

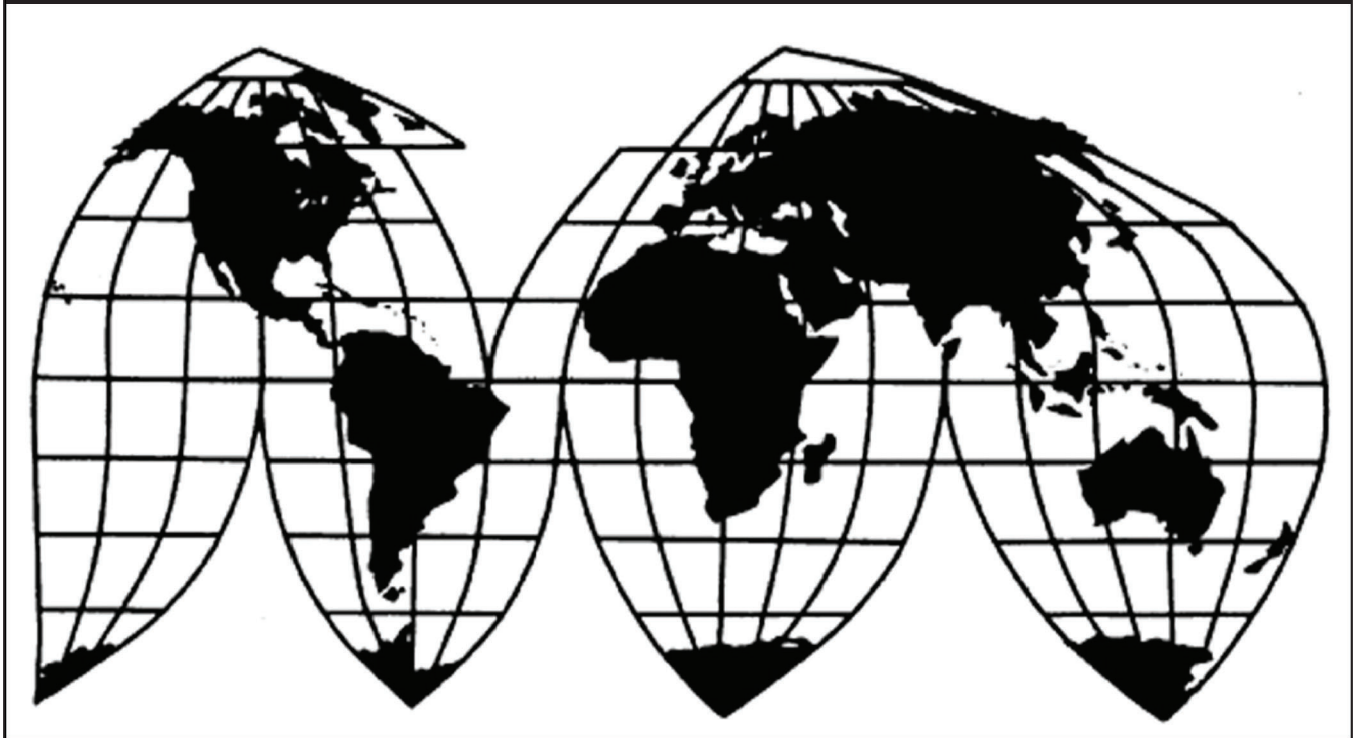
Refined Brown Aluminum Oxide from China

Investigation No. 731-TA-1022 (Third Review)

Publication 5020

February 2020

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1022 (Third Review)

Refined Brown Aluminum Oxide from China

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty order on refined brown aluminum oxide from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted this review on September 3, 2019 (84 FR 46047) and determined on December 9, 2019 that it would conduct an expedited review (85 FR 3416, January 21, 2020).

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

Views of the Commission

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty order on refined brown aluminum oxide (“RBAO”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigation: On November 20, 2002, Washington Mills Group Inc. (“Washington Mills”) filed an antidumping duty petition covering RBAO from China. On November 10, 2003, the Commission found that an industry in the United States was materially injured by reason of less than fair value imports of RBAO from China.¹ On November 19, 2003, the U.S. Department of Commerce (“Commerce”) issued an antidumping duty order on imports of RBAO from China (“the order”).²

First Review: On October 1, 2008, the Commission instituted the first five-year review of the order.³ After conducting an expedited review,⁴ the Commission reached an affirmative determination on February 19, 2009.⁵ Following the Commission’s affirmative determination, Commerce issued a continuation of the order on March 13, 2009.⁶

Second Review: On February 3, 2014, the Commission instituted the second five-year review of the order.⁷ After conducting an expedited review,⁸ the Commission reached an

¹ *Refined Brown Aluminum Oxide from China*, Inv. No. 731-TA-1022 (Final), USITC Pub. 3643 (Nov. 2003) (“*Original Determination*”).

² *Antidumping Duty Order: Refined Brown Aluminum Oxide (Otherwise Known as Refined Brown Artificial Corundum or Brown Fused Alumina) From the People's Republic of China*, 68 Fed. Reg. 65249 (Nov. 19, 2003).

³ *Refined Brown Aluminum Oxide From China*, 73 Fed. Reg. 57149 (Oct. 1, 2008).

⁴ *Refined Brown Aluminum Oxide From China*, 74 Fed. Reg. 1706 (Jan. 13, 2009).

⁵ *Refined Brown Aluminum Oxide from China*, Inv. No. 731-TA-1022 (Review), USITC Pub. 4063 (Mar. 2009) (“*First Review Determination*”).

⁶ *Refined Brown Aluminum Oxide from the People's Republic of China: Notice of Continuation of Antidumping Duty Order*, 74 Fed. Reg. 10884 (Mar. 13, 2009).

⁷ *Refined Brown Aluminum Oxide From China; Institution of A Five-Year Review*, 79 Fed. Reg. 6225 (Feb. 3, 2014).

⁸ *Refined Brown Aluminum Oxide From China; Scheduling of an Expedited Five-Year Review*, 79 Fed. Reg. 48248 (Aug. 15, 2014).

affirmative determination on September 18, 2014.⁹ Following the Commission’s affirmative determination, Commerce issued a continuation of the order on October 14, 2014.¹⁰

Current Review: The Commission instituted this third five-year review on September 3, 2019.¹¹ On October 3, 2019, four domestic producers of the domestic like product filed the sole response to the notice of institution.¹² No respondent interested party filed a response to the notice of institution. On December 9, 2019, the Commission determined that the domestic interested party group response to the notice of institution was adequate and that the respondent interested party group response was inadequate.¹³ Finding that no other circumstances warranted conducting a full review, the Commission determined to conduct an expedited review.¹⁴ The Domestic Producers submitted comments pursuant to Commission rule 207.62(d) regarding the determination the Commission should reach.¹⁵

U.S. industry data are based on information submitted by the Domestic Producers in response to the notice of institution. The Domestic Producers estimate that they accounted for *** percent of domestic production in 2018.¹⁶ U.S. import data and related information are based on Commerce’s official import statistics.¹⁷ Foreign industry data and related information are based on information from the Domestic Producers, questionnaire responses from the original investigation and prior reviews, as well as publicly available information gathered by staff.¹⁸ Three U.S. purchasers of the domestic like product responded to the Commission’s adequacy phase questionnaire.¹⁹

⁹ *Refined Brown Aluminum Oxide from China*, Inv. No. 731-TA-1022 (Second Review), USITC Pub. 4492 (Oct. 2014) (“Second Review Determination”).

¹⁰ *Refined Brown Aluminum Oxide From the People's Republic of China: Continuation of Antidumping Duty Order*, 79 Fed. Reg. 61606 (Oct. 14, 2014).

¹¹ *Refined Brown Aluminum Oxide from China; Institution of a Five-Year Review*, 84 Fed. Reg. 46047 (Sept. 3, 2019).

¹² Petitioners’ Response to Notice of Institution (“Response”), EDIS Doc. 690110 (Oct. 3, 2019). The four responding domestic producers are Great Lakes Minerals, LLC (“Great Lakes”), Imerys Fused Minerals Niagara Falls, Inc. (“Imerys Niagara Falls”), U.S. Electrofused Minerals, Inc. (“Electrofused Minerals”), and Washington Mills (collectively, “the Domestic Producers”). *Id.* at 1.

¹³ Explanation of Commission Determination on Adequacy, EDIS Doc. 697374 (Dec. 16, 2019) (“Adequacy Statement”).

¹⁴ Adequacy Statement, EDIS Doc. 697374 (Dec. 16, 2019); *Refined Brown Aluminum Oxide From China; Scheduling of an Expedited Five-Year Review*, 85 Fed. Reg. 3416 (Jan. 21, 2020).

¹⁵ Domestic Producers’ Final Comments, EDIS Doc. 699662 (Jan. 21, 2020) (“Comments”).

