

of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

Upon completion of the administrative review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries, in accordance with 19 CFR 351.212. The Department will issue appropriate appraisement instructions for the companies subject to this review directly to CBP 15 days after the date of publication of the final results of this review.

For Chia Far, we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of those sales. Consistent with the Department's practice, for the companies which were not selected for individual review, we will use the cash deposit rate as the assessment rate for these companies. See, e.g., *Certain Frozen Warmwater Shrimp From India: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 74 FR 33409, (July 13, 2009), and accompanying Issues and Decision Memorandum at Comment 3.

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any importer-specific assessment rate calculated in the final results of this review is above *de minimis* (i.e., less than 0.50 percent). Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis*. See 19 CFR 351.106(c)(1). The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

As noted above, the Department clarified its "automatic assessment" regulation on May 6, 2003. See *Assessment Policy Notice*, 68 FR 23954. This clarification will apply to entries of subject merchandise during the POR produced by companies included in these final results of review for which the reviewed companies did not know that the merchandise they sold to the intermediary (e.g., a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate

unreviewed entries at the all others rate if there is no rate for the intermediary involved in the transaction. See *Assessment Policy Notice* for a full discussion of this clarification.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) The cash deposit rate for each specific company listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not participating in this review, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, or the less-than-fair value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and, (4) the cash deposit rate for all other manufacturers or exporters will continue to be 12.61 percent, the all others rate made effective by the LTFV investigation. See *SSSSC Order*, 64 FR at 40557. These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice also 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 Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

These preliminary results of administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221.

Dated: August 9, 2010.

**Ronald K. Lorentzen,**  
Deputy Assistant Secretary for Import Administration.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-504]

#### **Petroleum Wax Candles From the People's Republic of China: Preliminary Results of Request for Comments on the Scope of the Petroleum Wax Candles From the People's Republic of China Antidumping Duty Order**

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

**SUMMARY:** On August 21, 2009, the Department solicited comments from the general public on the best method to consider whether novelty<sup>1</sup> candles should or should not be included within the scope of the *Order*<sup>2</sup> given the extremely large number of scope determinations requested by outside parties. See *Petroleum Wax Candles from the People's Republic of China: Request for Comments on the Scope of the Antidumping Duty Order and the Impact on Scope Determinations*, 74 FR 42230 (August 21, 2009). The general public was given two options (as well as the choice to submit additional options and ideas):

*Option A:* The Department would consider all candle shapes identified in the scope of the *Order* (i.e., tapers, spirals, and straight-sided dinner candles; rounds, columns, pillars, votives; and various wax-filled containers) to be within the scope of the *Order*, regardless of etchings, prints moldings or other artistic or decorative enhancements, including any holiday-related art. All other candle shapes would be considered outside of the scope of the *Order*.

*Option B:* The Department would consider all candle shapes, including novelty candles, to be within the scope of the *Order*, including those not in the shapes listed in the scope of the *Order*, as that is not an exhaustive list of shapes, but simply an illustrative list of common candle shapes.

The Department received comments from interested parties by the appropriate deadline. In examining these comments and the administrative

<sup>1</sup> The term "novelty candle," as defined in *Scope Comments* and prior scope rulings, refers to candles that are in the shapes of identifiable objects, or are holiday-themed.

<sup>2</sup> See *Antidumping Duty Order: Petroleum Wax Candles from the People's Republic of China*, 51 FR 30686 (August 28, 1996) ("*Order*").

record since the less-than-fair value (“LFTV”) antidumping duty investigation, we have preliminarily developed a new interpretation for interpreting candle scope ruling requests. Moreover, we have preliminarily applied this new interpretation to all 388 pending scope determinations under the *Order*. See *infra*.

**DATES:** Parties may submit comments no later than 30 calendar days after date of publication of this notice and rebuttal comments 10 calendar days later.

**FOR FURTHER INFORMATION CONTACT:** Tim Lord, AD/CVD Operations, Office 9, Import Administration, U.S. Department of Commerce, 14th Street & Constitution Ave., NW., Washington, DC 20230, telephone: (202) 482-7425.

#### Comments From Interested Parties

On September 16, 2009, the Department received comments from the following interested parties: The National Candle Association (“NCA”); the National Retail Federation (“NRF”); HSE USA, Inc. (“HSE”); Universal Candle Company (“UC”); Sourcing International (“SI”); the Retail Industry Leaders of America (“RILA”); and Trade Associates Group, Ltd. (“TAG”).

#### Support for Option A<sup>3</sup>

NRF and SI urge the Department to adopt Option A in its un-altered form. NRF argues this option is most consistent with the original scope of the case that retailers have operated under for over 20 years. HSE argues that Option A is the best way to ensure that the scope interpretation be “shape-based.” That is, HSE maintains, Option A will guarantee that only candles in the shapes specifically enumerated in the scope of the *Order*—tapers, spirals, straight-sided dinner candles; rounds, columns, pillars; votives; and various wax-filled containers (“the enumerated shapes”)—be considered as within the scope. HSE also argues that the current scope language is exhaustive, not illustrative, and that Option A recognizes this fact.

#### Support for Option B<sup>4</sup>

UC specifically states that it is in favor of Option B, though it requests

that its birthday and cake-top candles be considered outside of the scope because there is no domestic production of these candles.

