Dated: June 25, 2004.

Jeffrey A. May,

Acting Assistant Secretary for Import Administration.

[FR Doc. 04–14984 Filed 6–30–04; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–825]

Sebacic Acid From the People's Republic of China: Notice of Initiation of Changed Circumstances Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of initiation of changed circumstances review.

SUMMARY: In November 2002, the Department of Commerce (the Department) revoked, in part, the antidumping duty order on sebacic acid from the People's Republic of China (PRC) related to subject merchandise exported by Tianjin Chemicals Import and Export Corporation (Tianjin) and produced by Hengshui Dongfeng Chemical Co., Ltd. (Hengshui). The Department has received an allegation from SST Materials, Inc. d/b/a/ Genesis Chemicals, Inc. (Genesis), a domestic interested party in this proceeding, that Tianjin has resumed dumping of sebacic acid produced by Hengshui in the United States, as described below. Genesis requests that the Department reinstate the antidumping duty order on Tianjin's sales of Hengshui-produced sebacic acid to the United States. The Department finds that the information submitted provides a sufficient basis to warrant the initiation of a changed circumstances review of the antidumping duty order on sebacic acid from the PRC. In this review, we will consider whether the Department should reinstate the order with respect to subject merchandise produced by Hengshui and exported to the United States by Tianjin.

EFFECTIVE DATE: July 1, 2004.

FOR FURTHER INFORMATION CONTACT: Robert Bolling, Office 9, AD/CVD Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–3434.

SUPPLEMENTARY INFORMATION:

Background

On July 14, 1994, the Department published in the **Federal Register** the antidumping duty order on sebacic acid from the PRC. *See Antidumping Duty Order: Sebacic Acid From the People's Republic of China,* 59 FR 35909 (July 14, 1994). In the 2000–2001 administrative review of sebacic acid from the PRC, we found that one of the respondent companies, Tianjin, and its supplier, Hengshui, qualified for revocation, in part, of the antidumping duty order on sebacic acid under 19 CFR 351.222(b)(2) and (3). The Department found that Tianjin did not sell subject merchandise at less than normal value (NV) during the three-year period that formed the basis for the revocation request. Consequently, the Department revoked the order in part, with respect to Tianjin's sales of subject merchandise produced by Hengshui. *See Sebacic Acid From the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Determination To Revoke Order in Part,* 67 FR 69719, 69720 (Nov. 19, 2002) (*2001–2002 Final Results*).

As part of Tianjin's request for revocation, pursuant to 19 CFR 351.222(b)(2)(i)(B), Tianjin agreed to the immediate reinstatement of the antidumping duty order if the Department concludes that, subsequent to the revocation, Tianjin sold the subject merchandise at less than NV. *Id.*

On February 10, 2004, Genesis submitted an allegation, including supporting documentation, that Tianjin has resumed dumping sebacic acid in the United States since revocation of the order in part.[1] Genesis requested that the Department reinstate the antidumping duty order on Tianjin's exports to the United States of sebacic acid that is produced by Hengshui.

On February 17, 2004, Tianjin submitted a letter to the Department in which it argued that Genesis' request should be rejected because: (1) It is outside the scope of the 2002–2003 administrative review; and (2) it was untimely filed in that segment of the proceeding. Tianjin argued that Genesis' allegation should instead be considered in the context of a changed circumstances review, pursuant to 19 CFR 351.216.

Scope of the Review

The products covered by this order are all grades of sebacic acid, a dicarboxylic acid with the formula $(CH2)_8(COOH)_2$, which include but are not limited to CP Grade (500 ppm maximum ash, 25 maximum APHA color), Purified Grade (1000 ppm maximum ash, 50 maximum APHA color), and Nylon Grade (500 ppm maximum ash, 70 maximum ICV color). The principal difference between the grades is the quantity of ash and color. Sebacic acid contains a minimum of 85 percent dibasic acids of which the predominant species is the C_{10} dibasic acid. Sebacic acid is sold generally as a free-flowing powder/flake.

Sebacic acid has numerous industrial uses, including the production of nylon 6/10 (a polymer used for paintbrush and toothbrush bristles and paper machine felts), plasticizers, esters, automotive coolants, polyamides, polyester castings and films, inks and adhesives, lubricants, and polyurethane castings and coatings.

Sebacic acid is currently classifiable under subheading 2917.13.00.30 of the *Harmonized Tariff Schedule of the United States (HTSUS).* Although the *HTSUS* subheading is provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), the Department will conduct a changed circumstances review upon receipt of information concerning, or a request from an interested party for a review of, an antidumping duty order which shows changed circumstances sufficient to warrant a review. Genesis contends that the information it submitted to the Department demonstrates that, since revocation of the order in part, Tianjin's average U.S. import price during the period July 2002 through June 2003 has decreased while the NV for sebacic acid sold by Tianjin and produced by Hengshui has increased during the same period. Based on the information submitted by Genesis, we find that there is sufficient basis to initiate a changed circumstances review to determine whether in fact Tianjin has resumed dumping of sebacic acid in the Unites States. *See* the ''Export Price'' and ''Normal Value'' sections of this notice, below.

Allegation of Resumption of Dumping

Genesis argued that Tianjin's U.S. import prices have decreased during the period July 2002 through June 2003 (*i.e.*, the period of review (POR) for the ongoing 2002–2003 administrative review), as evidenced by publicly available import data for the POR from the U.S. Census Bureau. According to Genesis, this data shows a decline in the average import prices of sebacic acid

[1] Genesis submitted this document as part of the ongoing 2002–2003 administrative review of the order on sebacic acid from the PRC. We have placed this document on the record of this changed circumstances review.

from the PRC relative to data from the same source for the period July 2000 through June 2001 (*i.e.*, the POR for the 2000–2001 administrative review in which Tianjin/Hengshui was revoked from the order).

To derive the specific import prices charged by Tianjin, Genesis removed from this data the volume and value of U.S. imports made by the respondent in the 2002–2003 administrative review (*i.e.*, Guangdong Chemicals Import and Export Corporation (Guangdong)), and concluded that the remaining volume and value data constituted the entirety of Tianjin's U.S. sales during the POR.[2] Genesis calculated Tianjin's U.S. price based on the average unit value (AUV) of the remaining data and deducted amounts for foreign inland freight and foreign brokerage and handling to determine Tianjin's net U.S. sales price.

In order to assess the reasonableness of this methodology, we examined proprietary import data from U.S. Customs and Border Protection concerning imports into the United States of sebacic acid sold by Tianjin. *See* the June 25, 2004, memorandum from Greg Kalbaugh to the file entitled, ''Calculations Performed for Assessing the Reasonableness of SST Materials, Inc.'s Allegation of the Resumption of Dumping by Tianjin Chemicals Import and Export Corporation (Tianjin) and its Producer Hengshui Dongfeng Chemical Co., Ltd. (Hengshui) for the Changed Circumstances Review of Sebacic Acid from the PRC,'' (Initiation Memorandum) at Attachment I. We confirmed that Genesis' allegation of the resumption of dumping did not undervalue the AUV of these imports.

Normal Value

Genesis argued that, in conjunction with a decrease in U.S. price, there has been a corresponding increase in NV. In the most recently completed administrative review (*i.e.*, covering 2000–2001), the Department valued castor oil using a surrogate value obtained from *The Economic Times of India. See* the July 31, 2002, memorandum from Gregory Kalbaugh to the File entitled, ''Preliminary Valuation of Factors of Production,'' in the 2000–2001 administrative review of sebacic acid from the PRC.[3] (This document has been placed on the record of this changed circumstances review.) As part of its allegation of the resumption of dumping, Genesis submitted updated surrogate value information for castor oil from *The Economic Times of India* for the 2002–2003 POR. In comparison, the updated surrogate value for castor oil submitted by Genesis shows an increase of greater than fifteen percent in the price of castor oil (*i.e.*, an increase in the price of castor oil from $685.54 per metric ton to $790.01 per metric ton between the 2000–2001 and 2002–2003 administrative review periods.) Moreover, based upon the factors of production and surrogate value data submitted during the 2000–2001 POR, as a percentage of the cost of manufacture, castor oil constitutes, by far, the largest material input into sebacic acid. *See* the proprietary version of the November 7, 2002, memorandum from Patrick Connolly to the File entitled, ''Tianjin Chemicals Import and Export Corporation U.S. Price and Factors of Production Adjustments for the Final Results.'' (This document has been placed on the record of this changed circumstances review.)

To calculate NV, Genesis used proprietary factor value information and publicly available surrogate value information which are on the record in the 2002–2003 administrative review. We examined Genesis' calculated NV in order to assess its reasonableness. We confirmed that Genesis used Hengshui's reported factors of production for the 2002–2003 administrative review. *See* the Initiation Memorandum at Attachment II.

Regarding the factor values, we noted that, in its calculation of the alleged weighted-average dumping margin, Genesis valued castor oil using Hengshui's market economy purchase of this material input rather than the updated surrogate value it placed on the record of the 2002–2003 review, as noted above. However, because Hengshui purchased this input from a country that has been found to have broadly-available export subsidies, it is not appropriate to rely on this purchase. Therefore, to value castor oil, we have relied on the updated surrogate value information from *The Economic Times of India* placed on the record by Genesis in its February 10, 2004, submission. In addition, Genesis miscalculated freight expenses on packing factors. For example, Genesis calculated freight on certain jumbo bags to be more than seven times the calculated factor value for the bags themselves. However, after adjusting NV to use the revised surrogate value for castor oil and excluding packing expenses in their entirety from the margin calculation, we found the alleged dumping margin in this case to be above *de minimis*. For the specifics of these calculations, see the Initiation Memorandum.

Furthermore, we tested the reasonableness of Genesis' NV using two additional methodologies: (1) In addition to valuing castor oil using the updated castor oil surrogate value from *The Economic Times of India* submitted by Genesis, we also valued the remaining components of NV by inflating forward the 2000–2001 costs to be contemporaneous with the 2002–2003 administrative review period; and (2) using the updated castor oil surrogate value, we performed the same calculations except that we based NV on the factors of production currently reported by Hengshui in the ongoing 2002–2003 administrative review. While these two NVs were lower than Genesis' NV, all calculated NVs in this case were significantly higher than the net U.S. prices. (*See* the ''Basis for Reinstatement'' section below.) For further discussion, see the Initiation Memorandum at page 2 and Attachments IV and V.

Basis for Reinstatement

Section 351.222(b)(2) of the Department's regulations provides that the Department may revoke an antidumping duty order in part if the Secretary concludes, *inter alia,* that one or more exporters or producers covered by the order have sold the merchandise at not less than NV for a period of at least three consecutive years. To obtain a company-specific revocation under § 351.222(b)(2), for any exporter or producer that the Department previously determined to have sold the subject merchandise at less than normal value, that exporter or producer must agree to immediate reinstatement in the antidumping duty order, as long as any exporter or producer is subject to the order, if the Department concludes that, subsequent to the revocation, that exporter or producer sold the subject merchandise at less than NV. *See* 19 CFR 351.222(b)(2)(i)(B). In addition, § 351.222(b)(3) provides that for any exporter that is not a producer of subject merchandise, the Department will normally revoke the order only with respect to subject merchandise produced or supplied by those companies that supplied the exporter. Thus, under the Department's regulations, as long as an antidumping duty order remains in force, an entity

[2] Genesis asserted that this was appropriate because: (1) With a 243.40 percent PRC country-wide antidumping duty rate on imports of subject merchandise from the PRC, the commercial reality must be that Tianjin and Guangdong account for virtually all imports; and (2) the Web site for Garvey Schubert Barer, counsel for Tianjin and Guangdong, notes that Tianjin is ''one of two Chinese exporters that continues to export sebacic acid to the United States.'' *See* Genesis' February 10, 2004, submission at Exhibit 7.

[3] The surrogate value for castor oil was unchanged in the final results of review.

previously granted a conditional revocation may be reinstated in that order if it is established that the entity has resumed dumping of subject merchandise.

In this case, another producer or exporter remains subject to the antidumping duty order on sebacic acid from the PRC. *See 2001–2002 Final Results.* In addition, Tianjin was previously found to have sold the subject merchandise at less than NV. *See Sebacic Acid From the People's Republic of China: Final Results of Antidumping Duty Administrative Review,* 64 FR 69503, (December 13, 1999). Accordingly, the Department granted Tianjin conditional revocation because of its past dumping behavior and based upon its agreement to immediate reinstatement in the antidumping duty order if the Department were to find that the company resumed dumping of sebacic acid from the PRC. *See 2001–2002 Final Results* at 69720.

In this case, Genesis has alleged that Tianjin has resumed dumping at a rate of 49.9 percent based upon its calculated net U.S. price and NV for the period July 2002 through June 2003. Genesis argues, therefore, that the Department should reinstate the antidumping duty order on sebacic acid from the PRC with respect to Tianjin's sales of subject merchandise produced by Hengshui.