¹⁶ Confidential Report, Memorandum INV-RR-127 (“CR”) at Table I-1 (Jan. 6, 2020); Public Report (“PR”) at Table I-1; Response at 23.

¹⁷ CR/PR at Table I-4–I-5.

¹⁸ See generally CR/PR at I-10–I-16.

¹⁹ CR/PR at Appx. D-3.

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”²⁰ The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”²¹ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.²²

Commerce has defined the imported merchandise within the scope of the order under review as follows:

{G}round, pulverized or refined brown artificial corundum, also known as brown aluminum oxide or brown fused alumina, in grit size of 3/8 inch or less. Excluded from the scope of the order is crude artificial corundum in which particles with a diameter greater than 3/8 inch constitute at least 50 percent of the total weight of the entire batch. The scope includes brown artificial corundum in which particles with a diameter greater than 3/8 inch constitute less than 50 percent of the total weight of the batch. The merchandise under investigation is currently classifiable under subheadings 2818.10.20.00 and 2818.10.20.90 of the Harmonized Tariff Schedule of the United States (HTSUS).²³

RBAO is a solid inorganic chemical derived from the aluminum oxide in mined bauxites and is produced by crushing, grinding, and sieving brown aluminum oxide in ingot or crude form.²⁴ The product is sold in a range of sizes to end users and distributors. Generally, the

²⁰ 19 U.S.C. § 1677(4)(A).

²¹ 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

²² *See, e.g., Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

²³ *Refined Brown Aluminum Oxide From the People’s Republic of China: Final Results of the Expedited Third Five-Year Sunset Review of the Antidumping Duty Order*, 84 Fed. Reg. 72293 (Dec. 31, 2019) and accompanying Issues and Decisions Memorandum at 2.

²⁴ CR/PR at I-6–I-7.

more uniform the particle size, the more expensive and difficult the RBAO is to manufacture.²⁵ RBAO is primarily used in abrasive or refractory applications.²⁶

Original Investigation. In the original investigation, as explained below the Commission defined the domestic like product more broadly than the scope of Commerce's investigation. The Commission found that the size and weight parameters contained in Commerce's scope definition did not reflect precisely the understanding within the industry of the distinction between refined and crude brown aluminum oxide.²⁷ The Commission found that both the larger and smaller particle brown aluminum oxide were used for refractories, shared the same channels of distribution, and were perceived by customers to be a refined brown aluminum oxide product.²⁸ The record also did not contain any information that larger and smaller particle brown aluminum oxide were produced in distinct facilities or were associated with a significant price difference.²⁹ The Commission found that, while larger and smaller particle size brown aluminum oxide were not directly interchangeable, this lack of interchangeability pertained to particle sizes even within Commerce's 3/8 inch distinction, and that most brown aluminum oxide was produced to specific customer size specifications.³⁰ Therefore, the Commission defined the domestic like product to include both the merchandise described by Commerce's scope definition and certain brown aluminum oxide where a particle diameter greater than the 3/8 inch constitutes at least 50 percent of the total weight of the entire batch, as long as this product had been crushed, screened, and sorted into consistent sizes.³¹

Prior Reviews. In both the first and second five-year reviews, the domestic parties indicated that they agreed with the Commission's definition of the domestic like product in the original investigation.³² The Commission found that there was no new information in the records that would warrant revisiting the domestic like product definition from the original investigation.³³ Accordingly, the Commission defined the domestic like product in each of the prior reviews as it did in the original investigation.³⁴

Current Review. In the current review, the Domestic Producers state that they agree with the Commission's domestic like product definition in the prior proceedings.³⁵ The record contains no new information suggesting that the characteristics and uses of the domestic like

²⁵ CR/PR at I-7.

²⁶ CR/PR at I-6.

²⁷ *Original Determination*, USITC Pub. 3643 at 5–7.

²⁸ *Original Determination*, USITC Pub. 3643 at 6–7.

²⁹ *Original Determination*, USITC Pub. 3643 at 7.

³⁰ *Original Determination*, USITC Pub. 3643 at 6–7.

³¹ *Original Determination*, USITC Pub. 3643 at 7.

³² *First Review Determination*, USITC Pub. 4063 at 4; *Second Review Determination*, USITC Pub. 4492 at 5.

³³ *First Review Determination*, USITC Pub. 4063 at 4; *Second Review Determination*, USITC Pub. 4492 at 5.

³⁴ *First Review Determination*, USITC Pub. 4063 at 4; *Second Review Determination*, USITC Pub. 4492 at 5.

³⁵ Comments at 2; Response at 23.

product have changed since the prior proceedings.³⁶ Accordingly, we again define the domestic like product as RBAO consisting of all merchandise corresponding to the scope of the investigation as well as brown aluminum oxide where particles with a diameter greater than 3/8 inch constituted at least 50 percent of the total weight of the entire batch, as long as this product had been crushed, screened, and sorted into consistent sizes.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”³⁷ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

Prior Proceedings. In the original investigation, five out of six domestic producers imported subject merchandise during the period of investigation and thus were related parties pursuant to section 771(4)(B) of the Tariff Act (19 U.S.C. § 1677(4)(B)).³⁸ This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.³⁹ The Commission excluded Great Lakes from the domestic industry as a related party because Great Lakes *** and had a strong interest in maintaining access to these imports. Moreover, Great Lakes’ financial performance towards the end of the period of investigation reflected ***.⁴⁰ The Commission did not exclude any of the remaining domestic producers from the domestic industry, in part, because they either ceased importing subject merchandise or imported a relatively small proportion of subject merchandise compared to their domestic production during the period of investigation.⁴¹ The Commission therefore defined the domestic industry as consisting of all U.S. producers of the domestic like product, with the exception of Great Lakes.⁴² In each of the first two reviews, there were no related

³⁶ See generally CR/PR at I-5–I-7.

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

³⁸ *Original Determination*, USITC Pub. 3643 at 10.

³⁹ See *Torrington Co v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int’l Trade 1992), *aff’d without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int’l Trade 1989), *aff’d mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int’l Trade 1987).

⁴⁰ *Confidential Original Determination*, EDIS Doc. 693560 at 15.

⁴¹ *Original Determination*, USITC Pub. 3643 at 10–11.

⁴² *Original Determination*, USITC Pub. 3643 at 9–11.

party issues, and the Commission defined the domestic industry to include all domestic producers of the domestic like product.⁴³

Current Review. In the current review, there are no related party issues as none of the Domestic Producers participating in this review imported subject merchandise during the period of review.⁴⁴ The Domestic Producers state that they agree with Commission's domestic industry definition as set out in the notice of institution and in prior reviews.⁴⁵ Accordingly, we define the domestic industry as consisting of all domestic producers of the domestic like product as the Commission did in the prior reviews.

III. Revocation of the Antidumping Duty Order Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."⁴⁶ The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."⁴⁷ Thus, the likelihood

⁴³ *First Review Determination*, USITC Pub. 4063 at 5; *Second Review Determination*, USITC Pub. 4492 at 6.

⁴⁴ Response at 20; Comments at 2. Imerys Niagara Falls is related to Imerys Fused Minerals China, a Chinese producer of RBAO that does not export RBAO to the United States. Response at 20. There is no record evidence on whether the non-participating domestic producer, FX Minerals Inc. ("FX Minerals"), a subsidiary of Shanxi Fangxing Minerals, imports RBAO from China. Comments at 2; Response at Ex. 2. Since FX Minerals did not provide relevant production or financial information, consideration of its exclusion from the domestic industry is moot. See Comments at 2.

⁴⁵ Response at 23.

⁴⁶ 19 U.S.C. § 1675a(a).

⁴⁷ SAA at 883-84. The SAA states that "[t]he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id.* at 883.

standard is prospective in nature.⁴⁸ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.⁴⁹

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁵⁰ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁵¹

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁵² It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁵³ The statute further provides

⁴⁸ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁴⁹ See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁵⁰ 19 U.S.C. § 1675a(a)(5).

⁵¹ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁵² 19 U.S.C. § 1675a(a)(1).

⁵³ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to this order. *Refined Brown Aluminum Oxide From the People’s Republic of China: Final Results of the Expedited Third Five-Year Sunset Review of the Antidumping Duty Order*, 84 Fed. Reg. 72293 (Dec. 31, 2019) and accompanying Issues and Decisions Memorandum at 3.

that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.⁵⁴

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁵⁵ In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁵⁶

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁵⁷

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁵⁸ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to

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

⁵⁵ 19 U.S.C. § 1675a(a)(2).

⁵⁶ 19 U.S.C. § 1675a(a)(2)(A-D).

⁵⁷ See 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

⁵⁸ 19 U.S.C. § 1675a(a)(4).

which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.⁵⁹

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the RBAO industry in China. There also is limited information about the market for refined and crude brown aluminum oxide in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigation and first review, and the limited new information on the record in this third five-year review.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁶⁰ The following conditions of competition inform our determination.

