

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

Sulfanilic Acid from Hungary and Portugal
Inv. Nos. 701-TA-426 and 731-TA-984 and 985 (Review)

On January 4, 2008, the Commission unanimously determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5).

In response to the notice instituting five-year reviews of the countervailing duty order on imports of sulfanilic acid from Hungary and the antidumping duty orders on imports of sulfanilic acid from Hungary and Portugal, Nation Ford Chemical Co. (“NFC”), a domestic producer of sulfanilic acid, submitted a response. The Commission found this individual domestic interested party response to be adequate. Based on the current record, because NFC accounts for all known U.S. sulfanilic acid production,¹ the Commission additionally found that the domestic interested party group response was adequate.

With respect to the review on sulfanilic acid from Portugal, the Commission received an individually adequate respondent interested party response from CUF, a producer and exporter of subject merchandise from Portugal. Because CUF accounts for all known production of subject merchandise in Portugal, the Commission concluded that the respondent interested party group response for this review was adequate. Accordingly, the Commission determined to conduct a full review of the order on sulfanilic acid from Portugal.

¹ In its response to the notice of institution, NFC observed that another domestic firm, Trinity Manufacturing, Inc. (“Trinity”) in Hamlet, NC, might be engaged in producing sulfanilic acid which it uses internally to produce sulfanilate. See, e.g., NFC’s Response to the Notice of Institution at 11-12. CUF – Químicos Industriais, S.A. (“CUF”), a producer and exporter of subject merchandise from Portugal, stated in its response to the notice that NFC “apparently” is the sole domestic producer of sulfanilic acid, although it was “unclear” whether Trinity is also a domestic producer of sulfanilic acid. See, e.g., CUF’s Adequacy Comments at 3.

The Commission did not receive a response from any respondent interested party with respect to the reviews on sulfanilic acid from Hungary.² The Commission determined that the respondent interested party response was inadequate in these reviews.³ The Commission determined, however, to conduct full reviews of the orders on sulfanilic acid from Hungary in order to promote administrative efficiency in light of its decision to conduct a full review with respect to the order on sulfanilic acid from Portugal.

A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (www.usitc.gov).

² In response to the notice of institution, CUF reported that there are no longer any producers of sulfanilic acid in Hungary, and NFC expressed uncertainty whether the former Hungarian producer Nitrokemia's assets are being used to produce sulfanilic acid in Hungary. See, e.g., CUF's Response to the Notice of Institution at 3; NFC's Response to the Notice of Institution at 2.

³ Commissioner Pinkert determined that the respondent interested party response to the notice of institution was adequate with respect to the reviews of sulfanilic acid from Hungary. The information available to the Commission regarding the Hungarian industry indicates that there is no longer any Hungarian producer of the subject merchandise. Thus, as far as reflected by the record, it was not possible for any Hungarian producer to file a response to the notice of institution.