(4)(A).

<sup>8</sup> 19 U.S.C. § 1677(10). *See Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991). *See also* S. Rep. No. 96-249 at 90-91 (1979).

<sup>9</sup> Final Results of Expedited Sunset Review: Anhydrous Sodium Metasilicate from France, 64 Fed. Reg. 5631, 5631 (Feb. 4, 1999). ASM is currently classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) as items numbers 2839.11.00 and 2839.19.00.

<sup>10</sup> Id.

<sup>11</sup> CR at I-8, PR at I-7.

<sup>12</sup> CR at I-9, PR at I-7.

<sup>13</sup> CR at I-9, PR at I-7.

<sup>14</sup> Original Determination at 4 (“Original Det.”).



view, the additional information collected in this review does not warrant a departure from the Commission's like product definition in the original investigation.<sup>15</sup> Accordingly, based on the facts available, we find that the domestic like product consists of all ASM, as defined within the scope of this review.

## B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the "domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product."<sup>16</sup> In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States.<sup>17</sup> Given our finding with respect to the domestic like product, we find that the domestic industry includes all firms that produced ASM during the period of review: PQ Corp., OxyChem, and Crosfield Company ("Crosfield").<sup>18 19</sup>

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<sup>15</sup> Commissioner Crawford finds one domestic like product in this review, consisting of anhydrous sodium metasilicate ("ASM") and sodium metasilicate pentahydrate ("SMP"), which are simply two forms of sodium metasilicate. The anhydrous and pentahydrate forms of sodium metasilicate share similar physical characteristics and end uses, are interchangeable to a certain degree, are sold through the same channels of distribution, and are manufactured on much of the same equipment, frequently with the same employees. The different techniques employed at the drying stage of production result in limited physical differences between the two products, reducing somewhat the overlap end uses and their interchangeability and increasing the price differential between ASM and SMP. However, these differences do not represent a clear dividing line between these two forms of sodium metasilicate. Accordingly, she includes ASM and SMP within the same domestic like product. See Separate Views of Commissioner Crawford.

<sup>16</sup> 19 U.S.C. § 1677(4)(A).

<sup>17</sup> See, e.g., United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

<sup>18</sup> We note that Crosfield has an agreement with Rhodia, the sole French producer of ASM, under which \*\*\*. Accordingly, when defining the domestic industry in this review, we have considered whether Crosfield should be considered a related party and should therefore be excluded from the domestic industry pursuant to the related parties provision in section 771(4)(B) of the Act. 19 U.S.C. § 1677(4)(B). In this case, we do not find Crosfield is a related party by reason of this agreement. Although this arrangement might indicate in other circumstances that there is a "special relationship" between the subject and U.S. producer, see SAA at 858, this relationship does not currently involve the distribution and sale of subject merchandise by Crosfield in the United States. Accordingly, although the relationship might give Rhodia the ability to control the sale of Crosfield's product, it does not give Rhodia control over Crosfield with respect to the sale of the subject merchandise. Moreover, even if we were to find that Crosfield is a related party, we would not find that appropriate circumstances exist to exclude it from the domestic industry. In this regard, we note that Crosfield accounted for a substantial portion of domestic ASM production in 1998 (\*\*\*) percent), CR and PR at Table I-2, and that Crosfield did not import any subject merchandise during 1997 and 1998, CR at I-15, PR at I-12. We further note that the existence of the contractual relationship does not appear to have benefitted Crosfield's operations in such a way as to skew the data for the industry as a whole. CR and PR at Table III-6. Accordingly, we believe that the record in this review indicates that Crosfield's primary interest lies in domestic production.

<sup>19</sup> Commissioner Crawford finds that the domestic industry consists of all firms that produced ASM and/or

(continued...)

### III. REVOCATION OF THE ANTIDUMPING DUTY ORDER ON ANHYDROUS SODIUM METASILICATE FROM FRANCE WOULD BE LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME<sup>20</sup>

#### A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping duty order unless: (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of the order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>21</sup> The Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo -- the revocation [of the antidumping duty order] . . . and the elimination of its restraining effects on volumes and prices of imports.”<sup>22</sup> Thus, the likelihood standard is prospective in nature.<sup>23</sup> The statute states that “the Commission shall consider that the effects of revocation . . . may not be imminent, but may manifest themselves only over a longer period of time.”<sup>24</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ time frame applicable in a threat of injury analysis [in antidumping and countervailing duty investigations].”<sup>25 26</sup>

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<sup>19</sup> (...continued)

SMP during the period of review: PQ Corp., OxyChem, Crosfield, and Chemical Products Co. She concurs in the conclusion that Crosfield’s primary interest lies in domestic production and in the finding that Crosfield is not a related party.

<sup>20</sup> Commissioner Askey determines that revocation of the antidumping duty order on anhydrous sodium metasilicate from France would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. See Dissenting Views of Commissioner Thelma J. Askey. She otherwise joins in Section III.B below.

<sup>21</sup> 19 U.S.C. § 1675a(a).

<sup>22</sup> SAA, H.R. Rep. No. 103-316, Vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry).” SAA at 883.

<sup>23</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>24</sup> 19 U.S.C. § 1675a(a)(5).

<sup>25</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” Id.

<sup>26</sup> In analyzing what constitutes a reasonably foreseeable time, Commissioners Crawford and Koplán examine (continued...)

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked.”<sup>27</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, and whether the industry is vulnerable to material injury if the order is revoked.<sup>28 29</sup>

For the reasons stated below, we determine that revocation of the antidumping duty order on anhydrous sodium metasilicate from France would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.<sup>30 31</sup>

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

all the current and likely conditions of competition in the relevant industry. They define “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation. In making this assessment, they consider all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, their analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

<sup>27</sup> 19 U.S.C. § 1675a(a)(1).

<sup>28</sup> 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>29</sup> Section 752(a)(1)(D) of the Act directs the Commission to take into account in five-year reviews involving antidumping proceedings “the findings of the administrative authority regarding duty absorption.” 19 U.S.C. § 1675a(a)(1)(D). Commerce did not issue any duty absorption findings in this matter. See 64 Fed. Reg. at 5631.

<sup>30</sup> Chairman Bragg and Commissioners Koplan and Askey note that the statute authorizes the Commission to take adverse inferences in five-year reviews, but emphasize that such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. “[T]he Commission balances all record evidence and draws reasonable inferences in reaching its determinations.” SAA at 869 [emphasis added]. Practically speaking, when only one side has participated in a five-year review, much of the record evidence is supplied by that side, although that data is supplemented with publicly available information. We generally give credence to the facts supplied by the participating parties and certified by them as true, but base our decision on the evidence as a whole, and do not automatically accept the participating parties’ suggested interpretation of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.” Id.

<sup>31</sup> Commissioner Askey determines that revocation of the antidumping duty order on anhydrous sodium metasilicate from France would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. See Dissenting Views of Commissioner Thelma J. Askey. She otherwise joins in Section III.B below.

## B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry if an antidumping duty order is revoked, the statute directs the Commission to evaluate all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>32</sup> In performing our analysis under the statute, we have taken into account the following conditions of competition in the U.S. market for ASM.

First, demand for ASM has continued to decline significantly since the period examined during the original investigation.<sup>33</sup> Apparent consumption of ASM declined from 194 million pounds in 1977 to 174 million pounds in 1979. Demand has declined significantly since 1979, with apparent consumption falling to \*\*\* million pounds in 1997 and consumption declining even further (to \*\*\* million pounds) in 1998.<sup>34</sup> ASM demand is in decline due to technology changes in end-use markets, replacement of ASM in some end uses by certain lower-cost substitutes, and ASM’s reclassification as a hazardous material in 1997.<sup>35 36</sup> Demand in Europe for ASM has experienced similar significant declines as well.<sup>37</sup>

Second, the domestic industry has become smaller since the period examined in the original investigation.<sup>38</sup> From 1977 to 1979, the industry consisted of four producers that produced ASM at six facilities.<sup>39</sup> Currently, the industry consists of three firms that produce ASM at three facilities.<sup>40</sup> The industry’s capacity has declined to less than a third of its level during the first year of the period examined in the original investigation, yet producers still have excess capacity.<sup>41 42</sup>

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<sup>32</sup> 19 U.S.C. § 1675a(a)(4).

<sup>33</sup> CR and PR at Table I-1.

<sup>34</sup> CR and PR at Table I-1.

<sup>35</sup> CR at II-1 & II-3, PR at II-1-2.

<sup>36</sup> Commissioner Crawford notes that apparent consumption of SMP has declined as well. Combined apparent consumption of the anhydrous and pentahydrate forms of sodium metasilicate decreased from 338 million pounds in 1977 to 305 million pounds in 1979 and from \*\*\* pounds in 1997 to \*\*\* pounds in 1998. Compare Original Staff Report at A-8 with Memorandum INV-W-196, Tables C-2 and C-3.

<sup>37</sup> CR at IV-3, PR at IV-2.

<sup>38</sup> CR at III-5, PR at III-4.

<sup>39</sup> CR at I-13, PR at I-11.

<sup>40</sup> CR at I-13-14, PR at I-11.

<sup>41</sup> CR and PR at Table I-1.

<sup>42</sup> Commissioner Crawford notes that the number of U.S. companies producing ASM and/or SMP has declined from five to four, while the industry’s existing capacity has decreased to less than one-half of its level in 1977. Compare Original Staff Report at tables 2 and 4, pp. A-12 and A-14, with Memorandum INV-W-196, Table C-3.

Third, since the period examined in the original investigation, the industry has changed in other ways as well. Unlike the original investigation, none of the current members of the industry \*\*\*.<sup>43</sup> In addition, export shipments have become a much more significant part of the industry's sales.<sup>44 45</sup>

Fourth, as in the original investigation, Rhodia is one of three significant producers of ASM in Europe<sup>46</sup> and remains the sole French producer of ASM.<sup>47</sup> According to PQ Corp., the European market is also in a state of significant overcapacity.<sup>48</sup> Rhodia has exported no subject merchandise to the United States since 1985.<sup>49</sup>

Fifth, as discussed earlier, Rhodia's U.S. subsidiary has entered into an agreement with the domestic producer Crosfield under which Rhodia's subsidiary \*\*\*.<sup>50</sup> As a result, Rhodia has an established sales network in the United States that could be used to market Rhodia's ASM. This agreement can be \*\*\*.<sup>51</sup>

Sixth, although the domestic and subject merchandise are produced in different grades and forms, the subject imports and the domestic like product are viewed as interchangeable by producers and purchasers,<sup>52</sup> indicating that there is a moderately high level of substitutability between the domestic and subject merchandise.<sup>53</sup> In addition, the record also indicates that price is a significant factor in purchasing decisions for ASM.<sup>54</sup>

Based on the record evidence, we find that these conditions of competition in the ASM market are not likely to change significantly in the reasonably foreseeable future. Accordingly, for purposes of this review, we find that these conditions provide us with a reasonable basis from which to assess the likely effects of revocation of the antidumping duty order within a reasonably foreseeable time.

### C. Likely Volume of Subject Imports

In evaluating the likely volume of subject imports if the order under review is revoked, the Commission is directed to consider whether the likely volume would be significant either in absolute terms

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<sup>43</sup> CR at III-5 & III-7, PR at III-4. During the period examined during the original investigation, captive consumption accounted for more than \*\*\*. Id.

<sup>44</sup> CR at III-5 & III-7, PR at III-4 & III-6.

<sup>45</sup> Commissioner Crawford notes that, according to supplemental data provided by the domestic industry, captive consumption of SMP has \*\*\*, while export shipments have increased.

<sup>46</sup> Prehearing Brief of PQ Corp., dated July 9, 1999, at 2 ("PQ Brief").

<sup>47</sup> CR at IV-2, PR at IV-2.

<sup>48</sup> CR at IV-3, PR at IV-2.

<sup>49</sup> CR at IV-2, PR at IV-2.

<sup>50</sup> CR at IV-2-IV-3, PR at IV-2.

<sup>51</sup> CR at IV-3, PR at IV-2.

<sup>52</sup> CR at I-10 & II-5, PR at I-9 & II-2.

<sup>53</sup> Commissioner Crawford finds that, because the subject merchandise consists solely of ASM, which is not likely to be used in liquid laundry detergent (as is SMP), subject imports are likely to be moderate substitutes for domestically produced ASM and SMP and for nonsubject imports of ASM and SMP.

<sup>54</sup> CR and PR at Table II-1.

or relative to production or consumption in the United States.<sup>55</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>56</sup>

In its original determination, the Commission concluded that the domestic industry producing ASM was threatened with material injury by reason of the subject imports from France.<sup>57</sup> As part of its affirmative threat analysis, the Commission assessed the volume trends of the subject imports and found that the subject imports had increased steadily from 1976 to 1980.<sup>58</sup> In particular, the Commission found that the volume of the subject imports had increased from 40,000 pounds in 1976 to 982,000 pounds in 1977, almost tripled to 2.66 million pounds in 1978, and then rose by more than 107 percent -- to 5.5 million pounds -- in 1979.<sup>59</sup> The Commission further found that the subject imports had increased their share of the domestic ASM market from 0.8 percent in 1977 to 4.4 percent in 1979.<sup>60</sup> The Commission also noted that the subject imports had taken an increasingly large share of the ASM market in the northeastern United States and concluded that this increased market penetration would prevail in other regions of the country.<sup>61</sup>

In concluding that the subject imports threatened material injury to the domestic industry, the Commission also noted that Rhone Poulenc (Rhodia’s prior name) operated at 87 percent of its rated capacity in 1979 and could divert significant volumes of merchandise from third countries to the United States.<sup>62</sup> The Commission further found that Rhone Poulenc had an established sales network and a series of regional warehouses in the United States and that these would facilitate its ability to increase its presence in the United States market.<sup>63</sup>

In this review, the record indicates that subject import volumes are likely to be significant if the order is revoked. First, imports of the subject merchandise from France increased significantly between 1977 and 1979, before the antidumping duty order was imposed, but have ceased since the order has been in place.<sup>64</sup> In our view, the cessation of imports since the order appears to reflect the remedial effects of the order.<sup>65</sup>

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<sup>55</sup> 19 U.S.C. § 1675a(a)(2).

<sup>56</sup> 19 U.S.C. § 1675a(a)(2)(A)-(D).

<sup>57</sup> Original Det. at 5.

<sup>58</sup> Original Det. at 5.

<sup>59</sup> Original Det. at 6.

<sup>60</sup> Original Det. at 8.

<sup>61</sup> Original Det. at 8.

<sup>62</sup> Original Det. at 7.

<sup>63</sup> Original Det. at 7.

<sup>64</sup> CR at I-15, PR at I-12.

<sup>65</sup> Chairman Bragg notes in this regard that the SAA states that “[i]f the Commission finds that pre-order conditions are likely to recur, it is reasonable to conclude that there is likelihood of continuation or recurrence of (continued...)”

Second, although there is a limited amount of data available with respect to the subject producer's capacity levels and capacity utilization rates, those data indicate that Rhodia has total metasilicates production capacity<sup>66</sup> of approximately \*\*\* pounds per year and that it is currently operating at very low capacity utilization rates.<sup>67</sup> Moreover, PQ Corp. reports that Rhodia's production capacity for ASM alone is \*\*\* pounds,<sup>68</sup> an amount that exceeds total U.S. apparent consumption of ASM in 1998.<sup>69</sup> Accordingly, the record indicates that Rhodia has ample production capacity available to increase its shipments of ASM to the United States if the order were revoked.<sup>70</sup>

Third, as discussed above, Rhodia has an established sales network in place in the U.S. market that it uses to market \*\*\*.<sup>71</sup> We believe that this sales network would be used to market Rhodia's ASM production in the United States if the order were revoked. Finally, given that transportation costs for the subject merchandise are estimated to account for a minimal share of the overall value of ASM,<sup>72</sup> it is clear that there would be few limitations imposed on Rhodia's resumption of significant export shipments to the United States if the order were revoked.<sup>73</sup> Accordingly, we find that it is likely that Rhodia would begin shipping significant volumes of merchandise to the United States if the order were revoked.<sup>74</sup>

#### D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject

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<sup>65</sup> (...continued)  
injury." SAA at 884.

<sup>66</sup> This metasilicates total includes both ASM and SMP production. CR at IV-3, PR at IV-2.

<sup>67</sup> Rhodia's capacity utilization rate for metasilicates production was reported to be only \*\*\* percent in 1997. Because Rhodia does not produce SMP in its French facilities, there is no potential for Rhodia to shift facilities producing non-subject merchandise to the production of ASM. CR at IV-2, PR at IV-2.

<sup>68</sup> CR and PR at IV-2, n. 6.

<sup>69</sup> CR and PR at Table I-1.

<sup>70</sup> Moreover, French metasilicate production declined by 22 million pounds in 1997, the most recent year for which information was provided. CR at IV-3, PR at IV-2. The reformulation of ASM out of Unilever's products, formerly the largest volume use in France, and a decline in French prices of 12-20 percent in local currency terms between 1995 and 1998 would provide an incentive for Rhodia to export to the United States. See PQ Response to Notice of Initiation, Scott Statement at 8. At the time of the filing of PQ Corp.'s response to the notice of initiation, Rhodia was selling ASM in France for \$0.20 - \$0.23 per pound (converted from metric tons to pounds at an exchange rate of 5.57 FF / 1 USD). See PQ Response to NOI / Scott Statement at 8. In 1998, the average unit value of U.S. shipments of ASM (f.o.b. plant) was \$\*\*\* per pound.

<sup>71</sup> See CR at I-14, PR at I-11.

<sup>72</sup> Transportation costs are estimated to be less than 1 percent of the landed, duty paid value of the subject imports. CR at V-1, PR at V-1.

<sup>73</sup> The record contains no information about the level of inventories for subject merchandise in Europe.

<sup>74</sup> Although there are currently no third country antidumping duty orders against the subject merchandise in existence, PQ Corp. reported that tariffs averaging 10 percent ad valorem have been imposed on ASM in Latin America and East Asia. CR at II-1-II-2, PR at II-1. Given that U.S. tariffs on ASM are currently 1.1 percent ad valorem, CR at I-7, n. 7, PR at I-7, n.7, these relatively high rates in Latin America and East Asia make the United States a more appealing market than those markets, if the order were revoked.

imports as compared with the domestic like product and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the prices of domestic like products.<sup>75</sup>

In the original investigation, the Commission found that the subject imports consistently undersold the domestic product and that the LTFV margins were nearly equal to the size of the underselling margins exhibited by the subject merchandise.<sup>76</sup> Moreover, the Commission noted that it had confirmed a significant number of lost sales and revenues allegations, and that price was the principal reason given by purchasers for switching to the subject merchandise.<sup>77 78</sup>

The record in this review contains no evidence about the prices of the subject merchandise in the U.S. market because the subject imports have not entered the market since 1985.<sup>79</sup> However, the record does indicate that there is a moderately high level of substitutability between the domestic and subject merchandise<sup>80 81</sup> and that price is a critical factor in purchasing decisions for ASM.<sup>82</sup> Given this and Rhodia's under-utilized capacity, we find that it is highly likely that Rhodia would offer attractively low prices to U.S. purchasers to regain market share should the antidumping duty order be revoked. As domestic demand and capacity utilization rates continue to decline, we find that this increased competition from Rhodia would be likely to have significant depressing or suppressing effects on prices for the domestic like product. Accordingly, we find that revocation of the antidumping duty order would be likely to lead to significant price effects, including significant underselling by the subject imports of the domestic like product, as well as significant price depression or suppression, in the reasonably foreseeable future.<sup>83</sup>

#### E. Likely Impact of Subject Imports

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

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<sup>75</sup> 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>76</sup> Original Det. at 9.

<sup>77</sup> Original Det. at 9.

<sup>78</sup> Chairman Bragg infers that, in the event of revocation, Rhodia would revert to aggressive pricing practices with regard to ASM exports to the United States, as evidenced in the Commission's original investigation.

<sup>79</sup> CR at I-15, PR at I-12.

<sup>80</sup> CR at I-10 & II-5, PR at I-9 & II-4.

<sup>81</sup> Commissioner Crawford finds that, because the subject merchandise consists solely of ASM, which is not likely to be used in liquid laundry detergent (as is SMP), subject imports are likely to be moderate substitutes for domestically produced ASM and SMP and for nonsubject imports of ASM and SMP.

<sup>82</sup> CR at II-1, PR at II-1.