1. Demand Conditions

Original Investigation. In the original investigation, the Commission found that RBAO was used in refractory applications for lining crucibles and furnaces; in bonded/coated applications for abrasives; and in general industrial applications for surface preparation.⁶¹ The Commission observed that demand for RBAO declined over the period of investigation. This decline was reportedly caused by factors such as an overall deterioration in the economy, weak conditions in the refractory and steel industries, and increasing imports of downstream products.⁶² The quantity of apparent U.S. consumption declined by *** percent between 2000 and 2001 and by *** percent between 2001 and 2002. Apparent U.S. consumption was *** percent lower in interim 2003 than in interim 2002.⁶³

Prior Reviews. In the first review, the Commission found that demand for RBAO had generally increased since imposition of the order. Demand reportedly declined in 2008 and was

⁵⁹ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

⁶⁰ 19 U.S.C. § 1675a(a)(4).

⁶¹ *Original Determination*, USITC Pub. 3643 at 3.

⁶² *Original Determination*, USITC Pub. 3643 at 12.

⁶³ *Confidential Original Determination*, EDIS Doc. 693560 at 17. The Commission acknowledged that the decline in apparent U.S. consumption may have been overstated due to the misclassification of refined and crude brown aluminum oxide and the inclusion of white and pink aluminum oxide in the relevant HTSUS subheadings. *Id.* at n.68. Since 2005, white and pink aluminum oxide have been imported under a separate statistical reporting number than RBAO. CR/PR at I-5, n.21.

projected to decline further in 2009, in part, due to recessionary conditions and a drop in steel production.⁶⁴ Also, the Commission observed that industry publications treat industrial and abrasives end uses for RBAO as a single abrasives market.⁶⁵

In the second review, apparent U.S. consumption was 134,645 short tons in 2013, which was lower than the 167,086 short tons in 2007 and the *** short tons in 2002.⁶⁶ The Commission noted that, while the drivers of RBAO demand remained the same as in the prior proceedings, growth in portions of the U.S. manufacturing sector may not translate into increased demand for RBAO due to improvements in technology.⁶⁷

Current Review. In the current review, U.S. demand for RBAO continues to be derived from demand for products used in the abrasives and refractories markets.⁶⁸ Apparent U.S. consumption was 127,992 short tons in 2018, which was lower than apparent U.S. consumption of *** short tons in 2002, 167,086 short tons in 2007, and 134,645 short tons in 2013.⁶⁹ The Domestic Producers assert that domestic demand for RBAO will continue to be flat.⁷⁰

2. Supply Conditions

Original Investigation. In the original investigation, the Commission found that all domestic producers of RBAO other than Washington Mills purchased all of their crude brown aluminum oxide from foreign sources. Washington Mills purchased crude brown aluminum oxide at low prices from the Defense Logistics Agency in 2001 and 2002.⁷¹ The Commission noted several changes in the domestic industry, including Washington Mills' acquisition of the RBAO operations of domestic producer Exolon-ESK Co., during the period of investigation; domestic producer 3M's cessation of RBAO production in 2002; and the beginning of domestic RBAO production by C-E Minerals in 2002.⁷² Finally, the Commission observed that the volume of nonsubject imports declined over the period of investigation.⁷³

Prior Reviews. In the first review, the Commission noted several structural changes in the domestic industry, including the introduction of a new domestic producer, Electrofused

⁶⁴ *First Review Determination*, USITC Pub. 4063 at 8.

⁶⁵ *First Review Determination*, USITC Pub. 4063 at 8, n.36.

⁶⁶ *Confidential Second Review Determination*, EDIS Doc. 698423 at 13.

⁶⁷ *Second Review Determination*, USITC Pub. 4492 at 10.

⁶⁸ CR/PR at I-6.

⁶⁹ SR at Table I-5.

⁷⁰ Response at 20.

⁷¹ *Original Determination*, USITC Pub. 3643 at 13. There was no domestic production of crude brown aluminum oxide during the period of investigation. *Id.*

⁷² *Original Determination*, USITC Pub. 3643 at 12–13.

⁷³ *Original Determination*, USITC Pub. 3643 at 13. The Commission acknowledged that the data regarding the decline in nonsubject imports may have been the result of the misclassification of refined and crude brown aluminum oxide and the inclusion of white and pink aluminum oxide in the relevant HTSUS subheadings. *Id.* at 13–14.

Minerals, in 2002, and Washington Mills' sale of one of its two U.S. production facilities.⁷⁴ Additionally, the Commission observed that Great Lakes no longer imported subject merchandise and had increased its domestic production of RBAO. Domestic producers continued to be dependent on foreign sources for crude brown aluminum oxide and Chinese producers of RBAO were constrained by production difficulties. Notwithstanding these difficulties, the Chinese RBAO industry remained the largest in the world.⁷⁵ Following the imposition of the order, the volume of subject imports declined.⁷⁶

In the second review, the Commission stated that there were no major changes to the domestic industry since the prior review. The domestic industry was the largest supplier of RBAO to the U.S. market in 2013, followed by nonsubject imports which were principally from Canada, Austria, and Brazil. In 2013, U.S. producers' domestic shipments were 111,611 short tons, subject imports were 1,373 short tons, and nonsubject imports were 21,661 short tons.⁷⁷

Current Review. In the current review, the only reported change in the structure of the domestic industry since the prior review is FX Minerals' purchase of Imerys Fused Minerals' RBAO-producing facilities in Newell, West Virginia, in 2015.⁷⁸ In 2018, U.S. producers' shipments were the largest source of RBAO in the U.S. market at 106,384 short tons, with the volume of subject imports at 3,710 short tons, and nonsubject imports at 17,828 short tons.⁷⁹ Austria was the largest source of nonsubject imports in 2018.⁸⁰

3. Substitutability and Other Conditions

Prior Proceedings. In the original investigation, the Commission observed that all responding purchasers characterized price as a very important factor in their purchasing decisions.⁸¹ While quality was reported as the primary consideration for most purchasers, they also stated that the quality of the U.S. and Chinese products were comparable.⁸² The record reflected that, overall, U.S. producers, importers, and purchasers reported that RBAO produced in the United States and China was generally interchangeable.⁸³ Accordingly, the Commission found that there was a moderate to high degree of substitutability between RBAO from China and the domestic like product.⁸⁴ In both the first and second reviews, the Commission found

⁷⁴ *First Review Determination*, USITC Pub. 4063 at 8–9.

⁷⁵ *First Review Determination*, USITC Pub. 4063 at 9.

⁷⁶ *First Review Determination*, USITC Pub. 4063 at 10.

⁷⁷ *Second Review Determination*, USITC Pub. 4492 at 11.

⁷⁸ CR/PR at Table I-2; Response at 2. The purchased assets were previously operated under C-E Minerals, one of the petitioners in the original investigation and a participant in the prior reviews. CR/PR at Table I-2; Response at 3.

⁷⁹ CR/PR at Table I-5.

⁸⁰ CR/PR at Table I-4.

⁸¹ *Original Determination*, USITC Pub. 3643, at 13.

⁸² *Original Determination*, USITC Pub. 3643, at 13.

⁸³ *Original Determination*, USITC Pub. 3643, at 13.

⁸⁴ *Original Determination*, USITC Pub. 3643 at 13.

that there was no new record evidence that warranted modification of its previous findings regarding substitutability or the importance of price in purchasing decisions.⁸⁵

Current Review. In the current review, there is no new information suggesting changes to warrant modification of our prior findings of a moderate to high degree of substitutability between subject imports and the domestic like product, or of the importance of price in purchasing decisions. Accordingly, we again find that there is a moderate to high degree of substitutability between RBAO from China and the domestic like product, and that price continues to be an important factor in purchasing decisions.

C. Likely Volume of Subject Imports

1. The Prior Proceedings

In the original investigation, the volume of subject imports totaled 68,994 short tons in 2000, 80,547 short tons in 2001, and 57,172 short tons in 2002. In interim 2002 and interim 2003, the volume of subject imports was 24,295 short tons and 22,073 short tons, respectively.⁸⁶ The market share of subject imports was *** percent in 2000 and *** percent in 2002; subject imports' market share was lower in interim 2003 than in interim 2002 due to the pendency of the investigation.⁸⁷ The ratio of subject import volume to domestic production was 55.7 percent in 2000, 71.0 percent in 2001, 51.9 percent in 2002, 52.2 percent in interim 2002, and 34.3 percent in interim 2003.⁸⁸ The Commission found that the volume of subject imports, both in absolute terms and relative to production and apparent U.S. consumption, was significant, particularly in light of the moderate to high degree of substitutability between the subject imports and domestic like product and the importance of price in purchasing decisions.⁸⁹

In the first review, the Commission found that the volume of subject imports declined sharply after the imposition of the order in November 2003, although there was a slight increase in subject import volume in 2007. Subject import volume decreased from 57,172 short tons in 2002, to 1,011 short tons in 2005, before increasing to 2,922 short tons in 2007.⁹⁰ Subject imports' share of apparent U.S. consumption was higher in 2002, at *** percent, than in 2007, at 1.7 percent.⁹¹

The Commission noted that the available data indicated that China's RBAO industry was the largest in the world at the time of the original investigation, and that China's production

⁸⁵ *First Review Determination*, USITC Pub. 4063 at 9; *Second Review Determination*, USITC Pub. 4492 at 11.

