

U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC 20230; telephone: (202) 482-4236 or (202) 482-0780, respectively.

### The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the Tariff Act of 1930, as amended (the Act). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations, codified at 19 CFR part 351 (2001).

### Background

On August 31, 2001, the Department of Commerce (the Department) received timely requests to conduct an administrative review of the antidumping duty order on oil country tubular goods from Korea. On October 1, 2001, the Department published a notice of initiation of this administrative review, covering the period of August 1, 2000 through July 31, 2001 (66 FR 49924).

### Extension of Time Limits for Preliminary Results

Because of the complexity and timing of certain issues in this case, specifically the use of third country sales and the appropriate basis for determining normal value, it is not practicable to complete this review within the usual time limits mandated by section 751(a)(3)(A) of the Act. Therefore, we are extending the due date for the preliminary results of the administrative review of SeAH until August 26, 2002, pursuant to section 751(a)(3)(A). The final results continue to be due 120 days after the publication of the preliminary results. We note that on February 6, 2002, the Department aligned the new shipper review of Shinho Steel Co., Ltd. (Shinho) with this administrative review of oil country tubular goods from Korea (67 FR 5563). Therefore, the due date for the preliminary determination of the new shipper review of Shinho is also extended to August 26, 2002.

Dated: April 23, 2002.

**Joseph A. Spetrini,**

*Deputy Assistant Secretary for Import Administration, Group III.*

[FR Doc. 02-11077 Filed 5-3-02; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-437-804]

### Notice of Preliminary Determination of Sales at Less Than Fair Value: Sulfanilic Acid From Hungary

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

**ACTION:** Notice of preliminary determination of sales at less than fair value.

**SUMMARY:** We preliminarily determine that sulfanilic acid from Hungary is being, or is likely to be, sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended.

Interested parties are invited to comment on this preliminary determination (*see* the "Public Comment" section of this notice).

**EFFECTIVE DATE:** May 6, 2002.

**FOR FURTHER INFORMATION CONTACT:** Jarrod Goldfeder, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-0189.

### SUPPLEMENTARY INFORMATION:

#### The Applicable Statute

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 ("Department") regulations are to 19 CFR Part 351 (April 2001).

#### Background

Since the initiation of this investigation (*Notice of Initiation of Antidumping Investigations: Sulfanilic Acid from Hungary and Portugal*, 66 FR 54214, 54218 (October 26, 2001) ("Initiation Notice")), the following events have occurred:

On October 25, 2001, we solicited comments from interested parties regarding the criteria to be used for model-matching purposes. We received comments from the petitioner on October 30, 2001.

On November 20, 2001, the United States International Trade Commission ("ITC") preliminarily determined that there is a reasonable indication that imports of sulfanilic acid from Hungary

are materially injuring the United States industry (*see* ITC Investigation No. 731-TA-984-985 (Publication No. 3472)).

We issued an antidumping questionnaire to Nitrokemia 2000 Rt. ("Nitrokemia"), a pro se respondent, on November 19, 2001. We received responses to the questionnaire from Nitrokemia on December 8, 2001, and January 14, 2002. We issued supplemental questionnaires to Nitrokemia on January 25, February 12, March 11, and April 8, 2002, to which we received responses on February 6, February 28, March 27, and April 17, 2002, respectively. On January 29 and February 1, 2002, we received comments from the petitioner on the respondent's questionnaire responses. Subsequently, on February 10, 2002, we received comments from Nitrokemia on the petitioner's comments concerning the respondent's questionnaire responses.

On February 14, 2002, the petitioner made a timely request to postpone the preliminary determination pursuant to 19 CFR 351.205(e). On February 15, 2002, we postponed the preliminary determination until no later than April 8, 2002. *See Notice of Postponement of Preliminary Determinations of Antidumping Investigations: Sulfanilic Acid from Hungary and Portugal*, 67 FR 8525 (February 25, 2002).

