

Preliminary Determination

We preliminarily determine that refined brown aluminum oxide (RBAO) from the People's Republic of China (PRC) is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice. In addition, we preliminarily determine that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to RBAO from the respondent in this investigation as well as all other producers/exporters. The critical circumstances analysis for the preliminary determination is discussed below under "Critical Circumstances."

Case History

Since the initiation of this investigation (*Initiation of Antidumping Duty Investigation: Refined Brown Aluminum Oxide (Otherwise known as Refined Brown Artificial Corundum or Brown Fused Alumina) from the People's Republic of China*, 67 FR 77223 (December 17, 2002) (*Initiation Notice*), the following events have occurred:

On January 6, 2003, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that imports of RBAO from the PRC are materially injuring the United States industry. See ITC Investigation Nos. 731-TA-1022 (Publication No. 3572 *Refined Brown Aluminum Oxide from China*, 68 FR 3266 (January 23, 2003)).

On January 7, 2003, we issued an antidumping questionnaire to the PRC Ministry of Foreign Trade and Economic Cooperation (MOFTEC) with a letter requesting that it forward the questionnaire to PRC producers/exporters accounting for all known exports of subject merchandise from the PRC during the period of investigation (POI). We also sent courtesy copies of the antidumping questionnaire to the China Chamber of Commerce of Metals, Minerals, and Chemicals Importers and Exporters, and to all companies identified in the petition as exporters of RBAO for which we had complete addresses. These companies were: Zhengzhou Abrasives Factory; Guangzhou Grinding Wheel Factory; China No. 7 Grinding Wheel Co., Ltd.; China National Machinery and Equipment Import and Export Wuxi Co., Ltd.; Zibo Jinjingchuan Abrasives Co., Ltd.; ZYR Abrasives Company (New Name: Sunway Industries Co., Ltd.); Zhengzhou Zhongyue Abrasive &

Abrasive Tools Co., Ltd.; Zhengzhou U&D Industrial Ceramics Co., Ltd.; Shenzhen Kaida Industry Co., Ltd.; Shenzhen Light Industry Imp. & Exp. Corp.; Guiyang Yungan Sanhaun Enterprises, Ltd.; Guiyang Baiyun Abrasives Co. Ltd.; Guangxi Abrasives Factory; Taiyuan Twin Tower Aluminum Oxide Co., Ltd.; White Dove (Group) Co., Ltd.; Guizhou No. 7 Grinding Wheel Co., Ltd.; Mount Tai Company; Nanchuan Minerals Group Co., Ltd. (Nanchuan); Baiyun Abrasives Factory; China Abrasives Import and Export Corporation (China Abrasives); and Guizhou Provincial Metals and Minerals Import and Export Corporation. The letters sent to MOFTEC and individual exporters provided deadlines for responses to the different sections of the questionnaire.

On January 28, 2003, Guiyang Baiyun Abrasives Co. Ltd. (Guiyang) informed the Department by fax that it did not export PRC-produced RBAO to the United States during the POI and, therefore, it did not intend to respond to the Department's questionnaire in this investigation.

During the period January through March 2003, the Department received responses to sections A, C, and D of the Department's original and supplemental questionnaires from Zibo Jinyu Abrasive Co. (Jinyu). No other responses to our questionnaires were submitted and properly filed from any of the other exporters noted above. While we received information from Nanchuan and China Abrasives during January and February 2003, neither party was able to provide the information in the format required by the statute and regulations despite the Department's attempts to assist both parties. See the Department's correspondence with each of these companies between January and February 2003. Subsequently, both parties advised the Department that they would not participate in this investigation. See February 24, 2003, fax from Nanchuan and March 7, 2003, fax from China Abrasives to the Department.

On February 18, 2003, the Department invited interested parties to comment on surrogate country selection and to provide publicly available information for valuing the factors of production. We received information from the petitioners (Washington Mills Company, Inc., C-E Minerals and Treibacher Schleifmittel Corporation), Jinyu, and Allied Minerals Products, Inc. (Allied), an importer and interested party, on March 20, 2003, and comments on March 27, 2003.

On March 14, 2003, the petitioners alleged that critical circumstances exist

with respect to imports of RBAO from the PRC. Accordingly, pursuant to section 732(e) of the Act, on March 18, 2003, the Department requested information from Jinyu regarding monthly shipments of RBAO to the United States during the period January 2001 to March 2003. We received the requested information in April 2003. The petitioners supplemented their critical circumstances allegation with revised import data on April 11, 2003, pursuant to comments filed by Allied on April 1, 2003. Allied submitted additional comments on April 18, 2003. A non-petitioning U.S. producer of refined brown aluminum oxide, Great Lakes Minerals, LLC, submitted comments on April 22, 2003. The critical circumstances analysis for the preliminary determination is discussed below under "Critical Circumstances."

Postponement of Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

On April 16, 2003, the sole respondent in this investigation, Jinyu, requested that the Department postpone its final determination until 135 days after the publication of the preliminary determination. Jinyu also included a request to extend the provisional measures to not more than six months. Accordingly, since we have made an affirmative preliminary determination and no compelling reasons for denial exist, we have postponed the final determination until not later than 135 days after the publication of the preliminary determination.

Period of Investigation

Pursuant to 19 CFR 351.204(b)(1), the POI for an investigation involving merchandise from a nonmarket economy (NME) is the two most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, October 2002). Therefore, in this case, the POI is April 1, 2002, through September 30, 2002.