⁸⁶ *Original Determination*, USITC Pub. 3643 at 14.

⁸⁷ *Confidential Original Determination*, EDIS Doc. 693560 at 20.

⁸⁸ *Original Determination*, USITC Pub. 3643 at 14.

⁸⁹ *Original Determination*, USITC Pub. 3643 at 14.

⁹⁰ *First Review Determination*, USITC Pub. 4063 at 10.

⁹¹ *Confidential First Review Determination*, EDIS Doc. 693562 at 14.

capacity had since grown significantly, surpassing U.S. consumption during the period of review.⁹² The Chinese industry's production capacity for fused aluminum oxide (a broader category that includes RBAO) was 661,380 short tons in 2003 and 1,322,744 short tons in 2007, comprising 54.1 percent and 70.6 percent of global production capacity, respectively.⁹³ The Commission found that China's RBAO industry was export oriented and that it was by far the world's largest exporter of fused aluminum oxide.⁹⁴ Additionally, the Commission observed that, since the imposition of the antidumping duty order, exports of RBAO from China to the United States fell sharply and exports of fused aluminum oxide increased. The Commission found that, if the order on RBAO were revoked, Chinese producers would have an incentive to shift exports to the higher-value refined product, RBAO. Accordingly, the Commission concluded that the volume of imports of RBAO from China would likely be significant in the reasonably foreseeable future if the order were revoked.⁹⁵

In the second review, the Commission found that the volume of subject imports ranged from 1,160 short tons in 2008, to 1,708 short tons in 2012, and was 1,373 short tons (or 1.0 percent of apparent U.S. consumption) in 2013.⁹⁶ Available data demonstrated that the Commission's prior findings regarding the large size of the RBAO industry in China remained valid and record information indicated that China's RBAO industry continued to rapidly expand its production capacity.⁹⁷ Furthermore, evidence in the record indicated that China's RBAO industry remained export oriented, was by far the world's largest exporter based on Global Trade Atlas, and continued to participate in the U.S. market during each year from 2007 to 2013. The Commission noted that the United States was a substantial export market for fused aluminum oxide from China and that at least some Chinese producers of fused aluminum oxide also produced RBAO.⁹⁸ The Commission again found that, if the order were revoked, Chinese producers would have the incentive to shift their exports from brown aluminum oxide to RBAO. Accordingly, the Commission concluded that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the order were revoked.⁹⁹

⁹² *First Review Determination*, USITC Pub. 4063 at 10–11.

⁹³ Fused aluminum oxide was the most narrowly defined product category that included the subject merchandise for which data was available. *First Review Determination*, USITC Pub. 4063 at 10; see also CR/PR at I-6.

⁹⁴ *First Review Determination*, USITC Pub. 4063 at Table I-12 and note "Source: *Global Trade Atlas* (HTS subheading 2818.10, which includes all grades (e.g., brown, white, pink, and red) of crude and refined aluminum oxide)."

⁹⁵ *First Review Determination*, USITC Pub. 4063 at 11.

⁹⁶ *Second Review Determination*, USITC Pub. 4492 at 12–13.

⁹⁷ *Second Review Determination*, USITC Pub. 4492 at 13.

⁹⁸ *Second Review Determination*, USITC Pub. 4492 at 13, Table I-8 and note "Source: *Global Trade Atlas* (HTS subheading 2818.10, which includes all grades (e.g., brown, white, pink, and red) of crude and refined aluminum oxide)."

⁹⁹ *Second Review Determination*, USITC Pub. 4492 at 13.

2. The Current Review

The information available in the current review shows that subject imports have maintained a presence in the U.S. market each year during the current period of review in higher volumes than in 2013, despite comparatively lower apparent U.S. consumption in 2018.¹⁰⁰ The volume of subject imports decreased from 2,064 short tons in 2014 to 1,559 short tons in 2016, before increasing to 3,710 short tons in 2018, demonstrating an overall increase in the volume of subject imports over the current period of review.¹⁰¹ Subject imports held a larger market share on the basis of quantity in 2018, at 2.9 percent of apparent U.S. consumption, than in 2013, at 1.0 percent, and in 2007, at 1.7 percent.¹⁰²

The available information in this review indicates that the size of the RBAO industry in China remains large, as reflected in the Commission's findings in its prior proceedings. Although the Chinese industry's exports have not risen steadily during the period of review, a sharp increase in the volume of exports from 2016 to 2017 followed by a decrease in 2018 demonstrates that the industry in China has the ability and available capacity to increase exports of the subject merchandise to the U.S. market if the order were revoked.¹⁰³ Moreover, information submitted by the Domestic Producers in this review indicates the Chinese industry has continued to expand its production capacity since the prior review.¹⁰⁴

Upon revocation, subject producers are likely to direct significant volumes of RBAO to the U.S. market, absent the restraining effects of the order, as they did in the original investigation. The available export data in Global Trade Atlas is on artificial corundum, which data include both subject merchandise (RBAO) and out-of-scope merchandise.¹⁰⁵ The Chinese industry was the largest exporter of artificial corundum, the most narrowly defined HTS category that includes the subject merchandise (RBAO), in each year of the current period of review, reflecting a strong export orientation.¹⁰⁶ This industry has continued to export subject merchandise to the U.S. market each year during the current period of review.¹⁰⁷ Indeed, the United States continues to be an attractive export market for the Chinese industry, constituting either their largest or second largest export market from 2014 to 2018.¹⁰⁸ Furthermore,

¹⁰⁰ CR/PR at Table I-4, Table I-5.

¹⁰¹ CR/PR at Table I-4.

¹⁰² CR/PR at Table I-5.

¹⁰³ CR/PR at Table I-7. Due to the expedited nature of this review, the record does not contain data on the Chinese industry's RBAO inventories.

¹⁰⁴ Comments at 5–7; Response at 14–15, Exh. 9.

¹⁰⁵ CR/PR at Table I-7 and HTS subheadings 2818.10; *see also Confidential Original Determination*, EDIS Doc. 693560 at 17 (explaining that data that the relevant HTSUS subheading includes white and pink aluminum oxide).

¹⁰⁶ CR/PR at Table I-7. The available export data include both RBAO and out-of-scope merchandise.

¹⁰⁷ CR/PR at Table I-5.

¹⁰⁸ CR/PR at Table I-6. The available export data include both RBAO and out-of-scope merchandise.

stagnant or weakening demand for RBAO in China and in other export markets would likely incentivize Chinese producers to export increased volumes of RBAO to the United States if the order were revoked.¹⁰⁹ Lastly, if the order were revoked, Chinese producers that produce both RBAO and crude aluminum oxide would likely be incentivized to shift exports to the United States to RBAO, which commands a higher price than crude aluminum oxide.¹¹⁰ Based on the above, we find that the volume of subject imports would likely increase upon revocation of the order. We further find that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the order were revoked.¹¹¹

D. Likely Price Effects

1. The Prior Proceedings

In the original investigation, the Commission found that subject imports undersold the domestic like product in 46 of 56 quarterly price comparisons by substantial margins. The Commission observed that prices for the domestic like product and subject imports generally declined over the period of investigation and noted that a portion, but not all, of the price decreases may have been attributable to declining raw material costs or weak demand for RBAO.¹¹² The Commission concluded that subject imports had significantly undersold the domestic like product and had depressed domestic prices to a significant degree.¹¹³

In the first review, the record did not contain new confidential product-specific pricing data, though it did contain published data from a trade journal, *Industrial Minerals*.¹¹⁴ The Commission attributed price increases for a small portion of subject imports to the imposition of the order and was not persuaded by the argument that such price increases demonstrated that subject imports would not undersell the domestic like product if the order were revoked. The Commission concluded that, were the order revoked, subject imports from China would significantly undersell the domestic like product, and subject imports would likely have a significant depressing or suppressing effect on prices for the domestic like product.¹¹⁵

¹⁰⁹ Comments at 7; Response at 17–18.

¹¹⁰ Comments at 7; Response at 18.

¹¹¹ On September 1, 2019, a 15 percent tariff was imposed on imports of RBAO from China under Section 301 of the Trade Act of 1974 (19 U.S.C. § 2411). *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 45821 (Oct. 30, 2019). No U.S. purchaser identified the Section 301 tariff as a significant supply or demand condition impacting the volume of subject imports, however. CR/PR at Appx. D.

¹¹² *Original Determination*, USITC Pub. 3643 at 16.