On April 4, 2002, the Department again postponed the preliminary determination until no later than April 26, 2002. For the reasons for the postponement, *see Notice of Postponement of Preliminary Determinations of Antidumping Duty Investigations: Sulfanilic Acid from Hungary and Portugal*, 67 FR 17968 (April 12, 2002).

On April 19, 2002, the petitioner submitted comments with respect to the upcoming preliminary determination.

#### Scope of Investigation

Imports covered by this investigation are all grades of sulfanilic acid, which include technical (or crude) sulfanilic acid, refined (or purified) sulfanilic acid and sodium salt of sulfanilic acid.

Sulfanilic acid is a synthetic organic chemical produced from the direct sulfonation of aniline and sulfuric acid. Sulfanilic acid is used as a raw material in the production of optical brighteners, food colors, specialty dyes and concrete additives. The principal differences between the grades are the undesirable quantities of residual aniline and alkali insoluble materials present in the sulfanilic acid. All grades are available as dry, free-flowing powders.

Technical sulfanilic acid, currently classifiable under subheading

2921.42.22 of the *Harmonized Tariff Schedule* ("HTS"), contains 96 percent minimum sulfanilic acid, 1.0 percent maximum aniline, and 1.0 percent maximum alkali insoluble materials. Refined sulfanilic acid, also currently classifiable under 2921.42.22 of the HTS, contains 98 percent minimum sulfanilic acid, 0.5 percent maximum aniline and 0.25 percent maximum alkali insoluble materials.

Sodium salt (sodium sulfanilate), currently classifiable under HTS subheading 2921.42.90, is a powder, granular or crystalline material which contains 75 percent minimum equivalent sulfanilic acid, 0.5 percent maximum aniline based on the equivalent sulfanilic acid content, and 0.25 percent maximum alkali insoluble materials based on the equivalent sulfanilic acid content.

Although the HTS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

In accordance with the preamble to the Department's regulations (*see Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we set aside a period of time for parties to raise issues regarding product coverage and encouraged all parties to submit comments within 20 calendar days of publication of the *Initiation Notice*. We did not receive any such comments.

#### Period of Investigation

The period of investigation ("POI") is July 1, 2000, through June 30, 2001.

#### Fair Value Comparisons

To determine whether sales of sulfanilic acid from Hungary to the United States were made at less than fair value, we compared the export price ("EP") to the normal value ("NV"), as described in the "Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI weighted-average EPs to POI weighted-average NVs. Any company-specific changes to the EP and NV calculations are discussed in Nitrokemia's calculation memorandum, which is on file in the Import Administration's Central Records Unit, Room B-099 of the main Department of Commerce building.

#### Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced and sold by Nitrokemia in the foreign market during the POI that fit the description in the "Scope of Investigation" section of this notice to

be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales of identical products in the third market (*see* "Normal Value" section, below), where appropriate. Where there were no sales of identical merchandise in the foreign market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondent in the following order of importance: form; product type; aniline impurity content; alkali insoluble impurity content; and sulfanilic content.

#### Export Price

We calculated EP, in accordance with section 772(a) of the Act, for those sales where the merchandise was sold to the first unaffiliated purchaser in the United States prior to importation by the exporter or producer outside the United States, or to an unaffiliated purchaser for exportation to the United States, based on the facts of record. We based EP on the packed CIF price to unaffiliated purchasers in the United States. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act. These included foreign inland freight, inland insurance, and ocean freight. We increased EP, where appropriate, for duty drawback in accordance with section 772(c)(1)(B) of the Act. We relied on the U.S. sales data submitted by Nitrokemia, with the following exceptions.

Based on our review of Nitrokemia's questionnaire responses, we find that Nitrokemia did not answer many of the Department's numerous and repeated questions relating to the completeness and accuracy of its reporting of U.S. sales and related charges and adjustments. 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 of the Act; (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) of the Act, the administering authority shall, subject to section 782(d) of the Act, use the facts otherwise available in reaching the applicable determination

under this title.<sup>1</sup> Section 776(b) of the Act further provides that adverse inferences may be used when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information.

