

non-profit organizations for the provision of technical assistance and training to rural communities for the purpose of improving passenger transportation services or facilities. Public bodies are not eligible for passenger transportation RBEG grants.

Refer to section 310B(c)(2) (7 U.S.C. 1932) of the CONACT and 7 CFR part 1942, subpart G for the information collection requirements of the RBEG program.

Fiscal Year 2001 Preapplications Submission

Each preapplication received in a Rural Development State Office will be reviewed to determine if this preapplication is consistent with the eligible purposes contained in 7 U.S.C. 310B(c)(2) of the CONACT. Each selection priority criterion outlined in 7 CFR part 1942, subpart G, section 1942.305(b)(3), must be addressed in the preapplication. Failure to address any of the criteria will result in a zero-point score for that criterion and will impact the overall evaluation of the preapplication. Copies of 7 CFR part 1942, subpart G, will be provided to any interested applicant making a request to a Rural Development State Office listed in this notice. All projects to receive technical assistance through these passenger transportation grant funds are to be identified when the preapplications are submitted to the Rural Development State Office. Multiple project preapplications must identify each individual project, indicate the amount of funding requested for each individual project, and address the criteria as stated above for each individual project. For multiple-project preapplications, the average of the individual project scores will be the score for that preapplication.

All eligible preapplications, along with tentative scoring sheets and the Rural Development State Director's recommendation, will be referred to the National Office no later than April 13, 2001, for final scoring and selection for award.

The National Office will score preapplications based on the grant selection criteria and weights contained in 7 CFR part 1942, subpart G, and Administrator's points, and will select a grantee subject to the grantee's satisfactory submission of a formal application and related materials in the manner and time frame established by RBS in accordance with 7 CFR part 1942, subpart G. It is anticipated that the grantees will be selected by June 1, 2001. All applicants will be notified by RBS of the Agency decision on the award.

The information collection requirements within this Notice are covered under OMB No. 0570-0022 and 7 CFR part 1942, subpart G.

Dated: December 22, 2000.

Judith A. Canales,

Acting Administrator, Rural Business-Cooperative Service.

[FR Doc. 01-605 Filed 1-8-01; 8:45 am]

BILLING CODE 3410-XY-U

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

Arkansas Electric Cooperative Corporation; Notice of Finding of No Significant Impact

AGENCY: Rural Utilities Service, USDA.

ACTION: Notice of finding of no significant impact.

SUMMARY: Notice is hereby given that the Rural Utilities Service (RUS) has made a finding of no significant impact (FONSI) with respect to a request from Arkansas Electric Cooperative Corporation for financing assistance from the RUS to finance the construction of a 153 megawatt (MW) combustion turbine electric generating plant in southwest Arkansas.

FOR FURTHER INFORMATION CONTACT: Bob Quigel, Environmental Protection Specialist, Engineering and Environmental Staff, RUS, Stop 1571, 1400 Independence Avenue, SW., Washington, DC 20250-1571, telephone (202) 720-0468, e-mail at bquigel@rus.usda.gov.

SUPPLEMENTARY INFORMATION: The project will consist of a single 153 MW gas-fired, simple-cycle combustion turbine generating unit. Other on-site facilities include a 90-foot exhaust stack, step-up and auxiliary transformers, motor control centers, bus ductwork, an electric substation, and control, maintenance, and operations buildings. The project also includes 4 miles of 115 kV transmission line that will tie the station to the existing transmission grid. The transmission line will be built to 161 kV specifications in anticipation that additional transmission line capacity may be needed in the future.

The facility is designed to accommodate conversion of the unit to combined cycle operation, but will be initially operated as a simple cycle unit. The site has been sized to accommodate additional simple or combined cycle units that may be added in the future.

Copies of the FONSI are available from RUS at the address provided herein or from Curtis Warner, Arkansas

Electric Cooperative Corporation, P.O. Box 194208, Little Rock, Arkansas 72219-4208. Telephone (501) 570-2462.

Dated: January 3, 2001.

Blaine D. Stockton,

Assistant Administrator, Electric Program, Rural Utilities Service.

[FR Doc. 01-556 Filed 1-8-01; 8:45 am]

BILLING CODE 3410-15-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-827]

Certain Cased Pencils From the People's Republic of China; Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results and rescission in part of antidumping duty administrative review of certain cased pencils from the People's Republic of China.