#### Additional Proposals

NCA proposes a combination of Options A and B whereby all candle shapes, regardless of embellishment or holiday theme, would be included within the scope of the *Order*.

RILA argues that because much of the debate over what is or is not a holiday candle centers on what symbols or objects are specific to a holiday and how obvious those symbols or objects must be on the candle, the Department should develop objective criteria from prior rulings. Such criteria might include a list of symbols and objects that are specific to a holiday and numerical standards for what portion of the candle surface must be covered by such symbols. RILA also maintains the Department should engage more closely with U.S. Customs and Border Protection (“CBP”) to ensure that there is an accurate and consistent understanding of the scope of the *Order* and any guidelines established by the Department.

TAG argues that neither option should be chosen, and that the Department’s current practices should remain in effect. However, TAG maintains, the current practice that candles be recognizable from multiple angles is overly formalistic, and thus the identifiable object exception should be based on “realistic guidelines.”

NRF asserts that the Department should adopt some practices used by CBP, including having a designated Department employee whom importers can call to discuss scope issues.

SI and NCA argue that the Department’s regulations be amended to allow the Department to issue summary determinations so that the Department could issue a single ruling when there are multiple requests for what is essentially the same product. For instance, if an importer requests scope determinations on 25 pillar candles that differed only in their size, the Department would be able to issue one summary scope determination instead of 25.

#### Other Issues Raised by Parties

Although NRF requests that we choose Option A, it also argues that the choice of either option would cause the Department to have to address prior decisions where items that have been

within the scope of the *Order* including those not in the shapes listed in the scope of the *Order*, as that is not an exhaustive list of shapes, but simply an illustrative list of common candle shapes.

previously found to be within the scope of the *Order* would now be considered outside the *Order*, and vice-versa for items previously found to be outside the scope of the *Order*.

NCA asserts that the novelty candle exclusion established in the CBP Notice<sup>5</sup> was baseless. NCA also maintains that the Department’s LFTV investigation and the Antidumping Petition<sup>6</sup> did not exclude any petroleum wax candles from the scope of the investigation requested.

HSE argues that the Department’s should abandon the “JC Penney methodology,”<sup>7</sup> because this interpretation no longer considers the shape of the candle to be dispositive in determining whether it is covered by the scope, and should return to its prior practice of looking at the shape of the candle in evaluating the scope. HSE continues that the JC Penney methodology disregarded the history of the case and has also proven to be extremely burdensome by increasing the number of candle scope ruling requests.

#### Background of the Order

In determining whether it is appropriate to formulate a new interpretation for interpreting the scope of this *Order*, the Department must examine documents from the LFTV investigation and subsequent segments of this proceeding to understand the validity of its current practices and to re-examine the products originally covered by the scope of the LFTV investigation. See 19 CFR 351.225(k)(1). In particular, the Department puts much weight on the original intent of the injured domestic industry, in this case, represented by NCA. Below is the Department’s analysis of these documents, which are included in the Memorandum to the File through Alex Villanueva, Program Manager, from Tim Lord, Case Analyst, Certain Petroleum Wax Candles from the People’s Republic of China: Placing Documents on the Record (August 9, 2010) (“Relevant Documents Memorandum”).

#### Petition

The *Petition* illustrates that, contrary to its current assertions, NCA advocated for an exhaustive scope where those candles not specifically enumerated in the scope language, as well as figurine candles, “household,” “utility,” or “emergency”<sup>8</sup> candles, were to be

<sup>3</sup> With Option A, the Department would consider all candle shapes identified in the scope of the *Order*, (i.e., tapers, spirals, and straight-sided dinner candles; rounds, columns, pillars, votives; and various wax-filled containers) to be within the scope of the *Order*, regardless of etchings, prints, moldings or other artistic or decorative enhancements including any holiday-related art. All other candle shapes would be considered outside the scope of the *Order*.

<sup>4</sup> With Option B, the Department would consider all candle shapes, including novelty candles, to be

<sup>5</sup> The CBP Notice is discussed *infra*.

<sup>6</sup> The Antidumping Petition is discussed *infra*.

<sup>7</sup> The JC Penney ruling and JC Penney methodology are discussed *infra*.

<sup>8</sup> Those candles known as “household,” “utility,” “emergency,” or “household emergency candles”

excluded from the investigation. For instance, when discussing its choice of a surrogate country, NCA states, "Korea was deemed a poor choice as a surrogate because its primary domestic production of candles consists of types of candles which are not similar to candles exported by the PRC. Korea produces mostly small, plain, white utility candles and hand-crafted novelty candles." *See Antidumping Petition Submitted on Behalf of the National Candle Association in the Matter of: Petroleum Wax Candles from the People's Republic of China* (September 3, 1985) ("Petition") at 14; *see also* Relevant Documents Memorandum, at Tab A.

Additionally, NCA via a consulting firm, requested information from a market research firm in Malaysia on producers' prices for candles made and sold in Malaysia and stated that the candles they were concerned with were ordinary candles. NCA's consulting firm noted that they were uninterested in those candles not in the enumerated shapes. *See Petition*, at Exhibit 21; *see also* Relevant Documents Memorandum, at Tab A. Additionally, the *Petition's* like product definition itself indicates exclusivity:

The imported PRC candles are made from petroleum wax and contain fiber or paper-cored wicks. They are {emphasis added} sold in the following shapes: tapers, spirals, and straight-sided dinner candles; rounds, columns, pillars; votives; and various wax filled containers. These candles may be scented or unscented. While manufactured in the PRC, these candles are marketed in the United States and are generally used by retail consumers in the home or yard for decorative or lighting purposes."

