

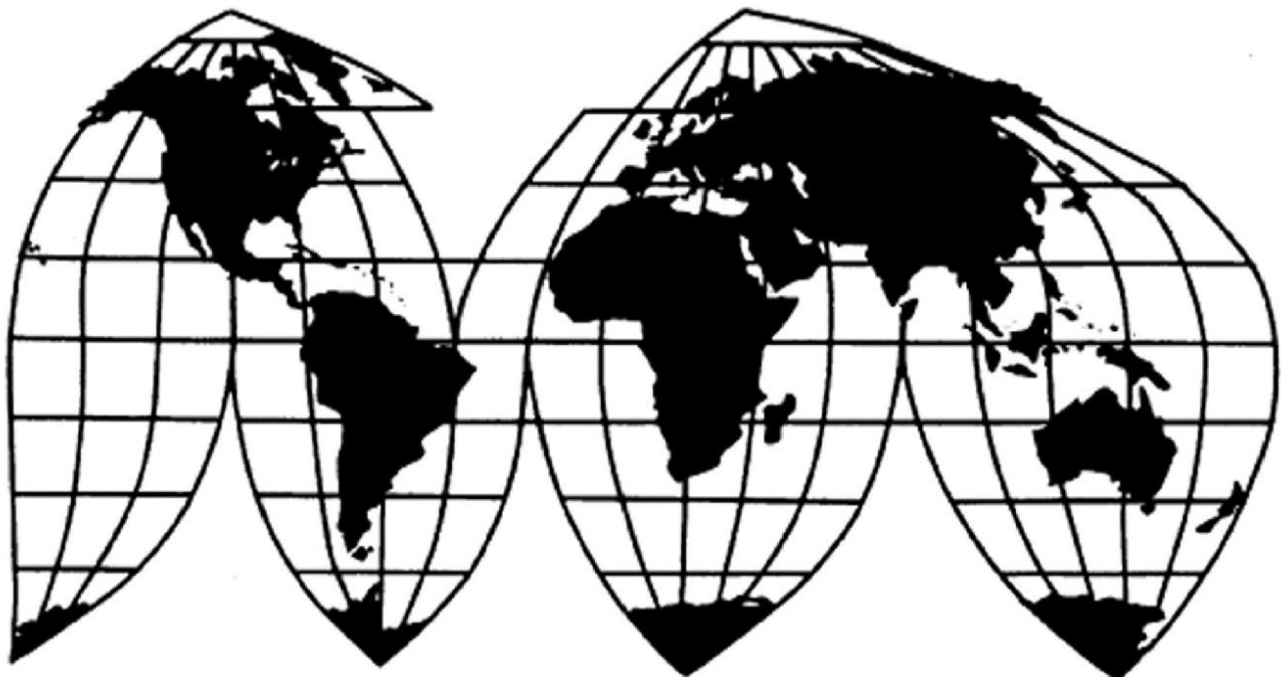
Active Anode Material from China

Investigation Nos. 701-TA-752 and 731-TA-1730 (Final)

Publication 5719

March 2026

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

Amy A. Karpel, Chair
David S. Johanson
Jason E. Kearns

Catherine DeFilippo
Director of Operations

Staff assigned

Calvin Chang, Investigator
Karl Tsuji, Industry Analyst
James Horne, Economist
Zahra Bekkal, Accountant
T.K. Vang, Statistician
David Goldfine, Attorney
Douglas Corkran, Supervisory Investigator

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

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Active Anode Material from China

Investigation Nos. 701-TA-752 and 731-TA-1730 (Final)

Publication 5719



March 2026

CONTENTS

| | Page |
|--|------------|
| Determinations | 1 |
| Views of the Commission | 3 |
| Separate and Dissenting Views of Commissioner Jason E. Kearns | 47 |
| Part 1: Introduction | 1.1 |
| Background..... | 1.1 |
| Statutory criteria | 1.2 |
| Organization of report..... | 1.4 |
| Market summary..... | 1.4 |
| Summary data and data sources..... | 1.5 |
| Previous and related investigations..... | 1.5 |
| Nature and extent of subsidies and sales at LTFV | 1.5 |
| Subsidies | 1.5 |
| Sales at LTFV | 1.6 |
| The subject merchandise | 1.7 |
| Commerce’s scope | 1.7 |
| Tariff treatment..... | 1.8 |
| The product | 1.11 |
| Description and applications..... | 1.11 |
| Manufacturing processes | 1.17 |
| Domestic like product issues..... | 1.20 |
| Part 2: Conditions of competition in the U.S. market | 2.1 |
| U.S. market characteristics..... | 2.1 |
| Importer/purchasers..... | 2.2 |
| Impact of Section 301 tariffs..... | 2.2 |
| Impact of U.S. Inflation Reduction Act (“IRA”)..... | 2.2 |
| Channels of distribution | 2.3 |
| Geographic distribution | 2.4 |
| Supply and demand considerations | 2.5 |

CONTENTS

| | Page |
|---|------------------|
| Part 2: Conditions of competition in the U.S. market..... | Continued |
| U.S. supply | 2.5 |
| U.S. demand | 2.8 |
| Substitutability issues..... | 2.12 |
| Factors affecting purchasing decisions..... | 2.13 |
| Purchase factor comparisons of domestic products, subject imports, and nonsubject imports | 2.18 |
| Comparison of U.S.-produced and imported AAM | 2.21 |
| Elasticity estimates..... | 2.23 |
| U.S. supply elasticity..... | 2.23 |
| U.S. demand elasticity | 2.23 |
| Substitution elasticity | 2.24 |
| Part 3: U.S. producers' production, shipments, and employment | 3.1 |
| U.S. producers | 3.1 |
| Status of operations | 3.3 |
| Market and operational development..... | 3.9 |
| Role of Bipartisan Infrastructure Law..... | 3.10 |
| Financial breakeven point for sales of AAM..... | 3.11 |
| Industry and market developments | 3.12 |
| U.S. production, capacity, and capacity utilization | 3.25 |
| Alternative products..... | 3.33 |
| U.S. producers' U.S. shipments and exports..... | 3.34 |
| U.S. producers' inventories..... | 3.38 |
| U.S. producers' imports from subject sources..... | 3.38 |
| U.S. producers' purchases of imports from subject sources | 3.38 |
| U.S. employment, wages, and productivity | 3.39 |

CONTENTS

| | Page |
|---|------------|
| Part 4: U.S. imports, apparent U.S. consumption, and market shares | 4.1 |
| U.S. importers..... | 4.1 |
| U.S. imports..... | 4.2 |
| U.S. shipments by product form | 4.10 |
| Negligibility..... | 4.12 |
| Apparent U.S. consumption and market shares | 4.13 |
| Quantity..... | 4.13 |
| Value..... | 4.14 |
| Part 5: Pricing data | 5.1 |
| Factors affecting prices | 5.1 |
| Raw material costs | 5.1 |
| Transportation costs to the U.S. market..... | 5.5 |
| U.S. inland transportation costs..... | 5.5 |
| Pricing practices | 5.5 |
| Pricing methods..... | 5.5 |
| Sales terms and discounts..... | 5.6 |
| Price leadership | 5.6 |
| Price data..... | 5.7 |
| Price and purchase cost trends | 5.19 |
| Price and purchase cost comparisons | 5.22 |
| Lost sales and lost revenue | 5.23 |
| Part 6: Financial experience of U.S. producers..... | 6.1 |
| Background..... | 6.1 |
| Operations on AAM..... | 6.3 |
| Net sales | 6.14 |
| Cost of goods sold and gross profit or loss..... | 6.14 |
| SG&A expenses and operating income or loss..... | 6.16 |

CONTENTS

| | Page |
|--|------------------|
| Part 6: Financial experience of U.S. producers..... | Continued |
| All other expenses and net income or loss | 6.17 |
| Capital expenditures and research and development expenses | 6.18 |
| Assets and return on assets | 6.20 |
| Capital and investment | 6.22 |
| Part 7: Threat considerations and information on nonsubject countries | 7.1 |
| The industry in China..... | 7.3 |
| Changes in operations | 7.7 |
| Installed and practical overall capacity | 7.9 |
| Constraints on capacity | 7.10 |
| Operations on AAM | 7.11 |
| Alternative products..... | 7.14 |
| Total shipments by composition and form | 7.15 |
| Exports..... | 7.16 |
| U.S. inventories of imported merchandise | 7.19 |
| U.S. importers' outstanding orders..... | 7.21 |
| Third-country trade actions | 7.21 |
| Information on nonsubject countries | 7.21 |

CONTENTS

Page

Appendixes

| | |
|---|-----|
| A. Federal Register notices..... | A.1 |
| B. List of hearing witnesses..... | B.1 |
| C. Summary data..... | C.1 |
| D. U.S. producers' U.S. shipments and U.S. importers' imports by composition and quarter..... | D.1 |
| E. U.S. producers' responses regarding material retardation..... | E.1 |
| F. U.S. producers' qualification status..... | F.1 |

Note.—Information that would reveal confidential operations of individual firms may not be published. Such information is identified by brackets ([]) in confidential reports and is deleted and replaced with asterisks (***) in public reports. Zeroes, null values, and undefined calculations are suppressed and shown as em dashes (—) in tables. If using a screen reader, we recommend increasing the verbosity setting.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-752 and 731-TA-1730 (Final)

Active Anode Material from China

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that the establishment of an industry in the United States is not materially retarded by reason of imports of active anode material from China, provided for in subheadings 2504.10.10, 2504.10.50, 3801.10.50, and 3801.90.00 of the Harmonized Tariff Schedule of the United States, that have been found by the U.S. Department of Commerce (“Commerce”) to be subsidized and sold in the United States at less than fair value (“LTFV”).^{2 3}

BACKGROUND

The Commission instituted these investigations effective December 18, 2024, following receipt of petitions filed with the Commission and Commerce by the American Active Anode Material Producers, the members of which are Anovion Technologies, Sanborn, New York; Syrah Technologies LLC, Vidalia, Louisiana; NOVONIX Anode Materials LLC, Chattanooga, Tennessee; Epsilon Advanced Materials, Leland, North Carolina; and SKI US, Inc., Marietta, Georgia. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of active anode material from China were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and sold at LTFV within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission’s investigations 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

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

² 90 FR 22465, May 28, 2025, and 90 FR 34423, July 22, 2025.

³ Commissioner Jason E. Kearns dissenting.

in the *Federal Register* on August 13, 2025 (90 FR 38993).⁴ The Commission conducted its hearing on February 12, 2026. All persons who requested the opportunity were permitted to participate.

⁴ Due to the lapse in appropriations and ensuing cessation of Commission operations, the Commission tolled its schedule for this proceeding. The schedule was revised in a subsequent notice published in the *Federal Register* on December 11, 2025 (90 FR 57484).

Views of the Commission

Based on the record in the final phase of these investigations, we determine that the establishment of an industry in the United States is not materially retarded by reason of imports of active anode material (“AAM”) from China found by the U.S. Department of Commerce (“Commerce”) to be sold at less than fair value (“LTFV”) and subsidized by the government of China.¹

I. Background

The American Active Anode Material Producers (“AAMP” or “Petitioner”), an *ad hoc* trade association consisting of domestic producers of AAM,² filed the petitions in these investigations on December 18, 2024. Petitioner appeared at the hearing accompanied by counsel and submitted prehearing and posthearing briefs and final comments.

Several respondent entities participated in these investigations. LG Energy Solution, Ltd. (“LG”) and Tesla, Inc. (“Tesla”), U.S. importers of subject merchandise from China, appeared at the hearing accompanied by counsel and submitted prehearing and posthearing briefs and final comments. Guangdong Kaijin New Energy Technology Corp., Ltd. (“Kaijin”), a foreign producer and exporter of subject merchandise from China, filed prehearing and posthearing briefs but did not appear at the hearing. Panasonic Corporation of North America and Panasonic Energy Corporation of North America (“Panasonic”) and Stanley Black and Decker, Inc. (“SBD”), U.S. importers of downstream battery products that contain AAM, appeared at the hearing accompanied by counsel and submitted prehearing and posthearing briefs and final comments. Contemporary Amperex Technology Co., Ltd. (“CATL”), a foreign producer and exporter of downstream battery products that contain AAM, appeared at the hearing accompanied by counsel and submitted a prehearing brief. The Commission also received a prehearing brief filed on behalf of TTI Consumer Power Tools, Inc.; TTI Outdoor Power Equipment, Inc.; TTI Power Equipment Manufacturing, Inc.; Hart Consumer Products, Inc.; Milwaukee Electric Tool

¹ Commissioner Jason E. Kearns determines that the establishment of an industry in the United States is materially retarded by reason of imports of AAM from China found by Commerce to be sold at LTFV and subsidized by the government of China. See Separate and Dissenting Views of Commissioner Jason E. Kearns. He joins sections I-V.C. of the Commission’s views, except where noted.

² The AAMP consists of the following five firms: Anovion Technologies LLC (“Anovion”), Syrah Technologies LLC (“Syrah”), NOVONIX Anode Materials LLC (“Novonix”), Epsilon Advanced Materials Pty. Ltd. (“Epsilon”), and SKI US, Inc. (“SKI US”). Confidential Staff Report, INV-YY-031 (Mar. 2, 2025) (“CR”) at 1.1; *Active Anode Material from China*, Inv. Nos. 701-TA-752 and 731-TA-1730 (Final), USITC Pub. 5719 at 1.1 (Mar. 2026) (“PR”) (together “CR/PR”).

Corporation; and Royal Appliance Manufacturing Co. (collectively, “TTI”), which are collectively importers of downstream battery products that contain AAM.³

U.S. industry data are based on the questionnaire responses of four U.S. producers, including three U.S. producers accounting for nearly all known U.S. production of AAM in 2024.⁴ U.S. import data are based on the questionnaire responses of eight U.S. importers of AAM that represent a large majority of U.S. imports from China in 2024 under HTS statistical reporting numbers 2504.10.5000, 3801.10.5010 and 3801.10.5090, which include both in-scope AAM and other products.⁵ Foreign producer/exporter data are based on the questionnaire responses of five foreign producers/exporters of subject merchandise accounting for approximately *** percent of subject imports from China in 2024.⁶

II. Domestic Like Product

A. In General

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

³ As discussed further in Section III, Commerce amended the final scope of these investigations to exclude AAM that has been incorporated into lithium-ion battery products (e.g., cells, modules, and packs, electric vehicles, hybrid vehicles, cell phones, or battery energy storage systems), such that imports from TTI were no longer subject to these investigations. TTI did not appear at the hearing nor did it file a posthearing brief.

⁴ CR/PR at 3.1 and Table 3.1. In 2024, Syrah accounted for *** percent of U.S. production of AAM, Novonix accounted for *** percent, and SKI accounted for *** percent. CR/PR at Table 3.1. Two additional U.S. producers provided useable questionnaire responses, although they did not account for any U.S. production in 2024. CR/PR at 3.1. As further detailed below, there were no commercial sales of the domestic like product during the POI except for very small quantities in 2022.

⁵ CR/PR at 4.1. Given the presence of out-of-scope products within the covered HTS statistical reporting numbers, a more precise estimate of subject import coverage is not possible. *Id.*

⁶ CR/PR at 7.3.

⁷ 19 U.S.C. § 1677(4)(A).

⁸ 19 U.S.C. § 1677(4)(A).

like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.”⁹

By statute, the Commission’s “domestic like product” analysis begins with the “article subject to an investigation,” *i.e.*, the subject merchandise as determined by Commerce.¹⁰ Therefore, Commerce’s determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is “necessarily the starting point of the Commission’s like product analysis.”¹¹ The Commission then defines the domestic like product in light of the imported articles Commerce has identified.¹² The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.¹³ No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.¹⁴ The

⁹ 19 U.S.C. § 1677(10).

¹⁰ 19 U.S.C. § 1677(10). The Commission must accept Commerce’s determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See, e.g., USEC, Inc. v. United States*, 34 Fed. App’x 725, 730 (Fed. Cir. 2002) (“The ITC may not modify the class or kind of imported merchandise examined by Commerce.”); *Algoma Steel Corp. v. United States*, 688 F. Supp. 639, 644 (Ct. Int’l Trade 1988), *aff’d*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

¹¹ *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, Case No. 19-1289, slip op. at 8-9 (Fed. Cir. Feb. 7, 2020) (the statute requires the Commission to start with Commerce’s subject merchandise in reaching its own like product determination).

¹² *Cleo*, 501 F.3d at 1298 n.1 (“Commerce’s {scope} finding does not control the Commission’s {like product} determination.”); *Hosiden Corp. v. Advanced Display Mfrs.*, 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748–52 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission’s determination defining six like products in investigations where Commerce found five classes or kinds).

¹³ *See, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). The Commission generally considers a number of factors, including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

¹⁴ *See, e.g., S. Rep. No. 96-249 at 90-91 (1979).*

Commission looks for clear dividing lines among possible like products and disregards minor variations.¹⁵

B. Product Description

Commerce defined the scope of the imported merchandise under investigation as follows:

. . . active anode material, which is an anode grade graphite material with a graphite minimum purity content of 90 percent carbon by weight, whether containing synthetic graphite, natural graphite, or a blend of synthetic and natural graphite; with or without coating. Subject merchandise may be in the form of powder, dry, liquid, or block form and is covered irrespective of the form in which it enters. Subject merchandise typically has a maximum size of 80 microns when in powder form. Subject merchandise has an energy density of 330 milliamp hours per gram or greater and a degree of graphitization of 80 percent or greater, where graphitization refers to the extent of the graphite crystal structure.

Subject merchandise is covered regardless of whether it is mixed with silicon based active materials, *e.g.*, silicon-oxide (SiO_x), silicon-carbon (SiC), or silicon, or additives such as carbon black or carbon nanotubes. Subject merchandise is covered regardless of the combination of compounds that comprise the graphite material. Subject merchandise is covered regardless of whether it is imported independently, as part of a compound, or as a component of an anode slurry, or in a subassembly of a battery such as an electrode. Only the anode grade graphite material is covered when entered as part of a mixture with silicon based active materials, as part of a compound, or as a component of an anode slurry, or in a subassembly of a battery such as an electrode.

¹⁵ *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; *see also* S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in “such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not ‘like’ each other, nor should the definition of ‘like product’ be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.”).

Subject merchandise does not include active anode material incorporated into imports of lithium-ion battery products (such as cells, modules, and packs), electric vehicles, hybrid vehicles, cell phones or battery energy storage systems.¹⁶

AAM is graphite that functions as the active component of the anode in a lithium-ion battery.¹⁷ Within the anode, the graphite is electrolytically active but chemically unreactive, as it releases and receives lithium ions during successive cycles of battery discharge and recharge.¹⁸ AAM is specifically formulated for the lithium-ion batteries used in electric vehicles (“EVs”) and energy storage systems (“ESS”), as well as in other consumer, commercial, industrial, and military electronic products.¹⁹ AAM typically has smaller, more uniform particle sizes, lower porosity, higher density, a more orderly crystalline structure, and higher purity than other graphites.²⁰

AAM can be produced from either naturally occurring (mined) graphite or from synthetically produced graphite.²¹ Natural graphite is extracted from naturally occurring graphite deposits, concentrated by crushing and milling, and treated to remove impurities.²² Synthetic graphite is produced from high-purity calcined petroleum coke or coal tar pitch that is purified and baked at high temperature to form needle coke, and subsequently crystallized into graphite.²³ Each of these processes produces high-purity graphite that the manufacturer then homogenizes by milling and sieving to achieve the desired particle size distribution, sometimes coats, and then carbonizes in an industrial furnace.²⁴

¹⁶ *Active Anode Material From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 91 Fed. Reg. 7247 (Feb. 17, 2026); *Active Anode Material From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 91 Fed. Reg. 7261 (Feb. 17, 2026). Commerce’s final determinations amended the scope from its preliminary determinations to exclude AAM incorporated into lithium-ion battery products. *Id.*; CR/PR at 4.1 n.2.

¹⁷ CR/PR at 1.11.

¹⁸ CR/PR at 1.11.

¹⁹ CR/PR at 1.16.

²⁰ CR/PR at 1.16-17.

²¹ CR/PR at 1.17.

²² CR/PR at 1.17.

²³ CR/PR at 1.17.

²⁴ CR/PR at 1.18.

C. Arguments of the Parties

Petitioner argues that the Commission should define a single domestic like product coextensive with the scope, as it did in the preliminary phase of these investigations.²⁵ It maintains that all domestically produced AAM overlaps in terms of physical characteristics and uses; interchangeability; channels of distribution; customer and producer perceptions; manufacturing facilities, production processes, and production employees; and price.²⁶

No respondents contest Petitioner's proposed like product definition in the final phase of these investigations.²⁷

D. Analysis and Conclusion

In the preliminary determinations, the Commission defined a single domestic like product consisting of AAM, which corresponded with the scope of investigations.²⁸ Petitioner continues to advocate that the Commission define the domestic like product coextensive with

²⁵ Petitioner's Prehearing Br. at 3-4.

²⁶ Petitioner's Prehearing Br. at 5-12.

²⁷ See Hearing Tr. at 202-203 (Sprinkle & Nicely). In their prehearing briefs, respondents SBD and TTI argued that the Commission should define two separate domestic like products: (1) loose AAM and (2) AAM embedded in battery packs. See SBD Prehearing Br. at 7-16 & TTI Prehearing Br. at 17-27. Commerce, however, has now amended the scope in its final AD and CVD determinations to exclude AAM incorporated into lithium-ion battery products, including packs, that were previously included in Commerce's scope. CR/PR at 1.7 & 1.20; see also *Active Anode Material From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 91 Fed. Reg. 7247 (Feb. 17, 2026); *Active Anode Material From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 91 Fed. Reg. 7261 (Feb. 17, 2026). Given Commerce's revised scope, the parties now agree with Petitioner's proposed definition of a single domestic like product coextensive with the scope. See, e.g., Hearing Tr. at 202-203 (Sprinkle); SBD Posthearing Br. at 2-3; Hearing Tr. at 58-59 (Pickard).

²⁸ *Active Anode Material from China*, Inv. Nos. 701-TA-752 and 731-TA-1730 (Preliminary), USITC Pub. 5585 (Feb. 2025) at 9-13. ("Preliminary Determinations"). The Commission found that the record indicated that all domestically produced AAM within the scope possessed similar physical characteristics, were generally produced at dedicated facilities that do not produce other types of graphite, and shared the same principal end use as an input in lithium-ion batteries. *Id.* at 9-11. It noted that all domestically produced AAM within the scope is typically sold directly to battery cell manufacturers and is more costly than other types of graphite, and that there was no evidence on the record suggesting that customers and producers viewed AAM as anything other than a single product category. *Id.* at 11-12. While recognizing that synthetic AAM and natural AAM had somewhat limited interchangeability and differed somewhat in their production processes, it found that these differences appeared to be relatively minor. *Id.* Moreover, it noted that no party argued for a different domestic like product definition than Petitioner's proposed definition for purposes of the Commission's preliminary determination. *Id.* at 13. Accordingly, the Commission defined a single domestic like product consisting of AAM, coextensive with the scope. *Id.*

the scope.²⁹ No party challenges the Commission’s definition of a single domestic like product from the preliminary determinations. Further, the record of these final phase investigations does not contain any information about the characteristics of AAM substantially different from that in the preliminary phase.³⁰

Accordingly, we again define a single domestic like product consisting of AAM, coextensive with the Commerce’s revised scope of investigations.

III. Domestic Industry

The statute defines the relevant industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the product.”³¹ 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.

In antidumping and countervailing duty investigations, the statute provides that one form of injury determination by the Commission is whether “the establishment of an industry in the United States is materially retarded” by reason of subject imports.³² The Commission has found that material retardation and material injury/threat thereof are mutually exclusive standards.³³ Thus, if a domestic industry is not established, the Commission examines the question of material retardation. If a domestic industry is established, then an inquiry into whether its “establishment” is being “materially retarded” is no longer relevant, and the analysis instead turns on the issues of material injury or threat thereof.³⁴

²⁹ Petitioner’s Prehearing Br. at 3-12.

³⁰ See generally CR/PR at 1.12-1.20. As noted above, Commerce has revised the scope of investigations since the Preliminary Determinations to exclude AAM that has been incorporated into lithium-ion battery products. The Commission did not specifically address such products in its analysis in the Preliminary Determinations, so these exclusions do not substantively alter the Commission’s analysis.

³¹ 19 U.S.C. § 1677(4)(A).

³² 19 U.S.C. § 1671d(b)(1)(B); 19 U.S.C. § 1673d(b)(1)(B).

³³ *Laminated Woven Sacks from China*, Inv. Nos. 701-TA-450 and 731-TA-1122 (Preliminary), USITC Pub. 3942 (Aug. 2007) at 21.

³⁴ See *Refillable Stainless Steel Kegs from Mexico*, Inv. No. 731-TA-1427 (Final), USITC Pub. 4976 at 8 (Oct. 2019) (“*Steel Kegs*”); see also *Tungsten Shot from China*, Inv. Nos. 701-TA-732 and 731-TA-1701 (Final) (“*Tungsten Shot*”), USITC Pub. 5655 (Aug. 2025). For further information on the historical background of material retardation, please see the Preliminary Determinations, USITC Pub. 5585 at 15-17.

These investigations raise one issue regarding the definition of domestic industry: whether a domestic industry is established.³⁵ Below, we address the Commission’s analysis of whether a potential domestic industry is established.

A. Arguments of the Parties

Petitioner’s arguments. Petitioner argues that the domestic industry consists of all domestic producers of AAM.³⁶ Petitioner also argues that the domestic industry is not established.³⁷

Respondents’ Arguments. No respondent argues for an alternative definition of the domestic industry, and Tesla and LG agree that the domestic industry is not established.³⁸

B. Analysis

In the preliminary determinations, the Commission defined the domestic industry to include all domestic producers of AAM³⁹ and found that the domestic industry was not established.⁴⁰ In these final phase investigations, no party argues for a different definition of the domestic industry than the Commission found in the preliminary determinations, and parties agree that the Commission should again find that the domestic industry is not established. The record in the final phase of the investigations does not contain any substantially new information that would warrant the Commission revisiting these issues and continues to support a finding that the industry is not established.⁴¹ Therefore, consistent with

³⁵ There are no related party issues in these investigations, as no U.S. producers imported or purchased subject merchandise during the period of investigation, and no firms reported being related to a foreign producer or exporter of subject merchandise. CR/PR at 3.2.

³⁶ Petitioner’s Prehearing Br. at 12-13.

³⁷ Petitioner’s Prehearing Br. at 82-94.

³⁸ Tesla’s Prehearing Br. at 5 & n.6; LG’s Prehearing Br. at 2.

³⁹ Preliminary Determinations, USITC Pub. 5585 at 18-20.

⁴⁰ Preliminary Determinations, USITC Pub. 5585 at 20-29. In determining whether the domestic industry was established, the Commission considered the following criteria consistent with its approach in prior material retardation cases: (1) the length of domestic production operations; (2) the characteristics of domestic production; (3) the size of domestic operations; (4) whether the proposed domestic industry has reached a reasonable financial “break-even” point; and (5) whether the activity is more in the nature of introducing a new product line by an already established business. *Id.* Given that all five factors weighed in favor of finding that the domestic industry was not established, and that all the parties agreed that the domestic industry was not established, the Commission found that the domestic industry producing AAM was not established. *Id.* at 29.

⁴¹ In these final phase investigations, the record continues to indicate, as the Commission found in the preliminary determinations, that domestic producers Anovion, GrafTech, Novonix, SKI US, and (Continued...)

our definition of the domestic like product, we again define the domestic industry to include all domestic producers of AAM. We also again find that the domestic industry is not established and conduct a material retardation analysis.

IV. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.⁴²

Syrah have made a substantial commitment to domestic production and therefore should be included in the domestic industry definition. CR/PR at 3.3-3.9 & Appendix F. As in the preliminary determinations, one domestic producer (Epsilon) did not submit any data covering the January 2022 through June 2025 period of investigation in its questionnaire response, but it did provide information concerning projected operations beyond June 2025 in the final phase of these investigations. CR/PR at 3.1. These data indicate that Epsilon projects to account for *** percent of domestic production over the 2025-2027 period. CR/PR at Table 3.1. On this record, and absent any argument to the contrary, we continue to include Epsilon in the domestic industry, as in the preliminary determinations. Preliminary Determinations, USITC Pub. 5585 at 19-20.

The record in the final phase of these investigations concerning each of the five factors on establishment of the domestic industry continues to support that the domestic industry is not established. With respect to the length of domestic production operations, most firms have reported sporadic and limited production both during and prior to the period of investigation. Only two of five responding domestic producers (Syrah and Novonix) reported AAM production throughout the POI. CR/PR at Tables 3.7 & E.2. Two other firms (Anovion and SKI) reported production during only portions of the period, and two reported no production during the period. CR/PR at Tables 3.7 & E.2. Only two firms reported efforts at production prior to the POI and both were discontinued, one in *** and one in ***. CR/PR at Table E.5. As to the characteristics of domestic production, only one domestic producer (Syrah) produced AAM at quantities approaching commercial scale during the POI, whereas remaining firms have not commenced commercial production. CR/PR at Table 3.7 & Table E.2. With respect to the size of domestic operations, the domestic producers' each exhibit a small size, as reflected in their levels of production, capacity utilization, and share of apparent U.S. consumption during the POI. CR/PR at Tables 3.7 & 4.10. As to whether the proposed domestic industry has reached a reasonable financial "break-even" point, all responding domestic producers reported that any financial break-even point for their sales of AAM did not occur during the POI. CR/PR at 3.11, 6.16-6.17 & Table E.19. With respect to whether the activity is more in the nature of the introduction of a new product line by an already established business, the record in these final phase investigations indicates that the members of the petitioning coalition are relatively new companies attempting to enter the U.S. AAM market, that no firms in the petitioning coalition reported the ability to switch between the production of AAM and other products using shared equipment and labor, and three domestic U.S. producers reported that synthetic AAM is made at dedicated facilities that do not produced material for other graphite applications. See CR/PR at Tables E.6, E.7 & E.9.

⁴² 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); see also 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

Based on questionnaire data, in the 12-month period preceding the filing of these petitions, December 2023 through November 2024, subject imports accounted for *** percent of total imports.⁴³ As subject imports from China are above the applicable 3 percent negligibility threshold, we find that that imports of AAM from China subject to the antidumping duty and countervailing duty investigations are not negligible.

V. Whether the Establishment of a Domestic Industry Has Been Materially Retarded by Reason of Subject Imports

Based on the record in the final phase of these investigations, we find that the establishment of an industry in the United States is not materially retarded by reason of subject imports of AAM from China found by Commerce to be sold in the United States at less than fair value and to be subsidized by the government of China.

A. Legal Standards for Material Retardation

The Commission has previously stated that because each attempt to establish a new industry is inherently unique, it makes its determination of whether the establishment of an industry is materially retarded on a case-by-case basis.⁴⁴ Section 1677(7)(B) specifies that the requirement to address volume, price, and impact of subject imports applies to all final determinations under sections 1671d(b) and 1673d(b), which include determinations of material retardation.⁴⁵ The legislative history of this provision further confirms that it applies to “every investigation,” including material retardation.⁴⁶ In past material retardation analyses, the Commission assessed many of the same factors it considers in its material injury determinations: domestic production, shipments, capacity utilization, inventories, financial condition, employment, projected performance compared to actual performance, and other market conditions.⁴⁷

Nonetheless, the Commission has noted that these criteria are not “viewed in the same light” given the unique circumstances of a material retardation analysis. For instance, the Commission has “discounted” various improvements in the domestic industry’s performance when new firms have commenced production over the POI and some increases in production,

⁴³ CR/PR at Table 4.9.

⁴⁴ See, e.g., *Stainless Steel Kegs*, USITC Pub. 4976 at 26; *Codfish*, USITC Pub. 1711 at 4.

⁴⁵ See 19 U.S.C. § 1677(7)(B).

⁴⁶ H.R. Rep. 100-40, 100th Cong. 1st Sess. at 127 (1987).

⁴⁷ See, e.g., *Stainless Steel Kegs*, USITC Pub. 4976 at 26; *Benzyl Paraben*, USITC Pub. 2355 at 9, 14; *Copier Toner*, USITC Pub. 1960 at 11-14; *Dried Salted Codfish*, USITC Pub. 1711 at 6-7.

shipments, and capacity utilization would thus be expected as a result.⁴⁸ Similarly, the Commission has discounted increases in the domestic industry's share of apparent U.S. consumption when the market is nonetheless dominated by subject imports, reasoning that some increase in market share is inevitable when nascent firms commence domestic production.⁴⁹ The Commission has also observed, for example, that pricing data may be less relevant in evaluating material retardation because the small number of sales in this industry and the limited quantities sold by the domestic producer complicate price comparisons and the evaluation of pricing trends over time.⁵⁰

The Commission has examined whether the industry's performance "reflects merely the normal start-up condition of a company entering an admittedly difficult market or, is the performance worse than what could reasonably be expected . . ." ⁵¹ The Commission has sometimes examined the projections of individual producers at the time of their inception to gauge whether a reasonable level of operations has been achieved.⁵² The Commission has also examined the extent to which the price of subject imports has affected the domestic industry's ability to price its products in relation to its costs.⁵³

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication that the establishment of a domestic industry is materially retarded by reason of subject imports from China.

⁴⁸ *Stainless Steel Kegs*, USITC Pub. 4976 at 27; *Laminated Woven Sacks*, USITC Pub. 3942 at 37-39 (noting that in examining the impact of subject imports, criteria are not viewed "in the same light" in a material retardation analysis).

⁴⁹ *Benzyl Paraben*, USITC Pub. 2355 at 13-14.

⁵⁰ See, e.g., *53-Foot Domestic Dry Containers from China*, Inv. Nos. 701-TA-514 and 731-TA-1250 (Final), USITC Pub. (June 2015) at 26-27.

⁵¹ See, e.g., *Stainless Steel Kegs*, USITC Pub. 4976 at 27; *Codfish*, USITC Pub. 1711 at 5; see also *BMT Commodity Corp. v. United States*, 11 C.I.T. 524 (1987) (affirming material retardation determination that applied standard of whether industry's performance reflected merely the normal start-up condition of a company entering an admittedly difficult market or, is the performance worse than what could reasonably be expected), *aff'd*, 852 F.2d 1285 (Fed. Cir. 1988).

⁵² *Copier Toner*, USITC Pub. 1960 at 9-10 (finding that domestic industry was performing better than would be expected and that producer's business plan predicting higher market share was unrealistic); *Dried Salted Codfish*, USITC Pub. 1711 at 6-7 (considering market feasibility study done at inception of business operations).

⁵³ See, e.g., *Tungsten Shot*, USITC Pub. 5655 at 36-37 (Aug. 2025); see also *Stainless Steel Kegs*, USITC Pub. 4976 at 37-38.

1. Demand Conditions

Demand for AAM is driven by demand for U.S.-produced downstream products that use lithium-ion batteries⁵⁴ – primarily EVs and ESS, but also other consumer, commercial, industrial, and military electronic products.⁵⁵ Electric car sales, generally perceived to be a leading indicator of demand for AAM, generally trended upwards from January 2022 to September 2025 in the United States.⁵⁶ All responding U.S. producers and seven of eight responding U.S. importers/purchasers reported that demand in the United States steadily increased or fluctuated upward since January 2022.⁵⁷ All responding U.S. producers reported that the AAM market is not subject to business cycles, while four of eight responding U.S. importers/purchasers reported that the market was subject to business cycles.⁵⁸

Respondents contend that demand for domestically produced AAM has increased in recent years and is likely to increase in the future, as domestic battery producers and their automotive partners work to localize supply chains.⁵⁹ According to respondents, purchasers have prioritized sourcing AAM domestically to mitigate supply chain risk and because of U.S. government incentives, including the Inflation Reduction Act (IRA), which provides tax incentives for domestic production and sale of eligible clean energy components, including AAM.⁶⁰ They note that tax incentives available under the IRA for producing or manufacturing EV components in the United States were modified by the “One Big Beautiful Bill Act” to limit the amount of content (like battery materials or minerals) sourced from “Prohibited Foreign Entities” including China.⁶¹ All five responding U.S. producers and six of eight responding U.S. importers/purchasers reported that the IRA had an impact on the U.S. market for AAM.⁶²

⁵⁴ CR/PR at 2.9.

⁵⁵ CR/PR at 2.9, 1.16. AAM accounts for a small share of the cost of the end-use products in which it is used. *Id.* at 2.9. The reported shares of the total cost for its principal end uses accounted for by AAM ranged from 1.7 to 11.4 percent. *Id.*

⁵⁶ CR/PR at 2.10-2.11, Figure 2.1, and Table 2.9.

⁵⁷ CR/PR at Table 2.8.

⁵⁸ CR/PR at 2.9. Specifically, a number of importer/purchasers reported that demand for AAM is closely tied to automotive production and the macro-economic trends that impact it. For example, importer/purchaser *** reported that the AAM market is closely related to global EV adoption, and importer/purchaser *** reported that demand is cyclical and driven by various markets including EVs and drones. *Id.*

⁵⁹ *See, e.g.,* Tesla’s Prehearing Br. at 24.

⁶⁰ Tesla’s Prehearing Br. at 24-25; Panasonic’s Prehearing Br. at 6-7.

⁶¹ Tesla’s Prehearing Br. at 24-25.

⁶² CR/PR at 2.2-2.3 & Table 2.2. The One Big Beautiful Bill Act expanded upon IRA provisions that limited sourcing from Foreign Entities of Concern (FEOC). *See, e.g.,* Tesla’s Prehearing Br. at 24-25.

Apparent U.S. consumption of AAM increased from *** pounds in 2022 to *** pounds in 2023 and *** pounds in 2024, for an overall increase of *** percent.⁶³ It was *** percent higher in interim 2025, at *** pounds, than in interim 2024, at *** pounds.⁶⁴

Only a relatively small number of purchasers account for the overwhelming majority of domestic purchases and import purchases of AAM in the U.S. market, and these firms are the battery producers that use AAMs in their battery products. GM and Tesla accounted for approximately *** percent of total reported domestic purchases and import purchases of AAM in the U.S. market over the entire POI.⁶⁵

2. Supply Conditions

Domestically produced AAM was the smallest source of supply in the U.S. market during the POI. The domestic industry reported small quantities of commercial U.S. shipments for 2022 and did not report any commercial U.S. shipments for the remainder of the POI.⁶⁶ The domestic industry also reported small quantities of U.S. shipments for trial/test purposes throughout the POI.⁶⁷ Based on domestic producers' U.S. shipments for commercial and trial/test purposes, their share of apparent U.S. consumption was *** percent throughout the POI.⁶⁸

As discussed above, the domestic industry is in a start-up phase and its sales were entirely for trial/test purposes other than very small quantities of commercial sales in 2022.⁶⁹ In 2024, Syrah accounted for *** percent of U.S. production of AAM, Novonix accounted for *** percent, and SKI accounted for *** percent.⁷⁰ The domestic industry's production capacity increased substantially during the POI. Its production capacity increased from *** pounds in 2022 to *** pounds in 2023, and *** pounds in 2024, for an overall increase of *** percent

⁶³ CR/PR at Tables 4.10, C.1.

⁶⁴ CR/PR at Tables 4.10, C.1.

⁶⁵ *Derived from* U.S. Purchasers' Questionnaires at IV-8a & U.S. Importers' Questionnaires at II-6. Battery producer LG has *** while LG is responsible for the battery production. *See* CR/PR at F.5 & Hearing Tr. at 333-334. ***. *See* CR/PR at F.5.

⁶⁶ CR/PR at Table 4.10. The domestic industry's reported commercial U.S. shipments were *** pounds in 2022 and were *** in 2023, 2024, interim 2024, and interim 2025. *Id.*

⁶⁷ CR/PR at Table 4.10. The domestic industry's reported U.S. shipments for trial/test purposes were *** pounds in 2022, *** pounds in 2023, *** pounds in 2024, *** pounds in interim 2024, and *** pounds in interim 2025. *Id.*

⁶⁸ CR/PR at Table 4.10, C.1.

⁶⁹ During the POI, two firms (***) reported production for commercial sales; four firms (***) reported production for trial/test purposes; and two firms (***) did not report any substantive production of AAM. CR/PR at 3.26 & n.41.

⁷⁰ CR/PR at Table 3.1.

from 2022 to 2024.⁷¹ Its production capacity was higher in interim 2025, at *** pounds, than in interim 2024, at *** pounds.⁷² However, most of the domestic industry's capacity was unused during the POI; its capacity utilization rate was *** percent in 2022, *** percent in 2023, *** percent in 2024, *** percent in interim 2024, and *** percent in interim 2025.⁷³

Subject imports were by far the largest source of AAM in the United States throughout the period. Their share of apparent U.S. consumption increased irregularly from 2022 to 2024, declining from *** percent in 2022 to *** percent in 2023 and then increasing to *** percent in 2024; it was lower in interim 2025, at *** percent, than in interim 2024, at *** percent.⁷⁴

Nonsubject imports were the second largest source of supply in the U.S. market throughout the POI. Nonsubject imports' share of apparent U.S. consumption increased from *** percent in 2022 to *** percent in 2023, but then declined to *** percent in 2024; it was higher in interim 2025, at *** percent, than in interim 2024, at *** percent.⁷⁵ The largest sources of nonsubject imports were Indonesia and South Korea.⁷⁶

All responding U.S. producers reported that they experienced supply constraints since January 1, 2022.⁷⁷ U.S. producers generally reported that a lack of production capacity caused supply constraints in the U.S. market as U.S. producers were entering into production during the POI.⁷⁸ Several firms reported experiencing constraints in being supplied by domestic producers in each year between 2022 and 2025,⁷⁹ while very few firms reported experiencing constraints in being supplied by foreign producers/importers over the same period.⁸⁰

⁷¹ CR/PR at Tables 3.7, C.1.

⁷² CR/PR at Tables 3.7, C.1. Domestic producers' practical capacity was substantially greater in 2024 and 2025, at ***, than in 2023, at *** pounds, as ***. CR/PR at 3.26.

⁷³ CR/PR at Table 3.7, C.1. The noticeable difference in practical capacity utilization comparing the interim periods reflects the ***. CR/PR at 3.27 & n.44.

⁷⁴ CR/PR at Tables 4.10, C.1.

⁷⁵ CR/PR at Tables 4.10 and C.1.

⁷⁶ CR/PR at 2.7.

⁷⁷ CR/PR at Table 2.6.

⁷⁸ CR/PR at 2.7.

⁷⁹ The supply constraints reported by these firms generally relate to the fact that no domestic producer has to date been qualified for commercial scale production of AAM by purchasers. For example, importer/purchaser *** reported that U.S. producers were not able to mass produce quality AAM. Importer/purchaser *** reported that domestic producers have not yet qualified to supply AAM but that it is working to develop sources through a system of checks and feedback. It reported that *** samples had high magnetic impurities and did not meet surface area requirements but planned to secure it as a domestic supplier by blending its product with already qualified material. It further reported that *** samples relied on a niche precursor source and that *** would not be able to produce the required volumes. It also reported that *** samples failed to meet processability requirements. CR/PR at 2.7-2.8.

⁸⁰ CR/PR at Table 2.7.

3. Substitutability and Other Conditions

We find that the evidence on the record supports a finding that there is a low degree of substitutability between the domestic like product and subject imports.^{81 82} Although all responding domestic producers reported that domestically produced AAM and subject imports are “always” or “frequently” interchangeable,⁸³ almost all responding U.S. importers and purchasers reported that these products are “never” interchangeable.⁸⁴ Most responding U.S. importers and purchasers reported that the domestic like product is inferior to subject imports with respect to 11 of 17 purchasing factors for AAM.⁸⁵ Most responding U.S. importers and purchasers reported that the domestic like product “rarely or never” met minimum quality specifications, while almost all responding purchasers and importers reported that subject imports “always” or “usually” met minimum quality specifications.⁸⁶ While all responding domestic producers reported that the differences other than price between the domestic like product and subject imports are “never” significant,⁸⁷ all responding U.S. importers and purchasers reported that these non-price differences are “always” significant.⁸⁸

Factors limiting the substitutability between the domestic like product and subject imports include the current lack of qualified domestic producers of AAM.⁸⁹ The qualification process that purchasers require for AAM suppliers to qualify their product is rigorous and time-

⁸¹ CR/PR at 2.12.

⁸² Commissioner Kearns notes the potential for a high degree of substitutability between AAM from domestic and imported sources upon qualification of the domestic like product, as the Commission recognized in its preliminary views, stating that “domestic industry has demonstrated the ability to produce AAM that is substitutable with subject merchandise.” Preliminary Determinations, USITC Pub. 5585 at 36. In any case, the issue of substitutability is somewhat premature as it relates to a domestic industry that is not yet established and not yet producing to customer specifications at commercial scale.

⁸³ CR/PR at Table 2.17.

⁸⁴ CR/PR at Table 2.18.

⁸⁵ CR/PR at Table 2.16. Most purchasers rated the domestic like product as inferior to subject imports with respect to the following 11 factors: availability, discounts offered, meets all product specifications, minimum quantity requirements, price, product consistency, product range, quality meets industry standards, quality exceeds industry standards, reliability of supply, and technical support/service. *Id.* Most purchasers rated the domestic like product as comparable or superior to subject imports with respect to the following six factors: delivery terms, delivery time, packaging, payment terms, purity of active anode material, and U.S. transportation costs. *Id.*

⁸⁶ CR/PR at Table 2.14.

⁸⁷ CR/PR at Table 2.19.

⁸⁸ CR/PR at Table 2.20.

⁸⁹ CR/PR at 2.12.

intensive.⁹⁰ The qualification process for AAM production is rigorous and time-intensive since AAM impurities are a safety concern and can cause punctures within the battery that can lead to a catastrophic thermal runaway. More specifically, free-floating metallic particles released from AAM can puncture the thin separator thereby creating a short to the electrical connection between the electrodes. The heat generated from such a rapid electrical discharge can send the battery cell into thermal runaway and even ignition, which can spread to the entire battery module or pack.⁹¹

Petitioner and respondents agree that AAM must meet the qualification requirements for battery performance and safety due to liability concerns since battery manufacturers bear the safety and regulatory consequences of unqualified AAM.⁹² Although purchasers collaborate with AAM producers through the qualification process, purchasers claim that there is no “shortcutting” qualification because their qualification processes are necessary to ensure the safety and warranty of their downstream products.⁹³

Purchasers’ qualifications for AAM are formulated to meet the specific cell design of each individual battery manufacturer.⁹⁴ Overall, AAM must meet strict customer specifications for purity, physical properties (*e.g.*, particle size, shape, and surface area), and electrochemical performance (*e.g.*, charge storage capacity) to optimize battery performance (energy density and cycle life), efficiency, and reliability.⁹⁵ Qualification is a multistage process that requires suppliers to advance their production capabilities in order to provide successively larger batches of AAM that consistently meet purchasers’ specifications for technical, performance, and safety requirements.⁹⁶ U.S. purchasers of AAM have invested significant time and resources into qualifying new suppliers through extensive technical support.⁹⁷ The entire qualification

⁹⁰ CR/PR at 2.12-2.13 & 2.15-2.17.

⁹¹ CR/PR at 1.15 & n.38.

⁹² CR/PR at 1.14-1.15 & nn. 38, 39.

⁹³ CR/PR at 1.16; Hearing Tr. at 173 (Swamynathan), 187 (Byles), 252 (Hy), and 254 (Seals).

⁹⁴ CR/PR at 1.14; Hearing Tr. at 254 (Byles).

⁹⁵ *See, e.g.*, CR/PR at 1.14 & n.37; Tesla’s Prehearing Br. at 9 & Appendix I-B (Affidavit of Gaurav Chhabra); Kaijin’s Prehearing Br. at 4; Kaijin’s Posthearing Br. at 3; Hearing Tr. at 192-193 (Seals).

⁹⁶ CR/PR at 1.15-1.16.

⁹⁷ *See, e.g.*, Tesla’s Prehearing Br. at 36-47 & App. I-A App. I-B (Aff. of Gaurav Chhabra), App. I-C (Aff. of Dr. Sunny Hy), & App. I-D (Aff. of Affidavit of Siva Muthukumar); Tesla’s Final Comments at 11; LG’s Prehearing Br. at 6-8 & Exh. 1 (Aff. of Da Young Sung); LG’s Final Comments at 4-7; Panasonic’s Prehearing Br. at 2-4 & Exhs. 1 & 24 (Aff. of Bryan Byles). For example, Tesla indicated that it provides support to AAM producers throughout the qualification process. It has an engineering team solely dedicated to anode qualification and deploys to suppliers’ production facilities to help design and build facilities and install equipment that will enable the supplier to meet Tesla’s specifications. Each time a supplier fails a stage of qualification, Tesla provides details of the failure and provides guidance on how (Continued...)

process typically involves a multi-year process, depending upon the particular AAM supplier's existing facilities and expertise, continued progress, and setbacks in building up production capabilities.⁹⁸

Several suppliers of subject merchandise from China have qualified their products with U.S. purchasers of AAM.⁹⁹ Domestic producers are engaged in qualification processes with several U.S. AAM purchasers, but no domestic producers of AAM have fully qualified their product for commercial use.¹⁰⁰ Most domestic producers of AAM are in the early stages the qualification process while Syrah and Novonix are farther along in the qualification process than other domestic producers.¹⁰¹ For example, Syrah has progressed to ***, and Syrah also has progressed through *** of LG's qualification process.¹⁰² Meanwhile, Novonix has progressed to *** of Panasonic's qualification process.¹⁰³

The record in these investigations indicates that price is an important factor in purchasing decisions for AAM among qualified suppliers of AAM, along with non-price factors

the supplier can achieve a passing result. *See, e.g.*, Tesla's Prehearing Br. at 36-47 & App. I-A App. I-B (Aff. of Gaurav Chhabra), App. I-C (Aff. of Dr. Sunny Hy), & App. I-D (Aff. of Affidavit of Siva Muthukumar); Tesla's Final Comments at 11. LG has an engineering team that qualifies AAM producers through a rigorous, multi-stage collaboration process focusing on pilot testing and rigorous performance validation teams to ensure the product meets LG's specific quality and performance standards for AAM. LG's Prehearing Br. 4-8 & Exh. 1 (Aff. of Da Young Sung). Similarly, Panasonic has a Materials Engineering ("ME") team that works closely with suppliers in setting development targets, conducts rigorous sample testing and provides feedback to suppliers in order to improve the quality of the product and meet Panasonic's specifications, and the ME team also conducts onsite visits in order to assess the supplier's anti-contamination procedures, measurement equipment, and production capacity. *See, e.g.*, Panasonic's Prehearing Br. at 2-4 & Exhs. 1 & 24 (Aff. of Bryan Byles).

⁹⁸ *See, e.g.*, CR/PR at 1.15-1.16; Tesla's Prehearing Br. at 12-20; Panasonic's Prehearing Br. at 3-5; LG's Prehearing Br. at 8.

⁹⁹ *See, e.g.*, CR/PR at 2.15-2.16.

¹⁰⁰ CR/PR at Table F.1; Tesla's Final Comments at 9; LG's Final Comments at 2; Panasonic's Final Comments at 3.

¹⁰¹ CR/PR at Table F.1.

¹⁰² CR/PR at Table F.1.

¹⁰³ CR/PR at Table F.1.

including ability to meet customer specifications, quality, and availability/supply.^{104 105} By the same token, however, the record also shows that other factors – most notably the ability of an AAM producer to meet customer specifications – were more important to purchasers than price. For example, almost all responding U.S. purchasers cited the supplier’s ability to meet customer specifications as the first-most important factor in purchasing decisions for AAM while no purchasers cited price in this regard.¹⁰⁶ In other words, non-price factors like quality and meeting customer specifications are more important than price when a supplier is not qualified or unable to meet the AAM purchasers’ design specifications.¹⁰⁷ Even for purchasing decisions for AAM from qualified suppliers, most U.S. purchasers and importers reported that they only sometimes or never purchased the lowest-priced product.¹⁰⁸

AAM from all sources is typically sold directly to battery manufacturers.¹⁰⁹ U.S. producers reported setting prices using ***, while U.S. importers and purchasers reported setting prices using transaction-by-transaction negotiations, contracts, and set price lists.¹¹⁰

¹⁰⁴ CR/PR at Tables 2.12 & 2.13. Purchasers were asked to rank the importance of several factors in purchasing decisions. The most frequently cited first-most important factor (cited by four firms) was a supplier’s ability to meet the purchaser’s specifications followed by quality (one firm) and availability/supply (one firm). CR/PR at Table 2.12 (no firms identified price/cost in this category). Price/cost was the most frequently reported second-most important (cited by three firms) factor followed by quality (cited by two firms) and ability to meet customer specifications (cited by one firm). *Id.* Price/cost was the most frequently reported third-most important (cited by three firms) factor followed by availability/supply (cited by two firms) and quality (cited by one firm). *Id.* Purchasers were also asked to rate the importance of 17 factors in their purchasing decisions. The factors rated as “very important” by all responding purchasers were availability, meets all product specifications, reliability of supply, product consistency, purity of active anode material, and quality meets industry standards. CR/PR at Table 2.13. Other factors rated as “very important” by the majority of responding purchasers were price, technical support/service quality, delivery time, and discounts offered. *Id.*

¹⁰⁵ Commissioner Kearns notes that while other purchasing factors are also important, the most often cited leading factor that firms consider in their purchasing decisions for AAM was price/cost (6 firms). CR/PR at 2.14 and Table 2.12.

¹⁰⁶ CR/PR at Table 2.12. As noted above, the most frequently cited first-most important factor in purchasing decisions for AAM was a supplier’s ability to meet the purchaser’s specifications (cited by four firms), followed by quality (one firm) and availability/supply (one firm). *Id.*

¹⁰⁷ There is also information in the record indicating that price is not important to an AAM purchaser if the purchaser’s basic design specifications are not met and purchasers only consider qualified AAM suppliers. *See, e.g.,* CR/PR at 2.22 (“Importer/purchaser *** reported that price only becomes relevant after a producer of AAM convincingly demonstrates that they can meet technology, quality, and volume requirements and U.S. producers have yet to demonstrate an ability to meet those requirements.”).

¹⁰⁸ CR/PR at 2.14.

¹⁰⁹ CR/PR at 2.1.

¹¹⁰ CR/PR at 5.5 & Table 5.2. U.S. producers also reported selling all their AAM on the spot market in 2024. CR/PR at Table 5.3.

The parties agree that an important feature of the U.S. AAM market are “offtake agreements,” contracts that guarantee future purchase of significant portions of a producer’s production capacity once it is qualified.¹¹¹ Once an AAM supplier demonstrates technical promise and the requisite commitment to working with their customers to achieve qualification, battery producers will enter offtake or other agreements in further support of AAM producers’ development. Offtake agreements help U.S. producers secure financing for the construction of their production facilities.¹¹² These agreements often involve technical collaboration between the producer and the purchaser, where the domestic AAM producer provides samples to the purchaser in order to qualify the product’s quality and performance before full-scale production and delivery.¹¹³ Offtake agreements are usually multi-year agreements and typically include a negotiated price.¹¹⁴ Domestic producers testified that offtake agreements function to make a project “bankable,” helping producers attract prospective investors and prospective lenders by providing assurances that producers have guaranteed future sales for their AAM production.¹¹⁵ During the POI, two domestic AAM producers, ***, had offtake agreements with U.S. purchasers of AAM.¹¹⁶ *** has offtake agreements with Tesla and Lucid,¹¹⁷ while *** has

¹¹¹ See, e.g., CR/PR at 3.3-3.8, 5.7-5.8, and Table 5.4; Tesla’s Posthearing Br., Answers to Commissioners’ Questions at 12-16; Petitioner’s Prehearing Br. at 115-119.

¹¹² See, e.g., Petitioner’s Prehearing Br. at 117; Tr. at 173 (Swamynathan).

¹¹³ Tesla’s Prehearing Br. at 52-54; Tesla’s Posthearing Br., Answers to Commissioners’ Questions at 11-16; Tesla’s Final Comments at 4-7; Panasonic’s Posthearing Br. at 6-10; & Answers to Commissioner’s Questions at 1-5.

¹¹⁴ CR/PR at Table 5.4

¹¹⁵ See, e.g., Hearing Tr. at 80-81 (O’Kronley).

¹¹⁶ CR/PR at Table 5.4.

¹¹⁷ CR/PR at 3.7 & Table 5.4. Tesla signed an offtake agreement with Syrah in 2021, agreeing to purchase 80 percent of Syrah’s capacity for an initial four-year term, subject to final qualification. Under this agreement, Tesla will offtake 80 percent of the proposed production at the Vidalia facility, based on the proposed initial expansion of capacity, at a fixed price for an initial four-year term after commercial production is achieved, subject to final qualification. The agreement also included an option for Tesla to offtake additional quantities from Syrah if Syrah successfully expanded its capacity beyond the projected 10,000 metric tons (22.0 million pounds) per year. In 2022, Tesla exercised that option and would offtake an additional 17,000 metric tons (37.5 million pounds) annually of AAM at a fixed price and for an initial term of four years, subject to Syrah successfully expanding its annual production capacity to 45,000 metric tons (99.2 million pounds). CR/PR at 3.7.