<sup>83</sup> Commissioner Crawford notes Rhodia is already a participant in the sodium metasilicate market through its national distribution network to existing customers. In light of the fact that PQ Corp. officials described domestic prices as currently being at equilibrium, with price competition limited to smaller accounts (Hearing transcript at 88-89 and PQ Posthearing Brief at A-7), Commissioner Crawford finds that the price effects of the subject imports would not likely be significant.



market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>84</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.<sup>85</sup> As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty order at issue and whether the industry is vulnerable to material injury if the duty order is revoked.<sup>86</sup>

In the original determination, the Commission found that the subject imports had exhibited adverse volume and price effects during the period examined.<sup>87</sup> Based on these adverse volume and price trends, as well as a number of confirmed lost sales and revenues allegations, the Commission concluded that the industry in the United States producing ASM was threatened with material injury by reason of the subject imports from France.<sup>88</sup>

Generally, as we describe below, the domestic industry has experienced declining output, sales, and revenue since imposition of the order, primarily because demand for ASM has been in significant decline since that time. However, we believe that the industry has benefitted in significant respects from imposition of the antidumping duty order. As we noted above, there have been no subject imports since 1985, which we believe can be directly attributed to the order. The order has allowed the industry to remain somewhat profitable or to come close to breaking even<sup>89</sup> during a period of significant decline in demand. If the order had not been issued, we believe that the industry's financial performance would have been significantly worse.<sup>90</sup>

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

<sup>85</sup> 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce determined that revocation of the antidumping order would likely lead to continuation or recurrence of dumping at the margins listed below:

Rhone-Poulenc (Rhodia)	60 percent
All others	60 percent.

64 Fed. Reg. 5631 (Feb. 4, 1999).

<sup>86</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the antidumping duty order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

<sup>87</sup> Original Det. at 6-9.

<sup>88</sup> Original Det. at 9.

<sup>89</sup> Although the industry had an operating income (loss) ratio to net sales of \*\*\* percent in 1998, it had an operating income ratio of \*\*\* in 1997. CR and PR at Table I-1.

<sup>90</sup> Commissioner Crawford notes that the U.S. industry's export prices are noticeably lower than its domestic prices. Thus, per unit revenues from domestic sales are higher than per unit revenues from export sales. CR and  
(continued...)

Nonetheless, the industry is not exhibiting robust financial performance. Consequently, we find that the industry remains vulnerable to the impact of the subject imports if the order were revoked. Its production, shipments, sales, and employment levels have declined significantly since the original period of investigation and declined further between 1997 and 1998.<sup>91</sup> In addition, the industry's capacity utilization rates have declined somewhat from the original period of investigation.<sup>92 93</sup> Moreover, although the industry was profitable as recently as 1997, its operating income performance is now worse than it was during the period examined in the original investigation and deteriorated between 1997 and 1998.<sup>94</sup> We believe that these general declines in the industry's financial indicators are a result of the continuing and significant decline in demand for ASM in the U.S. market. Given that the record suggests this decline in demand will continue in the reasonably foreseeable future,<sup>95</sup> we believe that the industry's financial condition will continue to deteriorate and that it is vulnerable to the likely impact of the subject imports if the order were revoked.<sup>96 97</sup>

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<sup>90</sup> (...continued)  
PR at Table III-3.

<sup>91</sup> The industry's production levels were 195.2 million pounds in 1977, 185.1 million pounds in 1978, and 165.2 million pounds in 1979. Its recent production levels were 86 million pounds in 1997 and 70.1 million pounds in 1998. CR and PR at Table I-1. The industry's U.S. shipments were 193 million pounds in 1977, 180.6 million pounds in 1978, and 169.2 million pounds in 1979. By comparison, its U.S. shipments were 72.5 million pounds in 1997 and 61.7 million pounds in 1998. CR and PR at Table I-1. The industry's net sales revenues were \$19.3 million in 1977, \$18.2 million in 1978, and \$19.6 million in 1979. By comparison, the industry's net sales revenues were \$17.3 million in 1997 and \$13.9 million in 1998. CR and PR at Table I-1. The number of workers employed by the industry was 152 in 1977 and 1978 and 105 in 1979. By comparison, the number of workers employed by the industry was 23 in 1997 and 1998. CR and PR at Table I-1.

<sup>92</sup> The industry's capacity utilization rates were 65 percent in 1977, 64 percent in 1978 and 73 percent in 1979. CR and PR at Table I-1. By comparison, the industry's capacity utilization rates in 1997 and 1998 were 65 and 53 percent, respectively. Id. We note that this lower rate in 1998 was due, in part, to \*\*\*. CR and PR at III-1.

<sup>93</sup> Commissioner Crawford observes that production, capacity, shipments, sales, and employment trends in the broader sodium metasilicates industry have behaved in a similar fashion.

<sup>94</sup> The industry's operating income as a percentage of sales was 20.8 percent in 1977, 22.2 percent in 1978, and 18.8 percent in 1979. By comparison, its operating income (loss) as a percentage of sales was 9.8 percent in 1997 and (0.6) percent in 1998. CR and PR at Table I-1.

<sup>95</sup> See CR at II-3, PR at II-2.

<sup>96</sup> In this regard, we note that the industry is no longer \*\*\* as part of its operations, as it was during the period examined in the original investigation. CR at III-7, PR at III-5. As a result, \*\*\* and can be expected to be competing directly with shipments of the subject imports, should the order be revoked. Because of the fact that more of the industry's shipments are potentially in direct competition with likely volumes of subject imports, we believe the industry is currently vulnerable to the possible adverse impact of the subject imports.

<sup>97</sup> Commissioner Crawford finds that the magnitude of any adverse effects of revocation is likely to increase with the degree of vulnerability of the industry. She finds the domestic industry in this review is not particularly vulnerable to injury if the order is revoked. While declining demand has had an adverse impact on the output, sales, and revenue of the U.S. sodium metasilicate producers over time, the underlying cause of this decline -- a product that is out-of-step with the consumer and regulatory demands of the marketplace -- has been present since the Commission last examined ASM and SMP producers in 1980. See, e.g., Original Staff Report at A-9 (discussing declining consumption of sodium metasilicates due to partial replacement by less expensive sources of

(continued...)

With these considerations in mind, we find that the subject imports are likely to have a significant adverse impact on the domestic industry producing ASM if the antidumping duty order is revoked. As we previously discussed, we have concluded that revocation of the antidumping duty order would be likely to lead to significant additional volumes of subject imports as well as significant adverse price effects from the subject imports. Given the highly substitutable nature of the subject and domestic product,<sup>98</sup> we find that the significant volume of low-priced subject imports, when combined with the expected adverse price effects of these imports, would have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry.<sup>99</sup> This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability and employment levels as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, we conclude that, if the antidumping duty order is revoked, the subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

### CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order on anhydrous sodium metasilicate from France would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

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<sup>97</sup> (...continued)

alkali). Further, Commissioner Crawford notes that more recent problems facing the industry are of a transitory nature (e.g., raw material costs, year-on-year export declines, and production difficulties experienced by PQ Corp. in 1998). Raw material costs \*\*\* in 1999. PQ Posthearing Brief at A-8. From 1997 to 1998, the total decline of exports was caused by a \*\*\* percent decline in exports by \*\*\*. CR at II-1-2, PR at II-1. In addition, PQ Corp.'s production levels fell by \*\*\* percent in 1998 as a result of now-resolved mechanical difficulties in its production line. CR at III-1-2, PR at III-1.

<sup>98</sup> Commissioner Crawford finds that, because the subject merchandise consists solely of ASM, which is not likely to be used in liquid laundry detergent (as is SMP), subject imports are likely to be moderate substitutes for domestically produced ASM and SMP and for nonsubject imports of ASM and SMP.

<sup>99</sup> Commissioner Crawford finds that the price effects of the subject imports would not likely be significant. Nonetheless, for the reasons discussed above, she agrees that revocation of the order is likely to lead to a significant volume of imports of ASM from Rhodia, resulting in a significant adverse impact on the domestic industry's output, sales, and revenue.



## SEPARATE VIEWS OF COMMISSIONER CAROL T. CRAWFORD

On the basis of the information contained in the record of this review, I find that the appropriate domestic like product consists of anhydrous sodium metasilicate (ASM) and sodium metasilicate pentahydrate (SMP). As noted in the determination and views of the Commission, I determine that revocation of the antidumping order concerning ASM from France would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. However, I present these separate views because I do not join my colleagues in finding a domestic like product consisting of only ASM and a domestic industry producing only ASM.

### I. DOMESTIC LIKE PRODUCT

In making a determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”<sup>1</sup> The Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”<sup>2</sup> In its final five-year review determination, the Department of Commerce (“Commerce”) defined the subject merchandise as

anhydrous sodium metasilicate (“ASM”), a crystallized silicate ( $\text{Na}_2\text{SiO}_3$ ) which is alkaline and readily soluble in water. Applications include waste paper de-inking, ore-flotation, bleach stabilization, clay processing, medium or heavy duty cleaning, and compounding in other detergent formulations.<sup>3</sup>

Commerce has determined that ASM mixed with caustic soda beads or with sodium triphosphate is within the scope of the order.<sup>4</sup>

In the original investigation, the Commission determined that there was one like product, consisting of ASM.<sup>5</sup> The Commission noted that the four domestic producers of ASM also produced SMP, a product that has a similar chemical composition to ASM but contains five molecules of water. Without undertaking an extensive discussion of the issue, the Commission found that “ASM and SMP are different products and that the appropriate industry produces only ASM.”<sup>6</sup>

For the purposes of this review, I find that there is one domestic like product consisting of the two primary representatives of the sodium metasilicate family: ASM and SMP. In making this finding, I note that the Commission considered this domestic like product issue in its original antidumping duty investigation covering ASM from France. However, in the Notice of Final Rulemaking for sunset reviews, the Commission indicated that “the Commission may revisit its like product determination when there have

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<sup>1</sup> 19 U.S.C. § 1677(4)(A).

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

<sup>3</sup> Final Result of Expedited Sunset Review: Anhydrous Sodium Metasilicate from France, 64 Fed. Reg. 5631, 5631 (Feb. 4, 1999). ASM is currently classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) as items numbers 2839.11.00 and 2839.19.00.

<sup>4</sup> *Id.*

<sup>5</sup> Original Determination at 4.

<sup>6</sup> *Id.*

been significant changes in the products at issue since the original investigation or when domestic like product definitions differed for individual orders within a group concerning similar products.”<sup>7</sup>

Eighteen years have elapsed since the Commission made its original like product determination. In that time, domestic producers have ceased their once-considerable internal consumption of ASM and SMP, while unrelated customers have reformulated the products that require ASM and SMP.<sup>8</sup> In light of the intervening eighteen years since the Commission’s original determination and the significant changes in the frequency and intensity of use of the anhydrous and pentahydrate forms of sodium metasilicate, I find that the particular facts and circumstances of this review warrant reconsideration of the Commission’s original like product determination.

#### Physical Characteristics and Uses.

ASM and SMP share similar physical characteristics and end uses. ASM and SMP are the major commercial forms of sodium metasilicates within the subclass of sodium silicates.<sup>9</sup> Both forms were developed “as rapidly dissolving, dustless, concentrated source(s) of alkali and silica.”<sup>10</sup> In particular, ASM and SMP share the same general chemical structure, with the exception of the fact that SMP contains five molecules of water.<sup>11</sup> These physical similarities allow ASM and SMP to be used for similar general end uses, primarily in industrial and institutional cleaning applications (*e.g.*, in medium- or heavy-duty hard-surface cleaners or in laundry and dishwasher detergent formulations) as well as for fabricated metals cleaning, paper de-inking, and maintenance washing of aircraft.<sup>12</sup> Moreover, the record evidence suggests that ASM and SMP are substitutes for one another in industrial applications.<sup>13 14</sup>

#### Interchangeability.

As indicated above, the record evidence suggests that ASM and SMP are interchangeable in industrial applications. Interchangeability between the anhydrous and pentahydrate forms of sodium metasilicate is enhanced by the fact that they share the two leading characteristics identified in Commerce’s scope of the subject merchandise: alkalinity and solubility. However, this level of interchangeability is moderated somewhat by purchasers’ preference for SMP in liquid and cold-water washing formulations and for ASM when caustic soda is present or in certain specialty applications.

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<sup>7</sup> 63 Fed. Reg. 30599, 30602 (June 5, 1998).

<sup>8</sup> Compare *Original Report* at A-9 with CR at III-7, PR at III-7, and tables C-1 and C-2, CR at C-6 and C-8.

<sup>9</sup> CR at I-11, PR at 9.

<sup>10</sup> PQ Posthearing Brief at ex. A, p. 14.

<sup>11</sup> CR at I-11, PR at 9.

<sup>12</sup> PQ Posthearing Brief at ex. A, p. 14.

<sup>13</sup> CR at I-11, PR at I-9.

<sup>14</sup> Not surprisingly, the presence of water molecules in SMP causes this form of sodium metasilicate to be more soluble than ASM, to have faster solution and surfactant absorption rates than ASM, and to remain stable at higher temperatures than ASM. It also has a lower bulk density than ASM and tends to cause less fabric damage than ASM. As a result of these properties, SMP is preferred over ASM in liquid detergent formulations and in cold-water washing formulations, while ASM is preferred in certain cleaning applications (*e.g.*, where caustic soda is present) or in certain specialty applications (*e.g.*, in oilfield cements). CR at I-11, PR at I-9.

### Channels of Distribution.

The record indicates that ASM and SMP are sold through the same channels of distribution.<sup>15</sup>

### Common Manufacturing Facilities, Employees, and Methods.

ASM and SMP share the same feedstock and generally are produced by the same firms. Each of the firms producing sodium metasilicates combines silica sand with soda ash or caustic soda in continuously-operated, high-temperature furnaces.<sup>16</sup> After the fusion process is complete, the product is dried. The drying process for ASM requires the product to be heated at high temperatures (700 degrees Fahrenheit), while SMP is dried using a process that cools the product down to moderate temperatures (70 degrees Fahrenheit).<sup>17</sup> Therefore, only at the drying stage do domestic producers generally process ASM and SMP on separate production lines using separate employees.<sup>18</sup> Moreover, the ASM drying line can be retrofitted with an air-conditioning unit to produce SMP, although it is considered uneconomical to retrofit the SMP drying line to produce ASM.<sup>19</sup>

### Producer and Customer Perceptions.

PQ Corp. filed affidavits from its technical employees indicating that ASM and SMP are considered to be different products with different physical characteristics and end uses.<sup>20</sup> Nonetheless, marketing brochures submitted by PQ Corp. suggest that the company markets the products as having the same beneficial characteristics.<sup>21</sup> Similarly, Crosfield markets its ASM and SMP together, as evidenced by \*\*\*.<sup>22</sup> Customers also appear to view the products as substitutes. Although performance requirements may in some instances dictate the use of ASM, customers can turn to substitute products (primarily pentahydrates generally and SMP specifically) for most applications.<sup>23</sup>

### Price.

ASM is sold for a higher price than SMP. SMP sells for \$0.15 per pound compared to \$0.20 per pound for ASM. However, I do not find it appropriate to place great weight on prices, in light of SMP's elevated water content. Pound-for-pound, the anhydrous form of sodium metasilicate contains more silicate than the pentahydrate form,<sup>24</sup> making per-pound pricing comparisons of limited utility.

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<sup>15</sup> CR at I-13, PR at I-10; Tr. at 69.

<sup>16</sup> CR at I-8 and I-12, PR at I-7 and I-10.

<sup>17</sup> Tr. at 44-45.

<sup>18</sup> CR at I-12, PR at I-9. PQ even shares operations in its shipping and warehousing of the anhydrous and pentahydrate forms of sodium metasilicate. Tr. at 43.

<sup>19</sup> Tr. at 44-45.

<sup>20</sup> PQ Posthearing Brief at Ex. B.

<sup>21</sup> PQ Posthearing Brief at Ex. A, p. 14.

<sup>22</sup> CR at I-14, PR at I-12.

<sup>23</sup> CR at II-3, PR at II-2. Of the purchasers that responded to the Commission's questions regarding substitute products, 40 percent indicated that pentahydrates were viable substitutes for ASM, and an additional 40 percent identified SMP specifically.

<sup>24</sup> Tr. at 47.

### Conclusion.

I find one domestic like product in this review, consisting of ASM and SMP. The anhydrous and pentahydrate forms of sodium metasilicate share similar physical characteristics and end uses, are interchangeable to a certain degree, are sold through the same channels of distribution, and are manufactured on much of the same equipment, frequently with the same employees. The different techniques employed at the drying stage of production result in limited physical differences between the two forms of sodium metasilicate, reducing somewhat the overlap in end uses and interchangeability and increasing the price differential between ASM and SMP. However, these differences do not represent a clear dividing line between the anhydrous and the pentahydrate forms of sodium metasilicate. Accordingly, I include ASM and SMP within the same domestic like product.

### **II. DOMESTIC INDUSTRY**

Having found one like product consisting of both ASM and SMP, I find that the domestic industry consists of the U.S. producers of both ASM and SMP. In defining the domestic industry in this review, I have also considered whether any producers of the domestic like product should be excluded from the domestic industry pursuant to the related parties provision in section 771(4)(B) of the Act. As discussed in the majority opinion, one domestic producer, Crosfield Co., has a contractual agreement with Rhodia's U.S. subsidiary \*\*\*. Considering all of the available information in the record, I concur with my colleagues in their conclusion that Crosfield's primary interest lies in domestic production and in their finding that Crosfield is not a related party.



## DISSENTING VIEWS OF COMMISSIONER THELMA J. ASKEY

Section 751(d) requires that Commerce revoke a countervailing duty or an antidumping duty order in a five-year (“sunset”) review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the Commission determines that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>1</sup> In this review of the order on anhydrous sodium metasilicate from France, I find that material injury is not likely to continue or recur in a reasonably foreseeable time if the order is revoked.

I join my colleagues’ discussion regarding domestic like product, domestic industry, conditions of competition, and in their explanation of the relevant legal standard. As a preliminary matter, I note that one domestic producer representing approximately \*\*\* percent of the domestic industry responded to the Commission’s notice of institution; no respondent interested parties chose to participate in the review. The Commission therefore has a limited record to review in determining whether revocation of the order will likely lead to continuation or recurrence of material injury in the reasonably foreseeable future.<sup>2</sup> In a case such as this, where only one domestic interested party participates in an investigation or review, that party has an advantage in terms of being able to present information to the Commission without rebuttal from the other side. However, irrespective of the source of information on the record, the statute obligates the Commission both to investigate the matters at issue and to evaluate the data before it in terms of the statutory criteria.<sup>3</sup> The Commission cannot properly accept participating parties’ information and characterizations thereof without question and without evaluating other available information.<sup>4 5</sup>

### B. General Considerations

The statute directs us to take into account some general considerations.<sup>6</sup> I therefore have taken into account the Commission’s prior injury determination, including the volume, price effects, and impact of the

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<sup>1</sup> 19 U.S.C. §§ 1675(d)(2), 1675a(a)(1) (1994).

<sup>2</sup> Congress and the administration anticipated that the record in expedited sunset reviews would likely be more limited than that in full reviews and accordingly provided that the Commission’s determination would be upheld unless it was “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.” 19 U.S.C. § 1516a(b)(1)(b)(ii). Nevertheless, even under a more relaxed standard of review, the Commission must ensure that its decision is based on some evidence in the record. See Genentech Inc. v. United States Int’l Trade Comm’n, 122 F.3d 1409, 1415 (Fed. Cir. 1997) (discussing the Commission’s decision on sanctions).

<sup>3</sup> 19 U.S.C. § 1675a(a).

<sup>4</sup> See, e.g., Alberta Pork Producers’ Mktg. Bd. v. United States, 669 F. Supp. 445, 459 (Ct. Int’l Trade 1987) (“Commission properly exercised its discretion in electing not to draw an adverse inference from the low response rate to questionnaires by the domestic swine growers since the fundamental purpose of the rule to ensure production of relevant information is satisfied by the existence of the reliable secondary data.”).

<sup>5</sup> See supra, note 34 in the Majority Opinion, section I.A.

<sup>6</sup> 19 U.S.C. § 1675a(a)(1). We are also to take into account the Commission’s prior injury determinations, consider whether any improvement in the state of the industry is related to the order, consider whether the industry is vulnerable to material injury in the event of revocation, and consider any duty absorption orders made by Commerce. Id. Commerce has made no findings of duty absorption in this case. 64 Fed. Reg. 5636, 5637 (Feb. 4, 1999). The statute also provides that the Commission may consider the margin of dumping when making its determination. 19 U.S.C. § 1675a(a)(6). Commerce determined that the margin it would expect in the event of revocation for French producers that remain subject to the order to be 2.9 percent; the all others rate would also be 2.9 percent. 64 Fed. Reg. at 5638 (February 4, 1999).

subject imports on the industry before the order was issued.<sup>7</sup> In examining the current marketplace for anhydrous sodium metasilicate, I note that several facts point to the existence of a very different market than existed in 1980, at the end of the original period of investigation.