In this case, we find that Nitrokemia has withheld information requested by the Department concerning the completeness and accuracy of Nitrokemia's U.S. sales response. Specifically, we noted in Nitrokemia's original questionnaire response that it reported credit expenses, inventory carrying costs, direct selling expenses, and packing costs on some, but not all, U.S. sales. In several supplemental questionnaires, we requested that Nitrokemia report these expenses for all U.S. sales, or explain why it was not appropriate to do so. Despite our repeated notifications to Nitrokemia of these deficiencies in its data and the several opportunities we provided the company to remedy its reporting of these fields (pursuant to section 782(d) of the Act), Nitrokemia continued to provide incomplete responses. Since Nitrokemia did not provide the information requested or provided information that was so incomplete that it could not be used (within the meaning of section 782(e) of the Act), we are resorting to facts otherwise available pursuant to section 776(a)(2)(A) of the Act. Further, the data that Nitrokemia did not provide on some U.S. transactions was provided for other U.S. transactions. Nitrokemia did not sufficiently explain why it was not possible to provide this information for all U.S. transactions. Therefore, we conclude that Nitrokemia could have provided the necessary data but chose not to, thereby failing to cooperate to the best of its ability within the meaning of section 776(b) of the Act. Accordingly,

<sup>1</sup> Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department will so inform the party submitting the response and will, to the extent practicable, provide that party the opportunity to remedy or explain the deficiency. If the party fails to remedy the deficiency within the applicable time limits, the Department may, subject to section 782(e) of the Act, disregard all or part of the original and subsequent responses, as appropriate. Section 782(e) of the Act provides that the Department "shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all the applicable requirements established by the administering authority" if the information is timely, can be verified, and is not so incomplete that it cannot be used, and if the interested party acted to the best of its ability in providing the information. Where all of these conditions are met, the statute requires the Department to use the information, if it can do so without undue difficulties.

we find that the use of an adverse inference is warranted.

As explained in the Memorandum from Team to the File, "Preliminary Determination Calculation Memorandum for Nitrokemia 2000 Rt.," dated April 26, 2002 ("Calculation Memorandum"), as adverse facts available, we adjusted EP or NV, as appropriate, by the highest adjustment amount that Nitrokemia actually reported in its U.S. sales response for direct selling expenses and packing costs. Furthermore, we recalculated Nitrokemia's credit expenses and inventory carrying costs using information contained in Nitrokemia's questionnaire responses and a published dollar-denominated short-term interest rate. No other adjustments were made to Nitrokemia's submitted U.S. sales response. We intend to review Nitrokemia's questionnaire responses extensively at verification in order to ascertain whether this application of facts available is adequately adverse.

## Normal Value

### A. Home Market Viability

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, whether the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales), the Department compares the respondent's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act. We determined that Nitrokemia's volume of home market sales was less than five percent of its volume of U.S. sales. Therefore, we have based NV for Nitrokemia on third country sales in the usual commercial quantities and in the ordinary course of trade. For the reasons described in the Memorandum to Richard Moreland, "*Selection of Third Country Comparison Market*," dated April 26, 2002, we used sales to Germany as third-country comparison sales. Germany was Nitrokemia's largest third-country market for sulfanilic acid in terms of both value and quantity.

### B. Cost of Production Analysis

Based on our analysis of an allegation contained in the petition, we found that there were reasonable grounds to believe or suspect that sales of sulfanilic acid in the third market were made at prices below their cost of production ("COP"). Reasonable grounds exist when an interested party provides specific factual information on costs and

prices, observed or constructed, indicating that sales in the comparison market in question are at below-cost prices. *See Antidumping Duty Petition*, September 26, 2001. Accordingly, pursuant to section 773(b) of the Act, we initiated a country-wide sales-below-cost investigation to determine whether sales were made at prices below their respective COP (*see Initiation Notice*, 66 FR at 54215).