*See Petition*, at 6–7; *see also* Relevant Documents Memorandum, at Tab A.

#### Initiation

The *Initiation* used language virtually identical to NCA's like product description:

The products covered by this investigation are certain scented or unscented petroleum wax candles made from petroleum wax and having fiber or paper-cored wicks. They are sold in the following shapes: tapers, spirals, and straight-sided dinner candles; rounds, columns, pillars; votives; and various wax-filled containers. The products are classified under the Tariff Schedules of the United States (TSUS) item 755.25, Candles and Tapers.

*See Petroleum Wax Candles From the People's Republic of China; Initiation of Antidumping Duty Investigation*, 50 FR 39743 (September 30, 1985) ("Initiation"); *see also* Relevant Documents Memorandum at Tab B.

will be termed "utility candles" for purposes of this notice.

#### ITC Preliminary Results

The description of the International Trade Commission's ("ITC") like product was nearly the same as NCA's like product definition and the *Initiation*. The ITC was silent with regard to novelty candles, although it devotes some discussion to Christmas candles.<sup>9</sup> However, as noted *infra*, the ITC stated that there was no clear definition of a "Christmas/seasonal candle" and used candle color (red, white, or green) as an indicator of whether a candle is a Christmas/seasonal candle or not. Thus, the *ITC Preliminary Results* are not dispositive with regard to novelty candles based on shape or seasonal nature.

#### DOC Preliminary Results

The Department's scope of the investigation remained unchanged from the *Initiation*, and novelty candles are not mentioned. *See Petroleum Wax Candles From the People's Republic of China; Preliminary Determination of Sales at Less Than Fair Value*, 51 FR 6016 (February 19, 1986) ("DOC Preliminary Results"); *see also* Relevant Documents Memorandum at Tab D.

#### Memorandum Dated October 2, 1986

Further insight into which candles NCA originally intended to be outside the scope of the investigation is found in a Departmental memorandum dated October 2, 1986. In this memorandum, the Department notes that on February 20, 1986 the Department issued instructions to the U.S. Customs Service ("Customs")<sup>10</sup> suspending liquidation on merchandise covered under Tariff Schedules of the United States ("TSUSA") item 755.25, a basket category which included numerous different types of candles. The memorandum details subsequent clarifications issued after the initial

<sup>9</sup> The ITC deems the term "Christmas candle" as synonymous with "seasonal candle" and uses the terms interchangeably. For the purposes of this notice, the Department will use the term "Christmas/seasonal" to refer to this type of candle. No other holidays or special events are mentioned or equated with the term "seasonal." *See Candles from the People's Republic of China: Determination of the Commission in Investigation No. 731-TA-282 (Preliminary) Under the Tariff Act of 1930, Together with the Information Obtained in the Investigation*, USITC Publication 1768 (October, 1985) ("ITC Preliminary Results") at A-22; *see also* Relevant Documents Memorandum at Tab C.

<sup>10</sup> On July 28, 2006, the United States Customs Service since was renamed as the United States Bureau of Customs and Border Protection. *See* Homeland Security Act of 2002, Public Law 107-296, § 1502, 116 Stat. 2135, 2308–09 (2002); Reorganization Plan Modification for the Department of Homeland Security, H.R. Doc. No. 108-32, at 4 (2003).

February 20, 1986 instructions to the U.S. Customs Service:

Subsequent telephone complaints by some importers prompted another telex to customs on March 20, 1986, in which 'candles not described above, such as birthday, birthday numeral, and figurine-type candles,' are also outside the scope of this investigation.

*See* Memorandum to Bill Matthews through Bob Marenick from Elena Gonzalez, Subject: Scope of Investigation, Petroleum Wax Candles from the People's Republic of China (October 2, 1986) ("Memorandum Dated October 2, 1986"); *see also* Relevant Documents Memorandum at Tab E.

#### Memorandum Dated April 30, 1986

A memorandum dated April 30, 1986, describes two conversations between the Department and NCA's counsel that illustrates that NCA did not intend for the scope of the *Order* to cover all petroleum wax candles:

On March 20, 1986, Mr. Randolph Stayin of Taft, Stettinus & Hollister, who represents the petitioner, advised by telephone that candles described as household candles, household emergency candles, or utility candles, which are white in color and 5" long × 3/4" diameter, do not fit the product description included in this petition and are therefore outside the scope of this investigation.

Earlier, Ann King, of the same law firm, had told me that birthday candles, birthday numeral candles and figurine-type candles are also outside the scope of this investigation.

*See* Memorandum to the File, from Michael Ready, Subject: Petroleum Wax Candles from the PRC—Scope of the Investigation (April 30, 1986) ("Memorandum Dated April 30, 1986"); *see also* Relevant Documents Memorandum at Tab F.

