

Dated: March 24, 2000.

**James A. Caplan,**

*Deputy Regional Forester for Natural Resources.*

[FR Doc. 00-8726 Filed 4-7-00; 8:45 am]

**BILLING CODE 3410-11-M**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-428-802; A-475-802; A-559-802; A-588-807]

### Industrial Belts from Germany, Italy, Singapore, and Japan; Corrected Final Results of Expedited Sunset Reviews

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

**ACTION:** Notice of correction to final results of expedited sunset reviews: industrial belts from Germany, Italy, Singapore, and Japan.

**SUMMARY:** On December 30, 1999, the Department of Commerce ("the Department") published in the **Federal Register** (64 FR 73511) the final results of the June 1999 sunset reviews of the antidumping duty orders on industrial belts from Germany, Italy, Singapore, and Japan. Subsequent to the publication of the final results, we identified an inadvertent error in the "Scope" section of the notice. Therefore, we are correcting and clarifying this error.

On page 73511, the error lies in the following sentence: "The merchandise covered by the antidumping duty orders on Germany and Japan includes industrial belts other than V-belts and synchronous belts used for power transmission, in part or wholly of rubber or plastic, and containing textile fiber (including glass fiber) or steel wire, cord or strand, and whether in endless (*i.e.* closed loops) belts, or in belting lengths or links from Germany and Japan." This sentence should be replaced with: "The merchandise covered by the antidumping duty order on Germany includes industrial belts, other than V-belts and synchronous belts used for power transmission, in part or wholly of rubber or plastic, and containing textile fiber (including glass fiber) or steel wire, cord or strand, and whether in endless (*i.e.* closed loops) belts, or in belting lengths or links.<sup>1</sup>

Further, we are inserting the following sentence, which was

<sup>1</sup> See *Antidumping Duty Order of Sales at Less Than Fair Value; Industrial Belts and Components and Parts Thereof, Whether Cured or Uncured, From the Federal Republic of Germany*, 54 FR 25316 (June 14, 1989).

inadvertently left out: "The antidumping duty order on imports from Japan covers industrial V-belts and synchronous belts and other industrial belts, in part or wholly of rubber or plastic, and containing textile fiber (including glass fiber) or steel wire, cord or strand, and whether in endless (*i.e.*, closed loops) belts, or in belting in lengths or links."<sup>2</sup>

**EFFECTIVE DATE:** April 10, 2000.

**FOR FURTHER INFORMATION CONTACT:**

Kathryn B. McCormick or Carole A. Showers, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, D.C. 20230; telephone (202) 482-1930 and (202) 482-3217, respectively.

This correction is issued and published in accordance with sections 751(h) and 777(i) of the Act.

Dated: April 4, 2000.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 00-8820 Filed 4-7-00; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-847]

### Persulfates From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, and Partial Rescission of 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 requests by the petitioner, FMC Corporation, and the following two manufacturers/exporters of the subject merchandise: Shanghai Ai Jian Import and Export Corporation, and Sinochem Jiangsu Wuxi Import and Export Corporation. In addition to these two respondents, the petitioner also requested a review of Guangdong Petroleum Chemical Import & Export Trade Corporation. The period of review is July 1, 1998, through June 30, 1999.

We have preliminarily found that sales of subject merchandise have been made below normal value. If these

<sup>2</sup> See *Industrial Belts and Components and Parts Thereof, Whether Cured or Uncured, From Japan; Final Results of Antidumping Duty Administrative Review*, 60 FR 39929 (August 4, 1995).

preliminary results are adopted in our final results of administrative review, we will instruct the Customs Service to assess antidumping duties based on the difference between the export price and the normal value. We also have preliminarily determined that the review of Sinochem Jiangsu Wuxi Import & Export Trade Corporation should be rescinded.

**EFFECTIVE DATE:** April 10, 2000.

**FOR FURTHER INFORMATION CONTACT:**

James Nunno, AD/CVD Enforcement Group I, Office II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-0783.

**APPLICABLE STATUTE AND REGULATIONS:**

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations are to 19 CFR part 351 (April 1998).

**SUPPLEMENTARY INFORMATION:**

### Background

On July 15, 1999, 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, 1998 through June 30, 1999. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 64 FR 38181 (July 15, 1999).