¹¹³ *Original Determination*, USITC Pub. 3643 at 17.

¹¹⁴ *First Review Determination*, USITC Pub. 4063 at 11–12.

¹¹⁵ *First Review Determination*, USITC Pub. 4063 at 12.

In the second review, the record again did not contain new confidential product-specific pricing data.¹¹⁶ The Commission found that, if the order were revoked, subject imports would again undersell the domestic like product at high margins as they did in the original investigation, which would in turn require the domestic industry either to cut prices or restrain price increases to prevent loss of sales.¹¹⁷ Accordingly, the Commission concluded that, upon revocation, subject imports would likely significantly undersell the domestic like product and enter the United States at prices that would have significant price depressing or suppressing effects.¹¹⁸

2. The Current Review

Due to the expedited nature of this review, the record does not contain recent product-specific pricing information. Given the moderate to high degree of substitutability between subject imports and the domestic like product, we find that price continues to be an important factor in purchasing decisions. If the order were revoked, we find that subject imports from China would likely undersell the domestic like product by high margins, as they did in the original investigation. This would likely require the domestic industry to either cut prices or restrain price increases to compete on price, or risk losing sales to subject imports. Given the likely significant volume of subject imports discussed in section III.C.2., we find that, if the order were revoked, subject imports would likely engage in significant underselling of the domestic like product. Furthermore, we find subject imports would likely enter the United States at prices that would have significant depressing or suppressing effects on the prices of the domestic like product, as they did in the original investigation.

E. Likely Impact

1. The Prior Proceedings

In the original investigation, the Commission found that most of the domestic industry's performance indicators were weak throughout the period of investigation with many worsening over the period. It found subject imports were present in the U.S. market in significant volumes, and at prices underselling the domestic like product by significant margins.¹¹⁹ The Commission acknowledged that there were variations in the financial results of domestic producers but concluded that the weak results of *** were due in significant part to subject imports.¹²⁰ The Commission also recognized that declining demand for RBAO played a role in the domestic industry's worsening performance, but explained that the decline in demand did not detract from the deleterious effect the large volumes of low-priced subject imports had on

¹¹⁶ *Second Review Determination*, USITC Pub. 4492, at 14.

¹¹⁷ *Second Review Determination*, USITC Pub. 4492, at 14.

¹¹⁸ *Second Review Determination*, USITC Pub. 4492 at 14.

¹¹⁹ *Original Determination*, USITC Pub. 3643 at 17.

¹²⁰ *Confidential Original Determination*, EDIS Doc. 693560 at 26–27.

the domestic industry's prices, market share, and performance during the period of investigation. Accordingly, the Commission concluded that subject imports had a significant adverse impact on the domestic industry.¹²¹

In the first review, the record contained limited information that covered only one year of the period of review and pertained to only some indicia of the domestic industry's performance. The Commission found that the domestic industry had experienced some positive effects as a result of the order, including increased capacity, production, capacity utilization, shipments, net sales, and a slight improvement in financial performance. The Commission concluded that intensified competition with subject imports that would likely occur after revocation of the order would likely have a significant adverse impact on the domestic industry, especially in a period of declining demand.¹²²

In the second review, there was limited information regarding the domestic industry's financial performance.¹²³ The Commission noted that, in 2013, the capacity of reporting domestic producers was 220,000 short tons, production was 114,675 short tons, and capacity utilization was 52.1 percent. The Commission concluded that, if the order were revoked, subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which would, in turn, cause declines in its financial performance.¹²⁴

In its non-attribution analysis, the Commission found that while nonsubject imports had increased their market share since the original investigation, the domestic industry improved its financial performance during that time and nonsubject imports' average unit values were higher than those for the domestic industry. Accordingly, the Commission concluded that nonsubject imports would not sever the causal connection between the likely adverse effects by the subject imports.¹²⁵

2. The Current Review

The information available concerning the domestic industry's condition in this review consists of the data the Domestic Producers provided in response to the notice of institution. Due to the nature of expedited reviews, the record contains limited information on the domestic industry's financial performance since the last review. The record contains insufficient information for us to determine whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

The data in the record indicate that, in 2018, the Domestic Producers' capacity was 198,000 short tons, their production was 103,778 short tons, and their capacity utilization was

¹²¹ *Original Determination*, USITC Pub. 3643 at 19.

¹²² *First Review Determination*, USITC Pub. 4063 at 13.

¹²³ *Second Review Determination*, USITC Pub. 4492 at 15.

¹²⁴ *Second Review Determination*, USITC Pub. 4492 at 16. The Domestic Producers asserted that these adverse effects would be exacerbated by declining or stagnant demand for RBAO since the original investigation. *Id.*

¹²⁵ *Second Review Determination*, USITC Pub. 4492 at 16.

52.4 percent.¹²⁶ In 2018, U.S. shipments totaled 106,384 short tons and were valued at approximately \$90.0 million.¹²⁷ Based on the limited information on the record of this review, we find that, should the order be revoked, the likely significant volume and price effects of subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. This adverse impact would likely cause declines in the domestic industry's financial performance. Apparent U.S. consumption was lower in 2018 than in 2002, 2007, and 2013.¹²⁸ Stagnant or depressed U.S. demand will likely exacerbate the adverse effects of subject imports.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Nonsubject imports hold a larger share of apparent U.S. consumption in 2018 than they did in the final year of the original investigation.¹²⁹ This increase in market share by nonsubject imports, however, did not prevent the domestic industry's financial performance from improving during the same period.¹³⁰ Also, the average unit value of U.S. imports from Austria, the largest source of nonsubject imports from 2015 to 2018, was higher than that for subject imports in each year of the current period of review.¹³¹ Therefore, subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports.

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

IV. Conclusion

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

¹²⁶ CR/PR at Table I-3.

¹²⁷ CR/PR at Table I-3.

¹²⁸ CR/PR at Table I-5.

¹²⁹ CR/PR at Table I-5.

¹³⁰ CR/PR at Table I-3.

¹³¹ CR/PR at Table I-4.

Information obtained in this review

Background

On September 3, 2019, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted a review to determine whether revocation of the antidumping duty order on refined brown aluminum oxide (“RBAO”) from China would be likely to lead to continuation or recurrence of material injury.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{3 4} The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
September 3, 2019	Notice of institution by Commission (84 FR 46047, September 3, 2019)
September 1, 2019	Notice of initiation by Commerce (84 FR 47485, September 10, 2019)
December 9, 2019	Commission’s vote on adequacy
December 31, 2019	Commerce’s results of its expedited review
February 20, 2020	Commission’s determination and views

Responses to the Commission’s notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject review. The submission was filed on behalf of the following entities: (1) Great Lakes

¹ 19 U.S.C. 1675(c).

² 84 FR 46047, September 3, 2019. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order. 84 FR 47485, September 10, 2019. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in prior proceedings are presented in app. C.

⁴ Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

Minerals, LLC (“Great Lakes Minerals”); (2) Imerys Fused Minerals Niagara Falls, Inc. (“Imerys”); (3) U.S. Electrofused Minerals, Inc. (“U.S. Electrofused Minerals”); and (4) Washington Mills Group, Inc.⁵ (“Washington Mills”), domestic producers of RBAO (collectively referred to herein as “domestic interested parties”).

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-1.

Table I-1

RBAO: Summary of responses to the Commission’s notice of institution

Type of interested party	Completed responses	
	Number of firms	Coverage
U.S. producer	4	***% ¹

¹ In their response to the notice of institution, domestic interested parties estimated that they account for this share of total U.S. production of RBAO during 2018. Domestic interested parties calculated this figure by dividing their combined 2018 production by their estimates of total U.S. industry production in 2018. Total production was derived by adding domestic interested parties’ production to estimated production data for ***. Domestic interested parties’ response to the notice of institution, October 3, 2019, p. 23.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the domestic interested parties. The domestic interested parties request that the Commission conduct an expedited review of the antidumping duty order on RBAO.⁶

⁵ In the Commission’s original investigation and prior reviews, this company was referred to as “Washington Mills Co., Inc.” The entity will be referred to singularly as “Washington Mills” herein.

⁶ Domestic interested parties’ comments on adequacy, November 18, 2019, p. 2.

