

## PRESS RELEASE

## RESCO PRODUCTS

Two Penn Center West  
Suite 430  
Pittsburgh, PA 15276-0102

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PITTSBURGH, PA, March 12, 2010- Resco Products Inc. (Resco), in Pittsburgh, PA., announced today that the International Trade Administration (ITA) at the Department of Commerce (DOC) issued a preliminary determination in the antidumping duty investigation on imports of magnesia carbon brick (MCB) from Mexico and The People's Republic of China (PRC). The DOC preliminary found that Chinese and Mexican producers/exporters sold MCB in the U.S. market at less than fair value, with margins ranging from 54.73 to 349.00, per the attached fact sheet from the DOC website. As a result of this preliminary determination, the DOC instructed U.S. Customs and Border Protection to suspend liquidation of entries of MCB and to collect a cash deposit or bond based on these preliminary rates.

Duties on MCB imports from Mexico received a preliminary dumping margin of 54.73 percent and duties on MCB imports from the PRC received preliminary dumping margins ranging from 132.74 percent to 349.00 percent. This investigation and determination by the ITA was in response to a petition Resco filed with the DOC and the United States International Trade Commission (ITC) on July, 29 2009.

"Resco wants to compete fairly with all its global MCB competitors and believes in a free market. However, that free market also needs to be a fair market," stated William K. Brown, Resco's President and CEO. "The dumping of MCB into the United States by Mexico and the PRC is an unfair trade practice, which cannot be tolerated in a free market. Resco is pleased with the affirmative preliminary determination by the ITA resulting in the imposition of duties on MCB from Mexico and the PRC. Although Resco filed the petition, it received support from all domestic MCB producers. In addition, all domestic MCB producers cooperated with the investigation conducted by the ITC and ITA. Resco also received support from The Refractories Institute, the Steel Manufacturers Association, the United Steelworkers Union, and key Congressmen and Senators."

"We witnessed the domestic steel industry fight the good fight against the dumping of carbon and specialty steel products from a number of countries including the PRC. Resco and others in the domestic refractory industry supported the steel industry's efforts to stop unfair trade practices and maintain a level playing field," Mr. Brown added. "As the largest consumer of refractory products, the success of the domestic refractories industry goes hand in glove with the success of the steel industry. While others may argue that duties on imported steel are unfair, Resco fully supports the dumping petitions filed by the U.S. steel industry on numerous steel products over the last 18 months."

Resco will continue to monitor circumvention and may also seek retroactive duties under the critical circumstances procedures. If the DOC finds critical circumstances, it results in duties being applied retroactively for all MCB imported in the last 90 days.

Resco was represented in this action by the law firm of Doyle, Barlow and Mazard PLLC, with Camelia Mazard, Esq. as its lead counsel on this case.

Resco is a leading supplier of refractories in North America. Resco serves major industries such as steel, copper, nickel, aluminum, hydrocarbon processing, and cement. The product lines offered include magnesite brick, magnesite-chrome brick, magnesite-carbon brick, alumina-magnesite-carbon brick, alumina brick, dolomite brick, dolomitic specialties, clay-alumina specialties (gunning mixes, castables, plastics, ram mixes, and mortars), pre-cast shapes, basic specialties, extruded car top shapes, minerals, clay graphite brick, silicon-carbide brick, insulating firebrick, and cordierite brick.

Resco is privately-owned with headquarters in Pittsburgh, PA and operating plants in East Canton, OH; Hammond, IN; Marelac, Quebec; Hillsborough, NC; New Cumberland, WV; Oak Hill, OH; Greensboro, NC; Santa Fe Springs, CA; Tarentum, PA; and New Castle, PA. Resco also has a plant located in the East Midlands of the U.K.



## FACT SHEET

### **Commerce Preliminarily Finds Dumping of Magnesia Carbon Brick from the People's Republic of China and Mexico**

- On March 4, the Department of Commerce (Commerce) announced its preliminary determinations in the antidumping duty (AD) investigations on imports of magnesia carbon brick from the People's Republic of China (China) and Mexico.
- For the purposes of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than fair value.
- Commerce preliminarily determined that Chinese and Mexican producers/exporters have sold magnesia carbon brick in the United States between 132.74 and 349.00 percent, and 54.73 percent less than normal value, respectively.
- Chinese mandatory respondents, Dalian Mayerton Refractories Co., Ltd. & Liaoning Mayerton Refractories Co., Ltd. (collectively, "Mayerton") and RHI Refractories Liaoning Co., Ltd. ("RHI"), received preliminary dumping rates of 132.74 and 304.67 percent, respectively. In this investigation, 12 companies have qualified for a separate rate of 218.71 percent. All other Chinese producers/exporters will receive a preliminary China-wide dumping rate of 349.00 percent.
- Mexican mandatory respondent, RHI-Refmex S.A. de C.V., received a preliminary dumping rate of 54.73 percent. All other Mexican producers/exporters will receive a preliminary dumping rate of 54.73 percent.
- As a result of these preliminary determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect a cash deposit or bond based on these preliminary rates.
- The petitioner for these investigations is Resco Products, Inc. (PA).
- Magnesia carbon bricks are a type of refractory brick used in furnaces primarily for the production of iron and steel. The merchandise subject to these investigations consist of chemically bonded (resin or pitch) magnesia carbon bricks with a magnesia component of at least 70 percent magnesia by weight, and with carbon levels ranging from trace amounts to 30 percent by weight.
- The products covered by these investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the categories: 6902.10.10.00, 6902.10.50.00, 6815.91.00.00, and 6815.99. While the HTSUS subheadings are provided for convenience and customs purposes, Commerce's written description of the subject merchandise governs the scope of these investigations.

