

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Sugar from the European Union; Sugar from Belgium, France, and Germany,
Inv. Nos. 104-TAA-7, AA1921-198-200 (Second Review)

On December 6, 2004, the Commission 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).¹

With regard to each of the reviews, the Commission determined that the domestic interested party group response to the notice of institution was adequate. The Commission received a single response filed collectively by the U.S. Beet Sugar Association, the American Sugarbeet Growers Association, the American Cane Sugar Refiners Association, the American Sugar Cane League, the Sugar Cane Growers Cooperative of Florida, the Florida Sugar Cane League, the Rio Grande Valley Sugar Growers, Inc., and Hawaiian sugar producers. The Commission found this response adequate with respect to each of these individual entities, which encompass trade associations, a majority of whose members produce the domestic like product, cooperatives of growers producing the domestic like product, and individual producers of the domestic like product. Because the Commission received an adequate response from interested parties accounting for a substantial percentage of U.S. production, the Commission determined that the domestic interested party group response was adequate.

The Commission did not receive a response from any respondent interested party. Consequently, the Commission determined that the respondent interested party group response for each review was inadequate.

The record indicates that since issuance of the original countervailing duty order and antidumping findings, there have been changes in the conditions of competition pertaining to the domestic industry, particularly with respect to changes in the tariff rate quota and domestic marketing allocation systems. There have been more recent changes in conditions of competition pertaining to the subject imports, given recent expansions of the European Union. Conducting a full review will allow the Commission to seek information concerning these changes in conditions of competition. It will also enable the Commission to obtain the Department of Commerce's likely subsidy rates in the review concerning the order on sugar from the European Union.

Therefore, the Commission did not exercise its discretion to conduct an expedited review, but instead determined to conduct a full review. A record of the Commission's votes is available from the Office of the Secretary and the Commission's web site (<http://www.usitc.gov>).

¹ Commissioner Miller and Commissioner Hillman voted to conduct expedited reviews, based on the inadequate respondent interested party group responses. They join only the second and third paragraphs of this statement.