The original investigation and subsequent reviews

The original investigation

The original investigation resulted from a petition filed on November 20, 2002, with Commerce and the Commission by Washington Mills, North Grafton, Massachusetts. On November 27, 2002, the petition was amended to include two additional petitioners, C-E Minerals, King of Prussia, Pennsylvania, and Treibacher Schleifmittel, Niagara Falls, New York.⁷ On September 26, 2003, Commerce determined that imports of RBAO from China were being sold at less than fair value (“LTFV”).⁸ The Commission determined on November 10, 2003, that the domestic industry was materially injured by reason of LTFV imports of RBAO from China.⁹ On November 19, 2003, Commerce issued an antidumping duty order with a final weighted-average dumping margin of 135.18 percent.¹⁰

The first five-year review

On January 5, 2009, the Commission determined that it would conduct an expedited review of the antidumping duty order on RBAO from China.¹¹ On January 23, 2009, Commerce published its determination that revocation of the antidumping duty order on RBAO from China would be likely to lead to continuation or recurrence of dumping.¹² On March 2, 2009, the Commission notified Commerce of its determination that material injury would be likely to continue or recur within a reasonably foreseeable time.¹³ On March 13, 2009, following affirmative determinations in the five-year review by Commerce and the Commission,

⁷ 67 FR 71195, November 29, 2002; *Refined Brown Aluminum Oxide From China: Investigation No. 731-TA-1022 (Final)*, USITC Publication 3643 (“Original publication”), November 2003, p. I-1.

⁸ 68 FR 55589, September 26, 2003. Commerce further found that critical circumstances existed with respect to subject imports from China. Commerce’s determination was company specific and applied to Chinese producer/exporter Zibo Jinyu Abrasive Co., Ltd.; otherwise, Commerce applied adverse facts available for all other Chinese producers/exporters as an adverse inference that critical circumstances were applicable for companies that refused to cooperate with its request for information.

⁹ The Commission found that critical circumstances did not exist with respect to imports of the subject merchandise from China. 68 FR 64369, November 13, 2003.

¹⁰ 68 FR 65249, November 19, 2003.

¹¹ 74 FR 1706, January 13, 2009.

¹² 74 FR 4138, January 23, 2009.

¹³ 74 FR 9830, March 6, 2009.

Commerce issued a continuation of the antidumping duty order on imports of RBAO from China.¹⁴

The second five-year review

On May 9, 2014, the Commission determined that it would conduct an expedited review of the antidumping duty order on RBAO from China.¹⁵ On May 7, 2014, Commerce published its determination that revocation of the antidumping duty order on RBAO from China would be likely to lead to continuation or recurrence of dumping.¹⁶ On October 1, 2014, the Commission notified Commerce of its determination that material injury would be likely to continue or recur within a reasonably foreseeable time.¹⁷ Following affirmative determinations in the five-year review by Commerce and the Commission, effective October 14, 2014, Commerce issued a continuation of the antidumping duty order on imports of RBAO from China.¹⁸

Previous and related investigations

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

Commerce's five-year review

Commerce is conducting an expedited review with respect to the antidumping duty order on RBAO from China and intends to issue the final results of this review based on the facts available not later than January 8, 2020.¹⁹ Commerce's Issues and Decision Memorandum, published concurrently with Commerce's final results, contains complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. A complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The Memorandum will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping

¹⁴ 74 FR 10884, March 13, 2009.

¹⁵ 79 FR 48248, August 15, 2014.

¹⁶ 79 FR 26207, May 7, 2014.

¹⁷ 79 FR 60183, October 6, 2014.

¹⁸ 79 FR 61606, October 14, 2014.

¹⁹ Letter from Alex Villanueva, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, October 21, 2019. See EDIS document number 693585.

duty order on imports of RBAO from China are noted in the sections titled “The original investigation” and “U.S. imports,” if applicable.

The product

Commerce’s scope

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

The merchandise covered by this order is ground, pulverized or refined brown artificial corundum, also known as brown aluminum oxide or brown fused alumina, in grit size of 3/8 inch or less. Excluded from the scope of the order is crude artificial corundum in which particles with a diameter greater than 3/8 inch constitute at least 50 percent of the total weight of the entire batch. The scope includes brown artificial corundum in which particles with a diameter greater than 3/8 inch constitute less than 50 percent of the total weight of the batch. The merchandise covered by this order is currently classifiable under subheadings 2818.10.20.00 and 2818.10.20.90 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by the order is dispositive.²⁰

U.S. tariff treatment

RBAO is classifiable under HTS subheading 2818.10.20, and imported under statistical reporting number 2818.10.20.90 (“artificial corundum, whether or not chemically defined: in grains, or ground, pulverized or refined, other than certain white, pink or ruby”).²¹ RBAO produced in China enters the U.S. customs territory at a column 1-general duty rate of 1.3 percent ad valorem. Effective September 1, 2019, RBAO produced in China is subject to an

²⁰ 79 FR 61606, October 14, 2014.

²¹ During the original investigation, the subject merchandise was imported under HTS statistical reporting number 2818.10.20.00. Imports that entered the United States under this provision included not only refined brown aluminum oxide, but also items outside the scope of the investigation (e.g., white and pink refined aluminum oxide). However, beginning in 2005, the white, pink, and ruby product has been imported under HTS statistical reporting number 2818.10.20.10 (“white, pink or ruby, containing more than 97.5 percent by weight of aluminum oxide”), and the subject merchandise is imported under HTS statistical reporting number 2818.10.20.90.

additional 15 percent ad valorem duty under Section 301 of the Trade Act of 1974.²² Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Description and uses²³

RBAO (also known as brown fused alumina grain or grits) is a solid inorganic chemical of the formula Al_2O_3 . It is a processed form of aluminum oxide (also referred to as alumina) found in mined bauxites.²⁴ RBAO is processed from fused alumina, which is a granular material with a high density, low porosity, low permeability, and high refractoriness. Fused alumina (or fused aluminum oxide) is produced in various forms. During the original investigation, the most common form of alumina was reportedly brown fused alumina, which accounted for about two-thirds of the global market for fused alumina.²⁵

There are two main end-use applications for RBAO: abrasives and refractories.²⁶ RBAO is used in the manufacture of a variety of abrasive products, such as bonded abrasives (e.g., grinding wheels for high tensile materials), coated abrasives (e.g., paper, discs and belts for wood and metalworking), and surface preparation products (e.g., blast media, ceramic deburring tools, and cutting tools to roughen, shape, buff, polish, or finish a work piece). Refractory applications include use in the linings of furnaces and ovens. Abrasives account for about 60 percent of the worldwide demand for RBAO, with refractory uses accounting for the bulk of the remaining 40 percent. Other specialty uses for RBAO include pigments, chemical reagents, optical powders, and non-slip flooring and floor tiles.

²² 84 FR 43304, August 20, 2019; 84 FR 45821, August 30, 2019.

²³ Unless otherwise noted, this information is based on *Refined Brown Aluminum Oxide from China, Inv. No. 731-TA-1022 (Second Review)*, USITC Publication 4492, October 2014 (“Second review publication”), pp. I-10-12.

²⁴ Original publication, p. I-2.

²⁵ During the first review, global annual production estimates for brown and white fused alumina was approximately 1 million short tons and 500,000 short tons, respectively. First review publication, p. I-11.

²⁶ In the original investigation, the Commission reported that there were three main end-use markets: refractories, abrasives, and industrial. It also reported that the refractory market was the largest end-use market, consisting of comparatively fewer customers requiring large quantities of relatively coarser RBAO.

Manufacturing process²⁷

Production of RBAO uses bauxite ores that have been oven dried at high heat (calcined) to drive off both free moisture and chemically combined water. The calcined bauxite is then heated (or fused) to its melting point (about 2100 degrees Fahrenheit). The varying amounts of impurities, such as iron oxide, silica, and titania, are removed in the electric arc furnace by melting the calcined bauxite with additions of carbon and iron. The carbon reacts with the oxygen in the impurities to form carbon monoxide gas, and the impurities are reduced to their corresponding metals, which, being heavier than aluminum oxide, settle to the bottom of the melt. The addition of iron to the melt results in the formation of iron salts (e.g., ferrosilicates) which also settle to the bottom. The brown aluminum oxide ingot is cooled and removed from the vessel. Impurities are removed from the bottom of the ingot, and the brown aluminum oxide is then refined (crushed, ground, and screened) into specific particle sizes.²⁸ In general, the more uniform in size, the more expensive and difficult it is to manufacture. The sized material is packaged for shipping to end users and distributors. RBAO is produced in separate facilities from white and pink aluminum oxide to avoid contaminating those products with RBAO.²⁹

Traditionally, spent RBAO was transported to landfills for final disposal. However, up to 30 percent of fused aluminum oxide is reportedly recycled back into the manufacturing process in North America. During the first five-year review, domestic RBAO producer Washington Mills developed a process to collect spent aluminum oxide grains and recycle the spent product back into its aluminum oxide furnaces located in Canada. The spent aluminum oxide is blended with new bauxite and the mixture is fed into specially designed furnaces that melt and purify the liquid product. This process of recycling spent aluminum oxide reportedly enabled Washington Mills to reduce costs.

²⁷ Unless otherwise noted, this information is based on Second review publication, October 2014, pp. I-12-13.

²⁸ The U.S. Geological Survey estimated U.S. production of crude fused aluminum oxide in 2018 at 10,000 metric tons (11,023 short tons) and U.S. imports of fused aluminum oxide at 169,000 metric tons (186,291 short tons) in the same year. Domestic interested parties' response to the notice of institution, October 3, 2019, exh.3.