The Commission found that the domestic industry was threatened with material injury in its original determination. At that time, the market for ASM was contracting and subject imports entered the domestic market in increasing volumes. Subject imports increased their shipments to the domestic market from 982,000 pounds in 1977 to 5.5 million pounds in 1979.<sup>8</sup> Thus, by 1979, subject imports accounted for a total of 3.2 percent of the U.S. market and 100 percent of all imports. The U.S. ASM market has continued its contraction since 1977 and according to PQ's testimony, the decline in demand will continue, with no projected new uses for ASM.<sup>9</sup> U.S. production is approximately \*\*\* times smaller than it was in 1979, while domestic consumption is approximately \*\*\* times smaller.<sup>10</sup> By contrast, in 1998, U.S. producers controlled virtually the entire domestic market. Subject merchandise did not enter the domestic market in 1998, and one of the U.S. producers, \*\*\*, imported the only nonsubject merchandise from its Canadian subsidiary in order to cover production shortfalls due to fire damage at its facility. The decline in demand for ASM has been fostered by the increasing use of substitute products such as SMP, caustic soda and soda ash. In fact, in certain detergent formulations, liquid substitutes can replace ASM and are less labor and capital intensive.<sup>11</sup>

Domestic consumption of anhydrous sodium metasilicate has waned during the many years the order has been in effect and it does not necessarily follow that revocation of the order will affect the domestic industry's condition. Indeed, the record here suggests that fundamental changes in the domestic marketplace itself since the order was imposed, including the significant decrease in total consumption and the increased availability of substitutable products, are perhaps more responsible for the industry's condition than the order. In fact, subject imports have not entered the market in 14 years, allowing the domestic industry to solidify its position in the U.S. market. Based on the industry's current performance and PQ's stated belief that the ASM market will continue to be viable, I do not find a causal connection that imports from France will materially injure the domestic industry.

### C. Volume

The Commission is to consider whether the likely volume of subject imports if the order under review is revoked would be significant either in absolute terms or relative to production or consumption in the United States.<sup>12</sup> In so doing, the Commission shall consider "all relevant economic factors," including four enumerated in the statute: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise in countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign

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<sup>7</sup> 19 U.S.C. § 1675a(a)(1)(A). According to the Statement of Administrative Action ("SAA") to the Uruguay Round Agreements Act, if pre-order conditions are likely to recur, it is reasonable to conclude that there is a likelihood of continuation or recurrence of injury. H. R. Rep. No. 103-316, vol. 1 at 884 (1994).

<sup>8</sup> CR at I-3, PR at I-3.

<sup>9</sup> Transcript at 26-27.

<sup>10</sup> CR at I-3, PR at I-3.

<sup>11</sup> CR at II-3, PR at II-2.

<sup>12</sup> 19 U.S.C. § 1675a(a)(2).

country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>13</sup>

Our focus in a sunset review is whether subject import volume is likely to be significant in the reasonably foreseeable future if the antidumping duty order is revoked. Although the available data suggest that the antidumping duty order had a significant impact on the market penetration of subject imports immediately after its imposition, it does not appear likely that revocation would lead to any adverse effects on the domestic industry. Inland transportation costs, even without adding overseas freight cost, are high and have a dramatic influence on profit margins. The domestic industry testified that transportation costs are so high that if it is to cut prices on distant sales it will sell its product at a loss.<sup>14</sup> High transportation costs also would apply to French imports, in addition to overseas freight costs, and would be a serious impediment to any future shipments of ASM from France.

The statute first directs the Commission to consider what the effects of any likely increase in production capacity or unused capacity in the exporting country would be on the domestic industry. It is not reasonable to believe that Rhodia will increase production capacity given the current state of the industry. Further, all producers of ASM reportedly have excess capacity in their facilities due to the decline in demand for the product; thus, the mere fact of excess available capacity does not compel the conclusion that a producer is gearing up to produce and ship a larger amount of ASM.

PQ estimates that Rhodia has 90 million pounds of production capacity and is operating at 50 percent to 60 percent capacity utilization.<sup>15</sup> Although this would ordinarily be a large quantity of excess capacity, worldwide demand for ASM has fallen so significantly that capacity utilization by all firms will likely continue to decrease. Further, machines used in the production of ASM are easily converted to producing other chemicals in the metasilicate family. According to the \*\*\*.<sup>16</sup> \*\*\*.<sup>17</sup> This information suggests PQ may have overestimated how much capacity Rhodia devotes to the production of ASM, and therefore, what threat, if any, Rhodia poses to the domestic industry. Based on the foregoing information, one might expect a reasonable producer to scale back production and focus on their home market.

Demand for ASM has fallen because of increased availability of substitute products that are less costly, easier to handle, and less toxic. It would be illogical for a company, which knows the industry, to re-enter a market after a 14-year absence to again begin selling a product for which purchasers are continually finding substitutes. As noted in the majority's conditions of competition, Crosfield and Rhodia, Inc., Rhodia's American subsidiary, have entered into an agreement \*\*\*. Though we have few details on the exact nature of the relationship between the two companies, the ongoing relationship leads me to believe that the current agreement is and will continue to be beneficial to both companies. It therefore seems unlikely that Rhodia will begin importing large quantities of ASM and selling them in direct competition with Crosfield's product.

Second, the statute directs the Commission to consider the effects of existing inventories of the subject merchandise, or likely increases in inventory. Because Rhodia did not participate in the investigation, the Commission has no information on its existing inventory.

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<sup>13</sup> 19 U.S.C. § 1675(a)(2)(A)-(D). The SAA indicates that the statutory factors specified for analysis of volume, price, and impact are a combination of those used to determine both material injury by reason of subject imports and threat of material injury in original antidumping and countervailing duty investigations. See SAA at 886.

<sup>14</sup> Transcript at 91.

<sup>15</sup> Posthearing brief of PQ, Exhibit A at 2.

<sup>16</sup> \*\*\*.

<sup>17</sup> CR at II-2, PR at II-2.

Third, the statute directs the Commission to consider the existence of barriers to the importation of the subject merchandise in countries other than the United States. According to domestic producers, the current barrier to the importation of ASM, for domestic and subject merchandise, is a 10 percent *ad valorem* tariff in several Latin American and East Asian countries.<sup>18</sup> In addition, in 1996, the Department of Transportation classified ASM as a hazardous material and thereby created a new barrier for any country, including France, to import ASM into the United States.<sup>19</sup>

Because the domestic market is dominated by U.S. suppliers, and because Rhodia has no logical incentive to increase shipments of ASM to the United States, I find that revocation of the antidumping duty order is not likely to lead to a significant increase in the volume of subject imports such that the likely volume of subject imports would be significant.

#### D. Price

In evaluating the likely price effects of the subject merchandise in the event of revocation, the Commission shall consider (1) whether imports are likely to be sold at a significantly lower price than the domestic like product, and (2) whether imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>20</sup>

The record in this review contains very limited pricing data. However, PQ stated that without foreign competition, the domestic industry does not compete on price for market share from its competitors because, “it’s only reasonable to assume that the same thing would happen to me on the next bid.”<sup>21</sup> Thus, the domestic producers seem to have effectively allocated the market among themselves, thereby providing themselves with price stability.

Further, a striking difference between the original investigation and the current sunset review is the export volume of the domestic industry. During the original investigation, the domestic industry exported between 0.1 and 0.3 percent of its sales, but it currently exports between 10 to 12 percent of its sales.<sup>22</sup> Domestic producers state they are in danger of losing export sales to low-cost producers from Latin America and East Asia, but do not mention Rhodia as a source of concern. Because \*\*\* percent of the domestic industry chose not to participate, the Commission does not have a direct answer as to whether U.S. producers compete with Rhodia for sales of ASM in third-country markets.<sup>23</sup> However, PQ’s witness testified that purchasers of ASM will source on a global basis, leading me to believe that domestic producers do compete with Rhodia for third-country sales of ASM.<sup>24</sup> Thus, since apparently the domestic industry competes successfully against Rhodia in third-country markets, there is no reason to believe that Rhodia would undersell its product in the United States in order to capture U.S. market share. These limited data demonstrate that revocation of the antidumping duty order is not likely adversely to affect prices for the domestic like product in the reasonably foreseeable future.

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<sup>18</sup> CR at II-1, PR at II-1.

<sup>19</sup> Transcript at 30.

<sup>20</sup> 19 U.S.C. § 1675a(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation or termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>21</sup> Transcript at 88.

<sup>22</sup> CR at II-1, PR at II-1.

<sup>23</sup> Transcript at 29.

<sup>24</sup> Transcript at 35.

## **E. Impact**

When considering the likely impact of subject imports, the Commission is to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more enhanced version of the domestic like product.<sup>25</sup>

Subject imports are not likely to have a significant adverse impact on the domestic anhydrous sodium metasilicate industry if the order is revoked. Subject imports have not entered the U.S. market since 1985, and the domestic industry accounts for essentially \*\*\* percent of apparent domestic consumption. In light of the domestic industry's strong position in the U.S. market and the lack of competition from foreign producers, I find that revocation would likely not have an adverse impact on the domestic industry. Subject imports would have to increase by an unrealistic degree in order to challenge the industry's position and cause material injury in the event of revocation.

Finally, even if one were to assume that subject imports may enter at prices that could perhaps adversely affect prices for the domestic like product (i.e., create some price competition where none now exists), I conclude that volume levels would be too minimal to enable subject imports to have a price suppressing or depressing effect. I therefore find that subject imports would not be likely to have a significant impact on domestic anhydrous sodium metasilicate producers' cash flow, inventories, employment, wages, growth, ability to raise capital, or investment. In conjunction with my conclusions regarding likely volume and price effects, I find that revocation is not likely to lead to a significant reduction in U.S. producers' output, sales, market share, profits, productivity, ability to raise capital, or return on investments. I therefore find that revocation is not likely to have a negative impact on the domestic industry in the reasonably foreseeable future.

## **III. CONCLUSION**

Subject imports are not likely to have adverse volume or price effects in the event of revocation, and are therefore not likely to have a negative impact on the domestic industry. Although the domestic industry faces many challenges due to declining demand, imports from France are not and will not be a cause of further harm. Thus, I find that material injury is not likely to continue or recur in the reasonably foreseeable future if the antidumping duty order is revoked.

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<sup>25</sup> 19 U.S.C. § 1675a(a)(4).



## PART I: INTRODUCTION AND OVERVIEW

### BACKGROUND

On May 15, 1980, the U.S. International Trade Commission and the U.S. Department of Commerce received a petition from PQ Corp., Valley Forge, PA, alleging that anhydrous sodium metasilicate (ASM)<sup>1</sup> from France was being sold in the United States at less than fair value (LTFV). The Commission instituted Inv. No. 731-TA-25 (Final) on September 16, 1980, following the Department of Commerce's affirmative determination in its preliminary investigation on August 29, 1980, to determine whether an industry in the United States was materially injured or threatened with material injury by reason of the subject imports. Commerce made its final determination on November 24, 1980 that ASM from France was being sold in the United States at LTFV, with a weighted-average price margin of 60 percent of the exporter's sales price or 37.8 percent of fair market value. On January 2, 1981, the Commission determined that the domestic industry was threatened with material injury by reason of the subject imports. Commerce published an antidumping duty order on January 7, 1981.

On October 1, 1998, the Commission instituted a five-year review concerning the antidumping duty order on anhydrous sodium metasilicate from France. On January 7, 1999, the Commission determined that a full review should proceed to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. Information relating to the background of the review is provided in the following tabulation:<sup>2</sup>

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<sup>1</sup> For purposes of this review, anhydrous sodium metasilicate is defined as a crystallized silicate ( $\text{Na}_2\text{SiO}_3$ ) which is alkaline and readily soluble in water. Applications include wastepaper de-inking, ore-flotation, bleach stabilization, clay processing, medium or heavy duty cleaning, and compounding into other detergent formulations. This merchandise is covered by subheading 2839.11.00 of the Harmonized Tariff Schedule of the United States (HTS); Commerce has listed HTS subheading 2839.19.00 as well, but no subject product should be entered under that provision. The U.S. Department of Commerce determined that ASM mixed with caustic soda beads or with sodium tripolyphosphate is within the scope of this order.

<sup>2</sup> The original order and all recent *Federal Register* notices cited in the tabulation are presented in appendix A.

Effective date	Action	Federal Register citation
November 24, 1980	Commerce's final determination	45 FR 77499
January 2, 1981	Commission's final determination	46 FR 176
January 7, 1981	Publication of the order	46 FR 1667
October 1, 1998	Commission's institution of five-year review	63 FR 52748
February 1, 1999	Commission's decision to conduct a full review	64 FR 4892
February 4, 1999	Commerce's final results of expedited review	64 FR 5631
February 25, 1999	Commission's scheduling of full review	64 FR 10315 (Mar. 3, 1999)
July 21, 1999	Commission's hearing <sup>1</sup>	Not applicable
September 7, 1999	Commission's vote	Not applicable
September 20, 1999	Commission's determination transmitted to Commerce	Not applicable
<sup>1</sup> The list of hearing witnesses is presented in appendix B.		

### SUMMARY DATA

A summary of data collected in this review is presented in appendix C. Table C-1 presents data on ASM; table C-2 presents data on sodium metasilicate pentahydrate (SMP); and table C-3 presents combined data on both metasilicates. U.S. industry data are based on questionnaire responses from three firms that accounted for 100 percent of U.S. production of anhydrous sodium metasilicate in 1997 and 1998. U.S. import data are based on questionnaire responses from two firms that accounted for 100 percent of imports in 1997 and 1998. There have been no known subject imports of anhydrous sodium metasilicate since 1985.<sup>3</sup> Available comparative data from the original investigation and the current review are presented in table I-1.

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<sup>3</sup> The Commission sent a foreign producer questionnaire to Rhodia, Inc., the American subsidiary of the French ASM producer, Rhodia. The Commission received no response from Rhodia. Staff then contacted one of the domestic law firms handling Rhodia, Inc.'s trade litigation and determined through their attorney that the company did not intend to participate in this review and did not intend to resume exporting ASM to the United States.



**Table I-1**  
**Anhydrous sodium metasilicate: Comparative data from the original investigation and the current review, 1977-79 and 1997-98**

<i>(Quantity in 1,000 pounds, value in \$1,000)</i>					
Item	1977	1978	1979	1997	1998
U.S. consumption:					
Quantity	194,063	183,249	174,729	***	***
Producers' share <sup>1</sup>	99.5	98.5	96.8	***	***
Importers' share: <sup>1</sup>					
France	0.5	1.5	3.2	0.0	0.0
All other	0.0	0.0	0.0	***	***
Total imports	0.5	1.5	3.2	***	***
U.S. import shipments from--					
France ( <i>quantity</i> )	982	2,664	5,506	0	0
Other sources <sup>2</sup> ( <i>quantity</i> )	0	0	0	***	***
All sources ( <i>quantity</i> )	982	2,664	5,506	***	***
U.S. producers'					
U.S. capacity ( <i>quantity</i> )	300,400	288,100	225,000	132,300	132,300
U.S. production ( <i>quantity</i> )	195,270	185,145	165,159	86,051	70,122
U.S. capacity utilization <sup>1</sup>	65.0	64.0	73.0	65.0	53.0
U.S. shipments ( <i>quantity</i> )	193,081	180,585	169,223	72,544	61,741
Export shipments ( <i>quantity</i> )	212	(3)	516	11,121	8,259
Production workers	152	152	105	23	23
Hours worked ( <i>1,000s</i> )	(3)	(3)	(3)	53.6	52.8
Net sales ( <i>value</i> )	19,262	18,189	19,592	17,330	13,880
Operating income ( <i>value</i> )	4,000	4,036	3,685	1,694	(83)
Operating income/sales <sup>1</sup>	20.8	22.2	18.8	9.8	(0.6)

<sup>1</sup> Reported data are in percent.

<sup>2</sup> According to the original staff report, France was the sole source of U.S. imports of ASM during 1977-80.

<sup>3</sup> Data not available.

Source: Data for the period 1997-98 are compiled from Commission questionnaires. Data for the period 1977-79 are derived from the staff report of December 1980.

## STATUTORY CRITERIA

Section 751(c) of the Tariff Act of 1930 requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."<sup>4</sup>

Section 752(a)(1) of the Act states that the Commission "shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

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

Section 752(a)(2) of the Act states that "[I]n evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

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

Section 752(a)(3) of the Act states that "[I]n evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

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<sup>4</sup> Certain transition rules apply to the scheduling of reviews (such as this one) involving antidumping and countervailing duty orders and suspensions of investigations that were in effect prior to January 1, 1995 (the date the WTO Agreement entered into force with respect to the United States). Reviews of these transition orders will be conducted over a three-year transition period running from July 1, 1998 through June 30, 2001. Transition reviews must be completed not later than 18 months after initiation. No transition order may be revoked before January 1, 2000.

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

Section 752(a)(4) of the Act states that "[I]n evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

- (A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,
- (B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and
- (C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

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

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

Information obtained during the course of the review that relates to the above factors is presented throughout this report. Responses by U.S. producers and purchasers of anhydrous sodium metasilicate to a series of questions concerning the significance of the existing antidumping duty order and the likely effects of its revocation are presented in appendix D.

## NATURE AND EXTENT OF SALES AT LTFV

On February 4, 1999, Commerce published the results of its expedited sunset review of ASM from France in the *Federal Register*. In its determination, Commerce found that revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping, citing the cessation of imports after the issuance of the order as a basis for the determination. Commerce determined the margins of likely dumping to be 60 percent for Rhone-Poulenc (now Rhodia) and for all others, the margin calculated at the time of the original order. Commerce made no finding regarding duty absorption.

Commerce conducted 15 administrative reviews during 1980-95. The reviews were terminated at the end of 1997 because of the absence of entries.<sup>5</sup> The following tabulation, obtained from Commerce's Internet site entitled "Five-Year (Sunset) Reviews," shows the dumping margins (in percent) that resulted from those reviews.<sup>6</sup>

Period of review	Margin	Methodology/results
Nov. 1, 1980-May 31, 1981	60.0	No shipments
June 1, 1981-Dec. 31, 1981	60.0	No shipments
Jan. 1, 1982-Dec. 31, 1982	0.0	Price to price comparisons
Jan. 1, 1983-Dec. 31, 1983	0.0	Price to price comparisons
Jan. 1, 1984-Dec. 31, 1984	60.0	Best information available
Jan. 1, 1985-Dec. 31, 1985	60.0	Best information available
Jan. 1, 1986-Dec. 31, 1986	60.0	No shipments
Jan. 1, 1987-Dec. 31, 1987	60.0	No shipments
Jan. 1, 1988-Dec. 31, 1988	60.0	No shipments
Jan. 1, 1990- Dec. 31, 1990	60.0	No shipments
Jan. 1, 1991- Dec. 31, 1995 <sup>1</sup>	60.0	Best information available

<sup>1</sup> Commerce received no responses from Rhone-Poulenc during 5 reviews from Jan. 1, 1991 through Dec. 31, 1995. Commerce therefore had no information from the reviews as to whether there were imports of ASM from France during that period.

<sup>5</sup> Rhone Poulenc did not respond to questionnaires in the administrative reviews spanning Jan. 1, 1991-Dec. 31, 1995. Commerce therefore had no information from the reviews to determine whether there were any imports of ASM from France and terminated the reviews based on the absence of entries.

<sup>6</sup> As Rhone-Poulenc was the only known French exporter of ASM to the United States, the reviews were only conducted on Rhone-Poulenc.

## THE PRODUCT

Commerce has defined the scope of this review as follows:

"The merchandise subject to this antidumping duty order is anhydrous sodium metasilicate ("ASM"), a crystallized silicate ( $\text{Na}_2\text{SiO}_3$ ) which is alkaline and readily soluble in water. Applications include waste paper de-inking, ore-flotation, bleach stabilization, clay processing, medium or heavy duty cleaning, and compounding into other detergent formulations. The Department determined that ASM mixed with caustic soda beads or with sodium tripolyphosphate is within the scope of the order. This merchandise is currently classifiable under the following Harmonized Tariff Schedule of the United States (HTSUS) item numbers 2839.11.00 and 2839.19.00."<sup>7</sup>

### Description and Uses

ASM is a metasilicate, a subclass of the larger sodium silicate family. ASM is primarily used in the manufacture of detergents because it provides a source of alkali and silica. ASM is produced by fusing soda ash or caustic soda with silica sand at high temperatures in furnaces, which are operated continuously to prevent damage to the furnace interiors. ASM is a definite crystalline chemical compound.

Because the production processes for ASM vary, the ASM produced by each manufacturer also tends to vary in physical characteristics, such as particle appearance, particle size distribution, and bulk density. However, in the overwhelming percentage of cases, the ASM produced by each manufacturer is interchangeable with that made by other firms. In this sense, ASM is different from certain other chemicals, which are characterized by having grades that differ relatively sharply in their technical properties and commercial applications. In only a limited number of cases is one manufacturer's product reportedly preferred over another, usually for reasons that relate to surfactant absorption properties.

According to a representative from PQ Corp., the PQ process yields a beaded product, which results in less dusting when the product is mixed with other ingredients in dry detergent formulations. The processes of the other two U.S. producers yield a more granular product, which in application tends to cause more dusting but results in a higher surfactant absorption in detergent formulations due to a larger surface area per particle.<sup>8</sup> According to this representative, the French ASM material tested during the original investigation was of the coarser granular form.