### 1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the cost of materials and fabrication for the foreign like product, plus an amount for selling, general, and administrative expenses ("SG&A"), interest expenses, and foreign market packing costs (*see* "Test of Foreign Market Sales Prices" section below for treatment of foreign market selling expenses). We relied on the COP data submitted by Nitrokemia, with the following exceptions. Despite our repeated requests in the original and supplemental questionnaires, Nitrokemia did not report overhead, SG&A, and financial expense in accordance with the Department's instructions. Moreover, the actual cost data supplied by Nitrokemia are not sufficient for purposes of deriving SG&A and financial expense ratios. Because Nitrokemia failed to provide this cost information in the form and manner requested by the Department, pursuant to section 776(a)(2)(B) of the Act we find that facts available is warranted. As facts available, we derived SG&A and interest expense ratios based on Nitrokemia's 2000 financial statements, as included in the petition and submitted by Nitrokemia in its questionnaire responses. Furthermore, we derived an overhead ratio based on total overhead costs reported by Nitrokemia and information from Nitrokemia's 2000 financial statements. As we noted above, we intend to review Nitrokemia's questionnaire responses extensively at verification in order to ascertain whether this application of facts available is adequately adverse.

### 2. Test of Foreign Market Sales Prices

We compared COP to foreign market sale prices of the foreign like product, as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP. In determining whether to disregard foreign market sales made at prices below the COP, we examined whether such sales were made (1) within an extended period of time in substantial quantities, and (2) at prices which permitted the recovery of all

costs within a reasonable period of time, in accordance with sections 773(b)(1)(A) and (B) of the Act. On a product-specific basis, we compared the COP to foreign market prices, less any applicable movement charges, discounts and rebates, and selling expenses.

### 3. Results of the COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of the respondent's sales of a given product are at prices less than the COP, we do not disregard any below-cost sales of that product, because we determine that in such instances the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product are at prices less than the COP over a period of at least six months, we determine that the below-cost sales represent "substantial quantities" within an extended period of time, in accordance with section 773(b)(1)(A) of the Act. In such cases, we also determine whether such sales were made at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(1)(B) of the Act and, if so, we disregard the below-cost sales.

We found that, for certain products, more than 20 percent of Nitrokemia's foreign market sales were at prices less than the COP and did not provide for the recovery of costs. Therefore, we excluded these sales and used the remaining above-cost sales, if any, as the basis for determining NV, in accordance with section 773(b)(1) of the Act.

### C. Level of Trade

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same level of trade ("LOT") as the EP or constructed export price. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent) according to 19 CFR 351.412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. *Id*; *see also Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (November 19, 1997). In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the "chain of distribution"),<sup>2</sup> including selling

<sup>2</sup> The marketing process in the United States and comparison markets begins with the producer and

functions,<sup>3</sup> class of customer ("customer category"), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying levels of trade for EP and comparison market sales (*i.e.*, NV based on either home market or third country prices), we consider the starting prices before any adjustments.

When the Department is unable to match U.S. sales to sales of the foreign like product in the comparison market at the same LOT as the EP LOT, the Department may compare the U.S. sale to sales at a different LOT in the comparison market. If the comparison market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between sales at different LOTs in the country in which NV is determined, we make a level of trade adjustment under section 773(a)(7)(A) of the Act. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997).

We obtained information from Nitrokemia regarding the marketing stages involved in making the reported third market and U.S. sales, including a description of the selling activities performed by the respondent for each channel of distribution. In the comparison market, all sales reported by Nitrokemia were direct sales to end users. Sales through this single channel of distribution to the sole customer category were similar with respect to all selling activities and, therefore, Nitrokemia's foreign market sales constituted a single level of trade.