²⁹ Domestic producers Washington Mills and Treibacher reported in the original investigation that they produced the brown and white products in separate facilities.

The industry in the United States

U.S. producers

During the final phase of the original investigation, the Commission received U.S. producer questionnaires from five firms, which accounted for 100 percent of production of RBAO in the United States during 2002.³⁰ During the first five-year review, the Commission received a response to the notice of institution from four firms, which accounted for approximately 80 percent of production of RBAO in the United States during 2007.³¹ During the second five-year review, the Commission received a response to the notice of institution from four firms, which accounted for *** percent of production of RBAO in the United States during 2013. Their response ***, included detailed information from domestic producers accounting for an estimated *** percent of production of RBAO in the United States during 2013.³² In response to the Commission’s notice of institution for this current review, the domestic interested parties provided a list of six known and currently operating U.S. producers of RBAO.³³ The domestic interested parties estimated that they account for *** percent of total U.S. production of RBAO during 2018.³⁴

Recent developments

Table I-2 presents events in the U.S. industry since the last five-year review.

Table I-2

RBAO: Recent developments in the U.S. industry

Item	Firm	Event
Acquisition	FX Minerals	In 2015, FX Minerals purchased Imerys Fused Materials’ RBAO-producing facilities at Newell, West Virginia. Those assets were previously operated under C-E Minerals, one of the petitioners in the original investigation and a participant in prior five-year reviews.

Source: Domestic interested parties’ response to the notice of institution, October 3, 2019, pp. 2-3.

³⁰ Original publication, p. III-1.

³¹ *Refined Brown Aluminum Oxide from China: Investigation No. 731-TA-1022 (Review)*, USITC Publication 4063, March 2009 (“First review publication”), p. I-3 n.4.

³² *Investigation No. 731-TA-1022 (Second Review): Refined Brown Aluminum Oxide from China—Staff Report*, INV-MM-086, August 29, 2014, pp. I-3 n.4, I-26.

³³ Domestic interested parties’ response to the notice of institution, October 3, 2019, p. 20.

³⁴ Domestic interested parties’ response to the notice of institution, October 3, 2019, p. 3 and p. 23.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in this current five-year review.³⁵ Table I-3 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigation and prior five-year reviews.

Table I-3

RBAO: Trade and financial data submitted by U.S. producers, 2002, 2007, 2013, and 2018

Item	2002	2007	2013	2018
Capacity (short tons)	***	250,000	220,000	198,000
Production (short tons)	***	159,337	114,675	103,778
Capacity utilization (percent)	***	63.7	52.1	52.4
Total U.S. shipments:				
Quantity (short tons)	***	154,103	111,611	106,384
Value (\$1,000)	***	86,969	99,971	90,040
Unit value (dollars per short ton)	***	\$564	\$896	\$846
Net sales (\$1,000)	***	91,447	115,282	101,113
COGS (\$1,000)	***	N/A	104,446	84,763
COGS/net sales (percent)	***	N/A	90.6	83.8
Gross profit (loss) (\$1,000)	***	N/A	10,836	15,860
SG&A expenses (\$1,000)	***	N/A	5,120	6,268
Operating income (loss) (\$1,000)	***	(125)	5,716	9,592
Operating income (loss)/net sales (percent)	***	(0.1)	5.0	9.5

Note: In the original investigation, the Commission excluded Great Lakes Minerals from the domestic industry. Thus, 2002 U.S. industry data do not include Great Lakes Minerals.

Source: For the years 2002 (*see app. C*), 2007, and 2013, data are compiled using data submitted in the Commission's original investigation, first five-year review, and second five-year review. For the year 2018, data are compiled using data submitted by the domestic interested party. Domestic interested parties' response to the notice of institution, October 3, 2019, exh. 1.

³⁵ Individual company trade and financial data are presented in app. B.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a related party for purposes of its injury determination if “appropriate circumstances” exist.³⁶

In its original determination and its expedited first and second five-year review determinations, the Commission defined the domestic like product as all merchandise corresponding to Commerce’s scope, as well as any refined brown aluminum oxide where particles with a diameter greater than 3/8 inch constitute at least 50 percent of the total weight of the entire batch, as long as the product has been crushed, screened, and sorted into consistent sizes.³⁷ In its original determination, the Commission defined the domestic industry as all U.S. producers of refined brown aluminum oxide, with the exception of Great Lakes Minerals, which was excluded from the domestic industry as a related party. In its expedited first and second five-year review determinations, the Commission defined one domestic industry as consisting of all domestic producers of refined brown aluminum oxide.³⁸ In both the first and second five-year reviews, the Commission determined there were no related party issues.³⁹

U.S. imports and apparent U.S. consumption

U.S. importers

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from 14 firms believed to have accounted for virtually all imports of RBAO from China.⁴⁰ Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested parties provided a list of

³⁶ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

³⁷ 84 FR 46047, September 3, 2019.

³⁸ 84 FR 46047, September 3, 2019.

³⁹ First review publication, p. 5; Second review publication, p. 6.

⁴⁰ Original publication, p. IV-1.

seven firms that they believed to have been importers of subject merchandise from China.⁴¹ In both the second and current reviews, the Commission did not receive responses from any respondent interested parties. However, in both the second and current reviews, the domestic interested parties noted that, although they do not know all of the importers of RBAO from China, the companies identified as importers in the first review might continue to import RBAO into the United States.⁴²

U.S. imports

Table I-4 presents the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2018 imports by quantity).

⁴¹ First review publication, p. I-24.

⁴² Second review publication, p. I-33; and Domestic interested parties' response to the notice of institution, October 3, 2019, pp. 20-21.

Table I-4
RBAO: U.S. imports, 2014-18

Item	2014	2015	2016	2017	2018
	Quantity (short tons)				
China (subject)	2,064	1,839	1,559	2,317	3,710
Austria	5,691	5,301	5,322	4,973	4,966
Bahrain	0	0	1,504	4,517	4,905
Brazil	3,047	1,442	1,429	2,127	1,659
Germany	687	976	1,112	1,862	1,549
Japan	428	408	319	970	1,311
France	1,545	940	432	681	897
Canada	5,932	5,043	775	222	102
All other imports	902	942	1,744	2,274	2,439
Subtotal, nonsubject	18,232	15,052	12,637	17,627	17,828
Total imports	20,296	16,891	14,196	19,945	21,538
	Landed, duty-paid value (\$1,000)				
China (subject)	4,351	2,362	2,246	3,279	5,766
Austria	12,434	11,886	12,108	11,665	12,133
Bahrain	0	0	1,528	3,860	4,917
Brazil	1,957	931	847	1,328	1,833
Germany	1,097	2,015	2,011	3,059	2,422
Japan	1,357	840	1,083	1,610	1,887
France	4,005	2,486	900	2,378	2,009
Canada	6,126	5,037	826	100	43
All other imports	1,337	1,301	1,923	2,358	3,053
Subtotal, nonsubject	28,312	24,497	21,225	26,357	28,297
Total imports	32,664	26,858	23,471	29,636	34,064
	Unit value (dollars per short ton)				
China (subject)	2,108	1,284	1,440	1,415	1,554
Austria	2,185	2,242	2,275	2,345	2,443
Bahrain	--	--	1,016	854	1,002
Brazil	642	646	593	624	1,105
Germany	1,596	2,065	1,809	1,642	1,563
Japan	3,172	2,058	3,392	1,659	1,440
France	2,591	2,644	2,085	3,491	2,241
Canada	1,033	999	1,066	450	425
All other imports	1,482	1,382	1,103	1,037	1,252
Subtotal, nonsubject	1,553	1,627	1,680	1,495	1,587
Total imports	1,609	1,590	1,653	1,486	1,582

Note.--Because of rounding, figure may not add to total shown.

Source: Compiled from official Commerce statistics for HTS statistical reporting number 2818.10.2090.

Apparent U.S. consumption and market shares

Table I-5 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

Table I-5

RBAO: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and U.S. market shares, 2002, 2007, 2013, and 2018

Item	2002	2007	2013	2018
	Quantity (short tons)			
U.S. producers' U.S. shipments	***	154,103	111,611	106,384
U.S. imports from—				
China (subject)	68,864	2,922	1,373	3,710
All other	9,673	10,061	21,661	17,828
Total imports	78,536	12,983	23,034	21,538
Apparent U.S. consumption	***	167,086	134,645	127,922
	Value (1,000 dollars)			
U.S. producers' U.S. shipments	***	86,969	99,971	90,040
U.S. imports from—				
China (subject)	22,057	1,387	1,781	5,766
All other	5,763	17,031	28,905	28,297
Total imports	27,820	18,418	30,686	34,064
Apparent U.S. consumption	***	105,387	130,657	124,104
	Share of consumption based on quantity (percent)			
U.S. producer's share	***	92.2	82.9	83.2
U.S. imports from.--				
China (subject)	***	1.7	1.0	2.9
All other sources	***	6.0	16.1	13.9
Total imports	***	7.8	17.1	16.8
	Share of consumption based on value (percent)			
U.S. producer's share	***	82.5	76.5	72.5
U.S. imports from.--				
China (subject)	***	1.3	1.4	4.7
All other sources	***	16.2	22.1	22.8
Total imports	***	17.5	23.5	27.5

Source: For the years 2002 (*see app. C*), 2007, and 2013, data are compiled using data submitted in the Commission's original investigation, first five-year review, and second five-year review. For the year 2018, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 2818.10.2090.