In February 2025, Syrah announced concluding a multi-year binding supply agreement with electric-vehicle manufacturer Lucid Group Inc. (“Lucid”) for natural graphite AAM from its vertically integrated production facility in Vidalia, Louisiana and its battery suppliers will purchase a total of 7,000 metric tons (15.4 million pounds) over a three-year term, with deliveries to commence in January 2026. CR/PR at Table 5.4.

offtake agreements with Panasonic and Power Co.¹¹⁸ *** also had an offtake agreement with Stellantis that was terminated in November 2025.¹¹⁹ The record does not indicate that any other domestic producers have entered into offtake agreements with U.S. purchasers of AAM during the POI.¹²⁰ In addition to offtake agreements, domestic producers and U.S. purchasers of AAM have entered into other types of agreements during the POI, including a joint research and development agreement between LG and Novonix¹²¹ and a memorandum of understanding (“MOU”) between LG and Syrah.¹²²

According to publicly available data, prices for graphite flake, used to produce natural AAM, generally declined from January 2022 to June 2025.¹²³ Prices for petroleum needle coke, used in synthetic AAM production, fluctuated but increased overall from July 2023 to June 2025, the period for which data were available.¹²⁴

As part of U.S. government policy aimed at reducing global supply chain risks for high-capacity batteries, the Bipartisan Infrastructure Law provided funding for U.S.-based battery

¹¹⁸ CR/PR at Table 5.4. Panasonic’s multi-year offtake agreement with Novonix provides for the purchase of 10,000 metric tons (22.0 million pounds) of AAM as long as Novonix achieves agreed-upon milestones regarding qualification prior to the fourth quarter of 2025. *Id.* Novonix announced in November 2024 that it entered a binding offtake agreement with Power CoSe to supply 32,000 metric tons of synthetic graphite material over a five-year period starting in 2027. CR/PR at 3.7 & Table 5.4. The start of commercial production in 2027 is subject to Novonix achieving agreed upon milestones regarding final mass production qualification and satisfying certain compliance criteria. CR/PR at 3.7. Novonix is also currently in offtake agreement negotiations with ***. *Id.*

¹¹⁹ CR/PR at Table 5.4. Novonix entered into an offtake agreement with Stellantis in November 2024 to supply up to 115,000 metric tons of synthetic graphite material from 2026 to 2031. CR/PR at 3.7 & Table 5.4. However, Stellantis terminated the agreement in November 2025 due to a failure of the companies to agree upon the battery cell product specifications and milestones for mass production qualification. *Id.*

¹²⁰ CR/PR at Table 5.4.

¹²¹ CR/PR at 3.7. ***. *Id.*

¹²² CR/PR at 3.8. Additionally, ***. *Id.* ***. *Id.* Syrah reported that it commenced commercial production of in-scope AAM in February 2024 but noted that its production has been reduced since September 2024 due to delays in the commencement of commercial sales. *Id.*

¹²³ CR/PR at 5.1-5.2, Figure 5.1, and Table 5.1.

¹²⁴ CR/PR at 5.1, Figure 5.1, and Table 5.1.

manufacturing, processing, and recycling.¹²⁵ From such funding, the U.S. Department of Energy made awards to Anovion,¹²⁶ Novonix,¹²⁷ SKI US,¹²⁸ and Syrah.¹²⁹

Effective September 24, 2018, AAM originating in China classifiable under HTS subheading 3801.10.50 was subject to an additional duty of 10 percent *ad valorem* under section 301 of the Trade Act of 1974, as amended.¹³⁰ Effective May 10, 2019, the section 301 duty for imports under this subheading was increased to 25 percent *ad valorem*.¹³¹ Effective January 1, 2026, AAM originating in China classifiable under HTS subheading 2504.10.50 became subject to an additional section 301 duty of 25 percent *ad valorem*.¹³²

Effective February 4, 2025, AAM originating in China classifiable under HTS subheadings 2504.10.50 and 3801.10.50 was subject to an additional 10 percent *ad valorem* duty under the International Emergency Economic Powers Act (“IEEPA”), and on March 4, 2025, that additional duty increased to 20 percent *ad valorem*.¹³³ However, effective November 10, 2025, that additional duty was reduced back to 10 percent.¹³⁴

Effective April 5, 2025, AAM originating in China classifiable under HTS subheading 3801.10.50 was subject to an additional 10 percent *ad valorem* duty as part of further tariffs initiated in April 2025 under IEEPA.¹³⁵ That duty rose to 84.0 percent *ad valorem* effective April 9, 2025, and rose again to 125 percent effective April 10, 2025.¹³⁶ However, effective May 14, 2025, the duty rate for tariffs initiated in April 2025 under IEEPA on products originating in China was reduced to 10 percent.¹³⁷

¹²⁵ CR/PR at 3.10 & Table E.18.

¹²⁶ Anovion reported that in October 2022 it was awarded a grant of \$117 million for the establishment of a synthetic graphite manufacturing plant with annual capacity of 77.2 million pounds in Northern Alabama. CR/PR at 3.10.

¹²⁷ Novonix was awarded a \$103 million dollar tax credit for a synthetic graphite manufacturing facility in Chattanooga, Tennessee. ***. Additionally, Novonix has received a conditional commitment for a \$754.8 million loan toward a proposed second facility also in Chattanooga. CR/PR at 3.11.

¹²⁸ In September 2024, SKI US was awarded a \$150 million grant for establishment of a production facility in Orangeburg, South Carolina. ***. CR/PR at 3.11.

¹²⁹ Syrah reported that ***. CR/PR at 3.11.

¹³⁰ CR/PR at 1.9.

¹³¹ CR/PR at 1.9.

¹³² CR/PR at 1.9.

¹³³ CR/PR at 1.10.

¹³⁴ CR/PR at 1.10.

¹³⁵ CR/PR at 1.10.

¹³⁶ CR/PR at 1.10.

¹³⁷ CR/PR at 1.10-1.11.

Tariffs initiated under IEEPA and the associated duties imposed under IEEPA were no longer in effect as of February 20, 2026, following U.S. Supreme Court review.¹³⁸

Effective February 24, 2026, AAM from China became subject to an additional temporary 10 percent *ad valorem* duty under section 122 of the Trade Act of 1974 (“section 122 duties”), effective until July 24, 2026.¹³⁹

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”¹⁴⁰

The volume of subject imports increased from *** pounds in 2022 to *** pounds in 2023 and *** pounds in 2023, an increase of *** percent.¹⁴¹ The volume of subject imports was *** percent higher in interim 2025, at *** pounds, than in interim 2024, at *** pounds.¹⁴²

Subject imports as a share of apparent U.S. consumption irregularly increased by *** percentage points from 2022 to 2024, decreasing from *** percent in 2022 to *** percent in 2023, then increasing to *** percent in 2024.¹⁴³ Subject imports’ share of apparent U.S. consumption was *** percentage points lower in interim 2025, at *** percent, than in interim 2024, at *** percent.¹⁴⁴ Thus, subject imports were the dominant source of AAM in the U.S. market during the POI.

Accordingly, we find that the volume of subject imports is significant in absolute terms as well as relative to apparent U.S. consumption and that the increase in the volume of subject imports is significant in absolute terms. Nonetheless, the significance of subject import volumes is not unexpected since subject imports from China had a dominant presence in the U.S. market throughout the POI, the domestic industry had virtually no commercial sales, and

¹³⁸ *Executive Order 14389: Ending Certain Tariffs*, 91 Fed. Reg. 9437 (Feb. 25, 2026); CR/PR at 1.10; *Learning Resources v. Trump*, 607 U.S. __ (2026).

¹³⁹ Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems, Proclamation 1102 (Feb. 20, 2026), 91 Fed. Reg. 9339 (Feb. 25, 2026).

¹⁴⁰ 19 U.S.C. § 1677(7)(C)(i).

¹⁴¹ CR/PR at Table 4.2.

¹⁴² CR/PR at Table 4.2.

¹⁴³ CR/PR at Table 4.10 & C.1.

¹⁴⁴ CR/PR at Tables 4.10 & C.1. Given that the domestic industry is still in a start-up phase with low levels of production, the ratios of subject imports to domestic production were large throughout the POI, but decreased irregularly from 2024 to 2024, initially increasing from *** percent in 2022 *** percent in 2023, before decreasing to *** percent in 2024; the ratio was higher in interim 2025, at *** percent, than in interim 2024, at *** percent. CR/PR at Table 4.2.

nonsubject imports had a much smaller (though increasing) presence in the U.S. market than subject imports during the POI. For the reasons discussed below, we do not find that this volume of subject imports had either significant price effects or a significant adverse impact on the domestic industry.¹⁴⁵

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.¹⁴⁶

As noted above, section 771(7)(C)(ii) applies to material retardation cases; however, this requirement (as well as those with respect to volume and impact) may not be “viewed in the same light” as in a material injury case given the different circumstances of a material retardation analysis. In particular, in a material retardation case, an industry is attempting to establish itself in the face of a market that is often already dominated by other market participants. In accordance with section 771(7)(C)(ii), we consider the record evidence relevant to the degree of subject import underselling and any effect of subject imports in depressing or suppressing domestic producer prices, cognizant that this evidence may warrant consideration in a different light than it would in a material injury case.

As discussed in section V.B.3. above, we find that there is a low degree of substitutability between the domestic like product and subject imports. As also discussed in section V.B.3. above, price is an important factor along with other non-price factors in purchasing decisions for AAM from qualified suppliers. At the same time, however, other non-price factors like quality and meeting customer specifications are more important than price when a supplier has not been qualified or is otherwise unable to meet the AAM purchasers’ design specifications.

¹⁴⁵ Commissioner Kearns does not join this sentence.

¹⁴⁶ 19 U.S.C. § 1677(7)(C)(ii).

We have examined several sources of information in our attempt to evaluate whether subject imports have had significant adverse price effects on the domestic industry, including data regarding whether there has been significant underselling by subject imports based on pricing data,¹⁴⁷ import purchase cost data,¹⁴⁸ and responses by purchasers to the Commission's

¹⁴⁷ The Commission collected quarterly data on the total quantity and f.o.b. value of four AAM products shipped to unrelated U.S. customers during the POI. CR/PR at 5.7. The four pricing products were as follows:

Product 1.-- Synthetic active anode material, not coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries);

Product 2.-- Natural active anode material, not coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries);

Product 3.-- Synthetic active anode material, coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries); and

Product 4.-- Natural active anode material, coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries). CR/PR at 5.7

U.S. producers provided pricing data for Products 1 and 4, but did not provide pricing data for Products 2 and 3. *See, e.g.,* CR/PR at Tables 5.5-5.9 & 5.11. U.S. producers reported that *** percent of reported pricing data was for trial or test shipments of product 1. CR/PR at 5.7. Further, U.S. producer *** indicated that its reported pricing data were small quantities for sample orders, while U.S. producer *** acknowledged that its reported pricing data were skewed by high-priced graphite produced in extremely limited volumes. *Id.* Pricing data reported by these firms accounted for approximately (***) percent of U.S. producers' U.S. arms-length U.S. shipments to unrelated purchasers of AAM during the POI. *Id.* No U.S. importers reported pricing data for subject imports from China during the POI. *Id.*

¹⁴⁸ The Commission also collected import purchase cost data for the same four pricing products from firms that imported these products for their own use. CR/PR at 5.9 & Tables 5.5-5.8, 5.11. We compared pricing data reported by U.S. producers to these purchase cost data. *Id.* at 5.7. Five U.S. importers provided useable purchase cost data accounting for approximately *** percent of subject imports from China during the POI. CR/PR at 5.7 & 5.22. The landed duty-paid costs for subject imports from China were below the domestic producers' sales prices for the domestically produced product in 11 of 14 instances (***) pounds); price-cost differentials ranged from *** to *** percent and averaged *** percent. CR/PR at Table 5.11. The landed duty-paid costs for subject imports from China were above the domestic producers' sales prices in 3 of 14 instances (***) pounds); price-cost differentials ranged from *** to *** percent and averaged *** percent. CR/PR at Table 5.11.

We recognize that import purchase cost data may not reflect the total cost of importing, and therefore requested that importers provide additional information regarding the costs and benefits of importing AAM themselves. CR/PR at 5.9-5.10. Two importers/purchasers reported that they incurred additional costs beyond landed duty-paid costs and estimated that these costs ranged from four to five percent for ocean freight and up to 55.0 percent for tariffs. *Id.* One importer/purchaser (***) reported that it estimated saving *** percent of the purchase price by importing AAM rather than purchasing from a U.S. producer. *Id.* at 5.10. And for reasons stated below, we ultimately do not rely on these comparisons given the different commercial context in which domestic producers and subject imports operated during the POI.

lost sales/lost revenue questionnaire survey.¹⁴⁹ We have also examined whether subject imports depressed or suppressed domestic producer prices during the POI based on trends in the domestic industry's pricing data and COGS to net sales ratios.¹⁵⁰ As discussed below, these data and traditional underselling and price depression/suppression analyses based on those data are of limited probative value under the facts of this investigation of whether subject imports have materially retarded the establishment of a domestic industry. The Commission has therefore placed emphasis on other information in the record that addresses the extent to which the price of subject imports has materially retarded the domestic industry's ability to price its product at a level that would enable it to establish itself as discussed below.¹⁵¹

With respect to the probative value of the pricing and purchase cost data, especially given that commercial sales of the domestic like product were extremely limited over the POI and there is low substitutability between the domestic like product and subject imports, the pricing and purchase cost data do not allow for meaningful comparisons between domestic and subject AAM products in the context of these investigations. As discussed above, the domestic industry is in a start-up phase and there were no commercial sales of the domestic like product

¹⁴⁹ Purchasers reported that all of their purchases from U.S. producers of AAM during the POI were for trial/test purposes and that they did not purchase any AAM from domestic producers for commercial purposes. CR/PR at Table 5.14. Of eight responding purchasers/importers, only one reported that, since January 1, 2022, it had purchased subject imports instead of the domestic like product. CR/PR at 5.23-5.24 & Table 5.13. While that same purchaser reported subject imports were lower priced than the domestic like product, it also reported that price was not the primary reason for its decision to purchase subject imports rather than the domestic like product. CR/PR at 5.24. This importer/purchaser reported that there is a lack of technically approved domestic AAM suppliers that were not capable of supporting its business requirements at scale. *Id.*

¹⁵⁰ For Product 1, domestic prices of AAM declined by *** percent overall between the third quarter of 2022 and the fourth quarter of 2024 (the period for which data were available). *Derived from* CR/PR at Table 5.5. For Product 4, domestic prices of AAM increased by *** percent overall between the second quarter of 2024 and the second quarter of 2024 (the period for which data are available). *Derived from* CR/PR at Table 5.8. (U.S. producers of AAM did not report pricing data for Products 2 and 3). CR/PR at Tables 5.6-5.7 & 5.9.) Purchase costs of subject imports for Products 1, 3, and 4 declined irregularly by *** percent, *** percent, and *** percent, respectively, over the POI. CR/PR at Table 5.9. Purchase costs of subject imports for Product 2 increased irregularly by *** percent over the POI. *Id.* The domestic industry's COGS-to-net sales ratio declined from *** percent in 2022 to *** percent in 2023, but then increased to *** percent in 2024, for an overall increase of *** percent during 2022-2024. CR/PR at Tables 6.1 & C.1. The domestic industry's COGS-to-net-sales ratio was *** percentage points higher in interim 2025, at *** percent, than in interim 2024, at *** percent. *Id.*

¹⁵¹ Indeed as Petitioner acknowledged: "The Commission has previously agreed that in material retardation investigations the 'analysis of the price effects of subject imports should differ from that in a material injury case by placing less emphasis on underselling and price trends and more emphasis on what the established price is, who sets that price, and the role that price plays in the domestic industry's efforts to establish itself.'" Petitioner's Prehearing Brief at 114 (citing USITC Pub. 5655 at 32).

during the POI except for very small quantities in 2022.¹⁵² Rather, the domestic industry's U.S. shipments during the POI consisted almost entirely of trial/test shipments.¹⁵³ By comparison, U.S. importers' U.S. shipments of subject merchandise from China were exclusively commercial shipments.¹⁵⁴ In other words, the domestic like product and subject imports from China operated at different levels of trade or through different commercial and non-commercial channels during the POI, and as a result, the purchase cost and pricing data for the products are not comparable. Additionally, as discussed above, there is a low degree of substitutability between the domestic like product and subject imports.¹⁵⁵ As we have also found, non-price factors like quality and meeting customer specifications are more important than price when a supplier has not been qualified or is otherwise unable to meet the AAM purchasers' design specifications. Given these considerations, we conclude that our traditional pricing and purchase cost data as well as the information regarding lost sales do not allow for meaningful comparisons and have little if any probative value for finding significant adverse price effects.¹⁵⁶

Likewise, with respect to the probative value of data regarding trends in domestic industry prices as reflected in the pricing data and in the domestic industry's net sales AUVs relative to its costs, because the domestic industry's U.S. shipments during the POI consisted almost entirely of trial/test shipments and the industry is in a start-up phase, such trends are not particularly probative. The COGS-to-net sales ratio of the domestic manufacturers is dramatically impacted by start-up costs and not reflective of commercial-scale production at this point.¹⁵⁷ And without commercial sales beyond a very limited volume in 2022, any trends

¹⁵² CR/PR at Tables 3.10, 6.1 & C.1.

¹⁵³ CR/PR at Table 3.10, 6.1 & C.1.

¹⁵⁴ CR/PR at Tables 4.10 & C.1.

¹⁵⁵ CR/PR at 2.12.

¹⁵⁶ We note that, in its prehearing brief, Petitioner argued that there was significant underselling, price depression, and price suppression based on the data the Commission typically uses to analyze price effects: pricing data, purchase cost data, and information regarding lost sales. *See* Petitioner's Prehearing Br. at 98-115. However, Petitioner itself acknowledges the limited utility of such data and analysis in a material retardation context (*see, e.g., id.* at 114; *see also* Hearing Tr. at 60 ("Some of the traditional considerations that you would have in a material injury case are less important, quite frankly, in a material retardation case." (Pickard))) and by the posthearing brief Petitioner focused on other arguments in support of its allegations of adverse price effects as detailed below.

¹⁵⁷ *See* CR/PR at 6.16 ("From the perspective of business life cycles, it is not uncommon for industries to experience gross losses during launch or startup phases when sales are typically low, and costs are usually high."). This would be particularly true for the nascent domestic AAM industry due to the highly technical nature of the product, the extensive and rigorous qualification process, and the high fixed costs for AAM production. *See also* Tesla's Prehearing Brief at App'x II (Economic Research Appendix Prepared by ION Economics LLC).

in domestic industry prices as reflected in the pricing data only show variations in trial/test shipments, further exacerbated by the significant variations in shipment volume.

Other than relying on pricing and purchase cost data and trends in COGS to net sales in support of its position, Petitioner devoted a considerable portion of its prehearing brief to reviewing news and analyst reports about Chinese graphite production and pricing and its role as a dominant supplier of graphite in the U.S. market.¹⁵⁸ This review allegedly supports Petitioner's theory that subject import pricing is deterring investment in U.S. graphite production and preventing U.S. producers from obtaining pricing that would enable them to cover their costs and turn a profit. However, Petitioner's theory and those of the news and analyst reports are not borne out by the facts on the record of these investigations.¹⁵⁹ As discussed below, when the facts of these investigations are examined, they show that U.S. producers have indeed secured considerable financing toward the establishment of a domestic AMM industry including through significant support by AMM purchasers and that pricing for U.S.-produced graphite is not set based on subject import prices but instead is set based on producer's estimated costs at scale plus a determined profit margin so as to enable the long term viability of a domestic graphite industry.

Recognizing and acknowledging the limited utility of the Commission's traditional price analysis to material retardation investigations, Petitioner argues that LG, Panasonic, and Tesla have used low-priced subject imports to leverage down domestic prices during offtake agreement negotiations with the domestic industry.¹⁶⁰ In support of its position, Petitioner has provided various business documents (*e.g.*, screenshots from meeting presentations, emails, meeting notes, and affidavits) involving offtake contract negotiations with various domestic

¹⁵⁸ See Petitioner's Prehearing Brief at 14-54.

¹⁵⁹ Petitioner appears to believe the sheer volume of news and analyst reports it cites should render unnecessary or outweigh actual evidence of how contracts and prices are negotiated. The Commission's determinations however are fact-based inquiries supported by the collection of detailed industry and market data submitted by market participants typically through lengthy questionnaire responses. While the Commission may rely on other sources, *e.g.*, the types of news and analyst reports submitted by Petitioner, Petitioner's theory of the case would have the Commission use such reporting to supplant information provided by market participants on actual price negotiations between domestic producers and purchasers. The Commission declines to do so. The Commission, however, has considered news and analysts reports cited by Petitioner and does not find they outweigh substantial record evidence supporting the Commission's finding that subject imports have not materially retarded the establishment of a domestic industry.

¹⁶⁰ See, *e.g.*, Petitioner's Posthearing Br. at 4-9. General Motors (GM), through a ***, was the *** importer of AAM from China during the POI, ***. CR/PR at Table 4.1. *** only reported imports of AAM inside battery products, which was removed from the scope of these investigations in Commerce's final determinations. *Id.* at 4.1, n.2.

producers and claims that these business documents demonstrate that Panasonic, Tesla, and LG routinely referenced low-priced subject imports and/or directly compared Chinese prices with U.S. prices for AAM as a negotiating tool for pressuring domestic producers to agree to a lower price in order to secure offtake agreements.¹⁶¹ However, we find that the record evidence does not demonstrate that subject imports had significant adverse price effects in the manner claimed by Petitioner.¹⁶² First, AAM purchasers have indicated that they do not expect domestic producers to meet import prices.¹⁶³ As such, they have entered into offtake agreements committing to buy significant portions of the domestic industry's output at prices higher than those of imports.¹⁶⁴ Indeed, comparisons of negotiated offtake prices with

¹⁶¹ Petitioner's Posthearing Br. at 4-9 & Answers to Commissioners' Questions at 1-16.

¹⁶² This documentation submitted by Petitioner at pages 4-9 and Exhibits 1-7 of its posthearing brief was submitted for the first time in its posthearing brief at the prompting of Commissioners who pointed out that little such information was submitted in support of Petitioner's arguments in its prehearing brief. *See, e.g.*, Hearing Tr. at 75-76 ("But I find it – the information that Mr. Handa mentioned I don't think is on the record. I mean there's voluminous exhibits in this investigation, so I can't say we've looked at all of them. But I would think that would be on page one of your brief, if you have a document that said -- from many suppliers that says 'Here's what you gave us on cost. Here's what the Chinese are offering. I need you to meet that price.' If that was available, like it would be incumbent on you to highlight that in your submission. And instead, we have a lot of other information which we need to get through and understand as well. But we don't have that information." (Chair Karpel)). Tesla argues in its final comments that, "Petitioner could and should have submitted such documentation – which allegedly supports the heart of its claims – at the very least, in conjunction with Petitioner's Prehearing Brief. Instead, Petitioner chose belatedly to submit new 'factual' information after the hearing ... by which time Respondents are unable to introduce new rebuttal facts and are otherwise limited to these 15-page final comments." Tesla Final Comments at 1; *see also* Panasonic Posthearing Brief at 6. The timing of these submissions, information on which Petitioner appears to wish the Commission to base its price effects analysis, deprived both the Commission and respondent parties of an opportunity to address these materials at the hearing, or for respondents to address them in their respective posthearing briefs. The Commission appreciates timely compilation and submission of information, particularly from practitioners that regularly appear before the agency, to facilitate analysis of issues presented to the Commission.

Despite the inclusion of the requested supporting documentation in Petitioner's posthearing brief, respondents directly address and rebut much of this information. *See, e.g.*, Panasonic Posthearing Brief at 6-8; Tesla Posthearing Brief at 5-7; LG Final Comments at 8.

¹⁶³ *See, e.g.*, Tesla Prehearing Br. at 65; *See, e.g.*, Tesla's Posthearing Br., Answers to Commissioners' Questions at 7-12; Tesla's Posthearing Br. at 12-13; Panasonic's Posthearing Br. at 6-10; LG's Posthearing Br. at 10-12. Nevertheless, Petitioner asserts that domestic producers must "meet or beat" subject import pricing. *See, e.g.*, Petitioner's Prehearing Br. at 101; Hearing Tr. at 44-45 (Schoeb). Substantial record evidence as discussed in this section shows that these assertions by Petitioner are incorrect.

¹⁶⁴ *See, e.g.*, Tesla's Posthearing Br., Answers to Commissioners' Questions at 7-12.

quarterly AUVs for subject imports during the POI support the conclusion that purchasers are willing to pay a price premium for the domestic like product.^{165 166}

Second, as Respondents have shown with substantial record evidence, U.S. AAM purchasers including Tesla, LG, and Panasonic use a “cost-plus” methodology in negotiating offtake agreements with domestic producers, which ensures that domestic producers are reimbursed for all production costs (*e.g.*, direct materials, labor, overhead) plus a predetermined profit margin (the “plus”).¹⁶⁷ In the negotiation of these agreements, domestic producers are asked to submit documentation of their costs so that purchasers and domestic producers can ensure they are arriving at a price that enables this. The costs are estimates of production costs at scale.¹⁶⁸ The negotiations also include a profit margin. Purchasers explain the purpose of this model is to ensure the longevity of domestic producers with which they enter into offtake agreements, noting that domestic producers that are unable to cover their costs or unable to make a return on their investments will be unable to remain in operation undermining the substantial effort purchasers have made to support the development of domestic production of AAM.¹⁶⁹ The record evidence indicates that negotiated offtake prices

¹⁶⁵ ***.

¹⁶⁶ Petitioner argues that subject imports had significant adverse price effects because subject import pricing was below the domestic industry’s production costs during the POI. *See, e.g.*, Petitioner’s Posthearing Br. at 55 & Answers to Commissioners’ Questions at 49-52. However, given the start-up nature of the domestic industry and the lack of commercial sales, it is not to be expected that the very limited commercial sales and the test/trial shipments during the POI would cover production costs. Moreover, as discussed below, U.S. AAM purchasers including Tesla, LG, and Panasonic use a “cost-plus” methodology in negotiating offtake agreements with domestic producers, which ensures that domestic producers are reimbursed for all production costs (*e.g.*, direct materials, labor, overhead) plus a predetermined profit margin (the “plus”). These agreements are based on costs at scale once the domestic producer is qualified and producing and shipping commercial quantities under the offtake agreement. In addition, as explained in the Staff Report, a breakeven point is not calculable in these investigations for the firms reporting financial data because the ***. CR/PR at 6.16-6.17 & n.25. The entire argument also overlooks that offtake prices reflect the producer’s cost structure plus profit, not Chinese prices as discussed in the next paragraph.

¹⁶⁷ *See, e.g.*, Tesla’s Prehearing Brief at 57; Panasonic’s Prehearing Brief at 14; Tesla’s Posthearing Br. at 12-13; Panasonic’s Posthearing Br. at 6-10; LG’s Posthearing Br. at 10-12.

¹⁶⁸ Offtake agreements are conditioned on the supplier being qualified; as such, the estimated costs in an offtake agreement necessarily reflect commercial scale production. *See, e.g.*, Tesla Posthearing Br. at 13 (“{a}n offtake agreement legally obligates the purchaser to buy certain volumes once the producer has achieved full qualification and commercial-scale production”) and Answers to Commissioners’ Questions at 27-28.

¹⁶⁹ *See, e.g.*, Tesla’s Posthearing Br., Answers to Commissioners’ Questions at 17 (“{W}hen entering into contracts with U.S. AAM producers, U.S. purchasers have ensured that the price set in the contract covers the producer’s costs and ensures a reasonable profit that will allow the producer to (Continued...)”).

were the result of arms-length transactions between sophisticated U.S. producers and purchasers and that the results of these negotiations were offtake prices that allowed producers to cover their cost plus generate a profit. While the price of Chinese imports is sometimes referenced in negotiations, which is not surprising given China's dominance in the market, substantial evidence on the record does not support the argument that this price materially affected the offtake agreement price based on a "cost-plus" methodology. At the hearing, witnesses appearing on behalf of Tesla, Panasonic, and LG testified that negotiated prices in offtake agreements are arrived at by evaluating suppliers' costs to determine a reasonable profit and respondents have supplemented their witnesses hearing testimony with additional evidence.¹⁷⁰ Tesla's offtake agreement with Syrah uses a cost-plus methodology and calls for Tesla to purchase 80 percent of Syrah's production at prices that reflect Syrah's costs plus profit with a cash margin of 11.98 percent once Syrah becomes qualified to supply Tesla.¹⁷¹ Similarly, Panasonic's offtake agreement with Novonix uses a cost-plus methodology that

scale production. Given global supply chain uncertainty due to geopolitical risk, this approach makes economic sense for purchasers, even if the prices are meaningfully higher than prices of AAM imported from China or other countries... And, most importantly, the execution of an offtake agreement means that a purchaser wants to develop a producer as a stable supplier of AAM and thus has a vested interest in ensuring that customer has the necessary capital to succeed. Purchasers thus have no incentive to set offtake prices at levels that do not enable a supplier to cover its costs and make a profit"); Panasonic's Posthearing Br. at 8 ("Ensuring U.S. AAM suppliers' profitability is 'a mutual effort' between the suppliers and purchasers. Panasonic 'absolutely ha{s} a long-term commitment to continue to support the industry to help them continue to thrive' because Panasonic's business strategy demands a steady supply of U.S. AAM. Suppliers' cost information gives a 'strong indication' of the 'potential long-term health of these companies' before entering an offtake agreement with them.) (internal citations omitted).

¹⁷⁰ Hearing Tr. at 174, 211, 212 (Swamynathan), 212 (Seals), 213 (Zhang); Tesla's Prehearing Br. at 57, App'x I-B at 3 (Aff. of Gaurav Chhabra); Panasonic Prehearing Brief at 13-14, Exhs. 8, 9, and 11. At the hearing, Tesla's representative explained, a supplier's presentation of its costs shows whether the supplier "understand{s} what it takes to manufacture" this product. LG's witness added that the reason to negotiate prices based on each producer's actual costs "is because we want to know about the sustainability, and the potential long-term health of these companies." Hearing Tr. at 211 (Swamynathan). Panasonic's witnesses testified that Panasonic has discussions with suppliers "to ensure that the profitability is also understood, and also agreed between both parties," that ensuring U.S. AAM suppliers' profitability is "a mutual effort" between the suppliers and purchasers, and that suppliers' cost information gives a "strong indication" of the "potential long-term health of these companies" before entering an offtake agreement with them. Hearing Tr. at 212 & 218 (Zhang). As further indication that offtake contract pricing is driven largely by producers' costs without regard to import competition, witnesses for Panasonic and LG testified that offtake agreements include provisions to allow for fluctuations in raw material costs and that any changes in raw material costs are shared by the parties. Hearing Tr. at 215-216 (Swamynathan & Zhang).

¹⁷¹ Tesla's Prehearing Br. at 65 & Appendix I-E-7; Tesla's Posthearing Br., Answers to Commissioners' Questions at 19-21.

allows Novonix to achieve operating margins ranging from 23 to 28 percent.¹⁷² Likewise, LG's agreements with Syrah and Novonix are tied to the domestic producers' cost structure and allow Novonix and Syrah to recover their production costs plus a reasonable profit.¹⁷³ Petitioner acknowledges that prospective purchasers regularly request detailed cost information from domestic AAM producers,¹⁷⁴ but nevertheless argues that subject import pricing was used to leverage down offtake agreement prices. In support of this assertion as Petitioner cites documentation which it alleges shows purchasers identifying subject import prices in offtake agreement negotiations.¹⁷⁵ However, we do not find this evidence establishes that purchasers have used subject import prices to deprive U.S. producers from recouping production costs plus an adequate profit margin or otherwise used subject import prices to materially retard the establishment of the domestic industry through unsustainable pricing.¹⁷⁶

¹⁷² Panasonic's Posthearing Br. at 2.

¹⁷³ LG's Final Comments at 8-9; LG's Posthearing Br. at 10-12.

¹⁷⁴ See Hearing Tr. at 72-73 (Schoeb) and 73 (Handa).

¹⁷⁵ See, e.g., Petitioner Posthearing Brief at Exhibit 2, Tab I, Exhibit 3, Tab I, and Exhibit 6, Tab B.

¹⁷⁶ Petitioner cites various documentation that it alleges show purchasers using subject import prices to leverage down U.S. producer prices. We address Petitioner's documentation as follows as well as in footnote 177 below concerning LG. While Petitioner references Tesla's offtake agreement with Syrah and Tesla's offtake negotiations with GrafTech and Novonix (see, e.g., Petitioner's Posthearing Br., Answers to Commissioners' Questions at 6-7), we do not find Petitioner's allegations to be credible based upon the totality of the evidence in the record. As Tesla argues and we agree, Tesla and Syrah entered into an offtake purchase agreement with a fixed price based on Syrah's provided cost structure and Syrah has not indicated to Tesla this price is insufficient to cover the company's costs and a reasonable profit. See Tesla's Final Comments at 5-6. Indeed, ***, and ***. *Id.* Tesla also has submitted an affidavit from a senior business executive stating that, in a meeting that occurred ***. See Tesla's Posthearing Br., App'x IV-C (Affidavit of Dinesh Swamynathan at Para. 4). Moreover, the email correspondence between Commission Staff and GrafTech referenced by Petitioner merely ***. See Tesla's Final Comments at 4-5. Petitioner cites Novonix's telephone notes, claiming that ***. See Petitioner's Posthearing Br., Answers to Commissioners' Questions at 9. As Tesla points out, however, this so-called ***. See Tesla's Final Comments at 5.

Petitioner references *** (see Petitioner's Posthearing Br., Answers to Commissioners' Questions at 8), but the exhibit cited by Petitioner contains no reference to prices of subject imports of AAM from China. See, e.g., Tesla's Final Comments at 6. Petitioner references an email from *** (see Petitioner's Posthearing Br., Answers to Commissioners' Questions at 9), but the email referenced by Petitioner indicates that meeting customer specifications is paramount without mentioning a specific price for subject merchandise from China. See, e.g., Tesla's Final Comments at 6. Petitioner also references meeting notes from *** (see Petitioner's Posthearing Br., Answers to Commissioners' Questions at 8), but the meeting notes in question reference other factors (e.g., ***) without discussing specific subject import prices for AAM. See, e.g., Tesla's Final Comments at 7. Finally, Petitioner cites meeting notes ***, (see Petitioner's Posthearing Br., Exh. 4, Tab D), *** giving limited context to these discussions. *** covered a wide range of topics *** do not demonstrate without more that ***. See Tesla's Final Comments at 7.

¹⁷⁷ Instead, we find persuasive the evidence submitted by respondents indicating that Tesla, LG, and Panasonic pursued offtake agreements with domestic producers that ensured pricing was based on producers' estimated costs plus a profit to enable domestic producers to establish sustainable production of AMM into the future, once domestic producers were qualified.¹⁷⁸ This conclusion is further supported by the strong market incentives for securing domestic sources of AMM, as discussed above.¹⁷⁹

¹⁷⁷ Petitioner points to cost breakdown comparisons during commercial negotiations with LG as evidence that the price of Chinese AAM is used to leverage down a potential supplier's offtake agreement price and deprive these potential purchasers of a reasonable profit margin. However, as stated by an LG witness, "the reason we ask for that information is because we want to know about the sustainability, and the potential long-term health of these companies. We want them to be around, and if we're going to get into business, we want them to last. And so, *** gives a very strong indication of that." Hearing Tr. at 212 (Seals). In its final comments, LG addresses a document provided by Petitioner in its negotiations with *** for an offtake agreement (Petitioner's Posthearing Brief, Exhibit 6 at Tab A), and notes that it *** LG Final Comments at 7-8. This can also be seen in the table reproduced in the Petitioner's posthearing brief which ***. Petitioner's Posthearing Br., Exhibit 1 at 8 (incorrectly representing that ***).

Other documents submitted by Petitioner involving LG likewise fail to substantially support the proposition that the price of Chinese AAM directly influences an offtake price. For example, regarding ***, although a document provides a ***, the communications do not indicate that *** to lower its prices because of this comparison. See Petitioner's Posthearing Brief, Exhibit 4 at Tab A. Likewise, regarding ***, in 2024 emails from ***. Here too, the communications do not indicate that *** to lower its prices because of this comparison. See Petitioner's Posthearing Brief, Exhibit 2 at Tab B.

We also note documents submitted by Petitioner involving ***. See Petitioner's Posthearing Brief, Exhibit 3. Of all the documents submitted by Petitioner in its posthearing brief, this makes the most explicit reference to the price of Chinese AAM. Even here, however, the discussions are between *** and a ***, not a U.S. purchaser. In an email chain, the *** representative states that *** and that *** In a separate email, the *** representative states as follows: *** Assuming the *** figure is per kg (not per pound), that equates to approximately *** per pound, which is a price higher than the agreed offtake price between *** and between ***, and within the range of the agreed offtake price between *** See CR/PR at Table 5.4. It is also well above the AUV of U.S. importers' U.S. shipments of subject imports throughout the POI. See CR/PR at Table C.1.

In all, the isolated references to a Chinese AAM cost or price in the documents submitted by Petitioner do not counterbalance the substantial evidence on the record which establishes the fact that offtake agreements are based on a "cost plus" methodology designed to ensure an adequate profit margin for the AAM supplier.

¹⁷⁸ See, e.g., Tesla Prehearing Brief, App'x I-B at 4 (Aff. of Gaurav Chhabra), App'x I-C (Aff. of Sunny Hy); App'x I-D (Aff. of Siva Muthukumar); App'x I-E-7 (Syrah Cost Breakdown), App'x I-E-21; Appendix IV-A (Aff. of Affidavit of Rhiannon Li); Appendix IV-C (Aff. of Walter Czarnecki); Appendix IV- (Aff. of Peter Kwon); Tesla's Posthearing Br., Answers to Commissioners' Questions at 19-29; Tesla's Final Comments at 5-7.

¹⁷⁹ See, e.g., Panasonic's Posthearing Br. at 2-3; LG's Prehearing Br. at 11-12; Tesla's Posthearing Br., Answers to Posthearing Questions at 68-70; Tesla's Prehearing Br. at 24-27. As noted above, these (Continued...)

In sum, we find that our traditional pricing and purchase cost data as well as the information regarding lost sales do not allow for meaningful comparisons and have little if any probative value for finding significant adverse price effects in the context of these investigations. We find that the offtake agreements are not based on or tied to Chinese pricing. They are based on the domestic producers' cost structure plus profit. Nor have subject import prices prevented domestic producers from qualifying their product or attracting investments as discussed below under Impact in Section V.E. We therefore find that the record evidence as a whole does not support Petitioner's claim that respondents used low-priced subject imports to deprive U.S. producers from recouping production costs plus an adequate profit margin or otherwise used subject import pricing to materially retard the establishment of the domestic industry.

We therefore find, based on the record evidence, that subject imports did not have significant adverse price effects on the domestic industry during the POI.

E. Impact of the Subject Imports¹⁸⁰

Section 771(7)(C)(iii) of the Tariff Act provides that in examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."¹⁸¹ These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."¹⁸²

include tax incentives in the IRA, as modified by the "One Big Beautiful Bill Act," tariffs, and geopolitical and supply chain risks in relying solely on imports from China.

¹⁸⁰ In its affirmative final determination on subject imports from China, Commerce found dumping margins ranging from 93.50 to 102.72 percent. *Active Anode Material From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 91 Fed. Reg. 7247 (Feb. 17, 2026).

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

¹⁸² 19 U.S.C. § 1677(7)(C)(iii).

In considering whether the establishment of an industry is materially retarded by reason of subject imports, we consider the size of the domestic industry and the market in which it is competing to determine whether subject imports are adversely affecting its performance. We would expect a nascent industry in a start-up phase to be able to improve its performance once it has the technical capability to make the product by increasing its production and sales, while realizing efficiencies of scale and thereby lowering its average unit costs. At the same time, we also take into consideration in our analysis that it is not unexpected for start-up companies to suffer losses for a number of years before being able to break even and begin earning a profit, particularly when competing against businesses that have established products and relationships in the marketplace. Thus, neither improvements in performance nor sustained losses are necessarily determinative in a material retardation analysis, as they might be in a present material injury or threat of material injury analysis. Instead, the Commission has examined the industry's performance to determine if it "reflects merely the normal start-up condition of a company entering an admittedly difficult market or, is the performance worse than what could reasonably be expected" ¹⁸³

¹⁸³ See, e.g., *Laminated Woven Sacks*, USITC Pub. 3942 at 32; *Codfish*, USITC Pub. 1711 at 5; *BMT Commodity Corp. v. United States*, 11 C.I.T. 524 (1987) (affirming material retardation determination that applied standard of whether industry's performance reflected merely the normal start-up condition of a company entering an admittedly difficult market or, is the performance worse than what could reasonably be expected), *aff'd*, 852 F.2d 1285 (Fed. Cir. 1988).

In these investigations, the domestic industry's output indicia generally increased during the POI,¹⁸⁴ while its employment indicators also generally improved.¹⁸⁵ Its financial performance indicia generally deteriorated over the POI.¹⁸⁶

¹⁸⁴ CR/PR at Tables 3.7, 3.10, and C.1. The domestic industry's production increased irregularly by *** percent from 2022 to 2024, decreasing from *** pounds in 2022 to *** pounds in 2023, before increasing to *** pounds in 2024; it was *** percent lower in interim 2025 (*** pounds) than in interim 2024 (*** pounds). *Id.* The industry's practical production capacity increased *** percent from 2022 to 2024, from *** pounds in 2022 to *** pounds in 2023 and *** pounds in 2024; it was *** percent higher in interim 2025 (*** pounds) than in interim 2024 (*** pounds). *Id.* The domestic industry's practical capacity utilization rate decreased from *** percent in 2022 to *** percent in 2022, but then increased to *** percent in 2023, an overall decline of *** percentage points; it was *** percentage points lower in interim 2025, at *** percent, than in interim 2024, at *** percent. *Id.* The domestic industry's reported commercial U.S. shipments were *** pounds in 2022 and were *** in 2023, 2024, interim 2024, and interim 2025. CR/PR at Table 3.10. The domestic industry's reported U.S. shipments for trial/test purposes were *** pounds in 2022, *** pounds in 2023, *** pounds in 2024, *** pounds in interim 2024, and *** pounds in interim 2025. *Id.* Based on domestic producers' U.S. shipments for commercial and trial/test purposes, their share of apparent U.S. consumption was *** percent throughout the POI. CR/PR at Tables 4.10 & C.1. The domestic industry's end-of-period inventories increased from *** pounds in 2022 to *** pounds in 2023 and *** pounds in 2023, an overall increase of *** percent from 2022 to 2024; they were *** percent higher in interim 2025 (*** pounds) than in interim 2024 (*** pounds). *Id.*

¹⁸⁵ CR/PR at Tables 3.14 & C.1. The industry's PRWs increased from *** in 2022 to *** in 2023 and *** in 2024; there were less PRWs in interim 2025 (***) than in interim 2024 (***). *Id.* Total hours worked (in thousands of hours) increased from *** hours in 2022 to *** hours in 2023 and *** hours in 2024; they were lower in interim 2025 (*** hours) than in interim 2024 (*** hours). *Id.* Wages paid increased from \$*** in 2022 to \$*** in 2023 and \$*** in 2024; they were lower in interim 2025 (\$***) than in interim 2024 (\$***). *Id.* Hourly wages increased from \$*** per hour in 2022 to \$*** per hour in 2023 but then decreased to \$*** per hour in 2024; they were higher in interim 2025, at \$*** per hour, than in interim 2024, at \$*** per hour. *Id.* Productivity increased *** percent overall from 2022 to 2024, first decreasing from *** pounds per hour in 2022 to *** pounds per hour in 2024 before increasing to *** pounds per hour in 2024; productivity was lower in interim 2025 (*** pounds per hour) than in interim 2024 (*** pounds per hour). *Id.* Unit labor costs increased from \$*** per pound in 2022 to \$*** per pound in 2023, but then decreased to \$*** per pound in 2024, an overall decrease of *** percent from 2022 to 2024; they were *** percent higher in interim 2025 (\$*** per pound) than in interim 2024 (\$*** per pound). *Id.*

¹⁸⁶ CR/PR at Tables 6.1 & C.1. The domestic industry's operating losses grew from \$*** in 2022 to \$*** in 2023 and \$*** in 2024; its operating loss was \$*** in interim 2025 compared with \$*** in interim 2024. *Id.* The domestic industry's net losses grew from \$*** in 2022 to \$*** in 2023 and \$*** in 2024; its net loss was \$*** in interim 2025 compared with \$*** in interim 2024. Its gross loss shrank from \$*** in 2022 to \$*** in 2023 but then grew to \$*** in 2024; its gross loss was \$*** in interim 2025 compared with \$*** in interim 2024. *Id.* The industry's operating income as a ratio to net sales worsened from negative *** percent in 2022 to negative *** percent in 2023 but improved to negative *** percent in 2024; it was negative *** percent in interim 2025 compared to negative *** percent in interim 2024. *Id.* The domestic industry's net income as a ratio to net sales worsened from negative *** percent in 2022 to negative *** percent in 2023 but improved to negative *** percent in 2024; it (Continued...)

While we recognize the domestic industry's poor performance indicia, such performance is not unexpected given that the domestic industry remains in a startup phase and has largely achieved only test production (as opposed to commercial-scale production), inflating the domestic industry's unit costs because of extremely low production volumes.¹⁸⁷ As noted above, it is not determinative in a material retardation analysis that the domestic industry experienced high unit costs that reduced its financial performance, but rather whether subject imports materially retarded the establishment of a domestic industry.¹⁸⁸ Here Petitioner has argued that subject imports have materially retarded the establishment of a domestic industry through adverse price effects, which we address above in Section V.D, as well as through causing purchasers to delay qualification of domestic producers and through discouraging investors and hindering the domestic industry's ability to obtain financing. As discussed below, we do not find that substantial evidence on the record supports these bases for Petitioner's claim that subject imports have materially retarded the establishment of a domestic industry. Given the importance of meeting customer specifications and the certification process, Petitioner argues that low-priced subject imports had a significant adverse

was negative *** percent in interim 2025 compared to negative *** percent in interim 2024. *Id.* The domestic industry reported unit operating losses of \$*** per pound in 2023, \$*** per pound in 2023, and \$*** per pound) than in interim 2024 (\$*** per pound. *Id.* The domestic industry's capital expenditures increased from \$*** in 2022 to \$*** in 2023 but then declined to \$*** in 2024; they were higher in interim 2025 (\$***) than in interim 2024 (\$***). CR/PR at Tables 6.5 & C.1. The domestic industry's capital expenditures increased from \$*** in 2022 to \$*** in 2023 but then declined to \$*** in 2024; they were lower in interim 2025 (\$***) than in interim 2024 (\$***). CR/PR at Tables 6.7 & C.1.

¹⁸⁷ *See, e.g.*, CR/PR at Tables 3.5 & C.1. Indeed, a breakeven point is not calculable in these investigations for the firms reporting financial data because the ***. CR/PR at 6.16-6.17 & n.25; *see also* Email from Joseph Pickard to Zahra Bekkal, EDIS Doc. No. 841580 (March 5, 2026) (“ . . . As I’m sure you can appreciate, given the nascent nature of the industry, large investments required and adverse impacts of Chinese imports, the high unit variable costs with respect to unit sales prices make it tricky to calculate a break-even point. Given the available data and method for calculating break even as per other investigations like tungsten shot, the fixed cost/(sales price – unit variable cost) calculation doesn’t work here in establishing a break-even point.”).

¹⁸⁸ Improvements in the domestic industry's performance indicia are also not determinative of subject imports not materially retarding the domestic industry's establishment. While Petitioner initially argued in its prehearing brief that subject imports had a significant adverse impact based on the Commission's traditional output, employment, and financial performance indicia, *see, e.g.*, Petitioner's Prehearing Br. at 82-88 & 115, Petitioner appears to have moved on from these arguments in its posthearing brief and final comments by no longer relying upon the Commission's traditional data for claiming significant adverse impact by reason of subject imports. *See, e.g.*, Petitioner's Posthearing Br. at 4-9; Petitioner's Final Comments at 9-14. Instead, Petitioner contends that subject imports had a significant adverse impact by delaying the domestic industry's qualification process and hindering investments in the domestic industry, issues we address below, separate from its arguments addressed above regarding subject imports' effect on offtake agreement prices. *Id.*

impact through purchasers delaying the domestic industry's qualification process given purchasers' unfettered access to low-priced subject imports.¹⁸⁹ Based on our review of the record, however, we do not find that Petitioner has presented substantial evidence that purchasers have slowed qualification for U.S. producers because of their continuing access to subject imports. As discussed above, the qualification process for AAM is onerous and time intensive since it involves rigorous validation to ensure safety, durability, and performance consistency at scale for battery manufacturers that require extensive testing to avoid costly recalls or battery fires, as AAM is crucial to energy density, cycle life, and charging speed in downstream battery products.¹⁹⁰ As respondents have argued, there is no "shortcutting" qualification because their qualification processes are necessary to ensure the safety and warranty of their downstream battery products using AAM.¹⁹¹ We agree with respondents that the record evidence confirms that no domestic producer is qualified to supply AAM in the U.S. market because domestic producers are as yet unable to meet customers' safety-critical specifications in commercial quantities.¹⁹²

As respondents also have demonstrated, it is in their respective interests to source AAM domestically in order to mitigate supply chain risk and because of U.S. government incentives.¹⁹³ Respondents have invested significant time and resources into qualifying domestic AAM producers, including by testing samples and providing extensive technical

¹⁸⁹ See Petitioner's Posthearing Br. at 9. Petitioner emphasizes that it has provided contemporaneous business documents demonstrating that LG, Panasonic, and Tesla were unwilling to move forward with qualifying domestic AAM producers solely on the basis of subject imports being lower priced than domestically-produced AAM. See Petitioner's Posthearing Br. at 9-10 & Exhs. 1-2. Emphasizing that only domestic producers Syrah and Novonix have managed to secure offtake agreements, Petitioner argues that Tesla has delayed qualifying Syrah and that Panasonic has delayed qualifying Novonix. Petitioner has submitted ***. See Petitioner's Posthearing Br., Answers to Commissioners' Questions at 17-25. As an exhibit to its posthearing brief, Petitioner has also submitted a table summarizing each U.S. producers' production and qualification status in its attempt to show that respondents have delayed the qualification process and have materially retarded the domestic industry in this respect. See Petitioner's Posthearing Br. at 10 & Exh. 8.

¹⁹⁰ See, e.g., Tesla's Posthearing Br. at 8 & Answers to Commissioners' Questions at 68-70; CR/PR at 1.11-1.17.

¹⁹¹ See, e.g., CR/PR at 1.16; Tesla's Prehearing Br. at 12-22; LG's Prehearing Br. at 8-10; Tesla's Posthearing Br. at 5-9; Hearing Tr. at 173 (Swamynathan), 187 (Byles), 252 (Hy), and 254 (Seals).

¹⁹² See generally CR/PR at Table F.1; Tesla's Final Comments at 8-9; Tesla's Prehearing Br. at Section II.B.2 to II.B.3, App'x I-C; see also Tesla's Posthearing Brief at Section IV.B; LG's Prehearing Br. at Exh. 1; Panasonic's Prehearing Br. at 2-6, Exhs. 1, 17, 24. We note further that supplier qualification by technical experts is conducted separately from commercial negotiations over pricing in offtake agreements. See, e.g., LG's Posthearing Br. at 3-6; Tesla's Posthearing Br., Answers to Commissioners' Questions at 63; Hearing Tr. at 177-78 (Qian) & 194 (Seals).

¹⁹³ See, e.g., Tesla's Prehearing Br. at 24-27.

support and feedback continuously throughout the qualification process.¹⁹⁴ For example, Tesla has submitted affidavits from four senior company officials and other supporting documentation indicating that Tesla has provided substantial resources (*e.g.*, Tesla employees, finance, and time) in order to qualify domestic AAM producers and help them get funding and financing to build their factories.¹⁹⁵ Tesla also has submitted supporting documentation and evidence indicating that Syrah has not been qualified by Tesla due to Syrah's own difficulties in qualifying its AAM product that meets Tesla's specifications.¹⁹⁶ Similarly, Panasonic has submitted documentation regarding its substantial efforts to assist U.S. producers of AAM in the qualification process, including Panasonic's extensive technical support to Novonix's production team and Novonix's inability to become qualified by Panasonic due to Novonix's own difficulties in qualifying its AAM product that meets Panasonic's specifications.¹⁹⁷ For its

¹⁹⁴ See, *e.g.*, Tesla's Prehearing Br. at 36-47 & Exh. IA-IE; Tesla's Posthearing Br. at 5-7 & 9-12; Tesla's Final Comments at 9-11; Panasonic's Prehearing Br. at 8-9 & 20-29; LG's Posthearing Br. at 8-9.

¹⁹⁵ See, *e.g.*, Tesla's Prehearing Brief at 29 & App's IA-IE & App'x I-E-26; Tesla's Posthearing Br. at 5-7; Tesla's Final Comments at 11-12.

¹⁹⁶ See, *e.g.*, Tesla Final Comments at 9-11. For example, Petitioner claims that "***." Petitioner's Posthearing Br., Exh. 1, Answers to Commissioners' Questions at 19. However, Tesla has provided the Commission with ***. See ***). Tesla also has provided ***. See Tesla Prehearing Brief at App'x I-D at 3; App'x I-E-43 (Material Phase B Test Results). Petitioner also claims ***. Petitioner's Posthearing Br., Exh. 1, Answers to Commissioners' Questions at 20. As the record evidence indicates, however, the *** resulted from Syrah's inability to produce AAM meeting Tesla's specifications. On ***. See Tesla Prehearing Brief at App'x I-B at 6; App'x I-E-11 (June 13, 2025 Letter from Tesla to Syrah). ***. See Tesla Prehearing Brief at App'x I-B at 6; App'x I-E-11 (June 13, 2025 Letter from Tesla to Syrah). On ***. See Tesla Prehearing Brief at App'x I-B at 6; App'x I-E-12 (June 19, 2025 Letter from Tesla to Syrah). Petitioner also asserts that ***, but Tesla has rebutted this claim with credible evidence to the contrary. As Tesla explains, it has assigned one Supplier Industrial Engineer ("SIE") to work fulltime and two additional SIEs to dedicate half of their time to Syrah's qualification. See Tesla Final Comments at 11. Tesla also represents that, "[i]n the current Material Phase C alone, the Tesla SIE team has spent over 3,000 hours onsite and offsite to not only advance, but in fact expedite Syrah's AAM qualification process, a time investment that is orders of magnitude higher than the number of hours that Tesla generally dedicates to qualifying battery material suppliers." *Id.*

¹⁹⁷ See, *e.g.*, Panasonic's Prehearing Br. at 1-5 & 10-13 & Exh. 6; Panasonic's Posthearing Br. at 3-5 & Exhs. 3-4; Panasonic's Final Comments at 12-13. As Panasonic's qualification timeline explains, there are several qualification milestones, starting with an evaluation of physical properties of graphite supplied by the supplier. See Panasonic's Prehearing Br. at 3-4. This step typically takes at least a year, but can take more than a year if new equipment is needed to complete the samples. *Id.* at 3. After that milestone is complete, suppliers must then provide Panasonic with samples from equipment that is representative of the supplier's mass production plans. *Id.* This may involve the supplier building or using a "pilot" production line, and Panasonic will exchange rounds of feedback with the supplier aimed at optimizing the AAM for performance. *Id.* During this phase, Panasonic's Materials Engineering ("ME") team releases a set of "development targets" to the supplier, which is a reduced set of material specification targets. *Id.* As the qualification process progresses, there will be certain targets that (Continued...)

part, LG estimates that it has expended over \$33 million of its own resources to the development of domestic suppliers through technical assistance, funding support, laboratory testing, and other measures.¹⁹⁸ Additionally, Tesla and LG have submitted letters to support funding for the nascent domestic AAM industry, including ***, in which they explain that companies are engaged in preliminary product development, qualification, and commercial negotiations.¹⁹⁹

We find that the record evidence shows that the domestic AAM industry has failed thus far to meet technical specifications of battery producers for reasons unrelated to low-priced subject imports. As discussed above, domestic producers are engaged in qualification processes with several U.S. AAM purchasers, but no domestic producers of AAM have fully qualified their product for commercial use. Most domestic producers of AAM are in the very early stages the qualification process with very limited or no trial/test shipments, while Syrah and Novonix are considerably farther along in the qualification process than other domestic producers.²⁰⁰ Syrah, which accounted for approximately *** percent of the domestic industry's AAM production in 2024, has progressed to the fourth and final stage of Tesla's qualification

Panasonic's ME team will want to review in detail later on that do not necessarily need to be covered in the development phase. *Id.* During the pilot line phase, Panasonic expands its testing of the sample product by ***. *Id.* At this stage, specifications are rigorously validated and the supplier is expected to make various adjustments on equipment and production to improve quality. *Id.* at 4. This interim phase is the longest part of the qualification process. *Id.* Panasonic's timeline anticipates that the interim stage takes a minimum of one to two years, though Panasonic notes that it has taken considerably longer for various suppliers. *Id.* Throughout this interim phase, Panasonic's ME team will conduct on-site visits to suppliers' factories to assess the supplier's anti-contamination procedures, measurement equipment, and production capacity. *Id.* Finally, after a supplier demonstrates it can produce the AAM to the specified quality standards, qualification is completed when the supplier can mass produce the product to the same quality specifications. *Id.*

¹⁹⁸ See, e.g., LG's Prehearing Br. at 6-10. As an exhibit to its prehearing brief, LG has provided a sworn affidavit from Ms. Da Young Sung, Team Leader of the Anode Material Development and Procurement Team. See LG's Prehearing Br. at Exh.1 (Sung. Aff). In Ms. Sung's affidavit, she describes the significant time and resources that LG has spent qualifying domestic AAM producers, including LG's qualification process comprising the Material Test and Production Part Approval Process whereby LG works closely with suppliers in testing samples and providing technical advice and feedback to AAM producers. *Id.*

¹⁹⁹ See Tesla's Prehearing Brief, App'x I-A at 3, I-E-2; LG's Prehearing Br. Exh. 1 at 9.

