

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Magnesium from Canada, Inv. Nos. 701-TA-309-A-B (Review) and 731-TA-528 (Review)

On November 4, 1999, 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).

Regarding domestic interested parties, the Commission received a response to the notice of institution from Magnesium Corporation of America (“Magcorp”). In 1998, Magcorp was one of three domestic producers of pure magnesium and one of two domestic producers of alloy magnesium. Regarding respondent interested parties, the Commission received a response from Norsk Hydro Canada, Inc. (“NHCI”), the sole Canadian producer and exporter of subject pure and alloy magnesium. The Commission also received responses from the Government of Canada and Gouvernement du Quebec.

The Commission determined that Magcorp accounted for a significant share of domestic production of both alloy and pure magnesium and that the domestic interested party group response was adequate for both like products.^{1 2} The Commission also determined that the respondent interested party group response was adequate for both like products, and that it should proceed to full reviews.

¹ The Commission reached this determination based on 1998 production data, including that for Dow Chemical Company (“Dow”), which ceased its domestic production of magnesium in November 1998. Excluding Dow’s production, Magcorp would account for an even higher share of domestic production of both pure and alloy magnesium.

² Chairman Bragg notes that the remaining producer of pure magnesium, Northwest Alloys, Inc. (“Northwest”), internally transferred a large portion of its 1998 production to its parent company, Alcoa. Excluding Northwest’s internal transfers, Magcorp accounted for an even higher share of domestic production of pure magnesium. Chairman Bragg found that the domestic interested party group response was adequate whether based on total domestic production or only on production for the open market.