#### Scope Clarification Communication

Following the communications with NCA described above, the Department sent a telex to the U.S. Customs Service clarifying the scope of products subject to the LTFV investigation on March 20, 1986. *See* Communication to All U.S. Customs Field Officers from John Durant, Acting Director, Commercial Compliance Division: Petroleum Wax Candles from the People's Republic of China: Clarification of Scope of Investigation ("Scope Clarification Communication"):

1. The scope of Investigation as defined in the Federal Register (February 19, 1986, page 6016) and referenced in our February 20, 1986 telex is as follows: 'Scope of Investigation: The products covered by this investigation are certain scented or unscented petroleum wax candles made from petroleum wax and having paper or fiber-cored wicks. They are sold in the following

shapes: tapers, spirals, and straight-sided dinner candles, rounds, columns, pillars, votives, and various wax-filled containers. The products are classified under the Tariff Schedules of the United States (TSUS) Item 755 25, Candles and Tapers.' 2. Candles not described above, such as birthday, birthday numeral, and figurine type candles are outside the scope of this investigation.

See Scope Clarification Communication; see also Relevant Documents Memorandum at Tab G.

The Memorandum dated October 1986, indicates that conversations between the Department and importers were an impetus for the exclusions of the Scope Clarification Communication, and the timing of communications with NCA (detailed in the Memorandum Dated April, 1986) indicate that NCA endorsed these exclusions. However, while the Department adhered to NCA's opinion that candles not in the enumerated shapes and birthday candles were not covered by the scope of the investigation, it did not specifically state in the Scope Clarification Communication that utility candles were not covered.

#### DOC Final Results

The scope of the *Order* listed in the *DOC Final Results* is the same as that of the *Initiation*. See *Petroleum Wax Candles From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 51 FR 25085 (July 10, 1986) ("*DOC Final Results*"); see also Relevant Documents Memorandum at Tab H. Record evidence that NCA did not intend for certain candles to be covered can also be seen in the *DOC Final Results*. Specifically, when addressing respondents' comment that the Department should not have excluded candle imports from Jamaica in determining foreign market value, we defend our position by stating, "At the preliminary determination we excluded imports from Jamaica from consideration because we received information from petitioner that the Jamaican candles were 'household candles' not subject to this investigation." See Relevant Documents Memorandum at Tab H.

#### ITC Final Results

The ITC lists "novelties" as among the types of candles it analyzed, although it gives no definition of the term. See *Determination of the Commission in Investigation No. 731-TA-282 (Final) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation*, USITC Publication 1888 (August, 1986) ("*ITC Final Results*") at A-6; see also Relevant Documents Memorandum at Tab I.

The ITC also included Christmas/seasonal candles as among the types of candles it analyzed, and in response to respondents' contention that seasonality is indicative of a lack of competition between domestic candles and Chinese imports, the Commission states:

Data on seasonality should be used with caution, as no clear definition of 'Christmas candle' has been offered. Some reporting companies indicated that all red, white, and green candles were reported as Christmas candles, whereas other companies indicated that they sell Christmas colors year round and reported sales for October through December as Christmas candles. See *ITC Final Results* at A-7, fn 1.

Thus, the ITC conceded that there was no concrete definition of a Christmas/seasonal candle, and noted that the most widely-used metric in determining whether a candle was Christmas/seasonal was based upon its color and/or the time of year in which it was sold. However, the ITC's indication of what is considered a Christmas/seasonal candle does not signify it advocated that Christmas/seasonal candles in *any* shape should be within the scope of the investigation. Rather, it indicates that the ITC advocated that those candles in the enumerated shapes should not be considered outside the scope of the investigation simply because they are in "Christmas/seasonal colors."

#### Order

The Department published the *Order*, with scope language identical to the Department's *Initiation*, *Preliminary Results*, and *Final Results*. See *Order*; see also Relevant Documents Memorandum at Tab J.

#### Novelty Exclusion Scope Rulings

The first novelty exclusion, issued in October 30, 1986, regarded a taper imported by Global Marketing Services' that had a Santa Claus figurine attached to the taper. The Department solicited comments from NCA before it made its final scope ruling. NCA agreed that the candle was outside of the scope, stating:

This particular candle is considered borderline in our opinion because the only novelty is the wax Santa Claus which can be removed or added to the taper. Without the attached wax Santa Claus, the subject taper would clearly be within the scope of the order. However, we consent to the exclusion of this specific taper only on the basis that the hand-painted wax Santa Claus is attached to each taper entered through Customs.

See Letter to the Department on Behalf of NCA, dated October 15, 1986 ("NCA's October 15, 1986 Letter"); see also Relevant Documents Memorandum at Tab K. In a letter explaining to Global

Marketing Services why we excluded their candle, the Department stated:

Your tapers have a hand-painted *figurine* {emphasis added} molded to the candle, which could not be removed without damage to the taper. This different physical characteristic precludes inclusion of these candles in the scope of the order.

See Letter from the Department to Global Marketing Services, dated October 30, 1986 ("Department's October 30, 1986 Letter"); see also Relevant Documents Memorandum at Tab L.

It is therefore apparent from examining NCA's October 15, 1986, Letter and the Department's October 30, 1986, Letter that Global Marketing Service's Santa Claus candle was found outside of the scope not because of its Christmas/seasonal characteristics, but because of its figurine component.