According to both PQ and Crosfield, another U.S. producer, the large majority of sales of ASM are made in the industry and institutional (I&I) detergent market (e.g., industrial laundry, metal cleaning, etc.). For PQ, close to \*\*\* percent and for Crosfield about \*\*\* percent of their sales go to these markets. There has been a steady decline in the use of ASM in the compounded household detergent market over the past decade. Household use of ASM formerly had been on par with the I&I detergent market's consumption. Use of ASM has declined sharply in the past several years in both the household and I&I

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<sup>7</sup> Subheading 2839.11.00 covers sodium metasilicates, with a 1999 general duty rate of 1.1 percent ad valorem. Subheading 2839.19.00, for other sodium silicates, has the same 1999 general rate; as stated earlier, no subject product should fall into that category for tariff purposes. Mixed ASM is believed to enter under HTS chapter 38, probably subheading 3824.90.39 (nonenumerated mixtures of two or more inorganic compounds).

<sup>8</sup> Communication to Commission staff from James M. Scott, Business Group Manager, Industrial Chemicals Division, PQ Corp., June 15, 1999.

markets as more detergent users have switched from dry detergent blends to liquid ones. Liquid formulations are easier to automate and thus are becoming more cost effective. ASM is used less in liquid than in dry formulations because ASM is subject to a drying process which adds significant cost and which is understandably not required for use in liquid formulations. Also contributing to the decline in use of ASM is competition from substitutes discussed below and the lack of new market openings for the product. ASM is still used, however, for its superior cleaning abilities, which include the neutralization of acidic soil components, emulsification of fats and grease, deflocculation of inorganic materials, and suspension of insoluble particles. These useful properties exist because ASM serves as a source of both alkalinity and silica. Other uses for ASM include soil stabilization, clay processing, paper mill operations, oil field service cements, textile finishing operations, and the manufacture of other chemicals.

As noted above, there are a number of substitutes for ASM, though not in every regard is substitution possible. Soda ash and caustic soda, which are significantly less expensive than ASM, are only partial substitutes for ASM because they serve as a source of alkalinity but not silica. Soda ash and caustic soda act as detergents but are inferior to ASM over a wide range of concentrations. In non-detergent applications, such as oil field cements and clay processing, the silica component is essential, and soda ash and caustic soda are not substitutes for ASM. Liquid silicates may also be substituted for the metasilicate. Finally, sodium metasilicate pentahydrate (SMP), a similar product to ASM, may be a substitute. A comparison of ASM and SMP follows in the domestic like product discussion.

### **Manufacturing Processes**

There are essentially three manufacturing processes used worldwide to produce ASM: the rotary dryer process,<sup>9</sup> the fluid bed process,<sup>10</sup> and the dry-fed kiln process.<sup>11</sup> While each producer can vary its process to meet certain chemical specifications, the overall processes are similar and the ASM produced is commercially interchangeable. \*\*\* use the rotary dryer process; \*\*\* uses the dry-kiln process. ASM is usually produced in beaded form because the beading of the material lessens the amount of dust that develops during its handling.

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<sup>9</sup> Sodium silicate and caustic soda are combined to give a feed liquor the proper ratio and concentration of alkali and silica. This liquid is fed into the dryer and sprayed on the bed of solids through nozzles as the bed moves through the dryer. The rotary dryer process involves the repeated coating of fine grains of solid sodium metasilicate by alternately spraying and drying sodium metasilicate liquor on a moving mass of particles in the rotary dryer. Material discharged from the dryer is screened and separated into fines that are fed back into the dryer, oversized particles that are crushed and returned as feed, or finished product of the desired screen mesh size that is packaged for sale.

<sup>10</sup> In the fluid bed process, sodium metasilicate liquor is made from a mixture of liquid sodium silicate and caustic soda, which is then pumped through spray nozzles onto a fluid bed dryer. Once the liquor is on the fluid bed, it is dried by heated air in the floor of the dryer. From the dryer, the granular ASM is screened, cooled, and packaged.

<sup>11</sup> In the dry-fed kiln process, sand and soda ash are mixed in proportion and then fed into a furnace (kiln). The material is fused into a molten pool, which is removed for cooling and then ground, screened, and packaged. The process does not require the manufacture of liquid sodium silicate.

## DOMESTIC LIKE PRODUCT ISSUES

This section presents information related to the Commission's "domestic like product" determination.<sup>12</sup> In its original determination, the Commission defined the domestic like product as ASM. In its views, the Commission noted that, while imported ASM from France entered the United States in four grades, domestic ASM was commercially competitive and interchangeable with all grades of imported ASM. Although no domestic like product issues have been raised by either domestic or foreign producers in this review, a discussion of ASM and sodium metasilicate pentahydrate (SMP), a product similar to ASM, follows.

### Physical Characteristics and Uses

Sodium metasilicate pentahydrate (SMP) is a possible substitute for ASM. SMP, which has the chemical structure  $\text{Na}_2\text{SiO}_3 \cdot 5\text{H}_2\text{O}$ , is closely related to ASM. The major physical difference between ASM and SMP is the presence of water in SMP. Although other sodium silicates exist, ASM and SMP are the major commercial forms of sodium metasilicates and can be substitutes for one another in industrial applications. SMP is more soluble than ASM but on a per-pound basis contains less silicate. In addition to the presence of water, SMP has very different chemical reactive properties than ASM. For example, SMP has a faster rate of solution than ASM, has better surfactant absorption, and remains more stable at higher humidities than ASM. SMP melts in its own hydration at 70°C, whereas ASM has no hydration. SMP has a lower bulk density, which means that a given weight of SMP will fill a container more than the identical weight of ASM. SMP absorbs heat rather than giving it off, and tends to cause less fabric damage than ASM.<sup>13</sup> SMP cannot be used in certain applications where caustic soda is present as the chemical reaction that would occur would result in the two chemicals bonding together into a solid lump of detergent instead of a free-flowing detergent. It also cannot be used in some industrial applications, such as in oil field cements.

### Manufacturing Process, Facilities, and Production Employees

Although SMP and ASM begin with the same raw materials, SMP is produced by a different process than ASM. SMP is crystallized in open pans at ambient temperatures, separated from excess water, and crushed or ground to form crystals. SMP can also be left in its liquid form and chilled to form crystals. It is produced in a crystalline process, which requires less energy than the production of ASM.

SMP is often produced in conjunction with ASM. ASM and SMP share the same feedstock in most facilities that produce both products. \*\*\*. The processes to make ASM and SMP differ after the feedstock is produced. As mentioned above, ASM must be dried at high temperatures. SMP is dried at ambient temperatures in order to trap water in the SMP molecule. Therefore, separate driers are required

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<sup>12</sup> The Commission's decision regarding the appropriate domestic products that are "like" the subject products is based on a number of factors including (1) physical characteristics and uses; (2) common manufacturing facilities and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and, where appropriate, (6) price.

<sup>13</sup> Hearing transcript, p. 47.

to produce the two products.<sup>14</sup> According to PQ, different production workers are used in producing the two metasilicates.<sup>15</sup>

### **Interchangeability and Customer Perceptions**

The decision to use ASM or SMP is based on factors such as the type of cleaning (medical, concrete, clothing (or institutional linens)); the type of soil being cleaned (oily, granular, or muddy); the mineral content of the water to be used (hard or soft water); the water temperature; and the type of washing equipment to be used. Because SMP has a faster solution rate than ASM, it is more often used in cold water washing. At temperatures above 70°C, SMP becomes tacky or sticky, which is desirable for some industrial purposes. SMP absorbs heat, which can be a safety advantage in some usages. As previously mentioned, SMP remains more stable than ASM at higher humidities and is superior to ASM in terms of fabric damage. The choice of ASM or SMP is determined by the end use and, while SMP is superior to ASM in some factors, ASM is superior in terms of product cleaning because of its higher alkali content.<sup>16</sup>

### **Channels of Distribution**

ASM and SMP share the same channels of distribution.

### **Price**

ASM commands a higher price than SMP due to production and functionality differences. ASM sells for up to 50 percent more than SMP on a per-pound basis. In part, this is the result of the higher costs incurred in producing ASM. ASM costs about 65 percent more to produce per pound than SMP because of higher energy costs due to the fact that ASM contains more silicate whereas SMP contains water.<sup>17</sup>

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<sup>14</sup> Hearing transcript, p. 44.

<sup>15</sup> Hearing transcript, p. 43.

<sup>16</sup> Hearing transcript, p. 47.

<sup>17</sup> PQ posthearing brief, p. 3.



## U.S. MARKET PARTICIPANTS

### U.S. Producers

The three domestic producers of ASM are shown in table I-2. PQ Corp. is the only party to this review.

<b>Table I-2 Anhydrous sodium metasilicate: U.S. producers, plant locations, and shares of U.S. production and U.S. shipments in 1998</b>			
<b>Firm</b>	<b>Plant location</b>	<b>Share (in percent) of U.S. production</b>	<b>Share (in percent) of U.S. shipments</b>
PQ Corp.	Utica, IL	***	***
Crosfield Co.	Joliet, IL	***	***
Occidental Chemicals	Dallas, TX	***	***

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

In 1980, there were four producers of ASM: PQ Corp.; Diamond Shamrock; Mayo Products Co., a division of Penwalt Corp.; and Stauffer Chemicals. These companies operated a total of six plants in the United States. Of these producers, only PQ continued to produce ASM in 1998. The other three companies were acquired by larger firms which often shut down existing plants to trim capacity. In the case of Mayo Products, ASM production was shut down completely and its customer base was sold to another company. In 1998, there were three firms and a total of three plants producing ASM.

PQ Corp. was the sole petitioner in the original investigation and was the \*\*\* largest producer of ASM in the United States in 1998. Its production facility is located in Utica, IL, where it also produces SMP and sodium silicate for other uses. PQ also has a wholly owned subsidiary in Canada which also produces ASM. \*\*\*. PQ also has a foreign affiliate in Mexico. PQ is opposed to the revocation of the order.

Crosfield Co. is a wholly owned subsidiary of ICI PLC of England. Crosfield is the successor company to Stauffer Chemicals. Stauffer Chemicals, the \*\*\* ASM producer at the time of the order, sold its ASM plant in Joliet, IL to Joseph Crosfield & Son, Ltd., a British chemical manufacturer, in 1987.<sup>18</sup> \*\*\*.<sup>19</sup> \*\*\*.<sup>20</sup> As of 1998, Crosfield was the \*\*\* producer and the \*\*\* supplier of ASM to the

<sup>18</sup> PQ Corp. filed an antidumping petition against Joseph Crosfield & Son, Ltd., then an ASM exporter from Britain, in 1985. PQ withdrew the petition in 1986 after Crosfield stated its intention to no longer engage in the practice of dumping. PQ's response to the Commission's institution of the review, p. 2.

<sup>19</sup> In 1998 Rhone Poulenc merged its chemical, fibers, and polymers business to form Rhodia. Rhodia is now a global organization employing 24,500 people worldwide, including 3,200 people at 30 facilities in North America. Found at Internet address <http://www.us.rhodia.com/profile>.

<sup>20</sup> Conversation with \*\*\* on Mar. 31, 1999, Joliet, IL.

U.S. commercial market. Crosfield produces both ASM and SMP at its Joliet plant. It also owns metasilicate facilities in Italy, the Netherlands, and the United Kingdom.<sup>21</sup> Crosfield is \*\*\*.

Occidental Chemicals (OxyChem) is a wholly owned subsidiary of Occidental Petroleum Corp., a NYSE-listed corporation. OxyChem is the successor company to Diamond Shamrock, a producer at the time of the order, and is now the \*\*\* producer of ASM in the United States. \*\*\*. OxyChem was, however, the \*\*\* supplier to the U.S. commercial market in 1998, with \*\*\* percent of its total production going to \*\*\*. OxyChem produces both ASM and SMP as well as caustic soda, a basic ingredient of ASM, at its plant in Dallas, TX. OxyChem is \*\*\*.

According to PQ, the three ASM producers also constitute the majority of SMP production in the United States. As best as it is able to determine, there is only one additional producer of SMP in the United States, although the company constitutes only about \*\*\* percent of the U.S. market.<sup>22</sup>

### U.S. Importers

The Commission sent questionnaires to 28 firms that were believed to be importers of either ASM or SMP.<sup>23</sup> While 16 of these firms supplied questionnaire responses, only 2 firms reported importing ASM in 1997-98. There have been no known subject imports of the product since 1985.

\*\*\* was an importer and distributor of ASM in the United States. The firm imported ASM from Italy in 1997, but was acquired the same year by \*\*\* when the decision was made to discontinue imports in favor of distributing domestically produced ASM. \*\*\* is the only other known importer of ASM. As mentioned previously, the company imported the product from \*\*\* in both 1997 and 1998. \*\*\*. These imports accounted for \*\*\* percent of total U.S. imports of ASM in 1997 and \*\*\* percent in 1998. \*\*\*'s U.S. production and imports of ASM during 1997 and 1998 are shown in the following tabulation (in thousands of pounds):

\* \* \* \* \*

### U.S. Purchasers

The Commission sent questionnaires to 29 firms that were believed to be purchasers of ASM. The Commission received 9 responses, all of which supplied usable data and purchased the product during the period of review. Of the 9 responding purchasers, 5 were distributors and 4 were end users. The companies were concentrated on the East Coast, in the South, and in the Midwest, with locations in New Jersey, Connecticut, Georgia, Minnesota, Wisconsin, Ohio, Illinois, Kansas, and Texas.

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<sup>21</sup> \*\*\*.

<sup>22</sup> PQ posthearing brief, p. 6.

<sup>23</sup> Imports of ASM and SMP are classified in the same HTS items and are therefor indistinguishable in the U.S. Customs Service records that identify importers by HTS item.

## U.S. MARKET SEGMENTS AND CHANNELS OF DISTRIBUTION

According to data compiled from Commission questionnaires, 59.3 percent of U.S. producers' shipments of ASM went to end users while 40.7 percent went to distributors in 1998. This ratio varied only slightly from 1997 when 59.8 percent of U.S. producers' shipments went to end users. Channels of distribution data for importers' shipments were unavailable for this review.<sup>24</sup>

## APPARENT U.S. CONSUMPTION

U.S. consumption of ASM decreased in both quantity and value during 1997-98, by \*\*\* percent and \*\*\* percent, respectively, as shown in table I-3. All of the domestic producers attribute declining consumption to declining demand for ASM as more consumers switch to using liquid laundry detergents (in which ASM is not an ingredient) over powdered detergents. In fact, according to one domestic producer, this trend has been most dramatic since 1992, with domestic demand for ASM dropping by nearly 30 percent during 1992-98.<sup>25</sup>

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<sup>24</sup> \*\*\*.

<sup>25</sup> Questionnaire response from \*\*\*.

<b>Table I-3</b> <b>Anhydrous sodium metasilicate: U.S. shipments of domestic product, U.S. import shipments, and apparent U.S. consumption, 1997-98</b>		
<b>Item</b>	<b>1997</b>	<b>1998</b>
	<i>Quantity (1,000 pounds)</i>	
U.S. producers' shipments	72,544	61,741
U.S. shipments of imports from--		
France	0	0
All other	***	***
Total import shipments	***	***
Apparent consumption	***	***
	<i>Value (\$1,000)</i>	
U.S. producers' shipments	15,323	12,493
U.S. shipments of imports from--		
France	0	0
All other	***	***
Total import shipments	***	***
Apparent consumption	***	***
<b>Source: Compiled from data submitted in response to Commission questionnaires.</b>		

### U.S. MARKET SHARES

As shown in table I-4, the U.S. market share held by U.S.-produced ASM declined by more than 5 percentage points from 1997 to 1998 as the market share of all imports grew by the same amount. However, \*\*\* accounted for \*\*\* percent of total imports of ASM in 1997 and \*\*\* percent of total imports in 1998.

**Table I-4**  
**Anhydrous sodium metasilicate: Apparent U.S. consumption and market shares, 1997-98**

\* \* \* \* \*

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

### **SUPPLY AND DEMAND CONSIDERATIONS**

#### **U.S. Supply**

The U.S. industry is able to respond to changes in domestic demand with increased production, sales from inventories, and increased imports. As a result of these factors, the U.S. supply elasticity is estimated to be high.

#### **Domestic Production**

U.S. production of ASM decreased by 19 percent from 1997 to 1998; producers' U.S. shipments decreased by 15 percent; and inventory levels increased slightly from 12.5 million pounds in 1997 to 12.7 million pounds in 1998. Capacity utilization decreased by 18 percent. The decreases in production and shipments have been attributed to the replacement of ASM in household dishwashing detergents and, in 1997, the U.S. Department of Transportation's reclassification of ASM from nonhazardous to hazardous material status.

#### ***Industry capacity***

U.S. producers' capacity utilization rates declined from 65 percent in 1997 to 53 percent in 1998. These rates indicate that U.S. producers have excess capacity from which they could increase production.

#### ***Export markets***

U.S. exports of ASM decreased by 26 percent from 1997 to 1998. U.S. exports accounted for about 10 to 12 percent of producers' total shipments during the period. Primary U.S. markets for these products included East Asia, Latin America, Western Europe, Canada, and Mexico. Of the total decline in exports from 1997 to 1998, \*\*\* percent was accounted for by the decrease in exports by \*\*\*. According to responding producers, tariffs averaging 10 percent ad valorem and low-cost production capacity in Latin America and East Asia have displaced U.S. exports in these markets.

#### ***Production alternatives***

According to the responding producers and the one responding importer, most ASM is used as a raw material for the manufacture of detergents for industrial and institutional applications. To a lesser extent, ASM is used in oil field drilling cements and metal ore treatments. Substitutes for ASM include SMP, liquid silicates, hexametaphosphates, caustic soda, and soda ash. Usually substitution of ASM with alternative products occurs during the formulation of the products of which ASM is an ingredient. In the manufacture of certain detergent formulations, liquid formulations can replace ASM; production of these liquid formulations is less labor and capital intensive.

### ***Inventories***

U.S. inventories remained relatively stable from 1997 to 1998, increasing by only 1 percent. The ratio of U.S. inventories to U.S. production ranged from 14.5 to 18.1 percent during the period. These data indicate that U.S. producers can utilize inventories to increase the supply of domestic product, if necessary.

### **Subject Imports**

There have been no U.S. imports of ASM from France since 1985.

### ***Industry capacity***

No data were provided by the only French producer of ASM, Rhodia. \*\*\*.<sup>1</sup>

### ***Alternative markets***

Although the French producer did not wish to participate in the Commission's review, it did state that it does not intend to ship ASM to the U.S. market.

### ***Inventories***

No information was available on French inventories.

## **U.S. Demand**

Based on available information, the overall demand for ASM could vary in response to changes in the price of the product. The main factor contributing to the high degree of price sensitivity is the availability of substitute products that meet the specific requirements of U.S. purchasers.

### **Demand Characteristics**

According to responding producers and importers, demand for ASM has decreased during the past several years. Firms stated that lower-cost substitutes, such as SMP, and technology changes in end-use markets have contributed to the decline in demand for ASM.

### **Substitute Products**

ASM is generally selected as the material of choice in particular applications because of its unique chemical characteristics. In some uses, performance requirements dictate the use of ASM over possible substitute products; however, in most uses, substitutes are readily available. The existence of viable substitutes supports the high degree of price sensitivity for ASM.

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<sup>1</sup> Data collected from the \*\*\*.

## Cost Share

The primary end use for ASM is in detergents for industrial and institutional applications. The cost of ASM relative to the total cost of production of the end-use products varies, ranging from 10 percent for car wash applications to 65 percent for commercial laundry applications.

## SUPPLY AND DEMAND IN THE FRENCH HOME MARKET

No information was received from the one French producer of this product, Rhodia. Rhodia maintains subsidiaries around the world, including the United States.

## SUBSTITUTABILITY ISSUES

The degree of substitutability between domestically produced and imported ASM depends primarily on price, quality, and availability. Based on available data, it is believed that there is a relatively high degree of substitution between U.S.-produced ASM and imports from any source.

### Factors Affecting Purchasing Decisions

Producers, importers, and purchasers were asked a variety of questions to determine what factors influenced the decisions of customers when buying ASM. Price, availability, and quality were listed as the most important factors affecting purchasing decisions (table II-1). Petitioner stated that the number one factor affecting purchasing decisions is, and always has been, price.<sup>2</sup>

<b>Table II-1 Anhydrous sodium metasilicate: Ranking of factors used in purchasing decisions, as reported by U.S. purchasers</b>			
<b>Factor</b>	<b>Number one factor</b>	<b>Number two factor</b>	<b>Number three factor</b>
	<i>Number of firms reporting</i>		
Availability	4	2	3
Price	7	2	0
Quality	3	5	1
Other <sup>1</sup>	1	3	5

<sup>1</sup> Other factors include deliverability, range of product line, marketing philosophy, and customer preference.

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

<sup>2</sup> "Given comparable levels of availability and reliability of supply and delivery, price is the distinguishing variable on which purchase decisions are made." (Statement of petitioners, hearing transcript, p. 17.)