On July 31, 1999, in accordance with 19 CFR 351.213(b), the petitioner requested an administrative review of Shanghai Ai Jian Import & Export Corporation (Ai Jian), Sinochem Jiangsu Wuxi Import & Export Corporation (Wuxi), and Guangdong Petroleum Chemical Import & Export Trade Corporation (Guangdong Petroleum). We also received requests for a review from Ai Jian and Wuxi on July 31, 1998. We published a notice of initiation of this review on August 30, 1999. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 64 FR 47167 (August 30, 1999).

On September 8, 1999, we issued an antidumping questionnaire to Ai Jian, Wuxi, and Guangdong Petroleum. The Department received a response from Ai

Jian in October 1999. In addition, the Department received a response from Shanghai Ai Jian Reagent Works (AJ Works) (producer for Ai Jian) in November 1999. On November 5, 1999, Wuxi notified the Department that it had not made any U.S. sales of subject merchandise during the period of review (POR). See the "Partial Rescission of Administrative Review" section of the notice below. Guangdong Petroleum did not respond to the Department's questionnaire.

On November 25, 1999, we issued a letter to Guangdong Petroleum asking it to indicate whether it intended to participate in this administrative review. Guangdong Petroleum did not respond to this letter.

We issued supplemental questionnaires to Ai Jian and AJ Works in January 2000, and received responses to these questionnaires in February 2000. In March 2000, we requested and received additional information from Ai Jian and AJ Works concerning chemical inputs and packing materials.

In February 2000, Ai Jian and the petitioner submitted publicly available information and comments for consideration in valuing the factors of production. In March 2000, the parties submitted rebuttal comments.

#### 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,  $(\text{NH}_4)_2 \text{S}_2 \text{O}_8$ ,  $\text{K}_2 \text{S}_2 \text{O}_8$ , and  $\text{Na}_2 \text{S}_2 \text{O}_8$ . Ammonium and potassium persulfates are currently classified under subheading 2833.40.60 of the Harmonized Tariff Schedule of the United States (HTSUS). Sodium persulfate is classified under HTSUS subheading 2833.40.20. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this review is dispositive.

#### Partial Rescission of Administrative Review

Wuxi notified the Department that it had not made any U.S. sales of subject merchandise during the POR. Entry data provided by the Customs Service confirms that there were no POR entries from Wuxi of persulfates.

Therefore, consistent with the Department's practice, we preliminarily determine to rescind this review with respect to Wuxi. See *Stainless Steel Bar From India; Preliminary Results of Antidumping Duty Administrative Review and New Shipper Review and Partial Rescission of Administrative Review*, 65 FR 12209 (March 8, 2000).

#### 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 independent 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 for the period of review (POR) covering December 27, 1996 through June 30, 1998, 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 Administrative Review*, 64 FR 69494 (December 13, 1999) (Persulfates First Review). 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 First Review* and

continues to demonstrate an absence of government control, both in law and in fact, with respect to its exports, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*.

With respect to Guangdong Petroleum, which did not respond to the Department's questionnaire, we preliminarily determine that this company does not merit a separate rate. The Department assigns a single rate to companies in a non-market economy, unless an exporter demonstrates an absence of government control. We preliminarily determine that Guangdong Petroleum is subject to the country-wide rate for this case because it failed to demonstrate an absence of government control.

#### Use of Facts Otherwise Available

On September 8, 1999, the Department sent Guangdong Petroleum a questionnaire and cover letter, explaining the review procedures, by air mail through FedEx International Airway Bill. A response to the questionnaire, which covered exports to the United States for the period of review, was due by October 29, 1999. We did not receive responses by the due date. On November 25, 1999, we sent a follow-up letter regarding the past due date for the questionnaire responses and noting the necessity of relying on facts available. Because we have received no responses and have not been contacted by this respondent, we determine that the use of facts available is appropriate.

Section 776(a)(2) of the Act provides that "if an interested party or any other person (A) withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i), the administering authority shall, subject to section 782(d), use the facts otherwise available in reaching the applicable determination under this title."