The second novelty exclusion, issued in July 13, 1987, regarded candles with raised Christmas motifs imported by Giftco Inc. The Department solicited comments from NCA before it made its final scope ruling. NCA agreed that the candles were outside of the scope, stating:

{O}ur examination of the candles \* \* \* revealed that they are novelty candles which are specially designed for Christmas. That is, they are holiday scenes and symbols. Both candles are square, four inches high, and have alternating raised motif scenes outlined by borders. The first candle is red and has the word 'JOY' written in yellow letters surrounded by green pine branches. The alternate scene has a red cardinal sitting on yellow cornets. The second candle is light blue and has the words 'Silent Night' surrounded by one large and several small stars painted yellow, blue, and white. The alternate scenes depict a yellow church with two green trees, green grass, and a snow-topped mountain in the background.

These specific candles are Christmas novelty candles that are outside the scope of the order. They are similar to the hand-painted Santa Claus figure candles that we have already agreed should be excluded from the order. However, not all raised motif candles should be excluded from the order. We specifically included petroleum wax candles that have raised motifs in the investigation since several of the petitioners produce them. For example, Candle-lite makes votive candles with raised flower motifs while Colonial Candle of Cape Cod attaches a small 'CCCC' motif to all of its candles.

See Letter to the Department on Behalf of NCA, dated May 4, 1987 ("NCA's May 4, 1987 Letter"); see also Relevant Documents Memorandum at Tab M. This statement may be interpreted in different ways. While one could argue this is evidence that NCA supported Christmas/seasonal candles being outside of the scope of the *Order*, one

could also contend that NCA supported these candles as outside of the scope because they were in the shape of squares—not one of the enumerated shapes. Furthermore, even if one were to interpret this statement as NCA supporting the exclusion of Christmas/holiday candles, this point is moot because as stated above, the Department must reasonably determine the products originally covered by the scope of the LTFV investigation as well as the original intent of the injured domestic industry *before* the issuance of the *Order*. This scope ruling, however, came after the completion of the investigation and issuance of the *Order*.

#### CBP Notice

The Department issued instructions to the U.S. Customs Service in connection with the second novelty exclusion from the *Order* for Christmas/seasonal novelty candles (“CBP Notice”). While this notice included exclusions discussed during the course of the investigation (*i.e.*, numeral and “figurine-type” candles), the notice also introduced the idea of a novelty candle exclusion that clarified the candle types excluded from the *Order* beyond those discussed during the investigation:

The Department of Commerce has determined that certain novelty candles, such as Christmas novelty candles, are not within the scope of the antidumping duty order on petroleum wax candles from the People's Republic of China (PRC). Christmas novelty candles are candles specially designed for use only in connection with the Christmas holiday season. This use is clearly indicated by scenes or symbols depicted in the candle design. Other novelty candles not within the scope of the order include candles having scenes or symbols of other occasions (*e.g.*, religious holidays or special events) depicted in their designs, figurine candles, and candles shaped in the form of identifiable objects (*e.g.*, animals or numerals).

See CBP Notice; *see also* Relevant Documents Memorandum at Tab N. While this exception for Christmas/seasonal and special occasion-themed candles appears to be in response to the first two novelty scope rulings for Christmas/seasonal candles, there is no evidence on record from the investigation to indicate that any religious, holiday, or special occasion-themed candles, otherwise within the shapes outlined in the scope,<sup>11</sup> were considered outside the scope of the investigation prior to the issuance of the *Order*.

<sup>11</sup> As noted previously, the ITC's discussion of Christmas/seasonal candles (*i.e.* those in red, white, or green) made no indication that these candles (if in one of the non-enumerated shapes) should be included within the scope.

#### JC Penney

In November 2001, the Department reconsidered its practice on the issue of candle shapes. *See Final Scope Ruling Antidumping Duty Order on Petroleum Wax Candles From the People's Republic of China* (A–570–504); JC Penney Purchasing Corporation, (November 9, 2001) (“*JC Penney*”). In this ruling, the Department reviewed the text of the scope of the *Order*, beginning with the text of the first sentence of the scope which covers “{c}ertain scented or unscented petroleum wax candles made from petroleum wax and having fiber or paper-cored wicks.” *See Order*. The Department stated in *JC Penney*:

{t}he text following this broad inclusive sentence provides a list of shapes, which list is not modified by any express words of exclusivity. The result of our prior practice of excluding candles of a shape other than those listed was arguably inconsistent with the fact that such candles were scented or unscented petroleum wax candles made from petroleum wax and having fiber or paper-cored wicks.’

*See JC Penney* at 4–5, fn 1; *see also* Relevant Documents Memorandum at Tab O. Furthermore, in *JC Penney*, the Department stated:

We now determine that this practice was incorrect because it had the effect of narrowing the broad coverage of the first sentence of the *Order*'s scope. The list of shapes in the second sentence of the *Order*'s scope does not provide a textual basis for such a narrowing of the coverage of the first sentence of the *Order*'s scope.

*See JC Penney* at 5, fn 1; *see also* Relevant Documents Memorandum at Tab O.

Therefore, since 2001, the Department has followed the “JC Penney methodology” whereby it determines that if the candle is made from petroleum wax and has a fiber or paper-cored wick it falls within the scope of the *Order* regardless of shape unless the candle possesses the characteristics set out in the CBP Notice, in which case a candle falls within the Department's novelty candle exception and is not within the scope of the *Order*.