SUMMARY: The Department of Commerce ("the Department") has preliminarily determined that sales by the respondent in this review covering the period December 1, 1998 through November 30, 1999, have been made below normal value ("NV"). In addition, we are preliminarily rescinding this review with respect to Three Star Stationery Industry Co., Ltd. If these preliminary results are adopted in our final results of review, we will instruct the U.S. Customs Service ("Customs") to assess antidumping duties on all appropriate entries. Furthermore, we have reached a final determination to rescind the review with respect to Laizhou City Guangming Pencil-Making Lead Co., Ltd.

The Department invites interested parties to comment on these preliminary results.

EFFECTIVE DATE: January 9, 2001.

FOR FURTHER INFORMATION CONTACT: Paul Stolz or Howard Smith, AD/CVD Enforcement, Office 4, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-4474, and 482-5193, respectively.

SUPPLEMENTARY INFORMATION:

The 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's regulations are to the current regulations at 19 CFR part 351 (1999).

Period of Review

The period of review ("POR") is December 1, 1998 through November 30, 1999.

Background

On December 28, 1994, the Department published in the **Federal Register** (59 FR 66909) the antidumping duty order on certain cased pencils ("pencils"), from the People's Republic of China ("PRC"). On December 14, 1999, the Department published in the **Federal Register** (64 FR 69693) a notice of opportunity to request an administrative review of this order. On December 20, 1999, in accordance with 19 CFR 351.213(b), Simmons Rennolds Associates, L.L.C., Incorporated and Laizhou City Guangming Pencil-Making Lead Co., Ltd., ("Laizhou"), a U.S. importer and a PRC producer, respectively, jointly requested that the Department conduct an administrative review of the order with respect to Laizhou. On January 3, 2000, in accordance with 19 CFR 351.213(b), the Writing Instrument Manufacturers Association, Inc., Pencil Section; Sanford Corp.; Berol Corp.; General Pencil Co., Inc; J.R. Moon Pencil Co.; Tennessee Pencil Co.; and Musgrave Pencil Co., collectively, the petitioners, requested that we conduct an administrative review of exports of the subject merchandise made by 33 named producers/exporters.

On January 26, 2000, the Department published a notice in the **Federal Register** initiating an administrative review of all parties named in the above requests (65 FR 4228).

On February 23, 2000, we issued antidumping duty questionnaires to all parties named in the notice of initiation for whom we were able to obtain addresses.¹ In addition, on March 1,

2000, we issued a questionnaire to the PRC embassy in order to collect information relevant to the calculation of the PRC-wide rate. Only China First Pencil Co., Ltd. ("CFP") Laizhou, and Three Star Stationary Co., Ltd. (Three Star) responded to our February 23, 2000, questionnaire. In its March 16, 2000, response to the Department's questionnaire, Three Star stated that it did not export pencils to the United States during the POR.

Pursuant to section 751(a)(3)(A) of the Act, the Department may extend the deadline for completion of the preliminary results of an administrative review if it determines that it is not practicable to complete the preliminary results of a review within the statutory time limit of 245 days. On September 5, 2000, in accordance with the Act, the Department extended the time limit for the preliminary results of this review until December 30, 2000 (*see Certain Cased Pencils from the People's Republic of China: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review*, 65 FR 53701).

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

Verification

As provided in section 782(i) of the Act, during September, 2000, the Department conducted verifications of CFP and Three Star Stationary. During the verifications, we followed standard procedures in order to test information submitted by the respondents. These procedures included on-site inspection of the manufacturers' facilities, examination of relevant sales and financial records, and selection of relevant source documentation as exhibits. Our verification findings are detailed in the report: Verification of the Sales Responses of China First Pencil Company, Ltd., and Three Star Stationary in the 1998-1999 Administrative Review of Certain Cased Pencils from the People's Republic of China ("Verification Report") dated January 2, 2001, the public version of which is on file in the Department's Central Records Unit, Room B099, of the Main Commerce building ("CRU-Public File").