Because Guangdong Petroleum, which is part of the PRC entity (see "Separate Rates" section above), has failed to respond to the original questionnaire and has refused to participate in this administrative review, we find that, in accordance with sections 776(a)(2)(A) and (C) of the Act, the use of total facts available is appropriate for the PRC-wide rate. See, e.g., *Sulfanilic Acid From the People's Republic of China; Final Results of Antidumping Duty*

Administrative Review, 65 FR 13366, 13367 (March 13, 2000).

Section 776(b) of the Act provides that, if the Department finds that an interested party "has failed to cooperate by not acting to the best of its ability to comply with a request for information," the Department may use information that is adverse to the interests of the party as facts otherwise available. Adverse inferences are appropriate "to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully." See Statement of Administrative Action ("SAA") accompanying the URAA, H.R. Doc. No. 103-316, at 870 (1994). Furthermore, "an affirmative finding of bad faith on the part of the respondent is not required before the Department may make an adverse inference." See *Antidumping Duties; Countervailing Duties: Final Rule*, 62 FR 27296, 27340 (May 19, 1997) (Final Rule). Section 776(b) of the Act authorizes the Department to use as adverse facts available information derived from the petition, the final determination from the less than fair value (LTFV) investigation, a previous administrative review, or any other information placed on the record.

Under section 782(c) of the Act, a respondent has a responsibility not only to notify the Department if it is unable to provide requested information, but also to provide a "full explanation and suggested alternative forms." Guangdong Petroleum failed to respond to our requests for information, thereby failing to comply with this provision of the statute. Therefore, we determine this respondent failed to cooperate to the best of its ability, making the use of an adverse inference appropriate. In this proceeding, in accordance with Department practice, as adverse facts available we have preliminarily assigned Guangdong Petroleum and all other exporters subject to the PRC-wide rate the petition rate of 119.02 percent, which is the PRC-wide rate established in the LTFV investigation, and the highest dumping margin determined in any segment of this proceeding. See *Fresh Garlic From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review*, 64 FR 39115 (July 21, 1999). The Department's practice when selecting an adverse rate from among the possible sources of information is to ensure that the margin is sufficiently adverse "as to effectuate the purpose of the facts available role to induce respondents to provide the Department with complete and accurate information in a timely manner." See *Static Random Access Memory Semiconductors from*

*Taiwan; Final Determination of Sales at Less than Fair Value*, 63 FR 8909, 8932 (February 23, 1998). The Department also considers the extent to which a party may benefit from its own lack of cooperation in selecting a rate. See *Roller Chain, Other than Bicycle, from Japan; Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 62 FR 60472, 60477 (November 10, 1997). It is reasonable to assume that if Guangdong Petroleum could have demonstrated that its actual dumping margin was lower than the PRC-wide rate established in the LTFV investigation, it would have participated in this review and attempted to do so.

Section 776(c) of the Act provides that where the Department selects from among the facts otherwise available and relies on "secondary information," the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. Secondary information is described in the SAA as "{i}nformation derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise." See SAA at 870. The SAA states that "corroborate" means to determine that the information used has probative value. See *id.* To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used. Although the petition rate of 119.02 percent constitutes secondary information, the information has already been corroborated in the LTFV investigation. See *Notice of Final Determination of Sales at Less Than Fair Value: Persulfates from The People's Republic of China*, 62 FR 27222, 27224 (May 19, 1997). With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance. Where circumstances indicate that the selected margin is not appropriate as adverse facts available, the Department will disregard the margin and determine an appropriate margin. For example, in *Fresh Cut Flowers from Mexico: Final Results of Antidumping Administrative Review*, 61 FR 6812 (February 22, 1996), the Department disregarded the highest margin in that case as adverse best information available (the predecessor to facts available) because the margin was based on another company's

uncharacteristic business expense resulting in an unusually high margin. Similarly, the Department does not apply a margin that has been discredited. See *D & L Supply Co. v. United States*, 113 F.3d 1220, 1221 (Fed. Cir. 1997) (the Department will not use a margin that has been judicially invalidated); see also *Borden Inc. v. United States*, 4 F. Supp. 2d 1221, 1246-48 (CIT 1998) (the Department may not use an uncorroborated petition margin that is high when compared to calculated margins for the period of review). None of these unusual circumstances are present here; nor have we any other reason to believe that application of the rate as adverse facts available would be inappropriate for the PRC-wide rate. Thus, the 119.02 percent margin does have relevance. Accordingly, we have used the petition rate from LTFV investigation, 119.02 percent, because there is no evidence on the record indicating that the selected margin is not appropriate as adverse facts available.