In the U.S. market, Nitrokemia had only EP sales. Nitrokemia reported direct EP sales to end users through only one channel of distribution and one customer category, and therefore had only one level of trade for its EP sales. This EP level of trade was similar to the foreign market level of trade with respect to selling activities, except for marginal differences in sales process and marketing support. Consequently,

we matched the EP level of trade to sales at the same level of trade in the foreign market.

#### *D. Calculation of Normal Value Based on Foreign Market Prices*

We calculated NV based on free carrier, carriage paid, or delivered duties unpaid prices to unaffiliated customers. We made adjustments for inland freight, international freight, and duty drawback, in accordance with section 773(a)(6)(B)(iii) of the Act. We made adjustments, where appropriate, for differences in costs attributable to differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411. In addition, where appropriate, we made adjustments under section 773(a)(6)(C)(iii) of the Act for differences in circumstances of sale for commissions, imputed credit expenses, and other direct selling expenses. We also made adjustments, in accordance with 19 CFR 351.410(e), for indirect selling expenses incurred in the foreign market on U.S. sales where commissions were granted on sales in one market but not in the other (the commission offset). We deducted foreign market packing costs and added U.S. packing costs in accordance with section 773(a)(6)(A) and (B) of the Act. We adjusted Nitrokemia's reported inventory carrying costs and packing costs, where appropriate, as explained in the *Calculation Memorandum*.

#### **Currency Conversion**

We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the exchange rates in effect on the dates of the U.S. sales, either as certified by the Federal Reserve Bank or, in the case of Hungarian forints, as reported by the Dow Jones.<sup>4</sup>

#### **Verification**

As provided in section 782(i) of the Act, we will verify all information relied upon in making our final determination.

#### **Suspension of Liquidation**

In accordance with section 733(d)(2) of the Act, we are directing the Customs Service to suspend liquidation of all

imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage
Nitrokemia .....	7.40
All Others .....	7.40

#### **ITC Notification**

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

#### **Disclosure**

We will disclose the calculations used in our analysis to parties to this proceeding in accordance with 19 CFR 351.224(b).

#### **Public Comment**

Case briefs for this investigation must be submitted to the Department not later than June 4, 2002. Rebuttal briefs must be filed by June 10, 2002. *See* 19 CFR 309(c)(1)(i). A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Section 774 of the Act provides that the Department will hold a public hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held on June 13, 2002, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is

extends to the sale to the final user or consumer. The chain of distribution between the two may have many or few links, and the respondent's sales occur somewhere along this chain. In performing this evaluation, we considered the narrative responses of the respondent to properly determine where in the chain of distribution the sale occurs.

<sup>3</sup> Selling functions associated with a particular chain of distribution help us to evaluate the level(s) of trade in a particular market. For purposes of this preliminary determination, we have organized the common sulfanilic acid selling functions into four major categories: Sales process and marketing support, freight and delivery, inventory and warehousing, and quality assurance/warranty services.

<sup>4</sup> We normally make currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. In this case, where foreign market prices, costs and expenses were reported in Hungarian forints, we made currency conversions based on the exchange rates in effect on the dates of the U.S. sales as reported by the Dow Jones because the Federal Reserve Bank does not track the forint-to-dollar exchange rate.

requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

If this investigation proceeds normally, we will make our final determination by not later than 75 days after the date of the Department's preliminary determination.

This determination is published pursuant to sections 733(f) and 777(i) of the Act.

Dated: April 26, 2002.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 02-11075 Filed 5-3-02; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-471-806]

#### Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Sulfanilic Acid from Portugal

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

**ACTION:** Notice of Preliminary Determination of Sales at Less Than Fair Value

**SUMMARY:** We preliminarily determine that sulfanilic acid from Portugal is being, or is likely to be, sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended. Interested parties are invited to comment on this preliminary determination (see the "Public Comment" section of this notice).

**EFFECTIVE DATE:** May 6, 2002.

**FOR FURTHER INFORMATION CONTACT:** S. Anthony Grasso, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3853.

#### SUPPLEMENTARY INFORMATION:

##### The Applicable Statute

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 ("Department") regulations are to 19 CFR Part 351 (April 2001).