- From 2006 to 2008, imports of certain magnesia carbon bricks from China increased 3.78 percent by volume and were valued at an estimated \$50.8 million in 2008. From 2006 to 2008, imports of certain magnesia carbon bricks from Mexico increased 7.66 percent by volume and were valued at an estimated \$7.7 million in 2008.

#### **NEXT STEPS**

- Commerce is currently scheduled to issue its final determinations in July 2010. The final determinations have been extended.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission makes affirmative final determinations, that imports of magnesia carbon brick from China and/or Mexico materially injure, or threaten material injury to, the domestic industry, Commerce will issue antidumping duty orders.

**PRELIM DUMPING RATES:**

<b>COUNTRY</b>	<b>PRODUCER/EXPORTER</b>	<b>DUMPING RATE</b>
<b>China</b>	<b>Mayerton</b>	<b>132.74%</b>
	<b>RHI</b>	<b>304.67%</b>
	<b>Separate Rate Respondents</b>	
	<b>Dashiqiao City Guancheng Refractor Co., Ltd.</b>	<b>218.71%</b>
	<b>Fengchi Imp. And Exp. Co., Ltd. Of Haicheng City</b>	<b>218.71%</b>
	<b>Jiangsu Sujia Group New Materials Co. Ltd.</b>	<b>218.71%</b>
	<b>Liaoning Fucheng Refractories Group Co., Ltd.</b>	<b>218.71%</b>
	<b>Liaoning Fucheng Special Refractory Co., Ltd.</b>	<b>218.71%</b>
	<b>Liaoning Jiayi Metals &amp; Minerals Co., Ltd.</b>	<b>218.71%</b>
	<b>Yingkou Bayuquan Refractories Co., Ltd.</b>	<b>218.71%</b>
	<b>Yingkou Dalmond Refractories Co., Ltd.</b>	<b>218.71%</b>
	<b>Yingkou Guangyang Co., Ltd.</b>	<b>218.71%</b>
	<b>Yingkou Kyushu Refractories Co, Ltd.</b>	<b>218.71%</b>
	<b>Yingkou New Century Refractories Ltd.</b>	<b>218.71%</b>
	<b>Yingkou Wonjin Refractory Material Co., Ltd.</b>	<b>218.71%</b>
	<b>China Wide</b>	<b>349.00%</b>
<b>Mexico</b>	<b>RHI-Refmex S.A. de C.V.</b>	<b>54.73%</b>
	<b>All Others</b>	<b>54.73%</b>

**CASE CALENDAR:**

<b>EVENT</b>	<b>DATE</b>
<b>Petition Filed</b>	<b>July 29, 2009</b>
<b>DOC Initiation Date</b>	<b>August 18, 2009</b>
<b>ITC Preliminary Determination</b>	<b>September 14, 2009</b>
<b>DOC Preliminary Determination</b>	<b>March 4, 2010</b>
<b>DOC Final Determination*</b>	<b>July 21, 2010 (est.)</b>
<b>ITC Final Determination**</b>	<b>September 7, 2010 (est.)</b>
<b>Issuance of Order***</b>	<b>September 14, 2010 (est.)</b>

\* This deadline has been extended under the governing statute.

\*\* This will take place only in the event of a final affirmative determination by Commerce.

\*\*\* This will take place only in the event of final affirmative determinations by both Commerce and the ITC.

**IMPORT STATISTICS:**

<b>MEXICO</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Volume (tons)</b>	<b>9,204</b>	<b>6,894</b>	<b>9,909</b>
<b>Value (USD)</b>	<b>7,361,608</b>	<b>5,625,853</b>	<b>7,712,262</b>
<b>CHINA</b>			
<b>CHINA</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Volume (tons)</b>	<b>65,418</b>	<b>64,701</b>	<b>67,882</b>
<b>Value (USD)</b>	<b>38,034,440</b>	<b>39,740,629</b>	<b>50,784,069</b>

\*Source: United States International Trade Commission's (ITC) Dataweb import statistics.

\*The merchandise subject to the investigations is most closely classified under the Harmonized Tariff Schedule of the United States (HTSUS) statistical categories 6902.10.10.00 and 6902.10.50.00. Petitioner stated that subject merchandise may also enter under subheadings 6815.91.00.00 and 6815.99. Import data under these subheadings and statistical categories were not used to report volume and value of subject merchandise because only a very small portion of imports is entered under these categories.