#### Export Price

For Ai Jian, we calculated export price (EP) in accordance with section 772(a) of 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 (CEP) methodology was not otherwise warranted, based on the facts of record. We calculated EP based on packed, CIF U.S. port, or FOB PRC port, prices to unaffiliated purchasers in the United States, as appropriate. We made deductions from the starting price, where appropriate, for foreign inland freight, foreign brokerage and handling, marine insurance, and ocean freight. With respect to ocean freight, although Ai Jian asserted that it used market-economy carriers for shipments of persulfates, we could not establish, based on the submitted information, that the freight charges Ai Jian paid reflect prices set by market-economy carriers. Accordingly, for ocean freight and other movement expenses, we based the charges on surrogate values. See "Normal Value" section for further discussion.

#### 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 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 constructed value 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 the PRC. See Memorandum from Director, Office of Policy, to Office Director, AD/CVD Group I, Office 2, dated November 8, 1999.

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 last administrative review of this order, we found that India was a producer of persulfates based on information submitted by the respondents. See Persulfates from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, and Partial Rescission of Administrative Review, 64 FR 42912, 42914 (August 6, 1999) (Persulfates First Review Preliminary Results). For purposes of this administrative review, we continue to find that India is a producer of persulfates based on information submitted by both the respondents 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, unless otherwise noted, 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 Preliminary Results Factors Valuation Memorandum from the Team to the File, dated April 3, 2000 (Factors Memorandum). 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 both the petitioner and the respondents in their February 25, 2000 submissions. For caustic soda and sulphuric acid, because price quotes reported in the *Chemical Weekly* are for chemicals with a 100 percent concentration level, we made chemical purity adjustments according to the particular concentration levels of caustic soda and sulphuric acid used by respondents. For potassium sulfate and anhydrous ammonia, we relied on import prices contained in the January through August 1998 issues of *Monthly Statistics of the Foreign Trade of India* (Monthly Statistics), as collectively provided by the petitioner and the respondents in their February 25, 2000 submissions. Where necessary, we adjusted the values reported in the *Chemical Weekly* to exclude sales and excise taxes. For those values not contemporaneous with the POR, we adjusted for inflation using the wholesale price indices (WPI) published by the International Monetary Fund (IMF). We made further adjustments to account for freight costs between the suppliers and AJ Works' manufacturing facilities.

During the POR, AJ Works self-produced ammonium persulfates, which is a material input in the production of potassium and sodium persulfates. In order to value such ammonium persulfates, we calculated the sum of the materials, labor, and energy costs for ammonium persulfates based on the usage factors submitted by AJ Works on November 5, 1999, February 28, 2000, and March 15, 2000. Consistent with our methodology used in Persulfates First Review, we then applied this value to the reported consumption amounts of

ammonium persulfates used in the production of potassium and sodium persulfates.

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).

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

For electricity, we relied upon public information from an August 6, 1996, article in *Business World* to obtain an average price for electricity provided to industries in India. To value water we relied on public information reported in the October 1997 publication of the *Second Water Utilities Data Book: Asian and Pacific Region*. To value coal, we relied on import prices contained in the March 1998 issue of *Monthly Statistics*. We adjusted the values to reflect inflation up to the POR using the WPI published by the IMF. Additionally, we adjusted the value for coal to account for freight costs incurred between the suppliers and AJ Works.

For the reported packing materials—polyethylene bags, woven bags, polyethylene sheet/film and liner, and fiberboard—we relied upon Indian import data from the January through August 1998 issues of *Monthly Statistics*. For paper bags and wood pallets, we relied upon Indian import data from the March 1998 issue of *Monthly Statistics*. We adjusted the values to reflect inflation up to the POR using the WPI published by the IMF. Additionally, we adjusted these values to account for freight costs incurred between the suppliers and AJ Works.