### **Comparisons of Domestic Products and Subject Imports**

There have been no imports of ASM from France since 1985; therefore, a direct comparison of domestic products and the subject imports cannot be made on the basis of historical import data. However, some purchasers stated that the French product is comparable to the domestically produced ASM. There are three processes used worldwide to produce ASM; however, the products are comparable no matter where they are produced.<sup>3</sup>

### **Comparisons of Domestic Products and Nonsubject Imports**

There is a relatively high degree of substitution between U.S.-produced ASM and the nonsubject imported product. Factors that tend to enhance the degree of substitution include the fact that ASM from various countries is viewed as interchangeable in its uses and most purchasers found the subject imports to be comparable with regard to their specific chemical requirements. Most U.S. purchasers agreed that factors such as packaging consistency, the reliability of the supplier, and delivery time were important considerations in purchasing decisions.

Imports of ASM from nonsubject countries were available during the period for which data were collected. Comparisons were made concerning product from Canada, Mexico, and Western Europe. In all cases, ASM from these nations was considered to be comparable to the U.S. product in terms of availability, delivery times and terms, price, quality, reliability, and transportation costs.

### **Comparisons of Subject Imports and Nonsubject Imports**

There were no imports from the subject country, but some purchasers stated that the French product is comparable to ASM from other import sources.

## **ELASTICITY ESTIMATES**

### **U.S. Supply Elasticity**

The domestic supply elasticity for ASM measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of ASM. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced ASM. Analysis of these factors indicates that the U.S. supply elasticity is likely to be high; an estimate ranging from approximately 5 to 10 is suggested.

### **U.S. Demand Elasticity**

U.S. demand elasticity for ASM measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of the product. This estimate depends on factors such as the existence, availability, and commercial viability of substitute products, as well as the share of the ASM in the cost of production of downstream products. The share of the total cost of the end products accounted for by

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<sup>3</sup> "ASM brands and types marketed by different producers, as well as importers, are virtually interchangeable." (Statement of petitioner, hearing transcript, p. 17.)



ASM varies by usage; however, based on available information, it appears that the cost component of ASM in most end uses is high. Therefore, the aggregate demand for ASM is likely to be elastic and within a range of 5 to 10.

### **Substitution Elasticity**

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported product.<sup>4</sup> Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (availability, sales terms/discounts/promotions, etc.). There have been no imports of ASM from France since 1985; however, some purchasers stated that ASM from France is comparable to the domestically produced product. Therefore, if French product was imported, the substitution elasticity is estimated to be high; an estimate ranging from approximately 2 to 3.5 is suggested.

### **MODEL DISCUSSION**

While simulation models are frequently used by economists to estimate the likely impact of trade policy changes such as tariff increases/reductions or the imposition of quotas, particular difficulties with the most common methodologies arise when imports are imperfect substitutes for domestic goods and their baseline market share is zero or close to zero. The most significant problem relates to measuring the effects of trade policy changes as percentage changes from baseline levels. When the baseline value of the import market share is zero or close to zero, it is no longer possible to estimate changes in import levels as a percentage of the baseline values. The typical methodology employed by staff to estimate the likely impact of the recurrence or continuation of dumping in five-year review cases suffers from these same limitations. In the current case, the 1998 (baseline) U.S. market share for ASM from France is 0 percent. As a result, no formal simulation modeling was conducted by staff.<sup>5</sup>

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<sup>4</sup> The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and U.S. like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products, or vice versa, when prices change.

<sup>5</sup> The simulation models typically used by the Commission are partial equilibrium models that assume domestic and imported products are less than perfect substitutes. Such models, also known as Armington models, are relatively standard in applied trade policy analysis and are used for the analysis of trade policy changes in both partial and general equilibrium. Based on discussion earlier, staff has selected a range of estimates that represent price-supply, price-demand, and product-substitution relationships (i.e., supply elasticity, demand elasticity, and substitution elasticities) in the U.S. ASM market. Along with these estimates, the models may use data on market shares, growth in exogenous demand, and Commerce's determination on the expected level of dumping should the antidumping order be revoked.



## PART III: U.S. PRODUCERS' OPERATIONS

Information in this section is based on the questionnaire responses of three firms that accounted for 100 percent of U.S. production of ASM in 1998.

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

Average production capacity for ASM remained constant during 1997-98, as shown in table III-1. Production capacity has decreased significantly since 1979, however, dropping by 41.2 percent.<sup>1</sup>

<b>Table III-1 Anhydrous sodium metasilicate: U.S. producers' capacity, production, and capacity utilization, 1997-98</b>		
Item	1997	1998
Capacity (1,000 pounds)	132,300	132,300
Production (1,000 pounds)	86,051	70,122
Capacity utilization (percent)	65.0	53.0
<b>Source: Compiled from data submitted in response to Commission questionnaires.</b>		

Production of ASM declined 18.5 percent during 1997-98. Most of the decline in production was attributable to \*\*\*, whose production dropped by \*\*\* percent in 1998. Overall capacity utilization declined by 12 percentage points during 1997-98 to 53.0 percent in 1998, largely due to \*\*\*'s decreased production \*\*\*.

U.S. producers attribute the decline in capacity as well as the decline in production to subject imports and decreasing U.S. demand for ASM. Current producers state that shortly after the order was issued in 1981, two of the three then existing producers were forced to close down manufacturing facilities, citing the irrevocable damage done to the domestic industry by subject imports.<sup>2</sup> The industry continued to suffer from declining demand for the product and, during the early part of the 1990s, two firms, \*\*\* and \*\*\*, reported curtailing production even further. For one firm, \*\*\*, this meant closing down another ASM facility. Even with this dramatic decline in capacity and production, all of the producers agree that the industry remains in a state of over-capacity.<sup>3</sup>

### U.S. PRODUCERS' DOMESTIC SHIPMENTS AND EXPORT SHIPMENTS<sup>4</sup>

As shown in table III-2, U.S. producers' U.S. shipments declined 14.9 percent in quantity during 1997-98. Most of this decline was due to fewer shipments from \*\*\*. The trend in declining shipments

<sup>1</sup> Responses to Commission questionnaires and Commission staff report of December 1980.

<sup>2</sup> Questionnaire responses from \*\*\* and \*\*\*.

<sup>3</sup> Questionnaire responses from \*\*\*, \*\*\*, and \*\*\*, and conversations with \*\*\*, Mar. 30-31, 1999, Utica, IL and Joliet, IL.

<sup>4</sup> None of the producers reported company transfers or internal consumption.

**Table III-2****Anhydrous sodium metasilicate: U.S. producers' shipments, by type, 1997-98**

Item	1997	1998
	<i>Quantity (1,000 pounds)</i>	
U.S. shipments	72,544	61,741
Export shipments	11,121	8,259
Total shipments	83,665	70,000
	<i>Value (\$1,000)</i>	
U.S. shipments	15,323	12,493
Export shipments	2,007	1,387
Total shipments	17,330	13,880
	<i>Unit value (per pound)</i>	
U.S. shipments	\$0.21	\$0.20
Export shipments	0.18	0.17
Average	0.21	0.20

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

has been long-term; from 1977 to 1998, producers' U.S. shipments of ASM dropped by 68.0 percent.<sup>5</sup> As imports generally have been at low levels since 1985, when Rhone Poulenc ceased shipments of ASM to the United States, almost all of this decline has been a result of declining demand for the product.

Export shipments of ASM decreased 25.7 percent in quantity during 1997-98, apparently reflecting decreased demand for the product in Asian markets because of the recent economic crisis.<sup>6</sup> U.S. producers primarily export to the NAFTA region and East Asia.<sup>7</sup> Exports have witnessed a significant increase, however, since the time of the order when they constituted only 0.3 percent of total U.S. shipments of ASM. Domestic producers report that the rise in exports is due to decreasing domestic demand. In order to run their operations as efficiently as possible, domestic producers have increasingly turned to foreign markets in order to sell ASM.<sup>8</sup> In 1998, export shipments constituted 11.8 percent by quantity of total U.S. shipments.

<sup>5</sup> Responses to Commission questionnaires and Commission staff report of December 1980.

<sup>6</sup> Telephone conversation with \*\*\*, June 8, 1999.

<sup>7</sup> PQ's posthearing brief, p. 2. According to the brief, U.S. producers do not export to the European Union because of the over-capacity existent in that market. ASM is supplied to the Latin American market through local producers.

<sup>8</sup> Telephone conversation with \*\*\*, June 7, 1999.

## U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories grew by 1.3 percent during 1997-98 while the ratio of inventories to production rose by 3.6 percentage points (table III-3). Both the ratio of inventories to U.S. commercial shipments and the ratio of inventories to total shipments rose as well, by 3.3 percentage points and 3.2 percentage points, respectively.

<b>Table III-3</b>		
<b>Anhydrous sodium metasilicate: U.S. producers' end-of-period inventories, 1997-98</b>		
Item	1997	1998
Inventories ( <i>1,000 pounds</i> )	12,500	12,667
Ratio to production ( <i>percent</i> )	14.5	18.1
Ratio to U.S. shipments ( <i>percent</i> )	17.2	20.5
Ratio to total shipments ( <i>percent</i> )	14.9	18.1
<b>Source: Compiled from data submitted in response to Commission questionnaires.</b>		

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

U.S. producers' employment remained constant during 1997-98 in terms of the average number of production and related workers (PRWs), while hours worked decreased by 1.5 percent, as shown in table III-4. Total wages increased slightly during 1997-98, rising by 1.3 percent and reflecting an increase in hourly wages of 2.8 percent. Productivity declined during the period, by 15.4 percent. The change did not affect unit labor costs, which remained about a penny to the pound.

<b>Table III-4</b>		
<b>Average number of production and related workers producing anhydrous sodium metasilicate, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-98</b>		
Item	1997	1998
PRWs ( <i>number</i> )	23	23
Hours worked ( <i>1,000</i> )	54	52
Wages paid ( <i>\$1,000</i> )	1,019	1,032
Hourly wages	\$18.87	\$19.85
Productivity ( <i>pounds per hour</i> )	1,593.5	1,348.5
Unit labor costs ( <i>per pound</i> )	\$0.01	\$0.01
<b>Source: Compiled from data submitted in response to Commission questionnaires.</b>		

## FINANCIAL CONDITION OF THE U.S. INDUSTRY

### Background

Three producers (Crosfield, OxyChem, and PQ), accounting for all U.S. production of ASM during 1997-98, supplied financial data on their ASM operations.

PQ Corp. is a multinational corporation that produces various chemicals. It produces ASM, SMP, and magnesium sulfate at its Utica, IL plant. OxyChem is a subsidiary of Occidental Petroleum, a multinational petroleum and chemical producer which produces ASM, as well as sodium silicate and SMP at its Dallas, TX plant. Crosfield is owned by ICI PLC, a United Kingdom company which is a worldwide chemical producer. It produces ASM, as well as SMP at its Joliet, IL plant.

### Operations On Anhydrous Sodium Metasilicate

The aggregate results of the ASM operations of the U.S. producers are presented in table III-5. Aggregate net sales quantities and sales values declined between 1997 and 1998. The industry had an operating profit in 1997, but incurred operating losses in 1998.

There are some differences between the original investigation and the current review. The aggregate industry is much smaller today than at the time of the original investigation. In the current review \*\*\*.<sup>9</sup> Aggregate domestic trade shipments were approximately \*\*\* percent lower in 1998 than in 1979. Aggregate export shipments were much larger in 1998 than in 1979, however. A summary comparing the composition of shipments in 1998 verses 1979 is shown below (in 1,000 pounds and percentages).<sup>10</sup>

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<sup>9</sup> During the hearing Mr. James Scott of PQ said that PQ's Household Formulated Laundry Detergent Division was sold in 1982. That accounted for its captive shipments in the 1970s and early 1980s. Transcript, p. 13.

<sup>10</sup> All 1979 data are from the original prehearing staff report.

**Table III-5  
Results of operations of U.S. producers in the production of anhydrous sodium metasilcate,  
fiscal years 1997-98**

Item	1997	1998
	<b>Quantity (1,000 pounds)</b>	
Net sales	83,665	70,000
	<b>Value (\$1,000)</b>	
Net sales	17,330	13,880
Cost of goods sold	13,263	11,555
Gross profit	4,067	2,325
SG&A expenses	2,373	2,408
Operating income or (loss)	1,694	(83)
Interest expense	0	0
Other expense	82	138
Other income items	130	72
Net income or (loss)	1,742	(149)
Depreciation/amortization	464	537
Cash flow	2,206	388
	<b>Ratio to net sales (percent)</b>	
Cost of goods sold	76.5	83.2
Gross profit	23.5	16.8
SG&A expenses	13.7	17.3
Operating income or (loss)	9.8	(0.6)
Net income or (loss)	10.1	(1.1)
	<b>Unit values (dollars per pound)</b>	
Net sales	\$0.21	\$0.20
Cost of goods sold	0.16	0.17
Gross profit	0.05	0.03
SG&A expenses	0.03	0.03
Operating income or (loss)	0.02	(0.01)
	<b>Number of firms reporting</b>	
Operating losses	1	2
Data	3	3
Fiscal years are Dec. 31 for each company.		
<b>Source: Compiled from data submitted in response to Commission questionnaires.</b>		

\* \* \* \* \*

The results of operations, by firm, are shown in table III-6. \*\*\*.

\* \* \* \* \*<sup>11 12</sup>

Aggregate unit costs increased slightly from \*\*\* in 1997 to \*\*\* in 1998. \*\*\*.

**Table III-6**

**Results of operations of U.S. producers in the production of anhydrous sodium metasilicate, by firm, fiscal years 1997-98**

\* \* \* \* \*

A breakdown of the aggregate average per-pound cost of goods sold is shown in table III-7.

<b>Table III-7 Breakdown of components of the cost of goods sold (per pound) of U.S. producers in the production of anhydrous sodium metasilicate, fiscal years 1997-98</b>		
<b>Item</b>	<b>1997</b>	<b>1998</b>
Cost of goods sold:		
Raw materials	\$0.11	\$0.10
Direct labor	0.01	0.02
Other factory costs	0.04	0.05
Total cost of goods sold	0.16	0.17
<b>Source: Compiled from data submitted in response to Commission questionnaires.</b>		

A variance analysis showing the effects of prices and volume on the producers' net sales of ASM and of costs and volume on their total costs is shown in table III-8. Export sales accounted for about 12 percent of total sales in 1998. Although there are product mix problems involving differences in the weight of bags sold and bulk shipments, it is believed they are not of sufficient magnitude to invalidate general conclusions about the effects of changes in pricing, costs, and volume on profitability. The variance analysis revealed that declining prices and increased costs accounted for the decline in profitability. Some of the increased costs may have been due to the decline in volume.

<sup>11</sup> Submission of Nov. 16, 1998 by PQ Corp., pp. 10-11.

<sup>12</sup> \*\*\*.



<b>Table III-8 Variance analysis for anhydrous sodium metasilicate operations, fiscal years 1997-98</b>	
<b>Item</b>	<b>1997-98</b>
	<b>Value (\$1,000)</b>
Total net sales:	
Price variance	(619)
Volume variance	(2,831)
Total net sales variance	(3,450)
Cost of sales:	
Cost variance	(458)
Volume variance	2,166
Total cost variance	1,708
Gross profit variance	(1,742)
SG&A expenses:	
Expense variance	(423)
Volume variance	388
Total SG&A variance	(35)
Operating income variance	(1,777)
Summarized as:	
Price variance	(619)
Net cost/expense variance	(881)
Net volume variance	(277)
<b>Note: Unfavorable variances are shown in parentheses; all others are favorable.</b>	
<b>Source: Compiled from data submitted in response to Commission questionnaires.</b>	

**Capital Expenditures, Research And Development Expenses,  
And Investment In Productive Facilities**

Capital expenditures, R&D expenses, and the original cost and book value of property, plant, and equipment used in the production of ASM are shown in table III-9.

The producers were requested to describe the significance of the existing antidumping order covering imports of ASM from Japan on their operations, and also to describe the changes to their operations if the antidumping duty order were revoked. The responses are provided in appendix D.

**Table III-9**  
**Capital expenditures, research and development expenses, and value of assets of U.S. producers**  
**of anhydrous sodium metasilicate, fiscal years 1997-98**

\* \* \* \* \*

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

### U.S. IMPORTS

Import data were compiled from questionnaire responses and represent 100 percent of total imports of ASM into the United States (table IV-1).

Table IV-1 Anhydrous sodium metasilicate: U.S. imports, by sources, 1997-98		
Source	1997	1998
	<i>Quantity (1,000 pounds)</i>	
France	0	0
All other	***	***
Total	***	***
	<i>Value (\$1,000)</i>	
France	0	0
All other	***	***
Total	***	***
	<i>Unit value (per pound)</i>	
France	0	0
All other	\$***	\$***
Average	\$***	\$***
<b>Source: Compiled from data submitted in response to Commission questionnaires.</b>		

Imports of ASM grew by \*\*\* percent by quantity and \*\*\* percent by value from 1997 to 1998. All of the growth in imports was attributable to \*\*\*. \*\*\*. At the time of the injury finding in 1979, imports accounted for 3.2 percent of the U.S. market. The imposition of the order and the subsequent cessation of imports from France in 1985, along with consistent declining demand for ASM in the U.S. market, has led to a negligible level of imports of ASM. In fact, the only imports in 1998 were imported as \*\*\*.

In 1997, two companies, \*\*\* and \*\*\*, imported ASM from Italy and Canada, respectively. A decision was made by \*\*\* during the same year to discontinue importing ASM altogether. The company now distributes a domestically produced ASM product.

### U.S. IMPORTERS' INVENTORIES

Neither importer reported inventories of imported ASM in 1997 or 1998.

## THE INDUSTRY IN FRANCE

Rhodia is the only known producer of ASM in France.<sup>1</sup> Currently, Rhodia does not produce SMP at its French facilities.<sup>2</sup> At the time of the order, Rhone-Poulenc was the sole supplier of imported ASM to the U.S. market. With the imposition of the order, the company decided to discontinue its exports to the United States by 1985. There have been no known subject imports of ASM since that time. In 1998, Rhone-Poulenc merged its chemical, fiber, and polymer businesses to form Rhodia. Rhone-Poulenc, however, maintains a 68-percent ownership share in Rhodia.<sup>3</sup> Rhodia itself has worldwide subsidiaries, including 30 offices in North America. Rhodia continues to produce ASM at its French facilities.

\* \* \* \* \*

U.S. producers suggest that the European market, like the American market, is in a state of over-capacity. Demand for ASM in Europe has dropped significantly as the end uses for ASM have declined<sup>5</sup> and detergent compounders have switched to using cheaper inputs, such as caustic soda. According to industry sources, Rhodia's metasilicate capacity, which would include ASM as well as SMP, was roughly \*\*\* in 1997.<sup>6</sup> Production, however, totaled only \*\*\*, resulting in a capacity utilization rate of \*\*\* percent for overall metasilicate production. Rhodia's production of metasilicates appeared to have been fairly stable until 1997, when production dropped by \*\*\* percent.<sup>7</sup> \*\*\*.<sup>8</sup>

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<sup>1</sup> Rhodia did not wish to participate in this review. However, they did state that they have no intention to ship ASM to the United States.

<sup>2</sup> PQ posthearing brief, p. 2. According to PQ, Rhodia formerly produced SMP, but has been out of the business in recent years.

<sup>3</sup> Information found at Internet address <http://www.us.rhodia.com/profile>.

<sup>4</sup> Conversation with \*\*\*, Aug. 17, 1999.

<sup>5</sup> The use of ASM in powdered dish detergents is banned both in the United States and the European Union. Consumers in the European Union, like in the United States, are increasingly switching from powdered detergents to liquid formulations.

<sup>6</sup> In its response to the Commission's notice of institution, PQ stated that it believed Rhodia's ASM production capacity to be approximately \*\*\*. PQ's response to the Commission's institution of the review, p. 8.

<sup>7</sup> Data collected from the \*\*\*.

<sup>8</sup> Conversations with \*\*\*, Mar. 30-31, 1999, Utica, IL and Joliet, IL.

## PART V: PRICING AND RELATED INFORMATION

### FACTORS AFFECTING PRICES

#### Raw Material Costs

The primary raw materials for ASM are soda ash or caustic soda.<sup>1</sup> U.S. producers state that raw material prices do not determine the market price for ASM since they are readily available from multiple sources at competitive prices.<sup>2</sup> Soda ash prices have increased during the 1990s in a range of 4-5 percent annually. U.S. spot market prices for soda ash averaged about \$60 to \$65 per ton during 1997-98, compared with \$130 to \$150 per ton in the European spot market.<sup>3</sup> Caustic soda prices have remained relatively stable during the 1990s. U.S. spot market prices for caustic soda averaged about \$120 to \$135 per ton during 1997-98, compared with \$175 to \$195 per ton in the European spot market.<sup>4</sup>

#### Transportation Costs to the U.S. Market

There have been no U.S. imports of ASM from France since 1985; however, transportation costs for ASM from Western Europe to the United States (excluding U.S. inland costs) are estimated to be less than 1 percent of the landed, duty-paid value. These estimates are derived from official U.S. import data and represent the transportation and other charges on imports.<sup>5</sup>

#### U.S. Inland Transportation Costs

Transportation costs of ASM within the United States vary from firm to firm but are estimated to account for a small percentage of the total cost of the product. Producers and importers were asked to estimate the percentage of the total delivered cost of the ASM that is accounted for by U.S. inland transportation costs. U.S. producers reported that these costs accounted for between \*\*\* and \*\*\* percent of total delivered costs. The one importer of ASM who responded to the questionnaire, \*\*\*, reported that these costs accounted for \*\*\* percent. U.S. producers also reported that the proportion of their sales occurring within 100 miles of their storage facility or the plant ranged from \*\*\* to \*\*\* percent; the proportion of sales within 1,000 miles ranged from \*\*\* to \*\*\* percent. The U.S. importer reported that the proportion of its sales occurring within 100 miles of its storage facility or the plant was \*\*\* percent; the proportion of sales within 1,000 miles was \*\*\* percent.