#### Background

Since the initiation of this investigation (*Notice of Initiation of Antidumping Duty Investigations: Sulfanilic Acid from Hungary and Portugal*, 66 FR 54214, 54218 (October 26, 2001) ("Initiation Notice")), the following events have occurred:

On October 25, 2001, we solicited comments from interested parties regarding the criteria to be used for model-matching purposes. We received these comments on October 30, 2001.

On November 20, 2001, the United States International Trade Commission ("ITC") preliminarily determined that there is a reasonable indication that imports of sulfanilic acid from Portugal are materially injuring the United States industry (see ITC Investigation No. 731-TA-984-985 (Publication No. 3472)).

We issued an antidumping questionnaire to Quimigal - Quimica de Portugal S.A. ("Quimigal") on November 19, 2001. We received responses to the questionnaire from Quimigal on December 10, 2001, and on January 14, 2002. We issued supplemental questionnaires to Quimigal on January 31, 2002, and March 5, 2002, to which we received responses on February 25, 2002, and March 19, 2002, respectively.

On February 14, 2002, the petitioner made a request to postpone the preliminary determination pursuant to 19 CFR 351.205(e). On February 15, 2002, we postponed the preliminary determination until no later than April 8, 2002. See *Notice of Postponement of Preliminary Antidumping Duty Determinations: Sulfanilic Acid from Hungary and Portugal*, 67 FR 8525 (February 25, 2002).

On April 4, 2002, the Department again postponed the preliminary determination until not later than April 26, 2002. For the reasons for the postponement, see *Notice of Postponement of Preliminary Antidumping Duty Determinations: Sulfanilic Acid from Hungary and Portugal*, 67 FR 17968 (April 12, 2002).

#### Postponement of Final Determination and Extension of Provisional Measures

Pursuant to section 735(a)(2) of the Act, on April 3, 2002, Quimigal requested that, in the event of an

affirmative preliminary determination in this investigation, the Department postpone its final determination until not later than 135 days after the date of the publication of the preliminary determination in the Federal Register, and extend the provisional measures to not more than six months. In accordance with 19 CFR 351.210(b), because (1) our preliminary determination is affirmative, (2) Quimigal accounts for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist, we are granting the respondent's request and are postponing the final determination until not later than 135 days after the publication of this notice in the **Federal Register**. Suspension of liquidation will be extended accordingly.

#### Scope of Investigation

Imports covered by this investigation are all grades of sulfanilic acid, which include technical (or crude) sulfanilic acid, refined (or purified) sulfanilic acid and sodium salt of sulfanilic acid.

Sulfanilic acid is a synthetic organic chemical produced from the direct sulfonation of aniline and sulfuric acid. Sulfanilic acid is used as a raw material in the production of optical brighteners, food colors, specialty dyes and concrete additives. The principal differences between the grades are the undesirable quantities of residual aniline and alkali insoluble materials present in the sulfanilic acid. All grades are available as dry, free-flowing powders.

Technical sulfanilic acid, currently classifiable under subheading 2921.42.22 of the *Harmonized Tariff Schedule* ("HTS"), contains 96 percent minimum sulfanilic acid, 1.0 percent maximum aniline, and 1.0 percent maximum alkali insoluble materials. Refined sulfanilic acid, also currently classifiable under 2921.42.22 of the HTS, contains 98 percent minimum sulfanilic acid, 0.5 percent maximum aniline and 0.25 percent maximum alkali insoluble materials.

Sodium salt (sodium sulfanilate), currently classifiable under HTS subheading 2921.42.90, is a powder, granular or crystalline material which contains 75 percent minimum equivalent sulfanilic acid, 0.5 percent maximum aniline based on the equivalent sulfanilic acid content, and 0.25 percent maximum alkali insoluble materials based on the equivalent sulfanilic acid content.

Although the HTS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.