To value truck freight, we used price quotes obtained by the Department from Indian truck freight companies in November 1999, and used recently in the investigation of bulk aspirin from the PRC. See Notice of Preliminary Determination of Sales at Less Than Fair Value: Bulk Aspirin From the People's Republic of China, 65 FR 116, 118 (January 3, 2000). Because the time period for this data (*i.e.*, November 1999) is later than that of the POR, we adjusted the data to reflect POR values using the WPI published by the IMF. For ocean freight we used a price quote

from Maersk, Inc. This rate was recently used in the fourth administrative review of sebacic acid from the PRC. See *Sebacic Acid From the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 64 FR 69503, 69507 (December 13, 1999).

For marine insurance we used the June 1998 marine insurance data used in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results of 1996-97 Antidumping Duty Administrative Review and New Shipper Review and Determination Not To Revoke Order in Part*, 63 FR 63842 (November 17, 1998). For foreign brokerage and handling expenses we used public information reported in the new shipper review of stainless steel wire rod from India. See *Certain Stainless Steel Wire Rod From India; Preliminary Results of Antidumping Duty Administrative and New Shipper Reviews*, 63 FR 48184, 48185 (September 9, 1998); *Factors Memorandum* at page 5. We adjusted the values to reflect inflation up to the POR using the WPI published by the IMF.

For factory overhead, selling, general, and administrative expenses (SG&A), and profit, we relied on the financial statements of Calibre Chemicals Pvt. Limited (Calibre), an Indian producer of potassium persulfates and other chemicals, which were submitted by the petitioner in its February 25, 2000, submission, because this company is a producer of subject merchandise.

The petitioner also submitted the financial statements of National Peroxide Limited (National Peroxide), and asserted that while the Department should value factory overhead and profit using Calibre's financial data, the Department should use National Peroxide's data to value SG&A. The petitioner maintains as it did in *Persulfates First Review Final* that because Calibre produces non-subject merchandise in addition to subject merchandise, its financial data is not representative of persulfates production. However, as we stated in *Persulfates First Review Final*, we find this approach to be inappropriate and unwarranted. SG&A expenses are not considered to be directly related to the production of merchandise, unlike factory overhead costs. In addition, while we recognize that Calibre's financial data may not mirror the actual experience of AJ Works, this does not render Calibre's data unreliable for purposes of calculating a surrogate SG&A ratio within the context of the Department's NME methodology.

Finally, because a company's profit amount is a function of its total expenses, using Calibre's financial data for factory overhead and profit, then using National Peroxide's data for SG&A, as proposed by the petitioner, results in applying a profit ratio that bears no relationship to the overhead and SG&A ratios. Therefore, for purposes of these preliminary results, we have continued to rely upon Calibre's financials for these values. See *Persulfates First Review Final*, 64 FR at 69499-500.

Consistent with our methodology used in *Persulfates First Review*, we calculated factory overhead as a percentage of the total raw material costs for subject merchandise, as opposed to calculating factory overhead as a percentage of total materials, labor, and energy costs for all products. See *Persulfates First Review*, 64 FR at 69498-99; *Factors Memorandum* at page 6. We also reclassified certain depreciation expenses from Calibre's financial statements as SG&A expenses. See *Persulfates First Review*, 64 FR at 69501. We removed from the profit calculation the excise duties and sales taxes. See *Persulfates First Review Preliminary Results*, 64 FR at 42915.

#### Preliminary Results of the Review

We preliminarily determine that the following margins exist for the period July 1, 1998 through June 30, 1999:

Manufacturer/Exporter	Margin (percent)
Shanghai Ai Jian Import & Export Corporation .....	0.82
PRC-Wide Rate .....	119.02

Interested parties may request a hearing within 30 days of publication of this notice. See 19 CFR 351.310(c). Any hearing, if requested, will be held 44 days after the date of the publication of this notice or the first workday thereafter. Interested parties may submit case briefs within 30 days of publication. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than 35 days after the date of publication. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited.

The Department will subsequently issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or at the hearing,

if held, not later than 120 days after the date of publication of this notice.