Scope of Reviews

Imports covered by this review are shipments of certain cased pencils of

required to base our findings with respect to these firms on facts available which could be adverse to the firms' interests. We did not receive any response from MOFTEC and we did not receive questionnaire responses from these firms within the time limits.

any shape or dimension which are writing and/or drawing instruments that feature cores of graphite or other materials, encased in wood and/or man-made materials, whether or not decorated and whether or not tipped (*e.g.*, with erasers, etc.) in any fashion, and either sharpened or unsharpened. The pencils subject to this investigation are classified under subheading 9609.10.00 of the Harmonized Tariff Schedules of the United States ("HTSUS"). Specifically excluded from the scope of this investigation are mechanical pencils, cosmetic pencils, pens, non-cased crayons (wax), pastels, charcoals, and chalks.

Although the HTSUS subheading is provided for convenience and customs purposes our written description of the scope of the order is dispositive.

Preliminary Partial Rescission

We are preliminarily rescinding this review with respect to Three Star because the Department verified that Three Star did not export pencils to the United States during the POR.

Final Partial Rescission

On June 8, 2000, we issued a letter to Laizhou stating our intention to rescind the review with respect to this company because it had not exported subject merchandise to the United States during the POR.² We also invited all interested parties to comment on our stated intent to rescind the review with respect to Laizhou. On June 20, 2000, the petitioners submitted comments supporting the rescission while on July 14, 2000, Laizhou submitted comments objecting to the rescission. We have considered petitioners' and Laizhou's comments and have reached a final determination to rescind the review with respect to Laizhou. For a discussion of this issue, *see* the memorandum: Final Partial Rescission of Administrative Review, dated January 2, 2001 (CRU-Public File).

Separate Rates Determination

To establish whether a company operating in a non-market economy ("NME") is sufficiently independent to be entitled to a separate rate, the Department analyzes each exporting entity under the test we 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 by the *Final Determination of*

²During the POR, Kaiyuan Group Corporation ("Kaiyuan") exported pencils from the PRC to the United States that were produced by Laizhou; however, a review of Kaiyuan's U.S. sales of subject merchandises was not requested.

¹On March 6, 2000, we sent a letter to the PRC Minister of Foreign Trade and Economic Cooperation (MOFTEC) requesting that it deliver questionnaires for seven parties for whom we could not find addresses. On April 24, 2000, we sent a letter to MOFTEC requesting that it deliver questionnaires to 6 parties for whom questionnaires were returned to us as undeliverable due to incorrect addresses or contract information. We requested that MOFTEC contact us by May 30, 2000 if it should not deliver any of these questionnaires and advised MOFTEC that if we did not receive its responses within the time provided, we would be

Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China, 59 FR 22585 (May 2, 1994) ("*Silicon Carbide*"). Under this test, NME companies are entitled to separate, company-specific margins when they can demonstrate an absence of government control, both in law and in fact, with respect to export activities. 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 the 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. *De facto* absence of government control over exports is based on four factors: (1) Whether each exporter sets its own export prices independent of the government and without the approval of a government authority; (2) whether each exporter retains the proceeds from its sales and makes independent decisions regarding the disposition of profits or financing of losses; (3) whether each exporter has the authority to negotiate and sign contracts and other agreements; and (4) whether each exporter has autonomy from the government regarding the selection of management. See *Silicon Carbide*, 59 FR at 22587 and *Sparklers* 56 FR at 20589.

In the *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cased Pencils From the People's Republic of China*, 59 FR 55625 (November 8, 1994), the Department granted a separate rate to CFP. While CFP received a separate rate in a previous segment of this proceeding, it is the Department's policy to evaluate separate rates questionnaire responses each time a respondent makes a separate rates claim, regardless of any separate rate the respondent received in the past. See *Manganese Metal From the People's Republic of China, Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 63 FR 12441 (March 13, 1998). In the instant review, CFP submitted complete responses to the separate rates section of the Department's questionnaire. The evidence submitted in this review by CFP includes government laws and regulations on corporate ownership, business licences, and narrative information regarding the company's operations and selection of management. This evidence is consistent with the Department's findings in a previous review and supports a finding that control of

companies in the PRC has been decentralized and that the respondent company's operations are, in fact, autonomous from the PRC government. Therefore, we preliminarily determine that CFP continues to be entitled to a separate rate.

Facts Available

China First

The record in the instant review establishes that CFP failed to report a significant quantity of U.S. sales and thus significantly impeded the review. As a result, the Department has determined to apply a total facts available rate to CFP in accordance with sections 776(a)(2)(A) and (C) of the Act. For further discussion, see the memorandum: Application of Total Facts Available for the Preliminary Results: China First Pencil Company, Ltd., dated January 2, 2001 ("*Facts Available Memorandum*"); see also the Verification Report.

Furthermore, section 776(b) of the Act provides that the Department may use an inference that is adverse to the interests of that party in selecting from among the facts otherwise available if the Department finds that an interested party has failed to cooperate by not acting to the best of its ability. Although CFP is entitled to a separate rate, CFP provided incomplete information, failed to provide information it had readily available, and misled the Department about the availability of sales/shipping documents. See verification report at page 17. As a result, the accuracy and completeness of CFP's submitted information is called into question. Furthermore, we have concluded that CFP failed to act to the best of its ability to cooperate with the Department. Thus, for the preliminary results, we have made an inference that is adverse to CFP in selecting from among the facts available.

The statute provides no clear obligation or preference for relying upon a particular source in choosing information to use as adverse facts available. Consistent with Department practice in cases where a respondent fails to cooperate to the best of its ability, and in keeping with section 776(b) of the Act, as adverse facts available we have applied a margin based on the highest margin used either in prior reviews or in the less-than-fair-value ("*LTFV*") investigation. See e.g., *Viscose Rayon Staple Fiber From Finland: Final Results of Antidumping Duty Administrative Review*, 63 FR 32820, 32822 (June 16, 1998) (*Viscose Rayon Fiber*). Therefore, as facts available we are applying the

"recalculated" petition rate, 53.65 percent ad valorem, which is the highest margin used in this or any prior segment of this proceeding. See *Certain Cased Pencils From the People's Republic of China; Notice of Amended Final Determination of Sales at Less Than Fair Value and Amended Antidumping Duty Order in Accordance With Final Court Decision*, 64 FR 25275 (May 11, 1999); and Facts Available Memorandum for further discussion.

Tianjin Stationery & Sporting Goods Imp. & Exp. Corp.

On June 7, 2000, in letters to all non-responding parties to whom we issued antidumping duty questionnaires, we noted that the questionnaire deadline had passed without the Department having received either the party's response or a request to extend the deadline for responding. Also, we advised these parties that, pursuant to 19 CFR 351.302(d)(i), we would consider any information submitted after the deadline as untimely filed and would return it to the submitting party. Finally, we advised these parties that since we had not received their responses, we were required by section 776(a)(2)(B) of the Act to rely on facts available in our determination.

Tianjin Stationery & Sporting Goods Imp. & Exp. Corp. ("*Tianjin*") submitted a letter dated June 20, 2000 stating that although it had received our letter of June 7, 2000, it had not received our antidumping duty questionnaire. Tianjin asked that we re-send the questionnaire by mail, electronic mail, or facsimile.

However, the Department's records indicate that both the letter of June 7, 2000, which Tianjin received, and the questionnaire were sent to the same address in the PRC. Moreover, the commercial courier which the Department used to transmit the questionnaire confirmed that the questionnaire was delivered to Tianjin and signed for on February 29, 2000. Thus, we find that Tianjin received the Department's questionnaire but failed to respond. Tianjin's failure to respond to the questionnaire indicates that the company did not act to the best of its ability to comply with the Department's requests. Thus, pursuant to section 776(b) of the Act, we would normally rely on adverse facts available to determine the margin for Tianjin. However, because Tianjin did not submit any information in the instant review, we also preliminarily determine that Tianjin is not entitled to a separate rate and is therefore subject to the PRC country-wide rate described in the following section.

Country-Wide Rate

The Department has determined that the use of facts available is appropriate for purposes of establishing the country-wide rate for the preliminary results of this review, pursuant to section 776(a)(2)(B) of the Act. The Act provides that the administering authority shall use facts otherwise available when an interested party "fails to provide such information by the deadlines for the submission of the information or in the form and manner requested." On February 23, 2000, the Department sent a questionnaire to the PRC Embassy in order to collect information relevant to the calculation of the PRC-wide rate. The PRC Embassy never responded to our questionnaire. With respect to Tianjin, evidence on the record indicates that although Tianjin received the Department's questionnaire, it never responded, and thus, failed to act to the best of its ability to respond to this request for information. Further, as noted above, we requested that MOFTEC deliver the questionnaire to 13 firms for which we could not obtain valid addresses. MOFTEC did not notify us as to whether it was able to do so within the times limits and these firms did not respond to our questionnaire. Sixteen additional firms for which we have confirmation that they received our questionnaires, did not respond.