The industry in China

During the final phase of the original investigation, the Commission received foreign producer/exporter questionnaires from 13 firms.⁴³ The Commission did not receive responses from any respondent interested parties in its first, second, or current five-year reviews. During the first five-year review, the domestic interested parties provided a list of 11 known producers of RBAO in China.⁴⁴ During the second five-year review, the domestic interested parties provided a list of more than 150 Chinese producers of brown fused alumina, indicating that these firms either themselves produce RBAO or would supply feedstock to RBAO producers.⁴⁵ During the current review, the domestic interested parties noted that Chinese producers of brown fused alumina – which either themselves produce RBAO and/or would supply feedstock to RBAO producers – are listed in Table I-6 in the Commission’s first sunset determination.⁴⁶

During the current review, domestic interested parties referred to reports that China’s production of brown fused alumina *** and that demand for fused alumina is weakening both in China *** and internationally.⁴⁷

Table I-6 presents export data for artificial corundum, whether or not chemically defined, a category that includes RBAO and out-of-scope products, from China (by export destination in descending order of quantity for 2018).

⁴³ Original publication, p. VII-1.

⁴⁴ First review publication, p. I-50.

⁴⁵ Second review publication, p. I-35.

⁴⁶ Domestic interested parties’ response to the notice of institution, October 3, 2019, p. 21.

⁴⁷ Domestic interested parties’ response to the notice of institution, October 3, 2019, pp. 16-17.

There are also reports of some individual plants ***. Domestic interested parties’ response to the notice of institution, October 3, 2019, exh. 10 and 19.

Table I-6**Artificial corundum, whether or not chemically defined: Exports from China, by destination, 2014-18**

Item	Calendar year				
	2014	2015	2016	2017	2018
Quantity (short tons)					
United States	161,388	107,427	108,512	146,973	142,148
Japan	148,400	139,784	128,621	168,126	137,681
India	56,757	49,040	54,656	72,371	81,120
Korea	75,856	58,899	59,030	83,839	64,761
Taiwan	44,227	41,314	42,055	47,002	44,119
Italy	44,103	29,422	33,639	35,933	40,560
Belgium	36,505	29,361	35,079	40,300	37,621
Thailand	34,803	35,663	31,453	37,533	33,169
Poland	27,322	23,652	24,870	25,697	30,120
United Kingdom	26,950	21,904	17,709	23,000	26,810
All other	236,724	210,314	199,194	270,933	223,233
Total	893,034	746,780	734,818	951,706	861,342

Note.--Because of rounding, figures may not add to totals shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2818.10, accessed November 6, 2019. These data may be overstated as HTS subheading 2818.10 may contain products outside the scope of this review.

Antidumping or countervailing duty orders in third-country markets

Based on available information, RBAO from China has not been subject to other antidumping or countervailing duty investigations outside the United States.

The global market

Table I-7 presents global export data for artificial corundum, whether or not chemically defined, a category that includes RBAO and out-of-scope products, by source, in descending order of quantity for 2018.

Table I-7

Artificial corundum, whether or not chemically defined: Global exports by major sources, 2014-18

Item	2014	2015	2016	2017	2018
	Quantity (short tons)				
China	893,034	746,780	734,818	951,706	861,342
Brazil	193,631	207,532	222,564	172,592	179,539
Germany	51,125	55,043	51,427	55,673	54,931
Hungary	44,375	48,972	47,752	47,897	45,001
Italy	29,146	29,069	34,765	39,831	44,441
Belgium	32,977	39,652	33,730	36,757	41,597
Russia	24,767	31,689	31,381	42,962	41,578
Ukraine	31,243	28,875	26,678	34,377	36,240
Bahrain	8,720	11,772	25,664	40,449	33,902
Slovenia	41,746	35,881	34,494	37,170	33,074
All other	162,168	98,468	105,865	118,693	136,487
Total	1,512,932	1,333,733	1,349,139	1,578,107	1,508,132

Note.--Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 2818.10, accessed November 6, 2019. These data may be overstated as HTS subheadings 2818.10 may contain products outside the scope of this review.

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
84 FR 46047 September 3, 2019	<i>Refined Brown Aluminum Oxide from China; Institution of a Five-Year Review</i>	https://www.govinfo.gov/content/pkg/FR-2019-09-03/pdf/2019-18765.pdf
84 FR 47485 September 10, 2019	<i>Initiation of Five-Year (Sunset) Review</i>	https://www.govinfo.gov/content/pkg/FR-2019-09-10/pdf/2019-19509.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

* * * * *

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-2

RBAO: Summary data concerning the U.S. market (excluding all "domestic" data reported by Great Lakes),¹ 2000-2002, January-June 2002 and January-June 2003

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

Item	Calendar year			January-June		Period changes			
	2000	2001	2002	2002	2003	2000-2002	2000-2001	2001-2002	Jan.-June 2002-Jan.-June 2003
U.S. consumption quantity: Amount	***	***	***	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***	***	***	***
Importers' share: ¹									
China (Great Lakes)	***	***	***	***	***	***	***	***	***
China (all other)	***	***	***	***	***	***	***	***	***
China (total)	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***	***
U.S. consumption value: Amount	***	***	***	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***	***	***	***
Importers' share: ¹									
China (Great Lakes)	***	***	***	***	***	***	***	***	***
China (all other)	***	***	***	***	***	***	***	***	***
China (total)	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***	***
U.S. shipments of imports from--									
China (Great Lakes)									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
China (all other)									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
China (total)									
Quantity	66,046	71,461	68,864	40,391	28,262	4.3	8.2	-3.6	-30.0
Value	21,796	22,456	22,057	12,772	9,939	1.2	3.0	-1.8	-22.2
Unit value	\$330.02	\$314.24	\$320.29	\$316.22	\$351.67	-2.9	-4.8	1.9	11.2
Ending inventory	29,858	38,487	29,983	24,151	17,605	0.4	28.9	-22.1	-27.1
Other sources: ²									
Quantity	52,247	28,632	9,673	5,489	3,948	-81.5	-45.2	-66.2	-28.1
Value	20,465	11,399	5,763	3,227	2,654	-71.8	-44.3	-49.4	-17.8
Unit value	\$391.70	\$398.14	\$595.83	\$587.81	\$672.16	52.1	1.6	49.7	14.3
Ending inventory	0	0	0	0	0	(3)	(3)	(3)	(3)
All sources:									
Quantity	118,293	100,093	78,536	45,880	32,210	-33.6	-15.4	-21.5	-29.8
Value	42,262	33,855	27,820	15,999	12,592	-34.2	-19.9	-17.8	-21.3
Unit value	\$357.26	\$338.24	\$354.23	\$348.71	\$390.95	-0.8	-5.3	4.7	12.1
Ending inventory	29,858	38,487	29,983	24,151	17,605	0.4	28.9	-22.1	-27.1

Table continued on next page.

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

Item	Calendar year			January-June		Period changes			
	2000	2001	2002	2002	2003	2000-2002	2000-2001	2001-2002	Jan.-June 2002-Jan.-June 2003
U.S. producers'--									
Capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization ¹	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments ¹	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000 hours)	***	***	***	***	***	***	***	***	***
Wages paid (1,000 dollars)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (tons per 1,000 hours)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
COGS	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales ¹	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales ¹	***	***	***	***	***	***	***	***	***

¹ "Reported data" are in percent and "period changes" are in percentage points.

² U.S. imports from other sources.

³ Not applicable.

⁴ Undefined.

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

Source: Compiled from data submitted in response to Commission producer and importer (China) questionnaires and official Commerce statistics.

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and they named the following five firms as the top purchasers of refined brown aluminum oxide: ***. Purchaser questionnaires were sent to these five firms and three firms (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for refined brown aluminum oxide that have occurred in the United States or in the market for refined brown aluminum oxide in China since January 1, 2014?

Purchaser	Yes / No	Changes that have occurred
***	***	***
***	***	***
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for refined brown aluminum oxide in the United States or in the market for refined brown aluminum oxide in China within a reasonably foreseeable time?

Purchaser	Yes / No	Changes that have occurred
***	***	***
***	***	***
***	***	***