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<sup>1</sup> Most sodium silicates are produced by fusing soda ash or caustic soda with silica sand in a furnace to form molten silicate. ASM is obtained by dissolving the molten silicate directly from the furnace in water, then evaporating the excess water and adding sodium silicate to obtain the proper ratio for the desired product.

<sup>2</sup> Responses to producers' questionnaires.

<sup>3</sup> *Chemical Week*, various issues.

<sup>4</sup> *Chemical Week*, various issues.

<sup>5</sup> Data for the customs value and the landed, duty-paid value of the imports were used. Staff deducted the amount of the duty paid to report the transportation costs separately.

## **Exchange Rates**

Quarterly data reported to the International Monetary Fund (IMF) indicate that the nominal value of the French franc declined by 1 percent from January 1997 to December 1998 (figure V-1). Adjusting for inflation, the real value of the French franc appreciated 2.8 percent during the same period.

## **PRICING PRACTICES**

### **Pricing Methods**

Sales of ASM are usually based on annual contract agreements; however, spot market sales are also prevalent. Producers reported that contract sales account for a range of \*\*\* percent of total sales while spot market sales account for \*\*\* percent. Contracts are generally negotiated annually for a fixed quantity of product; however, the price can change during the course of the contract, depending on market conditions. Prices, which are determined on a transaction-by-transaction basis, are not fixed and are therefore subject to renegotiation at any time.

Two of the three responding producers reported that ASM is generally sold on a delivered basis while the one responding producer reported that it is sold on an f.o.b. shipping point basis. The one responding importer reported that ASM was sold on an f.o.b. shipping point basis.

### **Sales Terms and Discounts**

All of the responding producers reported that virtually no sales are made on a list-price basis because over-capacity in the market has led to increased competitive pressure.<sup>6</sup> List prices have evolved into a reference price for distributors' pricing to their smaller customers.<sup>7</sup> Contracts are generally negotiated on a transaction-by-transaction basis and prices tend to be dictated by competitive bidding for multiple shipments.

## **PRICE DATA**

The Commission requested U.S. producers and importers of ASM to provide quarterly data for the total quantity and value of shipments of this product to unrelated end users.<sup>8</sup> Data were requested for the period January 1997 through December 1998. Three U.S. producers provided usable pricing data for sales of ASM. Data accounted for about \*\*\* percent of production in 1998.

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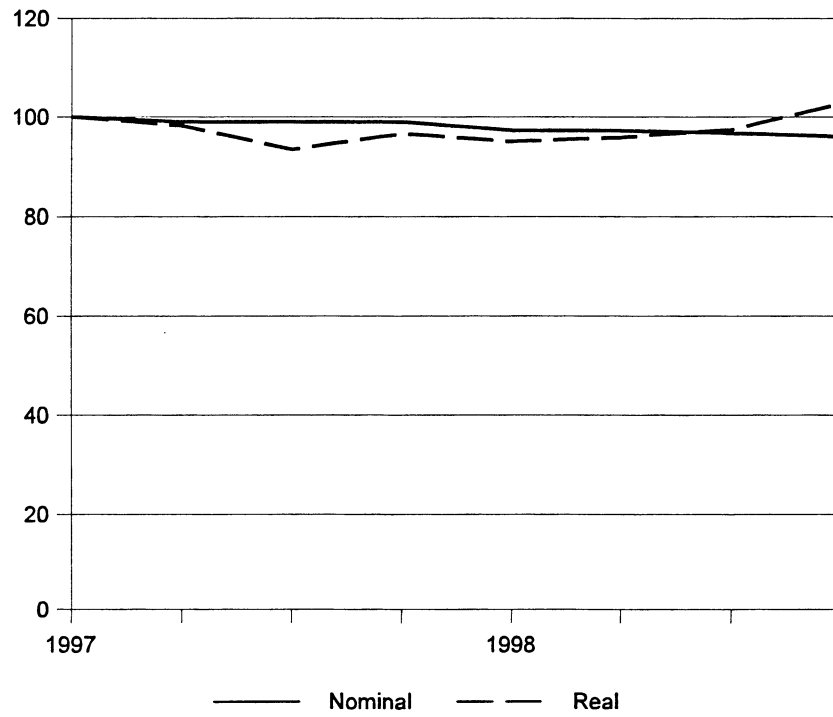
<sup>6</sup> Statement of petitioner (hearing transcript, p. 20).

<sup>7</sup> Ibid.

<sup>8</sup> Importers were asked to provide data on prices, f.o.b. U.S. point of shipment, net of all discounts and rebates.

Figure V-1

Exchange rates: Indices of the nominal and real exchange rates between the U.S. dollar and the French franc, Jan. 1997-Dec. 1998



International Monetary Fund, *International Financial Statistics*, March 1999.

Source:

## Price Trends

In general, prices for domestic ASM remained stable during the period for which data were collected but the product mix has shifted from bulk toward packaged product.<sup>9</sup> There have been no imports of ASM from France since 1985; therefore, price comparisons between the domestic product and the French product cannot be made.

Weighted-average prices for the domestically produced product decreased by \*\*\* percent from the first quarter of 1997 to the fourth quarter of 1998 (table V-1). During 1998, prices declined by \*\*\* percent from the first quarter to the fourth quarter.

Purchasers reported that weighted-average prices for ASM decreased by less than 1 percent from the first quarter of 1997 to the fourth quarter of 1998 (table V-2). Any change in price has been attributed to a decline in domestic market share, increasing over-capacity, and a competitive market.

<b>Table V-1</b>				
<b>Anhydrous sodium metasilicate: Weighted-average delivered prices and quantities shipped by U.S. producers and importers, by quarters, Jan. 1997-Dec. 1998</b>				
Period	United States		France	
	Price (Per pound)	Quantity (Pounds)	Price (Per pound)	Quantity (Pounds)
<b>1997:</b>				
Jan.-Mar.	***	***	(1)	(1)
Apr.-June	***	***	(1)	(1)
July-Sept.	***	***	(1)	(1)
Oct.-Dec.	***	***	(1)	(1)
<b>1998:</b>				
Jan.-Mar.	***	***	(1)	(1)
Apr.-June	***	***	(1)	(1)
July-Sept.	***	***	(1)	(1)
Oct.-Dec.	***	***	(1)	(1)
<sup>1</sup> There were no imports of this product from France during the period covered.  Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.				

<sup>9</sup> \*\*\*.



**Table V-2**  
**Anhydrous sodium metasilicate: Purchasers' weighted-average delivered prices and quantities purchased, by source and by quarters, Jan. 1997-Dec. 1998**

Period	United States		France	
	Price (Per pound)	Quantity (Pounds)	Price (Per pound)	Quantity (Pounds)
<b>1997:</b>				
Jan.-Mar.	\$0.21	5,730,514	( <sup>1</sup> )	( <sup>1</sup> )
Apr.-June	0.21	5,313,464	( <sup>1</sup> )	( <sup>1</sup> )
July-Sept.	0.21	5,342,514	( <sup>1</sup> )	( <sup>1</sup> )
Oct.-Dec.	0.21	4,762,114	( <sup>1</sup> )	( <sup>1</sup> )
<b>1998:</b>				
Jan.-Mar.	0.21	5,335,285	( <sup>1</sup> )	( <sup>1</sup> )
Apr.-June	0.21	4,939,485	( <sup>1</sup> )	( <sup>1</sup> )
July-Sept.	0.21	4,948,385	( <sup>1</sup> )	( <sup>1</sup> )
Oct.-Dec.	0.21	4,781,685	( <sup>1</sup> )	( <sup>1</sup> )
<sup>1</sup> There were no imports of this product from France during the period covered.				
Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.				

### Price Comparisons

Price comparisons between the domestic product and the French product are not possible since there were no imports of ASM from France during the period.



**APPENDIX A**

***FEDERAL REGISTER NOTICES***  
**AND COMMISSIONER STATEMENTS**



Leslie Lawner, 202-357-8299

**SUPPLEMENTARY INFORMATION:** In the matter of rule adopting revised alternative fuel price ceilings for the State of Rhode Island; Final rule.

## I. Introduction

The Federal Energy Regulatory Commission (Commission) is adopting, as a final rule, an interim rule that corrected the alternative fuel price ceilings applicable to incrementally priced natural gas users in the State of Rhode Island for the months of May through September 1980. The interim rule (issued October 3, 1980, 45 FR 68388, October 15, 1980) amended § 282.404(a) to provide that the alternative fuel price ceilings for Rhode Island for the months of May through September 1980 are the ceilings set forth in § 282.404(a)(2), rather than the ceilings previously published by the Energy Information Administration (EIA) of the Department of Energy.

## II. Background and Discussion

Title II of the Natural Gas Policy Act of 1978 (NGPA) (15 U.S.C. 3301-3432) requires the Commission to prescribe and make effective a program of incremental pricing of natural gas used as industrial boiler fuel. Section 204(e) of the NGPA directs the Commission to establish ceilings on prices charged to incrementally priced users, based on the cost of alternative fuel oils in each region designated by the Commission.

Under the Commission's incremental pricing regulations, ceiling prices for each month are based on the observed price of high-sulfur No. 6 fuel oil in each of the 48 contiguous states. These ceiling prices are published in the *Federal Register* on, or before, the twentieth day of the month preceding their effective date. The collection of data, the calculation of the price ceilings, and the publication of these ceilings are performed by the EIA, in accordance with its statutory responsibilities (Department of Energy Organization Act, 42 U.S.C. 7101 *et seq.*; Department of Energy Delegation Order No. 0204-3, October 1, 1977.)

For the months of May through September 1980, the alternative fuel price ceilings were calculated erroneously, due to an error in the data submitted to the EIA by an oil supplier in the State of Rhode Island. Upon learning of the error, the Commission asked the EIA to recompute the alternative fuel price ceilings for all states for May through September 1980, using the corrected data. The recalculated figures indicated that with respect to the 47 contiguous states other than Rhode Island there was either no

difference between the revised ceilings and the published ceilings, or the revised ceilings were only slightly higher than the published ceilings. However, the revised ceilings for Rhode Island were significantly lower than the published ceilings.

On the basis of this information, the Commission issued the interim rule on October 3, 1980, amending § 282.404 of the Commission's regulations to provide that the revised alternative fuel price ceilings for Rhode Island, for May through September 1980, supersede the ceilings that were previously published by the EIA. In view of the small or non-existent difference between the published and the revised ceilings for the other 47 contiguous states, the Commission did not revise the ceiling prices for those states, finding that any benefits would be outweighed by the administrative burden such revisions would impose upon pipelines, distribution companies, and end-users.

The interim rule did not provide for the refund of surcharges in Rhode Island, because no surcharges had been collected from the affected end-users. The Providence Gas Company, which serves all the non-exempt customers in the State, had notified its customers of these surcharges, but had not collected them prior to issuance of the interim rule. Therefore, Providence Gas had only to recalculate and submit revised bills to its customers.

In the interim rule, the Commission found good cause, in accordance with 5 U.S.C. 553(b) and (d), to waive the normal notice and comment procedures as well as the thirty day publication requirement. Accordingly, the rule was effective upon issuance. However, the Commission requested written comments and afforded the opportunity for a public hearing on the interim rule. No person submitted comments or requested that a hearing be held.

For the reasons discussed in the interim rule and summarized above, the Commission is adopting the interim rule as a final rule.

## II. Effective Date

The final rule set forth below is effective on January 29, 1981.

(Natural Gas Policy Act of 1978, 15 U.S.C. 3301-3432)

In consideration of the foregoing, the Commission amends Part 282, Subchapter I, Chapter I, Title 18 of the *Code of Federal Regulations* as set forth below, effective January 29, 1981.

By the Commission  
Kenneth F. Plumb,  
Secretary

Section 282.404 paragraph (a) is amended to read as follows:

### § 282.404 Alternative fuel price ceilings.

(a) *General rule.* On or before the twentieth day of each month, in accordance with the provisions of § 282.402 and paragraph (b) of this section, alternative fuel price ceilings shall be published for each incremental pricing region as set forth in paragraph (c) of this section. Such ceilings shall be effective for purposes of this part for the month following the month of publication, *provided that:*

(1) for the month of April 1980, the following ceilings shall be effective and shall supersede those ceilings published on March 20, 1980: \* \* \*

(2) for the months of May through September 1980, the following ceilings shall be effective for the State of Rhode Island and shall supersede those ceilings previously published:

Month	Dollars per million Btu's
May	3.08
June	2.85
July	2.72
August	2.84
September	3.06

[FR Doc. 81-544 Filed 1-6-81; 8:45 am]  
BILLING CODE 6450-06-01

## DEPARTMENT OF COMMERCE

### International Trade Administration

#### 19 CFR Part 353

#### Anhydrous Sodium Metasilicate From France; Antidumping Duty Order

**AGENCY:** U.S. Commerce Department, International Trade Administration.  
**ACTION:** Antidumping duty order.

**SUMMARY:** In separate investigations the U.S. Department of Commerce (the Department) and the U.S. International Trade Commission (ITC) have determined that anhydrous sodium metasilicate from France is being sold at less than fair value and that these sales threaten to materially injure a U.S. industry. Therefore, all entries or warehouse withdrawals for consumption of this merchandise that are made on and after January 2, 1981, the date on which the International Trade Commission published its final determination of threat of injury in the

**Federal Register**, will be liable for the possible assessment of special dumping duties. Cash deposits of estimated antidumping duties shall be required of all entries and withdrawals from warehouse for consumption made on and after the date of publication of this antidumping duty order in the **Federal Register**.

**EFFECTIVE DATE:** January 7, 1981.

**FOR FURTHER INFORMATION CONTACT:** Steve Garment, Office of Investigations, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Telephone: (202-377-1756).

**SUPPLEMENTARY INFORMATION:** In accordance with section 733 of the Tariff Act of 1930, as amended (The Act) (19 U.S.C. 1673b), on September 5, 1980, the Department preliminarily determined that anhydrous sodium metasilicate from France is being sold at less than fair value (45 Fed. Reg. 58928). On November 24, 1980, the Department reached the same decision in a final determination (45 Fed. Reg. 77498-9).

Similarly, in accordance with section 735(b) of The Act (19 U.S.C. 1673d(b)), the U.S. International Trade Commission determined, and notified the Department, that such importations are threatening a U.S. industry with material injury.

Therefore, in accordance with section 736 of The Act (19 U.S.C. 1673e), U.S. Customs officers are directed to assess antidumping duties equal to the amount by which the foreign market value of the merchandise exceeds the U.S. price of the merchandise. These antidumping duties will be assessed on all of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after January 2, 1981, the date on which the FTC published its final determination of threat of material injury in the **Federal Register**.

On and after the date of publication of this notice, U.S. Customs officers must require, at the same time as importers deposit their estimated normal Customs duties on the merchandise, an additional deposit of estimated antidumping duties equal to 60 percent *ad valorem* of the F.O.B. value of the merchandise.

These estimated antidumping duties will remain on deposit pending final liquidation of the entries. Liquidation of these entries will remain suspended pending further instructions from the Department.

In accordance with section 738(b)(2) of The Act (19 U.S.C. 1673e(b)(2)), the Customs Services is directed to release any bond or other security and refund any cash deposits to ensure the

payment of antidumping duties with respect to entries of the merchandise entered, or withdrawn from warehouse, for consumption before January 2, 1981. The suspension of liquidation of that merchandise entered, or withdrawn from warehouse, for consumption before January 2, 1981 is rescinded.

I hereby make public these determinations, which constitute an antidumping duty order with respect to anhydrous sodium metasilicate from France.

For the purpose of this notice, the term "anhydrous sodium metasilicate" is a crystalline silicate (Na<sub>2</sub>SiO<sub>3</sub>) currently classifiable in item 421.3400, Tariff Schedules of the United States, Annotated.

**Annex 1 (Amended)**

Accordingly, Annex 1, Part 353 of the Commerce Regulations (19 CFR Part 353, 45 FR 8208) is being amended by adding the following to the list of antidumping duty orders currently in effect:

Merchandise	Country	Treasury decision
Anhydrous sodium metasilicate	France	(45 FR )

This notice is published in accordance with section 736 of The Act (19 U.S.C. 1673e) and Section 353.48 of the Department of Commerce Regulations (19 CFR 353.48).

**John D. Greenwald,**  
*Deputy Assistant Secretary for Import Administration*

December 31, 1980.  
[FR Doc. 81-448 Filed 1-6-81; 8:45 am]  
**BILLING CODE 3510-25-M**

**DEPARTMENT OF THE INTERIOR**

**Bureau of Indian Affairs**

**25 CFR Part 52**

**Tribes Organized Under Section 16 of the Indian Reorganization Act and Other Organized Tribes; Procedures for Reorganizing, Amending, or Revoking Constitutions and for Ratifying Charters of Incorporation**

December 29, 1980.  
**AGENCY:** Bureau of Indian Affairs.  
**ACTION:** Final rule

**SUMMARY:** The Bureau revises Part 52 of Subchapter G, Chapter 1 of Title 25 of the Code of Federal Regulations. The purpose of the revision is to establish regulations to: (a) extend to tribes in Oklahoma and to Alaska Native entities

published procedures for reorganizing under Federal Statute previously available only to reservation based tribes under the Indian Reorganization Act; (b) revoke a constitution adopted under Federal Statute; and (c) correct demonstrated weaknesses and clarify what has proven confusing language in existing regulations. A single set of regulations in this area will facilitate the conducting of Secretarial elections by Bureau employees who previously had to be familiar not only with the regulations in this part, but with differing, unpublished regulations that have governed Secretarial elections in Oklahoma and Alaska.

**EFFECTIVE DATE:** February 6, 1981.

**FOR FURTHER INFORMATION CONTACT:** Mr. Robert Farring, Division of Tribal Government Services, Branch of Tribal Relations, Bureau of Indian Affairs, 18th and C Streets, NW., Washington, D.C. 20245. (202) 343-2511.

**SUPPLEMENTARY INFORMATION:** The authority to issue rules and regulations is vested in the Secretary of the Interior by 5 U.S.C. 301 and sections 463 and 465 of the Revised Statutes (25 U.S.C. 2 and 9). This final rule is published in exercise of rulemaking authority delegated by the Secretary of the Interior to the Commissioner of Indian Affairs by 230 DM 2.

A proposed revision of 25 CFR Part 52 was published in the **Federal Register** on pages 40345 through 40349 on July 10, 1979, and comments were invited. Many were received from a representative number of Indian tribes and groups tribal attorneys, and other interested parties throughout the United States. Commentators universally agreed that the regulations be expanded to include Alaska and Oklahoma. Many constructive suggestions to clarify the intent of the regulations have been incorporated in the final rule.

The revision establishes regulations which: (a) extend to tribes in Oklahoma and to Alaska Native entities procedures for their reorganization. These procedures were previously available only to reservation-based tribes under the Indian Reorganization Act.

(b) provide procedures to revoke a constitution adopted under Federal Statute

(c) provide for clearly worded language (demonstrated weaknesses were corrected and confusing language was clarified).

(d) provide for ratification of corporate charters issued to an Indian tribe.

A single set of regulations in this area will facilitate the conducting of 66

*Estimated Time Per Response:* 40 to 45 minutes per response.

*Estimated Total Annual Burden Hours:* 52 hours.

*Estimated Total Annual Cost:* \$0 (no capital expenditures).

#### IV. Request for Comments

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they will also become a matter of public record.

Dated: January 29, 1999.

**Linda Engelmeier,**

*Departmental Forms Clearance Officer, Office of the Chief Information Officer.*

[FR Doc. 99-2576 Filed 2-3-99; 8:45 am]

BILLING CODE 3510-DT-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-427-098]

#### Final Result of Expedited Sunset Review: Anhydrous Sodium Metasilicate From France

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

**ACTION:** Notice of final result of expedited sunset review: Anhydrous sodium metasilicate from France.

**SUMMARY:** On October 1, 1998, the Department of Commerce ("the Department") initiated sunset review of the antidumping duty order on anhydrous sodium metasilicate from France (63 FR 52683) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the bases of the notice of intent to participate and substantive comments filed on behalf of the domestic industry, and inadequate responses (in this case, no response) from respondent interested parties, the Department determined to conduct an

expedited review. As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice.

**FOR FURTHER INFORMATION CONTACT:** Scott E. Smith or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Ave., NW, Washington, D.C. 20230; telephone: (202) 482-6397 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** February 4, 1999.

**Statute and Regulations:** This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*"). Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*; *Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

**Scope:** The merchandise subject to this antidumping duty order is anhydrous sodium metasilicate ("ASM"), a crystallized silicate (Na<sub>2</sub>SiO<sub>3</sub>) which is alkaline and readily soluble in water. Applications include waste paper de-inking, ore-flotation, bleach stabilization, clay processing, medium or heavy duty cleaning, and compounding into other detergent formulations. The Department determined that ASM mixed with caustic soda beads or with sodium tripolyphosphate is within the scope of the order.<sup>1</sup> This merchandise is currently classifiable under the following Harmonized Tariff Schedule of the United States (HTSUS) item numbers 2839.11.00 and 2839.19.00. The HTSUS item numbers are provided for convenience and customs purposes only. They are not determinative of the products subject to the order. The written description remains dispositive.

This review covers all manufacturers and exporters of ASM from France.

<sup>1</sup> See *Anhydrous Sodium Metasilicate From France; Final Results of Administrative Review of Antidumping Duty Order*, 47 FR 15620 (April 12, 1982).

**Background:** On October 1, 1998, the Department initiated a sunset review of the antidumping duty order on ASM from France (63 FR 52683), pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate on behalf of PQ Corporation ("PQ") within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. PQ claimed interested-party status under section 771(9)(C) of the Act, section 19 U.S.C. 1677(9)(E), as a manufacturer, producer, or wholesaler in the United States of a domestic like product. On October 29, 1998, PQ Corporation requested an extension of time for submission of its substantive response to the notice of initiation and was granted an extension until November 3, 1998 (see October 30, 1998, letter from Acting Director, Office of Policy). On October 30, 1998, we received a Notice of Intent to Participate on behalf of Occidental Chemical Corporation ("Occidental"), which claimed interested party status under section 771(9)(C) of the Act, 19 U.S.C. 1677(9)(E), as a manufacturer, producer, or wholesaler in the United States of a domestic like product. We received a complete substantive response from PQ on November 3, 1998, within the extended deadline. PQ's substantive response contained a letter of support from Occidental. We did not receive a substantive response from any respondent interested party to this sunset proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and our regulations (19 CFR 351.218(e)(1)(ii)(C)(2)), we determined to conduct an expedited review.

**Determination:** In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order, and it shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and magnitude of margin are discussed below. In addition, parties' comments with respect to continuation or recurrence of dumping and the magnitude of margin are

addressed within the respective sections below.

*Continuation or Recurrence of Dumping:* Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc., No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the basis for likelihood determinations. The Department clarified that determinations of likelihood will be made on an order-wide basis (see section II.A.3. of the *Sunset Policy Bulletin*). Additionally, the Department normally will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above de minimis after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3. of the *Sunset Policy Bulletin*).

On January 7, 1981, an antidumping duty order on ASM from France was published in the *Federal Register* (46 FR 1667). Since that time, the Department has conducted a number of administrative reviews on this order.<sup>2</sup>

<sup>2</sup> See *Anhydrous Sodium Metasilicate From France; Final Results of Administrative Review of Antidumping Duty Order*, 47 FR 15620 (April 2, 1982); *Anhydrous Sodium Metasilicate From France; Final Results of Administrative Review of Antidumping Duty Order*, 47 FR 44594 (October 8, 1982); *Anhydrous Sodium Metasilicate From France; Final Results of Administrative Review of Antidumping Duty Order*, 49 FR 43733 (October 31, 1984); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 53 FR 4195 (February 12, 1988); *Final Results of Antidumping Duty Administrative Review; Anhydrous Sodium Metasilicate From France*, 52 FR 33856 (September 8, 1987); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 53 FR 9785 (March 25, 1988); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 53 FR 43251 (October 26, 1988); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 54 FR 50788 (December 11, 1989); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 56 FR 42979 (August 30, 1991); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 57 FR 49684 (November 3, 1992); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 58 FR 51615 (October 4,

The order remains in effect for all imports of the subject merchandise from France.

In its substantive response, PQ stated that following the imposition of the antidumping duty, Rhone Poulenc/Rhodia ceased exporting ASM from France. PQ noted that Rhone Poulenc/Rhodia kept its sales network in place as well as much of its distribution network and entered into an agreement with a U.S. producer to distribute U.S.-manufactured ASM to fill out its product line. PQ stated that Rhone Poulenc/Rhodia has excess ASM production capacity. PQ argued, therefore, that absent the existence of the order, Rhodia will resume exporting ASM from France. PQ asserted that because demand for ASM has been decreasing over time and there is excess production capacity in the United States as well as Europe, any market shift would most likely be due to a lower price offered by the seller of the imported product. PQ further asserted that, because of the low value-to-weight ratio, and because of the high cost of freight for ASM, all things being equal, no French producer could compete in the U.S. market without sales at less than fair value.

As noted above, the Department has conducted several administrative reviews of this order covering the only known exporter Rhone-Poulenc. In the administrative reviews of the periods spanning November 1, 1980 through December 31, 1981, January 1, 1986 through December 31, 1988, and January 1, 1990 through December 31, 1990, the Department found no shipments of ASM from France.<sup>3</sup> Further, because Rhone-Poulenc did not respond to

1993); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 60 FR 8631 (February 15, 1995); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 61 FR 30852 (June 18, 1996); and *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 61 FR 44038 (August 27, 1996).

<sup>3</sup> See *Anhydrous Sodium Metasilicate From France; Final Results of Administrative Review of Antidumping Duty Order*, 47 FR 15620 (April 12, 1982); *Anhydrous Sodium Metasilicate From France; Final Results of Administrative Review of Antidumping Duty Order*, 47 FR 44594 (October 8, 1982); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 53 FR 9785 (March 25, 1988); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 53 FR 43251 (October 26, 1988); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 54 FR 50788 (December 11, 1989); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 56 FR 42979 (August 30, 1991).

questionnaires in the administrative reviews of the periods spanning January 1, 1991 through December 31, 1995, the Department has no information from the reviews with respect to whether there were any imports of ASM from France.<sup>4</sup> Finally, the Department terminated the administrative reviews of the periods spanning January 1, 1996 through December 31, 1997, based on the absence of entries.<sup>5</sup>

We find, therefore, that the cessation of imports after the issuance of the order is highly probative of the likelihood of continuation or recurrence of dumping. Furthermore, deposit rates above de minimis levels continue to be in effect for all shipments of the subject merchandise from France. As discussed in section II.A.3. of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, if imports cease after the order is issued, we may reasonably assume that exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping. Therefore, absent argument and evidence to the contrary, given that shipments of the subject merchandise ceased after the issuance of the order, and that dumping margins continue to exist, the Department, consistent with Section II.A.3 of the *Sunset Policy Bulletin*, determines that dumping is likely to continue or recur if the antidumping duty order were revoked.

*Magnitude of the Margin:* In the *Sunset Policy Bulletin*, the Department stated that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. (See

<sup>4</sup> See *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 57 FR 49684 (November 3, 1992); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 58 FR 51615 (October 4, 1993); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 60 FR 8631 (February 15, 1995); *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 61 FR 30852 (June 18, 1996); and *Anhydrous Sodium Metasilicate From France; Final Results of Antidumping Duty Administrative Review*, 61 FR 44038 (August 27, 1996).

<sup>5</sup> See *Anhydrous Sodium Metasilicate From France; Notice of Termination of Antidumping Duty Administrative Review*, 62 FR 43701 (August 15, 1997); and *Anhydrous Sodium Metasilicate From France; Notice of Recission of Antidumping Duty Administrative Review*, 63 FR 31179 (June 10, 1998).



section II.B.1 of the *Sunset Policy Bulletin*.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3 of the *Sunset Policy Bulletin*.)

In the Department's final determination of sales at less than fair value on ASM from France, the Department established an antidumping margin of 60.00 percent (see *Anhydrous Sodium Metasilicate From France—Final Determination of Sales at Less Than Fair Value*, 45 FR 77498 (November 24, 1980) and *Anhydrous Sodium Metasilicate From France; Antidumping Duty Order*, 46 FR 1667 (January 7, 1981)).

In its substantive response, PQ asserted that because of the high cost of freight for ASM, no French producer could compete in the U.S. market without having sales at less than fair value. Although PQ did not specify the magnitude of the margin likely to prevail if the order were revoked, it submitted information for "computations of export price or constructed export price and normal value, based on realistic assumption." (See Substantive Response of PQ, November 2, 1998, at 2 and attachment.)

The SAA at 891, House Report at 64, and section 351.218(e)(2)(i) of the *Sunset Regulations* provide that, only in the context of a full sunset review and only under the most extraordinary circumstances will the Department rely on a countervailing duty rate or dumping margin other than those it calculated and published in its prior determinations. The Department, on the basis of inadequate responses (in this case, no response), determined to conduct an expedited review of this duty order. Only in full reviews will the Department consider the calculation of new margins. Further, even if the Department had determined to conduct a full review of this order, it is not persuaded by the evidence presented by PQ that such extraordinary circumstances exist in this case as to warrant the calculation of a new dumping margin.

Therefore, consistent with the *Sunset Policy Bulletin*, we determine that the original margin we calculated, which reflects the behavior of exporters without the discipline of the order, is probative of the behavior of the French producers and exporters of ASM. The Department will report to the Commission the company-specific and "all others" rate at the levels indicated in the Final Results of Review section of this notice.

**Final Results of Review:** As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated below.

Manufacturers/exporters	Margin (percent)
Rhone-Poulenc .....	60.00
All Others .....	60.00

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

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

Dated: January 29, 1999.

**Richard W. Moreland,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 99-2676 Filed 2-3-99; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-007]

#### Final Results of Expedited Sunset Review: Barium Chloride From the People's Republic of China (PRC)

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

**ACTION:** Notice of final results of expedited sunset review: Barium Chloride from the People's Republic of China (PRC).

**SUMMARY:** On October 1, 1998, the Department of Commerce ("the Department") initiated a sunset review of the antidumping order on barium chloride from China (PRC) (63 FR 52683) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and a complete substantive response filed on behalf of the domestic industry, and inadequate response (in this case no response) from respondent interested parties, the Department determined to conduct an

expedited review. As a result of this review, the Department finds that revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section to this notice.

**FOR FURTHER INFORMATION CONTACT:**

Martha V. Douthit or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th St. & Constitution Ave., NW., Washington, D.C. 20230; telephone (202) 482-3207 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** February 4, 1999.

**Statute and Regulations:** This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*"). Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

**Scope:** The merchandise covered by this order is barium chloride, a chemical compound having the formula BaCl<sub>2</sub> or BaCl<sub>2</sub> 2H<sub>2</sub>O, currently classifiable under item 2827.38.00 of the Harmonized Tariff Schedules (HTS). The HTS item number is provided for convenience and for Customs purposes. The written descriptions remain dispositive.

This review covers all manufacturers and exporters of barium chloride from China.

**Background:** On October 1, 1998, the Department initiated a sunset review of the antidumping order on barium chloride from China (63 FR 52683) pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate from Chemical Products Corporation ("CPC") on October 15, 1998, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. CPC claimed interested party status under section 771(9)(C) of the Act, as a United States producer of barium chloride. In its substantive response, CPC stated that it was the petitioner in the original antidumping investigation that led to the issuance of the antidumping duty order on barium chloride from China.

*Agency form numbers, if applicable:* SF 424 (including a maximum 25 page application in response to the Factors for Award).

*Members of affected public:* Eligible applicants are rural non-profits and Community Development Corporations, Indian Tribes, State Housing Finance Agencies and State Community or Economic Development Agencies.

Estimation of the total number of hours needed to prepare the information collection, including number of respondents, frequency of response and hours of response: The estimated number of applicants is 200, with approximately 75 recipients. The proposed frequency of the response to the collection of information is one-time; the application needs to be submitted only one time.

*Status of the proposed information collection:* New collection.

**Authority:** The Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35, as amended.

Dated: February 24, 1999.

**David S. Cristy,**

*Director, IRM Policy and Management Division.*

[FR Doc. 99-5162 Filed 3-2-99; 8:45 am]

**BILLING CODE 4210-13-M**

## DEPARTMENT OF THE INTERIOR

### Bureau of Land Management

[AZ-040-99-1020-02]

#### Gila Box Riparian National Conservation Area; Notice of Meeting

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Gila Box Riparian National Conservation Area Advisory Committee Meeting.

**SUMMARY:** The purpose of this notice is to announce the next meeting of the Gila Box Riparian National Conservation Area Advisory Committee Meeting. The purpose of the advisory committee is to provide informed advice to the Safford Field Office Manager on management of public lands in the Gila Box Riparian National Conservation Area. The committee meets as needed, generally between two and four times a year.

The meeting will take place from 1 p.m. to 4:15 p.m. on April 9, 1999 at the Bureau of Land Management, Safford Field Office located at 711 14th Avenue, Safford, Arizona. The topics that will be discussed include review of the final plan, implementation of the plan and status of appeals and lawsuits. A public comment period will be provided from 3:45 to 4:15 p.m.

**DATES:** Meeting will be held on April 9, 1999 starting at 1 p.m.

**SUPPLEMENTARY INFORMATION:** For further information, contact Tim Goodman, Range Management Specialist, Safford Field Office, 711 14th Avenue, Safford, Arizona 85546; telephone number (520) 348-4400.

Dated: February 19, 1999.

**William T. Civish,**

*Field Office Manager.*

[FR Doc. 99-5223 Filed 3-2-99; 8:45 am]

**BILLING CODE 4310-32-M**

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-25 (Review)]

### Anhydrous Sodium Metasilicate From France

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

**ACTION:** Scheduling of a full five-year review concerning the antidumping duty order on anhydrous sodium metasilicate from France.

**SUMMARY:** The Commission hereby gives notice of the scheduling of a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty order on anhydrous sodium metasilicate from France would be likely to lead to continuation or recurrence of material injury. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 F.R. 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

**EFFECTIVE DATE:** February 25, 1999.

**FOR FURTHER INFORMATION CONTACT:** Jozlyn Kalchthaler (202-205-3457), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office

of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

#### SUPPLEMENTARY INFORMATION:

**Background.**—On January 7, 1999, the Commission determined that responses to its notice of institution of the subject five-year review were such that a full review pursuant to section 751(c)(5) of the Act should proceed (64 FR 4892, February 1, 1999). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's web site.

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

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

**Staff report.**—The prehearing staff report in the review will be placed in the nonpublic record on June 30, 1999, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

**Hearing.**—The Commission will hold a hearing in connection with the review

beginning at 9:30 a.m. on July 21, 1999, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before July 13, 1999. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on July 16, 1999 at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

**Written submissions.**—Each party to the review may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is July 12, 1999. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is July 30, 1999; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the review may submit a written statement of information pertinent to the subject of the review on or before July 30, 1999. On August 26, 1999, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before August 30, 1999, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the

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

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

Issued: February 25, 1999.

By order of the Commission.

**Donna R. Koehnke,**  
*Secretary.*

[FR Doc. 99-5259 Filed 3-2-99; 8:45 am]

BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-823-824 (Preliminary)]

### Certain Aperture Masks From Japan and Korea

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

**ACTION:** Institution of antidumping investigations and scheduling of preliminary phase investigations.

**SUMMARY:** The Commission hereby gives notice of the institution of investigations and commencement of preliminary phase antidumping investigations Nos. 731-TA-823-824 (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 Japan and Korea of certain aperture masks,<sup>1</sup> provided for in subheading 8540.91.50 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,

<sup>1</sup> The imported products covered by these investigations consist of all sizes and all thicknesses of aperture masks for color television picture tubes (CPTs) made from aluminum killed, open coil annealed steel (decarburized) ("AK steel"), and also known as iron aperture masks for CPTs. Specifically excluded are imports of aperture masks for computer display tubes, aperture masks made from materials other than AK steel (such as invar), and grille masks.

or in this case by April 12, 1999. The Commission's views are due at the Department of Commerce within five business days thereafter, or by April 19, 1999.

For further information concerning the conduct of these investigations 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:** February 24, 1999.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Haines (202-205-3200), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

### SUPPLEMENTARY INFORMATION:

**Background.**—These investigations are being instituted in response to a petition filed on February 24, 1999, by Buckbee-Mears Cortland (BMC) Industries, Inc., Minneapolis, MN. **Participation in the investigations and public service list.**—Persons (other than petitioners) wishing to participate in the investigations as parties must file an 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 these investigations 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 these investigations available to authorized applicants representing interested parties (as defined in 19 U.S.C. § 1677(9)) who are



remains were transferred to the University of Pennsylvania Museum. No known individual was identified. No associated funerary objects are present.

Based on accession information, this individual has been determined to be Native American. Based on the original accession information from the Academy of Natural Sciences, this individual has been determined to be S'Klallam. The northwestern region of Puget Sound, which extends to the Dungeness River mouth, incorporates the traditional territory of the Port Gamble S'Klallam Reservation. Geographical and historical evidence provided by representatives of the Jamestown S'Klallam Tribe indicates cultural affiliation between these human remains and the present-day Port Gamble S'Klallam Indian Community of the Port Gamble Reservation.

Based on the above mentioned information, officials of the University of Pennsylvania Museum have determined that, pursuant to 43 CFR 10.2 (d)(1), the human remains listed above represent the physical remains of two individuals of Native American ancestry. Officials of the University of Pennsylvania Museum have determined that, pursuant to 43 CFR 10.2 (e), there is a relationship of shared group identity which can be reasonably traced between these Native American human remains and the Jamestown S'Klallam Tribe, the Port Gamble Indian Community of the Port Gamble Reservation, and the Lower Elwha Tribal Community of the Lower Elwha Reservation.

This notice has been sent to officials of the Jamestown S'Klallam Tribe, the Port Gamble Indian Community of the Port Gamble Reservation, and the Lower Elwha Tribal Community of the Lower Elwha Reservation. Representatives of any other Indian tribe that believes itself to be culturally affiliated with these human remains should contact Dr. Jeremy Sabloff, the Williams Director, University of Pennsylvania Museum of Archaeology and Anthropology, 33rd and Spruce Streets, Philadelphia, PA 19104-6324; telephone: (215) 898-4051, fax: (215) 898-0657, before [thirty days after publication in the Federal Register]. Repatriation of the human remains to the Jamestown S'Klallam Tribe, the Port Gamble Indian Community of the Port Gamble Reservation, and the Lower Elwha Tribal Community of the Lower Elwha

Reservation may begin after that date if no additional claimants come forward.

Dated: September 25, 1998.

**Francis P. McManamon,**  
*Departmental Consulting Archeologist,*  
*Manager, Archeology and Ethnography*  
*Program.*

[FR Doc. 98-26260 Filed 9-30-98; 8:45 am]

BILLING CODE 4310-70-F

## DEPARTMENT OF THE INTERIOR

### National Park Service

#### **Notice of Inventory Completion for Native American Human Remains and Associated Funerary Objects from Munnsville, NY in the Possession of the University of Pennsylvania Museum of Archaeology and Anthropology, University of Pennsylvania, Philadelphia, PA**

**AGENCY:** National Park Service

**ACTION:** Notice

Notice is hereby given in accordance with provisions of the Native American Graves Protection and Repatriation Act (NAGPRA), 43 CFR 10.9, of the completion of an inventory of human remains and associated funerary objects from Munnsville, NY in the possession of the University of Pennsylvania Museum of Archaeology and Anthropology, University of Pennsylvania, Philadelphia, PA.

A detailed assessment of the human remains was made by University of Pennsylvania Museum professional staff in consultation with representatives of the Oneida Indian Nation of New York and the Oneida Tribe of Indians of Wisconsin.

In 1944, human remains representing two individuals were removed from the Ellenwood site, Munnsville, NY by Mr. (Elton?) Lake. In 1944, these human remains were donated to the University of Pennsylvania Museum by George Roberts of Sharon Hill, PA. No known individuals were identified. The four associated funerary objects include three iron fragments and mirror glass.

Based on accession information and associated funerary objects, these individuals have been determined to be Native American from the early historic period. Based on historic documents, the Ellenwood site has been identified as an Oneida village and cemetery occupied during the 17th century. Representatives of the Oneida Indian Nation of New York have presented geographical and historical evidence during consultation indicating cultural affiliation with the Ellenwood site.

Based on the above mentioned information, officials of the University of Pennsylvania Museum have determined that, pursuant to 43 CFR 10.2 (d)(1), the human remains listed above represent the physical remains of two individuals of Native American ancestry. Officials of the University of Pennsylvania Museum have also determined that, pursuant to 43 CFR 10.2 (d)(2), the four objects listed above are reasonably believed to have been placed with or near individual human remains at the time of death or later as part of the death rite or ceremony. Officials of the University of Pennsylvania Museum have also determined that, pursuant to 43 CFR 10.2 (e), there is a relationship of shared group identity which can be reasonably traced between these Native American human remains and associated funerary objects and the Oneida Indian Nation of New York and the Oneida Tribe of Indians of Wisconsin.

This notice has been sent to officials of the Oneida Indian Nation of New York and the Oneida Tribe of Indians of Wisconsin. Representatives of any other Indian tribe that believes itself to be culturally affiliated with these human remains and associated funerary objects should contact Dr. Jeremy Sabloff, the Williams Director, University of Pennsylvania Museum of Archaeology and Anthropology, 33rd and Spruce Streets, Philadelphia, PA 19104-6324; telephone: (215) 898-4051, fax: (215) 898-0657 before November 2, 1998. Repatriation of the human remains and associated funerary objects to the Oneida Indian Nation of New York and the Oneida Tribe of Indians of Wisconsin may begin after that date if no additional claimants come forward.

Dated: September 25, 1998.

**Francis P. McManamon,**  
*Departmental Consulting Archeologist,*  
*Manager, Archeology and Ethnography*  
*Program.*

[FR Doc. 98-26261 Filed 9-30-98; 8:45 am]

BILLING CODE 4310-70-F

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-25 (Review)]

#### **Anhydrous Sodium Metasilicate From France; Institution of a Five-Year Review Concerning the Antidumping Duty Order on Anhydrous Sodium Metasilicate From France**

**SUMMARY:** The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff

Act of 1930 (19 U.S.C. § 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on anhydrous sodium metasilicate from France would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; the deadline for responses is November 20, 1998. Comments on the adequacy of responses may be filed with the Commission by December 11, 1998.

For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 F.R. 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

**EFFECTIVE DATE:** October 1, 1998.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202-205-3193) or Vera Libeau (202-205-3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

**SUPPLEMENTARY INFORMATION:**

**Background.**—On January 7, 1981, the Department of Commerce issued an antidumping duty order on imports of anhydrous sodium metasilicate from France (46 F.R. 1667). The Commission is conducting a review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

**Definitions.**—The following definitions apply to this review:

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

(2) The Subject Country in this review is France.

(3) The Domestic Like Product is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original determination, the Commission defined the Domestic Like Product as anhydrous sodium metasilicate.

(4) The Domestic Industry is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original determination, the Commission defined the Domestic Industry as producers of anhydrous sodium metasilicate.

(5) The Order Date is the date that the antidumping duty order under review became effective. In this review, the Order Date is January 7, 1981.

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

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

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

**Certification.**—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the

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

**Written submissions.**—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is November 20, 1998. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning whether the Commission should conduct an expedited review. The deadline for filing such comments is December 11, 1998. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means. Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

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



section 776(b) of the Act in making its determination in the review.

*Information to be provided in response to this notice of institution:* As used below, the term "firm" includes any related firms.

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

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

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

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

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

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in France that currently export or have exported Subject Merchandise to the United States or other countries since 1980.

(7) If you are a U.S. producer of the Domestic Like Product, provide the following information on your firm's operations on that product during calendar year 1997 (report quantity data in thousands of pounds and value data in thousands of U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of

total U.S. production of the Domestic Like Product accounted for by your firm's(s') production; and

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

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Country, provide the following information on your firm's(s') operations on that product during calendar year 1997 (report quantity data in thousands of pounds and value data in thousands of U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

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

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

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Country, provide the following information on your firm's(s') operations on that product during calendar year 1997 (report quantity data in thousands of pounds and value data in thousands of U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

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

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

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

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

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

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

Issued: September 22, 1998.

By order of the Commission.

**Donna R. Koehnke,**  
*Secretary.*

[FR Doc. 98-26329 Filed 9-30-98; 8:45 am]

BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731-TA-31 (Review) and 731-TA-149 (Review)]

### Institution of Five-Year Reviews Concerning the Antidumping Duty Orders on Barium Carbonate From Germany and Barium Chloride From China

**SUMMARY:** The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on barium carbonate from Germany and/or barium chloride from China would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; the deadline for responses is November 20, 1998.

- (9) Old business:
- a. 1998 NPS/SRC Chairs Workshop Report
  - b. Status of Aniakchak National Preserve hunting guide prospectus.
  - c. Aniakchak National Monument and Preserve Wildlife Report.
  - d. Review 1998 NPS/Secretary's response to final subsistence hunting program recommendations.
  - e. Implementation of approved hunting program recommendations.
  - f. Status of draft subsistence hunting program recommendations.
- (1) 97-1: Establish a one-year residency requirement for the resident zone communities.
- (2) 97-2: Establish a special registration permit requirement for non-subsistence (sport) hunting, trapping, and fishing activities within the Aniakchak National Preserve.
- (3) Designate Ivanoff Bay and Perryville as resident zone communities.
- (10) New business:
- a. Federal Subsistence Program update.
  - (1) Bristol Bay Regional Council report.
  - (2) Review Unit 9E proposals/special actions.
  - (3) Federal Subsistence Fisheries update.
  - b. ORV C&T Team Progress Report (Coordinator).
  - c. Draft Aniakchak Subsistence Management Plan.
  - (11) Public and agency comments.
  - (12) SRC work session (draft proposals, letters, and recommendations).
  - (13) Set time and place of next SRC meeting.
  - (14) Adjournment.

**DATES:** The meeting will begin at 8 a.m. on Tuesday, February 9, 1999, and conclude at approximately 7 p.m. The meeting will reconvene at 8 a.m. on Wednesday, February 10, 1998, and adjourn at approximately 1 p.m.

**LOCATION:** The meeting location is: Community Subsistence Building, Chignik Lake, Alaska.

**FOR FURTHER INFORMATION CONTACT:** Deb Ligget, Acting Superintendent, or Donald Mike, Resource Specialist, Aniakchak National Monument, P.O. Box 7, King Salmon, Alaska 99613. Phone (907) 246-3305.

**SUPPLEMENTARY INFORMATION:** The Subsistence Resource Commissions are authorized under Title VIII, Section 808, of the Alaska National Interest Lands Conservation Act, Pub. L. 96-487, and operate in accordance with the

provisions of the Federal Advisory Committees Act.

**Paul R. Anderson,**  
*Acting Regional Director.*

[FR Doc. 99-2262 Filed 1-29-99; 8:45 am]  
**BILLING CODE 4310-70-P**

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-25 (Review)]

### Anhydrous Sodium Metasilicate From France

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

**ACTION:** Notice of Commission determination to conduct a full five-year review concerning the antidumping duty order on anhydrous sodium metasilicate from France.

**SUMMARY:** The Commission hereby gives notice that it will proceed with a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty order on anhydrous sodium metasilicate from France would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the review will be established and announced at a later date.

For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

**EFFECTIVE DATE:** January 7, 1999.

**FOR FURTHER INFORMATION CONTACT:** Vera Libeau (202-205-3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by

accessing its internet server (<http://www.usitc.gov>).

**SUPPLEMENTARY INFORMATION:** On January 7, 1999, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Act. The Commission found that both domestic and respondent group interested party responses to its notice of institution (63 FR 52748, Oct. 1, 1998) were inadequate. The Commission also found that other circumstances warranted conducting a full review.<sup>1</sup> A record of the Commissioners' votes and statements are available from the Office of the Secretary and at the Commission's web site.

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

Issued: January 26, 1999.

By order of the Commission.

**Donna R. Koehnke,**  
*Secretary.*

[FR Doc. 99-2228 Filed 1-29-99; 8:45 am]  
**BILLING CODE 7020-02-P**

## INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-311-317 and 379-380 (Review) (Investigations Nos. 701-TA-269-270 (Review))]

### Brass Sheet and Strip From Brazil and France; Brass Sheet and Strip From Brazil, Canada, France, Italy, Korea, Sweden, Germany, Japan, and the Netherlands

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

**ACTION:** Institution of five-year reviews concerning the countervailing duty orders on brass sheet and strip from Brazil and France and the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Italy, Korea, Sweden, Germany, Japan, and the Netherlands.

**SUMMARY:** The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the countervailing duty orders on brass sheet and strip from Brazil and France and the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Italy, Korea, Sweden, Germany, Japan, and the Netherlands would be likely to lead to continuation



**APPENDIX B**  
**CALENDAR OF THE PUBLIC HEARING**



## CALENDAR OF PUBLIC HEARINGS

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

Subject: ANHYDROUS SODIUM METASILICATE FROM  
FRANCE

Inv. No.: 731-TA-25 (Review)

Date and Time: July 21, 1999 - 9:30 a.m.

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

### **In Support of the Continuation of the Order:**

Sosnov & Associates  
Norristown, Pennsylvania  
on behalf of

PQ Corporation

**James Scott**, Business Group Manager,  
Industrial Chemicals Division

**William F. Breitenbach**, Principal Engineer,  
Industrial Chemicals Division

**Steven R. Sosnov**--OF COUNSEL

### **CLOSING REMARKS**

In support of Continuation (**Steven R. Sosnov**, Sosnov & Associates)



**APPENDIX C**  
**SUMMARY DATA**



Table C-1

Anhydrous sodium metasilicate: Summary data concerning the U.S. market, 1997-98

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

Item	1997	1998	1997-98
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. shipments of imports from:			
France:			
Quantity . . . . .	***	***	***
Value . . . . .	***	***	***
Unit value . . . . .	***	***	***
Ending inventory quantity . . . . .	***	***	***
Other sources:			
Quantity . . . . .	***	***	***
Value . . . . .	***	***	***
Unit value . . . . .	***	***	***
Ending inventory quantity . . . . .	***	***	***
All sources:			
Quantity . . . . .	***	***	***
Value . . . . .	***	***	***
Unit value . . . . .	***	***	***
Ending inventory quantity . . . . .	***	***	***

Table continued on next page.

Table C-1--Continued

Anhydrous sodium metasilicate: Summary data concerning the U.S. market, 1997-98

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

Item	1997	1998	1997-98
U.S. producers':			
Average capacity quantity . . . . .	132,300	132,300	0.0
Production quantity . . . . .	86,051	70,122	-18.5
Capacity utilization (1) . . . . .	65.0	53.0	-12.0
U.S. shipments:			
Quantity . . . . .	72,544	61,741	-14.9
Value . . . . .	15,323	12,493	-18.5
Unit value . . . . .	\$0.21	\$0.20	-4.2
Export shipments:			
Quantity . . . . .	11,121	8,259	-25.7
Value . . . . .	2,007	1,387	-30.9
Unit value . . . . .	\$0.18	\$0.17	-6.9
Ending inventory quantity . . . . .	12,500	12,667	1.3
Inventories/total shipments (1) . . . . .	14.9	18.1	3.2
Production workers . . . . .	23	23	0.0
Hours worked (1,000s) . . . . .	54	52	-3.7
Wages paid (\$1,000s) . . . . .	1,019	1,032	1.3
Hourly wages . . . . .	\$18.87	\$19.85	5.2
Productivity (pounds per hour) . . . . .	1,593.5	1,348.5	-15.4
Unit labor costs . . . . .	\$0.01	\$0.01	24.3
Net sales:			
Quantity . . . . .	83,665	70,000	-16.3
Value . . . . .	17,330	13,880	-19.9
Unit value . . . . .	\$0.21	\$0.20	-4.3
Cost of goods sold (COGS) . . . . .	13,263	11,555	-12.9
Gross profit or (loss) . . . . .	4,067	2,325	-42.8
SG&A expenses . . . . .	2,373	2,408	1.5
Operating income or (loss) . . . . .	1,694	(83)	-104.9
Capital expenditures . . . . .	648	518	-20.1
Unit COGS . . . . .	\$0.16	\$0.17	4.1
Unit SG&A expenses . . . . .	\$0.03	\$0.03	21.3
Unit operating income or (loss) . . . . .	\$0.02	(\$0.00)	-105.9
COGS/sales (1) . . . . .	76.5	83.2	6.7
Operating income or (loss)/ sales (1) . . . . .	9.8	-0.6	-10.4

(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 calendar comparable to data reported on a year basis.

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



Table C-2

Sodium metasilicate pentahydrate: Summary data concerning the U.S. market, 1997-98

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

Item	1997	1998	1997-98
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. shipments of imports from:			
France:			
Quantity .....	***	***	***
Value .....	***	***	***
Unit value .....	***	***	***
Ending inventory quantity .....	***	***	***
Other sources:			
Quantity .....	***	***	***
Value .....	***	***	***
Unit value .....	***	***	***
Ending inventory quantity .....	***	***	***
All sources:			
Quantity .....	***	***	***
Value .....	***	***	***
Unit value .....	***	***	***
Ending inventory quantity .....	***	***	***

Table continued on next page.

Table C-2--Continued

Sodium metasilicate pentahydrate: Summary data concerning the U.S. market, 1997-98

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

Item	1997	1998	1997-98
U.S. producers':			
Average capacity quantity . . . . .	109,900	109,900	0.0
Production quantity . . . . .	75,074	77,009	2.6
Capacity utilization (1) . . . . .	68.3	70.1	1.8
U.S. shipments:			
Quantity . . . . .	60,108	59,164	-1.6
Value . . . . .	9,288	9,101	-2.0
Unit value . . . . .	\$0.15	\$0.15	-0.4
Export shipments:			
Quantity . . . . .	14,610	14,373	-1.6
Value . . . . .	1,539	1,353	-12.1
Unit value . . . . .	\$0.11	\$0.09	-10.6
Ending inventory quantity . . . . .	7,171	10,426	45.4
Inventories/total shipments (1) . . . . .	9.6	14.2	4.6
Production workers . . . . .	22	22	0.0
Hours worked (1,000s) . . . . .	49	44	-10.6
Wages paid (\$1,000s) . . . . .	927	851	-8.2
Hourly wages . . . . .	\$18.96	\$19.47	0.0
Productivity (pounds per hour) . . . . .	1,535.3	1,762.2	0.0
Unit labor costs . . . . .	\$0.01	\$0.01	0.0
Net sales:			
Quantity . . . . .	74,718	73,537	-1.6
Value . . . . .	10,826	10,454	-3.4
Unit value . . . . .	\$0.14	\$0.14	-1.9
Cost of goods sold (COGS) . . . . .	9,553	9,917	3.8
Gross profit or (loss) . . . . .	1,273	537	-57.8
SG&A expenses . . . . .	1,373	1,450	5.6
Operating income or (loss) . . . . .	(100)	(913)	-813.0
Capital expenditures . . . . .	114	50	-56.1
Unit COGS . . . . .	\$0.13	\$0.13	5.5
Unit SG&A expenses . . . . .	\$0.02	\$0.02	7.3
Unit operating income or (loss) . . . . .	(\$0.00)	(\$0.01)	-827.7
COGS/sales (1) . . . . .	88.2	94.9	6.6
Operating income or (loss)/ sales (1) . . . . .	-0.9	-8.7	-7.8

(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 calendar comparable to data reported on a year basis.

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

Table C-3

Anhydrous sodium metasilicate and sodium metasilicate pentahydrate: Summary data concerning the U.S. market, 1997-98

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

Item	1997	1998	1997-98
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. shipments of imports from:			
France:			
Quantity . . . . .	***	***	***
Value . . . . .	***	***	***
Unit value . . . . .	***	***	***
Ending inventory quantity . . . . .	***	***	***
Other sources:			
Quantity . . . . .	***	***	***
Value . . . . .	***	***	***
Unit value . . . . .	***	***	***
Ending inventory quantity . . . . .	***	***	***
All sources:			
Quantity . . . . .	***	***	***
Value . . . . .	***	***	***
Unit value . . . . .	***	***	***
Ending inventory quantity . . . . .	***	***	***

Table continued on next page.

Table C-3--Continued

Anhydrous sodium metasilicate and sodium metasilicate pentahydrate: Summary data concerning the U.S. market, 1997-98

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

Item	1997	1998	1997-98
U.S. producers':			
Average capacity quantity . . . . .	242,200	242,200	0.0
Production quantity . . . . .	161,125	147,131	-8.7
Capacity utilization (1) . . . . .	66.5	60.7	-5.8
U.S. shipments:			
Quantity . . . . .	132,652	120,905	-8.9
Value . . . . .	24,611	21,594	-12.3
Unit value . . . . .	\$0.19	\$0.18	-3.7
Export shipments:			
Quantity . . . . .	25,731	22,632	-12.0
Value . . . . .	3,546	2,740	-22.7
Unit value . . . . .	\$0.14	\$0.12	-12.1
Ending inventory quantity . . . . .	19,671	23,093	17.4
Inventories/total shipments (1) . . . . .	12.4	16.1	3.7
Production workers . . . . .	45	45	0.0
Hours worked (1,000s) . . . . .	103	96	-7.0
Wages paid (\$1,000s) . . . . .	1,946	1,883	-3.2
Hourly wages . . . . .	\$18.91	\$19.68	4.0
Productivity (pounds per hour) . . . . .	1,565.8	1,537.4	-1.8
Unit labor costs . . . . .	\$0.01	\$0.01	6.0
Net sales:			
Quantity . . . . .	158,383	143,537	-9.4
Value . . . . .	28,156	24,334	-13.6
Unit value . . . . .	\$0.18	\$0.17	-4.6
Cost of goods sold (COGS) . . . . .	22,816	21,472	-5.9
Gross profit or (loss) . . . . .	5,340	2,862	-46.4
SG&A expenses . . . . .	3,746	3,858	3.0
Operating income or (loss) . . . . .	1,594	(996)	-162.5
Capital expenditures . . . . .	762	568	-25.5
Unit COGS . . . . .	\$0.14	\$0.15	3.8
Unit SG&A expenses . . . . .	\$0.02	\$0.03	13.6
Unit operating income or (loss) . . . . .	\$0.01	(\$0.01)	-168.9
COGS/sales (1) . . . . .	81.0	88.2	7.2
Operating income or (loss)/ sales (1) . . . . .	5.7	-4.1	-9.8

(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 calendar comparable to data reported on a year basis.

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

**APPENDIX D**

**U.S. PRODUCERS' AND PURCHASERS' COMMENTS REGARDING  
THE EFFECTS OF THE ORDER AND THE LIKELY EFFECTS OF  
REVOCATION**



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

**Anticipated Operational/Organizational Changes  
If Order Were To Be Revoked (Question II-4)**

The Commission requested U.S. producers to describe any anticipated changes in the character of their operations or organization relating to the production of anhydrous sodium metasilicate in the future if the antidumping order on anhydrous sodium metasilicate from France were to be revoked. Their responses are as follows:

**Crosfield**

\* \* \* \* \*

**Occidental**

\* \* \* \* \*

**PQ Corp.**

\* \* \* \* \*

**Significance of Existing Order  
In Terms of Trade and Related Data (Question II-14)**

The Commission requested U.S. producers to describe the significance of the existing antidumping duty order covering imports of anhydrous sodium metasilicate from France in terms of its effect on their firms' production capacity, production, U.S. shipments, inventories, purchases, and employment. Their responses are as follows:

**Crosfield**

\* \* \* \* \*

**Occidental**

\* \* \* \* \*

**PQ Corp.**

\* \* \* \* \*

**Anticipated Changes in Trade and Related Data  
If The Order Were To Be Revoked (Question II-15)**

The Commission requested U.S. producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, or employment relating to the production of anhydrous sodium metasilicate in the future if the antidumping order on anhydrous sodium metasilicate from France were to be revoked. Their responses are as follows:

**Crosfield**

\* \* \* \* \*

**Occidental**

\* \* \* \* \*

**PQ Corp.**

\* \* \* \* \*

**Significance of Existing Order In Terms of Financial Data (Question III-8)**

The Commission asked U.S. producers to describe the significance of the existing antidumping duty order covering imports of ASM from France in terms of its effect on their firms' revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. Their responses are as follows:

**Crosfield**

\* \* \* \* \*

**Occidental**

\* \* \* \* \*

**PQ Corp.**

\* \* \* \* \*



**Anticipated Changes in Financial Data If Order  
Were To Be Revoked (Question III-9)**

The Commission asked U.S. producers to describe any anticipated changes in its revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of ASM in the future if the antidumping duty order on ASM rubber from France were to be revoked. Their responses are as follows:

**Crosfield**

\*   \*   \*   \*   \*   \*   \*

**Occidental**

\*   \*   \*   \*   \*   \*   \*

**PQ Corp.**

\*   \*   \*   \*   \*   \*   \*

**U.S. PURCHASERS' COMMENTS REGARDING THE EFFECTS OF THE ORDER  
AND THE LIKELY EFFECTS OF REVOCATION**

**Effects on Future Activities of Their Firm and the U.S. Market as a Whole (Question III-11)**

The Commission asked the purchasers to comment on the effect of the revocation of the antidumping order on (1) the future activities of their firm and (2) the U.S. market as a whole. The responses are as follows:

**Chemical Products Corp.**

- (1) \*\*\*
- (2) \*\*\*

**Ecolab Inc.**

- (1) \*\*\*
- (2) \*\*\*

**Harcros Chemicals Inc.**

- (1) \*\*\*
- (2) \*\*\*

**LidoChem Inc.**

- (1) \*\*\*
- (2) \*\*\*

**MacDermid Inc.**

- (1) \*\*\*
- (2) \*\*\*

**Milsoly Corp.**

- (1) \*\*\*
- (2) \*\*\*

**Paro Service**

- (1) \*\*\*
- (2) \*\*\*

**Southwest Solvents & Chemicals**

- (1) \*\*\*
- (2) \*\*\*

**Unichem Corp.**

- (1) \*\*\*
- (2) \*\*\*