Section 776(b) of the Act authorizes the Department to use adverse facts available whenever it finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with the Department's requests for information. Because the PRC embassy did not respond to our questionnaire or advise us to send it to any other party, because Tianjin failed to respond to the Department's questionnaire in any way, because MOFTEC did not respond on behalf of the thirteen firms for which we could not obtain addresses, and because 16 other firms to whom we sent questionnaires did not respond, we preliminarily determine that these entities did not act to the best of their abilities to comply with our requests. Therefore, pursuant to section 776(b) of the Act, we are relying on adverse facts available to determine the margins for the PRC-wide entity. Specifically, for adverse facts available for the PRC-wide entity, we have applied the highest rate from any prior segment of this proceeding, 53.65 percent, the "recalculated" petition rate from the LTFV investigation.

Corroboration

Section 776(c) of the Act provides that when the Department resorts to 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. The Statement of Administrative Action (H.R. Doc. 103-316 (1994)) ("SAA") states that "corroborate" means to determine that the information used has probative value. See SAA at 870. To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used.

In this review, we are using, as adverse facts available, the highest margin from this or any prior segment of the proceeding. Specifically, we are using 53.65 percent, the "recalculated" petition rate, which was "recalculated" for the final determination in the investigation. See *Certain Cased Pencils From the People's Republic of China; Notice of Amended Final Determination of Sales at Less Than Fair Value and Amended Antidumping Order in Accordance With Final Court Decision*, 64 FR 25275 (May 11, 1999).

The rate we are using for adverse facts available constitutes secondary information within the meaning of the SAA. See SAA at 870. Section 776(c) of the Act provides that the Department shall, to the extent practicable, corroborate secondary information from independent sources reasonably at its disposal. The SAA provides that "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value. The SAA at 870, however, states further that "the fact that corroboration may not be practicable in a given circumstance will not prevent the agencies from applying an adverse inference." In addition, the SAA, at 869, emphasizes that the Department need not prove that the facts available are the best alternative information.

To corroborate secondary information, to the extent practicable the Department will examine the reliability and relevance of the information to be used. The "recalculated" petition rate was corroborated by the Department in a prior segment of this proceeding and nothing on the record of the instant review calls into question the reliability of the "recalculated" rate. See *Certain Cased Pencils From the People's Republic of China; Final Results of Antidumping Administrative Review*, 63 FR 779 (January 7, 1998). 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. Nothing in the record of this review calls into question the relevancy of the selected margin. Furthermore, the rate has not been judicially invalidated. Thus it is appropriate to use the "recalculated" petition rate as adverse facts available in the instant review.

Preliminary Results of Review

As a result of our review, we preliminarily determine that the following margins exist for the period December 1, 1998 through November 30, 1999:

| Manufacturer/exporter | Margin (percent) |
|---------------------------------|------------------|
| China First Pencil Co Ltd | 53.65 |
| PRC-wide Rate | 53.65 |

The Department will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within ten days of the date of announcement of the preliminary results. An interested party may request a hearing within 30 days of publication of the preliminary results. See 19 CFR 351.310(c). Any hearing, if requested, will be held 44 days after the publication of this notice, or the first workday thereafter. Interested parties may submit written comments (case briefs) within 30 days of the date of publication of this notice, in accordance with 19 CFR 351.309(c)(1)(ii). Rebuttal comments (rebuttal briefs), which must be limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication of this notice. Parties who submit arguments are requested to submit with the argument (1) a statement of the issue, (2) a brief summary of the argument and (3) a table of authorities. Further, the Department requests that parties submitting written comments provide the Department with a diskette containing the public version of those comments. The Department will publish a notice of the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days of publication of these preliminary results.

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.

Duty Assessment Rates

The Department shall determine, and Customs shall assess, antidumping duties on all appropriate entries. In the instant review, we based the importer-specific assessment rates on the facts available margin percentages listed above. These importer-specific rates will be assessed uniformly on all entries of each importer that were made during the POR. In accordance with 19 CFR 351.106 (c)(2), we will instruct Customs to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis*, (i.e., less than 0.5 percent). The Department will issue appraisal instructions directly to Customs.