However, a close review of the investigation record shows that, although addressing a key enforcement concern, the *JC Penney* methodology did not fully take into account record evidence from the investigation. While *JC Penney* stated that the scope of the *Order* was inclusive, the language of the *Order* indicates that the scope is exclusive, whereby only those candles in the enumerated shapes are considered inside the scope. For instance, the scope of the *Order* covers “{c}ertain scented or unscented

petroleum wax candles” that “*are* sold in the following shapes: tapers, spirals, and straight-sided dinner candles; rounds, columns, pillars, votives; and various wax-filled containers” (emphasis added). That is, the language of the scope is overt in its exclusivity. As discussed above, NCA's apparent concurrence with the scope clarifications issued to Customs further indicate that the scope was originally intended to include only those candle shapes described in the scope and to exclude birthday and utility candles).

#### Preliminary Determination

A thorough review of the record clearly illustrates that NCA did not intend for the scope of the candles *Order* to include all candles. At the time of the LTFV investigation and the concomitant setting of the scope, NCA advocated a scope where only the enumerated shapes would be covered. For instance, NCA's agreement in the Memorandum Dated April 30, 1986, that “figurine” candles were not within the scope of the *Order* indicates that candles in shapes other than those enumerated in the scope language were not included within the scope of the investigation. Furthermore, NCA also intended for the *Order* to exclude birthday candles and utility candles. While the Department adhered to the original intent of NCA in excluding birthday candles and candles not in the enumerated shapes through the Scope Clarification Communication and CBP Notice, we inadvertently did not specify that utility candles should also be excluded.

Thus, after examining the historical record of this case to determine the original intent of NCA, and taking into consideration the comments of interested parties, the Department is taking this opportunity to clarify how it will analyze candle scope requests so as to best reflect the products covered by the LTFV investigation. The Department agrees with NCA that there is no basis in the record of the LTFV investigation for excluding candles based upon holiday characteristics. In addition, the Department notes that, in contrast to *JC Penney*, record evidence suggests that the scope of the *Order* is exclusive and that candles not in the shapes described in the scope fall outside the scope of the *Order*.

Therefore, the Department's proposed new interpretation for interpreting candle scope determination requests would entail Option A, with the addition that two specific types of candles—utility candles and birthday candles—would be excluded. The proposed new interpretation would be

as follows:<sup>12</sup> The Department will consider all candle shapes identified in the scope of the *Order*<sup>13</sup> (*i.e.*, tapers,<sup>14</sup> spirals,<sup>15</sup> and straight-sided dinner candles;<sup>16</sup> rounds,<sup>17</sup> columns,<sup>18</sup> pillars,<sup>19</sup> votives;<sup>20</sup> and various wax-filled containers<sup>21</sup>) to be within the scope of the *Order*, regardless of etchings, prints, texture, moldings or other artistic or decorative enhancements including any holiday-related art. However, even if they are one of the shapes listed within the

<sup>12</sup> The definitions used in the proposed new interpretation were taken from a variety of sources: (1) Historical documents on record from the candles case, such as the Petition and Departmental memoranda; (2) past candle scope rulings; and (3) sources outside of the Department, including the NCA's Web site.

<sup>13</sup> Note: The term "circumference" as used below denotes the length of the perimeter of a candle, whether measured at the base, top, etc. It can be used in reference to candles that have cylindrical or polygonal (*i.e.*, multi-sided, with all sides being relatively straight) bases and tops.

<sup>14</sup> A taper is a candle that has a circumference at its base of up to 5 inches, is typically six inches or longer and gradually decreases in width from base to top so that the width at the base is typically no more than 60 percent larger than the width at the top (the top of a taper candle is typically  $\frac{1}{6}$  of the candle's height from the tip of the candle, excluding the wick). The decrease in width may be continuously straight or slightly convex.

<sup>15</sup> A spiral is a candle that has dimensions similar to a taper's and has helical indentations around its length.

<sup>16</sup> A straight-sided dinner candle has dimensions similar to a taper's, although its width is constant through the length of the candle.

<sup>17</sup> A round may come in two varieties: (1) A "spherical round" is one in which all points on the candle's surface (except for those on the base and top) are approximately equidistant from the candle's center; *see* Final Scope Ruling: Antidumping Duty Order on Petroleum Wax Candles from the People's Republic of China (A-570-504); Wal-Mart Stores, Inc. (December 17, 2004) at 13. Thus, a spherical round does not contain multiple surface angles (or embellishments so prominent that it could not be considered approximately spherical); (2) a "flattened round," is typically disc-shaped and has at its widest point an approximately circular circumference which is greater than its height. All horizontal radii of this circumference are approximately equidistant from the circumference's center. Thus, a flattened round does not contain multiple surface angles (or embellishments so prominent that it does not exhibit an approximately circular circumference). The top, bottom, and side of a flattened round may be slightly convex or non-convex.

<sup>18</sup> A column is a candle that is often free-standing, has a width of up to 8 inches and a height of up to 14 inches. It typically maintains a constant circumference throughout its length. The base and top may have a cylinder or polygon shape.