²⁰⁰ CR/PR at Tables 3.1, 3.10, and F.1; Tesla's Final Comments at 9; LG's Final Comments at 2; Panasonic's Final Comments at 3. For example, Epsilon, GrafTech, and SKI did not have any commercial sales during the POI, while Anovion reported only small amounts of commercial sales in 2022 and none for the remainder of the POI. CR/PR at Table 6.4. Graftech and Epsilon did not have any production during the POI, and have yet to build the factories they first announced nearly three years ago. See CR/PR at Tables 3.3 & 3.7.

process and has progressed through*** of LG’s qualification process.²⁰¹ Meanwhile, Novonix, which accounted for approximately*** percent of the domestic industry’s production in 2024, has progressed to the *** of Panasonic’s qualification process.²⁰² In addition, Tesla, LG, and Panasonic have provided substantial evidence, including business documents and witness testimony, supporting their contention that the qualification timelines for domestic producers (including Syrah and Novonix) are well within the range of normal for their other global suppliers for other battery products.^{203 204}

As reviewed above, substantial evidence on the record demonstrates that, despite the availability of lower-priced subject imports, purchasers have expended significant efforts to support the domestic AAM industry to qualify its material for use in the battery cell production, which has helped, not hindered, the domestic industry. The qualification process is legitimate and not pretextual; it is essential to ensuring that AAM consistently meets specifications that ensure the safety and reliability of the battery.²⁰⁵ Petitioner has not provided credible evidence that delays in the qualification process are due to subject imports or subject import prices.

Petitioner also argues that low-priced subject imports had a significant adverse impact during the POI by discouraging investors and hindering the domestic industry’s ability to obtain financing.²⁰⁶ We find, however, that the record evidence indicates that domestic AAM

²⁰¹ CR/PR at Tables 3.1 & F.1.

²⁰² CR/PR at Tables 3.1 & F.1.

²⁰³ See, e.g., Panasonic’s Posthearing Br. at 4; LG’s Posthearing Br. at 6-8; Tesla’s Posthearing Br., Answers to Commissioners’ Questions at 62-63; see also Kaijin Posthearing Br. at 2-8.

²⁰⁴ In support of its contention that purchasers have delayed qualification of potential domestic suppliers, Petitioner submits an email exchange between *** and the *** which conducts test samples on behalf of ***. Petitioner’s Posthearing Brief at Exh. 6 – Tab H. This exchange towards the end of the POI and continued past the POI. While the emails indicate that the samples have not been tested on as expeditious a basis as hoped by ***, this exchange does not, in our view, constitute substantial evidence that purchasers have deliberately delayed the qualification process for potential domestic suppliers, let alone that the price of imports from China are a reason for the delay. We further note an email exchange between *** and ***, which occurred after the POI, and which indicates that a test sample was apparently lost in the mail, causing a delay in testing. Tesla’s Posthearing Brief at App’x IV-D and Attachment 1. This, too, does not evidence that purchasers have deliberately delayed the qualification process for potential domestic suppliers. Indeed, as noted in the affidavit accompanying that email exchange, “at {a} meeting between *** AAM. Even though Tesla does not use artificial graphite in current cell production, we are constantly evaluating suppliers for future design developments and for potential LFP cell production, which has yet to scale in the United States.” Tesla’s Posthearing Brief at App’x IV-D.

²⁰⁵ According to uncontested information provided by respondent Tesla, the status of Syrah’s qualification and the reasonableness of Tesla’s specifications and qualification procedures have been confirmed by ***. See Tesla’s Prehearing Brief at 42-43 & App’x I-E-19 (*** Report at 8, 28, 35).

²⁰⁶ Petitioner’s Prehearing Br. at 101-102; Petitioner’s Posthearing Br. at 10-14.

producers’ have secured significant funding during the POI, and the record does not support that subject imports have impeded them from securing greater levels than might reasonably be expected. Respondents have provided evidence that purchasers have entered into agreements with domestic producers enabling rather than hindering domestic producers’ ability to obtain substantial financing. For example, Syrah and Novonix, the domestic producers that are farthest along in terms of qualification, have offtake agreements and have obtained around \$1 billion and \$860 million in funding, respectively, or approximately \$2 billion combined.²⁰⁷ Since Syrah agreed to an offtake agreement that commits Tesla to purchase 80 percent of Syrah’s capacity, the U.S. Department of Energy (“DOE”) has given Syrah a \$102 million loan and has entered into a three-way agreement with Syrah and Tesla to oversee Syrah’s progress.²⁰⁸ Since Novonix signed a binding offtake agreement with Panasonic in 2024, Novonix has obtained a more than \$700 million loan from the DOE to construct a new AAM production facility in Tennessee.²⁰⁹ In our view, these agreements and the large-scale funding that both Syrah and Novonix have attained more than provides an adequate basis for finding that purchasers are not hindering the domestic industry’s ability to obtain financing.²¹⁰

²⁰⁷ See, e.g., Tesla’s Prehearing Br. App’x I-B at 4; Tesla’s Final Comments at 14-15; CR/PR at 3.11.

²⁰⁸ Panasonic’s Posthearing Br. at 11-12; Tesla’s Posthearing Br. at 1, 5, and 13. LG entered into a Memorandum of Understanding with Syrah to undertake an offtake agreement for AAM starting in 2025, in order to provide Syrah with a credible basis to seek funding by showing that it will have established revenue streams once mass production of qualifying AAM is underway. Tesla’s Posthearing Br., Answers to Commissioners’ Questions at 78-79. LG also has a joint development agreement with Novonix to qualify its AAM and that LG has provided extensive technical and financial support to Novonix. *Id.* at 80.

²⁰⁹ See, e.g., Tesla’s Posthearing Br., Answers to Commissioners’ Questions at 78.

²¹⁰ In support of its claim that low-priced subject imports hindered Novonix’s efforts to obtain financing, Petitioner has submitted an affidavit from ***. See Petitioner’s Posthearing Br., Exh. 7 (***) & Attachment A. In the affidavit, *** states that, ***, “. . . ***. See *** Aff. at ¶ 3. We do not find ***’s affidavit to be persuasive for several reasons. First, Petitioner has not provided any supporting documentation ***. Second, the attachment *** is outside the POI and approximately eleven months after the petitions were filed in these investigations thereby indicating that the document was prepared on behalf of Novonix during the course of these trade remedy proceedings. See Petitioner’s Posthearing Br., Exh. 7, Attachment A. Third, Novonix entered into an offtake agreement with Panasonic in February 2024 at a price of \$3.13 per pound and had publicly touted this price level in a press release in September 2023 as generating an acceptable level of profitability for investors. See CR/PR Table 3.3, & CR/PR at 3.13 & 3.20 (*citing* Novonix, “NOVONIX Achieves Key Milestones and Establishes Pathway to Profitable Anode Material Production in the U.S.,” Press Release, September 14, 2023, <https://www.Novonixgroup.com/Novonixachieves-key-milestones-and-establishes-pathway-to-profitable-anode-material-production-in-the-u-s>); see also Panasonic’s Prehearing Br. at Exh. 7 (Novonix, (Continued...))

In addition, as discussed, none of the domestic producers of AAM are yet qualified with purchasers. Other than Novonix and Syrah, other domestic producers of AAM are at early stages of qualification process.²¹¹ This is not the fault of subject imports, but as discussed above, domestic AAM producers' inability to meet purchaser specifications. The record shows that as AAM producers progress along the qualification process, investment in those producers grows, affirming that progress toward qualification is the more pertinent factor driving investment decisions.

Finally, we find that substantial evidence supports the conclusion that the domestic industry's performance over the POI has been a reasonable expectation of an industry's start-up phase. As previously noted, calculation of a break-even point is not possible given the record of these investigations and Petitioner declined to provide a break-even analysis that would project expectations of the industry moving beyond a start-up phase and whether experience over the POI was less than might reasonably be expected.²¹² In contrast, Tesla has provided an extensive analysis from an economic consulting firm that we find to be persuasive, demonstrating that U.S. AAM producers are expected to incur start-up costs particularly given the capital intensive nature of the industry as they gain technical expertise to supply AAM at scale. This analysis further indicates that there is no indication that the domestic industry's performance is worse than what could reasonably be expected since reaching break-even can take years for start-up companies in this particular industry.²¹³ In addition, no domestic producer is yet qualified with any purchasers and as a result no domestic producer is in a position to make any commercial sale of AAM. It is the reasonable expectation that an industry

"Panasonic Energy and NOVONIX Sign Binding Off-Take Agreement," Press Release, February 9, 2024 (touting February 2024 agreement with Panasonic)).

Petitioner also has submitted affidavits regarding its claim that *** efforts to obtain financing were hindered by low-priced subject imports. Petitioner has submitted an affidavit from ***. However, while the affidavit refers to ***, there is no supporting documentation provided ***. Petitioner also has submitted an affidavit from ***. Against the weight of the evidence on this record and myriad factors impacting investment decisions, these affidavits do not demonstrate that Chinese pricing prevented *** or the domestic industry from securing reasonable investment. They pertain *** and do not pertain to financing for any other domestic producers. Moreover, as discussed above, the two domestic producers that are by far the farthest along in terms of qualification (Syrah and Novonix) have secured approximately \$2 billion in financing, collectively. ***. Petitioning firms are experiencing the sort of difficulties that similar start-ups would be expected to face, and the record reflects the expected correlation between their ability to hit qualification milestones and their ability to obtain financing. See, e.g., Hearing Tr. at 196-202 (Dougan).

²¹¹ CR/PR at 3.3-3.8; see also Petitioner's Posthearing Brief, Exhibit 1 at 16-25.

²¹² See Email from Joseph Pickard to Zahra Bekkal, EDIS Doc. No. 841580 (March 5, 2026).

²¹³ See generally Tesla's Prehearing Brief at App'x II (Economic Research Appendix Prepared by ION Economics LLC).

at this stage of startup with no commercial sales would not be performing materially better than it is. Accordingly, we find that the domestic industry's performance and ability to obtain financing is indicative of normal start-up conditions and not significant adverse impact by reason of subject imports.²¹⁴

In sum, the record indicates that the domestic industry's performance reflects its difficulties in producing a product that would meet purchaser requirements and that its performance was not materially retarded as a result of subject imports. Currently, there is no competition between unqualified domestic AAM and qualified Chinese AAM. AAM is safety-critical and cannot lack qualification. The nascent domestic industry is progressing through the normal qualification process. Petitioner's case rests on theory rather than concrete evidence – that it would be economically rational for purchasers of AAM to delay or interfere with qualification given access to low-priced AAM from China, thereby hindering investment. The facts show, however, that U.S. battery cell producers have gone to great lengths to work with the domestic AAM industry to develop the technical know-how and production capabilities required to produce AAM to necessarily strict specifications. U.S. cell producers have entered into bankable offtake and joint development agreements with AAM producers and have written letters of support to help them raise capital and secure funding. Substantial evidence on the record demonstrates that the offtake agreements are not based on or tied to Chinese pricing; they reflect domestic producers' cost structure plus profit. These efforts have helped create, not retard, a domestic industry on its way to establishment. Domestic AAM producers are startups, and their financial condition is no worse than expected given their phase of development. We accordingly reach the determinations in these investigations that subject imports are not materially retarding the establishment of a domestic industry.

²¹⁴ CR/PR at 6.16 & n.21 (“From the perspective of business life cycles, it is not uncommon for industries to experience gross losses during launch or startup phases when sales are typically low, and costs are usually high.”) (citing [45](https://corporatefinanceinstitute.com/resources/valuation/business-life-cycle/#:%7E:text=Each%20company%20begins%20its%20operations,not%20as%20high%20as%20sales); see e.g., Tesla's Prehearing Br. at 28-30 & 66-67; Tesla's Posthearing Br. at 1-2; Panasonic's Prehearing Br. at 20; Panasonic's Posthearing Br. at 13; LG's Posthearing Br. at 1.</p></div><div data-bbox=)

VI. Conclusion

For the reasons stated above, we determine that the establishment of an industry in the United States is not materially retarded by reason of imports of AAM from China found by Commerce to be sold in the United States at less than fair value and to be subsidized by the government of China.

Separate and Dissenting Views of Commissioner Jason E. Kearns

While I join the Commission’s Views through Section V.C, I write separately as I make an affirmative material retardation determination in these investigations concerning active anode material (AAM) from China. As discussed below, I find that a significant volume of subject imports from China set the market price at a low and declining level during the period of investigation (POI), leveraging down prices between domestic suppliers and purchasers, dampening investment, and likely hindering supplier qualification.

Normally, (1) firms with more money (now or reasonably expected in the future) invest and establish themselves more easily and quickly than firms with less money; (2) firms that can negotiate higher prices for their product have more money than firms that are forced to accept lower prices; and (3) firms are forced to accept lower prices when their competitors are offering even lower prices, particularly when those competitors are offering abundant supplies of a high-quality product. In short, at least as a starting point, one can reasonably infer that firms competing against large volumes of high-quality, low-priced products generally face significant impediments to their development and establishment.

I. High-Quality Chinese Imports Enter the United States in Huge Volumes and at Very Low and Rapidly Falling Prices, Placing Downward Pressure on Domestic Producer Prices

In this case, Respondents don’t dispute that Chinese import volumes are huge and Chinese capacity is “massive” and growing,¹ that those import volumes are increasing dramatically,² or that their prices are “very low” and dropping precipitously.³ Respondents

¹ Chinese imports make up almost the entirety of the domestic market. They always exceeded *** percent of the domestic market from 2022 to 2024 and their share was nearly as high during the first six months of 2025, at *** percent. CR/PR at Table C.1. Hearing Transcript at 232 (Counsel to Tesla describing Chinese capacity as “massive.”). China is by far the dominant supplier of AAM worldwide. See, e.g., CR/PR at Table 7.15 (China accounts for 67 percent of worldwide exports of natural and synthetic graphite.). China’s AAM capacity was 1.7 billion pounds in 2022 and increased to 2.5 billion pounds in 2024. *Id.* at Table 7.8. It is projected to grow by 1.6 billion pounds, to 4.1 billion, by the end of 2027 (i.e., the projected growth in capacity *vastly exceeds the entire U.S. market*). *Id.* at Table 7.9.

² The quantity of U.S. imports of AAM from China increased from *** pounds in 2022 to *** pounds in 2023 and to *** pounds in 2024, an increase of *** percent. The quantity of subject imports from China was *** percent higher in interim 2025, at *** pounds, than in interim 2024, at *** pounds. CR/PR at Tables 4.2 and 4.3. U.S. shipments of imports from China increased by over *** percent during the three-year period, and were *** percent higher in the first six months of 2025 (“Interim 2025”) than in the first six months of 2024 (“Interim 2024”). *Id.* at Table C.1.

³ The AUV of U.S. shipments of subject imports started the POI at \$*** in 2022 and declined to \$*** in 2023, \$*** in 2024 for a decline of *** percent over the three-year period. The AUV of U.S.

even admit that the nascent domestic industry cannot possibly compete with those low-priced imports based on price.^{4 5}

These uncontested facts and admissions are extraordinary. They go a long way toward an affirmative determination here. Given the particular circumstances of these investigations, they essentially create a rebuttable presumption that Chinese imports are materially retarding the establishment of a domestic industry, in my view.

But respondents offer a reasonable rebuttal worth considering. Unlike in most markets, respondents argue that in this market purchasers are willing to pay domestic producers whatever they need to cover their costs and make a reasonable profit, to help the domestic industry establish itself, even when those prices are significantly higher than what they pay their Chinese suppliers. They recognize domestic producers need those higher prices to attract funding to establish themselves as an industry.⁶ And they want the domestic producers to establish themselves as an industry because the purchasers recognize the many risks and costs, including tariffs and other geopolitical risks, in being almost entirely dependent on China for supply of a key input.⁷

Thus, they testified that, in negotiations with domestic producers, the price in offtake and similar agreements is based on “cost plus” a reasonable profit.⁸ They therefore stated

shipments of subject imports was *** percent lower in interim 2025 at \$*** than in interim 2024 at \$***. CR/PR at Table C.1. A comparison to raw material costs puts these numbers in perspective. The domestic industry’s unit raw material costs alone were well above subject import AUVs. Raw materials costs in dollars per pound as reported by two suppliers were \$*** in 2022, \$*** in 2023, and \$*** in 2024, and \$*** in interim 2025. *Id* at Table 6.1. Respondents argue that these raw material prices were affected by the nascent state of the industry, due to lower yield and higher scrappage rates. Petitioners therefore provided input costs based on global trade data submitted to Commerce as part of the petitions, which showed raw materials costs in dollars per pound at \$*** in 2024 and \$*** in interim 2025 – both above subject import AUVs in those periods.

⁴ Hearing Transcript at 232-33 (Counsel to Tesla: “{The} Chinese price is very low. These {purchasers} recognize that if they were to force {domestic} companies, these new AAM companies, to take those prices, they would not be profitable.”).

⁵ While substitutability is “currently ... low” (until domestic producers qualify), Respondents believe domestic producers are on the normal track to qualification, and, once qualified, price becomes the most important factor in purchasing decisions, and those prices for domestic AAM are already being negotiated for future, post-qualification sales. See CR/PR at 2.12 (currently low degree of substitutability and price most important factor after ability to meet specifications); hearing transcript at 204-205 (on normal track for qualification).

⁶ Hearing Transcript at 213.

⁷ Hearing Transcript at 169; 219 (Nicely).

⁸ See, e.g. Hearing Transcript at 199 (Dougan); 227 (Swamynathan); 233 (Porter); 235 (Nicely); 238 (Swamynathan); 349 (Nicely).

unequivocally that they have *never used Chinese pricing as a relevant factor in setting pricing in negotiations with domestic suppliers*:

Chair Karpel: "...Have any of you ever in these price negotiations for an offtake contract used Chinese pricing as a relevant factor in setting those prices? Have you had those discussions with folks you're looking to purchase from?"

Tesla Witness: ... "I can confidently say no to that question."

LG Witness: "We can say no as well."

Panasonic Witness: "Panasonic, no."⁹

The trouble is, later in the hearing it became clear that that isn't entirely true and is not as true for some purchasers as it is for others. In my view, purchasers not only discussed cost plus a reasonable profit in negotiations with domestic producers, they also clearly did use market pricing, which is synonymous with Chinese pricing given that China AAM makes up nearly the entirety of the U.S. market. Through its ***, LG was ***.¹⁰ LG testified as follows:

LG Witness: "...The commercial teams, I do believe, *talk about market price*{.} ... {T}he correspondence that I've seen indicates that, you know, it's a market price that includes all of our suppliers, and as we've said, we don't source only from China, we source from places outside of China, so I think *that is the nature of the discussion when you're talking about the commercial side of the equation in terms of how price gets set*. ..."

Counsel for LG: "...Commissioner Kearns, ...both can be true, right? If you can think about it, they are trying, they are absolutely committed to doing sort of a cost plus, but they also want to say, hey, we want you to be as close to market as possible. Both those things can be true{.}"¹¹

Well, I've thought about it, and I don't really see how both things can be true. If in a negotiation with a domestic producer a major purchaser is saying "we want you to be as close to the market as possible," and the market price is essentially the China price, and the China

⁹ Hearing Transcript at 212-13.

¹⁰ See CR/PR at Table 4.1.

¹¹ Hearing Transcript at 232-33 (emphasis added).

price is “very low,” then it seems the discussion is not solely about cost plus a reasonable profit, and that Chinese pricing is having a downward pressure on domestic producer prices.¹²

Other evidence confirms that purchasers used very low Chinese pricing to leverage down prices in negotiations with domestic producers. For example:

- *** In contemporaneous formal meeting notes from ***¹³
- *** In a declaration, a ***.¹⁴
- *** In contemporaneous formal meeting notes from a meeting with ***.¹⁵
- ***¹⁶
- ***¹⁷
- ***¹⁸ Again, references to *** proposed prices can reasonably be interpreted to be a reference to Chinese producers given that Chinese producers account for nearly the entirety of the U.S. market (*** percent at the time of the email).
- ***¹⁹

¹² It is also worth noting how nebulous “cost plus profit” really is here, particularly where costs depend on scale, and scale is unclear. This may help to explain how the discussion of market pricing – Chinese pricing – enters the picture and leads to lower prices for domestic producers.

¹³ Petitioner Posthearing Br. at Exhibit 2, Tab I.

¹⁴ Petitioner Posthearing Br. at Exhibit 7, Page 2 and Attachment H and LG Final Comments at 8. While the ***.

¹⁵ Petitioner Posthearing Br. at Exhibit 2, Tab D. This meeting occurred after the petitions were filed, but well within the POI. The notes are consistent with *** other formal meeting notes, and I see no reason to question this evidence based on the timing of the meeting or the timing of the notes, which were taken around the time of the meeting. Further, in my judgment this discussion related to a sale in the United States and the meeting occurred in *** U.S. offices (“*** – Main Office.”).

¹⁶ Petitioner Posthearing Br. at Exhibit 6, Tab D.

¹⁷ Petitioner Posthearing Br. at Exhibit 2, Tab B.

¹⁸ Petitioner Posthearing Br. at Exhibit 3, Tab I.

¹⁹ Petitioner Posthearing Br. at Exhibit 6, Tab B.

I place greater weight on this evidence than my colleagues do, and I also focus on different negotiations and different evidence than they do.²⁰

Thus, in my view, purchasers used Chinese imports to leverage down the prices of domestic AAM across the POI. Further, the extent to which Chinese pricing factored into the pricing of domestically produced AAM in negotiations over offtake and similar agreements likely escalated over the POI, for two key reasons.

First, the price differential between Chinese and domestically produced AAM grew, as Chinese import prices declined dramatically. As noted above, the AUV of shipments of Chinese imports dropped *** percent from 2022 to 2024 and was *** percent lower in the first six months of 2025, compared with the first six months of 2024, despite the fact that apparent consumption exploded upwards by *** percent and *** percent over those same periods.²¹ Pricing Product 3 is also illustrative: the AUV of Chinese imports was \$*** per pound in the first

²⁰ I wish to respond to two specific issues my colleagues raise, regarding (1) the fact that this evidence was placed on the record only after the hearing and (2) the credibility of suppliers' contemporaneous meeting notes. First, while it would have been much better for the Petitioners to have placed this evidence on the record in advance of the hearing, the failure to do so is hardly unusual in our Title VII investigations, unfortunately. Indeed, it is fairly typical, and I cannot fault Petitioners for the delay any more than I can fault other parties in these or other investigations. This is a recurring issue for the Commission, and a difficult one because the Commission also wants a comprehensive record, and often it isn't clear until the hearing what evidence the Commission finds important. I also disagree with the suggestion that Petitioners did not pursue this line of argument in their prehearing brief. More importantly, the voluminous record of discussions involving Chinese pricing was submitted in response to Respondents' arguments during the hearing and in their prehearing briefs that Chinese pricing was not discussed in negotiations and that the discussions focus on cost plus a reasonable profit (i.e., Respondents' arguments in rebuttal). (See, for example, the closing and rebuttal remarks of Mr. Nicely at the hearing: "You've heard today that battery producers will grant offtake agreements with promising suppliers and will based offtake prices on cost plus profit, healthy profits, not Chinese price, and they're doing so with that cost model in mind about what happens once these companies are producing at scale. The Petitioners don't have evidence to prove otherwise." Hearing Transcript at 350.) Thus, Respondents opened this door in the hearing. Moreover, Respondents also placed information on the record in their post-hearing brief that could have been provided earlier, as well. See, e.g., Tesla Posthearing Brief, Appendix IV (affidavit discussing price negotiations). And I am glad they did. Finally, a greater degree of latitude should be allowed in a material retardation case, and particularly in this material retardation case, as what facts are relevant and important are not as clear as in material injury cases.

Second, my colleagues question notes taken contemporaneously with sales meetings and calls because these notes are suppliers' own descriptions of the meetings and because some of those meetings occurred after the petitions were filed. However, in my view, those notes appear to be kept in the domestic producers' ordinary course of business, to inform colleagues and supervisors of discussions that are very important to their business, and the notes taken before the petitions were filed are similar in form and content to those taken after. I find their contents to be probative and credible.

²¹ CR/PR at Table C.1.

quarter of 2022, with sales quantities of *** pounds; AUVs dropped and volumes grew over the POI, ending in the second quarter of 2025 with AUVs of \$*** per pound and sales quantities of *** pounds.²²

Second, and more importantly, the incentives to move from subject imports to domestic sourcing also diminished later in the POI, as policies to encourage the purchase of domestically produced AAM were weakened or delayed. As mentioned in V.B.1 of the majority opinion, an important condition of competition is that the incentives provided through the Inflation Reduction Act (“IRA”), which was passed in August 2022, required that AAM be produced outside of China starting in 2025 in order for a vehicle to qualify for the Section 30-D consumer tax credit.²³ Given the cost advantage China already had, these incentives were necessary to prompt greater interest in sourcing AAM domestically. The incentives led to further government support in the form of grants from the Department of Energy under the Bipartisan Infrastructure Law.²⁴ As such, in the early years of the IRA, it is possible that some purchasers attempted to provide suppliers with a reasonable margin over costs in the interests of genuinely sparking a domestic industry that would help the purchasers’ products qualify under the existing rules for IRA tax credits.²⁵ It is for that reason that they may have requested suppliers’ cost structures.²⁶

But in May 2024, the U.S. Treasury delayed the prohibition on sourcing AAM from China to 2027.²⁷ Additionally, by early 2025, certain IRA provisions were expected to be eliminated by the One Big Beautiful Bill,²⁸ and incentives to source AAM domestically were indeed weakened when that law passed in July 2025, including through elimination of the Section 30-D consumer tax credit, which was terminated effective September 25, 2025.²⁹ Weakening of IRA incentives

²² CR/PR at Table 5.7.

²³ See, U.S. Treasury, “Treasury Releases Proposed Guidance on New Clean Vehicle Credit to Lower Costs for Consumers, Build U.S. Industrial Base, Strengthen Supply Chains.” <https://home.treasury.gov/news/press-releases/jy1379>

²⁴ CR/PR at 3.10-3.11 and Table E.18.

²⁵ See, e.g., Tesla Posthearing Br. at Appendix I, pp. 17-31

²⁶ See, e.g., Tesla Posthearing Br. at 57.

²⁷ Petitioner Posthearing Br. at 52.

²⁸ See, e.g., Brookings Institution, “What Will Happen to the Inflation Reduction Act Under a Republican Trifecta?,” January 6, 2025. <https://www.brookings.edu/articles/what-will-happen-to-the-inflation-reduction-act-under-a-republican-trifecta/>.

²⁹ Petitioner Posthearing Br. at Exhibit 1, pp. 63-64. See also, Center for Strategic and International Studies (CSIS), “Impacts of the One Big Beautiful Bill Act on the Mining Sector,” July 9, 2025. CSIS writes: “Without *** and facing an uncertain demand outlook, automakers are less inclined to enter into long-term mineral offtake agreements—making it more difficult for domestic mining projects to attract investment. These headwinds are amplified by the current price environment.” <https://www.csis.org/analysis/impacts-one-big-beautiful-act-mining-sector>

restored much of the financial incentive to source from the lowest cost supplier, especially given the growing cost differential between U.S. prices and subject import prices and large purchaser demand for AAM.

Accordingly, the evidence cited previously shows the price effect is more apparent in the latter half of the POI as IRA incentives began to be weakened and subject import prices continued to drop. I don't doubt that purchasers want more AAM production in the United States and are taking major steps and investing substantial resources to rely less on China for the supply of this critical input, but that does not mean they are not simultaneously using Chinese pricing to lower prices for the domestic industry: sometimes the short-term benefits of cutting costs (saving their companies tens or even hundreds of millions of dollars³⁰ but delaying the establishment of a domestic industry in the process) outweigh the long-term benefits of a more dependable supply chain. And, as explained above, that is particularly true in the latter part of the POI, when Chinese prices fell significantly and incentives to purchase domestic product were weakened or delayed.

In short, based on the low and declining prices of huge volumes of high-quality subject imports, prices that remained below U.S. producers' raw material costs throughout the POI, combined with evidence of subject import prices entering into commercial negotiations, particularly toward the end of the POI, I find that subject imports had significant price effects on the domestic industry.

II. The Impact of Significant Volumes of Very Low-Priced, High-Quality Chinese Imports

In my view, the downward pressure that Chinese imports had on domestic prices necessarily adversely impacted the domestic industry, slowing its establishment. A respondent testified that the prices that are negotiated in offtake agreements enable domestic producers to get the funding they need to establish a domestic industry.³¹ Lower prices in offtake agreements, as well as the failure to ever reach agreement on offtake prices – the result of using Chinese prices to leverage down domestic prices, as I have found and have described

³⁰ In 2024, for example, only *** battery manufacturers imported nearly all *** pounds of AAM from China. CR/PR at Table 4.2. The difference between the lowest offtake agreement price and market prices was about one dollar in that year. *Id.* at Tables 5.4, C.1. Based on that cost differential, which later widened as subject import prices continued falling, sourcing domestically instead of importing if that domestic capacity existed would have equated to *** in extra input costs annually for each purchaser, on average.

³¹ Hearing Transcript at 213, Testimony of Mr. Swamynathan of Tesla: "...{W}ith that price they can actually go get funding that they need to build the factories to begin with. It also, like, helps them go get the capital they need to build the factories. That's another aspect of it as well."

above – mean less capital investment and therefore the material retardation of the establishment of a domestic industry.³² In other words, one can reasonably infer that the huge volumes of very low priced and high quality Chinese imports materially retarded the establishment of the domestic industry given the circumstances in these investigations. *Res ipsa loquitur*.³³ But evidence on the record also supports this common-sense conclusion: those Chinese imports impeded investment and likely delayed the qualification of domestically produced AAM, as described further below.

a. Subject Import Prices Influenced Investment Decisions

While financing for AAM production may have been less of a constraint during most of the POI when the Section 30-D tax credit called for non-Chinese AAM by 2025, financing constraints were likely to be more apparent later in the POI, particularly after May 2024 when the prohibition on sourcing AAM from China was delayed and when it became clear in early 2025 that Congress would weaken the IRA. Petitioners provided evidence, especially from 2025, that access to capital was dampened as investors observed market pricing and were turned off by the absence of offtake agreements that would otherwise provide a measure of price certainty to investors.³⁴ In at least one instance, internal capital was not deployed

³² One may argue that this is only true if the subject imports and the domestic like product are at least somewhat substitutable, whereas in this case substitutability is considered “currently” to be “low.” But it is critical to understand two things here. First, once certification is established, price becomes the single most important factor above all others, as explained above. Second, prices on the sale of domestic product in the future is already being negotiated under the assumption that the domestic like product will be qualified, so future sales are being negotiated now – and at lower prices than they would be, but for the huge volume of low-priced subject imports, as described above.

³³ In this case, in my view, more inferences, cutting one way or the other, must be made than in a more typical material injury or material retardation case. This may be the most “he said, she said” case I have seen as a Commissioner. That is not surprising given that the domestic industry is not yet selling commercial quantities of AAM. As a result, we lack a lot of the objective evidence we normally have in a material injury case, where one can: readily compare the commercial sales price of a subject import to that of a domestic like product, sold commercially in the market; analyze the data to determine trends in market share; determine whether prices of the domestic like product are declining or if domestic producers are unable to raise their prices to account for increasing costs, and determine impact based on declines in financial performance, etc. None of that is possible here, and Yet we nevertheless must make a determination under the statute – and the statute clearly does permit relief, in appropriate circumstances, to a nascent industry that has substantially committed to domestic production but has not yet started commercial production.

³⁴ As subject import prices dropped over the POI, existing offtake prices became less bankable, regardless of whether they offered a reasonable margin at the time of signing, and new bankable offtake agreements became harder to negotiate. In a 2025 email from ***. Petitioner Posthearing Br. at Exhibit 3, Tab L. In an April 2025 presentation to ***. Petitioner Posthearing Br. at Exhibit 4, Tab H. A declaration from ***. Petitioner Posthearing Br. at Exhibit 10. A declaration from ***. Petitioner

because of market pricing.³⁵ Producers reported stalled investments.³⁶ The dearth of private capital was exacerbated by the cancellation of certain DOE grants.³⁷

Therefore, apart from the downward pressure on the pricing of domestic production in offtake agreements, the oversupply of low-priced imports from China likely limited investment in the domestic industry that would have helped the industry develop more rapidly. In other words, evidence on the record demonstrates that investors are less inclined to invest tens or hundreds of millions of dollars in domestic production when that production will have to compete with massive volumes of unfairly and very low priced imports.³⁸ If the Commission were to have reached an affirmative determination here, Chinese AAM imports would be subject to antidumping and countervailing duties combined of over 150 percent.³⁹ Based on my review of the record in these investigations, I have no doubt there would be significantly more investment in the domestic industry, and with greater urgency, if those Chinese imports were required to be fairly priced.

b. Subject Import Prices Likely Impeded Qualification

Evidence on the record also indicates it was not possible to entirely silo the qualification process from commercial discussions,⁴⁰ and there were other unexplained delays.^{41 42} As petitioner notes, sometimes it was the exact same person at the purchaser company engaging in discussions about both technical qualification and prices.⁴³ In some cases, purchasers started pricing discussions immediately, even before sample evaluation.⁴⁴ Suppliers were not

Posthearing Br. at Exhibit 9. My colleagues are not persuaded by the affidavit and declaration documents because they do not include supporting documentation, but I see no reason to doubt this evidence, particularly given that it comes from non-party prospective investors.

³⁵ In July 2025, ***. Petitioner Posthearing Br. at Exhibit 5, Tab B. *** did not move forward with this investment. Petitioner final comments at 11.

³⁶ Syrah writes that ***. Novonix writes that ***. CR at Table E.13.

³⁷ See CR/PR at Table 3.3.

³⁸ In addition to previously cited evidence, *see also* CR/PR at Table 6.13.

³⁹ See CR/PR Tables 1.2 and 1.3.

⁴⁰ *** Petitioner Posthearing Br. at Exhibit 2, Tab C. ***. Panasonic Final Comments at 7. ***. Petitioner Posthearing Br. at Exhibit 7, Page 3.

⁴¹ ***: In internal email correspondence in early 2026, *** Petitioner Posthearing Br. at Exhibit 6, Tab H. ***: In a declaration, *** Petitioner Posthearing Br. at Exhibit 7, Page 4.

⁴² Note that the staff report refers to examples of qualification by *** of AAM in less than two years. *** reported certifying *** and certifying U.S. producer *** during 2019-20. *** importer questionnaire, at III-19. This is *** than, say, Panasonic's qualification periods of *** and ***. *See* Panasonic Posthearing Br. at 4 and Exhibit 12.

⁴³ *See* Petitioner Final Comments at 2.

⁴⁴ ***: In a 2021 email from ***. Petitioner Posthearing Br. Exhibit 6, Tab B.

necessarily averse to this; in some cases, it was suppliers themselves who urged purchasers to engage in pricing discussions so that the supplier knew whether it would be worthwhile to pursue qualification.⁴⁵

But qualification is a bit of a red herring in these investigations, in my view. Respondents argue that the only real obstacle to successful entry for the domestic industry is qualification – and qualification has nothing to do with low-priced Chinese imports. The fact that domestic producers are not yet qualified to sell commercial quantities of AAM has been presented as if it explains everything, but it explains next to nothing. Respondents do not fault the domestic industry for not yet gaining qualification.⁴⁶ They say this is normal, that the process always takes time, as noted above. So, while the lack of qualification explains why the domestic industry is not yet selling commercial quantities of AAM in the market, there of course is no requirement under the statute to do so to obtain relief from unfairly traded imports. Further, because prices are nevertheless being negotiated between domestic producers and purchasers despite the lack of qualification, with respect to future commercial sales of domestically produced AAM, the lack of qualification, as argued by respondents, is not dispositive here – it is not an obstacle that prevents us from seeing other obstacles that stand in the way of the establishment of this industry. We can still see that huge volumes of low-priced, high-quality AAM are forcing down the prices of domestically produced AAM on future sales, and that makes it harder for domestic producers to get off the ground.

To be sure, qualification is a real and legitimate obstacle to establishing an AAM industry in the United States, and a critical condition of competition in these investigations. But that is a normal part of the process, even according to Respondents. Even if one believes that purchasers were just as eager to qualify domestic suppliers even after subject import prices plummeted, and that qualification was not delayed at all, qualification is at best irrelevant to whether subject import prices and volumes were harmful to domestic industry prices.

⁴⁵ ***: In April 2024 email correspondence between ***. Petitioners' Post-Hearing Br. at Exhibit 2, Tab E.

⁴⁶ Thus, this is not a situation where the domestic industry is simply producing a product that the market does not want, or is not particularly interested in this market to begin with, unlike in *53-Foot Domestic Dry Containers from China*, Inv. Nos. 701-TA-514 and 731-TA-1250 (Final), USITC Pub. 4537 (June 2015) (e.g., domestic producer's product had a width of 99 inches whereas many purchasers wanted a width of 100 3/8 (p. 24); one purchaser issued a request for information to the domestic producer, to which the domestic producer did not respond (p. 30)). And, in any event, I may have reached a different determination in that case, as it seems plausible that the reason the domestic industry was facing some impediments to success, such as poor quality, may have been related to imports.

Alternatively, and as I find above, it is likely that low-priced subject imports led to unnecessary delays in the qualification process.

Based on the foregoing, including that subject imports were the dominant supply of AAM to the U.S. market across the POI and sold at declining levels but always below the domestic industry's raw material costs, and evidence that market prices loomed over commercial discussions between purchasers and suppliers, stalling investment and likely delaying supplier qualification, I find that subject imports had an adverse impact and materially retarded the establishment of the domestic AAM industry.

Conclusion

For the reasons stated above, I determine that the establishment of an industry in the United States is materially retarded by reason of imports of AAM from China found by Commerce to be sold in the United States at less than fair value and to be subsidized by the government of China.

Part 1: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by the American Active Anode Material Producers (“AAAMP”), the members of which are Anovion Technologies LLC (“Anovion”), Sanborn, New York; Syrah Technologies LLC (“Syrah”), Vidalia, Louisiana; NOVONIX Anode Materials LLC (“Novonix”), Chattanooga, Tennessee; Epsilon Advanced Materials Pty. Ltd. (“Epsilon”), Leland, North Carolina; and SKI US, Inc. (“SKI”), Marietta, Georgia, alleging that the establishment of a domestic industry is materially retarded and that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value (“LTFV”) imports of active anode material (“AAM”)¹ from China. Table 1.1 presents information relating to the background of these investigations.^{2 3}

¹ See the section entitled “The subject merchandise” in Part 1 of this report for a complete description of the merchandise subject in this proceeding.

² Pertinent Federal Register notices are referenced in appendix A and may be found at the Commission’s website (www.usitc.gov).

³ Appendix B presents the witnesses that appeared at the Commission’s hearing.

Table 1.1 AAM: Information relating to the background and schedule of this proceeding

| Effective date | Action |
|-------------------|---|
| December 18, 2024 | Petitions filed with Commerce and the Commission; institution of the Commission's investigations (89 FR 105100, December 26, 2024) |
| January 7, 2025 | Commerce's notice of initiation of its antidumping and countervailing duty investigations (90 FR 3792 and 90 FR 3788, January 15, 2025) |
| February 3, 2025 | Commission's preliminary determinations (90 FR 9163, February 7, 2025) |
| May 28, 2025 | Commerce's preliminary CVD determination (90 FR 22465, May 28, 2025) |
| July 2, 2025 | Commerce's amended preliminary CVD determination (90 FR 28994, July 2, 2025) |
| July 22, 2025 | Commerce's preliminary AD determination (90 FR 34423, July 22, 2025); scheduling of final phase of Commission's investigations (90 FR 38993, August 13, 2025) |
| December 9, 2025 | Revised scheduling of final phase of Commission's investigations (90 FR 57484, December 11, 2025) |
| February 12, 2026 | Commission's hearing |
| February 17, 2026 | Commerce's final AD and CVD determinations (91 FR 7247 and 91 FR 7261, February 17, 2026) |
| March 12, 2026 | Commission's vote |
| March 31, 2026 | Commission's views |

Note: Due to the lapse in appropriations and ensuing cessation of Commission operations, the Commission revised its schedule for this proceeding.

Statutory criteria

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

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

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that—⁴

⁴ Amended by PL 114—27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

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

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—⁵

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

⁵ Amended by PL 114—27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

Organization of report

Part 1 of this report presents information on the subject merchandise, subsidy rates/dumping margins, and domestic like product. Part 2 of this report presents information on conditions of competition and other relevant economic factors. Part 3 presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts 4 and 5 present the volume of subject imports and pricing of domestic and imported products, respectively. Part 6 presents information on the financial experience of U.S. producers. Part 7 presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

AAM is generally used as the primary component in the anode of lithium-ion batteries.⁶ The leading U.S. producers of AAM are Syrah and Novonix, while the leading producers of AAM outside the United States include BTR New Material Group Co., Ltd ("BTR") and Shanshan Technology ("Shanshan") of China. The leading U.S. importers of AAM from China are *** and Tesla, while the leading importers of AAM from nonsubject sources (Indonesia, Japan, and South Korea) include *** and Tesla. U.S. purchasers of AAM are firms that manufacture lithium-ion batteries and battery packs for commercial vehicles. The leading confirmed purchaser that does not directly import AAM is ***.

Apparent U.S. consumption of AAM totaled approximately *** pounds (\$***) in 2024. Four firms are known to have produced *** pounds or more of AAM in the United States since 2022.⁷ U.S. producers' U.S. shipments of AAM totaled *** pounds (\$***) in 2024, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from China totaled *** pounds (\$***) in 2024 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from nonsubject sources totaled 12.6 million pounds (\$47.2 million) in 2024 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

⁶ Petition, p. 4.

⁷ Two additional responding firms reported no production or limited quantities (*** pounds) of trial production since January 1, 2022.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C.1. The Commission’s questionnaires collected data primarily for the years 2022 to 2024, interim periods January through June of 2024 (“interim 2024”), and January through June of 2025 (“interim 2025”). Except as noted, U.S. industry data are based on questionnaire responses of five firms that accounted for nearly all known U.S. production of AAM during 2024. U.S. imports are based on questionnaire responses from eight firms.

Previous and related investigations

AAM has not been the subject of prior countervailing or antidumping duty investigations in the United States.

Nature and extent of subsidies and sales at LTFV

Subsidies

On February 17, 2026, Commerce published a notice in the Federal Register of its final determination of countervailable subsidies for producers and exporters of AAM from China.⁸ Table 1.2 presents Commerce’s findings of subsidization of AAM in China.

Table 1.2 AAM: Commerce’s final subsidy determination with respect to imports from China

| Entity | Final countervailable subsidy rate (percent) |
|--|--|
| Panasonic Global Procurement China Co., Ltd.; Panasonic Corporation of China | 66.86 |
| BTR New Material Group Co., Ltd., BTR (Jiangsu) New Energy Material Co., Ltd, and BTR New Material Group Sales Co., Ltd. | 66.82 |
| Shanghai Shaosheng Knitted Sweat | 66.82 |
| Huzhou Kaijin New Energy Technology Corp., Ltd | 66.82 |
| All others | 66.86 |

Source: 91 FR 7261, February 17, 2026.

Note: For further information on programs determined to be countervailable, see Commerce’s associated Issues and Decision Memorandum.

⁸ 91 FR 7261, February 17, 2026.

Sales at LTFV

On February 17, 2026, Commerce published a notice in the Federal Register of its final determination of sales at LTFV with respect to imports from China.⁹ Table 1.3 presents Commerce's dumping margins with respect to imports of AAM from China.

Table 1.3 AAM: Commerce's final weighted-average LTFV margins with respect to imports from China

| Exporter | Producer | Final dumping margin (percent) |
|---|--|--------------------------------|
| Tesla Manufacturing Brandenburg SE | BTR New Material Group Co., Ltd | 93.50 |
| Panasonic Global Procurement (China) Co., Ltd | BTR New Material Group Co., Ltd | 93.50 |
| Panasonic Global Procurement (China) Co., Ltd | BTR New Material Group Sales Co. Ltd | 93.50 |
| Panasonic Global Procurement (China) Co., Ltd | BTR (Jiangsu) New Energy Material | 93.50 |
| Panasonic Global Procurement (China) Co., Ltd | Huzhou Kaijin New Energy Technology Corp., Ltd | 93.50 |
| Hunan Zhongke Shinzoom Co., Ltd | Guizhou Zhongke Shinzoom Co., Ltd | 93.50 |
| Jiangxi Zichen Technology Co., Ltd | Jiangxi Zichen Technology Co., Ltd | 93.50 |
| Resonac Corporation | Henan Yicheng New Energy Co., Ltd | 93.50 |
| Resonac Corporation | PetroChina Daqing Petrochemical Company | 93.50 |
| Resonac Corporation | Qingdao Qingbei Carbon Products Co., Ltd | 93.50 |
| Shanghai Shanshan New Material Co., Ltd | Inner Mongolia Shanshan Technology Co., Ltd | 93.50 |
| Shanghai Shanshan New Material Co., Ltd | Sichuan Shanshan New Material Co., Ltd | 93.50 |
| Shanghai Shanshan New Material Co., Ltd | Fujian Shanshan Technology Co., Ltd | 93.50 |
| Shanghai Shanshan New Material Co., Ltd | Ningbo Shanshan New Material Technology Co., Ltd | 93.50 |
| All others | | 102.72 |

Source: 91 FR 7247, February 17, 2026.

⁹ 91 FR 7247, February 17, 2026.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:¹⁰

The merchandise covered by this investigation is active anode material, which is an anode grade graphite material with a graphite minimum purity content of 90 percent carbon by weight, whether containing synthetic graphite, natural graphite, or a blend of synthetic and natural graphite; with or without coating. Subject merchandise may be in the form of powder, dry, liquid, or block form and is covered irrespective of the form in which it enters. Subject merchandise typically has a maximum size of 80 microns when in powder form. Subject merchandise has an energy density of 330 milliamp hours per gram or greater and a degree of graphitization of 80 percent or greater, where graphitization refers to the extent of the graphite crystal structure.

Subject merchandise is covered regardless of whether it is mixed with silicon based active materials, *e.g.*, silicon-oxide (SiOx), silicon-carbon (SiC), or silicon, or additives such as carbon black or carbon nanotubes. Subject merchandise is covered regardless of the combination of compounds that comprise the graphite material. Subject merchandise is covered regardless of whether it is imported independently, as part of a compound, or as a component of an anode slurry, or in a subassembly of a battery such as an electrode. Only the anode grade graphite material is covered when entered as part of a mixture with silicon based active materials, as part of a compound, or as a component of an anode slurry, or in a subassembly of a battery such as an electrode.

Subject merchandise does not include active anode material incorporated into imports of lithium-ion battery products (such as cells, modules, and packs), electric vehicles, hybrid vehicles, cell phones or battery energy storage systems.

¹⁰ 91 FR 7247, February 17, 2026; and 91 FR 7261, February 17, 2026.

Tariff treatment

AAM is imported under the following provisions of the Harmonized Tariff Schedule of the United States (“HTS”): statistical reporting numbers 2504.10.5000, 3801.10.5010, and 3801.10.5090.¹¹ The 2026 general rate of duty is “Free” for HTS subheadings 2504.10.50 and 3801.10.50.¹² Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

See table 1.4 for a summary of additional tariffs in place as of March 2, 2026. In addition, below is a summary of additional tariffs applied to AAM from China.

Table 1.4 AAM: Additional tariffs on imports from China, as of March 2, 2026

Duty rates in percent ad valorem

| Additional tariff | HTS subheading 2504.10.50 | HTS subheading 3801.10.50 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Section 301 | 25 | 25 |
| Section 122 | NA | 10 |
| Total additional ad valorem rate | 25 | 35 |

Source: Federal Register notices and other sources cited in this section (Tariff treatment).

Note: For the purposes of this table, “not applicable” is shown as “NA.” This applies when the subject product from that subject country is not subject to the tariff for any reason.

Note: Duty rates in the table reflect the duty rates as of the writing of this report. See the text above for historical changes to the additional tariffs.

¹¹ According to U.S. Customs and Border Protection (“CBP”), the applicable HTS classification for surface-modified natural graphite is HTS statistical reporting number 3801.10.5000 which provides for “artificial graphite, colloidal graphite, and preparations of graphite and other forms of carbon.” CBP, “The Tariff Classification of Surface Modified Graphite from Japan,” Ruling No. N325161, April 8, 2022.

Effective January 1, 2025, HTS statistical reporting number 3801.10.5000 was annotated with the establishment of HTS statistical reporting numbers 3801.10.5010 and 3801.10.5090. USITC, HTS (2025) Basic Edition, USITC Publication 5575, January 2025, Change Record, p. 3.

¹² AAM also may be imported under HTS statistical reporting numbers 2504.10.1000 (natural graphite as crystalline flakes not including flake dust), 2504.90.0090 (natural graphite in forms other than powder or flakes), 3801.90.0050 (other forms of graphite or other carbons, including graphite preparations), or 8545.90.4000 (other carbons for electrical purposes, including battery carbons).

Effective February 1, 2026, HTS statistical reporting number 3801.90.0000 was annotated with the establishment of HTS statistical reporting numbers 3801.90.0010 and 3801.90.0050. USITC, HTS (2026) Revision 2, USITC Publication 5699, February 2026, Change Record, p. 7.

As part of battery electrodes, AAM also may be imported under HTS statistical reporting numbers 8506.90.0000 (parts of primary cells and primary batteries) or 8507.90.8000 (parts of electric storage batteries, other than for lead-acid storage batteries).

USITC, HTS (2026) Revision 4, USITC Publication 5711, February 2026, pp. 25.2, 38.4, 85.23, 85.26, and 85.86.

Section 301 tariffs

Effective September 24, 2018, AAM originating in China classifiable under HTS subheading 3801.10.50 was subject to an additional duty of 10 percent ad valorem under section 301 of the Trade Act of 1974, as amended. Effective May 10, 2019, the section 301 duty for imports under this subheading was increased to 25 percent ad valorem.¹³

Effective January 1, 2026, AAM originating in China classifiable under HTS subheading 2504.10.50 will be subject to an additional section 301 duty of 25 percent ad valorem.¹⁴

Section 122 tariffs

AAM originating in China, classifiable under HTS subheadings 2504.10.50, is not subject to tariffs initiated in February 2026 under section 122 of the Trade Act of 1974.¹⁵ Effective February 24, 2026, AAM originating in China, classifiable under HTS subheadings 3801.10.50, is subject to an additional 10 percent ad valorem duty under section 122 of the Trade Act of 1974.¹⁶

¹³ 83 FR 47974, September 21, 2018; and 84 FR 20459, May 9, 2019. See also HTS heading 9903.88.03 and U.S. notes 20(e) and 20(f) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 4, USITC Publication 5511, February 2026, pp. 38.32, 99.3.99 to 99.3.100, 99.3.109, 99.3.239, 99.3.248, 99.3.264, 99.3.303, and 99.3.463 to 99.3.471.

Goods exported from China to the United States prior to May 10, 2019, and entering the United States prior to June 1, 2019, were not subject to the escalated 25 percent duty (84 FR 21892, May 15, 2019).

¹⁴ 89 FR 76581, September 18, 2024. See also HTS heading 9903.91.06 and U.S. note 31(g) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 4, USITC Publication 5711, February 2026, pp. 25.8, 99.3.345, and 99.3.477.

¹⁵ Section 122 authorizes the President to impose a temporary import surcharge for a period not exceeding 150 days unless such period is extended by an Act of the Congress. 91 FR 9339, February 25, 2026. See also HTS heading 9903.03.03 and 9903.03.04 and U.S. notes 2(aa)(ii) and 2(aa)(iii) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 4, Publication 5711, February 2026, pp. 99.3.49 to 99.3.55, and 99.3.411.

¹⁶ See also HTS heading 9903.03.01 and U.S. note 2(aa) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 4, USITC Publication 5711, February 2026, pp. 99.3.49 to 99.3.59, and 99.3.410 to 99.3.412.

Tariffs initiated Under the International Emergency Economic Powers Act (“IEEPA”)¹⁷

Effective February 20, 2026, all tariffs initiated under IEEPA were terminated. Below is a history of the IEEPA tariffs relevant to AAM originating in China that were in effect until February 20, 2026.¹⁸

Country specific IEEPA tariffs

Effective February 4, 2025, AAM originating in China classifiable under HTS subheading 2504.10.50 and 3801.10.50 was subject to an additional 10 percent ad valorem duty under IEEPA, and on March 4, 2025, that additional duty increased to 20 percent ad valorem. However, effective November 10, 2025, that additional duty was reduced back to 10 percent.¹⁹ Effective February 20, 2026, tariffs initiated under IEEPA and the associated duties imposed under IEEPA were terminated.²⁰

Tariffs initiated in April 2025 under IEEPA

Effective April 5, 2025, AAM originating in China classifiable under HTS subheading 3801.10.50 was subject to an additional 10 percent ad valorem duty as part of tariffs initiated in April 2025 under IEEPA. That duty rose to 84 percent ad valorem effective April 9, 2025, and rose again to 125 percent effective April 10, 2025. However, effective May 14, 2025, the duty

¹⁷ Multiple tariffs were enacted under the authority of the International Emergency Economic Powers Act (“IEEPA”), including tariffs that apply to countries that may not be subject in this proceeding. Tariffs specific to Canada, China, and Mexico were initiated in February 2025. Tariffs specific to Brazil were initiated in July 2025. Tariffs specific to India were initiated in August 2025 and terminated effective February 7, 2026. Tariffs initiated in April 2025 under IEEPA were applied globally. Tariffs under IEEPA were amended over time. All tariffs initiated under IEEPA were terminated effective February 20, 2026. 91 FR 9437, February 25, 2026.

¹⁸ 91 FR 9437, February 25, 2026.

¹⁹ 90 FR 9121, February 7, 2025; 90 FR 11426, March 6, 2025; 90 FR 11463, March 7, 2025; 90 FR 50725, November 7, 2025. See also HTS heading 9903.01.20 and U.S. note 2(s) and HTS heading 9903.01.24 and U.S. note 2(u) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 4, USITC Publication 5711, February 2026, pp. 99.3.3 to 99.3.4, and 99.3.374 and 99.3.375.

²⁰ 91 FR 9437, February 25, 2026.

rate for tariffs initiated in April 2025 under IEEPA on products originating in China was reduced to 10 percent.²¹

AAM classifiable under HTS subheading 2504.10.50 originating in China is not subject to the tariffs initiated in April 2025 under IEEPA.²² Effective February 20, 2026, tariffs initiated under IEEPA and the associated duties imposed under IEEPA were terminated.²³

The product

Description and applications

The subject AAM consists of graphite (the most common form of crystalline carbon) that is specifically formulated to function as the active component of the anode (negative electrode) for lithium-ion batteries (figure 1.1). The anode consists of a copper strip coated with high-purity, fine-grained graphite, that is often combined with silicon as an additive. Within the anode, the graphite is electrolytically active but chemically unreactive as it releases and receives lithium ions during successive cycles of battery discharge and recharge (figure 1.2).²⁴ Graphite is an ideal AAM for both its technical performance characteristics and unit cost.²⁵ Graphite affects battery performance including its discharge and recharge rate (how fast it recharges), energy density (how long or far before recharging), and cycle life (how long before replacement).²⁶

²¹ For China, the duty as part of tariffs initiated in April 2025 under IEEPA was in addition to the 10 percent ad valorem duty under IEEPA that entered into effect on November 10, 2025. 90 FR 15041, April 7, 2025; 90 FR 15509, April 14, 2025; 90 FR 15625, April 15, 2025; 90 FR 21831, May 21, 2025; 90 FR 39305, August 14, 2025; 90 FR 50729, November 7, 2025. See also HTS headings 9903.01.25 and 9903.01.63 and U.S. note 2(v) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 4, USITC Publication 5711, February 2026, pp. 99.3.4 to 99.3.13, 99.3.375, and 99.3.382.

²² HTS subheading 2504.10.50 was enumerated on the list of products that was not subject to the tariffs initiated in April 2025 under IEEPA. 90 FR 15041, April 7, 2025. See also HTS headings 9903.01.25 and 9903.01.32 and U.S. note 2(v) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. 90 FR 43737, September 10, 2025. USITC, HTS (2026) Revision 4, USITC Publication 5711, February 2026, pp. 99.3.4 to 99.3.5, 99.3.7, and 99.3.375 to 99.3.376.

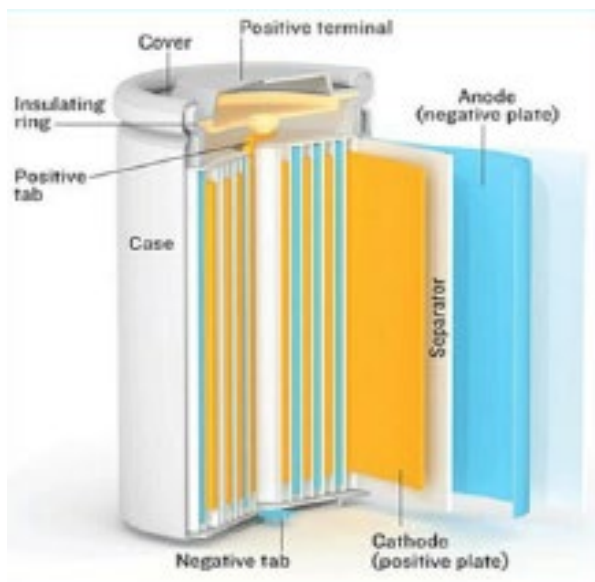
²³ 91 FR 9437, February 25, 2026.