Cash Deposit Requirements

The following deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of pencils from the PRC 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)(1) of the Act: (1) The cash deposit rates for the reviewed companies named above, will be the rates for those firms established in the final results of this administrative review; (2) for any previously reviewed PRC or non-PRC exporter with a separate rate not covered in this review, the cash deposit rate will be the company-specific rates established for the most recent period; (3) for all other PRC exporters, the cash deposit rates will be the PRC-wide rates established in the final results of this review; and (4) the cash deposit rates for non-PRC exporters of subject merchandise from the PRC will be the rates applicable to the PRC supplier of that exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification to Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under section 351.402(f)(2) of the Department's regulations 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.

We are issuing and publishing this determination in accordance with

sections 751(a)(1) and 777(i)(1) of the Act.

Dated: January 2, 2001.

Troy H. Cribb,

Assistant Secretary for Import Administration.

[FR Doc. 01-604 Filed 1-8-01; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-839]

Notice of Initiation and Preliminary Results of Changed Circumstances Antidumping Duty Review: Certain Polyester Staple Fiber From the Republic of Korea

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

SUMMARY: Based on the submissions of the petitioners, E.I. Dupont de Nemours and Co., Artea Specialities S.a.r.l, d/b/a KoSa, Wellman Inc. and Intercontinental Polymers, Inc., and Samyang Corporation and the Huvis Corporation, Korean polyester staple fiber producers, we are initiating a changed circumstances review to examine the recent formation of the Huvis Corporation through a joint venture merger of Samyang Corporation and SK Chemicals Co., Ltd. Pursuant to this review, the Department of Commerce preliminarily determines that the Huvis Corporation is not the successor-in-interest to either of the pre-merger companies, and is covered by the antidumping duty order on certain polyester staple fiber from Korea. The Department of Commerce is directing that liquidation of the Huvis Corporation's entries of subject merchandise be suspended retroactive to November 1, 2000, the date of the joint venture merger of Samyang Corporation and SK Chemicals Co. Ltd. **EFFECTIVE DATE:** January 9, 2001.

FOR FURTHER INFORMATION CONTACT: Sally Hastings or Craig Matney, at (202) 482-3464 or (202) 482-1778 respectively; AD/CVD Enforcement Group I, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

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's regulations are to 19 CFR Part 351 (1999).

Background

On May 25, 2000, the Department of Commerce (the Department) issued an antidumping duty order on certain polyester staple fiber (PSF) from Republic of Korea. *See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Polyester Staple Fiber from Republic of Korea*, 65 FR 33807 (May 25, 2000). The order excluded merchandise produced by Samyang Corporation (SAMYANG) which had been found to be dumping at a *de minimis* level in the less-than-fair-value (LTFV) investigation. SK Chemicals Co., Ltd. (SK Chemicals) was not examined in the LTFV investigation and its entries of subject merchandise are currently being suspended at the "all others" cash deposit rate, 11.35 percent.

On September 25 and November 1, 2000, E.I. Dupont de Nemours and Co., Artea Specialities S.a.r.l, d/b/a KoSa, Wellman Inc. and Intercontinental Polymers, Inc., (the petitioners), requested that the Department forward new antidumping duty deposit instructions to Customs informing that agency that SAMYANG and SK Chemicals no longer produce subject merchandise and directing that entries of subject merchandise produced or exported by the Huvis Corporation (Huvis) be subject to the "all others" rate. In addition, the petitioners argued that the Department may not conduct a changed circumstances review, claiming that Huvis is a new company and not a "successor" to either SK Chemicals or SAMYANG, and that "good cause" does not exist to conduct a changed circumstances review.

On November 20, 2000, SAMYANG and Huvis informed the Department that SAMYANG and SK Chemicals established Huvis as a 50-50 joint venture, effective November 1, 2000, and requested that the Department conduct a changed circumstances review. SAMYANG and Huvis argued that Huvis is the successor-in-interest to SAMYANG and, therefore, entitled to exclusion from the antidumping order. In the alternative, they asked that the Department find Huvis a joint successor to SAMYANG and SK Chemicals and to calculate a weighted-average cash deposit rate for Huvis.