The Department shall determine and the Customs Service shall assess antidumping duties on all appropriate entries. The Department will issue appropriate appraisement instructions directly to the Customs Service upon completion of this review. The final results of this review shall 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, we do not have the information to calculate an estimated entered value. Accordingly, 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. This rate will be assessed uniformly on all entries of that particular importer made during the POR.

Furthermore, the following deposit requirements will be effective upon publication of the final results of this antidumping duty 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) the rate will continue to be 7.18 percent for Wuxi, which we determined to be entitled to a separate rate in the previous review but which did not have shipments or entries to the United States during this POR (this is the rate which currently applies to this company); (3) the cash deposit rate for all other PRC exporters, including Guangdong Petroleum, will be 119.02 percent, the PRC-wide rate established in the less-than-fair-value investigation; and (4) the cash deposit rate for non-PRC exporters of subject merchandise from the PRC will be the rate applicable to the PRC supplier of that exporter. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

#### 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 Secretary'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: April 3, 2000.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 00-8822 Filed 4-7-00; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-825]

#### **Sebacic Acid From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review**

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

**ACTION:** Notice of preliminary Results of antidumping duty administrative review of sebacic acid from the People's Republic of China

**SUMMARY:** The Department of Commerce is conducting an administrative review of the antidumping duty order on sebacic acid from the People's Republic of China in response to requests from the petitioner, Arizona Chemical Company, and the following two respondents: Tianjin Chemicals Import and Export Corporation and Guangdong Chemicals Import and Export Corporation. In addition to these two respondents, the petitioner also requested a review of Sinochem Jiangsu Import and Export Corporation and Sinochem International Chemicals Company. This review covers four exporters of the subject merchandise. The period of review is July 1, 1998, through June 30, 1999.

We preliminarily determine that sales have been made below normal value. Interested parties are invited to comment on these preliminary results. If these preliminary results are adopted in our final results of administrative review, we will instruct the Customs Service to assess antidumping duties on entries subject to this review.

**EFFECTIVE DATE:** April 10, 2000.

**FOR FURTHER INFORMATION CONTACT:** James Nunno or Christopher Priddy, Office 2, AD/CVD Enforcement Group I, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W.,

Washington, D.C. 20230; telephone: (202) 482-0783 or (202) 482-1130, respectively.

#### *Applicable Statute and Regulations*

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations are to 19 CFR part 351 (1999).

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On July 15, 1999, the Department published in the **Federal Register** at 64 FR 38181 a notice of "Opportunity to Request an Administrative Review" of the antidumping duty order on sebacic acid from the People's Republic of China (PRC) covering the period July 1, 1998, through June 30, 1999.

On July 22, 1999, in accordance with 19 CFR 351.213(b), the petitioner requested that we conduct an administrative review of Tianjin Chemicals Import and Export Corporation (Tianjin), Guangdong Chemicals Import and Export Corporation (Guangdong), Sinochem International Chemicals Company, Ltd. (SICC) and Sinochem Jiangsu Import and Export Corporation (Jiangsu). On July 26, 1999, Tianjin and Guangdong also requested that we conduct an administrative review. We published a notice of initiation of this antidumping duty administrative review on August 30, 1999, at 64 FR 47167. On September 9, 1999, we issued questionnaires to the four respondents. Tianjin and Guangdong submitted responses to sections A, C, and D of the antidumping questionnaire on November 8, 1999. The Department issued its supplemental questionnaires on January 19, 2000, and received responses to the questionnaires in February 2000. Both Guangdong and Tianjin submitted additional information clarifying their reported sales and factors of production data in March 2000. SICC and Jiangsu did not respond to the Department's questionnaire.

On December 14, 1999, the Department invited interested parties to provide publicly available information (PAI) for valuing the factors of production and for surrogate country selection. We received responses from the petitioner on January 24, 2000. The respondents did not submit PAI information for purposes of the preliminary results.

The Department is conducting this administrative review in accordance with section 751 of the Act.

#### **Scope of Review**

The products covered by this order are all grades of sebacic acid, a dicarboxylic acid with the formula (CH<sub>2</sub>)<sub>8</sub>(COOH)<sub>2</sub>, which include but are not limited to CP Grade (500ppm 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 C10 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 remains dispositive.

#### **Separate Rates**

It is the Department's standard 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), and 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