²⁴ Conference transcript, pp. 16 to 17 (Taylor), 140 (Zhang), and 149 (Weber).

²⁵ Conference transcript, p. 23 (Hira).

²⁶ Conference transcript, pp. 16 to 17 (Taylor); and Petitioner, "Witness Testimony and Presentation Materials of American Active Anode Material Producers," January 7, 2025; and Anovion, "Introduction to the AAM Process," January 8, 2025, pp. 3 and 7.

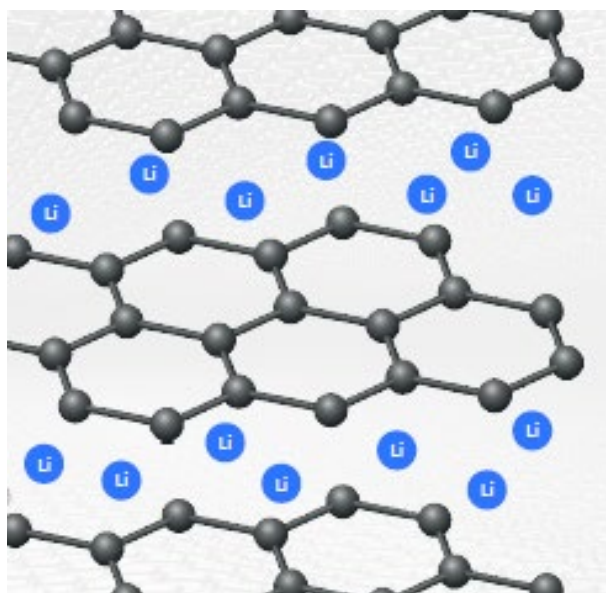
Figure 1.1 AAM: Components of a cylindrical lithium-ion battery



Cut-away view of a lithium-ion battery showing the interior structure and various components.

Source: Petitioner, "Witness Testimony and Presentation Materials of American Active Anode Material Producers," January 7, 2025; Anovion, "Introduction to the AAM Process," January 8, 2025, pp. 2 and 4.

Figure 1.2 AAM: Anode structure of a lithium-ion battery



Structure of the anode in a lithium-ion battery showing lithium ions ("Li") intercalated between the graphite layers of hexagonally linked carbon atoms.

Source: Petitioner, "Witness Testimony and Presentation Materials of American Active Anode Material Producers," January 7, 2025; Anovion, "Introduction to the AAM Process," January 8, 2025, pp. 2 and 4.

According to the Petitioner, graphite is the largest component (20 to 30 percent on average) by weight of lithium-ion batteries.²⁷ More specifically, according to Argonne National Laboratory, the graphite content ranges of 14.1 to 22.1 percent by weight depending on the battery (active cathode material) type (table 1.5).

Table 1.5 AAM: Graphite content for common types of lithium-ion batteries

Graphite content and total cell weight in kilograms; graphite share in percent

| Battery type | Measure | Graphite content | Other content | All content |
|---|--------------|------------------|---------------|-------------|
| Lithium nickel manganese cobalt oxide (“NMC”)-622 | Quantity | 50 | 188 | 238 |
| Lithium nickel cobalt aluminum oxide (“NCA”) | Quantity | 51 | 180 | 231 |
| Lithium iron phosphate (“LFP”) | Quantity | 55 | 271 | 325 |
| Lithium manganese oxide (“LMO”) | Quantity | 45 | 277 | 323 |
| NMC-622 | Share across | 21.0 | 79.0 | 100.0 |
| NCA | Share across | 22.1 | 77.9 | 100.0 |
| LFP | Share across | 16.8 | 83.2 | 100.0 |
| LMO | Share across | 14.1 | 85.9 | 100.0 |

Source: Qiang Dai, Jarod C. Kelly, Jennifer Dunn, and Pahola Thathiana Benavides, Update of Bill-of-Materials and Cathode Materials Production for Lithium-ion Batteries in the GREET® Model, Argonne National Laboratory, Energy Systems Division, October 31, 2019, p. 14, https://greet.es.anl.gov/publication-update_bom_cm.

Different types of graphite affect the discharge and recharge rates, energy content, and lifespan of the lithium-ion battery. Producers of AAM can select between natural (mined) graphite, synthetic (artificial or manufactured) graphite, or a blend of both natural and synthetic graphite. Natural graphite offers a greater energy density (capacity), whereas synthetic graphite offers a longer cycle life.²⁸ Alternatively, natural graphite and synthetic graphite can be blended in various ratios to optimize the performance characteristics of the AAM for specific applications.²⁹ Conference witnesses for Respondents Tesla Inc. and Panasonic Corp. of North America and Panasonic Energy Corp. of North America (“Panasonic”) testified that they rely on either natural graphite, synthetic graphite, or blend them in various ratios

²⁷ Petitioner, “Witness Testimony and Presentation Materials of American Active Anode Material Producers,” January 7, 2025; and Anovion, “Introduction to the AAM Process,” January 8, 2025, p. 2.

²⁸ Conference transcript, pp. 140 (Zhang), 158 to 159 (Mintzer), and 160 to 161 and 219 (Weber).

²⁹ Conference transcript, pp. 140 to 141 (Zhang). AAM for mobile battery applications (e.g., for electric vehicles) contains more natural graphite for high-energy density than synthetic graphite for life cycle considerations. Conversely, AAM for stationary applications (e.g., energy storage systems) contains more synthetic graphite, as energy density is less important than cycle life. Conference transcript, pp. 160 to 161 (Weber).

depending on the particular battery specifications.³⁰ Petitioner's industry witness testified that producers are not informed of the ratios between these two types of graphite, as the compositions are proprietary and customers perform the blending themselves.³¹ The petitioning AAM firms do not blend³² as they currently only produce either natural graphite (Syrah)³³ or synthetic graphite (Anovion, Epsilon, Novonix, and SKI).³⁴

Industry witnesses for Respondents Tesla and Panasonic testified that there are no industry-wide standards for AAM.³⁵ Rather, AAM is formulated to meet the specific cell design of each individual battery manufacturer.³⁶ Overall, AAM must meet strict customer specifications for purity, physical properties (e.g., particle size, shape, and surface area), and electrochemical performance (e.g., charge storage capacity) to optimize battery performance (energy density and cycle life), efficiency, and reliability.³⁷ Moreover, industry witnesses for both the Petitioner and Respondents concur that AAM must meet the paramount requirements

³⁰ Respondent Panasonic's postconference brief, Appendix A: Responses to Staff Questions, p. x; and conference transcript, pp. 158 to 159 (Zhang) and 219 (Weber).

³¹ Conference transcript, pp. 52 and 102 (Hira), 52 to 53 and 106 (Kapur), and 114 (Taylor).

³² Conference transcript, p. 219 (Weber).

³³ Conference transcript, pp. 86 and 113 to 114 (Hira); and public hearing transcript, p. 30 (Verner).

³⁴ Conference transcript, pp. 85 and 114 (Taylor and Kapur); and public hearing transcript, p. 25 (O'Kronley), and p. 41 (Schoeb)

³⁵ Conference transcript, pp. 216 to 217 (Weber) and 217 (Zhang).

³⁶ Public hearing transcript, p. 254 (Byles).

³⁷ Respondent LG Energy Solution Michigan's ("LGESM") postconference brief, Exhibit 1: Sworn Declaration of Robert Lee, p. 2, paras. 12 and 13; conference transcript, pp. 149 to 150 and 216 to 217 (Weber); Respondent Huzhou Kaijin New Energy Technology Corp. Ltd's. ("Kaijin") prehearing brief, p. 4; Respondent LG Energy Solution Ltd's. ("LGES") prehearing brief, pp. 9 to 10; Respondent Tesla's prehearing brief, p. 9, and Appendix I-B: Affidavit of Gaurav Chhabra; public hearing transcript, pp. 192 to 193 (Seals); and Respondent Kaijin's posthearing brief, p. 3.

for battery safety due to liability concerns,³⁸ as “...purchasers bear the safety, warranty, recall, and regulatory consequences of unqualified AAM...”³⁹

Customers require AAM to be of maximum particle size not exceeding 80 microns, contain not less than 90-percent carbon, and have an energy density exceeding 330 milliampere-hours (“mAh”). Customers also require AAM producers to undergo a multistage qualification process that requires them to build-up their production capabilities to provide successively larger batches that consistently meet technical, performance, and safety requirements.⁴⁰ Purchasers apply the same qualification requirements to all AAM producers worldwide.⁴¹ The entire qualification and start-up commissioning process requires multiple

³⁸ Respondent Panasonic’s postconference brief, pp. 10 to 11; Appendix A: Responses to Staff Questions, p. ix; Respondent Tesla’s postconference brief, pp. 15 to 16; conference transcript, pp. 125 to 126 (Kapur), 169, 181, and 225 to 226 (Weber), and 195 (Zhang); Respondent Contemporary Amperex Technology Co. Ltd’s. (“CATL”) prehearing brief, p. 9; Respondent Kaijin’s prehearing brief, pp. 4 to 5; Respondent LGES’s prehearing brief, pp. 9 to 10; Respondent Panasonic’s prehearing brief, pp. 3 and 5; Respondent Tesla’s prehearing brief, p. 9, and Appendix I-B: Affidavit of Gaurav Chhabra; public hearing transcript, pp. 176 (Hy), 179 (Qian), 186 to 187 (Byles), and 192 (Seals); Respondent Panasonic’s posthearing brief, p. 4; and Respondent Tesla’s posthearing brief, pp. 6 to 7.

More specifically, free-floating metallic particles released from AAM can puncture the thin separator thereby creating a short to the electrical connection between the electrodes. The heat generated from such a rapid electrical discharge can send the battery cell into thermal runaway and even ignition, which can spread to the entire battery module or pack. Conference transcript, pp. 225 to 227 (Weber); Respondent CATL’s prehearing brief, p. 10; Respondent LGES’s prehearing brief, p. 10; Respondent Panasonic’s prehearing brief, p. 5; Respondent Tesla’s prehearing brief, pp. 13 and 14, and Appendix 1-C: Affidavit of Dr. Sunny Hy; and public hearing transcript, p. 179 (Qian).

³⁹ Respondent LGES’s prehearing brief, p. 9.

⁴⁰ Respondent Panasonic’s postconference brief, Appendix A: Responses to Staff Questions, p. ii; Respondent Tesla’s postconference brief, p. 13; and Exhibit 3: Affidavit of Dr. Rochelle Weber, Manager, Cell Design, Tesla Inc., January 13, 2025; and conference transcript, pp. 142 (Zhang), 146 to 147 (Swamynathan), and 152 to 153 and 165 to 167 (Weber); Respondent CATL’s prehearing brief, p. 9; Respondent Kaijin’s prehearing brief, p. 4; Respondent LGES’s prehearing brief, pp. 9 and 10; Respondent Panasonic’s prehearing brief, pp. 3 and 5; Respondent Tesla’s prehearing brief, pp. 7, 13, and 14; and public hearing transcript, pp. 176 and 252 (Hy), 179 (Qian), 191 to 193 (Seals), and 254 (Byles).

⁴¹ Respondent Panasonic’s postconference brief, pp. 2 and 11; Appendix A: Responses to Staff Questions, pp. i to ii; Respondent Tesla’s, postconference brief, p. 11; and Exhibit 3: Affidavit of Dr. Rochelle Weber, Manager, Cell Design, Tesla Inc., January 13, 2025; conference transcript, pp. 170 (Zhang) and 169 to 170 and 182 (Weber); public hearing transcript, pp. 176 (Hy), 178 (Qian), 184 and 187 (Byles), and 193 (Seals); and Respondent Panasonic’s posthearing brief, p. 4.

years,⁴² depending upon the AAM supplier's existing producer's facilities and expertise,⁴³ continued progress, and avoiding setbacks in building-up their production capabilities.⁴⁴ Although purchasers collaborate with AAM producers through the qualification process,⁴⁵ purchasers contend that product qualification cannot be expedited; no "shortcutting" is allowed as fulfilling each stage must be accomplished before advancing to the next.⁴⁶

AAM is specifically formulated for the lithium-ion batteries that commonly power not only electric vehicles ("EVs") but also various consumer, commercial, industrial, and military electronic products; and energy storage systems ("ESS").⁴⁷ Conversely, AAM is considered overly processed and too costly⁴⁸ for industrial applications, such as furnace electrodes, refractories, friction materials, foundry molds, lubricants, etc. Likewise, other types of graphite for non-battery applications ("non-battery graphite") are not considered suitable as AAM. Energy density is not a performance requirement for graphite in non-battery applications but rather, the electrical and thermal conductivity, thermal expansion, flexure strength, chemical reactivity, lubricity, and carbon content as required by the specific end-use application.⁴⁹ Moreover, AAM typically has smaller, more uniform particle sizes, lower porosity, higher

⁴² Respondent Tesla's postconference brief, p. 12, and Exhibit 3: Affidavit of Dr. Rochelle Weber, Manager, Cell Design, Tesla Inc., January 13, 2025; Respondent Panasonic's postconference brief, App. A: Responses to Staff Questions, pp. i and ix; and Exhibit 9: Benchmark Report Except Regarding Qualification; Respondent Kaijin's posthearing brief, p. 3; Respondent LGES's posthearing brief, pp. 7 to 8; and Respondent Panasonic's posthearing brief, p. 4.

⁴³ Respondent Tesla's postconference brief, p. 12; and Exhibit 3: Affidavit of Dr. Rochelle Weber, Manager, Cell Design, Tesla Inc., January 13, 2025.

⁴⁴ Respondent Panasonic's postconference brief, Appendix A: Responses to Staff Questions, p. viii; and conference transcript, pp. 152 to 153 (Weber).

⁴⁵ Petitioner's postconference brief, p. 9; Respondent Panasonic's postconference brief, p. 3; Respondent Tesla's postconference brief, pp. 2, 11, and 13 to 14; and Exhibit 3: Affidavit of Dr. Rochelle Weber, Manager, Cell Design, Tesla Inc., January 13, 2025; conference transcript, pp. 58 (Hira) and 198 to 199 (Zhang); Respondent Kaijin's prehearing brief, pp. 9 to 11; public hearing transcript, pp. 173 (Swamynathan) and 195 (Seals); Respondent LGES's posthearing brief, pp. 8 to 9; Respondent Kaijin's posthearing brief, p. 7; Respondent Panasonic's posthearing brief, pp. 2 to 3; and Respondent Tesla's posthearing brief, pp. 5 to 7.

⁴⁶ Petitioner's postconference brief, p. 9; Respondent Panasonic's postconference brief, p. 2; Appendix A: Responses to Staff Questions, p. i; Respondent Tesla's postconference brief, p. 12; conference transcript, pp. 132 (Taylor), 139 to 140 (Zhang), and 168 (Reisken); Respondent CATL's prehearing brief, p. 9; Respondent Kaijin's prehearing brief, pp. 4 to 5; public hearing transcript, pp. 173 (Swamynathan), 187 (Byles), 252 (Hy), and 254 (Seals); and Respondent Kaijin's posthearing brief, p. 2.

⁴⁷ Petition, p. 4; and conference transcript, pp. 91 and 134 (Kapur),

⁴⁸ Conference transcript, pp. 133 to 134 (Kapur).

⁴⁹ Conference transcript, pp. 20 (Taylor) and 81 (Kapur); and Petitioner, "Witness Testimony and Presentation Materials of American Active Anode Material Producers," January 7, 2025; and Anovion, "Introduction to the AAM Process," January 8, 2025, p. 8.

density, and a more orderly crystalline structure. Due to its more diverse end-use applications, non-battery graphite is available with varied particle sizes and shapes, higher porosity, and a wider range of densities depending on end-use applications. “Loose AAM” (otherwise, not further mixed or processed) is typically distributed directly by producers to the battery manufacturers. AAM also can enter the U.S. market as the “contained graphite” within imported mixtures with silicon based active materials, anode slurries, or battery subassemblies (electrodes), although reported volumes of such entries are limited. AAM for batteries is sold via long-term off-take agreements negotiated by producers and customers with volume commitments contingent upon qualification.⁵⁰ Conversely, non-battery graphite is usually sold via short-term, non-binding contracts.⁵¹

Manufacturing processes

AAM can be produced from either naturally occurring (mined) graphite or from synthetically produced (manufactured) graphite but each raw material requires different manufacturing processes (figure 1.3). Natural graphite is extracted from naturally occurring flake-graphite deposits; concentrated by crushing, milling, and flotation; and treated with strong reagents to remove impurities.⁵² To produce synthetic graphite, high purity calcined (roasted) petroleum coke or coal tar pitch is recovered, purified, and baked at 3,000 degrees or more Celsius in an Acheson electric furnace to form needle coke which is subsequently crystallized into graphite.⁵³

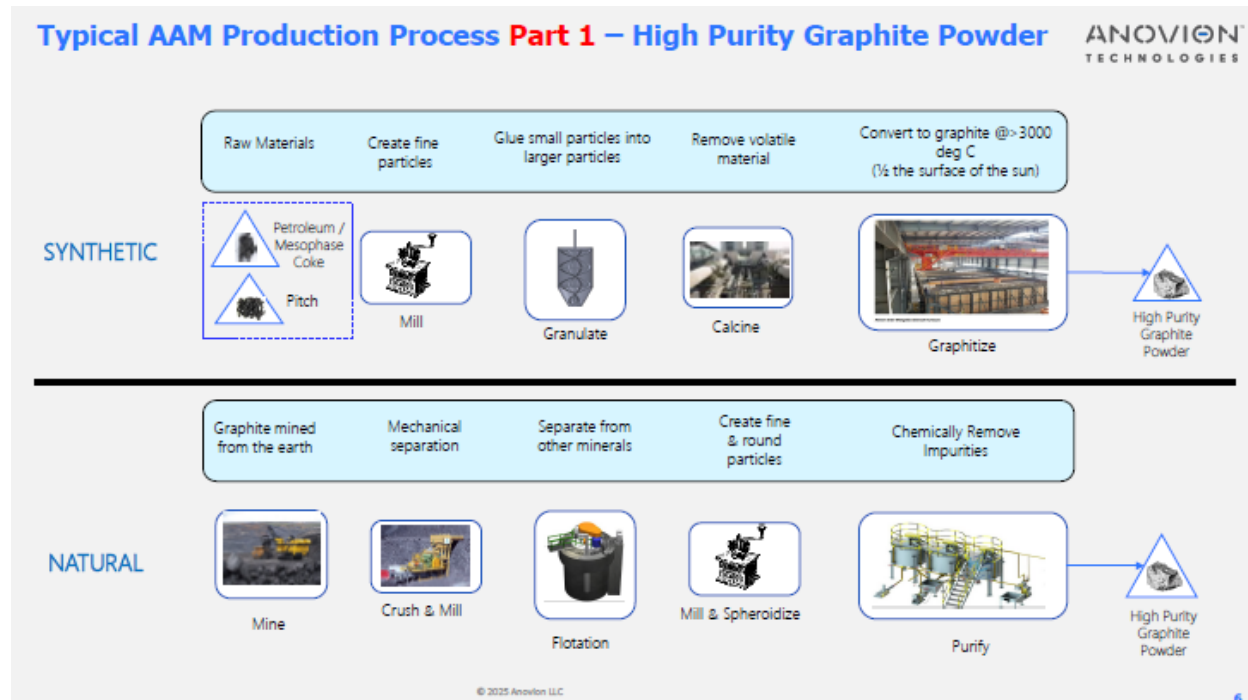
⁵⁰ Conference transcript, pp. 223 (Swamynathan) and 224 to 225 (Zhang).

⁵¹ Petition, p. 9.

⁵² Conference transcript, pp. 17 (Taylor), 94 to 95 and 110 (Hira), and 140 to 141 (Zhang).

⁵³ Conference transcript, pp. 17 and 93 (Taylor) and 140 to 141 (Zhang).

Figure 1.3 AAM: Differences between the production process for synthetic and natural graphite to produce high purity graphite



Source: Petitioner, “Witness Testimony and Presentation Materials of American Active Anode Material Producers,” January 7, 2025; Anovion, “Introduction to the AAM Process,” January 8, 2025, p. 6.

The resulting high purity graphite lumps from either source are reduced in size with industrial crushers (figure 1.4). The crushed graphite is subsequently homogenized by milling and sieving to achieve the desired particle size distribution (homogeneity).⁵⁴ Both natural graphite and synthetic graphite can undergo “spheroidization” that rounds, polishes, and reduces the size of the individual graphite particles to increase both their packing density and reactive surface area of the loose AAM.⁵⁵ The graphite particles are then coated with coal tar pitch and carbonized (baked) in an industrial furnace to enhance their density and purity by driving-off volatile organic compounds and forming an amorphous carbon surface layer.⁵⁶

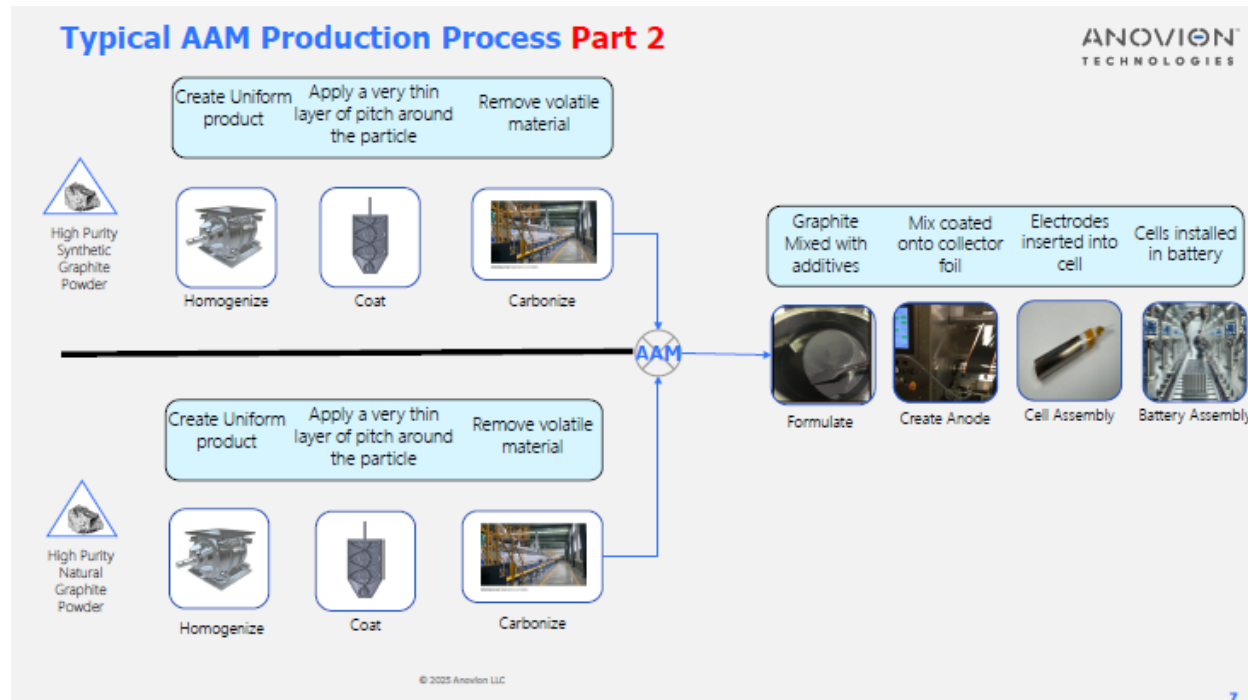
⁵⁴ Petition, p. 5.

⁵⁵ Conference transcript, pp. 95 (Hira) and 105 (Hira and Taylor).

⁵⁶ According to an industry witness for Respondent Tesla, coated AAM produces superior results over uncoated AAM in terms of efficiency. Conference transcript, p. 152 (Weber).

Petitioner’s industry witnesses claim that their firms produce coated AAM and U.S. producers’ U.S. shipments, of both coated and uncoated, were entirely loose AAM. Petition, p. 5; conference transcript, pp. 18 to 19 (Taylor), 104 (Taylor), and 104 to 105 (Hira and Kapur); and table 3.11.

Figure 1.4 AAM: Further processing of high purity graphite to form AAM for assembly of anodes for lithium-ion cells and batteries



Source: Petitioner, “Witness Testimony and Presentation Materials of American Active Anode Material Producers,” January 7, 2025; Anovion, “Introduction to the AAM Process,” January 8, 2025, p. 7.

The finished loose AAM undergoes a quality inspection to evaluate its physical properties, electrical conductivity, and electrochemical performance to ensure compliance with specifications. Producers also assess the material for any defects or deviations that could impede its performance.⁵⁷

To form an anode, loose AAM, often combined with silicon as an additive, is mixed with conductive carbon and a binder for either wet slurry coating or dry-press adhesion onto a copper sheet. In the wet process, the AAM mixture includes solvents to produce a slurry which is coated onto the copper sheet.⁵⁸ Respondent Tesla’s dry process avoids the need for solvents by passing the AAM mixture on the copper sheet between a series of rollers that compress and smooth the anode to ensure both proper adhesion and uniform thickness.⁵⁹

According to the Petitioner’s industry witnesses, Epsilon purchases needle coke whereas Anovion purchases calcined petroleum coke from local suppliers for further processing in their respective facilities.⁶⁰ Syrah imports natural-graphite concentrate from its Balama Graphite

⁵⁷ Petition, p. 5.

⁵⁸ Conference transcript, pp. 140 to 141 (Zhang).

⁵⁹ Conference transcript, p. 151 (Weber).

⁶⁰ Conference transcript, pp. 83 and 111 (Kapur and Taylor).

Operations mine in Mozambique for its U.S. processing facility.⁶¹ The Petitioner’s industry witnesses testified that their firms rely on the same established production process for AAM as the subject Chinese producers,⁶² including with some minor improvements.⁶³

Domestic like product issues

In its preliminary determinations, the Commission defined a single like product consisting of AAM, coextensive with Commerce’s scope.⁶⁴ The petitioner contends that there is a single domestic like product coextensive with the scope of these investigations, which no longer includes AAM incorporated into lithium-ion battery products (such as cells, modules, and packs), electric vehicles, hybrid vehicles, cell phones, or battery energy storage systems.⁶⁵ Respondent Stanley Black and Decker contends that lithium-ion batteries should not be included in the domestic like party definition given that AAM incorporated into lithium-ion battery products is no longer within the scope of these investigations.⁶⁶ Respondents Contemporary Amperex Technology Co., Ltd. (“CATL”), Huzhou Kaijin New Energy Technology Corp., Ltd. (“Kaijin”), LG Energy Solution, Ltd. (“LGES”), Panasonic, and Tesla did not comment on the domestic like product definition in their prehearing or posthearing briefs.

⁶¹ Conference transcript, p. 84 (Hira).

⁶² Respondent Tesla’s postconference brief, Appendix A: Answers to Questions from Staff Conference, pp. 2 to 3; and conference transcript, pp. 56 to 58 and 109 to 110 (Kapur); 109 (Taylor); and 22, 58, and 110 (Hira).

⁶³ Conference transcript, p. 110 (Hira).

⁶⁴ Active Anode Material from China (Preliminary), USITC Publication 5585, February 2025, p. 13.

⁶⁵ Petitioner’s prehearing brief, pp. 3 to 12.

⁶⁶ Respondent Stanley Black and Decker’s posthearing brief, pp. 1 to 3.

Part 2: Conditions of competition in the U.S. market

U.S. market characteristics

AAM can be produced from naturally sourced or synthetically produced graphite and is the primary component in the anode of lithium-ion batteries that are used to power electric vehicles (“EVs”), energy storage systems, consumer electronics, medical equipment, and other applications. AAM is typically distributed directly from the AAM producer to battery producers.¹ To date, two domestic producers reported commercial production of AAM in the United States: Anovion in 2021 and Syrah in 2024. All other U.S. production has been for testing purposes.²

As discussed in Parts 3 and 4, all U.S. production and the large majority of in-scope U.S. imports from China and nonsubject sources are loose AAM.³ Five firms reported importing loose AAM, one imported AAM embedded in subassemblies; and one firm reported importing loose AAM, AAM embedded in subassemblies, and battery products. When asked about competition, the majority of importer/purchasers reported that loose AAM only sometimes or never competes with embedded AAM produced in the United States, China, or nonsubject countries.

One of four responding U.S. producers and five of eight importer/purchasers indicated that the market was subject to distinctive conditions of competition. Specifically, U.S. producer *** reported Chinese producers’ market dominance in the AAM market gives them power to dictate the level of market supply and the price. Importer/purchaser *** reported that the domestic industry is not mature enough to meet required specifications, be cost effective, and produce AAM at scale. Importer/purchaser *** reported that the geopolitical relationship between the United States and China has created special market conditions with the Inflation Reduction Act (“IRA”), Section 301 tariffs, and IEEPA tariffs which has encouraged it to diversify its supply chains.

Apparent U.S. consumption increased annually from 2022 to 2024, most noticeably from 2023 to 2024, and was higher in interim 2025 than in interim 2024.

¹ Petition, p. 9.

² Conference transcript, p. 23 (Hira) and p. 77 (Taylor); Anovion Technologies, <https://www.anoviontech.com/about-anovion-technologies>.

³ As presented in Part 4, only a small fraction of in-scope imports consist of anode grade graphite as part of a compound, or as a component of an anode slurry, or in a subassembly of a battery such as an electrode.

Importer/purchasers

The Commission received 8 usable questionnaire responses from firms that had imported or purchased in-scope AAM since January 2022.⁴ Seven are battery manufacturers. One firm (***) reported that it imports on behalf of *** which in turn supplies it with batteries.

Impact of Section 301 tariffs

U.S. producers and importer/purchasers were asked to report the impact of Section 301 tariffs on overall demand, supply, prices, or raw material costs (table 2.1). All responding U.S. producers reported that Section 301 tariffs had no impact on the U.S. market for AAM. The majority of importer/purchasers reported that Section 301 tariffs impacted the U.S. market for AAM. Importer/purchasers *** reported that Section 301 tariffs increased the price of Chinese material by 25 percent, but Chinese producers are still more competitive than North American suppliers. Importer/purchaser *** reported that Section 301 tariffs were 75 to 80 percent of the unit price.

Table 2.1 AAM: Count of firms' responses regarding the impact of the Section 301 tariffs on Chinese origin product

Count in number of firms reporting

| Firm type | Yes | No | Don't know |
|--------------------------|-----|----|------------|
| U.S. producers | 0 | 5 | 0 |
| Importers and purchasers | 7 | 1 | 1 |

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

Impact of U.S. Inflation Reduction Act (“IRA”)

U.S. producers and importer/purchasers were asked to report the impact of the IRA on overall demand, supply, prices, or cost (table 2.2). All responding U.S. producers and the majority of importer/purchasers reported that the IRA had an impact on the U.S. market for

⁴ The following firms provided importer/purchaser questionnaire responses: importers General Motors, LG Energy Solutions Michigan, SK Battery America, Telsa, AESC, XALT Energy, Ford Motor Company, and purchaser ***. All eight reported importing or purchasing the subject merchandise, while only two reported purchasing the domestic AAM for trial or testing purposes. Overall, six importer/purchasers indicated they had marketing/pricing knowledge of domestic product, eight of Chinese AAM, and eight of AAM from nonsubject countries. Firms listed Canada, France, Indonesia, Japan, Norway, Poland, and South Korea as nonsubject countries of which they have marketing/pricing knowledge.

AAM. U.S producers and importer/purchasers reported that the IRA provided encouragement for investing in and developing domestic AAM production. U.S. producer *** reported that the IRA restricted the usage of graphite from Foreign Entities of Concern ("FEOC") (i.e., encouraging supply from outside China or suppliers not controlled by the Chinese Government or affiliated stakeholders) in EVs in order to qualify for the 30D tax credit. U.S. producer *** reported that the IRA impacted customer demand for EVs. Importer/purchaser *** reported that the IRA created incentives for EVs and energy storage which in turn increased demand for AAM. Importer/purchasers reported that the IRA created a strong incentive to source graphite from outside of China and created incentives for U.S. manufacturing.

Table 2.2 AAM: Count of firms’ responses regarding the impact of the IRA on the U.S. market

Count in number of firms reporting

| Firm type | Yes | No | Don't know |
|--------------------------|-----|----|------------|
| U.S. producers | 5 | 0 | 0 |
| Importers and purchasers | 6 | 1 | 1 |

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

Channels of distribution

U.S. producers and importers sold to automotive end users and battery manufacturers, as shown in table 2.3. U.S. producers sold *** to battery manufacturers after U.S. producer *** in 2023. Importer/purchasers of AAM from China shifted their channels of distribution over the period so that automotive end users grew to become the majority of their sales by 2023. This shift occurred through a combination of decreased sales to battery manufacturers and increased sales to automotive end users. The largest shift was driven by importer/purchaser *** increasing shipments of AAM from China by more than *** percent from 2023 to 2024.

Table 2.3 AAM: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent; interim is January through June

| Source | Channel | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|---------------|--------------|------|------|------|--------------|--------------|
| United States | Distributors | *** | *** | *** | *** | *** |
| United States | Automotive | *** | *** | *** | *** | *** |
| United States | Battery | *** | *** | *** | *** | *** |
| United States | Other | *** | *** | *** | *** | *** |
| China | Distributors | *** | *** | *** | *** | *** |
| China | Automotive | *** | *** | *** | *** | *** |
| China | Battery | *** | *** | *** | *** | *** |
| China | Other | *** | *** | *** | *** | *** |
| Nonsubject | Distributors | *** | *** | *** | *** | *** |
| Nonsubject | Automotive | *** | *** | *** | *** | *** |
| Nonsubject | Battery | *** | *** | *** | *** | *** |
| Nonsubject | Other | *** | *** | *** | *** | *** |
| All imports | Distributors | *** | *** | *** | *** | *** |
| All imports | Automotive | *** | *** | *** | *** | *** |
| All imports | Battery | *** | *** | *** | *** | *** |
| All imports | Other | *** | *** | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Geographic distribution

U.S. producers reported selling AAM to all regions in the contiguous United States except the *** region (table 2.4). Importers reported selling to all regions of the contiguous United States. For U.S. producers, *** percent of arms-length U.S. shipments of in-scope AAM to unrelated purchasers were between 101 and 1,000 miles and *** percent were over 1,000 miles.⁵

⁵ Importer/purchasers did not provide data on geographic distribution because imports were internally consumed and not arms-length U.S. shipments to unrelated purchasers.

Table 2.4 AAM: Count of U.S. producers' and U.S. importer/purchasers' geographic markets

Count in number of firms reporting

| Region | U.S. producers | China |
|----------------------------|----------------|-------|
| Northeast | *** | 1 |
| Midwest | *** | 2 |
| Southeast | *** | 2 |
| Central Southwest | *** | 1 |
| Mountain | *** | 1 |
| Pacific Coast | *** | 1 |
| Other | *** | 0 |
| All regions (except Other) | *** | 1 |
| Reporting firms | 2 | 2 |

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

Note: Other U.S. markets include AK, HI, PR, and VI.

Supply and demand considerations

U.S. supply

Table 2.5 provides a summary of the supply factors regarding AAM from U.S. producers and from China.

Table 2.5 AAM: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in 1,000 pounds; ratio and share in percent

| Factor | Measure | United States | China |
|---|----------|---------------|-----------|
| Capacity 2022 | Quantity | *** | 1,696,084 |
| Capacity 2024 | Quantity | *** | 2,454,309 |
| Capacity utilization 2022 | Ratio | *** | 85.9 |
| Capacity utilization 2024 | Ratio | *** | 82.1 |
| Inventories to total shipments 2022 | Ratio | *** | 8.7 |
| Inventories to total shipments 2024 | Ratio | *** | 13.5 |
| Home market shipments 2024 | Share | *** | *** |
| Non-US export market shipments 2024 | Share | *** | *** |
| Ability to shift production (firms reporting "yes") | Count | *** | *** |

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

Note: Responding U.S. producers accounted for nearly all known of U.S. production of AAM in 2024. Responding foreign producer/exporter firms accounted for the majority of U.S. imports of AAM from China during 2024. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Parts 3 and 7.

Domestic production

Based on available information, U.S. producers of AAM have the ability to respond to changes in demand with small-to-moderate changes in the quantity of shipments of U.S.-produced AAM to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and the availability of inventories. Factors mitigating the responsiveness of supply include small levels of production capacity, the inability to shift products from alternate markets, and a limited ability to shift production to or from alternate products. Additionally, responsiveness is mitigated by the concentration of current commercial production to two firms.⁶

U.S. producers reported increased production capacity and production from 2022 to 2024. Production capacity increased at a greater rate than production, leading to a decrease in capacity utilization over the same period. However, production capacity remained low throughout the period for which data were collected, limiting U.S. producers' ability to respond to changes in demand in the U.S. market. U.S. producers reported that inventories increased from 2022 to 2024 and are large relative to arms-length U.S. shipments to unrelated purchasers in 2024. U.S. producers reported selling *** their arms-length U.S. shipments to unrelated purchasers of AAM in the U.S. market in 2024 and only one U.S. producer reported ***. U.S. producer *** reported being able to produce AAM in furnaces installed for EAF electrode production.

Subject imports from China

Based on available information, producers of AAM from China have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of AAM to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of some unused capacity, the availability of inventories, and the ability to shift shipments from alternate markets. Factors mitigating responsiveness of supply include limited ability to shift production to or from alternate products.

Chinese producers reported increased production capacity and production from 2022 to 2024. Production capacity increased at a greater rate than production, leading to a slight decrease in capacity utilization over the same period. Chinese producers reported that their inventories increased relative to their arms-length U.S. shipments to unrelated purchasers over

⁶ Conference transcript, p. 23 (Hira) and p. 77 (Taylor); Anovion Technologies, <https://www.anoviontech.com/about-anovion-technologies>.

the period. Chinese producers reported selling the great majority of their arms-length U.S. shipments to unrelated purchasers in their home market or markets other than the United States. No responding Chinese producer reported being able to produce other products on the same equipment used to produce AAM.

Imports from nonsubject sources

Imports from nonsubject sources accounted for *** percent of total U.S. imports in 2024. South Korea and Indonesia were the largest sources of nonsubject imports in 2024.

Supply constraints

The majority of U.S. producers reported constraints in supplying the market each year from 2022 to 2025 (table 2.6). U.S. producers *** reported that they had not begun commercial production of AAM or were not fully established in the U.S. market. U.S. producer *** reported that it experienced constraints in supplying the market because firms are hesitant to enter into a new supplier agreement with non-Chinese firms due to low Chinese prices. All four responding U.S. producers reported continuing to experience constraints supplying the market with AAM since the filing of the petitions. U.S. producers *** reported that they had experienced constraints supplying the market with AAM since the filing of the petitions due to the pricing of AAM.

None of the responding importer/purchasers reported constraints in supplying the market which occurred from 2022 to 2025.

Table 2.6 AAM: Count of firms’ responses regarding timing of constraints in supplying the market, by firm type and source

Count in number of firms reporting

| Period of constraint | U.S. producers | Importer/ purchasers |
|----------------------|----------------|----------------------|
| 2022 | 4 | 0 |
| 2023 | 4 | 0 |
| 2024 | 4 | 0 |
| 2025 | 4 | 0 |

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

Several firms reported experiencing constraints in being supplied by domestic producers and foreign producers/importers in each year between 2022 and 2025 (table 2.7). Importer/purchaser *** reported that U.S. producers were not able to mass produce quality AAM. Importer/purchaser *** reported that domestic producers have not

yet qualified to supply AAM but that it is working to develop sources through a system of checks and feedback. It reported that *** samples had high magnetic impurities and did not meet surface area requirements but planned to secure it as a domestic supplier by blending its product with already qualified material. It further reported that *** samples relied on a niche precursor source and that *** would not be able to produce the required volumes. It also reported that *** samples failed to meet processability requirements.

One importer/purchaser (***) specifically reported that it had experienced supply constraints since the filing of the petitions.

Table 2.7 AAM: Count of firms’ responses regarding timing of constraints being supplied, by firm type and source

Count in number of firms reporting

| Period of constraint | Domestic suppliers | Foreign producers/ importers |
|----------------------|--------------------|------------------------------|
| 2022 | 3 | 1 |
| 2023 | 2 | 1 |
| 2024 | 2 | 1 |
| 2025 | 2 | 1 |

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

New suppliers

Five importer/purchasers indicated that new suppliers have entered the U.S. market since January 1, 2022. Importer/purchaser *** reported that Vianode, Exxon Mobil, Epsilon Advanced Materials, Novonix, Entegris, Anovion, Graphite One, TACC-HEG LTD, Tokai Cobex, Resonac, POSCO, Nouveau Monde Graphite, Syrah, West Water Resources, Urbix, Cabot Industries, and Talga Group Mitsubishi Chemical have entered the market. Importer/purchaser *** reported that BRT Indonesia entered the market. Importer/purchaser *** reported that Vianode had entered the market by submitting samples for evaluation.⁷

U.S. demand

Based on available information, the overall demand for AAM is likely to experience small changes in response to changes in price. The main contributing factors are the lack of substitute

⁷ Vianode is a Norwegian producer of AAM located in Kristiansand, Norway that began constructing a second synthetic-graphite facility in St. Thomas, ON, Canada; in 2026. Vianode also has a North American Sales Office located in Birmingham, MI and has had a supply agreement with GM since 2025.

products, the small cost share of AAM in reported end-use products, and the critical need for AAM in lithium-ion battery production.

End uses and cost share

U.S. demand for AAM depends on the demand for U.S.-produced downstream products. Reported end uses were lithium-ion batteries used for vehicles and energy storage systems, which include battery cells, packs, arrays, and modules.

AAM accounts for a small share of the cost of end-use products. The reported shares of the total costs accounted for by AAM for electric vehicle batteries ranged from 1.7 to 11.4 percent. The reported shares of the total costs accounted for by AAM in energy storage system batteries ranged from 4.0 to 10.0 percent. The reported shares of the total cost accounted for by AAM for other batteries ranged from 5.0 to 10.0 percent.

Business cycles

All responding U.S. producers reported that the market was not subject to business cycles while half of importer/purchasers indicated that the market was subject to business cycles. Specifically, a number of importer/purchasers reported that demand for AAM is closely tied to automotive production and the macro-economic trends that impact it. Importer/purchaser *** reported that the AAM market is closely related to global EV adoption. Importer/purchaser *** reported that demand is cyclical and driven by various markets including EVs and drones. Importer/purchaser *** reported that demand for AAM is tied to automotive demand and demand for EVs has been particularly volatile since January 1, 2022, as companies race to electrify.

Demand trends

All responding U.S. producers reported that domestic and foreign demand fluctuated upward since January 1, 2022 (table 2.8). U.S. producer *** reported demand for both EV and electric storage system applications has grown within the United States since 2022. U.S. producer *** reported domestic demand for AAM is correlated to demand and production growth of EVs and lithium-ion batteries in North America.

Table 2.8 AAM: Count of firms' responses regarding overall domestic and foreign demand, by firm type

Count in number of firms reporting

| Market | Firm type | Steadily Increase | Fluctuate upward | No change | Fluctuate downward | Steadily decrease |
|-----------------------------|---------------------|-------------------|------------------|-----------|--------------------|-------------------|
| Domestic demand | U.S. producers | 0 | 4 | 0 | 0 | 0 |
| Domestic demand | Importer/purchasers | 3 | 4 | 0 | 1 | 0 |
| Foreign demand | U.S. producers | 0 | 4 | 0 | 0 | 0 |
| Foreign demand | Importer/purchasers | 2 | 5 | 0 | 1 | 0 |
| Demand for end use products | Importer/purchasers | 1 | 6 | 0 | 1 | 0 |

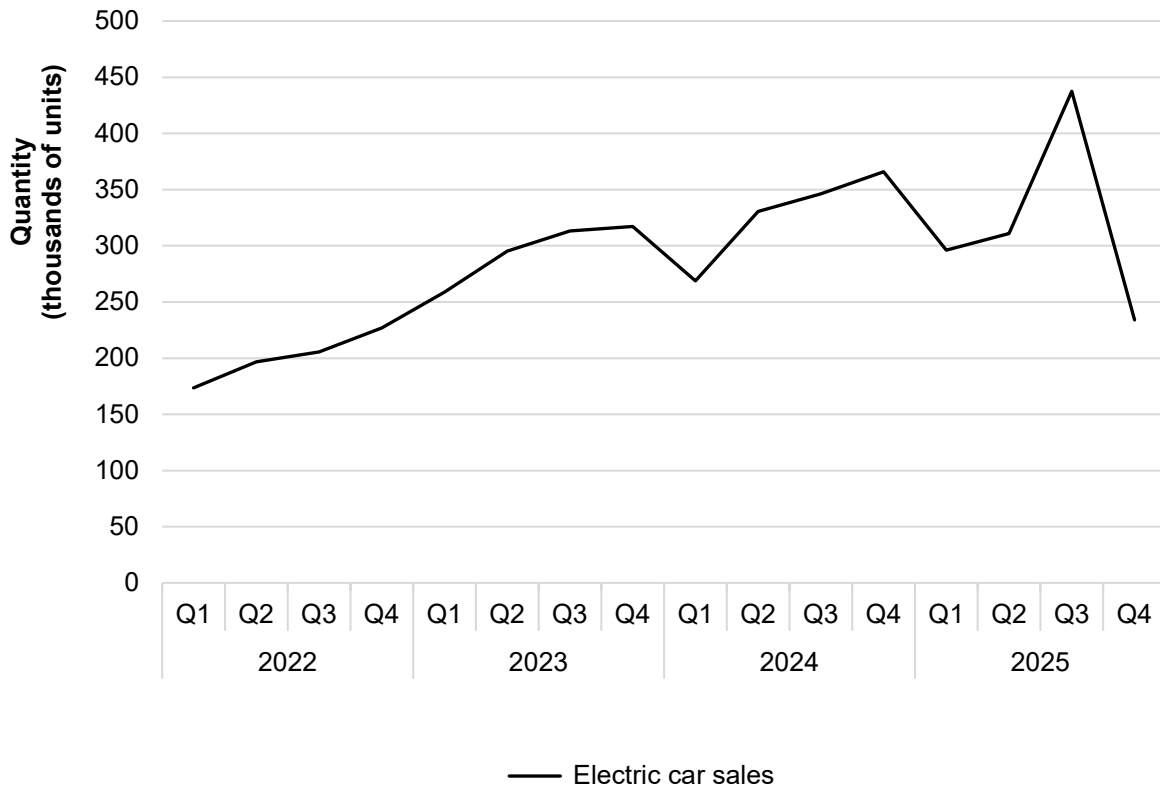
Source: Compiled from data submitted in response to Commission questionnaires.

The majority of importer/purchasers reported that domestic demand, foreign demand, and demand for end-use products steadily increased or fluctuated upward since January 1, 2022. Several importer/purchasers reported domestic demand has been driven by EV adoption and lithium-ion applications. Importer/purchaser *** reported that domestic demand fluctuated upward as increased domestic manufacturing of end use products required additional imports of AAM since 2022. It further reported that foreign demand fluctuated upward with the growth of EV adoption across the world, but especially in China.

Importer/purchaser *** reported that domestic demand steadily increased as electric vehicle sales increased. Importer/purchaser *** reported that domestic demand had increased from 2021 to 2023 and was steady in 2024. It also reported that domestic demand in 2025 should be similar to domestic demand in 2024. The firm also reported that the Chinese market has steadily increased and absorbed declines in other markets such as the European Union.

Electric car sales in the United States generally trended upward from January 2022 to September 2025 (figure 2.1 and table 2.9). Domestic sales of electric vehicles in the third quarter of 2025 were more than double the sales of electric vehicles in the first quarter of 2022. However, the sales in the fourth quarter of 2025 declined sharply from the peak of the third quarter of 2025.

Figure 2.1 AAM: Vehicle sales: Electric car sales in the United States, by quarter



Source: Kelley Blue Book quarterly electric vehicle reports, various issues.

Table 2.9 AAM: Vehicle sales: Electric car sales in the United States, by quarter

Quantity in number units

| Period | Quantity |
|---------|----------|
| 2022 Q1 | 173,561 |
| 2022 Q2 | 196,788 |
| 2022 Q3 | 205,682 |
| 2022 Q4 | 226,789 |
| 2023 Q1 | 258,885 |
| 2023 Q2 | 295,355 |
| 2023 Q3 | 313,086 |
| 2023 Q4 | 317,168 |
| 2024 Q1 | 268,909 |
| 2024 Q2 | 330,463 |
| 2024 Q3 | 346,309 |
| 2024 Q4 | 365,824 |
| 2025 Q1 | 296,227 |
| 2025 Q2 | 310,839 |
| 2025 Q3 | 437,487 |
| 2025 Q4 | 234,171 |

Source: Kelley Blue Book quarterly electric vehicle reports, various issues.

Global sales of all types of electric vehicles (including those with two and three wheels) increased from 2023 to 2025 (table 2.10). Global demand for electric vehicles increased by approximately 4 million vehicles per year in both 2023 and 2024.

Table 2.10 AAM: Global sales of electric vehicles (all types)

Quantity in number units

| Year | Total vehicles sold |
|------|---------------------|
| 2022 | 20,429,803 |
| 2023 | 24,279,760 |
| 2024 | 28,329,902 |

Source: International Energy Agency, retrieved January 7, 2026.

Substitute products

All responding U.S. producers and importer/purchasers reported that there are no substitutes for AAM.

Substitutability issues

This section assesses the degree to which U.S.-produced AAM and imports of AAM from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of AAM from domestic and imported sources based on those factors. Based on available data, staff believes that there is currently a low degree of substitutability between domestically produced AAM and AAM imported from China.⁸ Factors reducing substitutability include the current lack of qualified U.S. production, coupled with the typically time-intensive qualification processes that U.S. producers need to pass in order to sell their product, and that only two U.S. producers reported commercial production of AAM.⁹ Although AAM has certain standard characteristics, qualifications that are required may take at

⁸ The degree of substitution between domestic and imported AAM depends upon the extent of product differentiation between the domestic and imported products and reflects how easily importer/purchasers can switch from domestically produced AAM to the AAM imported from subject countries (or vice versa) when prices change. The degree of substitution may include such factors as quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

⁹ Conference transcript, p. 23 (Hira) and p. 77 (Taylor); Anovion Technologies, <https://www.anoviontech.com/about-anovion-technologies>.

least two to three years to obtain.¹⁰ Some U.S. producers are currently undergoing qualification with certain purchasers.^{11 12}

Factors affecting purchasing decisions

Importer/purchaser decisions based on source

As shown in table 2.11, the majority of importer/purchasers always or usually make decisions based on the producer or country or origin. However, the sole responding importer/purchaser (***) reported that its customers sometimes make decisions based on the producer or country of origin. Of the five importer/purchasers that reported that they always make decisions based on the manufacturer, two firms cited only purchasing AAM from a certified source or certified affiliate. Furthermore, importer/purchaser *** reported that each producer uses different technology, and it must select appropriate product for each vehicle platform. Importer/purchaser *** reported that full vetting is done to ensure that there are no ethical sourcing roadblocks.

Table 2.11 AAM: Count of Importer/purchasers’ responses regarding frequency of purchasing decisions based on producer and country of origin

Count in number of firms reporting

| Firm making decision | Decision based on | Always | Usually | Sometimes | Never |
|----------------------|-------------------|--------|---------|-----------|-------|
| Purchaser | Producer | 5 | 1 | 1 | 0 |
| Customer | Producer | 0 | 0 | 1 | 0 |
| Purchaser | Country | 3 | 2 | 2 | 1 |
| Customer | Country | 0 | 0 | 1 | 0 |

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

Importance of purchasing domestic product

Five importer/purchasers reported that their purchases did not require purchasing U.S.-produced product. One importer/purchaser, ***, reported other preferences for domestic product for *** percent of its purchases citing corporate strategic intent.

¹⁰ Panasonic indicates this length of time assumes no “glitches” in each step of the qualification process, and Tesla indicates the estimate is the fastest time possible if the supplier is hitting the requirements at each stage. Conference transcript, p. 167 (Mintzer) and p. 198 (Weber).

¹¹ Conference transcript, p. 12 (Nicely).

¹² Tesla reports having ***. Respondent Tesla’s postconference brief, Exhibit 2, p. 1.

Most important purchase factors

As presented in table 2.12, the most often cited leading factors that firms consider in their purchasing decisions for AAM were price/cost (6 firms), ability to meet specifications (5 firms), quality (4 firms), and availability/supply (3 firms). Ability to meet specifications was the most frequently cited first-most important factor (cited by 4 firms). Price/cost was the second-most and third-most frequently reported important factor (3 firms in each category).

Table 2.12 AAM: Count of ranking of factors used in purchasing decisions as reported by importer/purchasers, by factor

Count in number of firms reporting

| Factor | First | Second | Third | Total |
|--------------------------------|-------|--------|-------|-------|
| Price / Cost | 0 | 3 | 3 | 6 |
| Ability to meet specifications | 4 | 1 | 0 | 5 |
| Quality | 1 | 2 | 1 | 4 |
| Availability / Supply | 1 | 0 | 2 | 3 |
| All other factors | 1 | 1 | 1 | NA |

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

Note: Other factors include supplier competency, the ability to produce commercial quantities at scale, manufacturing locations, and delivery.

The majority of importer/purchasers reported that they only sometimes or never purchase the lowest-priced product.

Importance of specified purchase factors

Importer/purchasers were asked to rate the importance of 17 factors in their purchasing decisions (table 2.13). The factors rated as very important by more than half of responding importer/purchasers were availability, meets all product specifications, reliability of supply, product consistency, purity of active anode material, and quality meets industry standards (7 firms each); technical support/service and price (6 firms each); delivery time and discounts offered (4 firms each).

Table 2.13 AAM: Count of importer/purchasers' responses regarding importance of purchase factors, by factor

Count in number of firms reporting

| F,actor | Very important | Somewhat important | Not important |
|------------------------------------|-----------------------|---------------------------|----------------------|
| Availability | 7 | 0 | 0 |
| Meets all product specifications | 7 | 0 | 0 |
| Reliability of supply | 7 | 0 | 0 |
| Product consistency | 7 | 0 | 0 |
| Purity of active anode material | 7 | 0 | 0 |
| Quality meets industry standards | 7 | 0 | 0 |
| Technical support/service | 6 | 1 | 0 |
| Price | 6 | 1 | 0 |
| Delivery time | 4 | 3 | 0 |
| Discounts offered | 4 | 3 | 1 |
| U.S. transportation costs | 3 | 3 | 1 |
| Minimum quantity requirements | 2 | 3 | 2 |
| Packaging | 2 | 4 | 1 |
| Payment terms | 2 | 5 | 0 |
| Quality exceeds industry standards | 1 | 6 | 0 |
| Delivery terms | 1 | 6 | 0 |
| Product range | 1 | 6 | 0 |

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

Lead times

AAM is primarily produced-to-order. U.S. producers reported that *** percent of their arms-length U.S. shipments to unrelated purchasers were produced-to-order, with lead times averaging *** days. The remaining *** percent of their arms-length U.S. shipments to unrelated purchasers came from inventories, with lead times averaging *** days.

Supplier certification

Of the six importer/purchasers that reported they required suppliers to become certified or qualified to sell their firm AAM, five reported that they required their suppliers to become certified or qualified to sell their firm loose AAM and one required certification or qualification for loose AAM and AAM contained in batteries.

One importer/purchaser (***) reported that one U.S. supplier (***) is qualified to sell it loose AAM.¹³

Five importer/purchasers reported that they had certified or qualified a firm from China to supply loose AAM to their firm. Importer/purchasers typically reported they had certified or qualified between one and two Chinese suppliers of loose AAM. Two firms reported that their

¹³ U.S. producer *** sold its AAM production operations to other U.S. firms and no longer produces AAM.

most recently certified Chinese producers were SHSS and POSCO. Importer/purchasers typically reported that the time required to certify or qualify their last three suppliers from China ranged from one to two years.

Four importer/purchasers reported that they had certified or qualified a firm from a nonsubject market to supply loose AAM to their firm. Importer/purchasers typically reported that they had certified or qualified between one and two suppliers of loose AAM from nonsubject countries. Importer/purchasers reported that their three most recently certified firms from nonsubject countries include BTR from Indonesia, POSCO from South Korea. Importer/purchasers reported that it typically took 3 months to a year to certify a supplier of AAM from nonsubject countries.

Only one importer/purchaser (***) reported that a U.S.-producer of AAM products from its most recently certified suppliers failed to meet requirements and reported that it had only failed once. None of responding importer/purchasers reported that AAM products from China and nonsubject countries for their most recently certified suppliers failed meet requirements.

The majority of importer/purchasers reported that there were no differences in their qualification process for AAM or battery products imported from China and AAM or battery products produced in the United States. Importer/purchaser *** was the only importer/purchaser that reported a difference in the qualification process between AAM or battery products from different sources. It reported that it devised lower specifications for U.S. producer Syrah in an attempt to qualify a domestic supplier.

Half of importer/purchasers reported that since January 1, 2022, domestic or foreign producers failed to certify or qualify their AAM or lost their certified status. Importer/purchaser *** reported that U.S. producer Syrah did not meet specification and that Magnis failed to qualify because it was not able to develop a mass production facility.

Minimum quality specifications

As can be seen from table 2.14, the majority of responding importer/purchasers reported that domestically produced product rarely or never met minimum quality specifications. The majority of importer/purchasers reported that the AAM imported from China and nonsubject countries always or usually met minimum quality specifications.

Table 2.14 AAM: Count of importer/purchasers' responses regarding suppliers' ability to meet minimum quality specifications, by source

Count in number of firms reporting

| Source of purchases | Always | Usually | Sometimes | Rarely or never | Don't Know |
|---------------------|--------|---------|-----------|-----------------|------------|
| United States | 0 | 1 | 2 | 4 | 0 |
| China | 3 | 2 | 1 | 0 | 0 |
| Nonsubject sources | 0 | 4 | 1 | 1 | 0 |

Source: Compiled from data in response to Commission questionnaires.

Note: Importer/purchasers were asked how often domestically produced or imported AAM meets minimum quality specifications for their own or their customers' uses.

All responding importer/purchasers reported factors that determined quality of AAM and AAM products. A number of firms reported that the physical and chemical characteristics of AAM determine quality. Importer/purchasers generally reported that these characteristics include particle size, density, surface area, tap density, coin cell capacity, magnetic impurities, lack of contaminants, and particle shape.

Changes in purchasing patterns

Five importer/purchasers reported that they had changed suppliers since January 1, 2022. Importer/purchaser *** reported dropping Superior Graphite due to design requirements and adding suppliers Anovion and SKI. Importer/purchaser *** reported that it decreased purchases from BTR and increased purchases from POSCO because of cost competitiveness. Importer/purchaser *** reported that it no longer purchases AAM from Shanai Shanshan due to supply chain resiliency sourcing strategies and cost reduction opportunities.

Importer/purchasers were also asked about changes in their purchasing patterns from different countries since January 1, 2022 (table 2.15). Half of importer/purchasers reported they did not purchase U.S.-produced product. Importer/purchaser Tesla reported that U.S. producers have been unable to qualify to supply them with AAM.¹⁴

¹⁴ Conference transcript, p. 12 (Nicely).

Table 2.15 AAM: Count of importer/purchasers' responses regarding changes in purchase patterns from U.S., subject, and nonsubject countries

Count in number of firms reporting

| Source of purchases | Steadily increase | Fluctuate upward | No change | Fluctuate downward | Steadily decrease | Did not purchase |
|---------------------|-------------------|------------------|-----------|--------------------|-------------------|------------------|
| United States | 1 | 1 | 2 | 0 | 0 | 4 |
| China | 3 | 0 | 1 | 2 | 1 | 1 |
| Nonsubject sources | 3 | 1 | 1 | 0 | 2 | 1 |
| Sources unknown | 0 | 0 | 1 | 0 | 0 | 4 |

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

Importer/purchaser responses were mixed with regard to their changes in purchasing patterns from China. Importer/purchaser *** reported that it had decreased purchases from China due to FEOC rules and tariffs on China. Importer/purchaser *** reported that it purchased product from Chinese affiliates because these inputs are only available from these affiliates.

Half of importer/purchasers who reported purchasing from nonsubject sources reported that their purchases steadily increased or fluctuated upward. Importer/purchaser *** reported that it increase purchases from nonsubject sources while supply from China decreased to meet FEOC rules. Importer/purchaser *** reported that purchases from Japan had decreased due to completion of business lines.

Purchase factor comparisons of domestic products, subject imports, and nonsubject imports

Importer/purchasers were asked a number of questions comparing AAM produced in the United States, China, and nonsubject countries. First, importer/purchasers were asked for a country-by-country comparison on the same 17 factors (table 2.16) for which they were asked to rate the importance.

Table 2.16 AAM: Count of importer/purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Count in number of firms reporting

| Factor | Country pair | Superior | Comparable | Inferior |
|------------------------------------|---------------------|-----------------|-------------------|-----------------|
| Availability | U.S. v. China | 0 | 0 | 6 |
| Delivery terms | U.S. v. China | 2 | 3 | 1 |
| Delivery time | U.S. v. China | 4 | 0 | 2 |
| Discounts offered | U.S. v. China | 0 | 0 | 5 |
| Meets all product specifications | U.S. v. China | 0 | 1 | 4 |
| Minimum quantity requirements | U.S. v. China | 0 | 1 | 4 |
| Packaging | U.S. v. China | 0 | 3 | 1 |
| Payment terms | U.S. v. China | 0 | 4 | 1 |
| Price | U.S. v. China | 1 | 0 | 5 |
| Product consistency | U.S. v. China | 0 | 0 | 5 |
| Product range | U.S. v. China | 0 | 0 | 5 |
| Purity of active anode material | U.S. v. China | 0 | 3 | 2 |
| Quality meets industry standards | U.S. v. China | 0 | 0 | 5 |
| Quality exceeds industry standards | U.S. v. China | 0 | 0 | 5 |
| Reliability of supply | U.S. v. China | 0 | 0 | 5 |
| Technical support/service | U.S. v. China | 0 | 2 | 3 |
| U.S. transportation costs | U.S. v. China | 4 | 1 | 0 |

Table continued.

Table 2.16 (Continued) AAM: Count of importer/purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Count in number of firms reporting

| Factor | Country pair | Superior | Comparable | Inferior |
|------------------------------------|---------------------|-----------------|-------------------|-----------------|
| Availability | U.S. v. Nonsubject | 0 | 2 | 4 |
| Delivery terms | U.S. v. Nonsubject | 1 | 4 | 1 |
| Delivery time | U.S. v. Nonsubject | 4 | 1 | 1 |
| Discounts offered | U.S. v. Nonsubject | 0 | 1 | 4 |
| Meets all product specifications | U.S. v. Nonsubject | 0 | 2 | 3 |
| Minimum quantity requirements | U.S. v. Nonsubject | 0 | 2 | 3 |
| Packaging | U.S. v. Nonsubject | 0 | 4 | 1 |
| Payment terms | U.S. v. Nonsubject | 0 | 4 | 1 |
| Price | U.S. v. Nonsubject | 0 | 4 | 2 |
| Product consistency | U.S. v. Nonsubject | 0 | 2 | 3 |
| Product range | U.S. v. Nonsubject | 0 | 2 | 3 |
| Purity of active anode material | U.S. v. Nonsubject | 0 | 3 | 2 |
| Quality meets industry standards | U.S. v. Nonsubject | 0 | 4 | 2 |
| Quality exceeds industry standards | U.S. v. Nonsubject | 0 | 3 | 2 |
| Reliability of supply | U.S. v. Nonsubject | 0 | 2 | 4 |
| Technical support/service | U.S. v. Nonsubject | 0 | 4 | 2 |
| U.S. transportation costs | U.S. v. Nonsubject | 3 | 2 | 0 |

Table continued.

Table 2.16 (Continued) AAM: Count of importer/purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Count in number of firms reporting

| Factor | Country pair | Superior | Comparable | Inferior |
|------------------------------------|---------------------|----------|------------|----------|
| Availability | China v. Nonsubject | 3 | 3 | 0 |
| Delivery terms | China v. Nonsubject | 1 | 5 | 0 |
| Delivery time | China v. Nonsubject | 0 | 5 | 1 |
| Discounts offered | China v. Nonsubject | 3 | 2 | 0 |
| Meets all product specifications | China v. Nonsubject | 3 | 2 | 0 |
| Minimum quantity requirements | China v. Nonsubject | 3 | 2 | 0 |
| Packaging | China v. Nonsubject | 0 | 5 | 0 |
| Payment terms | China v. Nonsubject | 1 | 4 | 0 |
| Price | China v. Nonsubject | 5 | 1 | 0 |
| Product consistency | China v. Nonsubject | 2 | 3 | 0 |
| Product range | China v. Nonsubject | 3 | 2 | 0 |
| Purity of active anode material | China v. Nonsubject | 2 | 3 | 0 |
| Quality meets industry standards | China v. Nonsubject | 2 | 3 | 0 |
| Quality exceeds industry standards | China v. Nonsubject | 2 | 2 | 0 |
| Reliability of supply | China v. Nonsubject | 4 | 1 | 0 |
| Technical support/service | China v. Nonsubject | 2 | 3 | 0 |
| U.S. transportation costs | China v. Nonsubject | 0 | 6 | 0 |

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

Note: With respect to cost/price factors, a rating of superior means that the cost/price for the first source in the country pair is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Most importer/purchasers reported that U.S.-produced AAM was inferior to AAM imported from China and nonsubject countries on the majority of factors. At least half of importer/purchasers reported that U.S.-produced AAM is comparable to AAM imported from China in terms of delivery terms, packaging, payment terms, and purity of active anode material. U.S.-produced AAM is superior to AAM imported from China in terms of U.S. transportation costs. The majority of importer/purchasers reported that U.S.-produced AAM was superior to AAM imported from China in terms of delivery time and U.S. transportation costs.

The majority of importer/purchasers reported that U.S.-produced AAM and AAM from nonsubject countries were comparable in terms of delivery terms, packaging, price, payment terms, purity of active anode material, quality exceeds industry standards, quality meets industry standards, and technical support/service. The majority of importer/purchasers reported that U.S.-produced AAM was superior to AAM imported from nonsubject countries in terms of delivery time and U.S. transportation costs. The majority of importer/purchasers reported that U.S.-produced AAM was inferior to AAM from nonsubject countries in terms of

availability, discounts offered, meeting all product specifications, meeting minimum quantity requirements, product consistency, product range, and reliability of supply.

The majority of importer/purchaser reported that AAM imported from China was comparable to AAM imported from nonsubject countries with respect to the majority of factors.

Comparison of U.S.-produced and imported AAM

In order to determine whether U.S.-produced AAM can generally be used in the same applications as imports from China, U.S. producers and importer/purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table 2.17, all responding U.S. producers reported that AAM from the United States, China, and nonsubject countries is always or frequently interchangeable. The majority of importer/purchasers reported that AAM from the United States, China, and nonsubject countries is sometimes or never interchangeable (table 2.18).

Table 2.17 AAM: Count of U.S. producers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Count in number of firms reporting

| Country pair | Always | Frequently | Sometimes | Never |
|-----------------|--------|------------|-----------|-------|
| U.S. vs. China | 4 | 1 | 0 | 0 |
| U.S. vs. Other | 1 | 1 | 0 | 0 |
| China vs. Other | 0 | 1 | 0 | 0 |

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

Table 2.18 AAM: Count of importer/purchasers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Count in number of firms reporting

| Country pair | Always | Frequently | Sometimes | Never |
|-----------------|--------|------------|-----------|-------|
| U.S. vs. China | 0 | 0 | 1 | 6 |
| U.S. vs. Other | 0 | 1 | 2 | 4 |
| China vs. Other | 0 | 1 | 2 | 4 |

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

U.S. producer *** reported that although U.S.-produced and Chinese AAM is always interchangeable, Chinese operating practices are environmentally unsustainable and economically unviable for U.S. producers.

Importer/purchaser *** reported that U.S. producers are unable to meet their qualifications or certification standards and are therefore not interchangeable with AAM from China and nonsubject countries.

In addition, U.S. producers and importer/purchasers were asked to assess how often differences other than price were significant in sales of AAM from the United States, subject, or nonsubject countries. As seen in tables 2.19 and 2.20, all U.S. producers reported that there are never significant differences other than price between AAM from the United States, China, and nonsubject sources. The majority of importer/purchasers reported that there are always significant differences other than price between AAM produced in the United States, China, and nonsubject countries.

Table 2.19 AAM: Count of U.S. producers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Count in number of firms reporting

| Country pair | Always | Frequently | Sometimes | Never |
|-----------------|--------|------------|-----------|-------|
| U.S. vs. China | 0 | 0 | 0 | 5 |
| U.S. vs. Other | 0 | 0 | 0 | 1 |
| China vs. Other | 0 | 0 | 0 | 1 |

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

Table 2.20 AAM: Count of importer/purchasers reporting the significance of differences between product produced in the United States and in other countries, by country pair

Count in number of firms reporting

| Country pair | Always | Frequently | Sometimes | Never |
|-----------------|--------|------------|-----------|-------|
| U.S. vs. China | 7 | 0 | 0 | 0 |
| U.S. vs. Other | 6 | 0 | 1 | 0 |
| China vs. Other | 5 | 1 | 0 | 1 |

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

U.S. producer *** reported that there are never any significant differences between AAM produced in the United States and China because AAM has a quality threshold that when reached, price becomes the governing factor.

Importer/purchasers contend they are unable to source AAM from U.S. producers because no U.S. producers are qualified, have made commercial sales, and U.S. producers are in the early phases of qualifying.¹⁵¹⁶ Importer/purchaser *** reported that price only becomes relevant after a producer of AAM convincingly demonstrates that they can meet technology, quality, and volume requirements and U.S. producers have yet to demonstrate an ability to meet those requirements.

¹⁵ Conference transcript, pp. 348-349 (Nicely).

¹⁶ Importer/purchaser *** elaborated in its questionnaire response reporting that U.S. producers lack the ability to produce AAM to specifications, or supply commercial quantities or quality AAM, and lack the ability to identify the root cause of quality and manufacturing problems.

Elasticity estimates

This section discusses elasticity estimates. No parties provided comments on elasticities or elasticity estimates.

U.S. supply elasticity

The domestic supply elasticity for AAM measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of AAM. 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 AAM. Analysis of these factors above indicates that the U.S. industry has the ability to somewhat increase or decrease shipments to the U.S. market; an estimate in the range of 2 to 4 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for AAM measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of AAM. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the AAM in the production of any downstream products. Based on the available information, the aggregate demand for AAM is likely to be highly inelastic; a range of -0.25 to -0.5 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.¹⁷ Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced AAM and imported AAM is likely to be in the range of 1.5 to 2.5. A number of factors limit substitutability including: importer/purchaser reports of U.S. producers being unable to meet required quantity standards and specifications, reported differences in purchasing factors between the United States, China, and nonsubject countries, and reported significant differences other than price between AAM sourced from the United States, China and nonsubject countries.

¹⁷ The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily importer/purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

Part 3: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in Part 1 of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part 4 and Part 5. Information on the other factors specified is presented in this section and/or Part 6 and (except as noted) is based on the questionnaire responses of six firms that accounted for nearly all known U.S. production of AAM during 2024.¹

U.S. producers

The Commission issued a U.S. producer questionnaire to seven firms based on information contained in the petitions. Four firms (Anovion, Novonix, SKI, and Syrah) provided usable data on their operations. Epsilon did not provide data on their historic or current operations but did provide data on its operations beyond June 2025 and narrative responses on the status of its operations. GrafTech did not provide data on its historic, current, or projected operations of AAM but did provide narrative responses on the status of its operations. Table 3.1 lists U.S. producers of AAM, their production locations, positions on the petitions, and shares of total production.

¹ In an affidavit, ***. Petition, exhibit 1.1.

Table 3.1 AAM: U.S. producers, their positions on the petitions, production locations, and shares of reported production, 2024

Share in percent

| Firm | Position on petitions | Production location(s) | Share of 2024 production | Share of projected production for 2025-27 |
|-----------|-----------------------|---------------------------------------|--------------------------|---|
| Anovion | Petitioner | Sanborn, NY | *** | *** |
| Epsilon | Petitioner | Leland, NC | *** | *** |
| GrafTech | *** | St. Marys, PA Brooklyn Heights, OH | *** | *** |
| Novonix | Petitioner | Chattanooga, TN | *** | *** |
| SKI | Petitioner | Marietta, GA | *** | *** |
| Syrah | Petitioner | Vidalia, LA | *** | *** |
| All firms | Various | Various | 100.0 | 100.0 |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Table 3.2 presents information on U.S. producers’ ownership, related and/or affiliated firms.

Table 3.2 AAM: U.S. producers’ ownership, related and/or affiliated firms

| Reporting firm | Relationship type and related firm | Details of relationship |
|----------------|------------------------------------|-------------------------|
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |

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

Note: *** is not owned, in whole or in part, by any other firm. *** is a division of ***.

No responding U.S. producer is related to producers in China, importers, or exporters of the subject merchandise. Likewise, no U.S. producer imported the subject merchandise or purchased imports of the subject merchandise between January 2022 and June 2025.

Status of operations²

Four firms, Anovion, Novonix, SKI, and Syrah reported data on their AAM operations during the period for which data were collected, while GrafTech and Epsilon provided narrative responses regarding their AAM operations. ***. Anovion and Syrah reported commercial production during the period for which data were collected, while Novonix and SKI reported trial production.³ Given their recent entry into the U.S. market, responding U.S. producers were requested to provide additional information regarding the lead-up and commencement of their commercial AAM operations.

Anovion

Anovion reported that it commenced its commercial AAM operations on March 1, 2021, which ***. In its response to the Commission's questionnaire, Anovion noted that ***. An Anovion representative testified that Anovion will be "getting the first 20,000 tons online by 2027 and then stepping the plant up aggressively to 60,000 tons" and "the goal is to get to 150,000 tons by 2030, or as close to it as possible."⁴ Anovion is currently in offtake negotiations with ***.⁵ They are also in offtake agreement negotiations with ***.⁶

² Appendix F presents additional information on the U.S. producers' qualification status.

³ Conference transcript, p. 23 (Hira) and p. 77 (Taylor); Anovion Technologies, <https://www.anoviontech.com/about-anovion-technologies>.

⁴ Representatives from Anovion noted that the timeline for expanding its operations to an annual capacity of 150,000 metric tons. ***. Conference transcript, pp. 63 to 64 (Taylor) and email from ***, September 20, 2025.

⁵ Petitioner's posthearing brief, exhibit 1, p. 3.

⁶ Id., pp. 4 to 5.

Epsilon

During the staff conference, the CEO of Epsilon, Sunit Kapur, testified that the company plans to construct an AAM manufacturing facility in Brunswick County, North Carolina and will invest \$1 billion into the project. The facility will produce, at peak capacity, 60,000 tons (132.3 million pounds) of synthetic AAM, annually. He also testified that the company plans to commence the first phase of operations (30,000 tons (66.1 million pounds) of capacity) in the fourth quarter of 2027. He noted that the timing for the rollout of the second phase of operations (next 30,000 tons (66.1 million pounds)) will depend on customer contracts. Epsilon estimates that ***.⁷ The firm also noted in its response to the Commission's questionnaire that ***.

Epsilon is currently in offtake agreement negotiations with ***.⁸ Epsilon is also in offtake negotiations with ***.⁹ Representatives from Epsilon also noted offtake agreement negotiations with ***.¹⁰ A representative from Epsilon testified that the company is using its Indian facility to establish qualification for its planned facility in the United States.¹¹

⁷ Email from ***, September 30, 2025.

⁸ Petitioner's posthearing brief, exhibit 1, p. 6.

⁹ Id., pp. 6 to 7.

¹⁰ Id., exhibit 1, p. 7.

¹¹ Public hearing transcript, pp. 36 to 37 (Handa).

GrafTech

GrafTech reported that ***.¹² In its response to the Commission's questionnaire, GrafTech noted that ***.

¹² Email from ***, January 13, 2025.

Novonix

Novonix has a major production facility in Riverside Drive, Chattanooga, Tennessee, and is planning to establish a second production facility in Enterprise South Industrial Park, Chattanooga, which is expected to reach full production capacity by the end of 2028.¹³ These facilities, collectively, are expected to increase Novonix’s annual production capacity to over 50,000 metric tons (110.2 million pounds) by the end of 2028.¹⁴ Novonix reported in January 2026 that “it still expects to begin mass production of industrial-grade graphite this year.”¹⁵ In its response to the Commission’s questionnaire, Novonix notes that ***. A representative from Panasonic testified that in February 2024, the company signed a binding offtake agreement with Novonix for 10,000 metric tons (22.0 million pounds) of AAM, contingent on Novonix achieving “agreed-upon milestones regarding final mass production qualification timelines prior to the fourth quarter of 2025.”¹⁶ In January 2026, Novonix announced that it expects to begin mass production of AAM for Panasonic in the second half of 2027.¹⁷

¹³ “Novonix Finalizes Purchase and Sale Agreement for Enterprise South Land”, April 29, 2025, <https://ir.novonixgroup.com/news-releases/news-release-details/novonix-finalizes-purchase-and-sale-agreement-enterprise-south>.

¹⁴ Id.

¹⁵ “Operations Update: Panasonic Energy Offtake”, Novonix, January 16, 2026, <https://ir.novonixgroup.com/static-files/66471fda-c635-4312-9ffc-102338ae8e56>.

¹⁶ Conference transcript, pp. 142 to 143 and 224 to 225 (Zhang) and respondent Panasonic’s postconference brief, p. 5.

¹⁷ “Operations Update: Panasonic Energy Offtake”, Novonix, January 16, 2026, <https://ir.novonixgroup.com/static-files/66471fda-c635-4312-9ffc-102338ae8e56>.

Additionally, Novonix announced in November 2024 that it entered a binding offtake agreement with Power CoSe to supply 32,000 metric tons of synthetic graphite material over a five-year period starting in 2027.¹⁸ The start of commercial production in 2027 is subject to Novonix achieving agreed upon milestones regarding final mass production qualification and satisfying certain compliance criteria.¹⁹ Novonix also entered a binding offtake agreement with Stellantis in November 2024 to supply up to 115,000 metric tons of synthetic graphite material from 2026 to 2031.²⁰ However, Stellantis terminated the agreement in November 2025 due to a failure of the companies to agree upon the battery cell product specifications and milestones for mass production qualification.²¹ ***.²² Novonix is in offtake agreement negotiations with ***.²³

SKI

SKI *** but will be investing \$1 billion into the construction of a production facility in Orangeburg County, South Carolina. The company expects to produce 25,000 tons (55.1 million pounds) of synthetic graphite annually at the facility and expects it to be online in 2026.²⁴

¹⁸ “Novonix and PowerCo SE Sign Binding Offtake Agreement”, Novonix, November 24, 2024, <https://www.novonixgroup.com/news/novonix-and-powerco-agreement/>.

¹⁹ Ibid.

²⁰ “Novonix and Stellantis Sign Binding Offtake Agreement”, Novonix, November 10, 2024, <https://www.novonixgroup.com/news/novonix-and-stellantis-sign-binding-offtake-agreement/>.

²¹ “Notice of Termination of Offtake Agreement”, Novonix, November 4, 2025, <https://ir.novonixgroup.com/news-releases/news-release-details/notice-termination-offtake-agreement>.

²² LG Energy Solution’s prehearing brief, exhibit 1.

²³ Petitioner’s posthearing brief, exhibit 1, p. 9 and respondent Tesla’s posthearing brief, attachment 3, p. 2.

²⁴ Petitioner’s postconference brief, exhibit 1, p. 7 and attachment 1b. In an affidavit, ***. Respondent Tesla’s prehearing brief, appendix I-B.

Syrah

In December 2021, Syrah announced that it executed an offtake agreement with Tesla to supply AAM from its Vidalia, Louisiana, facility. Under this agreement, Tesla will offtake 80 percent of the proposed production at the Vidalia facility, based on the proposed initial expansion of capacity, at a fixed price for an initial four year term after commercial production is achieved, subject to final qualification.²⁵ The agreement also included an option for Tesla to offtake additional quantities from Syrah if Syrah successfully expanded its capacity beyond the projected 10,000 metric tons (22.0 million pounds) per year.²⁶ In 2022, Tesla exercised that option and would offtake an additional 17,000 metric tons (37.5 million pounds) annually of AAM at a fixed price and for an initial term of four years, subject to Syrah successfully expanding its annual production capacity to 45,000 metric tons (99.2 million pounds).²⁷

Additionally, ***.²⁸ ***.²⁹ Syrah reported that it commenced commercial production of in-scope AAM in February 2024 but noted that its production has been reduced since September 2024 due to delays in the commencement of commercial sales.³⁰

²⁵ Respondent Tesla's postconference brief p. 8, exhibit 2-A, and exhibit 2-B.

²⁶ Respondent Tesla's postconference brief, p. 9 and exhibit 2-B and Tesla's prehearing brief, attachment I-E-3.

²⁷ Respondent Tesla's prehearing brief, appendix I-E-5.

²⁸ Respondent LG Energy Solutions' prehearing brief, exhibit 1, attachment 6.

²⁹ Respondent LG Energy Solution's prehearing brief, exhibit 1.

³⁰ Public hearing transcript, pp. 31 to 32 (Verner).

Market and operational development

When asked to elaborate on its market strategy, Anovion reported that ***.

GrafTech reported that ***.³¹ GrafTech noted that ***.

Epsilon reported that ***. Epsilon noted that ***.

Novonix reported that ***. The firm stated that it ***.

SKI reported that ***. The firm noted ***.

³¹ ***. Email from ***, January 13, 2025.

Syrah reported that ***. The firm reported that ***.

Role of Bipartisan Infrastructure Law

When asked about the role of the Bipartisan Infrastructure Law in the development of its business, Anovion noted that in October 2022, it was awarded a grant totaling \$117 million from the U.S. Department of Energy to establish a synthetic graphite manufacturing plant in Northern Alabama.³² The facility is expected to produce 35,000 metric tons (77.2 million pounds) annually.³³ Anovion ***.³⁴ In its response to the Commission's questionnaire, Anovion noted that ***.

³² Petitioner's postconference brief, p. 16.

³³ Petitioner's postconference brief, attachment 1b.

³⁴ Email from ***, January 10, 2025.

Novonix was awarded a \$103 million dollar tax credit from the Department of Energy to equip its synthetic graphite manufacturing facility in Chattanooga, Tennessee.³⁵ ***.³⁶ Additionally, Novonix has received a conditional commitment from the U.S. Department of Energy for a \$754.8 million loan towards its proposed second facility in Chattanooga.³⁷ In its response to the Commission’s questionnaire, Novonix noted that ***.³⁸

In September 2024, SKI was awarded a \$150 million grant from the U.S. Department of Energy of Manufacturing and Energy Supply Chains to the production facility in Orangeburg, South Carolina.³⁹ The firm ***.⁴⁰ Epsilon noted that ***. GrafTech ***.

Syrah reported that ***. Syrah also reported that ***.

Financial breakeven point for sales of AAM

U.S. producers were asked to explain whether they reached a financial breakeven point for their sales of AAM. All of the responding U.S. producers reported that a financial breakeven point for their sales of AAM had not occurred. Appendix E presents additional information on responding U.S. producers’ AAM operations.

³⁵ Petitioner’s postconference brief, p. 16 and exhibit 1, p. 6.

³⁶ Email from ***, September 20, 2025.

³⁷ Petitioner’s postconference brief, exhibit 1, p. 6.

³⁸ According to firm representatives, ***. Email from ***, September 30, 2025.

³⁹ Petitioner’s postconference brief, p. 16, exhibit 1, p. 7, and attachment 1b.

⁴⁰ Email from ***, September 30, 2025.

Industry and market developments

Table 3.3 presents information on important industry events since January 1, 2022.

Table 3.3 AAM: Important industry events since January 1, 2022

| Item | Firm | Event |
|-----------------------------|-----------------|--|
| Plant expansion | Syrah | February 2022— Syrah Resources Ltd. announced an investment of \$176 million to expand the production capacity of its subsidiary Syrah Technologies' graphite processing facility located in Vidalia, Louisiana, to 11,250 metric tons (24.8 million pounds) per year. Construction is anticipated from the first quarter of 2022 through mid-2023, with AAM production to commence in the third quarter of 2023. Syrah Technologies is retaining 19 employees and creating 36 new direct jobs. |
| New producer | Anovion | March 2022— Anovion Technologies LLC announced its entry into the domestic U.S. synthetic graphite AAM material market through its acquisitions of the affiliates of Amsted Graphite Materials, a global leader in graphite materials science, and Pyrotek's battery materials division, a manufacturer of synthetic graphite anode material. Anovion's also claims the largest anode powder graphitization furnace capacity in North America at 5,000 metric tons (11.0 million pounds) per year. |
| Construction loan received | Syrah | July 2022— Syrah received a \$102-million loan from the U.S. Department of Energy's ("DOE") Advanced Technology Vehicles Manufacturing ("ATVM") Loan Program to assist with financing the construction of its AAM production facility in Vidalia, Louisiana. |
| Grant funding award | Anovion | October 2022— Anovion announced its selection to receive a \$117-million grant under the Bipartisan Infrastructure Law. The grant will supplement the financing of Anovion's plans to 1) build a new, large-scale facility producing 35,000 short tons (70.0 million pounds) per annum of synthetic graphite AAM and 2) expand the production capacity of its existing AAM facility located in Sanborn, New York. |
| Grant award negotiations | Novonix | October 2022— Novonix announced that it was selected to enter negotiations for a US\$150 million grant by the DOE to finance the construction of a new synthetic graphite manufacturing facility with an initial production capacity of 30,000 metric tons (66.1 million pounds) per year in 2025. |
| New plant location | Anovion | May 2023— Anovion announced its selection of Bainbridge, Georgia, as the location for large-scale expansion of manufacturing production capacity for its premium synthetic graphite AAM. This facility is anticipated to initially produce 40,000 metric tons (88.2 million pounds) annually once fully operational and create hundreds of high-quality jobs in southwest Georgia. |
| Joint development agreement | Urbix and SK On | June 2023— Electric vehicle ("EV") battery manufacturer SK On, a subsidiary of the South Korean-based SK Group, announced signing a joint development agreement with |

| Item | Firm | Event |
|---|------------------|--|
| | | <p>natural graphite processor Urbix Resources LLC (“Urbix”), based in Mesa, Arizona.</p> <p>The two firms will be jointly developing environmentally responsible, high-performance, advanced natural graphite AAM for SK On batteries. Upon successful development of the customized AAM products, SK On will consider sourcing Urbix’s AAM for its U.S. battery manufacturing facilities.</p> <p>Urbix developed a proprietary process to cheaply produce high quality coated spherical purified graphite (“CSPG”) for EVs. Currently, Urbix is planning the construction of its commercial-scale demonstration plant located in Mesa, Arizona, with an initial 1,000 short tons (2.0 million pounds) of annual production capacity and plans to expand to 28,500 short tons (57.0 million pounds) by 2025.</p> |
| Joint development and investment agreements | Novonix and LGES | <p>June 2023— Novonix announced a joint research and development agreement (“JDA”) to develop synthetic graphite AAM and a \$30-million investment agreement with battery manufacturer LG Energy Solution Ltd. (“LGES”). The JDA provides LGES with the option to purchase up to 50,000 metric tons (110.2 million pounds) of AAM over a ten-year period once Novonix commences mass production.</p> |
| Additional plant capacity | Superior | <p>June 2023— Superior Graphite Co. (“Superior”) announced plans to raise \$180 million to construct 24,000 short tons (48.0 million pounds) of annual production capacity for synthetic graphite AAM at its existing operating facility located in Hopkinsville, Kentucky. This expansion is anticipated to provide a continuous production process that significantly reduces capital requirements and operating costs. The new capacity is anticipated to commence production in 2026, as the first phase of planned expansions.</p> |
| Facility groundbreaking | Anovion | <p>June 2023— Anovion broke ground to commence construction of its new synthetic graphite AAM facility located in Bainbridge, Georgia.</p> |
| Production progress and goals | Novonix | <p>September 2023— Novonix announced the latest progress for the “production campaign” of its proprietary continuous induction Generation 3 Furnaces at its Riverside facility located in Chattanooga, Tennessee:</p> <ul style="list-style-type: none"> • Demonstrated successful furnace operations meeting equipment design goals for throughput, cost, and sustainability. • Doubled the goal for annual production capacity to 20,000 metric tons (44.1 million pounds) for the facility; and • Anticipated capital and operating costs for future facilities are projected to be lower than initial estimates. <p>The firm anticipates operating margins ranging from 23 to 28 percent based on estimated sales prices ranging from \$7 to \$10 per kilogram (\$3.18 to \$4.54 per pound) depending on customer product specifications.</p> |

| Item | Firm | Event |
|----------------------|------------------|--|
| Grant funding award | Novonix | October 2023— Novonix finalized a US\$100 million grant award from the DOE to expand production of synthetic graphite AAM at its Riverside facility located in Chattanooga, Tennessee. The funding will support the installation and commissioning of equipment to attain an annual production capacity of 20,000 metric tons (44.1 million pounds). The government funds must be matched by the recipient. |
| New plant | Epsilon | October 2023— Epsilon Advanced Materials Inc. announced plans to invest \$650 million to construct a synthetic graphite AAM production facility in Wilmington, North Carolina. This facility will produce high-energy-capacity AAM, with planned annual production capacity of 50,000 metric tons (110.2 million pounds) and more than 500 direct and indirect jobs provided. Construction will commence in 2024, with initial operations to commence by 2026 and full operating capacity to be reached by 2031. |
| Investment agreement | Urbix and Appian | October 2023— Urbix announced receiving significant capital investment from funds managed by mining-investor Appian Capital Advisory LLP (“Appian”) and finalizing a joint development agreement toward constructing the processing facility, demonstrating commercial production, completing late-stage product validation, and forming commercial partnerships to access the supply chains of leading EV battery manufacturers. Also under the agreement, Urbix will have access to the high-quality natural graphite concentrate feedstock from Appian’s Brazilian graphite miner and processor Graphcoa. |
| Off-take agreement | Novonix | February 2024— Novonix announced signing a binding off-take agreement with Panasonic Energy Corp. of North America (“Panasonic”) to provide high-performance, synthetic graphite AAM from its Riverside facility located in Chattanooga, Tennessee. Panasonic agreed to purchase at least 10,000 metric tons (22.0 million pounds) of Novonix’s AAM for its U.S. battery manufacturing operations over 2025 to 2028. |
| Plant opening | Syrah | February 2024— Syrah announced commencing natural graphite AAM production operations at its facility, located in Vidalia, Louisiana, with graphite processing capacity of 11,250 metric tons (24.8 million pounds) per year and 101 employees. Syrah also claims that this facility is the first such vertically integrated AAM production operation outside of China, with the graphite sourced from the firm’s Balama Graphite (Mining) Operation in Mozambique. Since October 2023, the front-end milling area has been producing and stockpiling unpurified spherical graphite ahead of the purification and furnace areas commissioning in January 2024. The initial heating cycle for the furnace line began in early January, leading to the successful carbonization of the firm’s pitch-coated purified spherical graphite followed by production of the first batch of purified spherical graphite. |

| Item | Firm | Event |
|------------------------------|--------------------------|---|
| | | Syrah also reached agreement with Tesla to provide 8,000 metric tons (17.6 million pounds) of AAM per year from its Vidalia facility. |
| New plant location | Graphite One | March 2024— Graphite One Inc. entered into a land lease agreement for a site in Niles, Ohio, with a purchase option, for a new synthetic graphite AAM production facility. The initial project phase will require approximately \$435 million to construct a facility, with an annual production capacity of 25,000 short tons (50.0 million pounds), that is anticipated to employ more than 160 residents. It is also anticipated that the leased site can accommodate facility expansion to 100,000 short tons (200.0 million pounds) per year. Construction is anticipated to commence within three years, subject to available project funding for which the firm is assessing various options. |
| Tax credits | U.S. Treasury Department | May 2024— The U.S. Department of the Treasury (“U.S. Treasury”) granted U.S. automakers an extension until 2027 to phase-out hard-to-trace critical minerals— including graphite for AAM— from domestic battery-materials requirements for electric-vehicle to qualify for the Section 30D New Clean Vehicle Credit. |
| Import policy shifts impacts | Syrah | <p>September 2024— Shaun Verner, the Chief Executive Office of Syrah Resources, expressed concerns about the new (May 2024) transition period to 2027 for implementing restrictions on sourcing graphite from China and other designated “Foreign Entities of Concern” (“FEOCs”) to 2027 for EVs to qualify for the Section 30D tax credit. This policy shift raises uncertainties for the firm’s pace of AAM customer qualification and investment decisions to expand its AAM processing facility located in Vidalia, Louisiana.</p> <p>The firm also has a feasibility study ready for a final investment decision, subject to funding and customer AAM offtake commitments, to expand the facility’s installed natural graphite processing capacity from 11,250 metric tons (24.8 million pounds) to 45,000 metric tons (99.2 million pounds) per year.</p> <p>Meanwhile, to manage its operational costs and working capital, the Vidalia facility’s capacity will be expanded to the level necessary for moving forward the customer qualification process.</p> |
| Additional import duty | USTR | September 2024— Effective January 1, 2026, the Office of the United States Trade Representative (“USTR”) imposed an additional duty of 25 percent ad valorem, under section 301 of the of the Trade Act of 1974 on imports of natural graphite originating in China. |
| Grant funding negotiations | Urbix | September 2024— Urbix announced that it was selected to enter into final negotiations for a \$125-million grant by the DOE’s Office of Manufacturing and Energy Supply Chains (“MESCC”) to finance the construction of a commercial-scale graphite processing facility utilizing its proprietary methods and technologies. |

| Item | Firm | Event |
|-----------------------------|---------|---|
| Grant funding award | SKI | <p>September 2024— The DOE’s Battery Materials Processing and Battery Manufacturing and Recycling Program awarded \$150 million to SKI (Brila Carbon) for a proposed new production facility located in Orangeburg County, South Carolina. The facility’s annual production capacity is initially planned for 25,000 short tons (50.0 million pounds) of synthetic graphite to meet projected domestic demand for the EV, energy storage, and defense equipment markets.</p> <p>This proposed facility will rely on a new proprietary furnace process to produce synthetic graphite that provides up to a 4-percent improvement in battery cell energy and power density over synthetic graphite produced by the traditional Acheson batch furnace process. This new proprietary process also reduces energy consumption by 17 percent and carbon dioxide emissions by 60 percent. It also limits chemical exposures for enhanced worker safety.</p> <p>To comply with the grant conditions, this facility will not source any feedstock materials from any designated FEOCs.</p> |
| New facility | SKI | <p>October 2024— SKI announced its \$1-billion investment to construct a new next-generation, synthetic graphite continuous production facility located in Orangeburg, South Carolina.</p> |
| IRA tax credit, final rules | IRS | <p>October 2024— The U.S. Internal Revenue Service (“IRS”) published its final rule on the Advanced Manufacturing Production Credit (referred to as the “45X tax credit” after IRS Code 26 U.S.C., section 45X) in the Inflation Reduction Act of 2022 (“IRA,” P.L. 117-169) for production of component parts and critical minerals used in clean energy equipment.</p> <p>The IRS declined to exempt electrode active materials, including graphite AAM, from the five-year phase-out of the 10-percent production tax credit after December 31, 2029. While critical minerals, including high-purity graphite, remain exempt from this phase-out, AAM was not.</p> |
| Developmental loan facility | Syrah | <p>November 2024— Syrah Resources subsidiary Twigg Exploration and Mining Limitada (“Twigg”) signed a binding agreement with the U.S. International Development Finance Corporation (“USIDFC”) for a \$150 million loan facility to fund the capital requirements for operating and development of the Balama Graphite Operation in Mozambique that provides natural graphite to Syrah Technology’s AAM facility in Vidalia, Louisiana.</p> |
| Supply agreement | Novonix | <p>November 2024— Australia-based Novonix announced concluding a binding offtake agreement to supply high-performance synthetic graphite AAM for EV batteries to automaker consortium Stellantis NV. The agreement is for Novonix’s Riverside facility and a planned expansion site, in Chattanooga, Tennessee, to supply a minimum of 86,250 metric tons (190.1 million pounds) up to a target volume of 115,000 metric tons (253.5 million pounds) to Stellantis’ battery manufacturing partners in North America over a six-year term starting in 2026.</p> |

| Item | Firm | Event |
|-------------------------------|-----------------|--|
| Loan funding | Novonix | <p>December 2024— Novonix announced receiving a conditional commitment from the DOE’s Loan Programs Office (“LPO”) for a direct loan of up to \$754.8 million under the Advanced Technology Vehicles Manufacturing (“ATVM”) Loan Program as partial financing for its proposed new synthetic graphite facility in Chattanooga, Tennessee.</p> <p>The loan consisting of up to \$692.0 million in principal and up to \$62.8 million in capitalized interest will be in two tranches based on phased completion of infrastructure and production lines from a total eligible investment of \$943.6 million.</p> <p>The first tranche will support the site and infrastructure and 21,000 short tons (42.0 million pounds) of annual production capacity, while the second tranche will support an additional 10,500 short tons (21.0 million pounds) of annual production capacity.</p> |
| New plant location | Novonix | <p>January 2025— Novonix announced that it will enter into a land purchase and sale agreement with the City of Chattanooga, and Hamilton County, Tennessee for its second mass production plant. “Novonix Enterprise South” is anticipated to reach full annual production capacity of 31,500 metric tons (69.4 million pounds) by the end of 2028 and is anticipated to create 500 full-time jobs. Novonix claims that its combined binding off-take agreements to provide synthetic graphite to Panasonic Energy, Stellantis, and PowerCo. SE, amount to the full annual capacity of 20,000 metric tons (44.1 million pounds) at its original Riverside facility, also located in Chattanooga.</p> |
| New production technology | Novonix | <p>January 2025— Novonix announced entering into a licensing agreement with its long-time technology partner, Harper International Corp. (“Harper”), for the exclusive rights to use the latter’s continuous, induction-based graphitization furnace technology to produce synthetic graphite AAM.</p> |
| Tax credit grant | Syrah | <p>January 2025— Syrah received a Section 48C Qualifying Advanced Energy Project Tax Credit Program (“48C Tax Credit”) totaling \$165 million under the Inflation Reduction Act’s (“IRA”). The 48C Tax Credit will fund the Vidalia Further Expansion Project to optimize and expand operations of the AAM processing facility at Vidalia, Louisiana, to an annual capacity of 45,000 metric tons (99.2 million pounds) per year. Construction is anticipated to create up to 600 direct and 120 indirect jobs. Upon project completion, operational workforce requirements are anticipated to create 114 jobs.</p> |
| Qualification processing line | Westwater | <p>February 2025— Westwater Resources Inc. (“Westwater”) announced the successful commissioning of the CSPG qualification line at its natural graphite processing facility in Kellyton, Alabama. The qualification line, completed at the end of 2024, produced over 500 kilograms (1.1 pounds) of CSPG.</p> |
| Supply agreement | Syrah and Lucid | <p>February 2025— Syrah announced concluding a multi-year binding supply agreement with electric-vehicle manufacturer Lucid Group Inc. (“Lucid”) for natural graphite AAM from its vertically integrated production facility in Vidalia, Louisiana.</p> |

| Item | Firm | Event |
|-----------------------------------|--------------------------|--|
| | | Lucid and its battery suppliers will purchase a total of 7,000 metric tons (15.4 million pounds) over a three-year term, with deliveries to commence in January 2026. |
| Plant site purchase approval | Novonix | <p>April 2025— Novonix announced signing a definitive agreement for the \$5-million purchase of the Enterprise South Land for its planned Enterprise South Manufacturing Facility located in Chattanooga, Tennessee.</p> <p>The Enterprise South facility is anticipated to reach full annual production capacity of 31,500 metric tons (69.4 million pounds) by the end of 2028 and is anticipated to create 500 full-time jobs. The new Enterprise South facility, together with the existing Riverside facility, which is scaling up to production of 20,000 metric tons (40.0 million pounds), is planned to bring Novonix’s total U.S. annual production capacity above 50,000 metric tons (110.2 million pounds) in Chattanooga by 2028.</p> |
| Delayed new facility construction | Anovion | July 2025—After breaking ground two years ago, Chairman Chip Dunn informed the Bainbridge, Georgia, City Council, that Anovion still planned to begin construction of a “mini-mill” by mid-2025 to be completed by 2026, with full-scale production still being anticipated for 2028. |
| Debentures funding agreement | Novonix | <p>July 2025— Novonix announced entering into a definitive Funding Agreement to provide up to \$95 million in exchange for issuing up to \$100 million of unsecured convertible debentures to Yorkville Advisors Global LP (“Yorkville”). The proceeds will provide the additional capital needed to complete the firm’s existing Riverside synthetic graphite facility located in Chattanooga, Tennessee. The debentures issued to Yorkville are convertible into fully paid ordinary shares of Novonix.</p> <p>According to the Chief Executive Officer (“CEO”), Michael O’Kronley, “...Novonix will begin shipping commercial-grade synthetic graphite from Riverside later this year with mass production starting next year for our lead customer, Panasonic. The start of commercial production will mark a critical milestone for the Company as we continue to establish and build a domestic supply chain for synthetic graphite in North America.”</p> |
| Corporate acquisition | Superior and Exxon Mobil | September 2025— Exxon Mobil reached agreement to acquire Superior’s high-temperature graphitization furnace technology and U.S.-based assets as part of its planned entry into the synthetic graphite AAM market for EVs and battery electric storage systems. Superior’s facilities to be acquired by Exxon Mobil include the production facility located in Hopkinsville, Kentucky, the research and operations center located in Bedford Park, Illinois, and certain international offices. |
| U.S. patent | Westwater | September 2025— Westwater announced receiving a U.S. patent for its less environmentally hazardous process for purifying graphite that avoids hydrofluoric acid. The process will be used at its natural graphite processing facility in Kellyton, Alabama. |

| Item | Firm | Event |
|--|------------------------------------|--|
| Supply agreement | Epsilon | September 2025— Epsilon reached an agreement with Phillips 66 for green and calcined needle coke from the latter's petroleum refinery located in Lake Charles, Louisiana. This agreement secures the supply of needle coke, the critical feedstock for Epsilon's new synthetic graphite facility located in Wilmington, North Carolina. Initial production is to be at 30,000 metric tons (66.1 million pounds) of annual capacity, then doubling to a full capacity of 60,000 metric tons (13.2 million pounds) by 2030. |
| Initial production | Novonix | September 2025— Novonix announced delivering a commercial-grade sample of industrial-grade synthetic graphite from its Riverside facility located in Chattanooga, Tennessee. According to CEO Michael O'Kronley, "We're pleased to have hit this significant manufacturing milestone... This demonstrates that industrial-grade products can be produced using Novonix's proprietary continuous graphitization furnace technology at a mass production scale and is another step towards bringing our battery-grade materials to market." |
| Cancelled grants | Anovion | October 2025— The DOE cancelled more than \$700 million in grants for battery and components manufacturing projects, including \$117 million for Anovion to construct its new synthetic graphite AAM facility located in Bainbridge, Georgia. |
| Cancelled supply agreements | Stellantis, Novonix, and Westwater | November 2025— Stellantis' U.S. subsidiary FCA US LLC terminated its graphite supply agreements with Novonix and Westwater as it scaled back plans to produce EVs, Development of Westwater's processing facility at Kellyton, Alabama, will be scaled back to meet other current supply commitments. |
| Extension of product qualifications | Syrah and Tesla | November 2025— Syrah confirmed that Tesla granted another extension to the cure agreement deadline from November 15, 2025, to January 16, 2026, with a final product qualification cutoff on February 9, 2026, for the natural graphite AAM supplied by its vertically integrated processing facility located in Vidalia, Louisiana. The EV automaker secured the rights to the majority of the natural graphite AAM from the Vidalia facility in 2021. |
| Corporate fund raising and name change | Allied Graphite (Urbix) | January 2026— Urbix announced its new corporate name as "Allied Graphite Inc.," after successfully raising \$50.9 million from a rights offering in 2025 to fund construction of a commercial-scale graphite processing facility. |
| Mass production announcement | Novonix | January 2026— Novonix updated the timing to commence mass production of synthetic graphite AAM for its lead battery materials customer, Panasonic, from 2026 to the second half of 2027. |

Source: Calcasieu.info, "Louisiana Gains Position in American EV Supply Chain With Graphite Processing Facility Expansion," February 7, 2022, <https://calcasieu.info/louisiana-gains-position-in-american-ev-supply-chain-with-graphite-processing-facility-expansion>; LED, "Louisiana Gains Foothold in EV Battery Supply Chain with \$176 Million Syrah Technologies Expansion," Opportunity Louisiana, News Release, February 15, 2022,

<https://www.opportunitylouisiana.gov/news/louisiana-gains-foothold-in-ev-battery-supply-chain-with-176-million-syrah-technologies-expansion>;

Anovion, "Anovion Technologies Launches as a Leader in the North American Battery Materials Supply Chain Bringing Proven Anode Technologies and Over 140 Years of History in Synthetic Graphite Production," Press Release, March 25, 2022, <https://www.anoviontech.com/news/anovion-launches-as-a-leader-in-the-north-american-battery-materials-supply-chain>;

DOE, "DOE Announces First Advanced Technology Vehicles Manufacturing Loan in More than a Decade," News Release, July 27, 2022, <https://www.energy.gov/articles/doe-announces-first-advanced-technology-vehicles-manufacturing-loan-more-decade>;

Anovion, "Anovion Technologies Selected to Receive \$117 Million Grant Under the Bipartisan Infrastructure Law for Battery Materials Processing and Manufacturing," Press Release, October 19, 2022, <https://www.anoviontech.com/news/anovion-battery-materials-selected-to-receive-117-million-grant-under-the-bipartisan-infrastructure-law-for-battery-materials-processing-and-manufacturing>;

Novonix, "NOVONIX Selected For US\$150 Million Grant From U.S. Department of Energy," Press Release, October 20, 2022, <https://www.novonixgroup.com/Novonix-selected-for-us150-million-grant-from-u-s-department-of-energy>;

Anovion, "Anovion Technologies Announces Plans for \$800 Million Initial Investment in New Manufacturing Facility in Southwest Georgia," Press Release, May 15, 2023, <https://www.anoviontech.com/news/anovion-technologies-announces-plans-for-800-million-initial-investment-in-new-manufacturing-facility-in-southwest-georgia>;

Urbix, "SK On to Work with U.S. Graphite Processor to Develop Anode Materials," News Release, June 1, 2023, <https://www.urbix.inc/post/sk-on-to-work-with-u-s-graphite-processor-to-develop-anode-materials>;

Novonix, "NOVONIX and LG Energy Solution Enter Into a JDA for Artificial Graphite Anode Material and a US\$30 Million Investment Agreement," Press Release, June 7, 2023, <https://www.novonixgroup.com/news/novonix-and-lg-energy-solution-enter-into-a-jda-for-artificial-graphite-anode-material-and-a-us30-million-investment-agreement>;

Superior, "Superior Graphite to Build 24,000 Ton per Annum Active Anode Material Capacity at 1/3 the CapEx Cost," Press Release, June 8, 2023, https://superiorgraphite.com/wp-content/uploads/2025/04/Superior-Graphite-Press-Release_06-2023.pdf;

Carlton Fletcher, "Officials Break Ground on Bainbridge Battery Materials Plant," The Albany Herald, June 27, 2023, <https://albanyherald.com/news/business-news-2/officials-break-ground-on-bainbridge-battery-materials-plant>;

Novonix, "NOVONIX Achieves Key Milestones and Establishes Pathway to Profitable Anode Material Production in the U.S.," Press Release, September 14, 2023, <https://www.novonixgroup.com/Novonix-achieves-key-milestones-and-establishes-pathway-to-profitable-anode-material-production-in-the-u-s>;

Novonix, "NOVONIX Finalizes US\$100 Million Grant Award from U.S. Department of Energy," Press Release, October 31, 2023, <https://www.novonixgroup.com/Novonix-finalizes-us100-million-grant-award-from-u-s-department-of-energy>;

Epsilon, "Epsilon Advanced Materials (EAM) Announces Investment of \$650M Manufacturing Facility in North Carolina to Strengthen EV Battery Industry in the United States," Press Release, October 23, 2023, https://www.epsilonam.com/images/press-release/EAM%20-%20NC%20Announcement%20press%20release_Final.pdf;

Cecilia Jamasmie, "Appian invests in US Graphite-focused Firm Urbix," Mining.com, October 30, 2023, <https://www.mining.com/appian-invests-in-us-graphite-focused-firm-urbix>;

Urbix, "Urbix Secures Strategic Investment and Establishes JDA with Leading Mining Investor Appian Capital," News Release, October 30, 2023, <https://www.urbix.inc/post/urbix-secures-strategic-investment-and-establishes-jda-with-leading-mining-investor-appian-capital>;

Business Wire, "Epsilon Advanced Materials (EAM) Announces Investment of \$650M Manufacturing Facility in North Carolina to Strengthen EV Battery Industry in the United States," October 26, 2023, <https://www.businesswire.com/news/home/20231026819379/en/Epsilon-Advanced-Materials-EAM-Announces-Investment-of-%24650M-Manufacturing-Facility-in-North-Carolina-to-Strengthen-EV-Battery-Industry-in-the-United-States>;

Novonix, "Panasonic Energy and NOVONIX Sign Binding Off-Take Agreement," Press Release, February 9, 2024, <https://www.novonixgroup.com/news/panasonic-energy-and-novonix-sign-binding-off-take-agreement>;

Syrah, "Syrah Commences AAM Production at Its 11.25ktpa Vidalia Facility in Louisiana, USA," News Release, February 9, 2024, <https://www.syrahresources.com.au/news/syrah-commences-aam-production-at-its-11-25ktpa-vidalia-facility-in-louisiana-usa>;

Mining Technology, "Syrah Begins Producing Active Anode Material in Louisiana," February 12, 2024, <https://www.mining-technology.com/news/syrah-begins-producing-active-anode/?cf-view&cf-closed>;

Amit Panday, "Syrah Resources Begins Natural Graphite Processing Operations at Its Facility in Vidalia, La," S&P Global, February 20, 2024, <https://autotechinsight.ihsmarkit.com/main/news/proc/create-pdf?id=5274396>;

Graphite One, "Graphite One Selects Ohio's "Voltage Valley" for Graphite Anode Material Manufacturing Plant," News Release, March 20, 2024, <https://www.prnewswire.com/news-releases/graphite-one-selects-ohios-voltage-valley-for-graphite-anode-material-manufacturing-plant-302094263.html>;

David Shepardson and David Lawder, "Automakers Win Extension On Use of Chinese Graphite in EV Tax Credits," Reuters, May 3, 2024, <https://www.reuters.com/business/autos-transportation/automakers-win-extension-use-chinese-graphite-ev-tax-credits-2024-05-03>;

U.S. Treasury Department, IRS, "Section 30D New Clean Vehicle Credit," 88 FR 23370, April 17, 2023, <https://www.govinfo.gov/content/pkg/FR-2023-04-17/pdf/2023-06822.pdf>;

Treasury, "Treasury Releases Proposed Guidance on new Clean Vehicle Credit to Lower Costs for Consumers, Build U.S. Industrial Base, Strengthen Supply Chains," Press Release, March 31, 2023, <https://home.treasury.gov/news/press-releases/jy1379>;

Solomon Cefai, "Policy Uncertainty Poses Short-term Risk for US Anode Sector But Long-term Outlook Remains Strong, Said Syrah CEO," Fastmarkets, September 16, 2024, <https://www.fastmarkets.com/insights/policy-uncertainty-poses-short-term-risk-for-us-anode-sector-said-syrah-ceo>;

USTR, "Notice of Modification: China's Acts, Policies and Practices Related to Technology Transfer, Intellectual Property and Innovation," 89 FR 76581, September 18, 2024, <https://www.govinfo.gov/content/pkg/FR-2024-09-18/pdf/2024-21217.pdf>;

Darren Parker, "Urbix to Get \$125m from US Govt to Fund Graphite Processing Facility," Mining Weekly, September 23, 2024, <https://www.miningweekly.com/article/urbix-to-get-125m-from-us-govt-to-fund-graphite-processing-facility-2024-09-23>;

Urbix, "Urbix Graphite Processing Facility Selected by US Department of Energy for \$125 Million Bipartisan Infrastructure Law funding Negotiation," News Release, September 20, 2024, <https://www.urbix.inc/post/urbix-graphite-processing-facility-selected-by-us-doe-for-125-million-funding-negotiation>;

Jason Thomas, "Feds Invest \$150M in Proposed Orangeburg EV Battery Components Facility," Charleston Business, September 23, 2024, <https://charlestonbusiness.com/feds-invest-150m-in-proposed-orangeburg-ev-battery-components-facility>;

WLTX.com, "\$1B Investment, 124 New Jobs Coming to Orangeburg County," October 8, 2024, <https://www.wltx.com/article/tech/1billiondollar-investment-124-new-jobs-coming-to-orangeburg-county-birla-carbon>;

U.S. Internal Revenue Service ("IRS"), "Advanced Manufacturing Production Credit, Final Rule," 89 FR 85798, October 28, 2024, <https://www.govinfo.gov/content/pkg/FR-2024-10-28/pdf/2024-24840.pdf>;

Nicholas E. Buffie, "The Section 45X Advanced Manufacturing Production Credit," Congressional Research Service, In Focus Report No. IF12809, November 7, 2024, <https://www.congress.gov/crs-product/IF12809>;

U.S. Department of the Treasury, "Inflation Reduction Act Incentives for Clean Energy Manufacturers," December 2024, https://home.treasury.gov/system/files/8861/2024.12.12.45X_Slides%20Final.pdf;

Syrah, "Syrah Receives US\$150m DFC Loan for Balama," News Release, November 7, 2024, <https://www.syrahresources.com.au/news/syrah-receives-us-150m-dfc-loan-for-balama>;

Avinash Govind, "Syrah Resources Secures Mozambique Graphite Loan Waiver," Argus Media, January 7, 2025, <https://www.argusmedia.com/en/news-and-insights/latest-market-news/2644474-syrah-resources-secures-mozambique-graphite-loan-waiver>;

Novonix, "NOVONIX and Stellantis Sign Binding Offtake Agreement," Press Release, November 10, 2024, <https://www.novonixgroup.com/news/Novonix-and-stellantis-sign-binding-offtake-agreement>;

Novonix, "NOVONIX Offered Conditional Commitment for US\$754 Million Loan from the U.S. Department of Energy for New Synthetic Graphite Manufacturing Plant in Tennessee," Press Release, December 16, 2024, <https://www.novonixgroup.com/news/conditional-commitment-announcement>;

Novonix, "NOVONIX Announces Intended Location for New Synthetic Graphite Manufacturing Plant in the Enterprise South Industrial Park in Chattanooga, Tennessee," Press Release, January 6, 2025, <https://ir.Novonixgroup.com/news-releases/news-release-details/Novonix-announces-intended-location-new-synthetic-graphite>;

Novonix, "NOVONIX and Harper International Enter Licensing Agreement for Graphitization Furnace Technology," Press Release, January 9, 2025, <https://www.Novonixgroup.com/news/nvx-harper-international-agreement>;

Syrah, "IRA Tax Credit Will Support the Potential Further Expansion of the Vidalia AAM Facility in Louisiana, USA to a 45ktpa AAM Production Capacity," News Release, January 14, 2025, <https://www.syrahresources.com.au/news/syrah-awarded-us-165-million-ira-tax-credit>;

Westwater, "Westwater Resources Successfully Commissions Kellyton Qualification Line," News Release, February 11, 2025, <https://westwaterresources.net/news-releases/2025/02/11/westwater-resources-successfully-commissions-kellyton-qualification-line>;

Syrah, "Vidalia AAM Supply Agreement with Lucid," ASX Announcement/Media Release, February 24, 2025, https://yourir.info/resources/be9de7e9fc799de2/announcements/syr.asx/3A662319/SYR_Vidalia_AAM_Supply_Agreement_with_Lucid.pdf;

Novonix, "NOVONIX Receives Approval for Purchase of Enterprise South Land for Planned Enterprise South Manufacturing Facility," Press Release, March 13, 2025, <https://www.Novonixgroup.com/news/nvx-receives-approval-for-purchase-of-enterprise-south-land>;

Novonix, "NOVONIX Finalizes Purchase and Sale Agreement for Enterprise South Land," Press Release, April 29, 2025, <https://www.Novonixgroup.com/news/Novonix-finalizes-purchase-and-sale-agreement-for-enterprise-south-land>;

Ethan Reddish, "Anovion Still Aiming for 2026 Construction," The Post-Searchlight (Bainbridge, Georgia), July 16, 2025, <https://thepostsearchlight.com/2025/07/16/anovion-still-aiming-for-2026-construction>;

Novonix, "NOVONIX Announces Entry into Funding Agreement for up to US\$100 Million of Convertible Debentures," Press Release, July 23, 2025, <https://www.Novonixgroup.com/news/Novonix-announces-entry-into-funding-agreement-for-up-to-us100-million-of-convertible-debentures>;

ExxonMobil, "Superior Graphite, Superior Acquisitions for Synthetic Graphite Production," News Release, September 9, 2025, <https://corporate.exxonmobil.com/news/corporate-news/superior-graphite-superior-acquisitions-for-synthetic-graphite-production>;

Jennifer P. Brown, "ExxonMobil is Acquiring Superior Graphite's Hopkinsville Production Plant," Hoptown Chronicle, September 10, 2025, <https://hoptownchronicle.org/exxonmobil-is-acquiring-superior-graphites-hopkinsville-production-plant>;

Superior, "Superior Graphite Announces Agreement with ExxonMobil," Press Release, September 15, 2025, <https://superiorgraphite.com/superior-graphite-announces-agreement-with-exxonmobil>;

Westwater, "Westwater Resources Announces Issuance of U.S. Patent for Graphite Purification Technology at Kellyton Graphite Plant," News Release, September 17, 2025, <https://westwaterresources.net/news-releases/2025/09/17/westwater-resources-announces-second-quarter-2025-business-updates-and-investor-conference-call-2>;

Epsilon, "Epsilon Advanced Materials and Phillips 66 Partner to Power the Manufacturing of Electric Vehicles and Energy Storage System Batteries in the U.S.," Press Release, September 24, 2025, https://www.epsilonam.com/images/press-release/EAMPL_Press_Release_Sept_24.pdf;

Novonix, "NOVONIX Achieves Critical Operational Milestone," Press Release, September 29, 2025, <https://www.Novonixgroup.com/news/Novonix-achieves-critical-operational-milestone>;

EVinfo.net, "EAM Partners With Phillips 66 to Support 1M EV Batteries Annually in North Carolina," November 2025, <https://evinfo.net/2025/11/epsilon-partners-with-phillips-66-to-support-1m-ev-batteries-annually-in-north-carolina>;

DOE, "Energy Department Announces Termination of 223 Projects, Saving Over \$7.5 Billion," News Release, October 2, 2025, <https://www.energy.gov/articles/energy-department-announces-termination-223-projects-saving-over-75-billion>;

Christa Marshall, "DOE Cancels More Than \$700M in Battery, Manufacturing Projects," E&E News, October 20, 2025, <https://www.eenews.net/articles/doe-cancels-more-than-700m-in-battery-manufacturing-projects>;

Christopher Randall, "Stellantis Cancels Several Raw Material Contracts," electrive, November 11, 2025, <https://www.electrive.com/2025/11/11/stellantis-cancels-several-raw-material-contracts>;

Matthew Wilson, "Tesla and Syrah Resources Extend Graphite Supply Deal Deadline Again as Technical Hurdles Persist," Drive Tesla, November 18, 2025, <https://driveteslacanada.ca/news/tesla-and-syrah-resources-extend-graphite-supply-deal-deadline-again-as-technical-hurdles-persist>;

Allied Graphite, "Allied Graphite Launches New Brand, Completes \$50.9M Funding," Linked In, January 12, 2026, https://www.linkedin.com/posts/alliedgraphite_allied-graphite-press-release-12-january-activity-7416484861407854592-2uIG;

Novonix, "Operations Update: Panasonic Energy Offtake," Press Release, January 16, 2026, <https://ir.novonixgroup.com/static-files/66471fda-c635-4312-9ffc-102338ae8e56>;

Petitioner's postconference brief, Attachment 1B: Sources Regarding the Domestic Industry's Substantial Commitment to Production; and Attachment 1C News Releases: Press Releases and News Articles Regarding Domestic AAM Industry;

Petitioner's prehearing brief, Exhibit 99: Politico, "DOE Cancels More Than \$700 Million in Battery, Manufacturing Projects," October 20, 2025;

Respondent Panasonic's prehearing brief, Exhibit 22b: Novonix Press Release, September 29, 2025;

Tesla prehearing brief, Exhibit 2: Novonix ASX Announcement, December 16, 2024; and Exhibit 3: Novonix Press Release, January 16, 2026; and

Respondent TTI's prehearing brief, Exhibit 1: Anovion Press Release, March 25, 2022; and Exhibit 3: Novonix Press Release, September 29, 2025;

Respondent LGES's posthearing brief, Exhibit 3: Press Release for Novonix JDA; and

Respondent Tesla's posthearing brief, Exhibit 22: Section 30D New Clean Vehicle Credit, Exhibit 23: Treasury Releases Proposed Guidance on New Clean Vehicle Credit, and Exhibit 24: Automakers Win Extension On Use of Chinese Graphite in EV Tax Credits.

Producers in the United States were asked to report any change in the character of their operations or organization relating to the production of AAM since 2022. Four producers indicated in their questionnaires that they had experienced such changes. Table 3.4 presents the changes identified by these producers.

Table 3.4 AAM: U.S. producers' reported changes in operations, since January 1, 2022

| Item | Firm name and narrative response on changes in operations |
|-------------------------|--|
| Plant openings | *** |
| Plant openings | *** |
| Plant openings | *** |
| Prolonged shutdowns | *** |
| Prolonged shutdowns | *** |
| Production curtailments | *** |
| Production curtailments | *** |
| Expansions | *** |
| Expansions | *** |

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

U.S. production, capacity, and capacity utilization

Table 3.5 presents U.S. producers' installed and practical capacity and production on the same equipment. Practical overall capacity increased annually from 2022 to 2024, most noticeably from 2023 to 2024. Syrah commenced commercial operations in February 2024 and accounted for *** in practical overall capacity from 2023 to 2024. The other responding U.S. producers reported more modest changes in their practical overall capacity. U.S. producers' practical overall capacity was noticeably higher in interim 2025 than in interim 2024. Two firms reported more practical overall capacity in interim 2025 than in interim 2024, while two firms reported no changes in their practical overall capacities.

Production of AAM fluctuated, decreasing modestly from 2022 to 2023, then increasing noticeably from 2023 to 2024, ending higher in 2024 than in 2022. However, it was lower in interim 2025 than in interim 2024. Non-AAM production began in 2024 but did not change the directional trend of overall production on shared equipment. Practical capacity utilization fluctuated, decreasing from 2022 to 2023, then increasing modestly from 2023 to 2024, ending lower in 2024 than in 2022. Practical capacity utilization was lower in interim 2025 than in interim 2024.

Table 3.5 AAM: U.S. producers' installed and practical capacity, production, and utilization on the same equipment as in-scope production, by period

Capacity and production in 1,000 pounds; utilization in percent; interim is January through June

| Item | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------------|-------------|------|------|------|--------------|--------------|
| Installed overall | Capacity | *** | *** | *** | *** | *** |
| Installed overall | Production | *** | *** | *** | *** | *** |
| Installed overall | Utilization | *** | *** | *** | *** | *** |
| Practical overall | Capacity | *** | *** | *** | *** | *** |
| Practical overall | Production | *** | *** | *** | *** | *** |
| Practical overall | Utilization | *** | *** | *** | *** | *** |
| Practical AAM | Capacity | *** | *** | *** | *** | *** |
| Practical AAM | Production | *** | *** | *** | *** | *** |
| Practical AAM | Utilization | *** | *** | *** | *** | *** |

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

Table 3.6 presents U.S. producers’ reported narratives regarding practical capacity constraints.

Table 3.6 AAM: U.S. producers’ reported capacity constraints since January 1, 2022

| Item | Firm name and narrative response on constraints to practical overall capacity |
|------------------------|---|
| Production bottlenecks | *** |
| Existing labor force | *** |
| Other constraints | *** |
| Other constraints | *** |
| Other constraints | *** |
| Other constraints | *** |

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

Table 3.7 and figure 3.1 present U.S. producers’ production, capacity, and capacity utilization. Practical capacity increased from 2022 to 2024, most noticeably from 2023 to 2024, reflecting ***.⁴¹ Practical capacity was noticeably higher in interim 2025 than in interim 2024. *** reported more capacity in interim 2025 than in interim 2024, while *** reported no changes in their capacity.

⁴¹ Two firms (***) reported production for commercial sales; four firms (***) reported production for trial/test purposes; and two firms (***) did not report any substantive production of AAM.

After a relatively modest decrease from 2022 to 2023, production increased to more than *** pounds in 2024. The increase in production from 2023 to 2024 was largely driven by ***, corresponding with ***. Production was lower in interim 2025 than in interim 2024. *** reported less production in interim 2025 than in interim 2024, while the other responding producers reported either minimal or no changes in production.⁴² Practical capacity utilization fluctuated, decreasing noticeably from 2022 to 2023, then increasing more modestly from 2023 to 2024, ending lower in 2024 than in 2022.⁴³ It was noticeably lower in interim 2025 than in interim 2024.⁴⁴

Table 3.7 AAM: U.S. producers’ output: Practical capacity, by firm and period

Practical capacity

Capacity in 1,000 pounds; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-----------|------|------|------|--------------|--------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

⁴² Syrah’s lower production in interim 2025 compared with interim 2024 corresponds with the company’s declaration of force majeure at its Balama graphite mine in Mozambique in October 2024, which the company attributed to the widespread civil unrest following the country’s general elections. Syrah restarted its operations at the mine in June 2025 and reported 26,000 metric tons (57.3 million pounds) of output in the third quarter of 2025. “Syrah Resources to restart Balama graphite operation in Mozambique”, May 16, 2025. <https://www.mining-technology.com/news/syrah-resources-balama-graphite/#>.

⁴³ The decrease in capacity utilization from 2022 to 2023 reflects ***.

⁴⁴ The noticeable difference in practical capacity utilization comparing the interim periods reflects the ***. Email from ***, September 30, 2025.

Table 3.7 (Continued) AAM: U.S. producers' output: Production, by firm and period

Production

Production in 1,000 pounds; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-----------|------|------|------|--------------|--------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 3.7 (Continued) AAM: U.S. producers' output: Capacity utilization, by firm and period

Capacity utilization

Capacity utilization in percent; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-----------|------|------|------|--------------|--------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Note: Capacity utilization ratio represents the ratio of the U.S. producer's production to its production capacity.

Table continued.

Table 3.7 (Continued) AAM: U.S. producers' output: Share of production, by firm and period

Share of production

Share in percent; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-----------|-------|-------|-------|--------------|--------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Figure 3.1 AAM: U.S. producers' output, by period

* * * * *

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

In this proceeding, the Commission also requested U.S. producers to provide additional information regarding their AAM operations beyond June 2025. Table 3.8 presents responding U.S. producers' actual and projected capacity, commercial and trial production, and capacity utilization. All reported U.S. production in calendar year 2023 was trial production. In contrast, commercial production exceeded trial production in calendar years 2022 and 2024.⁴⁵ *** reported trial production, while *** reported commercial and trial production. U.S. producers' commercial production is projected to be noticeably higher than their trial production in 2026 and 2027. Practical capacity is projected to increase annually from 2024 to 2027, with a noticeably large increase from 2026 to 2027.⁴⁶ U.S. producers' trial and commercial production are also projected to increase from 2024 to 2027, most noticeably from 2026 to 2027.⁴⁷ Epsilon, Novonix, SKI, and Syrah are projected to have commercial production by 2027.

⁴⁵ Representatives from *** confirmed that ***. Email from ***, February 17, 2026. Representatives from *** noted that ***. Email from ***, February 5, 2026.

⁴⁶ The projected increase in capacity from 2026 to 2027 reflects *** projections. These producers are projecting a collective increase of approximately *** pounds in capacity from 2026 to 2027. ***. Email from ***, September 30, 2025. As discussed previously, ***.

⁴⁷ The projected increase in commercial production from 2025 to 2026 primarily reflects *** projection, which is based on ***. Email from ***, September 30, 2025. The projected increase in commercial production from 2026 to 2027 is largely driven by ***.

Table 3.8 AAM: U.S. producers’ actual and projected practical capacity and production, by period

Quantity in 1,000 pounds; ratio and share in percent

| Product type | Measure | 2022 Actual | 2023 Actual | 2024 Actual | 2025 Projected | 2026 Projected | 2027 Projected |
|------------------------------------|----------|-------------|-------------|-------------|----------------|----------------|----------------|
| Practical AAM capacity | Quantity | *** | *** | *** | *** | *** | *** |
| Trial production | Quantity | *** | *** | *** | *** | *** | *** |
| Commercial production | Quantity | *** | *** | *** | *** | *** | *** |
| All production | Quantity | *** | *** | *** | *** | *** | *** |
| Practical AAM capacity utilization | Ratio | *** | *** | *** | *** | *** | *** |
| Trial production | Share | *** | *** | *** | *** | *** | *** |
| Commercial production | Share | *** | *** | *** | *** | *** | *** |
| All production | Share | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Figure 3.2 presents U.S. producers’ actual capacity from 2022 to 2024, interim 2024, interim 2025, and projected capacity for 2025, 2026, and 2027.

Figure 3.2 AAM: U.S. producers’ actual and projected capacity, by period

* * * * *

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

Figure 3.3 presents U.S. producers' actual and projected production by production type and figure 3.4 presents the share of U.S. producers' actual and projected production represented by each type of production.

Figure 3.3 AAM: U.S. producers' actual and projected production, by production type and period

* * * * *

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

Figure 3.4 AAM: Shares of U.S. producers’ actual and projected production, by production type and period

* * * * *

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

Alternative products

Table 3.9 presents U.S. producers’ overall production on equipment used to produce AAM. One firm (***) reported production of out-of-scope merchandise on the same equipment used to produce AAM beginning in 2024. *** reported producing ***.

Table 3.9 AAM: U.S. producers’ overall production on the same equipment as in-scope production, by period

Quantity in 1,000 pounds; share in percent; interim is January through June

| Product type | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|----------------|----------|-------|-------|-------|--------------|--------------|
| AAM | Quantity | *** | *** | *** | *** | *** |
| Other products | Quantity | *** | *** | *** | *** | *** |
| All products | Quantity | *** | *** | *** | *** | *** |
| AAM | Share | *** | *** | *** | *** | *** |
| Other products | Share | *** | *** | *** | *** | *** |
| All products | Share | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

U.S. producers' U.S. shipments and exports

Table 3.10 presents U.S. producers' U.S. shipments, export shipments, and total shipments. One firm (***) reported commercial U.S. shipments and three firms (***) reported U.S. shipments for trial and/or test purposes.⁴⁸ Commercial U.S. shipments accounted for the majority of U.S. shipments in 2022, while U.S. shipments for trial and/or test purposes accounted for all U.S. shipments during the rest of the period for which data collected. No firm reported internal consumption or transfers to related firms during the period for which data were collected. One firm (***) reported a minimal amount of export shipments in 2024. The quantity and value of U.S. producers' U.S. shipments increased annually from 2022 to 2024 but were lower in interim 2025 than in interim 2024. The average unit value of U.S. shipments decreased from 2022 to 2024 and was lower in interim 2025 than in interim 2024.

⁴⁸ As discussed previously, representatives from *** confirmed the ***, February 17, 2026. Representatives from Syrah noted that ***. Email from ***, February 5, 2026.

Table 3.10 AAM: U.S. producers' shipments, by destination and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; share in percent; interim is January through June

| Item | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|---------------------------|-------------------|-------|-------|-------|--------------|--------------|
| Commercial U.S. shipments | Quantity | *** | *** | *** | *** | *** |
| Trial/test U.S. shipments | Quantity | *** | *** | *** | *** | *** |
| U.S. shipments | Quantity | *** | *** | *** | *** | *** |
| Export shipments | Quantity | *** | *** | *** | *** | *** |
| Total shipments | Quantity | *** | *** | *** | *** | *** |
| Commercial U.S. shipments | Value | *** | *** | *** | *** | *** |
| Trial/test U.S. shipments | Value | *** | *** | *** | *** | *** |
| U.S. shipments | Value | *** | *** | *** | *** | *** |
| Export shipments | Value | *** | *** | *** | *** | *** |
| Total shipments | Value | *** | *** | *** | *** | *** |
| Commercial U.S. shipments | Unit value | *** | *** | *** | *** | *** |
| Trial/test U.S. shipments | Unit value | *** | *** | *** | *** | *** |
| U.S. shipments | Unit value | *** | *** | *** | *** | *** |
| Export shipments | Unit value | *** | *** | *** | *** | *** |
| Total shipments | Unit value | *** | *** | *** | *** | *** |
| Commercial U.S. shipments | Share of quantity | *** | *** | *** | *** | *** |
| Trial/test U.S. shipments | Share of quantity | *** | *** | *** | *** | *** |
| U.S. shipments | Share of quantity | *** | *** | *** | *** | *** |
| Export shipments | Share of quantity | *** | *** | *** | *** | *** |
| Total shipments | Share of quantity | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Commercial U.S. shipments | Share of value | *** | *** | *** | *** | *** |
| Trial/test U.S. shipments | Share of value | *** | *** | *** | *** | *** |
| U.S. shipments | Share of value | *** | *** | *** | *** | *** |
| Export shipments | Share of value | *** | *** | *** | *** | *** |
| Total shipments | Share of value | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

Note: SKI *** and noted that ***. Representatives from SKI explained that ***. Email from ***, November 20, 2025. ***.

Table 3.11 presents U.S. producers' U.S. shipments by composition. U.S. producers' U.S. shipments, both coated and uncoated, were entirely loose AAM.⁴⁹

Table 3.11 AAM: U.S. producers' U.S. shipments, by composition and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; share in percent; interim is January to June

| Composition | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|--------------------------|-------------------|-------|-------|-------|--------------|--------------|
| Loose: Coated | Quantity | *** | *** | *** | *** | *** |
| Loose: Uncoated | Quantity | *** | *** | *** | *** | *** |
| Loose | Quantity | *** | *** | *** | *** | *** |
| Non-loose | Quantity | *** | *** | *** | *** | *** |
| All product compositions | Quantity | *** | *** | *** | *** | *** |
| Loose: Coated | Value | *** | *** | *** | *** | *** |
| Loose: Uncoated | Value | *** | *** | *** | *** | *** |
| Loose | Value | *** | *** | *** | *** | *** |
| Non-loose | Value | *** | *** | *** | *** | *** |
| All product compositions | Value | *** | *** | *** | *** | *** |
| Loose: Coated | Unit value | *** | *** | *** | *** | *** |
| Loose: Uncoated | Unit value | *** | *** | *** | *** | *** |
| Loose | Unit value | *** | *** | *** | *** | *** |
| Non-loose | Unit value | *** | *** | *** | *** | *** |
| All product compositions | Unit value | *** | *** | *** | *** | *** |
| Loose: Coated | Share of quantity | *** | *** | *** | *** | *** |
| Loose: Uncoated | Share of quantity | *** | *** | *** | *** | *** |
| Loose | Share of quantity | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Non-loose | Share of quantity | — | — | — | — | — |
| All product compositions | Share of quantity | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

⁴⁹ “Loose AAM” is AAM that is not part of a compound, not in a battery, not as a component of an anode slurry, and not in a subassembly of a battery such as an electrode. “Non-loose AAM” is AAM that is part of a compound, in a component of an anode slurry, or in a subassembly of a battery such as an electrode. Appendix D presents U.S. producers U.S. shipments of AAM by composition and quarter.

Table 3.12 presents U.S. producers' U.S. shipments by product form for calendar year 2024 and interim 2025. ***.

Table 3.12 AAM: U.S. producers' U.S. shipments, by product form and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; share in percent

| Product form | Measure | January through June 2024 | July through December 2024 | January through June 2025 |
|-------------------|-------------------|---------------------------|----------------------------|---------------------------|
| Natural | Quantity | *** | *** | *** |
| Synthetic | Quantity | *** | *** | *** |
| Blended | Quantity | *** | *** | *** |
| All product forms | Quantity | *** | *** | *** |
| Natural | Value | *** | *** | *** |
| Synthetic | Value | *** | *** | *** |
| Blended | Value | *** | *** | *** |
| All product forms | Value | *** | *** | *** |
| Natural | Unit value | *** | *** | *** |
| Synthetic | Unit value | *** | *** | *** |
| Blended | Unit value | *** | *** | *** |
| All product forms | Unit value | *** | *** | *** |
| Natural | Share of quantity | *** | *** | *** |
| Synthetic | Share of quantity | *** | *** | *** |
| Blended | Share of quantity | *** | *** | *** |
| All product forms | Share of quantity | 100.0 | 100.0 | 100.0 |
| Natural | Share of value | *** | *** | *** |
| Synthetic | Share of value | *** | *** | *** |
| Blended | Share of value | *** | *** | *** |
| All product forms | Share of value | 100.0 | 100.0 | 100.0 |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

U.S. producers' inventories

Table 3.13 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. End-of-period inventories increased from 2022 to 2024, most notably from 2023 to 2024, consistent with the commencement of Syrah's commercial operations in 2024.⁵⁰ End-of-period inventories were higher in interim 2025 than in interim 2024. The ratio of ending inventories to production fluctuated, increasing from 2022 to 2023, then decreasing more modestly from 2023 to 2024, ending higher in 2024 than in 2022. The ratio to production was higher in interim 2025 than in interim 2024. The ratios of ending inventories to U.S. shipments and total shipments increased from 2022 to 2024, particularly from 2023 to 2024, and were higher in interim 2025 than in interim 2024. Both absolutely and measured as a ratio, end-of-period inventories were higher in interim 2025 than in prior periods.

Table 3.13 AAM: U.S. producers' inventories and their ratio to select items, by period

Quantity in 1,000 pounds; ratio in percent; interim is January through June

| Item | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|------------------------------------|------|------|------|--------------|--------------|
| End-of-period inventory quantity | *** | *** | *** | *** | *** |
| Inventory ratio to U.S. production | *** | *** | *** | *** | *** |
| Inventory ratio to U.S. shipments | *** | *** | *** | *** | *** |
| Inventory ratio to total shipments | *** | *** | *** | *** | *** |

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

U.S. producers' imports from subject sources

No responding U.S. producer reported imports of AAM from 2022 to 2024 and both interim periods.

U.S. producers' purchases of imports from subject sources

No responding U.S. producer reported purchases of AAM from 2022 to 2024 and both interim periods.

⁵⁰ Conference transcript, p. 23 (Hira).

U.S. employment, wages, and productivity

Table 3.14 shows U.S. producers' employment-related data. The number of production-related workers ("PRWs"), total hours worked, hours worked per PRW, wages paid, hourly wages, and productivity increased from 2022 to 2024, while unit labor costs decreased. The sharp decline in unit labor costs from 2023 to 2024 corresponds to the commencement of Syrah's commercial operations in 2024.⁵¹ The number of PRWs, total hours worked, hours worked per PRW, wages paid, and productivity were lower in interim 2025 than in interim 2024, while hourly wages were higher. Consistent with lower productivity and higher hourly wages, unit labor costs were higher in interim 2025 than in interim 2024.

Table 3.14 AAM: U.S. producers' employment related information, by item and period

Interim is January through June

| Item | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|--|------|------|------|--------------|--------------|
| Production and related workers (PRWs) (number) | *** | *** | *** | *** | *** |
| Total hours worked (1,000 hours) | *** | *** | *** | *** | *** |
| Hours worked per PRW (hours) | *** | *** | *** | *** | *** |
| Wages paid (\$1,000) | *** | *** | *** | *** | *** |
| Hourly wages (dollars per hour) | *** | *** | *** | *** | *** |
| Productivity (pounds per hour) | *** | *** | *** | *** | *** |
| Unit labor costs (dollars per pound) | *** | *** | *** | *** | *** |

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

⁵¹ Conference transcript, p. 23 (Hira).

Part 4: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 25 firms believed to be importers and/or purchasers of AAM (broadly defined), as well as to all known U.S. producers of AAM.¹ Usable questionnaire responses were received from eight companies, representing a large majority of U.S. imports from China from January 2022 through June 2025 under HTS statistical reporting numbers 2504.10.5000, 3801.10.5010, and 3801.10.5090, which include both in-scope AAM and other products.² ³ Table 4.1 lists all responding U.S. importers of AAM from China and other sources, their locations, and their shares of U.S. imports, in 2024.

¹ The Commission issued questionnaires to those firms identified in the petitions; staff research; and proprietary, Census-edited Customs' import records.

² The Commission also received questionnaire responses from Contemporary Amperex Technology ("CATL"), Panasonic, Samsung SDI, Stanley Black and Decker, Toyota, Enersys, Ford, and Techtronic Industries ("TTI"). These firms only reported imports of AAM inside battery products, which were within the scope in Commerce's preliminary AD and CVD determinations, and thus were included in the U.S. imports and U.S. shipments of imports dataset in the prehearing report. However, Commerce excluded AAM incorporated into lithium-ion battery products (such as cells, modules, and packs), electric vehicles, hybrid vehicles, cell phones, or battery energy storage systems from the scope in its final antidumping and countervailing duty determinations. Consequently, these firms' imports are now outside the scope of these investigations and have been removed from the U.S. imports and U.S. shipments of imports dataset.

³ Respondent Tesla stated that it is a substantial importer of AAM and representative of U.S. consumers of AAM. Respondent Tesla's postconference brief, p. 10. ***, Tesla and GM ***, ***.

Table 4.1 AAM: U.S. importers, their headquarters, and share of imports by source, 2024

Share in percent

| Firm | Headquarters | China | Nonsubject sources | All import sources |
|--------------------|---------------------|--------------|---------------------------|---------------------------|
| AESC | Smyrna, TN | *** | *** | *** |
| Ford | Dearborn, MI | *** | *** | *** |
| General Motors | Detroit, MI | *** | *** | *** |
| LG Energy Solution | Holland, MI | *** | *** | *** |
| SK Battery America | Commerce, GA | *** | *** | *** |
| Tesla | Austin, TX | *** | *** | *** |
| XALT Energy | Midland, MI | *** | *** | *** |
| All firms | Various | 100.0 | 100.0 | 100.0 |

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Note: ***.

U.S. imports

Table 4.2 and figure 4.1 present data for U.S. imports of AAM from China and all other sources, while table 4.3 presents data regarding the changes in import quantity, value, and unit value between the comparison periods.

Table 4.2 AAM: U.S. imports, by source and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; share and ratio in percent; ratio represents the ratio to U.S. production; interim is January through June

| Source | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|--------------------|-------------------|--------|--------|--------|--------------|--------------|
| China | Quantity | *** | *** | *** | *** | *** |
| Nonsubject sources | Quantity | 4,845 | 7,231 | 13,290 | 7,439 | 37,929 |
| All import sources | Quantity | *** | *** | *** | *** | *** |
| China | Value | *** | *** | *** | *** | *** |
| Nonsubject sources | Value | 20,147 | 27,510 | 47,272 | 25,417 | 91,880 |
| All import sources | Value | *** | *** | *** | *** | *** |
| China | Unit value | *** | *** | *** | *** | *** |
| Nonsubject sources | Unit value | 4.16 | 3.80 | 3.56 | 3.42 | 2.42 |
| All import sources | Unit value | *** | *** | *** | *** | *** |
| China | Share of quantity | *** | *** | *** | *** | *** |
| Nonsubject sources | Share of quantity | *** | *** | *** | *** | *** |
| All import sources | Share of quantity | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| China | Share of value | *** | *** | *** | *** | *** |
| Nonsubject sources | Share of value | *** | *** | *** | *** | *** |
| All import sources | Share of value | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| China | Ratio | *** | *** | *** | *** | *** |
| Nonsubject sources | Ratio | *** | *** | *** | *** | *** |
| All import sources | Ratio | *** | *** | *** | *** | *** |

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

Figure 4.1 AAM: U.S. import quantities and average unit values, by source and period

* * * * *

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

Table 4.3 AAM: Changes in U.S. imports, by source and period

Changes (Δ) in percent (%) or percentage point (ppt); interim is January through June

| Source | Measure | 2022 to 2024 | 2022 to 2023 | 2023 to 2024 | Interim 2024 to 2025 |
|--------------------|-----------------------|--------------|--------------|--------------|----------------------|
| China | % Δ Quantity | ▲*** | ▲*** | ▲*** | ▲*** |
| Nonsubject sources | % Δ Quantity | ▲174.3 | ▲49.2 | ▲83.8 | ▲409.9 |
| All import sources | % Δ Quantity | ▲*** | ▲*** | ▲*** | ▲*** |
| China | % Δ Value | ▲*** | ▲*** | ▲*** | ▼*** |
| Nonsubject sources | % Δ Value | ▲134.6 | ▲36.5 | ▲71.8 | ▲261.5 |
| All import sources | % Δ Value | ▲*** | ▲*** | ▲*** | ▲*** |
| China | % Δ Unit value | ▼*** | ▼*** | ▼*** | ▼*** |
| Nonsubject sources | % Δ Unit value | ▼(14.5) | ▼(8.5) | ▼(6.5) | ▼(29.1) |
| All import sources | % Δ Unit value | ▼*** | ▼*** | ▼*** | ▼*** |
| China | ppt Δ Quantity | ▲*** | ▼*** | ▲*** | ▼*** |
| Nonsubject sources | ppt Δ Quantity | ▼*** | ▲*** | ▼*** | ▲*** |
| All import sources | ppt Δ Quantity | *** | *** | *** | *** |
| China | ppt Δ Value | ▲*** | ▼*** | ▲*** | ▼*** |
| Nonsubject sources | ppt Δ Value | ▼*** | ▲*** | ▼*** | ▲*** |
| All import sources | ppt Δ Value | *** | *** | *** | *** |
| China | ppt Δ Ratio | ▼*** | ▲*** | ▼*** | ▲*** |
| Nonsubject sources | ppt Δ Ratio | ▼*** | ▲*** | ▼*** | ▲*** |
| All import sources | ppt Δ Ratio | ▼*** | ▲*** | ▼*** | ▲*** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”. Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

Imports from China, by quantity and value, accounted for the vast majority of total imports of AAM between 2022 and 2024 and a substantial majority in interim 2025. The quantity of imports from China increased annually from 2022 to 2024, most noticeably from 2023 to 2024.⁴ The value of imports from China also increased annually from 2022 to 2024, but at a lower rate than quantity. The average unit value of imports from China decreased annually from 2022 to 2024. The quantity of imports from China was higher in interim 2025 than in interim 2024, while the value was lower. The average unit value of imports from China was lower in interim 2025 than in interim 2024.⁵

The quantity of AAM imports from nonsubject sources increased annually from 2022 to 2024 and was noticeably higher on a percentage basis in interim 2025 than in interim 2024.⁶ Despite this increase, AAM imports from nonsubject sources continued to account for a small share of total imports. The value of AAM imports from nonsubject sources also increased annually from 2022 to 2024, but at a slower rate than quantity. It was noticeably higher in interim 2025 than in interim 2024. The average unit value of AAM imports from nonsubject sources decreased annually from 2022 to 2024 and was lower in interim 2025 than in interim 2024. The average unit value of AAM imports from nonsubject sources was higher than the average unit value of imports from China in each full and partial year.

⁴ ***. ***. Email from ***, September 29, 2025.

⁵ The difference in value comparing the interim periods can be largely attributed to ***. Representatives from ***. Email from ***, September 29, 2025.

⁶ The difference in the quantity of AAM imports from nonsubject sources comparing the interim periods is largely attributed to ***. Representatives from ***. Email from ***, November 19, 2025. Representatives from LG testified that it has diversified its supply, noting that there are Korean, Japanese, and Indonesian suppliers. Public hearing transcript, p. 223 (Seals). Representatives from ***. Email from ***, November 17, 2025. ***.

Table 4.4 presents U.S. producers' U.S. shipments and U.S. importers' U.S. imports by quarter.

Table 4.4 AAM: U.S. producers' U.S. shipments and U.S. importers' U.S. imports by quarter and source

Quantity in 1,000 pounds

| Period | U.S. | China | Nonsubject sources | All import sources | All sources |
|---------|------|-------|--------------------|--------------------|-------------|
| 2022 Q1 | *** | *** | *** | *** | *** |
| 2022 Q2 | *** | *** | *** | *** | *** |
| 2022 Q3 | *** | *** | *** | *** | *** |
| 2022 Q4 | *** | *** | *** | *** | *** |
| 2023 Q1 | *** | *** | *** | *** | *** |
| 2023 Q2 | *** | *** | *** | *** | *** |
| 2023 Q3 | *** | *** | *** | *** | *** |
| 2023 Q4 | *** | *** | *** | *** | *** |
| 2024 Q1 | *** | *** | *** | *** | *** |
| 2024 Q2 | *** | *** | *** | *** | *** |
| 2024 Q3 | *** | *** | *** | *** | *** |
| 2024 Q4 | *** | *** | *** | *** | *** |
| 2025 Q1 | *** | *** | *** | *** | *** |
| 2025 Q2 | *** | *** | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Table 4.5 presents data on U.S. imports from China by composition.⁷ All imports from China were loose AAM in calendar years 2022 and 2023 and interim 2024. Loose AAM represented the vast majority of imports from China in calendar year 2024 and interim 2025. *** reported small quantities of non-loose AAM, all of which were AAM in subassemblies.

Table 4.5 AAM: U.S. importers' U.S. imports from China, by composition and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; share in percent; interim is January through June

| Composition | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|--------------------------|-------------------|-------|-------|-------|--------------|--------------|
| Loose: Coated | Quantity | *** | *** | *** | *** | *** |
| Loose: Uncoated | Quantity | *** | *** | *** | *** | *** |
| Loose | Quantity | *** | *** | *** | *** | *** |
| Non-loose | Quantity | *** | *** | *** | *** | *** |
| All product compositions | Quantity | *** | *** | *** | *** | *** |
| Loose: Coated | Value | *** | *** | *** | *** | *** |
| Loose: Uncoated | Value | *** | *** | *** | *** | *** |
| Loose | Value | *** | *** | *** | *** | *** |
| Non-loose | Value | *** | *** | *** | *** | *** |
| All product compositions | Value | *** | *** | *** | *** | *** |
| Loose: Coated | Unit value | *** | *** | *** | *** | *** |
| Loose: Uncoated | Unit value | *** | *** | *** | *** | *** |
| Loose | Unit value | *** | *** | *** | *** | *** |
| Non-loose | Unit value | *** | *** | *** | *** | *** |
| All product compositions | Unit value | *** | *** | *** | *** | *** |
| Loose: Coated | Share of quantity | *** | *** | *** | *** | *** |
| Loose: Uncoated | Share of quantity | *** | *** | *** | *** | *** |
| Loose | Share of quantity | *** | *** | *** | *** | *** |
| Non-loose | Share of quantity | *** | *** | *** | *** | *** |
| All product compositions | Share of quantity | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

⁷ "Loose AAM" is AAM that is not part of a compound, not in a battery, not as a component of an anode slurry, and not in a subassembly of a battery such as an electrode. "Non-loose AAM" is AAM that is part of a compound, in a component of an anode slurry, or in a subassembly of a battery such as an electrode. Appendix D presents data on U.S. imports by composition on a quarterly basis.

Table 4.6 presents data on AAM imports from nonsubject sources by composition, all of which were loose AAM.

Table 4.6 AAM: U.S. importers' U.S. imports from nonsubject sources, by composition and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; share in percent; interim is January through June

| Composition | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|--------------------------|-------------------|--------|--------|--------|--------------|--------------|
| Loose: Coated | Quantity | *** | *** | *** | *** | *** |
| Loose: Uncoated | Quantity | *** | *** | *** | *** | *** |
| Loose | Quantity | *** | *** | *** | *** | *** |
| Non-loose | Quantity | *** | *** | *** | *** | *** |
| All product compositions | Quantity | 4,846 | 7,229 | 13,290 | 7,439 | 37,929 |
| Loose: Coated | Value | *** | *** | *** | *** | *** |
| Loose: Uncoated | Value | *** | *** | *** | *** | *** |
| Loose | Value | *** | *** | *** | *** | *** |
| Non-loose | Value | *** | *** | *** | *** | *** |
| All product compositions | Value | 20,145 | 27,509 | 47,269 | 25,417 | 91,880 |
| Loose: Coated | Unit value | *** | *** | *** | *** | *** |
| Loose: Uncoated | Unit value | *** | *** | *** | *** | *** |
| Loose | Unit value | *** | *** | *** | *** | *** |
| Non-loose | Unit value | *** | *** | *** | *** | *** |
| All product compositions | Unit value | 4.16 | 3.81 | 3.56 | 3.42 | 2.42 |
| Loose: Coated | Share of quantity | *** | *** | *** | *** | *** |
| Loose: Uncoated | Share of quantity | *** | *** | *** | *** | *** |
| Loose | Share of quantity | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Non-loose | Share of quantity | — | — | — | — | — |
| All product compositions | Share of quantity | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

U.S. shipments by product form

Table 4.7 presents data on U.S. importers' U.S. shipments of imports from China, by product form, in six-month intervals. Synthetic graphite AAM accounted for the largest share of U.S. shipments of AAM from China in each six-month interval.⁸ Natural graphite AAM accounted for the second largest share, while blended graphite AAM accounted for the smallest share.

Table 4.7 AAM: U.S. importers' U.S. shipments of imports from China, by product form and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; share in percent

| Product form | Measure | January through June 2024 | July through December 2024 | January through June 2025 |
|-------------------|-------------------|---------------------------|----------------------------|---------------------------|
| Natural | Quantity | *** | *** | *** |
| Synthetic | Quantity | *** | *** | *** |
| Blended | Quantity | *** | *** | *** |
| All product forms | Quantity | *** | *** | *** |
| Natural | Value | *** | *** | *** |
| Synthetic | Value | *** | *** | *** |
| Blended | Value | *** | *** | *** |
| All product forms | Value | *** | *** | *** |
| Natural | Unit value | *** | *** | *** |
| Synthetic | Unit value | *** | *** | *** |
| Blended | Unit value | *** | *** | *** |
| All product forms | Unit value | *** | *** | *** |
| Natural | Share of quantity | *** | *** | *** |
| Synthetic | Share of quantity | *** | *** | *** |
| Blended | Share of quantity | *** | *** | *** |
| All product forms | Share of quantity | 100.0 | 100.0 | 100.0 |
| Natural | Share of value | *** | *** | *** |
| Synthetic | Share of value | *** | *** | *** |
| Blended | Share of value | *** | *** | *** |
| All product forms | Share of value | 100.0 | 100.0 | 100.0 |

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

⁸ ***

Table 4.8 presents data on U.S. importers' U.S. shipments of AAM from nonsubject sources, by product form, in six-month intervals. All U.S. shipments of AAM from nonsubject sources were either natural graphite AAM or synthetic graphite AAM. Natural graphite AAM accounted for the large majority of U.S. shipments of AAM from nonsubject sources throughout calendar year 2024, while synthetic graphite AAM accounted for a majority in the first six months of 2025.

Table 4.8 AAM: U.S. importers' U.S. shipments of imports from nonsubject sources, by product form and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; share in percent

| Product form | Measure | January through June 2024 | July through December 2024 | January through June 2025 |
|-------------------|-------------------|---------------------------|----------------------------|---------------------------|
| Natural | Quantity | *** | *** | *** |
| Synthetic | Quantity | *** | *** | *** |
| Blended | Quantity | *** | *** | *** |
| All product forms | Quantity | 7,817 | 5,955 | 35,006 |
| Natural | Value | *** | *** | *** |
| Synthetic | Value | *** | *** | *** |
| Blended | Value | *** | *** | *** |
| All product forms | Value | 28,308 | 22,102 | 84,701 |
| Natural | Unit value | *** | *** | *** |
| Synthetic | Unit value | *** | *** | *** |
| Blended | Unit value | *** | *** | *** |
| All product forms | Unit value | 3.62 | 3.71 | 2.42 |
| Natural | Share of quantity | *** | *** | *** |
| Synthetic | Share of quantity | *** | *** | *** |
| Blended | Share of quantity | *** | *** | *** |
| All product forms | Share of quantity | 100.0 | 100.0 | 100.0 |
| Natural | Share of value | *** | *** | *** |
| Synthetic | Share of value | *** | *** | *** |
| Blended | Share of value | *** | *** | *** |
| All product forms | Share of value | 100.0 | 100.0 | 100.0 |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.⁹ Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.¹⁰ Imports from China accounted for the vast majority of U.S. imports of AAM by quantity from December 2023 through November 2024. Table 4.9 presents data on U.S. imports in the twelve-month period preceding the filing of the petitions.

Table 4.9 AAM: U.S. imports in the twelve-month period preceding the filing of the petitions, December 2023 through November 2024

Quantity in 1,000 pounds; share in percent

| Source of imports | Quantity | Share of quantity |
|--------------------|----------|-------------------|
| China | *** | *** |
| All other sources | 15,945 | *** |
| All import sources | *** | 100.0 |

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

⁹ Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

¹⁰ Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Apparent U.S. consumption and market shares

Quantity

Table 4.10 and figure 4.2 present data on apparent U.S. consumption and U.S. market shares for AAM, by quantity. Apparent U.S. consumption increased annually from 2022 to 2024, most noticeably from 2023 to 2024, and was higher in interim 2025 than in interim 2024. U.S. producers' market share was *** percent in each full and partial year. The market share of U.S. shipments of imports from China was consistently *** from 2022 to 2024. However, it was *** percent in interim 2025. The market share of U.S. shipments of AAM imports from nonsubject sources fluctuated from 2022 to 2024 but never exceeded *** percent. However, it reached a high of *** percent in interim 2025.

Table 4.10 AAM: Apparent U.S. consumption and market shares based on quantity, by source and period

Quantity in 1,000 pounds; share in percent; interim is January through June

| Source | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|----------------------------|----------|-------|-------|--------|--------------|--------------|
| U.S. producers: Trial | Quantity | *** | *** | *** | *** | *** |
| U.S. producers: Commercial | Quantity | *** | *** | *** | *** | *** |
| U.S. producers | Quantity | *** | *** | *** | *** | *** |
| China | Quantity | *** | *** | *** | *** | *** |
| Nonsubject sources | Quantity | 3,926 | 6,835 | 12,583 | 7,768 | 34,071 |
| All import sources | Quantity | *** | *** | *** | *** | *** |
| All sources | Quantity | *** | *** | *** | *** | *** |
| U.S. producers: Trial | Share | *** | *** | *** | *** | *** |
| U.S. producers: Commercial | Share | *** | *** | *** | *** | *** |
| U.S. producers | Share | *** | *** | *** | *** | *** |
| China | Share | *** | *** | *** | *** | *** |
| Nonsubject sources | Share | *** | *** | *** | *** | *** |
| All import sources | Share | *** | *** | *** | *** | *** |
| All sources | Share | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Figure 4.2 AAM: Apparent U.S. consumption based on quantity, by source and period

* * * * *

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

Value

Table 4.11 and figure 4.3 present data on apparent U.S. consumption and U.S. market shares for AAM, by value. Apparent U.S. consumption increased annually from 2022 to 2024, most noticeably from 2023 to 2024, and was higher in interim 2025 than in interim 2024. U.S. producers' market share was no more than *** percent in each full and partial year. The market share of U.S. shipments of imports from China was consistently greater than *** percent from 2022 to 2024. However, it was *** percent in interim 2025. The market share of U.S. shipments of AAM imports from nonsubject sources fluctuated, never exceeding *** percent from 2022 to 2024. However, it reached a high of *** percent in interim 2025.

Table 4.11 AAM: Apparent U.S. consumption and market shares based on value, by source and period

Value in 1,000 dollars; share in percent; interim is January through June

| Source | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|----------------------------|---------|--------|--------|--------|--------------|--------------|
| U.S. producers: Trial | Value | *** | *** | *** | *** | *** |
| U.S. producers: Commercial | Value | *** | *** | *** | *** | *** |
| U.S. producers | Value | *** | *** | *** | *** | *** |
| China | Value | *** | *** | *** | *** | *** |
| Nonsubject sources | Value | 19,828 | 31,371 | 47,161 | 28,095 | 81,852 |
| All import sources | Value | *** | *** | *** | *** | *** |
| All sources | Value | *** | *** | *** | *** | *** |
| U.S. producers: Trial | Share | *** | *** | *** | *** | *** |
| U.S. producers: Commercial | Share | *** | *** | *** | *** | *** |
| U.S. producers | Share | *** | *** | *** | *** | *** |
| China | Share | *** | *** | *** | *** | *** |
| Nonsubject sources | Share | *** | *** | *** | *** | *** |
| All import sources | Share | *** | *** | *** | *** | *** |
| All sources | Share | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Figure 4.3 AAM: Apparent U.S. consumption based on value, by source and period

* * * * *

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

Part 5: Pricing data

Factors affecting prices

Raw material costs

AAM can be produced from either natural graphite or synthetic graphite. Natural graphite is mined, while synthetic graphite is typically produced from needle coke.¹ The price of graphite flake generally decreased from January 2022 to June 2025, and stabilized at lower levels for the remainder of 2025. Data for petroleum needle coke are only available after June 2023. The prices of petroleum needle coke for months which data are available indicate that prices fluctuated but were higher in June 2025 than in July 2023 (the first month where data are available) and remained at higher levels for the remainder of 2025 (figure 5.1 and table 5.1).

U.S. producer *** reported that the price of mined graphite fluctuated up since January 1, 2022, while U.S. producer *** reported that the price had fluctuated downward. U.S. producer *** reported that demand increased but oversupply of synthetic graphite caused by manufacturing capacity expansion suppressed natural graphite prices. The majority of importer/purchasers reported that the price of mined graphite fluctuated downward or decreased steadily over the same period.

The majority of U.S. producers reported that the price of synthetic graphite had fluctuated upward or remained constant since January 1, 2022. The majority of importer/purchasers reported that the price of synthetic graphite had fluctuated down or decreased steadily over the same period.

Raw materials, as a share of U.S. producers' cost of goods sold (COGS), declined irregularly from *** percent in 2022 to *** percent in 2024, and were *** percent in interim 2025 compared to interim 2024.

¹ Conference transcript, p. 17 (Taylor).

Figure 5.1 AAM: Select raw materials price indices, by month

* * * * *

Source: ***, retrieved February 17, 2026.

Note: ***

Table 5.1 AAM: Select raw materials price indices, by month

Price indices in percent; NA is not available; 2023 M07 = 100.0

| Period | Graphite flake | Petroleum needle coke |
|----------------|-----------------------|------------------------------|
| January 2022 | *** | *** |
| February 2022 | *** | *** |
| March 2022 | *** | *** |
| April 2022 | *** | *** |
| May 2022 | *** | *** |
| June 2022 | *** | *** |
| July 2022 | *** | *** |
| August 2022 | *** | *** |
| September 2022 | *** | *** |
| October 2022 | *** | *** |
| November 2022 | *** | *** |
| December 2022 | *** | *** |
| January 2023 | *** | *** |
| February 2023 | *** | *** |
| March 2023 | *** | *** |
| April 2023 | *** | *** |
| May 2023 | *** | *** |
| June 2023 | *** | *** |

Table continued

Table 5.1 AAM (Continued): Select raw materials price indices, by month

Price indices in percent; NA is not available; 2023 M07 = 100.0

| Period | Graphite flake | Petroleum needle coke |
|-------------------------|----------------|-----------------------|
| July 2023 (index month) | *** | *** |
| August 2023 | *** | *** |
| September 2023 | *** | *** |
| October 2023 | *** | *** |
| November 2023 | *** | *** |
| December 2023 | *** | *** |
| January 2024 | *** | *** |
| February 2024 | *** | *** |
| March 2024 | *** | *** |
| April 2024 | *** | *** |
| May 2024 | *** | *** |
| June 2024 | *** | *** |
| July 2024 | *** | *** |
| August 2024 | *** | *** |
| September 2024 | *** | *** |
| October 2024 | *** | *** |
| November 2024 | *** | *** |
| December 2024 | *** | *** |
| January 2025 | *** | *** |
| February 2025 | *** | *** |
| March 2025 | *** | *** |
| April 2025 | *** | *** |
| May 2025 | *** | *** |
| June 2025 | *** | *** |
| July 2025 | *** | *** |
| August 2025 | *** | *** |
| September 2025 | *** | *** |
| October 2025 | *** | *** |
| November 2025 | *** | *** |
| December 2025 | *** | *** |

Source: ***, retrieved February 17, 2026.

Note: ***

Transportation costs to the U.S. market

Transportation costs for AAM shipped from China to the United States averaged 2.0 percent. This estimate was derived from official import data and represents the transportation and other charges on imports.²

U.S. inland transportation costs

One responding U.S. producer reported that they typically arrange transportation to their customers while two responding U.S. producers reported that purchasers arranged for transportation. U.S. producers reported that their U.S. inland transportation costs ranged from 4.0 to 5.0 percent. The majority of importer/purchasers reported that they typically arrange transportation to their customers. Importer/purchasers reported that U.S. inland transportation costs ranged from *** to *** percent.

Pricing practices

Pricing methods

U.S. producers reported setting prices using ***. Importer/purchasers reported setting prices using transaction-by-transaction negotiations, contracts, and set price lists (table 5.2).³

Table 5.2 AAM: Count of U.S. producers' and importers' reported price setting methods

Count in number of firms reporting

| Method | U.S. producers | Importers |
|----------------------------|----------------|-----------|
| Transaction-by-transaction | *** | 2 |
| Contract | *** | 3 |
| Set price list | 0 | 1 |
| Other | 0 | 0 |
| Responding firms | 3 | 3 |

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

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

² The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2024 and then dividing by the customs value based on the HTS statistical reporting numbers 2504.10.5000, 3801.10.5000, and 3801.10.5090.

³ Importer/purchasers *** are the firms reporting their price setting methods.

U.S. producers reported selling *** of their AAM in the spot market.

Table 5.3 AAM: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2024

Share in percent

| Type of sale | U.S. producers | Subject importers |
|----------------------|----------------|-------------------|
| Long-term contracts | *** | *** |
| Annual contracts | *** | *** |
| Short-term contracts | *** | *** |
| Spot sales | *** | *** |
| Total | 100.0 | 100.0 |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Note: Because of rounding, figures may not add to the totals shown.

One importer/purchaser reported purchasing AAM weekly and five reported purchasing monthly. Four responding importer/purchasers reported that their purchasing frequency had not changed since 2022. Most importer/purchasers contact one to five suppliers before making a purchase.

Sales terms and discounts

The majority of U.S. producers and all importer/purchasers typically quote prices on an f.o.b. basis. Importer/purchasers reported offering total volume discounts (3 firms) and quantity discounts (2 firms).

Price leadership

Seven importer/purchasers reported that there were no price leaders in the AAM market. Importer/purchaser *** reported that BTR was a price leader because it has established mass production capacity.

Price and purchase cost data

The Commission requested U.S. producers and importer/purchasers to provide quarterly data for the total quantity and f.o.b. value of the following AAM products shipped to unrelated U.S. customers during January 2022 to June 2025. Firms that imported these products from China for own use were requested to provide import purchase cost data.

Product 1.-- Synthetic active anode material, not coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Product 2.-- Natural active anode material, not coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Product 3.-- Synthetic active anode material, coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Product 4.-- Natural active anode material, coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Price data

Two U.S. producers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.⁴ Pricing data reported by these firms accounted for a large portion (***) percent) of U.S. producers' U.S. arms-length U.S. shipments to unrelated purchasers of AAM. No importer/purchasers reported pricing data. The pricing data provided by U.S. producers is presented alongside the purchase cost data provided by importer/purchasers.⁵ ⁶ U.S. producers reported that *** percent of U.S. producers' pricing data was trial or test shipments for product 1. U.S. producers reported that *** percent of pricing data for product 1 and *** percent of pricing data for product 4 were arms-length U.S. shipments to unrelated purchasers.

None of the responding U.S. producers reported that the pricing data provided includes sales that were made pursuant to an offtake agreement relating to AAM. Two U.S. producers

⁴ Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

⁵ U.S. producer *** reported that its pricing data were small quantities of sample orders. It also reported that these costs were high compared to its anticipated operating costs of continuous commercial production and sales.

⁶ U.S. producer *** reported that the average unit value of pricing data varied greatly based on the size of the order and the customer purchasing it. Firms that purchase high-priced graphite can skew the data because it produces extremely limited volumes of AAM.

(***) reported entering into offtake agreements relating to AAM since 2022 that do not cover the commercial shipment pricing data. These two U.S. producers provided information about the offtake agreements that they entered (table 5.4). The prices of offtake agreements typically exceeded the prices of the nearest comparable period of purchase cost data from China. One U.S. producer (***) reported that *** negotiated a yearly step down in pricing for *** years in its takeoff agreement. It also reported that its stepdown agreement included times for it to achieve full qualifications and while there are explicit milestones, there are some intermediary milestones that allow for the fluid nature of qualification.

U.S. producer *** reported that firms would not move forward with the offtake agreement and qualifying AAM due to China's dominance in the market. U.S. producer *** reported that due to Chinese dominance and their long-standing relationship with battery suppliers, firms are unwilling to adjust specifications that have no material impact on battery performance. It reports that it must work to "slot in" to existing specifications that may not be optimal and which can delay deliveries of AAM. The firm also reported that uncertain domestic market dynamics and artificially low pricing from China lowers incentives to capital investment which prevents it from building out its facility to meet customer demand.

Table 5.4 AAM: U.S. producers' offtake agreements and China pricing

Quantity in pounds; agreed offtake price and nearest China cost in dollars per pound; margin in percent

| Product | U.S. producer | Customer | Date of agreement | Expected delivery | Agreed offtake price | Agreed offtake quantity | Nearest China cost during period | Nearest China quantity during period | Margin |
|-----------|---------------|----------|-------------------|-------------------|----------------------|-------------------------|----------------------------------|--------------------------------------|--------|
| Product 1 | *** | *** | February 2024 | *** | *** | *** | *** | *** | *** |
| Product 3 | *** | *** | November 2024 | *** | *** | *** | *** | *** | *** |
| Product 3 | *** | *** | November 2024 | *** | *** | *** | *** | *** | *** |
| Product 4 | *** | *** | December 2021 | *** | *** | *** | *** | *** | *** |
| Product 4 | *** | *** | February 2025 | *** | *** | *** | *** | *** | *** |

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

Note: U.S. producer ***

Zeros, null values, and undefined calculations are suppressed and shown as “—”.

Import purchase cost data

Five importers reported useable import purchase cost data for products 1-4. Purchase cost data reported by these firms accounted for *** percent of imports from China over the entire period for which data were collected. Large importer/purchasers include ***. Landed duty-paid purchase cost data for imports from China are presented in tables 5.5 to 5.8, along with U.S. producers' sales prices.^{7 8}

Importers reporting import purchase cost data were asked to provide additional information regarding the costs and benefits of importing AAM themselves. Two importer/purchasers reported that they incurred additional costs beyond landed duty-paid

⁷ LDP import value does not include any potential additional costs that an importer/purchaser may incur by importing rather than purchasing from another importer or U.S. producer. Price-cost differences are based on LDP import values whereas margins of underselling/overselling are based on importer sales prices.

⁸ Importer/purchaser *** reported that tariffs impacted its purchase cost data. Importer/purchaser *** reported that logistics, and transportation costs, tariffs caused some volatility in its purchase cost data. Importer/purchaser *** reported that transportation cost and some sample shipments impacted its purchase cost data.

costs by importing AAM themselves rather than purchasing from a U.S. producer or U.S. importer. These two importer/purchasers estimated the total additional cost incurred ranged from 4.0-5.0 percent for ocean freight and logistics to 55.0 percent for tariffs.

Both importer/purchasers reported that they compare costs of importing to the cost of purchasing from a U.S. producer and one importer/purchaser reported comparing the costs of importing to purchasing from a U.S. importer in determining whether to import AAM.

Four importer/purchasers reported that the import costs, excluding additional costs of the AAM they imported, are lower than the price of purchasing AAM from a U.S. producer or importer. Four importer/purchasers reported import costs were lower including additional costs compared to the price of purchasing AAM from a U.S. producer or importer.

A number of importer/purchasers reported that the benefits of directly importing AAM were availability of sufficient quantities of certified AAM. Importer/purchasers reported AAM from U.S. producers was unavailable in the quality or quantities they require.

One importer/purchaser (***) reported that it estimated saving *** percent of the purchase price by importing AAM rather than purchasing from a U.S. producer. Four importer/purchasers reported that they used previous transaction to estimate savings and three reported using market research.

One importer/purchaser (***) reported that price was the primary reason for importing AAM directly.

Table 5.5 AAM Weighted-average f.o.b. prices/unit LDP values and quantities of domestic and imported product 1, and margins of underselling/(overselling) or price-cost differentials, by source and quarter price in dollars per pound and LDP cost, quantity in pounds, margin and price-cost differential in percent

Price or unit LDP values in dollars per pound, quantity in pounds, margin and price-cost differential in percent.

| Period | U.S. price | U.S. quantity | China unit LDP values | China quantity | China price-cost differential |
|---------|------------|---------------|-----------------------|----------------|-------------------------------|
| 2022 Q1 | *** | *** | *** | *** | *** |
| 2022 Q2 | *** | *** | *** | *** | *** |
| 2022 Q3 | *** | *** | *** | *** | *** |
| 2022 Q4 | *** | *** | *** | *** | *** |
| 2023 Q1 | *** | *** | *** | *** | *** |
| 2023 Q2 | *** | *** | *** | *** | *** |
| 2023 Q3 | *** | *** | *** | *** | *** |
| 2023 Q4 | *** | *** | *** | *** | *** |
| 2024 Q1 | *** | *** | *** | *** | *** |
| 2024 Q2 | *** | *** | *** | *** | *** |
| 2024 Q3 | *** | *** | *** | *** | *** |
| 2024 Q4 | *** | *** | *** | *** | *** |
| 2025 Q1 | *** | *** | *** | *** | *** |
| 2025 Q2 | *** | *** | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Note: Product 1: Synthetic active anode material, not coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Note: the LDP unit cost for product 1 imported from China in the fourth quarter of 2025 was reported by ***.

Figure 5.2 AAM: Weighted-average f.o.b. prices/unit LDP values and quantities of domestic and imported product 1, by source and quarter

U.S. price and import purchase cost of product 1

* * * * *

Volume of product 1

* * * * *

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

Note: Product 1: Synthetic active anode material, not coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Table 5.6 AAM: Weighted-average f.o.b. prices/unit LDP values and quantities of domestic and imported product 2, and margins of underselling/(overselling) or price-cost differentials, by source and quarter price in dollars per pound and LDP cost, quantity in pounds, margin and price-cost differential in percent

Price or unit LDP values in dollars per pound, quantity in pounds, margin and price-cost differential in percent.

| Period | U.S. price | U.S. quantity | China unit LDP values | China quantity | China price-cost differential |
|---------|------------|---------------|-----------------------|----------------|-------------------------------|
| 2022 Q1 | *** | *** | *** | *** | *** |
| 2022 Q2 | *** | *** | *** | *** | *** |
| 2022 Q3 | *** | *** | *** | *** | *** |
| 2022 Q4 | *** | *** | *** | *** | *** |
| 2023 Q1 | *** | *** | *** | *** | *** |
| 2023 Q2 | *** | *** | *** | *** | *** |
| 2023 Q3 | *** | *** | *** | *** | *** |
| 2023 Q4 | *** | *** | *** | *** | *** |
| 2024 Q1 | *** | *** | *** | *** | *** |
| 2024 Q2 | *** | *** | *** | *** | *** |
| 2024 Q3 | *** | *** | *** | *** | *** |
| 2024 Q4 | *** | *** | *** | *** | *** |
| 2025 Q1 | *** | *** | *** | *** | *** |
| 2025 Q2 | *** | *** | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Note: Product 2: Natural active anode material, not coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Figure 5.3 AAM: Weighted-average f.o.b./unit LDP values and quantities of imported product 2, by source and quarter

U.S. price and import purchase cost of product 2

* * * * *

Volume of product 2

* * * * *

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

Note: Product 2: Natural active anode material, not coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Table 5.7 AAM: Weighted-average f.o.b. prices/unit LDP values and quantities of domestic and imported product 3, and margins of underselling/(overselling) or price-cost differentials, by source and quarter

Price or unit LDP values in dollars per pound, quantity in pounds, margin and price-cost differential in percent.

| Period | U.S. price | U.S. quantity | China unit LDP values | China quantity | China price-cost differential |
|---------|------------|---------------|-----------------------|----------------|-------------------------------|
| 2022 Q1 | *** | *** | *** | *** | *** |
| 2022 Q2 | *** | *** | *** | *** | *** |
| 2022 Q3 | *** | *** | *** | *** | *** |
| 2022 Q4 | *** | *** | *** | *** | *** |
| 2023 Q1 | *** | *** | *** | *** | *** |
| 2023 Q2 | *** | *** | *** | *** | *** |
| 2023 Q3 | *** | *** | *** | *** | *** |
| 2023 Q4 | *** | *** | *** | *** | *** |
| 2024 Q1 | *** | *** | *** | *** | *** |
| 2024 Q2 | *** | *** | *** | *** | *** |
| 2024 Q3 | *** | *** | *** | *** | *** |
| 2024 Q4 | *** | *** | *** | *** | *** |
| 2025 Q1 | *** | *** | *** | *** | *** |
| 2025 Q2 | *** | *** | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Note: Product 3: Synthetic active anode material, coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Figure 5.4 AAM: Weighted-average f.o.b. prices/unit LDP values and quantities of imported product 3, by source and quarter

U.S. price and import purchase cost of product 3

* * * * *

Volume of product 3

* * * * *

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

Note: Product 3: Synthetic active anode material, coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Table 5.8 AAM: AAM: Weighted-average f.o.b. prices/unit LDP values and quantities of domestic and imported product 4, and margins of underselling/(overselling) or price-cost differentials, by source and quarter

Price or unit LDP values in dollars per pound, quantity in pounds, margin and price-cost differential in percent.

| Period | U.S. price | U.S. quantity | China unit LDP values | China quantity | China price-cost differential |
|---------|------------|---------------|-----------------------|----------------|-------------------------------|
| 2022 Q1 | *** | *** | *** | *** | *** |
| 2022 Q2 | *** | *** | *** | *** | *** |
| 2022 Q3 | *** | *** | *** | *** | *** |
| 2022 Q4 | *** | *** | *** | *** | *** |
| 2023 Q1 | *** | *** | *** | *** | *** |
| 2023 Q2 | *** | *** | *** | *** | *** |
| 2023 Q3 | *** | *** | *** | *** | *** |
| 2023 Q4 | *** | *** | *** | *** | *** |
| 2024 Q1 | *** | *** | *** | *** | *** |
| 2024 Q2 | *** | *** | *** | *** | *** |
| 2024 Q3 | *** | *** | *** | *** | *** |
| 2024 Q4 | *** | *** | *** | *** | *** |
| 2025 Q1 | *** | *** | *** | *** | *** |
| 2025 Q2 | *** | *** | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Note: Product 4: Natural active anode material, coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Figure 5.5 AAM: Weighted-average f.o.b. prices/unit LDP values and quantities of domestic and imported product 4, by source and quarter

U.S. price and import purchase cost of product 4

* * * * *

Volume of product 4

* * * * *

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

Note: Product 4: Natural active anode material, coated, not blended, with 99.9 percent purity, not already incorporated into downstream products (e.g., batteries)

Price and purchase cost trends

Table 5.9 summarizes the price trends, by source and by product. As shown in the table, there is insufficient data from domestic producers to determine pricing trends for U.S.-produced AAM. The cost of AAM directly imported from China decreased for products 1, 3, and 4. These decreases ranged from *** percent to *** percent. The cost of AAM directly imported from China increased for product 2 by *** percent.⁹

Table 5.9 AAM: Summary of price data, by product and source, January 2022 to June 2025

Prices and unit LDP values in dollars per pound; Quantity in pounds; Change in percent

| Product | Source | Number of quarters | Quantity | Low price | High price | First quarter price | Last quarter price | Change over period |
|-----------|---------------|--------------------|----------|-----------|------------|---------------------|--------------------|--------------------|
| Product 1 | United States | 10 | *** | *** | *** | *** | *** | *** |
| Product 1 | China-cost | 14 | *** | *** | *** | *** | *** | *** |
| Product 2 | United States | — | *** | *** | *** | *** | *** | *** |
| Product 2 | China-cost | 9 | *** | *** | *** | *** | *** | *** |
| Product 3 | United States | — | *** | *** | *** | *** | *** | *** |
| Product 3 | China-cost | 14 | *** | *** | *** | *** | *** | *** |
| Product 4 | United States | 4 | *** | *** | *** | *** | *** | *** |
| Product 4 | China-cost | 14 | *** | *** | *** | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Note: Percent change column is percentage change from the first quarter 2022 to the second quarter in 2025.

⁹ With respect to product 2, the cost of AAM directly imported from China generally declined over the consecutive quarters when it was sold; the increase reflects small quantities imported by one firm in the last quarter.

Figure 5.6 AAM: Indexed subject U.S. importer/purchaser purchase costs, by quarter

* * * * *

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

Table 5.10 AAM: Indexed subject U.S. importer/purchaser purchase costs, by quarter

Index in percent, 2022 Q1= 100.0 percent

| Period | Product 1 | Product 2 | Product 3 | Product 4 |
|---------|-----------|-----------|-----------|-----------|
| 2022 Q1 | 100.0 | 100.0 | — | 100.0 |
| 2022 Q2 | *** | *** | *** | *** |
| 2022 Q3 | *** | *** | *** | *** |
| 2022 Q4 | *** | *** | *** | *** |
| 2023 Q1 | *** | *** | *** | *** |
| 2023 Q2 | *** | *** | *** | *** |
| 2023 Q3 | *** | *** | *** | *** |
| 2023 Q4 | *** | *** | *** | *** |
| 2024 Q1 | *** | *** | *** | *** |
| 2024 Q2 | *** | *** | *** | *** |
| 2024 Q3 | *** | *** | *** | *** |
| 2024 Q4 | *** | *** | *** | *** |
| 2025 Q1 | *** | *** | *** | *** |
| 2025 Q2 | *** | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Price and purchase cost comparisons

Price comparisons

***.

Price-cost comparisons

As shown in table 5.11, landed duty-paid costs for AAM imported from China were below the sales price for U.S.-produced product in 11 of 14 instances more than 70 million pounds), with differentials ranging from *** to *** percent. In the remaining 3 instances (less than 1 million pounds), landed duty-paid costs for AAM from China were between *** and *** percent above sales prices for the domestic product. As noted in table 5.12, the instances and volumes of Chinese AAM with landed duty-paid costs that were less than the sales price for U.S. produced product were fairly evenly distributed throughout all years.

Table 5.11 AAM: Instances of lower and higher import purchase costs and the range and average of price-cost differentials, by product

Quantity in pounds; price-cost differential in percent

| Product | Type | Number of quarters | Quantity | Average price-cost differential | Min price-cost differential | Max price-cost differential |
|-----------|------------------------|--------------------|----------|---------------------------------|-----------------------------|-----------------------------|
| Product 1 | Lower than U.S. price | 7 | *** | *** | *** | *** |
| Product 2 | Lower than U.S. price | — | *** | *** | *** | *** |
| Product 3 | Lower than U.S. price | — | *** | *** | *** | *** |
| Product 4 | Lower than U.S. price | 4 | *** | *** | *** | *** |
| Total | Lower than U.S. price | 11 | *** | *** | *** | *** |
| Product 1 | Higher than U.S. price | 3 | *** | *** | *** | *** |
| Product 2 | Higher than U.S. price | — | *** | *** | *** | *** |
| Product 3 | Higher than U.S. price | — | *** | *** | *** | *** |
| Product 4 | Higher than U.S. price | — | *** | *** | *** | *** |
| Total | Higher than U.S. price | 3 | *** | *** | *** | *** |

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Table 5.12 AAM: Instances of lower and higher import purchase costs and the range and average of price-cost differentials, by year

Quantity in pounds; margin in percent

| Year | Type | Number of quarters | Quantity | Average margin | Min margin | Max margin |
|---------------------------|--------------|--------------------|----------|----------------|------------|------------|
| 2022 | Underselling | 2 | *** | *** | *** | *** |
| 2023 | Underselling | 4 | *** | *** | *** | *** |
| 2024 | Underselling | 3 | *** | *** | *** | *** |
| January through June 2025 | Underselling | 2 | *** | *** | *** | *** |
| Total, all years | Underselling | 11 | *** | *** | *** | *** |
| 2022 | Overselling | — | *** | *** | *** | *** |
| 2023 | Overselling | — | *** | *** | *** | *** |
| 2024 | Overselling | 3 | *** | *** | *** | *** |
| January through June 2025 | Overselling | — | *** | *** | *** | *** |
| Total, all years | Overselling | 3 | *** | *** | *** | *** |

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Lost sales and lost revenue

In the preliminary phase of these investigations, the Commission requested that U.S. producers of AAM report importer/purchasers with which they experienced instances of lost sales or revenue due to competition from imports of AAM from China during January 2021 to September 2024. One U.S. producer submitted lost sales and lost revenue allegations. ***.

In the final phase of these investigations, of the six responding U.S. producers, three reported that they had to reduce prices, none reported that they had to roll back announced price increases, and three firms reported that they had lost sales.

Staff contacted 38 importer/purchasers and received responses from 8 importer/purchasers. Responding importer/purchasers reported purchasing *** pounds of loose AAM during January 2022 to June 2025 (table 5.13).

Importer/purchasers reported purchasing all AAM from U.S. producers for trial/test purposes from January 2022 to June 2025 (table 5.14). The largest share of purchases in each year and the interim periods were from China.

Table 5.13 AAM: Importer/purchasers' reported purchases and imports, by firm and source

Quantity in pounds, share in percent

| Firm | Domestic quantity | Subject quantity | All other quantity | Change in domestic share | Change in subject share | Change in all other share |
|-----------|-------------------|------------------|--------------------|--------------------------|-------------------------|---------------------------|
| *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** | *** |

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

Note: The all other category includes known nonsubject sources and unknown sources. Changes in shares represent the share of the firm's total purchases of domestic and/or subject country imports between first and last years and are presented in percentage points. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Table 5.14 AAM: Importer/purchasers' reported purchases and imports, by source

Quantity in pounds; Share in percent; Interim is January to June

| Source | 2022 | 2023 | 2024 | Interim 2025 |
|--|------|------|------|--------------|
| United States: For trial/test purposes | *** | *** | *** | *** |
| United States: For commercial purposes | *** | *** | *** | *** |
| China | *** | *** | *** | *** |
| Nonsubject sources | *** | *** | *** | *** |
| All sources | *** | *** | *** | *** |

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—". Automotive, battery and other are specific groupings of end users.

One importer/purchaser *** reported that, since 2022, it had purchased imported loose AAM from China instead of U.S.-produced loose AAM and reported that subject import prices were lower than U.S.-produced AAM. Importer/purchaser *** reported that price was not the primary reason for the decision to purchase imported AAM rather than U.S.-produced loose AAM. Importer/purchaser *** reported that there is a lack of technically approved domestic loose AAM suppliers and these suppliers were not capable of supporting its business requirements at scale. Importer/purchaser *** reported that domestic producers could not meet the required

performance and annual volumes. Importer/purchaser *** reported it only sources loose AAM from its own affiliates. Importer/purchaser *** reported that it was actively engaged in sourcing loose AAM from domestic suppliers but they were unable to meet its annual requirements because Anovion and Epsilon do not have mass production capacity while Novonix is limited to a production capacity of 5,000 tons per year. *** further reported that domestic suppliers struggle to meet its specifications at the lab and pilot scale and are only now able to meet all technical requirements.

None of the responding importer/purchasers reported that U.S. producers had reduced prices in order to compete with lower-priced imports from China; four reported that they did not know.

In responding to the lost sales and lost revenue survey, some importer/purchasers provided additional information on purchases and market dynamics. Importer/purchaser *** reported that ***. It also reported that the only reason that it is not currently procuring loose AAM from domestic suppliers is because the domestic suppliers have not yet met qualification requirements to produce loose AAM which involves multiple rounds of testing to confirm that suppliers can commercially produce material that statistically and consistently meets specification. Importer/purchaser *** reported that it plans to source domestically as much as possible but will need temporary imports to meet current demand until domestic capacity is able to meet quality and volume requirements. It further reports that, assuming U.S.-produced loose AAM meets requirements, it would be shipped overseas for cell or array production and the shipping costs would be an additional cost compared to sourcing loose AAM within the production region.

Part 6: Financial experience of U.S. producers

Background¹

Two U.S. producers (Anovion and Syrah) provided usable financial results on their AAM operations. Both firms reported data on a calendar year basis and on the basis of GAAP.² Anovion started commercial production in 2021 ***, while Syrah started in 2024, shaping the observed directional trends during the period in which data were collected.^{3 4 5} Four additional U.S. producers (Epsilon, GrafTech, Novonix, and SKI) provided a response to the U.S. producers' questionnaire, but generated *** revenue during the period for which data were collected.⁶ The Commission's general practice, as reflected in the staff report, is to exclude reported costs/expenses from the industry's financial results when no corresponding sales are reported. For financial reporting purposes, there are valid instances (e.g., during start-up operations) when no sales are reported and only costs/expenses incurred. The Commission, however, generally limits the financial results evaluated to periods when at least some level of sales have been generated that can be matched against relevant

¹ The following abbreviations are used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), and return on assets ("ROA").

² U.S. producers' questionnaire response, sections 3.2a and 3.2b.

³ ***. Syrah could not commence non-test sales of AAM in 2024, and "its operations were reduced to a minimum level necessary to progress customer qualification processes and product development, to reduce operating costs and inventory working capital. AAM sales to customers in 2024 were completed for qualification processes." Email from ***, February 5, 2026 and Syrah Resources, Annual report, 2024, <https://www.syrahresources.com.au/investors/reports-presentations>, retrieved on January 5, 2026.

⁴ Anovion's webpage, <https://www.anoviontech.com/about-anovion-technologies/>, and Syrah's webpage, <https://syrahresources.com.au/our-business/vidalia-active-anode-material-facility>, retrieved on January 07, 2026.

⁵ ***. Email from ***, January 16 and February 17, 2026, and U.S. producers' questionnaire response, section 2.2a.

⁶ Epsilon, GrafTech, Novonix, and SKI are included in this section of the report as U.S. producers because they projected commercial production of AAM in 2026 and 2027. U.S. producers' questionnaire response, sections 5.3 and 5.16.

costs/expenses. This approach attempts to maximize instances when the matching principle is reflected in the financial results evaluated by the Commission and minimize instances when it is not.^{7 8}

Figure 6.1 presents the share of total net sales quantity in 2024 for each responding firm with useable data.

Figure 6.1 AAM: U.S. producers' share of net sales quantity in 2024, by firm

* * * * *

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

Note: ***.

⁷ The matching principle is an accounting principle that requires businesses to record expenses in the same period as the revenue they generate. It is a key part of GAAP and accrual basis accounting.

⁸ Staff conducted a verification of *** trade and financial data. All adjustments that resulted from the verification were incorporated into this report.

Operations on AAM

Table 6.1 presents aggregated data on U.S. producers' operations in relation to AAM, while table 6.2 presents corresponding changes in AUVs. Table 6.3 presents data on fixed and variable costs, and table 6.4 presents selected company-specific financial data.

Table 6.1 AAM: U.S. producers' results of operations, by item and period

Quantity in 1,000 pounds; value in 1,000 dollars; ratios in percent; interim is January through June

| Item | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|---------------------------------|-------------|------|------|------|--------------|--------------|
| Net sales: Non-test/trial sales | Quantity | *** | *** | *** | *** | *** |
| Net sales: Test/trial sales | Quantity | *** | *** | *** | *** | *** |
| Net sales: Total | Quantity | *** | *** | *** | *** | *** |
| Net sales: non-test/trial sales | Value | *** | *** | *** | *** | *** |
| Net sales: Test/trial sales | Value | *** | *** | *** | *** | *** |
| Net sales: Total | Value | *** | *** | *** | *** | *** |
| COGS: Raw materials | Value | *** | *** | *** | *** | *** |
| COGS: Direct labor | Value | *** | *** | *** | *** | *** |
| COGS: Other factory | Value | *** | *** | *** | *** | *** |
| COGS: Total | Value | *** | *** | *** | *** | *** |
| Gross profit or (loss) | Value | *** | *** | *** | *** | *** |
| SG&A expenses | Value | *** | *** | *** | *** | *** |
| Operating income or (loss) | Value | *** | *** | *** | *** | *** |
| Interest expense | Value | *** | *** | *** | *** | *** |
| All other expenses | Value | *** | *** | *** | *** | *** |
| All other income | Value | *** | *** | *** | *** | *** |
| Net income or (loss) | Value | *** | *** | *** | *** | *** |
| Depreciation/amortization | Value | *** | *** | *** | *** | *** |
| Cash flow | Value | *** | *** | *** | *** | *** |
| COGS: Raw materials | Ratio to NS | *** | *** | *** | *** | *** |
| COGS: Direct labor | Ratio to NS | *** | *** | *** | *** | *** |
| COGS: Other factory | Ratio to NS | *** | *** | *** | *** | *** |
| COGS: Total | Ratio to NS | *** | *** | *** | *** | *** |
| Gross profit | Ratio to NS | *** | *** | *** | *** | *** |
| SG&A expense | Ratio to NS | *** | *** | *** | *** | *** |
| Operating income or (loss) | Ratio to NS | *** | *** | *** | *** | *** |
| Net income or (loss) | Ratio to NS | *** | *** | *** | *** | *** |

Table continued.

Table 6.1 (Continued) AAM: U.S. producers' results of operations, by item and period

Shares in percent; unit values in dollars per pound; count in number of firms reporting; interim is January through June

| Item | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|---------------------------------|------------|-------|-------|-------|--------------|--------------|
| COGS: Raw materials | Share | *** | *** | *** | *** | *** |
| COGS: Direct labor | Share | *** | *** | *** | *** | *** |
| COGS: Other factory | Share | *** | *** | *** | *** | *** |
| COGS: Total | Share | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Net sales: Non-test/trial sales | Share | *** | *** | *** | *** | *** |
| Net sales: Test/trial sales | Share | *** | *** | *** | *** | *** |
| Net sales: Total | Share | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Net sales: Non-test/trial sales | Unit value | *** | *** | *** | *** | *** |
| Net sales: Test/trial sales | Unit value | *** | *** | *** | *** | *** |
| Net sales: Total | Unit value | *** | *** | *** | *** | *** |
| COGS: Raw materials | Unit value | *** | *** | *** | *** | *** |
| COGS: Direct labor | Unit value | *** | *** | *** | *** | *** |
| COGS: Other factory | Unit value | *** | *** | *** | *** | *** |
| COGS: Total | Unit value | *** | *** | *** | *** | *** |
| Gross profit or (loss) | Unit value | *** | *** | *** | *** | *** |
| SG&A expenses | Unit value | *** | *** | *** | *** | *** |
| Operating income or (loss) | Unit value | *** | *** | *** | *** | *** |
| Net income or (loss) | Unit value | *** | *** | *** | *** | *** |
| Operating losses | Count | *** | *** | *** | *** | *** |
| Net losses | Count | *** | *** | *** | *** | *** |
| Data | Count | *** | *** | *** | *** | *** |

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

Note: Shares represent the share of COGS and share of net sales quantity. Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Note: Data presented in this table include responses from *** only.

Note: ***.

Table 6.2 AAM: Changes in AUVs between comparison periods

Changes in percent; interim is January through June

| Item | 2022 to 2024 | 2022 to 2023 | 2023 to 2024 | Interim 2024 to interim 2025 |
|---------------------|--------------|--------------|--------------|------------------------------|
| Total net sales | ▼*** | ▲*** | ▼*** | ▲*** |
| COGS: Raw materials | ▼*** | ▲*** | ▼*** | ▲*** |
| COGS: Direct labor | ▲*** | ▲*** | ▲*** | ▲*** |
| COGS: Other factory | ▲*** | ▲*** | ▲*** | ▲*** |
| COGS: Total | ▲*** | ▲*** | ▲*** | ▲*** |

Table continued.

Table 6.2 (Continued) AAM: Changes in AUVs between comparison periods

Changes in dollars per pound; interim is January through June

| Item | 2022 to 2024 | 2022 to 2023 | 2023 to 2024 | Interim 2024 to interim 2025 |
|----------------------------|--------------|--------------|--------------|------------------------------|
| Total net sales | ▼*** | ▲*** | ▼*** | ▲*** |
| COGS: Raw materials | ▼*** | ▲*** | ▼*** | ▲*** |
| COGS: Direct labor | ▲*** | ▲*** | ▲*** | ▲*** |
| COGS: Other factory | ▲*** | ▲*** | ▲*** | ▲*** |
| COGS: Total | ▲*** | ▲*** | ▲*** | ▲*** |
| Gross profit or (loss) | ▼*** | ▼*** | ▼*** | ▼*** |
| SG&A expense | ▼*** | ▲*** | ▼*** | ▼*** |
| Operating income or (loss) | ▼*** | ▼*** | ▲*** | ▼*** |
| Net income or (loss) | ▼*** | ▼*** | ▲*** | ▼*** |

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

Note: Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

Table 6.3 AAM: U.S. producers' variable and fixed costs in 2024 and interim 2025, by type and classification.

Value in 1,000 dollars; shares in percent; interim is January through June

| Item | Measure | COGS | SG&A expenses | Operating expenses |
|--|---------|-------|---------------|--------------------|
| Variable costs in 2024 | Value | *** | *** | *** |
| Fixed costs in 2024 | Value | *** | *** | *** |
| Variable and fixed costs in 2024 | Value | *** | *** | *** |
| Variable costs in 2024 | Share | *** | *** | *** |
| Fixed costs in 2024 | Share | *** | *** | *** |
| Variable and fixed costs in 2024 | Share | 100.0 | 100.0 | 100.0 |
| Variable costs in interim 2025 | Value | *** | *** | *** |
| Fixed costs in interim 2025 | Value | *** | *** | *** |
| Variable and fixed costs in interim 2025 | Value | *** | *** | *** |
| Variable costs in interim 2025 | Share | *** | *** | *** |
| Fixed costs in interim 2025 | Share | *** | *** | *** |
| Variable and fixed costs in interim 2025 | Share | 100.0 | 100.0 | 100.0 |

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

Table 6.4 AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales quantity

Quantity in 1,000 pounds; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales value

Value in 1,000 dollars; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS

Value in 1,000 dollars; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss)

Value in 1,000 dollars; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses

Value in 1,000 dollars; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss)

Value in 1,000 dollars; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss)

Value in 1,000 dollars; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-----------|------|------|------|--------------|--------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS to net sales ratio

Ratios in percent; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-----------|------|------|------|--------------|--------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss) to net sales ratio

Ratios in percent; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-----------|------|------|------|--------------|--------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses to net sales ratio

Ratios in percent; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss) to net sales ratio

Ratios in percent; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss) to net sales ratio

Ratios in percent; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net sales value

Unit values in dollars per pound; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit raw material costs

Unit values in dollars per pound; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit direct labor costs

Unit values in dollars per pound; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit other factory costs

Unit values in dollars per pound; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit COGS

Unit values in dollars per pound; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit gross profit or (loss)

Unit values in dollars per pound; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit SG&A expenses

Unit values in dollars per pound; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit operating income or (loss)

Unit values in dollars per pound; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table continued.

Table 6.4 (Continued) AAM: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net income or (loss)

Unit values in dollars per pound; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------|-------------|-------------|-------------|---------------------|---------------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Net sales

As shown in table 6.1, U.S. producers' reported sales included non-test and test sales. Non-test sales (reported by *** in 2022 only) accounted for *** percent of total sales quantity that same year.⁹ Test sales were reported by *** but only those of *** are reflected in table 6.1.¹⁰ *** test sales quantity and value increased overall from 2022 to 2024, and test sales reported by *** in 2024 were higher than both non-test and test sales reported by ***. Overall, the combined sales quantity and value increased irregularly from 2022 to 2024 (consistent with Syrah's commencement of commercial production in 2024)¹¹ but were lower in interim 2025 compared with interim 2024.¹² On an average per-pound basis, the unit value of non-test sales was lower than that of test sales in the years in which both type of sales occurred.¹³ Overall, the average unit value of total net sales decreased irregularly from 2022 to 2024 but was higher in interim 2025 compared with interim 2024.

Cost of goods sold and gross profit or loss

Raw materials cost, direct labor, and other factory costs accounted for *** percent of total COGS, respectively, in 2024.

Raw materials cost was smallest component of COGS in 2024, interim 2024, and interim 2025. Raw materials cost primarily reflects the processing cost of synthetic graphite and natural graphite. *** uses synthetic graphite (made with either petroleum coke or coal tar pitch)¹⁴ to produce synthetic AAM, while *** uses natural graphite to produce natural

⁹ No internal consumption or transfers to related firms were reported during the period in which data were collected.

¹⁰ ***. U.S. producers' questionnaire response, section 3.9a.

¹¹ Conference transcript, p. 23 (Hira).

¹² ***.

¹³ ***.

¹⁴ Petitioners stated that there is no material difference in the cost of petroleum coke and tar pitch used to make synthetic graphite, and that both result in a similar end product. Conference transcript, p. 97 (Kapur).

AAM.^{15 16} Raw materials cost increased irregularly in absolute value but decreased irregularly on a per-pound basis from 2022 to 2024, and was lower in absolute value but higher on a per-pound basis in interim 2025 compared with interim 2024.¹⁷

Direct labor cost, the second largest component of COGS in 2024, interim 2024, and interim 2025, increased irregularly on an absolute value basis and consistently on a per-pound basis from 2022 to 2024, and was higher on an absolute and per-pound basis, in interim 2025 compared with interim 2024.

Other factory costs, the largest component of COGS in all years in which data were collected, increased irregularly on an absolute value basis and consistently per-pound basis from 2022 to 2024, and were higher on an absolute and per-pound basis in interim 2025 compared with interim 2024.¹⁸

Overall, total COGS increased on a per-pound basis and as a ratio to net sales from 2022 to 2024, and was higher on a per-pound basis and as a ratio to net sales in interim 2025 compared with interim 2024.^{19 20}

As shown in table 6.1, the industry's *** worsened from 2022 to 2024 and was worse in interim 2025 compared with interim 2024. ***

¹⁵ Petitioners explained that synthetic graphite costs more than natural graphite because of the high energy requirement to heat the material, but could not provide an estimate of the difference between the two primary inputs stating that “it all depends upon the specifications one is asking on natural graphite versus synthetic graphite. That can entail additional processing and the processing costs can go up.” Conference transcript, p. 82 (Taylor), p. 83 (Kapur), and U.S. producers’ questionnaire response, section III-9c.

¹⁶ For ***, petroleum coke used for synthetic graphite accounted for *** percent of total raw material costs in 2022. For ***, mined graphite and other raw material inputs (petroleum pitch) accounted for *** percent of total raw material costs, respectively, in 2024. U.S. producers’ questionnaire response, section 3.9c.

¹⁷ ***. ***. U.S. producers’ questionnaire response, sections 3.6, 3.7a, and 3.7b.

¹⁸ ***. Email from ***, January 14, 2025.

¹⁹ ***. Petitioner’s posthearing brief, p. 66

²⁰ Petitioners stated that in addition to raw material inputs, energy costs are a large component of COGS for the production of synthetic and natural graphite, and that the relative share of fixed costs in relation to overall production costs depends on the scale of the facility. Conference transcript, pp. 97 to 98 (Hira).

*** (see table 6.4). As a ratio to net sales, gross profit was *** in all periods and had a similar trend to the overall gross profit values in the full years and comparable interim periods. From the perspective of business life cycles, it is not uncommon for industries to experience gross losses during launch or startup phases when sales are typically low, and costs are usually high.²¹

SG&A expenses and operating income or loss

SG&A expenses increased each year from 2022 to 2024 but were lower in interim 2025 compared with interim 2024. The corresponding SG&A ratio (total SG&A expenses divided by total sales value) increased irregularly but was lower in interim 2025 compared with interim 2024.^{22 23}

As shown in table 6.1, the *** worsened from 2022 to 2024 but improved in interim 2025 compared with interim 2024. ***. *** (see table 6.4). As a ratio to net sales, operating profit was *** in all periods and had a similar trend to the overall operating profit values in the full years and comparable interim periods.

No U.S. producer reported that a financial breakeven point for their sales of AAM occurred during the period for which data were collected.²⁴ Based on the data in table 6.3, a

²¹ Business Life Cycle, <https://corporatefinanceinstitute.com/resources/valuation/business-life-cycle/#:~:text=Each%20company%20begins%20its%20operations,not%20as%20high%20as%20sales>, retrieved December 30, 2025.

²² ***. U.S. producers' questionnaire response, sections 3.9d and 3.9e.

²³ ***. Emails from ***, January 10 and 16, 2025, and ***, December 17, 2025, and U.S. producers' questionnaire response, section 3.10a and 3.10b.

²⁴ U.S. producers' questionnaire response, section 5.17.

breakeven point is not calculable for the firms reporting financial data because the ***.²⁵ Although a quantitative breakeven point cannot be calculated, the magnitude of ***.²⁶

All other expenses and net income or loss

Classified below the operating income level are interest expenses, other expenses, and other income. Interest expenses were reported by ***, while other expenses were reported by ***.²⁷ These firms also reported other income items (mainly reflecting government incentives).^{28 29}

Operating and net income shared the same directional pattern throughout the period in which data were collected. As compared to operating income, the level of net income reflects interest expenses and other expense items to the extent to which they were partially offset by other income.³⁰

²⁵ Commission staff used the standard breakeven formula used in cost accounting, relying on the per-unit fixed and variable operating costs presented in table 6.3 adjusted for the non-recurring items reported by ***. The adjusted total fixed costs are divided by the per-unit sales value minus the per-unit variable costs. The costs are based on actual costs and actual quantities sold for 2024 and interim 2025. For example, *** and the industry as a whole in 2024, any breakeven analysis conducted on those cost levels is not likely a reasonable indicator of a to-scale breakeven point.

²⁶ For more information about the firms' narratives on their break-even point see Part 3 and appendix E of this report.

²⁷ ***. Email from ***, November 21, 2025.

²⁸ ***. Email from ***, November 21, 2025.

²⁹ ***. Email from ***, November 19, 2025.

³⁰ A variance analysis is not shown due to the start-up nature of the U.S. producers.

Capital expenditures and research and development expenses

Table 6.5 presents capital expenditures, by firm, and table 6.7 presents R&D expenses, by firm. Tables 6.6 and 6.8 present the firms’ narrative explanations of the nature, focus, and significance of their capital expenditures and R&D expenses, respectively. Capital expenditures decreased irregularly from 2022 to 2024 (with all the decrease occurring from 2023 to 2024) but were higher in interim 2025 compared with interim 2024. R&D expenses increased irregularly (with all the increase occurring from 2022 to 2023) but were lower in interim 2025 compared with interim 2024.³¹

Table 6.5 AAM: U.S. producers’ capital expenditures, by firm and period

Value in 1,000 dollars; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-----------|------|------|------|--------------|--------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Table 6.6 AAM: U.S. producers’ narrative descriptions of their capital expenditures, by firm

| Firm | Narrative on capital expenditures |
|----------|-----------------------------------|
| Anovion | *** |
| Epsilon | *** |
| GrafTech | *** |
| Novonix | *** |
| SKI | *** |
| Syrah | *** |

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

31 ***

Table 6.7 AAM: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars; interim is January through June

| Firm | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-----------|------|------|------|--------------|--------------|
| Anovion | *** | *** | *** | *** | *** |
| Epsilon | *** | *** | *** | *** | *** |
| GrafTech | *** | *** | *** | *** | *** |
| Novonix | *** | *** | *** | *** | *** |
| SKI | *** | *** | *** | *** | *** |
| Syrah | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Table 6.8 AAM: U.S. producers' narrative descriptions of their R&D expenses, by firm

| Firm | Narrative on capital expenditures |
|----------|-----------------------------------|
| Anovion | *** |
| Epsilon | *** |
| GrafTech | *** |
| Novonix | *** |
| SKI | *** |
| Syrah | *** |

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

Assets and return on assets

Table 6.9 presents data on the U.S. producers' total assets while table 6.10 presents their operating ROA.³² Table 6.11 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time. As shown in table 6.10, ***.

Table 6.9 AAM: U.S. producers' total net assets, by firm and period

Value in 1,000 dollars

| Firm | 2022 | 2023 | 2024 |
|-----------|------|------|------|
| Anovion | *** | *** | *** |
| Epsilon | *** | *** | *** |
| GrafTech | *** | *** | *** |
| Novonix | *** | *** | *** |
| SKI | *** | *** | *** |
| Syrah | *** | *** | *** |
| All firms | *** | *** | *** |

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

Table 6.10 AAM: U.S. producers' ROA, by firm and period

Ratio in percent

| Firm | 2022 | 2023 | 2024 |
|-----------|------|------|------|
| Anovion | *** | *** | *** |
| Epsilon | *** | *** | *** |
| GrafTech | *** | *** | *** |
| Novonix | *** | *** | *** |
| SKI | *** | *** | *** |
| Syrah | *** | *** | *** |
| All firms | *** | *** | *** |

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

Note: ***.

³² The operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value on a product-specific basis.

Table 6.11 AAM: U.S. producers' narrative descriptions of their total net assets, by firm

| Firm | Narrative on assets |
|----------|---------------------|
| Anovion | *** |
| Epsilon | *** |
| GrafTech | *** |
| Novonix | *** |
| SKI | *** |
| Syrah | *** |

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

Capital and investment

The Commission requested U.S. producers of AAM to describe any actual or potential negative effects of imports of AAM from China on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table 6.12 presents the number of firms reporting an impact in each category and table 6.13 provides the U.S. producers' narrative responses.

Table 6.12 AAM: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2022, by effect

Number of firms reporting

| Effect | Category | Count |
|--|------------|-------|
| Cancellation, postponement, or rejection of expansion projects | Investment | 3 |
| Denial or rejection of investment proposal | Investment | 2 |
| Reduction in the size of capital investments | Investment | 4 |
| Return on specific investments negatively impacted | Investment | 4 |
| Other investment effects | Investment | 0 |
| Any negative effects on investment | Investment | 5 |
| Rejection of bank loans | Growth | 0 |
| Lowering of credit rating | Growth | 0 |
| Problem related to the issue of stocks or bonds | Growth | 2 |
| Ability to service debt | Growth | 1 |
| Other growth and development effects | Growth | 3 |
| Any negative effects on growth and development | Growth | 4 |
| Anticipated negative effects of imports | Future | 4 |

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

Note: ***.U.S. producers' questionnaire response, sections 3.15, 3.16, and 3.17.

Table 6.13 AAM: U.S. producers' narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2022, by firm and effect

| Item | Firm name and narrative on impact of imports |
|--|--|
| Cancellation, postponement, or rejection of expansion projects | *** |
| Cancellation, postponement, or rejection of expansion projects | *** |
| Denial or rejection of investment proposal | *** |
| Reduction in the size of capital investments | *** |
| Reduction in the size of capital investments | *** |
| Return on specific investments negatively impacted | *** |
| Return on specific investments negatively impacted | *** |
| Return on specific investments negatively impacted | *** |
| Problem related to the issue of stocks or bonds | *** |
| Problem related to the issue of stocks or bonds | *** |
| Ability to service debt | *** |
| Other effects on growth and development | *** |

| Item | Firm name and narrative on impact of imports |
|---|--|
| Other effects on growth and development | *** |
| Other effects on growth and development | *** |
| Anticipated effects of imports | *** |
| Anticipated effects of imports | *** |
| Anticipated effects of imports | *** |
| Anticipated effects of imports | *** |

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

Part 7: Threat considerations and information on nonsubject countries

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

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors¹⁻⁻

- (I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,
- (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,
- (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,
- (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,
- (V) inventories of the subject merchandise,

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

- (VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,
- (VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),
- (VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and
- (IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).²

Information on the nature of the subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in Parts 4 and 5; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part 6. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

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

The industry in China

The Commission issued foreign producers' or exporters' questionnaires to 40 firms believed to produce and/or export AAM (broadly defined) from China.³ Usable responses to the Commission's questionnaire were received from five firms.⁴ Collectively, these firms represent *** percent of U.S. imports from China. Table 7.1 presents information on the AAM operations of the responding producers and exporters in China, by firm, and table 7.2 presents information on resellers of AAM in China, by firm.

Table 7.1 AAM: Summary data for producers in China in 2024, by firm

| Producer | Production (1,000 pounds) | Share of reported production (percent) | Exports to the United States (1,000 pounds) | Share of reported exports to the United States (percent) | Total shipments (1,000 pounds) | Share of firm's total shipments exported to the United States (percent) |
|--------------------------|---------------------------|--|---|--|--------------------------------|---|
| BTR New Material | *** | *** | *** | *** | *** | *** |
| Guangdong Kaijin | *** | *** | *** | *** | *** | *** |
| Shanshan Technology | *** | *** | *** | *** | *** | *** |
| All individual producers | 2,016,092 | 100.0 | *** | 100.0 | 1,933,423 | *** |

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

³ These firms were identified through a review of information submitted in the petitions and presented in third-party sources.

⁴ The Commission also received questionnaire responses from CATL, LG Energy Solutions (Nanjing), LG Energy Solutions Battery (Nanjing), LG Energy Solutions Technology, Samsung SDI, and Tesla Shanghai. These firms only exported resales of AAM inside battery products, which were within the scope of these investigations in Commerce's preliminary AD and CVD determinations, and thus were included in the data for exports of resales to the United States in the prehearing report. However, Commerce excluded AAM incorporated into lithium-ion battery products (such as cells, modules, and packs), electric vehicles, hybrid vehicles, cell phones, or battery energy storage systems from the scope in its final antidumping and countervailing duty determinations. Consequently, these firms' exports are now outside the scope of these investigations and their data have been removed from exports of resales to the United States.

Table 7.2 AAM: Summary data for subject resellers in China in 2024, by firm

| Subject reseller name | Resales exported to the United States (1,000 pounds) | Share of resales exported to the United States (percent) |
|--------------------------|--|--|
| AESC Group | *** | *** |
| Tesla Brandenburg | *** | *** |
| All individual resellers | *** | 100.0 |

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

Table 7.3 presents important events in the AAM industry in China since January 1, 2022.

Table 7.3 AAM: Important industry events in China since January 1, 2022

| Item | Event |
|--|--|
| Plant opening | April 2022— Guandong Dongdao New Energy Co. Ltd. (“Dongdao”) announced plans to open its third AAM plant in the Guandong Leizhou Economic Development Zone, Guangdong Province. |
| Plant construction | Late 2022— KEDA Industrial Group Co. Ltd. (“KEDA”) subsidiaries commenced Phase 1 operations and commenced Phase 2 construction at the artificial graphite AAM facility in Fujian Province and commenced Phase 3 construction at the artificial graphite AAM facility in the Chongqing Municipality. When completed, the eventual annual production capacity for both facilities is anticipated to reach 150,000 metric tons (330.7 million pounds). |
| New production equipment | April 2023— Anhui KEDA Lithium-ion Battery Materials Machinery Co. Ltd. has signed a contract with Chongqing KEDA New Energy Materials Co. Ltd., as part of Phase 3 construction for the new facility in the Chongqing Municipality, for 10 granulation and pre-carbonization rotary kiln systems with annual production capacity of 50,000 metric tons (110.2 million pounds) of artificial graphite AAM. |
| New plants | September 2023— Over the past year, China National Building Material Co. (“CNBM”) Heilongjiang Graphite New Materials Co. Ltd. established itself within the Jixi Municipality’s Graphite Industrial Park, Heilongjiang Province. CNBM deployed its “3-2-1 Production Plan” to establish facilities with annual production capacities of 30,000 metric tons (66.1 million pounds) for spherical graphite, 20,000 metric tons (44.1 million pounds) for purified graphite, and 10,000 metric tons (22.0 million pounds) for natural graphite AAM. CNBM also reportedly plans to construct a 100,000 metric tons (220.4 million pounds) per year graphite ore-dressing facility at its mine site in Jixi. Other projects at the Graphite Industrial Park include Carbon One New Energy Group Co. Ltd.’s. 200,000 metric tons (440.9 million pounds) per year natural graphite project, and Beijing Zhenyuan Investment Co. Ltd.’s. 10,000 metric tons (22.0 million pounds) per year fluorinated graphite and 50,000 metric tons (110.2 million pounds) per year high-purity graphite projects. |
| Advanced product and processing technology | September 2023— China Minmetals Graphite Industry Co. Ltd. (“MMG”) announced developing an advanced purification process to produce high-purity natural graphite. The “cascade” purification process enhances the purity from 95 percent to over 99.99995 percent carbon. This advanced process both maintains stable product quality and provides significant processing cost advantages. MMG researchers are currently pursuing applications for this advanced high-purity natural |

| Item | Event |
|------------------------------|--|
| | graphite including high-end AAM, nuclear-grade material, and semiconductor applications. |
| Plant opening | August 2024— BTR New Materials Group Ltd. (“BTR,” a subsidiary of China Baoan Group Co. Ltd.) commenced production at its newly completed \$478 million AAM facility in the Indonesia Morowali Industrial Park (“IMIP”) in Central Sulawesi Province. Additional capital investment of \$299 million is planned to expand the facility’s annual AAM production capacity at the end of 2024 from the current 80,000 metric tons (176.4 million pounds) to 160,000 metric tons (352.7 million pounds). BTR is reportedly the world’s largest producer of natural and synthetic graphite AAM for 14 years. Moreover, its new graphite AAM facility in Indonesia will become the largest one operating outside of China. |
| Capital investment | August 2024— BTR announced plans to invest 2.6 billion yuan (\$364 million) to construct an AAM facility in Tangier Technical City, Morocco. This new facility, with planned annual production capacity of 60,000 metric tons (132.3 million pounds), is anticipated to commence production in 2026 or 2027. BTR also reportedly concluded a \$120-million supply agreement with Ford Motor Co. for the Tangier facility’s output. |
| Mine expansion approval | September 2024— CNBM received approval from the Jixi Natural Resources and Planning Bureau to convert agricultural land for a graphite mine expansion project in Heilongjiang Province. |
| Export prohibitions imposed | December 2024— China’s Ministry of Commerce (“MOFCOM”) announced export prohibitions (effective December 3, 2024) of certain dual-use critical minerals, including graphite, to U.S. military users or for military purposes along with stricter end-user and end-use review requirements. |
| Plant construction cancelled | December 2024— Jiangxi Zichen Technology Co. Ltd. (a subsidiary of Shanghai Putailai (“PTL”) New Material Technology Co.) announced that it was cancelling construction of a new AAM facility in Sweden, which would have been the largest in Europe. PTL announced the cancellation after Swedish authorities imposed regulatory conditions for the foreign direct investment. |
| New product | April 2025— China’s largest battery producer, Contemporary Amperex Technology Co. Ltd. (“CATL”), introduced its newly developed “Self-Generated Anode Technology” that does not rely on graphite as the AAM but rather allows for ions to be deposited in metallic form onto the anode. The increased volumetric and gravimetric energy densities of the cell provide more power in the same battery pack volume. Moreover, CATL’s new anode technology can be adapted to multiple battery material systems. |
| Export controls imposed | October 2025— China’s MOFCOM and General Administration of Customs (“GAC”) imposed export controls (effective November 8, 2025) in the form of export licensing requirements on dual-use technologies related to lithium-ion batteries and components thereof, including synthetic graphite AAM, blended (synthetic and natural) graphite AAM, and certain granulation and graphitization technologies and equipment. |
| Export controls suspended | November 2025— China’s MOFCOM and GAC suspended the November-2025 export licensing requirements on dual-use technologies and equipment related to lithium-ion batteries and components thereof, including various forms of graphite, effective through November 10, 2026. |

| Item | Event |
|-------------------------------|---|
| Export prohibitions suspended | November 2025— China’s MOFCOM suspended the December-2024 export prohibitions of dual-use graphite to the United States, effective through November 27, 2026. |

Source: Shanghai Metals Market (“SMM”) “10 Billion! The Dongdao New Energy Project with an Annual Output of 300000 Tons of Anode Materials will be Landed in Leizhou, Guangdong Province,” April 7, 2022, <https://news.metal.com/newscontent/101798949/10-billion-the-dongdao-new-energy-project-with-an-annual-output-of-300000-tons-of-anode-materials-will-be-landed-in-leizhou-guangdong-province>;

KEDA, “Net Profit Growth Exceeds 322% and Hits a Record High as KEDA Industrial Group Continues Deepening its “Globalization,” News Release, April 25, 2023, <https://kedagroup.com/news/index46.html>;

KEDA, “Anhui KEDA Lithium-ion Battery Materials Machinery Successfully Signed Up with Guizhou Xinchuang Silicon-based for Multiple Projects including Granulation/Pre-carbonization Rotary Kiln System,” News Release, April 20, 2023, <https://kedagroup.com/news/index54.html>;

Ceramic Information Network (“CIN”), “Over 1.9 Billion Yuan! Keda Adds Multiple Investment Projects in 2023,” December 29, 2023, <https://baijiahao.baidu.com/s?id=1786607512227702698&wfr=spider&for=pc> (via Google Translate);

Heilongjiang News Network (“HNN”), “High-Quality Development Research Trip: Jixi Strives to Build a 10 Billion-Level Graphite New Materials Industry Cluster,” September 2, 2023, <https://baijiahao.baidu.com/s?id=1775937218936665781&wfr=spider&for=pc> (via Google Translate);

China Minmetals Corp. (“CMM”), “China Minmetals Successfully Develops Ultra-high Purity Graphite Products with a Purity Degree of over 99.99995%,” News Release, September 9, 2023, http://www.minmetals.com/english/news/minmetalsnews/202409/t20240909_305127.html;

PR Newswire, “BTR’s Indonesian Facility Becomes Largest Anode Plant Outside China,” August 7, 2024, <https://www.prnewswire.com/news-releases/btrs-indonesian-facility-becomes-largest-anode-plant-outside-china-302216470.html>;

ECHEMI.com, “The Largest Anode Factory Opened by China Outside the Country, the BTR Indonesia Factory, Officially Started Production, August 9, 2024, <https://www.echemi.com/cms/2010365.html>;

Lambok Dominikus, “BTR Has Started Construction of Battery Anode Production Facility in RI,” Petromindo.com, April 20, 2023, <https://www.petromindo.com/news/article/btr-has-started-construction-of-battery-anode-production-facility-in-ri>;

Tang Shihua, “China’s BTR to Build Anode Plant in Morocco; Ford to Place USD120 Million Pre-Order,” YiCai Global, August 14, 2024, <https://www.yicai.com/news/chinas-btr-to-build-new-anode-plant-in-morocco-expects-usd120-million-pre-order-from-ford>;

Christopher Randall, “BTR Plans to Produce Anode Materials in Morocco,” Electrive, August 26, 2024, <https://www.electrive.com/2024/08/26/btr-plans-to-produce-anode-materials-in-morocco>;

Jixi Municipal Bureau of Natural Resources and Planning, “Public Notice of Approval Documents and Submission Materials for the Conversion of Agricultural Land for the Phase II Project of the Graphite Mine Renovation Project of China National Building Materials Heilongjiang Graphite New Materials Co. Ltd.” Public notice, September 20, 2024, https://www.jixi-gov-cn.translate.goog/jixi/c100075/202409/c06_307746.shtml?_x_tr_sl=en&_x_tr_tl=zh-CN&_x_tr_hl=en&_x_tr_pto=wapp (via Google Translate);

MOFCOM, “Ministry of Commerce Announcement No. 46 of 2024: Announcement on Strengthening Export Controls on Related Dual-Use Items to the United States,” December 3, 2024, https://www.mofcom.gov.cn/zwgk/zcfb/art/2024/art_3d5e990b43424e60828030f58a547b60.html (via Google Translate);

Vincent Shaw, “Chinese Lithium-Ion Anode Producer Halts \$1.4 Billion Swedish Investment,” PV Magazine, January 8, 2025, <https://www.ess-news.com/2025/01/08/chinese-lithium-ion-anode-producer-halts-1-4-billion-swedish-investment/>;

Shanghai Metals Market (“SMM”), “CATL’s First Super Technology Day Released These Signals,” News article, April 22, 2025, <https://news.metal.com/newscontent/103292414-catl-s-first-super-technology-day-released-these-signals>;

MOFCOM and GAC, “The Ministry of Commerce and the General Administration of Customs Issued Announcement No. 58 of 2025, Announcing the Decision to Impose Export Controls on Items Related to Lithium Batteries and Artificial Graphite Anode Materials,” October 9, 2025,

https://www.mofcom.gov.cn/zwgk/zcfb/art/2025/art_79646f0161564975a938fe00fee158d5.html (via Google Translate); MOFCOM and GAC, “The Ministry of Commerce and the General Administration of Customs Issued Announcement No. 70 of 2025, Announcing the Suspension of the Implementation of Announcements No. 55, 56, 57, and 58 of 2025 and Announcements No. 61 and 62 of 2025 Issued by the Ministry of Commerce and the General Administration of Customs,” November 7, 2025, https://www.mofcom.gov.cn/zwgk/zcfb/art/2025/art_b1ec77dd3f0d4762952904df7cdaadec.html (via Google Translate); MOFCOM, “The Ministry of Commerce Announcement No. 72 of 2025 Announced the Decision to Adjust the Implementation of Announcement No. 46 of 2024 of the Ministry of Commerce,” November 9, 2025, https://www.mofcom.gov.cn/zwgk/zcfb/art/2025/art_5c68985a6b1a46778e2e8dbff1bb1601.html (via Google Translate); and Petitioner’s prehearing brief, Exhibit 45: MOFCOM and GAC, “The Ministry of Commerce and the General Administration of Customs Issued Announcement No. 58 of 2025,” October 9, 2025, and Exhibit 61: MOFCOM and GAC, “Announcement No. 39 of 2023 of the Ministry of Commerce and the General Administration of Customs on Optimizing and Adjusting Temporary Export Control Measures on Graphite Items,” October 20, 2023.

Changes in operations

Producers in China were asked to report any change in the character of their operations or organization relating to the production of AAM since January 1, 2022. All three responding producers reported that they had experienced such changes. The most commonly reported changes were plant openings and prolonged shutdowns. Table 7.4 presents the changes identified by these producers.

Table 7.4 AAM: Reported changes in operations in China since January 1, 2022, by reported change category and firm

| Item | Firm name and accompanying narrative response regarding changes in operations |
|----------------|---|
| Plant openings | *** |
| Plant openings | *** |
| Plant openings | *** |
| Plant closings | *** |
| Plant closings | *** |

| Item | Firm name and accompanying narrative response regarding changes in operations |
|-------------------------|---|
| Prolonged shutdowns | *** |
| Prolonged shutdowns | *** |
| Prolonged shutdowns | *** |
| Production curtailments | *** |
| Relocations | *** |
| Relocations | *** |
| Expansions | *** |
| Expansions | *** |

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

Table 7.5 presents anticipated changes in operations identified by the responding producers in China. Two of the three responding Chinese producers reported anticipated changes in their operations.

Table 7.5 AAM: Reported anticipated changes in operations in China, by firm

| Firm | Description of anticipated changes in operations |
|------|--|
| *** | *** |
| *** | *** |

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

Installed and practical overall capacity

Table 7.6 presents data on the responding producers' installed overall capacity, practical overall capacity, and practical AAM capacity and production on the same equipment in China. Practical overall capacity increased annually from 2022 to 2024 and was higher in interim 2025 than in interim 2024. Practical overall production also increased annually from 2022 to 2024, but at a lower rate than practical overall capacity. Practical overall production was higher in interim 2025 than in interim 2024. By all measures, Chinese producers' capacity utilization decreased from 2022 to 2024 but was higher in interim 2025 than in interim 2024.

Table 7.6 AAM: Producers' installed and practical capacity and production on the same equipment as in-scope production in China, by period

Capacity and production in 1,000 pounds; utilization in percent; interim period is January through June

| Item | Measure | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------------|-------------|-----------|-----------|-----------|--------------|--------------|
| Installed overall | Capacity | 1,953,795 | 2,970,324 | 3,228,183 | 1,521,583 | 1,735,006 |
| Installed overall | Production | 1,456,986 | 1,705,628 | 2,016,092 | 884,571 | 1,118,391 |
| Installed overall | Utilization | 74.6 | 57.4 | 62.5 | 58.1 | 64.5 |
| Practical overall | Capacity | 1,696,084 | 2,152,739 | 2,454,309 | 1,113,649 | 1,280,792 |
| Practical overall | Production | 1,456,986 | 1,705,628 | 2,016,092 | 884,571 | 1,118,391 |
| Practical overall | Utilization | 85.9 | 79.2 | 82.1 | 79.4 | 87.3 |
| Practical AAM | Capacity | 1,696,084 | 2,152,739 | 2,454,309 | 1,113,649 | 1,280,792 |
| Practical AAM | Production | 1,456,986 | 1,705,628 | 2,016,092 | 884,571 | 1,118,391 |
| Practical AAM | Utilization | 85.9 | 79.2 | 82.1 | 79.4 | 87.3 |

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

Constraints on capacity

Table 7.7 presents producers’ reported capacity constraints in China since January 1, 2022 and their description of those constraints. The most commonly reported capacity constraint was production bottlenecks (two firms).

Table 7.7 AAM: Producers’ reported constraints to practical overall capacity in China since January 1, 2022, by constraint and firm

| Type of constraint | Firm name and description of constraints to practical overall capacity |
|---------------------------|--|
| Production bottlenecks | *** |
| Production bottlenecks | *** |
| Existing labor force | *** |
| Supply of material inputs | *** |
| Storage capacity | *** |
| Logistics/transportation | *** |
| Other constraints | *** |
| Other constraints | *** |
| Other constraints | *** |

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

Operations on AAM

Table 7.8 presents information on the AAM operations of the responding producers and exporters in China. The responding producers' practical AAM capacity increased annually from 2022 to 2024. All three responding producers reported an increase in capacity from 2022 to 2024, with *** accounting for nearly all the increase between 2022 and 2024.⁵ Practical capacity was higher in interim 2025 than in interim 2024, as two of the responding producers reported greater capacity in interim 2025 than in interim 2024.

Table 7.8 AAM: Data on industry in China, by period

Quantity in 1,000 pounds; interim is January through June

| Item | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|---------------------------------------|-----------|-----------|-----------|--------------|--------------|
| Capacity | 1,696,084 | 2,152,739 | 2,454,309 | 1,113,649 | 1,280,792 |
| Production | 1,456,986 | 1,705,628 | 2,016,092 | 884,571 | 1,118,391 |
| End-of-period inventories | 120,543 | 178,913 | 261,583 | 200,398 | 274,838 |
| Internal consumption | *** | *** | *** | *** | *** |
| Commercial home market shipments | *** | *** | *** | *** | *** |
| Home market shipments | *** | *** | *** | *** | *** |
| Exports to the United States | *** | *** | *** | *** | *** |
| Exports to all other markets | *** | *** | *** | *** | *** |
| Export shipments | *** | *** | *** | *** | *** |
| Total shipments | 1,390,843 | 1,647,258 | 1,933,423 | 863,086 | 1,105,135 |
| Resales exported to the United States | *** | *** | *** | *** | *** |
| Adjusted exports to the United States | *** | *** | *** | *** | *** |

Table continued.

⁵ Representatives from ***. Email from ***, October 1, 2025. Representatives from ***. Email from ***, September 30, 2025.

Table 7.8 (Continued) AAM: Data on industry in China, by period

Share and ratio in percent; interim is January through June

| Item | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|--|-------|-------|-------|--------------|--------------|
| Capacity utilization ratio | 85.9 | 79.2 | 82.1 | 79.4 | 87.3 |
| Inventory ratio to production | 8.3 | 10.5 | 13.0 | 11.3 | 12.3 |
| Inventory ratio to total shipments | 8.7 | 10.9 | 13.5 | 11.6 | 12.4 |
| Internal consumption share | *** | *** | *** | *** | *** |
| Commercial home market shipments share | *** | *** | *** | *** | *** |
| Home market shipments share | *** | *** | *** | *** | *** |
| Exports to the United States share | *** | *** | *** | *** | *** |
| Exports to all other markets share | *** | *** | *** | *** | *** |
| Export shipments share | *** | *** | *** | *** | *** |
| Total shipments share | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Share of total exports to the U.S. by producers | *** | *** | *** | *** | *** |
| Share of total exports to the U.S. by resellers | *** | *** | *** | *** | *** |
| Adjusted shares of total shipments exported to the United States | *** | *** | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

The responding producers’ production also increased annually from 2022 to 2024 but at a lower rate overall than practical capacity. All three firms reported more production in 2024 than in 2022, with *** accounting for nearly all the increase from 2022 to 2024. Production was higher in interim 2025 than in interim 2024, with all three firms reporting more production. Practical capacity utilization decreased irregularly from 2022 to 2024 but was higher in interim 2025 than in interim 2024.

Home market shipments accounted for the majority and increasingly larger share of responding producers’ total shipments from 2022 to 2024. Home market shipments increased annually from 2022 to 2024 and were higher in interim 2025 than in interim 2024.

Export shipments accounted for a minority and increasingly smaller share of total shipments from 2022 to 2024. Exports to the United States (including resales) accounted for the minority of responding producers'/exporters' total exports from 2022 to 2024 and in interim 2025. Exports to the United States (including resales) decreased annually from 2022 to 2024 and were lower in interim 2025 than in interim 2024. However, exports to the United States (including resales) were lower in interim 2025 than in interim 2024.

Exports to non-U.S. markets accounted for the majority of responding producers/exporters' total exports from 2022 to 2024 and in interim 2025. Exports to non-U.S. markets fluctuated, increasing from 2022 to 2023, then decreasing more noticeably from 2023 to 2024, ending lower in 2024 than in 2022. They were also lower in interim 2025 than in interim 2024. Responding producers' end-of-period inventories increased from 2022 to 2024 and were higher in interim 2025 than in interim 2024. All three responding producers reported increases in their end-of-period inventories from 2022 to 2024 and higher end-of-period inventories in interim 2025 than in interim 2024.

In this proceeding, the Commission also requested producers in China to provide additional information regarding their operations beyond June 2025. Table 7.9 presents the responding producers' projections for their AAM operations. Practical capacity, production, home market shipments, and end-of-period inventories are projected to increase from 2024 to 2027. Most notably, responding producers' capacity is projected to increase by nearly *** from 2026 to 2027. All three responding producers project that their capacities will increase from 2024 to 2027, while two of three producers project that their production, home market shipments, and end-of-period inventories will increase during that period. Exports to the United States (including resales) and to non-U.S. markets are projected to be lower in calendar years 2025, 2026, and 2027 than in calendar year 2024.

Table 7.9 AAM: Projections for the industry in China, by period

Quantity in 1,000 pounds

| Item | Projection 2025 | Projection 2026 | Projection 2027 |
|---------------------------------------|-----------------|-----------------|-----------------|
| Capacity | 2,761,686 | 3,085,719 | 4,052,802 |
| Production | 1,967,004 | 2,275,174 | 2,587,280 |
| End-of-period inventories | 265,728 | 314,250 | 415,117 |
| Internal consumption | *** | *** | *** |
| Commercial home market shipments | *** | *** | *** |
| Home market shipments | *** | *** | *** |
| Exports to the United States | *** | *** | *** |
| Exports to all other markets | *** | *** | *** |
| Export shipments | *** | *** | *** |
| Total shipments | 1,962,859 | 2,226,651 | 2,486,414 |
| Resales exported to the United States | *** | *** | *** |
| Adjusted exports to the United States | *** | *** | *** |

Table continued.

Table 7.9 (Continued) AAM: Projections for the industry in China, by period

Share and ratio in percent

| Item | Projection 2025 | Projection 2026 | Projection 2027 |
|--|-----------------|-----------------|-----------------|
| Capacity utilization ratio | 71.2 | 73.7 | 63.8 |
| Inventory ratio to production | 13.5 | 13.8 | 16.0 |
| Inventory ratio to total shipments | 13.5 | 14.1 | 16.7 |
| Internal consumption share | *** | *** | *** |
| Commercial home market shipments share | *** | *** | *** |
| Home market shipments share | *** | *** | *** |
| Exports to the United States share | *** | *** | *** |
| Exports to all other markets share | *** | *** | *** |
| Export shipments share | *** | *** | *** |
| Total shipments share | 100.0 | 100.0 | 100.0 |
| Share of total exports to the U.S. by producers | *** | *** | *** |
| Share of total exports to the U.S. by resellers | *** | *** | *** |
| Adjusted shares of total shipments exported to the United States | *** | *** | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Alternative products

The responding producers in China did not report any production of alternative products using the same equipment and/or labor as those used to produce AAM during the period for which data were collected.

Total shipments by composition and form

Table 7.10 presents the responding producers' total shipments, by composition, in six-month intervals.^{6 7} Nearly all responding producers' reported shipments were loose AAM in each six-month interval. Producer *** reported small quantities of shipments of non-loose AAM, all of which were AAM incorporated into subassemblies.

Table 7.10 AAM: Producers' total shipments in China, by composition and period

Quantity in 1,000 pounds; share in percent

| Composition | Measure | January through June 2024 | July through December 2024 | January through June 2025 |
|--------------------------|-------------------|---------------------------|----------------------------|---------------------------|
| Loose: Coated | Quantity | *** | *** | *** |
| Loose: Uncoated | Quantity | *** | *** | *** |
| Loose | Quantity | *** | *** | *** |
| Non-loose | Quantity | *** | *** | *** |
| All product compositions | Quantity | 863,086 | 1,070,336 | 1,105,135 |
| Loose: Coated | Share of quantity | *** | *** | *** |
| Loose: Uncoated | Share of quantity | *** | *** | *** |
| Loose | Share of quantity | *** | *** | *** |
| Non-loose | Share of quantity | *** | *** | *** |
| All product compositions | Share of quantity | 100.0 | 100.0 | 100.0 |

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Table 7.11 presents the responding producers' total shipments, by product form, in six-month intervals. The vast majority of total shipments were synthetic AAM in each six-month interval. All three of the responding producers reported shipments of each type of AAM in each six-month interval.

⁶ "Loose AAM" is AAM that is not part of a compound, not in a battery, not as a component of an anode slurry, and not in a subassembly of a battery such as an electrode. "Non-loose AAM" is AAM that is part of a compound, in a component of an anode slurry, or in a subassembly of a battery such as an electrode.

⁷ These data do not include exports of resales to the United States by responding exporters, which were all exports were loose AAM incorporated into subassemblies.

Table 7.11 AAM: Producers' total shipments in China, by product form and period

Quantity in 1,000 pounds; share in percent

| Product form | Measure | January through June 2024 | July through December 2024 | January through June 2025 |
|-------------------|-------------------|---------------------------|----------------------------|---------------------------|
| Natural | Quantity | *** | *** | *** |
| Synthetic | Quantity | *** | *** | *** |
| Blended | Quantity | *** | *** | *** |
| All product forms | Quantity | 863,086 | 1,070,337 | 1,105,135 |
| Natural | Share of quantity | *** | *** | *** |
| Synthetic | Share of quantity | *** | *** | *** |
| Blended | Share of quantity | *** | *** | *** |
| All product forms | Share of quantity | 100.0 | 100.0 | 100.0 |

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

Exports

Table 7.12 presents Global Trade Atlas (“GTA”) data for exports of natural and artificial graphite, a broad category that includes in-scope AAM and out-of-scope merchandise, from China to the United States and other destination markets. In 2022, the United States and South Korea were the largest destinations for exports from China, while South Korea was the largest destination in 2023. In 2024, Japan was the largest destination for exports from China, followed by the United States, South Korea, and India. Collectively, these destinations accounted for nearly half of all exports of natural and artificial graphite from China in 2024.

Table 7.12 Natural and artificial graphite: Exports from China, by destination market and period

Quantity in 1,000 pounds; value in 1,000 dollars

| Destination market | Measure | 2022 | 2023 | 2024 |
|-------------------------------|----------------|-------------|-------------|-------------|
| United States | Quantity | 222,638 | 184,016 | 198,962 |
| Japan | Quantity | 171,832 | 210,382 | 206,563 |
| South Korea | Quantity | 223,590 | 326,955 | 159,875 |
| India | Quantity | 129,900 | 196,071 | 156,148 |
| Netherlands | Quantity | 96,206 | 28,041 | 119,738 |
| Iran | Quantity | 7,339 | 16,057 | 77,559 |
| Poland | Quantity | 90,953 | 92,493 | 66,995 |
| Hungary | Quantity | 37,702 | 79,090 | 49,792 |
| Germany | Quantity | 77,271 | 87,833 | 48,888 |
| All other destination markets | Quantity | 279,494 | 394,604 | 439,191 |
| Non-U.S. destination markets | Quantity | 1,114,286 | 1,431,527 | 1,324,748 |
| All destination markets | Quantity | 1,336,924 | 1,615,543 | 1,523,710 |
| United States | Value | 278,159 | 253,546 | 215,622 |
| Japan | Value | 117,757 | 126,540 | 114,098 |
| South Korea | Value | 311,012 | 274,973 | 133,253 |
| India | Value | 52,022 | 69,210 | 40,757 |
| Netherlands | Value | 35,706 | 12,656 | 23,465 |
| Iran | Value | 3,366 | 4,468 | 15,930 |
| Poland | Value | 377,799 | 325,966 | 143,016 |
| Hungary | Value | 132,781 | 258,842 | 133,162 |
| Germany | Value | 67,130 | 46,087 | 41,263 |
| All other destination markets | Value | 147,080 | 172,582 | 180,702 |
| Non-U.S. destination markets | Value | 1,244,653 | 1,291,325 | 825,647 |
| All destination markets | Value | 1,522,811 | 1,544,871 | 1,041,270 |

Table continued.

Table 7.12 (Continued) Natural and artificial graphite: Exports from China, by destination market and period

Unit value in dollars per pound; share in percent

| Destination market | Measure | 2022 | 2023 | 2024 |
|-------------------------------|-------------------|-------------|-------------|-------------|
| United States | Unit value | 1.25 | 1.38 | 1.08 |
| Japan | Unit value | 0.69 | 0.60 | 0.55 |
| South Korea | Unit value | 1.39 | 0.84 | 0.83 |
| India | Unit value | 0.40 | 0.35 | 0.26 |
| Netherlands | Unit value | 0.37 | 0.45 | 0.20 |
| Iran | Unit value | 0.46 | 0.28 | 0.21 |
| Poland | Unit value | 4.15 | 3.52 | 2.13 |
| Hungary | Unit value | 3.52 | 3.27 | 2.67 |
| Germany | Unit value | 0.87 | 0.52 | 0.84 |
| All other destination markets | Unit value | 0.53 | 0.44 | 0.41 |
| Non-U.S. destination markets | Unit value | 1.12 | 0.90 | 0.62 |
| All destination markets | Unit value | 1.14 | 0.96 | 0.68 |
| United States | Share of quantity | 16.7 | 11.4 | 13.1 |
| Japan | Share of quantity | 12.9 | 13.0 | 13.6 |
| South Korea | Share of quantity | 16.7 | 20.2 | 10.5 |
| India | Share of quantity | 9.7 | 12.1 | 10.2 |
| Netherlands | Share of quantity | 7.2 | 1.7 | 7.9 |
| Iran | Share of quantity | 0.5 | 1.0 | 5.1 |
| Poland | Share of quantity | 6.8 | 5.7 | 4.4 |
| Hungary | Share of quantity | 2.8 | 4.9 | 3.3 |
| Germany | Share of quantity | 5.8 | 5.4 | 3.2 |
| All other destination markets | Share of quantity | 20.9 | 24.4 | 28.8 |
| Non-U.S. destination markets | Share of quantity | 83.3 | 88.6 | 86.9 |
| All destination markets | Share of quantity | 100.0 | 100.0 | 100.0 |

Source: Official export statistics under HS subheadings 2504.10 and 3801.10, as reported by China Customs in the Global Trade Atlas database, accessed September 15, 2025.

Note: United States is shown at the top. All remaining top export destinations are shown in descending order of 2024 data.

U.S. inventories of imported merchandise

Table 7.13 presents data on U.S. importers' reported inventories of AAM. The quantity of end-of-period inventories of imports from China decreased annually from 2022 to 2024 and were lower in interim 2025 than in interim 2024.⁸ Similarly, the ratios of end-of-period inventories of imports from China to imports and to U.S. shipments of imports decreased from 2022 to 2024 and were lower in interim 2025 than in interim 2024.

The quantity of end-of-period inventories of imports from nonsubject sources increased annually from 2022 to 2024 and were noticeably higher in interim 2025 than in interim 2024.⁹ The ratios of end-of-period inventories of imports from nonsubject sources to imports and to U.S. shipments of imports increased from 2022 to 2024 and were higher in interim 2025 than in interim 2024.

Overall, the quantity of end-of-period inventories of all imports decreased annually from 2022 to 2024 and were lower in interim 2025 than in interim 2024. The ratios of end-of-period inventories of all imports to imports and to U.S. shipments of imports decreased from 2022 to 2024 and were lower in interim 2025 than in interim 2024.

⁸ *** accounted for nearly all the decrease in the quantity of end-of-period inventories of imports from China from 2022 to 2024. Additionally, *** accounted for all the difference in the quantity of end-of-period inventories of imports from China between interim 2024 and interim 2025. Despite being the *** importer of AAM from China in 2024, ***.

⁹ *** accounted for nearly all the difference in the quantity of end-of-period inventories of imports from nonsubject sources between interim 2024 and interim 2025, reflecting the higher quantities of imports in interim 2025 compared with interim 2024. These firms' imports from nonsubject sources collectively were *** pounds higher in interim 2025 than in interim 2024, representing a *** difference.

Table 7.13 AAM: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in 1,000 pounds; ratio in percent; interim period is January through June

| Measure | Source | 2022 | 2023 | 2024 | Interim 2024 | Interim 2025 |
|-------------------------------------|--------------------|------|------|------|--------------|--------------|
| Inventories quantity | China | *** | *** | *** | *** | *** |
| Ratio to imports | China | *** | *** | *** | *** | *** |
| Ratio to U.S. shipments of imports | China | *** | *** | *** | *** | *** |
| Ratio to total shipments of imports | China | *** | *** | *** | *** | *** |
| Inventories quantity | Nonsubject sources | *** | *** | *** | *** | *** |
| Ratio to imports | Nonsubject sources | *** | *** | *** | *** | *** |
| Ratio to U.S. shipments of imports | Nonsubject sources | *** | *** | *** | *** | *** |
| Ratio to total shipments of imports | Nonsubject sources | *** | *** | *** | *** | *** |
| Inventories quantity | All import sources | *** | *** | *** | *** | *** |
| Ratio to imports | All import sources | *** | *** | *** | *** | *** |
| Ratio to U.S. shipments of imports | All import sources | *** | *** | *** | *** | *** |
| Ratio to total shipments of imports | All import sources | *** | *** | *** | *** | *** |

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

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of AAM after June 30, 2025. Their reported data are presented in table 7.14. Nonsubject sources accounted for the majority of arranged imports in each of the four quarters subsequent to June 30, 2025.

Table 7.14 AAM: U.S. importers' arranged imports, by source and period

Quantity in 1,000 pounds

| Source | Q3 2025 | Q4 2025 | Q1 2026 | Q2 2026 | Total |
|--------------------|---------|---------|---------|---------|-------|
| China | *** | *** | *** | *** | *** |
| Nonsubject sources | *** | *** | *** | *** | *** |
| All import sources | *** | *** | *** | *** | *** |

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

Third-country trade actions

Based on available information, AAM originating in China has not been subject to other antidumping or countervailing duty investigations outside the United States.¹⁰

Information on nonsubject countries

According to GTA, the leading exporter of natural and synthetic graphite, including AAM, was China, which accounted for two-thirds (67.0 percent) of the global quantity in 2024 (table 7.15).

¹⁰ Petition, p. 2. Likewise, Commission staff did not identify any third-country trade actions on AAM originating in China. World Trade Organization, Trade Remedies Data Portal, accessed November 21, 2025, <https://traderemedies.wto.org/en>.

Table 7.15 Natural and synthetic graphite: Global exports by exporter and period

Quantity in 1,000 pounds; value in 1,000 dollars

| Exporting country | Measure | 2022 | 2023 | 2024 |
|--------------------------|----------------|-------------|-------------|-------------|
| United States | Quantity | 98,502 | 91,580 | 72,622 |
| China | Quantity | 1,336,924 | 1,615,543 | 1,523,710 |
| Germany | Quantity | 128,792 | 107,287 | 105,606 |
| Brazil | Quantity | 76,387 | 78,275 | 66,439 |
| Netherlands | Quantity | 62,505 | 63,777 | 49,255 |
| Japan | Quantity | 56,954 | 53,709 | 48,353 |
| Belgium | Quantity | 28,238 | 26,977 | 47,749 |
| France | Quantity | 54,036 | 45,253 | 45,341 |
| Spain | Quantity | 87,429 | 40,632 | 42,466 |
| South Korea | Quantity | 57,341 | 52,086 | 39,711 |
| Canada | Quantity | 21,486 | 18,115 | 28,334 |
| India | Quantity | 20,057 | 21,639 | 26,787 |
| All other exporters | Quantity | 806,753 | 446,393 | 177,847 |
| All reporting exporters | Quantity | 2,835,403 | 2,661,267 | 2,274,220 |
| United States | Value | 188,844 | 179,709 | 181,761 |
| China | Value | 1,522,811 | 1,544,871 | 1,041,270 |
| Germany | Value | 153,051 | 155,661 | 143,262 |
| Brazil | Value | 46,454 | 43,540 | 36,986 |
| Netherlands | Value | 60,681 | 61,856 | 55,744 |
| Japan | Value | 221,059 | 217,526 | 217,287 |
| Belgium | Value | 37,690 | 34,157 | 41,650 |
| France | Value | 97,125 | 107,476 | 89,278 |
| Spain | Value | 140,360 | 52,476 | 40,377 |
| South Korea | Value | 188,069 | 179,123 | 139,093 |
| Canada | Value | 27,943 | 24,025 | 32,291 |
| India | Value | 21,561 | 25,310 | 25,393 |
| All other exporters | Value | 383,145 | 282,158 | 179,986 |
| All reporting exporters | Value | 3,088,792 | 2,907,889 | 2,224,378 |

Table continued.

Table 7.15 (Continued) Natural and synthetic graphite: Global exports, by exporter and period

Unit value in dollars per pound; share in percent

| Exporting country | Measure | 2022 | 2023 | 2024 |
|--------------------------|-------------------|-------------|-------------|-------------|
| United States | Unit value | 1.92 | 1.96 | 2.50 |
| China | Unit value | 1.14 | 0.96 | 0.68 |
| Germany | Unit value | 1.19 | 1.45 | 1.36 |
| Brazil | Unit value | 0.61 | 0.56 | 0.56 |
| Netherlands | Unit value | 0.97 | 0.97 | 1.13 |
| Japan | Unit value | 3.88 | 4.05 | 4.49 |
| Belgium | Unit value | 1.33 | 1.27 | 0.87 |
| France | Unit value | 1.80 | 2.37 | 1.97 |
| Spain | Unit value | 1.61 | 1.29 | 0.95 |
| South Korea | Unit value | 3.28 | 3.44 | 3.50 |
| Canada | Unit value | 1.30 | 1.33 | 1.14 |
| India | Unit value | 1.07 | 1.17 | 0.95 |
| All other exporters | Unit value | 0.47 | 0.63 | 1.01 |
| All reporting exporters | Unit value | 1.09 | 1.09 | 0.98 |
| United States | Share of quantity | 3.5 | 3.4 | 3.2 |
| China | Share of quantity | 47.2 | 60.7 | 67.0 |
| Germany | Share of quantity | 4.5 | 4.0 | 4.6 |
| Brazil | Share of quantity | 2.7 | 2.9 | 2.9 |
| Netherlands | Share of quantity | 2.2 | 2.4 | 2.2 |
| Japan | Share of quantity | 2.0 | 2.0 | 2.1 |
| Belgium | Share of quantity | 1.0 | 1.0 | 2.1 |
| France | Share of quantity | 1.9 | 1.7 | 2.0 |
| Spain | Share of quantity | 3.1 | 1.5 | 1.9 |
| South Korea | Share of quantity | 2.0 | 2.0 | 1.7 |
| Canada | Share of quantity | 0.8 | 0.7 | 1.2 |
| India | Share of quantity | 0.7 | 0.8 | 1.2 |
| All other exporters | Share of quantity | 28.5 | 16.8 | 7.8 |
| All reporting exporters | Share of quantity | 100.0 | 100.0 | 100.0 |

Source: Official export statistics under HS subheadings 2504.10 and 3801.10, as reported by various national statistical authorities in the Global Trade Atlas database, accessed September 15, 2025.

Note: United States is shown at the top followed by China. All remaining top exporting countries are shown in descending order of 2024 data.

APPENDIX A
FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

| Citation | Title | Link |
|---------------------------------------|--|---|
| 89 FR 105100, December 26, 2024 | Active Anode Material from China; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations | https://www.govinfo.gov/content/pkg/FR-2024-12-26/pdf/2024-30663.pdf |
| 90 FR 3788, January 15, 2025 | Active Anode Material from the People's Republic of China: Initiation of Countervailing Duty Investigation | https://www.govinfo.gov/content/pkg/FR-2025-01-15/pdf/2025-00656.pdf |
| 90 FR 3792, January 15, 2025 | Active Anode Material from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation | https://www.govinfo.gov/content/pkg/FR-2025-01-15/pdf/2025-00656.pdf |
| 90 FR 9163, February 7, 2025 | Active Anode Material from China | https://www.govinfo.gov/content/pkg/FR-2025-02-07/pdf/2025-02315.pdf |
| 90 FR 22465, May 28, 2025 | Active Anode Material from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination | https://www.govinfo.gov/content/pkg/FR-2025-05-28/pdf/2025-09563.pdf |
| 90 FR 28994, July 2, 2025 | Active Anode Material from the People's Republic of China: Amended Preliminary Determination of Countervailing Duty Investigation | https://www.govinfo.gov/content/pkg/FR-2025-07-02/pdf/2025-12374.pdf |
| 90 FR 34423, July 22, 2025 | Active Anode Material From the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures | https://www.govinfo.gov/content/pkg/FR-2025-07-22/pdf/2025-13692.pdf |
| 90 FR 57484, December 11, 2025 | Active Anode Material From China; Revised Schedule for the Subject Proceeding | https://www.govinfo.gov/content/pkg/FR-2025-12-11/pdf/2025-22574.pdf |
| 91 FR 7247, February 17, 2026 | Active Anode Material From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value | https://www.govinfo.gov/content/pkg/FR-2026-02-17/pdf/2026-02998.pdf |
| 91 FR 7261, February 17, 2026 | Active Anode Material From the People's Republic of China: Final Affirmative Countervailing Duty Determination | https://www.govinfo.gov/content/pkg/FR-2026-02-17/pdf/2026-02999.pdf |

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF COMMISSION HEARING

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

Subject: Active Anode Material from China
Inv. Nos.: 701-TA-752 and 731-TA-1730 (Final)
Date and Time: February 12, 2026 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

OPENING REMARKS:

In Support of Imposition (**Daniel B. Pickard**, Buchanan Ingersoll & Rooney, PC)
In Opposition to Imposition (**Matthew R. Nicely**, Akin Gump Strauss Hauer & Feld LLP)

OPEN CAMERA SESSION:

**In Support of the Imposition of the
Antidumping and Countervailing Duty Orders:**

Buchanan Ingersoll & Rooney, PC
Washington, DC
on behalf of

American Active Anode Material Producers ("AAAMP")

Emily de La Bruyère, Co-Founder, Horizon Advisory

Chip Dunn, Founder & Chairman, Anovion Technologies

Patrick Donnelly, Chief Commercial Officer, Anovion Technologies

Vikram Handa, Managing Director, Epsilon Carbon Pvt Ltd

Mike O'Kronley, Chief Executive Officer, Novonix Group

Dr. Ann Schoeb, Chief Research and Development Officer and Business Leader,
Energy Systems, Birla Carbon Energy

**In Support of the Imposition of the
Antidumping and Countervailing Duty Orders (continued):**

Shaun Verner, Managing Director, Syrah Resources Ltd

Maria Regina Prioli, Commercial Leader, Energy Systems, Birla Carbon

Daniel B. Pickard)
Claire M. Webster) – OF COUNSEL
Carson Easterling)

**In Opposition to the Imposition of the
Antidumping and Countervailing Duty Orders:**

Akin Gump Strauss Hauer & Feld LLP
Washington, DC
on behalf of

Tesla Inc. (“Tesla”)

Dinesh Swamynathan, Senior Director, Battery Cell Supply Chain, Tesla Inc.

Miriam Eqab, Director and Deputy General Counsel, Trade, Tesla, Inc.

Siva Ram Kumar Muthukumar, Director, Supplier Industrialization Engineering,
Tesla, Inc.

Gaurav Chhabra, Senior Manager, Battery Cell Supply Chain, Tesla Inc.

Sunny Hy, Senior Manager, Cell Design and Materials Engineering, Tesla, Inc.

Yang Shi, Senior Staff Materials Engineer, Cell Design and Materials Engineering

Nicole Hofstetter, Staff Technical Program Manager, Cell Design and Materials
Engineering, Tesla, Inc.

Danna Qian, Staff Technical Program Manager, Supplier Industrialization
Engineering, Cell Materials Readiness

Dr. Jeff Danh (remote witness), Industrial Research Chair, Natural Sciences and
Engineering Research Council of Canada/Tesla Canada Inc.; Principal Cell
Materials Engineer Consultant, Tesla, Inc.; and Canada Research Chair in
Materials for Advanced Batteries, Professor of Physics, and Professor of
Chemistry, Dalhousie University, Halifax, N.S., Canada

**In Opposition to the Imposition of the
Antidumping and Countervailing Duty Orders (continued):**

Jim Dougan, Partner, ION Economics

Jennifer Lutz, Partner, ION Economics

Matthew R. Nicely)
) – OF COUNSEL
Julia K. Eppard)

Mayer Brown LLP
Washington, DC
On behalf of

Panasonic Corporation of North America
Panasonic Energy Corporation of North America
(collectively “Panasonic”)

Preston Zhang, Director, Strategic Materials Engineering & Procurement Group,
Panasonic Energy Corporation of North America

Bryan Byles, Director, Materials Engineering Cell Technology Department,
Panasonic Energy Corporation of North America

Yoshinori Kida, Deputy Chief Technology Officer, Materials Engineering Cell
Technology Department, Panasonic Energy Corporation of North America

Matthew McConkey)
Jacob Reiskin) – OF COUNSEL
Ryan Migeed)

Pillsbury Winthrop Shaw Pittman LLP
Washington, DC
on behalf of

LG Energy Solution, Ltd. (“LGES”)

Colin Seals, Director, External Affairs and Government Relations, LGES

Da Young Sung, Team Leader of the Anode Material Development and
Procurement Team, LGES

Daniel L. Porter)
) – OF COUNSEL
Julian Beach)

**In Opposition to the Imposition of the
Antidumping and Countervailing Duty Orders (continued):**

Taft Stettinius & Hollister LLP
Washington, DC
on behalf of

Contemporary Amperex Technology Co., Ltd. (“CATL”)

Helen Yu, Supply Chain Manager, CATL

Vynne Fu, Legal & Compliance Department, CATL

Quiming Li, Legal & Compliance Department, CATL

Brady W. Mills)
) – OF COUNSEL
Jordan L. Fleischer)

Sandler, Travis & Rosenberg, P.A.
Washington, DC
on behalf of

Stanley Black & Decker, Inc. (“SBD”)

Chris Ternet, Director of U.S. Government Relations, SBD

Mattias Simonsson, Director, SBD

Sarah Sprinkle) – OF COUNSEL

CLOSED CAMERA SESSION:

**In Support of the Imposition of the
Antidumping and Countervailing Duty Orders:**

Buchanan Ingersoll & Rooney, PC
Washington, DC
on behalf of

American Active Anode Material Producers (“AAAMP”)

Daniel B. Pickard)
Claire M. Webster) – OF COUNSEL
Carson Easterling)

**In Opposition to the Imposition of the
Antidumping and Countervailing Duty Orders:**

Akin Gump Strauss Hauer & Feld LLP
Washington, DC
on behalf of

Tesla Inc. (“Tesla”)

Matthew R. Nicely)
) – OF COUNSEL
Julia K. Eppard)

Mayer Brown LLP
Washington, DC
On behalf of

Panasonic Corporation of North America
Panasonic Energy Corporation of North America
(collectively “Panasonic”)

Matthew McConkey)
Jacob Reiskin) – OF COUNSEL
Ryan Migeed)

Pillsbury Winthrop Shaw Pittman LLP
Washington, DC
on behalf of

LG Energy Solution, Ltd. (“LGES”)

Daniel L. Porter)
) – OF COUNSEL
Julian Beach)

**In Opposition to the Imposition of the
Antidumping and Countervailing Duty Orders (continued):**

Taft Stettinius & Hollister LLP
Washington, DC
on behalf of

Contemporary Amperex Technology Co., Ltd. (“CATL”)

Brady W. Mills)
) – OF COUNSEL
Jordan L. Fleischer)

Sandler, Travis & Rosenberg, P.A.
Washington, DC
on behalf of

Stanley Black & Decker, Inc. (“SBD”)

Sarah Sprinkle) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Daniel B. Pickard**, Buchanan Ingersoll & Rooney, PC)
In Opposition to Imposition (**Matthew R. Nicely**, Akin Gump Strauss Hauer & Feld LLP)

APPENDIX C
SUMMARY DATA

Table C.1

AAM: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted; Interim period is January through June

| Item | Reported data | | | | | Period change comparisons | | | |
|---|---------------|-----------------------|--------|-----------------|--------|---------------------------|--------------------------|---------|--------------------|
| | 2022 | Calendar year 2023 | 2024 | Interim 2024 | 2025 | 2022-24 | Calendar year 2022-23 | 2023-24 | Interim 2024-25 |
| U.S. consumption quantity: | | | | | | | | | |
| Amount..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| Producers' share (fn1)..... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▼*** | ▼*** |
| Importers' share (fn1): | | | | | | | | | |
| China..... | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▼*** |
| Nonsubject sources..... | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▲*** |
| All import sources..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| U.S. consumption value: | | | | | | | | | |
| Amount..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| Producers' share (fn1)..... | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Importers' share (fn1): | | | | | | | | | |
| China..... | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▼*** |
| Nonsubject sources..... | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▲*** |
| All import sources..... | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▲*** |
| U.S. importers' U.S. shipments of imports from: | | | | | | | | | |
| China: | | | | | | | | | |
| Quantity..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| Value..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Unit value..... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▼*** | ▼*** |
| Ending inventory quantity..... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▼*** | ▼*** |
| Nonsubject sources: | | | | | | | | | |
| Quantity..... | 3,926 | 6,835 | 12,583 | 7,768 | 34,071 | ▲220.5 | ▲74.1 | ▲84.1 | ▲338.6 |
| Value..... | 19,828 | 31,371 | 47,161 | 28,095 | 81,852 | ▲137.9 | ▲58.2 | ▲50.3 | ▲191.3 |
| Unit value..... | \$5.05 | \$4.59 | \$3.75 | \$3.62 | \$2.40 | ▼(25.8) | ▼(9.1) | ▼(18.3) | ▼(33.6) |
| Ending inventory quantity..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| All import sources: | | | | | | | | | |
| Quantity..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| Value..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| Unit value..... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▼*** | ▼*** |
| Ending inventory quantity..... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▼*** | ▼*** |
| U.S. producers: | | | | | | | | | |
| Practical capacity quantity..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| Production quantity..... | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▼*** |
| Capacity utilization (fn1)..... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▼*** |
| U.S. shipments: | | | | | | | | | |
| Quantity..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Value..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Unit value..... | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Export shipments: | | | | | | | | | |
| Quantity..... | *** | *** | *** | *** | *** | ▲*** | *** | ▲*** | *** |
| Value..... | *** | *** | *** | *** | *** | ▲*** | *** | ▲*** | *** |
| Unit value..... | *** | *** | *** | *** | *** | ▲*** | *** | ▲*** | *** |
| Ending inventory quantity..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| Inventories/total shipments (fn1)..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| Production workers..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Hours worked (1,000s)..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Wages paid (\$1,000)..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Hourly wages (dollars per hour)..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▲*** |
| Productivity (pounds per hour)..... | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▼*** |
| Unit labor costs..... | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▲*** |

Table continued.

Table C.1 Continued

AAM: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted; Interim period is January through June

| Item | Reported data | | | | | Period change comparisons | | | |
|--|---------------|-----------------------|------|-----------------|------|---------------------------|--------------------------|---------|--------------------|
| | 2022 | Calendar year 2023 | 2024 | Interim 2024 | 2025 | 2022-24 | Calendar year 2022-23 | 2023-24 | Interim 2024-25 |
| U.S. producers': | | | | | | | | | |
| Net sales: | | | | | | | | | |
| Quantity..... | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▼*** |
| Value..... | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▼*** |
| Unit value..... | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▲*** |
| Cost of goods sold (COGS)..... | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▼*** |
| Gross profit or (loss) (fn2)..... | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▲*** |
| SG&A expenses..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Operating income or (loss) (fn2)..... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▼*** | ▲*** |
| Net income or (loss) (fn2)..... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▼*** | ▲*** |
| Unit COGS..... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| Unit SG&A expenses..... | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Unit operating income or (loss) (fn2)..... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▼*** |
| Unit net income or (loss) (fn2)..... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▼*** |
| COGS/sales (fn1)..... | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▲*** |
| Operating income or (loss)/sales (fn1).... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▲*** |
| Net income or (loss)/sales (fn1)..... | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▼*** |
| Capital expenditures..... | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▲*** |
| Research and development expenses.... | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |
| Total assets..... | *** | *** | *** | NA | NA | ▲*** | ▲*** | ▼*** | NA |

Source: Compiled from data submitted in response to Commission questionnaires. 508-compliant tables for these data are contained in parts 3, 4, 6, and 7 of this report.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeros, null values, and undefined calculations are suppressed and shown as "--". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

APPENDIX D

U.S. PRODUCERS' U.S. SHIPMENTS AND

U.S. IMPORTERS' IMPORTS BY COMPOSITION AND QUARTER

Table D.1 AAM: U.S. producers' U.S. shipments, by composition and quarter

Quantity in 1,000 pounds; value in 1,000 dollars

| Period | Measure | Loose: Coated | Loose: Uncoated | All loose | All non- loose | All product compositions |
|---------|----------|------------------|--------------------|-----------|-------------------|-----------------------------|
| 2022 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q3 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q4 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q3 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q4 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q3 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q4 | Quantity | *** | *** | *** | *** | *** |
| 2025 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2025 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q1 | Value | *** | *** | *** | *** | *** |
| 2022 Q2 | Value | *** | *** | *** | *** | *** |
| 2022 Q3 | Value | *** | *** | *** | *** | *** |
| 2022 Q4 | Value | *** | *** | *** | *** | *** |
| 2023 Q1 | Value | *** | *** | *** | *** | *** |
| 2023 Q2 | Value | *** | *** | *** | *** | *** |
| 2023 Q3 | Value | *** | *** | *** | *** | *** |
| 2023 Q4 | Value | *** | *** | *** | *** | *** |
| 2024 Q1 | Value | *** | *** | *** | *** | *** |
| 2024 Q2 | Value | *** | *** | *** | *** | *** |
| 2024 Q3 | Value | *** | *** | *** | *** | *** |
| 2024 Q4 | Value | *** | *** | *** | *** | *** |
| 2025 Q1 | Value | *** | *** | *** | *** | *** |
| 2025 Q2 | Value | *** | *** | *** | *** | *** |

Table continued.

Table D.1 (Continued) AAM: U.S. producers' U.S. shipments, by composition and quarter

Unit value in dollars per pound; share in percent

| Period | Measure | Loose: Coated | Loose: Uncoated | All loose | All non-loose | All product compositions |
|---------|-------------------|---------------|-----------------|-----------|---------------|--------------------------|
| 2022 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q3 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q4 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q3 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q4 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q3 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q4 | Unit value | *** | *** | *** | *** | *** |
| 2025 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2025 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q1 | Share of quantity | *** | *** | *** | *** | *** |
| 2022 Q2 | Share of quantity | *** | *** | *** | *** | *** |
| 2022 Q3 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2022 Q4 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q1 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q2 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q3 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q4 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q1 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q2 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q3 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q4 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2025 Q1 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2025 Q2 | Share of quantity | *** | *** | *** | *** | 100.0 |

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

Note: "Loose AAM" is AAM that is not part of a compound, not in a battery, not as a component of an anode slurry, and not in a subassembly of a battery such as an electrode. "Non-loose AAM" is AAM that is part of a compound, in a component of an anode slurry, or in a subassembly of a battery such as an electrode.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Table D.2 AAM: U.S. importers' U.S. imports from China, by composition and quarter

Quantity in 1,000 pounds; value in 1,000 dollars

| Period | Measure | Loose: Coated | Loose: Uncoated | All loose | All non-loose | All product compositions |
|---------|----------|---------------|-----------------|-----------|---------------|--------------------------|
| 2022 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q3 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q4 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q3 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q4 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q3 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q4 | Quantity | *** | *** | *** | *** | *** |
| 2025 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2025 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q1 | Value | *** | *** | *** | *** | *** |
| 2022 Q2 | Value | *** | *** | *** | *** | *** |
| 2022 Q3 | Value | *** | *** | *** | *** | *** |
| 2022 Q4 | Value | *** | *** | *** | *** | *** |
| 2023 Q1 | Value | *** | *** | *** | *** | *** |
| 2023 Q2 | Value | *** | *** | *** | *** | *** |
| 2023 Q3 | Value | *** | *** | *** | *** | *** |
| 2023 Q4 | Value | *** | *** | *** | *** | *** |
| 2024 Q1 | Value | *** | *** | *** | *** | *** |
| 2024 Q2 | Value | *** | *** | *** | *** | *** |
| 2024 Q3 | Value | *** | *** | *** | *** | *** |
| 2024 Q4 | Value | *** | *** | *** | *** | *** |
| 2025 Q1 | Value | *** | *** | *** | *** | *** |
| 2025 Q2 | Value | *** | *** | *** | *** | *** |

Table continued.

Table D.2 (Continued) AAM: U.S. importers' U.S. imports from China, by composition and quarter

Unit value in dollars per pound; share in percent

| Period | Measure | Loose: Coated | Loose: Uncoated | All loose | All non-loose | All product compositions |
|---------|-------------------|---------------|-----------------|-----------|---------------|--------------------------|
| 2022 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q3 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q4 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q3 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q4 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q3 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q4 | Unit value | *** | *** | *** | *** | *** |
| 2025 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2025 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q1 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2022 Q2 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2022 Q3 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2022 Q4 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q1 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q2 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q3 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q4 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q1 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q2 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q3 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q4 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2025 Q1 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2025 Q2 | Share of quantity | *** | *** | *** | *** | 100.0 |

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

Note: "Loose AAM" is AAM that is not part of a compound, not in a battery, not as a component of an anode slurry, and not in a subassembly of a battery such as an electrode. "Non-loose AAM" is AAM that is part of a compound, in a component of an anode slurry, or in a subassembly of a battery such as an electrode.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Table D.3 AAM: U.S. importers' U.S. imports from nonsubject sources, by composition and quarter

Quantity in 1,000 pounds; value in 1,000 dollars

| Period | Measure | Loose: Coated | Loose: Uncoated | All loose | All non-loose | All product compositions |
|---------|----------|---------------|-----------------|-----------|---------------|--------------------------|
| 2022 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q3 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q4 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q3 | Quantity | *** | *** | *** | *** | *** |
| 2023 Q4 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q3 | Quantity | *** | *** | *** | *** | *** |
| 2024 Q4 | Quantity | *** | *** | *** | *** | *** |
| 2025 Q1 | Quantity | *** | *** | *** | *** | *** |
| 2025 Q2 | Quantity | *** | *** | *** | *** | *** |
| 2022 Q1 | Value | *** | *** | *** | *** | *** |
| 2022 Q2 | Value | *** | *** | *** | *** | *** |
| 2022 Q3 | Value | *** | *** | *** | *** | *** |
| 2022 Q4 | Value | *** | *** | *** | *** | *** |
| 2023 Q1 | Value | *** | *** | *** | *** | *** |
| 2023 Q2 | Value | *** | *** | *** | *** | *** |
| 2023 Q3 | Value | *** | *** | *** | *** | *** |
| 2023 Q4 | Value | *** | *** | *** | *** | *** |
| 2024 Q1 | Value | *** | *** | *** | *** | *** |
| 2024 Q2 | Value | *** | *** | *** | *** | *** |
| 2024 Q3 | Value | *** | *** | *** | *** | *** |
| 2024 Q4 | Value | *** | *** | *** | *** | *** |
| 2025 Q1 | Value | *** | *** | *** | *** | *** |
| 2025 Q2 | Value | *** | *** | *** | *** | *** |

Table continued.

Table D.3 (Continued) AAM: U.S. importers' U.S. imports from nonsubject sources, by composition and quarter

Unit value in dollars per pound; share in percent

| Period | Measure | Loose: Coated | Loose: Uncoated | All loose | All non-loose | All product compositions |
|---------|-------------------|---------------|-----------------|-----------|---------------|--------------------------|
| 2022 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q3 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q4 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q3 | Unit value | *** | *** | *** | *** | *** |
| 2023 Q4 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q3 | Unit value | *** | *** | *** | *** | *** |
| 2024 Q4 | Unit value | *** | *** | *** | *** | *** |
| 2025 Q1 | Unit value | *** | *** | *** | *** | *** |
| 2025 Q2 | Unit value | *** | *** | *** | *** | *** |
| 2022 Q1 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2022 Q2 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2022 Q3 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2022 Q4 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q1 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q2 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q3 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2023 Q4 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q1 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q2 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q3 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2024 Q4 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2025 Q1 | Share of quantity | *** | *** | *** | *** | 100.0 |
| 2025 Q2 | Share of quantity | *** | *** | *** | *** | 100.0 |

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

Note: "Loose AAM" is AAM that is not part of a compound, not in a battery, not as a component of an anode slurry, and not in a subassembly of a battery such as an electrode. "Non-loose AAM" is AAM that is part of a compound, in a component of an anode slurry, or in a subassembly of a battery such as an electrode.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "—".

APPENDIX E

U.S. PRODUCERS' RESPONSES REGARDING MATERIAL RETARDATION

Table E.1 AAM: U.S. producers' trial production commencement since January 1, 2022, by firm

Count in number of firms reporting; quantity in 1,000 pounds; NA is not applicable

| Firm | Commenced trial production | Date commenced | Quantity |
|-------------|-----------------------------------|-----------------------|-----------------|
| Anovion | *** | *** | *** |
| Epsilon | *** | *** | *** |
| GrafTech | *** | *** | *** |
| Novonix | *** | *** | *** |
| SKI | *** | *** | *** |
| Syrah | *** | *** | *** |
| All firms | *** | NA | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Table E.2 AAM: U.S. producers' commercial production commencement since January 1, 2022, by firm

Count in number of firms reporting; quantity in 1,000 pounds; NA is not applicable

| Firm | Commenced commercial production | Date commenced | Quantity |
|-------------|--|-----------------------|-----------------|
| Anovion | *** | *** | *** |
| Epsilon | *** | *** | *** |
| GrafTech | *** | *** | *** |
| Novonix | *** | *** | *** |
| SKI | *** | *** | *** |
| Syrah | *** | *** | *** |
| All firms | *** | NA | *** |

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”.

Table E.3 AAM: U.S. producers' narrative description of production operations, by firm

| Firm | Nature of production operations |
|-------------|--|
| Anovion | *** |
| Epsilon | *** |
| GrafTech | *** |
| Novonix | *** |
| SKI | *** |
| Syrah | *** |

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

Table E.4 AAM: U.S. producers' commercial production suspension or cessation, by firm

Count in number of firms reporting; NA is not applicable

| Firm | Suspended or ceased production | Date of non-production | Recommencement |
|-------------|---------------------------------------|-------------------------------|-----------------------|
| Anovion | *** | *** | *** |
| Epsilon | *** | *** | *** |
| GrafTech | *** | *** | *** |
| Novonix | *** | *** | *** |
| SKI | *** | *** | *** |
| Syrah | *** | *** | *** |
| All firms | *** | NA | NA |

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

Note: Nonresponses are shown as “—”.

Table E.5 AAM: U.S. producers' production prior to January 1, 2022, by firm

Count in number of firms reporting; NA is not applicable

| Firm | Previously produced | Date ceased |
|-------------|----------------------------|--------------------|
| Anovion | *** | *** |
| Epsilon | *** | *** |
| GrafTech | *** | *** |
| Novonix | *** | *** |
| SKI | *** | *** |
| Syrah | *** | *** |
| All firms | *** | NA |

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

Note: Nonresponses are shown as “—”.

Table E.6 AAM U.S. producers' production of other products prior to production of AAM, by firm

Count in number of firms reporting; NA is not applicable

| Firm | Previously produced other products | Narrative response regarding other products |
|-------------|---|--|
| Anovion | *** | *** |
| Epsilon | *** | *** |
| GrafTech | *** | *** |
| Novonix | *** | *** |
| SKI | *** | *** |
| Syrah | *** | *** |
| All firms | *** | NA |

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

Note: Nonresponses are shown as “—”.

Table E.7 AAM: U.S. producers' narrative response regarding required machinery to produce AAM, by firm

| Firm | Narrative regarding machinery required to produce AAM |
|-------------|--|
| Anovion | *** |
| Epsilon | *** |
| GrafTech | *** |

| Firm | Narrative regarding machinery required to produce AAM |
|-------------|--|
| Novonix | *** |
| SKI | *** |
| Syrah | *** |

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

Table E.8 AAM: U.S. producers' AAM technical specifications and designs derived from other products, by firm

Count in number of firms reporting; NA is not applicable

| Firm | Technical specifications and/or designs derived from other products | Narrative response regarding AAM technical specifications and designs |
|-------------|--|--|
| Anovion | *** | *** |
| Epsilon | *** | *** |
| GrafTech | *** | *** |
| Novonix | *** | *** |
| SKI | *** | *** |
| Syrah | *** | *** |
| All firms | *** | NA |

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

Note: Nonresponses are shown as “—”.

Table E.9 AAM: U.S. producers' AAM production added to existing facilities, by firm

Count in number of firms reporting; NA is not applicable

| Firm | Production added to existing facility | Narrative response regarding AAM production added to existing facility |
|-------------|--|---|
| Anovion | *** | *** |
| Epsilon | *** | *** |
| GrafTech | *** | *** |
| Novonix | *** | *** |
| SKI | *** | *** |
| Syrah | *** | *** |
| All firms | *** | NA |

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

Note: Nonresponses are shown as “—”.

Table E.10 AAM: U.S. producers' narrative response regarding marketing strategy, by firm

| Firm | Narrative regarding marketing strategy |
|-------------|---|
| Anovion | *** |
| Epsilon | *** |
| GrafTech | *** |

| Firm | Narrative regarding marketing strategy |
|---------|--|
| | *** |
| Novonix | *** |
| SKI | *** |
| Syrah | *** |

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

Table E.11 AAM: U.S. producers' business plans, by firm

Count in number of firms reporting; NA is not applicable

| Firm | Business plans developed | Narrative response regarding business plans |
|-------------|---------------------------------|--|
| Anovion | *** | *** |
| Epsilon | *** | *** |

| Firm | Business plans developed | Narrative response regarding business plans |
|-----------|--------------------------|---|
| | | *** |
| GrafTech | *** | *** |
| Novonix | *** | *** |
| SKI | *** | *** |
| Syrah | *** | *** |
| All firms | *** | NA |

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

Table E.12 AAM: U.S. producers' response regarding the ability to secure financing, by firm

Count in number of firms reporting; NA is not applicable

| Firm | Able to secure financing | Narrative response regarding the ability to secure financing |
|-------------|---------------------------------|---|
| Anovion | *** | *** |
| Epsilon | *** | *** |
| GrafTech | *** | *** |
| Novonix | *** | *** |
| SKI | *** | *** |
| Syrah | *** | *** |
| All firms | *** | NA |

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

Note: Nonresponses are shown as “—”.

Table E.13 AAM: U.S. producers' response regarding the failure to secure financing, by firm

Count in number of firms reporting; NA is not applicable

| Firm | Failed in securing financing | Narrative response regarding the failure to secure financing |
|-------------|-------------------------------------|---|
| Anovion | *** | *** |
| Epsilon | *** | *** |
| GrafTech | *** | *** |
| Novonix | *** | *** |
| SKI | *** | *** |
| Syrah | *** | *** |
| All firms | *** | NA |

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

Note: Nonresponses are shown as “—”.

Table E.14 AAM: U.S. producers' response regarding difficulties in making technological advancements to produce AAM at commercial scale, by firm

Count in number of firms reporting; NA is not applicable

| Firm | Experienced difficulties | Narrative response regarding difficulties in making technological advancements to produce AAM at commercial scale |
|-------------|---------------------------------|--|
| Anovion | *** | *** |
| Epsilon | *** | *** |
| GrafTech | *** | *** |
| Novonix | *** | *** |
| SKI | *** | *** |
| Syrah | *** | *** |
| All firms | *** | NA |

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

Note: Nonresponses are shown as “—”.

Table E.15 AAM: U.S. producers' narrative response regarding the necessary level of production to sustain operations, by firm

| Firm | Narrative regarding the necessary level of production to sustain operations |
|-------------|--|
| Anovion | *** |
| Epsilon | *** |
| GrafTech | *** |
| Novonix | *** |
| SKI | *** |
| Syrah | *** |

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

Table E.16 AAM: U.S. producers' narrative response regarding the necessary price level of AAM to sustain operations, by firm

| Firm | Narrative regarding the necessary price level of active anode materials to sustain operations |
|-------------|--|
| Anovion | *** |
| Epsilon | *** |
| GrafTech | *** |
| Novonix | *** |
| SKI | *** |
| Syrah | *** |

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

Table E.17 AAM: U.S. producers' narrative response regarding necessary level of financing to sustain operations, by firm

| Firm | Narrative regarding necessary level of financing to sustain operations |
|-------------|---|
| Anovion | *** |
| Epsilon | *** |
| GrafTech | *** |
| Novonix | *** |
| SKI | *** |
| Syrah | *** |

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

Table E.18 AAM: U.S. producers' response regarding grants and/or loans from the Bipartisan Infrastructure Law, by firm

Count in number of firms reporting; NA is not applicable

| Firm | Grants and/or loans received | Narrative response regarding bipartisan infrastructure law grants |
|-------------|-------------------------------------|--|
| Anovion | *** | *** |
| Epsilon | *** | *** |
| GrafTech | *** | *** |
| Novonix | *** | *** |
| SKI | *** | *** |
| Syrah | *** | *** |
| All firms | *** | NA |

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

Note: Nonresponses are shown as “—”.

Table E.19 AAM: U.S. producers' response regarding reaching a financial breakeven point, by firm

| Firm | Narrative regarding reaching a financial breakeven point |
|-------------|---|
| Anovion | *** |
| Epsilon | *** |
| GrafTech | *** |
| Novonix | *** |
| SKI | *** |
| Syrah | *** |

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

Note: Nonresponses are shown as “—”.

APPENDIX F

U.S. PRODUCERS' QUALIFICATION STATUS

Table F.1 presents information on U.S. producers' qualification status with various customers. LG Energy Solution's qualification process has two main phases: the Material Test and Production Part Approval Process (PPAP), which each contain multiple sub-elements.¹ ***. ***.² ***.³ Tesla has four qualification stages (Material Phase A, Material Phase B, Material Phase C, and Material Phase D). Material Phase A involves testing of product at lab scale production (***); Material Phase B involves testing of product at pilot scale production (***); Material Phase C involves testing product at mass production trial (***); and Material Phase D involves testing product at continuous mass production (***).⁴

¹ Public hearing transcript, pp. 192 to 194 (Seals).

² Respondent Panasonic's prehearing brief, exhibit 1.

³ Id.

⁴ Respondent Tesla's posthearing brief, attachment 3, pp. 1 to 2.

Table F.1 AAM: U.S. producers' qualification status

NA is not available

| U.S. producer | Purchaser | Qualification status according to U.S. producer | Qualification status according to purchaser |
|----------------------|------------------|--|--|
| Anovion | LG | *** | *** |
| Anovion | Panasonic | *** | *** |
| Anovion | *** | *** | *** |
| Anovion | Tesla | *** | *** |
| Epsilon | *** | *** | *** |
| Epsilon | *** | *** | *** |
| Epsilon | *** | *** | *** |
| Epsilon | GM | *** | *** |
| Epsilon | *** | *** | *** |
| Epsilon | LG | *** | *** |
| Epsilon | Panasonic | *** | *** |
| Epsilon | *** | *** | *** |
| Epsilon | *** | *** | *** |
| Epsilon | *** | *** | *** |
| Epsilon | Tesla | *** | *** |
| Novonix | *** | *** | *** |
| Novonix | *** | *** | *** |
| Novonix | LG | *** | *** |
| Novonix | *** | *** | *** |
| Novonix | Panasonic | *** | *** |
| Novonix | *** | *** | *** |
| Novonix | *** | *** | *** |
| Novonix | *** | *** | *** |
| Novonix | *** | *** | *** |
| Novonix | Tesla | *** | *** |
| Novonix | *** | *** | *** |
| SKI | *** | *** | *** |

| U.S. producer | Purchaser | Qualification status according to U.S. producer | Qualification status according to purchaser |
|----------------------|------------------|--|--|
| SKI | *** | *** | *** |
| SKI | Panasonic | *** | *** |
| SKI | *** | *** | *** |
| SKI | *** | *** | *** |
| Syrah | *** | *** | *** |
| Syrah | LG | *** | *** |
| Syrah | *** | *** | *** |
| Syrah | Panasonic | *** | *** |
| Syrah | *** | *** | *** |
| Syrah | *** | *** | *** |
| Syrah | Tesla | *** | *** |

Source: Petitioner’s posthearing brief, exhibit 8; respondent LG Energy Solution’s posthearing brief, answer to Commission questions, p. 1 and exhibit 1; respondent Panasonic’s posthearing brief, exhibit 1, p. 16; and respondent Tesla’s posthearing brief, appendix 3, p. 2.

Note: Although ***. Confidential hearing transcript, pp. 333 to 334 (Porter). ***.