<sup>19</sup> A pillar is a candle that is often free-standing, has a width of up to 8 inches and a height of up to 12 inches. It typically maintains a constant circumference throughout its length. The base and top may have a cylinder or polygon shape.

<sup>20</sup> A votive candle is typically about 1.5 inches in diameter, 2 to 2.5 inches high, and typically designed to be placed in a container.

<sup>21</sup> The exposed surface of the wax at the top of the container is typically horizontally flat. The container may be in any shape and be made of any material.

scope of the *Order*, two types of candles will be excluded: (1) those candles known variously as "household candles," "emergency candles," or "utility candles," (which are typically white in color, 5 inches long, .75 inch in diameter, and come in packs of two or more); and (2) birthday candles (which are typically small, thin, pillar-shaped candles that range in height from 2 inches to 3.5 inches, are .18 inch to .25 inch in width, and come in packs of 10 to 24), and birthday numeral candles (which are candles in the shape of numbers that typically range in height from 2 to 4 inches). All other candle shapes and types will be considered outside the scope of the *Order*.

### Analysis of Parties' Comments

RILA suggests that the Department use objective criteria to make scope rulings more efficient, such as a list of symbols and objects that are specific to a holiday. We have not adopted this suggestion because our proposed interpretation would not take into account holiday ornamentation when determining whether a candle is outside of the scope of the *Order*.

TAG suggested that the identifiable object exclusion be based on "realistic guidelines." We have not adopted this suggestion either, as the Department's proposed interpretation would not take into account identifiability as a particular object, but rather candle shape and candle type in scope determinations.

In response to NRF's suggestion that the Department should use practices such as utilizing a designated Department employee whom importers can call to discuss scope issues, the Department notes that it already has analysts who perform this function. However, while analysts may discuss scope issues with interested parties, no scope determination can be made by telephone. An official scope ruling can only be made when an interested party formally submits its scope ruling request to the Department. *See* 19 CFR 351.225.

With regard to NCA's and SI's suggestion that the Department issue summary determinations, the Department notes that it already issues determinations that include multiples of what are essentially the same item. *See, e.g.*, Antidumping Duty Order on Petroleum Wax Candles From the People's Republic of China: Final Scope Ruling, Fashion Craft-Excello, Inc. (April 12, 2007).

In response to the assertion by NRF and SI that a change in the Department's current practice would mean that it

would have to address prior scope rulings, the Department notes that in previous instances where it has changed its scope ruling interpretation in the candles case, the Department has only applied the change to current and future scope rulings. *See LDM Anticircumvention Determination*<sup>22</sup> and *JC Penney*.

### Application of Interpretation

Given the above, the Department hereby preliminarily applies this new interpretation to the 388 pending scope determinations before us. *See* Memorandum to the File through Alex Villanueva, Program Manager, from Tim Lord, Case Analyst, Certain Petroleum Wax Candles from the People's Republic of China: Candle Scope Request Preliminary Determinations (August 9, 2010). The 388 requests consisted of 269 unique candles.<sup>23</sup> Of those 269 unique candles, 250 were preliminarily determined to be outside of the scope of the *Order*, while 19 unique candles were preliminarily determined to be within of the scope of the *Order*.

### Submission of Comments

The Department invites interested parties to comment on these preliminary results and the proposed interpretation for analyzing scope requests under the *Order*. Persons wishing to comment should file one signed original and six copies of each set of comments by the date specified above. The Department will consider all comments received before the close of the comment period in reaching its final determination. Comments received after the end of the comment period may not be considered. All comments responding to this notice will be a matter of public record and will be available for inspection and copying at Import Administration's Central Records Unit, Room 1117. The Department requires that comments be submitted in written form. The Department recommends submission of comments in electronic form to accompany the required paper copies.

Comments filed in electronic form should be submitted either by e-mail to the Webmaster below, or on CD-ROM,

<sup>22</sup> *See Later-Developed Merchandise Anticircumvention Inquiry of the Antidumping Duty Order on Petroleum Wax Candles from the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 71 FR 59075 (October 6, 2006) ("*LDM Anticircumvention Determination*").

<sup>23</sup> "Unique candles" are those from a particular requestor that the Department deems identical. For example, if a requestor submitted three beach ball candles, and two of those were exactly the same size, shape, and color, while the third candle was not, the set of three candles would consist of two unique candles.

as comments submitted on diskette are likely to be damaged by postal radiation treatment. Comments received in electronic form will be made available to the public in Portable Document Format (PDF) on the Internet at the Import Administration Web site at the following address: <http://www.ia.ita.doc.gov>.

Any questions concerning file formatting, document conversion, access on the Internet, or other electronic filing issues should be addressed to Andrew Lee Beller, Import Administration Webmaster, at (202) 482-0866, e-mail address: [webmastersupport@ita.doc.gov](mailto:webmastersupport@ita.doc.gov).

Dated: August 6, 2010.

**Ronald K. Lorentzen,**

*Deputy Assistant Secretary for Import Administration.*

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**BILLING CODE 3510-DS-P**

## COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

### Procurement List; Additions and Deletion

**AGENCY:** Committee for Purchase From People Who Are Blind or Severely Disabled.

**ACTION:** Additions to and deletion from the Procurement List.

**SUMMARY:** This action adds services to the Procurement List that will be provided by nonprofit agencies employing persons who are blind or have other severe disabilities and deletes a service from the Procurement List previously furnished by such agency.