As described in the ''Export Price'' and ''Normal Value'' sections, above, we have examined Genesis' margin calculation in order to assess its reasonableness. We discovered minor discrepancies in Genesis' margin calculation; however, with adjustments, we find that Genesis' allegation of resumption of dumping has merit and warrants initiation of a change circumstances review because it provides a reasonable indication that Tianjin's overall dumping margin for the review period is greater than *de minimis*. Accordingly, consistent with 19 CFR 351.216, we are initiating a changed circumstances review to determine whether in fact Tianjin has resumed dumping of sebacic acid from the PRC. *See* the Initiation Memorandum at page 2 and Attachments IV and V.

Concurrent with the date of publication of this notice, we will issue a partial section A and a sections C and D antidumping questionnaire to Tianjin.[4] At this time, we are not requiring Tianjin to answer questions related to separate rates. Because we found in the 2000–2001 administrative review that Tianjin was a company that merited a separate rate, and no administrative review has been initiated that would require Tianjin to substantiate, once again, a *de facto* and *de jure* absence of government control of its export activities, we will not examine the issue of whether Tianjin continues to merit a separate rate, absent information indicating otherwise. Accordingly, we shall only examine Tianjin's entitlement to a separate rate in the context of any future administrative review in which Tianjin may participate.

Although Genesis submitted its allegation on the record of the ongoing administrative review, we find that a changed circumstances review is the proper vehicle in which to make a determination based on Genesis' request. Accordingly, we have removed Genesis' allegation from the record of the administrative review and have placed it on the record of this newly initiated changed circumstances review.

The Department will publish in the **Federal Register** a notice of preliminary results of changed circumstances review, in accordance with 19 CFR 351.221(c)(3)(i), which will set forth the factual and legal conclusions upon which our preliminary results are based, and a description of any action proposed based on those results. In the event that the Department preliminarily finds that Tianjin has resumed dumping sebacic acid produced by Hengshui, and thus should be reinstated in the existing antidumping duty order on sebacic acid from the PRC, we will order Customs and Border Protection to suspend liquidation of entries for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the preliminary determination. The Department will also issue its final results of review within 270 days of the date on which the changed circumstances review is initiated, in accordance with 19 CFR 351.216(e), and will publish these results in the **Federal Register**.

This notice is in accordance with section 751(b)(1) of the Act and 19 CFR 351.216 and 351.222.

Dated: June 25, 2004.

James J. Jochum,

Assistant Secretary for Import Administration.

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[4] Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under this review that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country market (this section is not applicable to respondents in non-market economy (NME) cases). Section C requests a complete listing of U.S. sales. Section D requests information on the factors of production of the merchandise under investigation. Section E requests information on further manufacturing.

DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

Announcement of Public Meetings To Gather Input on the Next Generation of the Manufacturing Extension Partnership (MEP) Program and the Recompetition of MEP Centers

AGENCY: National Institute of Standards and Technology, Commerce.

ACTION: Notice of meeting.

SUMMARY: The National Institute of Standards and Technology (NIST) announces a series of public meetings intended to gather input and comments on the Next Generation of the Manufacturing Extension Partnership (MEP) program and the recompetition of MEP centers. The National Academy of Public Administration (NAPA) has recently released a report which evaluates various alternate business models on the MEP program and provides seven recommendations for its improvement. One of the recommendations states the need to create a strategic plan, which articulates the ''next generation of MEP.'' In order to gather input on this strategic plan, respond to the recommendations incorporated in the report and gather information regarding the MEP recompetition process, NIST MEP will be holding a series of regional roundtables and web casts to solicit public comment. There will be 8 regional meetings, as well as 3 web casts. Interested parties need to register via the internet for the meeting or web cast they wish to attend, and for those parties unable or unwilling to attend one of the public forums, they can submit comments on-line at *http://www.mep.nist.gov/competition/intro.htm.*

DATES: Meetings will be held as follows: Tuesday, July 13, 2004, 1 p.m. to 5 p.m., Philadelphia, PA; Monday, July 19, 2004, 1 p.m. to 5 p.m., Cleveland, OH; Tuesday, July 20, 2004, 1 p.m. to 5 p.m., Detroit, MI; Wednesday, July 21, 2004, 1 p.m. to 5 p.m., Minneapolis, MN; Monday, July 26, 2004, 1 p.m. to 5 p.m., Orlando, FL; Tuesday, July 27, 2004, 1 p.m. to 5 p.m., Dallas, TX; Wednesday, July 28, 2004, 1 p.m. to 5 p.m., Los