Dated: July 24, 2003.

Margaret J. Boland,

Designated Federal Official, Klamath PAC.

[FR Doc. 03–19476 Filed 7–30–03; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–847]

Persulfates From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: The Department of Commerce is conducting an administrative review of the antidumping duty order on persulfates from the People's Republic of China in response to a request by the petitioner, FMC Corporation, and one exporter of subject merchandise, Shanghai Ai Jian Import and Export Corporation. The period of review is July 1, 2001, through June 30, 2002.

We have preliminarily determined that U.S. sales have been made at not less than normal value. If these preliminary results are adopted in our final results, we will instruct the U.S. Customs Service to assess no antidumping duties on the exports subject to this review.

EFFECTIVE DATE: July 31, 2003.

FOR FURTHER INFORMATION CONTACT: Mike Strollo or Gregory E. Kalbaugh, AD/CVD Enforcement, Group I, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–0629 and (202) 482–3693, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 2, 2002, the Department published in the **Federal Register** a notice of ''Opportunity to Request an Administrative Review'' of the antidumping duty order on persulfates from the People's Republic of China (PRC) covering the period July 1, 2001, through June 30, 2002. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review,* 67 FR 44172 (July 1, 2002).

On July 31, 2002, in accordance with 19 CFR 351.213(b), the petitioner, FMC Corporation, requested an administrative review of Shanghai Ai Jian Import & Export Corporation. In addition, on July 31, 2002, in accordance with 19 CFR 351.222(b), Shanghai Ai Jian Import and Export Corporation and Shanghai Ai Jian Reagent Works (collectively, Ai Jian) requested an administrative review. In its request for an administrative review, Ai Jian also requested that the Department partially revoke the antidumping duty order on persulfates with respect to Ai Jian's sales of subject merchandise. We published a notice of initiation of this review on August 27, 2002. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part,* 67 FR 55000 (August 27, 2002) (Persulfates Initiation).

On August 1, 2002, we issued an antidumping questionnaire to Ai Jian. We received Ai Jian's timely responses to sections A, C and D of the questionnaire on October 15, 2002.

We issued a supplemental questionnaire to Ai Jian on December 10, 2002. We received Ai Jian's response to this supplemental questionnaire on January 6, 2003.

On January 10, 2003, the petitioner submitted publicly available information for consideration in valuing the factors of production. On January 17, 2003, Ai Jian provided rebuttal comments regarding the surrogate values submitted by the petitioner.

On February 12, 2003, we issued a second supplemental questionnaire to Ai Jian.

On February 19, 2003, the petitioners submitted information regarding the purported impact revocation of the antidumping duty order on Ai Jian would have upon the domestic industry.

On February 27, 2003, Ai Jian submitted a response to the second supplemental questionnaire.

On March 11, 2003, we issued a third supplemental questionnaire to Ai Jian. Ai Jian submitted its response on March 19, 2003.

Also, on March 19, 2003, Ai Jian withdrew its request for revocation. Accordingly, we have not considered this request further in this segment of the proceeding.

Scope of Review

The products covered by this review are persulfates, including ammonium, potassium, and sodium persulfates. The chemical formula for these persulfates are, respectively, $(NH_4)_2S_2O_8$, $K_2S_2O_8$, and $Na_2S_2O_8$. Potassium persulfates are currently classifiable under subheading 2833.40.10 of the *Harmonized Tariff Schedule of the United States* (HTSUS). Sodium persulfates are classifiable under HTSUS subheading 2833.40.20. Ammonium and other persulfates are classifiable under HTSUS subheadings 2833.40.50 and 2833.40.60. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this review is dispositive.

Separate Rates

It is the Department's policy to assign all exporters of the merchandise subject to review in non-market-economy (NME) countries a single rate, unless an exporter can demonstrate an absence of government control, both in law and in fact, with respect to exports. To establish whether an exporter is sufficiently independent of government control to be entitled to a separate rate, the Department analyzes the exporter in light of the criteria established in the *Final Determination of Sales at Less Than Fair Value: Sparklers From the People's Republic of China,* 56 FR 20588 (May 6, 1991) (*Sparklers*), as amplified in the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People's Republic of China,* 59 FR 22585 (May 2, 1994) (*Silicon Carbide*). Evidence supporting, though not requiring, a finding of de jure absence of government control over export activities includes: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies. With respect to evidence of a de facto absence of government control, the Department considers the following four factors: (1) Whether the respondent sets its own export prices independently from the government and other exporters; (2) whether the respondent can retain the proceeds from its export sales; (3) whether the respondent has the authority to negotiate and sign contracts; and (4) whether the respondent has autonomy from the government regarding the selection of management. *See Silicon Carbide*, 59 FR at 22587; *see also Sparklers*, 56 FR at 20589.

With respect to Ai Jian, for purposes of our final results covering the period of review (POR) July 1, 2000, through June 30, 2001, the Department determined that there was an absence of de jure and de facto government control of its export activities and determined that it warranted a company-specific dumping margin. *See Persulfates From the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 68 FR 6712, (February 10, 2003) (*Persulfates Fourth*

Review Final). For purposes of this POR, Ai Jian has responded to the Department's request for information regarding separate rates. We have found that the evidence on the record is consistent with the final results in *Persulfates Fourth Review Final* and continues to demonstrate an absence of government control, both in law and in fact, with respect to Ai Jian's exports, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*. Therefore, we have granted Ai Jian a separate rate for purposes of this administrative review.

Export Price

For Ai Jian, we calculated export price (EP) in accordance with section 772(a) of the Tariff Act of 1930, as amended (the Act), because the subject merchandise was sold directly to the first unaffiliated purchaser in the United States prior to importation and constructed export price methodology was not otherwise warranted based on the facts of record. We calculated EP based on packed, cost-insurance-freight (CIF) U.S.-port, or free-on-board, PRC-port prices to unaffiliated purchasers in the United States, as appropriate. We made deductions from the starting price, where appropriate, for ocean freight services which were provided by market economy suppliers. We also deducted from the starting price, where appropriate, an amount for foreign inland freight, foreign brokerage and handling, and marine insurance expenses. As these movement services were provided by NME suppliers, we valued them using Indian rates. For further discussion of our use of surrogate data in an NME proceeding, as well as selection of India as the appropriate surrogate country, see the ''Normal Value'' section of this notice, below.

For foreign inland freight, we obtained publicly-available information which was published in the February through June 2002 editions of *Chemical Weekly*. For foreign brokerage and handling expenses, we used price quotes obtained by the Department in the 1998–1999 antidumping duty investigation and recently used in the 2001–2002 antidumping duty administrative review of synthetic indigo from the People's Republic of China. *See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Synthetic Indigo From the People's Republic of China*, 64 FR 69723 (December 14, 1999)[1] and *Synthetic Indigo From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review*, 68 FR 11371, 11372 (March 10, 2003). We inflated the per kilogram price quote (in rupees) to the POR using WPI data. For marine insurance, we valued marine insurance using price quotes obtained from Roanoke Trade Services, Inc., a provider of marine insurance. *See* the memorandum to the File from Gregory Kalbaugh entitled ''Marine Insurance Rates,'' in the administrative review of sebacic acid from the PRC, dated July 9, 2002, and the memorandum to the File from Michael Strollo entitled ''Preliminary Valuation of Factors of Production for the Preliminary Results of the 2000–2001 Administrative Review of Persulfates from the People's Republic of China,'' dated July 31, 2002 (FOP Memo), which are on file in the Central Records Unit (CRU), Room B–099 of the main Commerce building.

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the normal value (NV) using a factors-of-production methodology if: (1) The merchandise is exported from an NME country; and (2) the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value (CV) under section 773(a) of the Act.

The Department has treated the PRC as an NME country in all previous antidumping cases. Furthermore, available information does not permit the calculation of NV using home market prices, third country prices, or CV under section 773(a) of the Act. In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. None of the parties to this proceeding has contested such treatment in this review. Therefore, we treated the PRC as an NME country for purposes of this review and calculated NV by valuing the factors of production in a surrogate country.

Section 773(c)(4) of the Act and 19 CFR 351.408 direct us to select a surrogate country that is at a level of economic development comparable to that of the PRC. On the basis of per capita gross domestic product (GDP), the growth rate in per capita GDP, and the national distribution of labor, we find that India is at a level of economic development comparable to that of the PRC. *See* the November 20, 2002, memorandum from Jeffrey May to Louis Apple entitled ''Surrogate Country Selection,'' which is on file in the CRU.

Section 773(c)(4) of the Act also requires that, to the extent possible, the Department use a surrogate country that is a significant producer of merchandise comparable to persulfates. For purposes of the most recent segment of this proceeding, we found that India was a producer of persulfates based on information submitted by the respondent. *See Persulfates From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Notice of Partial Rescission*, 67 FR 50866, 50868 (August 6, 2002).[2] For purposes of this administrative review, we continue to find that India is a significant producer of persulfates based on information submitted by both the respondent and the petitioner. We find that India fulfills both statutory requirements for use as the surrogate country and continue to use India as the surrogate country in this administrative review. We have used publicly available information relating to India to value the various factors of production.

For purposes of calculating NV, we valued PRC factors of production in accordance with section 773(c)(1) of the Act. Factors of production include, but are not limited to: (1) Hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital cost, including depreciation. In examining surrogate values, we selected, where possible, the publicly available value which was: (1) An average non-export value; (2) representative of a range of prices within the POR or most contemporaneous with the POR; (3) product-specific; and (4) tax-exclusive. For a more detailed explanation of the methodology used in calculating various surrogate values, see the FOP Memo. In accordance with this methodology, we valued the factors of production as follows:

To value ammonium sulfate, caustic soda, and sulfuric acid, we used public information from the Indian publication *Chemical Weekly*, as provided by the petitioner in its January 10, 2003, submission. For caustic soda and sulfuric acid, because price quotes reported in *Chemical Weekly* are for chemicals with a 100 percent concentration level, we made chemical purity adjustments according to the particular concentration levels of

[1] This was unchanged in the final determination. *See Synthetic Indigo From the People's Republic of China: Notice of Final Determination of Sales at Less Than Fair Value,* 65 FR 25706 (May 3, 2000).

[2] This finding was unchanged in the final results. *See Persulfates Fourth Review Final.*

caustic soda and sulfuric acid used by Shanghai Ai Jian Reagent Works (AJ works), Ai Jian's PRC supplier. Where necessary, we adjusted the values reported in *Chemical Weekly* to exclude sales and excise taxes. For potassium sulfate and anhydrous ammonia, we relied on import prices contained in the *Monthly Statistics of the Foreign Trade of India* (*Monthly Statistics*). All values were contemporaneous with the POR; therefore, it was not necessary to adjust for inflation.

During the POR, AJ Works self-produced ammonium persulfates, which is a material input in the production of potassium persulfates and sodium persulfates. In order to value ammonium persulfates, we calculated the sum of the materials, labor, and energy costs based on the usage factors submitted by AJ Works in its questionnaire responses. Consistent with our methodology used in *Persulfates Fourth Review Final*, we then applied this value to the reported consumption amounts of ammonium persulfates used in the production of potassium and sodium persulfates.

We valued labor based on a regression-based wage rate, in accordance with 19 CFR 351.408(c)(3).

To value electricity, we used the 2000–2001 average rate for industrial consumption as published in the Government of India's Planning Commission report, *The Working of State Electricity Boards & Electricity Departments Annual Report (2001–02)*. For further discussion, see the FOP Memo.

To value water, we relied on public information reported in the October 1997 publication of *Second Water Utilities Data Book: Asian and Pacific Region*. To value coal, we relied on import prices contained in the March 2001 annual volume of *Monthly Statistics*. We adjusted the values to reflect inflation up to the POR using the WPI published by the IMF.

For the reported packing materials—polyethylene bags, woven bags, polyethylene sheet/film and liner, fiberboard, paper bags, and wood pallets—we relied upon Indian import data from the *Monthly Statistics*.

We made adjustments to account for freight costs between the suppliers and AJ Works' manufacturing facilities for each of the factors of production identified above. In accordance with our practice, for inputs for which we used CIF import values from India, we calculated a surrogate freight cost using the shorter of the reported distances either from the closest PRC ocean port to the factory or from the domestic supplier to the factory. *See Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China,* 62 FR 61964, 61977 (November 20, 1997) and the Court of Appeals for the Federal Circuit's decision in *Sigma Corp.* v. *United States,* 117 F.3d 1401 (Fed. Cir. 1997).

For factory overhead, selling, general, and administrative expenses (SG&A), and profit, we relied on the experience of a producer of identical merchandise, Gujarat Persalts (P) Ltd. (Gujarat), as reflected in its 2000–2001 financial statements.[3] *See* the FOP Memo. Consistent with our practice, we did not rely on the 2001–2002 financial statements of a producer of comparable merchandise (*i.e.*, National Peroxide Ltd.), as requested by the petitioner, because this producer did not produce persulfates during its fiscal year.[4] *See Persulfates Fourth Review Final* and accompanying decisionmemorandum at *Comments 8, 9, and 10.* Because the petitioner has provided no new information which would cause us to reconsider our decision on this issue, we do not find any reason to alter our decision in the instant review.

Preliminary Results of Review

We preliminarily determine that the following margins exist for the period July 1, 2001, through June 30, 2002:

Manufacturer/exporter	Margin (percent)
Shanghai Ai Jian Import & Export Corporation	0.00

The Department will disclose to parties the calculations performed in connection with these preliminary results within five days of the date of publication of this notice. Interested parties may request a hearing within 30 days of the publication. Any hearing, if requested, will be held 44 days after the publication of this notice, or the first workday thereafter. Interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than 35 days after the date of publication of this notice. The Department will publish a notice of the final results of this administrative review, which will include the results of its analysis of issues raised in any such written briefs, within 120 days of the publication of these preliminary results.

The Department will determine and the U.S. Bureau of Customs and Border Protection (BCBP) shall assess antidumping duties on all appropriate entries. The Department will issue appropriate appraisement instructions directly to the BCBP upon completion of this review. The final results of this review will be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties.

For assessment purposes in this case, we do not have the information to calculate entered value. Therefore, we have calculated importer-specific duty assessment rates for the merchandise by aggregating the dumping margins calculated for all U.S. sales and dividing this amount by the total quantity of those sales. To determine whether the duty assessment rates were *de minimis* (*i.e.*, less than 0.50 percent), in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer-specific *ad valorem* ratios based on the EPs.

Furthermore, the following deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for Ai Jian will be that established in the final results of this administrative review; (2) for any company previously found to be entitled to a separate rate and for which no review was requested, the cash deposit rate will be the rate established in the most recent review of that company; (3) the cash deposit rate for all other PRC exporters will be 119.02 percent, the PRC-wide rate established in the less than fair value investigation; and (4) for all other non-PRC exporters of subject merchandise from the PRC to the United States, the cash deposit rate will be the rate applicable to the PRC exporter that supplied that non-PRC exporter. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

[3] Because we believe that SG&A labor is not classified as part of the SG&A costs reflected on Gujarat's financial statements, we have accounted for SG&A labor hours by calculating a dollar-per-MT labor hours amount and adding this amount to SG&A. For further discussion, see the July 31, 2003, memorandum from the Team, entitled ''U.S. Price and Factors of Production Adjustments for the Preliminary Determination.''

[4] As explained in *Persulfates Fourth Review Final,* although the Department generally prefers data which is more contemporaneous with the POR, contemporaneity is not the only criterion taken into consideration. The Department's NME practice establishes a preference for selecting surrogate value sources that are producers of identical merchandise. *See id.*

Notification of Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: July 25, 2003.

Joseph A. Spetrini,

Acting Assistant Secretary for Grant Aldonas, Under Secretary.

[FR Doc. 03–19516 Filed 7–30–03; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-588–046]

Notice of Initiation of Antidumping Duty Changed Circumstances Review: Polychloroprene Rubber from Japan

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

SUMMARY: In accordance with section 751(b) of the Tariff Act of 1930, as amended, (the Act) and 19 CFR 351.216 (2003), Showa Denko Elastomers K.K. (SDEL) and Showa Denko K.K. (SDK) requested that the Department of Commerce (the Department) conduct an expedited changed circumstances review of the antidumping duty finding on polychloroprene rubber (PR) from Japan. In response to this request, the Department is initiating a changed circumstances review of the above-referenced finding.

EFFECTIVE DATE: July 31, 2003.

FOR FURTHER INFORMATION CONTACT: Zev Primor or Ronald Trentham, AD/CVD Enforcement, Group II, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482–4114 or (202) 482–6320, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 6, 1973, the Department of Treasury published in the **Federal Register** (38 FR 33593) the antidumping finding on PR from Japan. On June 17, 2003, SDEL and SDK submitted a letter stating that they are the successor-in-interest to Showa DDE Manufacturing KK (SDEM) and DDE Japan Kabushiki Kaisha (DDE Japan) and, as such, entitled to receive the same antidumping treatment as these companies have been accorded. Accordingly, SDEL/SDK requested that the Department conduct an expedited changed circumstances review of the antidumping duty finding on PR from Japan pursuant to section 751(b)(1) of the Act and 19 CFR 351.221(c)(3)(ii) of the Department's regulations.

Scope of Review

Imports covered by this review are shipments of PR, an oil resistant synthetic rubber also known as polymerized chlorobutadiene or neoprene, currently classifiable under items 4002.42.00, 4002.49.00, 4003.00.00, 4462.15.21 and 4462.00.00 of the *Harmonized Tariff Schedule of the United States* (HTSUS). HTSUS item numbers are provided for convenience and for U.S. Burea of Customs and Border Protection (BCBP). The Department's written descriptions of the scope remain dispositive.

Initiation of Antidumping Duty Changed Circumstances Review

Pursuant to section 751(b)(1) of 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 finding which shows changed circumstances sufficient to warrant a review of the order. Information submitted by SDEL/SDK regarding a change in ownership of the prior SDEM/DDE Japan joint venture shows changed circumstances sufficient to warrant a review. *See* 19 CFR 351.216(c) (2003).

In antidumping duty changed circumstances reviews involving a successor-in-interest determination, the Department typically examines several factors including, but not limited to, changes in: (1) management; (2) production facilities; (3) supplier relationships; and (4) customer base. *See Brass Sheet and Strip from Canada: Notice of Final Results of Antidumping Administrative Review*, 57 FR 20460, 20462 (May 13, 1992) (*Canadian Brass*). While no single factor or combination of factors will necessarily be dispositive, the Department generally will consider the new company to be the successor to the predecessor company if the resulting operations are essentially the same as those of the predecessor company. *See, e.g., Industrial Phosphoric Acid from Israel: Final Results of Changed Circumstances Review*, 59 FR 6944, 6945 (February 14, 1994), and *Canadian Brass*, 57 FR 20460. Thus, if the record evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the predecessor company, the Department may assign the new company the cash deposit rate of its predecessor. *See, e.g., Fresh and Chilled Atlantic Salmon from Norway: Final Results of Changes Circumstances Antidumping Duty Administrative Review*, 64 FR 9979, 9980 (March 1, 1999). Although SDEL/SDK submitted information indicating, allegedly, that with respect to subject merchandise, it operates in the same manner as its predecessor, SDEM/DDE Japan, that information is lacking any supporting documents. See Memoranda from Zev Primor to The File ''Polychloroprene Rubber from Japan: Request for Additional Information for Changed Circumstances Review'' dated June 30 and July 15, 2003.

Concerning SDEL/SDK's request that the Department conduct an expedited antidumping duty changed circumstances review, the Department has determined that it would be inappropriate to expedite this action by combining the preliminary results of review with this notice of initiation, as permitted under 19 CFR 351.221(c)(3)(ii). Because of the absence of evidence to support SDEL/SDK's claims, the Department finds that an expedited proceeding is impracticable. Therefore, the Department is not issuing the preliminary results of its antidumping duty changed circumstances review at this time.

The Department will publish in the **Federal Register** a notice of preliminary results of antidumping duty changed circumstances review, in accordance with 19 CFR 351.221(b)(4) and 19 CFR 351.221(c)(3)(I). This notice 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. Pursuant to 19 CFR 351.221(b)(4)(ii), interested parties will have an opportunity to comment on the preliminary results of review. In accordance with 19 CFR 351.216(e), the Department will issue the final results of its antidumping duty changed circumstances review not later than 270 days after the date on which the review is initiated.

During the course of this antidumping duty changed circumstances review, we will not change the cash deposit requirements for the merchandise