**DATES:** *Effective Date:* 9/13/2010.

**ADDRESSES:** Committee for Purchase From People Who Are Blind or Severely Disabled, Jefferson Plaza 2, Suite 10800, 1421 Jefferson Davis Highway, Arlington, Virginia, 22202-3259.

**FOR FURTHER INFORMATION CONTACT:** Barry S. Lineback, Telephone: (703) 603-7740, Fax: (703) 603-0655, or e-mail [CMTEFedReg@AbilityOne.gov](mailto:CMTEFedReg@AbilityOne.gov).

### SUPPLEMENTARY INFORMATION:

#### Additions

On 6/4/2010 (75 FR 31768-31769), 6/11/2010 (75 FR 33270-33271), and 6/18/2010 (75 FR 34701-34702), the Committee for Purchase From People Who Are Blind or Severely Disabled published notices of proposed additions to the Procurement List.

After consideration of the material presented to it concerning capability of

qualified nonprofit agencies to provide the services and impact of the additions on the current or most recent contractors, the Committee has determined that the services listed below are suitable for procurement by the Federal Government under 41 U.S.C. 46-48c and 41 CFR 51-2.4.

#### Regulatory Flexibility Act Certification

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in any additional reporting, recordkeeping or other compliance requirements for small entities other than the small organizations that will provide the services to the government.

2. The action will result in authorizing small entities to provide the services to the government.

3. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) in connection with the services proposed for addition to the Procurement List.

#### End of Certification

Accordingly, the following services are added to the Procurement List:

#### Services

##### Service Type/Locations:

Laundry Service, Atlanta VA Medical Center, 1670 Clairmont Road, Decatur, GA.  
W.J.B. Dorn VA Medical Center, 6439 Garners Ferry Road, Columbia, SC.  
Ralph H. Johnson VA Medical Center, 109 Bee Street, Charleston, SC.  
Charlie Norwood VA Medical Center Downtown Division, 800 Balie Street, Augusta, GA.  
Athens VA Community Based Outpatient Clinic (CBOC), 9249 Highway 29 South, Athens, GA.  
Aiken Community Based Outpatient Clinic (CBOC), 951 Milbrook Avenue, Aiken, SC.  
Charlie Norwood VA Medical Center Uptown Division, 1 Freedom Way, Augusta, GA.  
Carl Vinson VA Medical Center, 1826 Veterans Boulevard, Dublin, GA.  
NPA: GINFL Services, Inc., Jacksonville, FL.  
*Contracting Activity:* Department of Veterans Affairs, VISN 7 Consolidated Contracting, Augusta, GA.  
*Service Type/Location:* Custodial Service, Fort Leonard Wood, MO.  
NPA: Challenge Unlimited, Inc., Alton, IL.  
*Contracting Activity:* Dept of the Army, XR W6BA ACA FT Leonard Wood, MO.  
*Service Type/Location:* Custodial Service, CMS Headquarters (Central, North & South Bldgs.), 7500 Security Boulevard, Woodlawn, MD.  
NPA: Didlake, Inc., Manassas, VA.

*Contracting Activity:* GSA/PBS/R03 Chesapeake, Philadelphia, PA.

*Service Type/Location:* Custodial Service, U.S. Department of Energy, Forrestal Complex, 1000 Independence Avenue, SW., Washington, DC.

NPA: Didlake, Inc., Manassas, VA

*Contracting Activity:* Department of Energy, Headquarters Procurement Services, Washington, DC.

*Service Type/Location:* Custodial Service, Tobyhanna Army Depot, 11 Hap Arnold Blvd, Tobyhanna, PA.

NPA: Allied Health Care Services, Scranton, PA.

*Contracting Activity:* Dept of the Army, XR W0ML USA DEP Tobyhanna, Tobyhanna Army Depot, PA.

*Service Type/Location:* Custodial Service, Command, Control Computers and Communications, Intelligence, Surveillance and Reconnaissance (C4ISR), 4118 Susquehanna Avenue, Aberdeen Proving Ground, MD.

NPA: The Chimes, Inc., Baltimore, MD.

*Contracting Activity:* Dept of the Army, XR W6BA ACA, Aberdeen Proving Ground, Aberdeen Proving Ground, MD.

*Service Type/Location:* Base Supply Center (BSC) and Individual Equipment Element (IEE) Scott Air Force Base, IL.

NPA: Associated Industries for the Blind, Milwaukee, WI.

*Contracting Activity:* Dept of the Air Force, FA4407 375 CONS LGC, Scott AFB, IL.

#### Deletion

On 6/4/2010 (75 FR 31768-31769), the Committee for Purchase From People Who Are Blind or Severely Disabled published notice of proposed deletion from the Procurement List.

After consideration of the relevant matter presented, the Committee has determined that the service listed below is no longer suitable for procurement by the Federal Government under 41 U.S.C. 46-48c and 41 CFR 51-2.4.

#### Regulatory Flexibility Act Certification

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in additional reporting, recordkeeping or other compliance requirements for small entities.

2. The action may result in authorizing small entities to provide a service to the Government.

3. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) in connection with a service deleted from the Procurement List.

#### End of Certification

Accordingly, the following service is deleted from the Procurement List: