

address ways in which the national economic accounts can be presented more effectively for current economic analysis and recent statistical developments in national accounting.

**DATES:** Friday, November 5, 2010, the meeting will begin at 9 a.m. and adjourn at 3:30 p.m.

**ADDRESSES:** The meeting will take place at the Bureau of Economic Analysis at 1441 L St., NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Dorothy Andrade, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; telephone number: (202) 606-9630.

**Public Participation:** This meeting is open to the public. Because of security procedures, anyone planning to attend the meeting must contact Dorothy Andrade of BEA at (202) 606-9630 in advance. The meeting is physically accessible to people with disabilities. Requests for foreign language interpretation or other auxiliary aids should be directed to Dorothy Andrade at (202) 606-9630.

**SUPPLEMENTARY INFORMATION:** The Committee was established September 2, 1999. The Committee advises the Director of BEA on matters related to the development and improvement of BEA's national, regional, industry, and international economic accounts, especially in areas of new and rapidly growing economic activities arising from innovative and advancing technologies, and provides recommendations from the perspectives of the economics profession, business, and government. This will be the Committee's twenty-first meeting.

Dated: August 10, 2010.

**Brian C. Moyer,**

*Acting Deputy Director, Bureau of Economic Analysis.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-966]

#### Drill Pipe from the People's Republic of China: Notice of Preliminary Affirmative Determination of Critical Circumstances

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

**SUMMARY:** The Department of Commerce (the Department) has preliminarily determined that critical circumstances exist with respect to imports of drill

pipe from the People's Republic of China (PRC).

**EFFECTIVE DATE:** August 16, 2010.

**FOR FURTHER INFORMATION CONTACT:** Kristen Johnson or Eric Greynolds, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 4014, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: 202-482-4793 and 202-482-6071, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Case History

On December 31, 2009, the Department received the petition filed in proper form by the petitioners.<sup>1</sup> This investigation was initiated on January 20, 2010. *See Drill Pipe From the People's Republic of China: Initiation of Countervailing Duty Investigation*, 75 FR 4345 (January 27, 2010). The affirmative preliminary determination was published on June 11, 2010. *See Drill Pipe From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 75 FR 33245 (June 11, 2010) (*Preliminary Determination*). On July 8, 2010, petitioners alleged that critical circumstances exist with respect to imports of drill pipe from the PRC. *See* Petitioners' Critical Circumstances Allegation (July 8, 2010).<sup>2</sup> On July 12, 2010, the Department requested from the DP Master Group,<sup>3</sup> the respondent, monthly shipment data of subject merchandise to the United States for the period August 2009 through May 2010. *See* Department's Third Supplemental Questionnaire issued to the DP Master Group (July 12, 2010) at 2. On July 13, 2010, petitioners submitted U.S. Census Data in support of their allegation. *See* Petitioners' Census Bureau Data submission (July 13, 2010). On July 21, 2010, the DP Master Group submitted to the Department its monthly shipment data, which included data covering the period January 2009 through July 2009. *See* DP Master Group's Third

<sup>1</sup> Petitioners are VAM Drilling USA, Inc., Texas Steel Conversions, Inc., Rotary Drilling Tools, TMK IPSCO, and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC.

<sup>2</sup> This public document and all other public documents and public versions are available on the public file located in the Department's Central Records Unit (CRU), Room 1117 of the main Commerce building.

<sup>3</sup> The DP Master Group is DP Master Manufacturing Co., Ltd. (DP Master), Jiangyin Sanliang Petroleum Machinery Co., Ltd. (SPM), Jiangyin Liangda Drill Pipe Co., Ltd. (Liangda), Jiangyin Sanliang Steel Pipe Trading Co., Ltd. (SSP), and Jiangyin Chuangxin Oil Pipe Fittings Co., Ltd. (Chuangxin).

Supplemental Questionnaire Response (July 21, 2010) at Exhibit 68.

In accordance with 19 CFR 351.206(c)(1), if the petitioner submits an allegation of critical circumstances 30 days or more before the scheduled date of the final determination, the Department will make a preliminary finding whether there is a reasonable basis to believe or suspect that critical circumstances exist. The Department will issue its preliminary finding of critical circumstances within 30 days after the petitioner submits the allegation. *See* 19 CFR 351.206(c)(2)(ii).

##### Period of Investigation

The period for which we are measuring subsidies, or the period of investigation (POI), is calendar year 2009.

##### Scope of Investigation

The products covered by this investigation are steel drill pipe, and steel drill collars, whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished or unfinished (including green tubes suitable for drill pipe), without regard to the specific chemistry of the steel (*i.e.*, carbon, stainless steel, or other alloy steel), and without regard to length or outer diameter. The scope does not include tool joints not attached to the drill pipe, nor does it include unfinished tubes for casing or tubing covered by any other antidumping or countervailing duty order.

The subject products are currently classified in the following Harmonized Tariff Schedule of the United States (HTSUS) categories: 7304.22.0030, 7304.22.0045, 7304.22.0060, 7304.23.3000, 7304.23.6030, 7304.23.6045, 7304.23.6060, 8431.43.8040 and may also enter under 8431.43.8060, 8431.43.4000, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.49.0015, 7304.49.0060, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, and 7304.59.8055.<sup>4</sup>

While HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of this investigation is dispositive.

<sup>4</sup> Prior to February 2, 2007, these imports entered under different tariff classifications, including 7304.21.3000, 7304.21.6030, 7304.21.6045, and 7304.21.6060.

### Comments of the Parties

In their critical circumstances allegation, petitioners claim that there have been massive imports of drill pipe in the three months following the filing of the petition on December 31, 2009. Petitioners provided Census Bureau Data, which they contend demonstrate that imports of subject merchandise increased by more than the 15 percent required to be considered “massive” under section 351.206(h)(2) of the Department’s regulations. Petitioners submit that imports rose from \$5.4 million in the last quarter of 2009, to \$20 million in the first quarter of 2010, an increase of \$14.6 million or 270 percent. See Petitioners’ Critical Circumstances Allegation at 3, and Petitioners’ Census Data submission.

Petitioners also allege that there is a reasonable basis to believe that a subsidy in this investigation is inconsistent with the WTO Agreement on Subsidies and Countervailing Measures (Subsidies Agreement). With regard to the “Technology to Improve Trade R&D Fund” program, petitioners submit that the program is contingent on export performance. Petitioners state that the DP Master Group, in its second supplemental questionnaire response, reported that the program’s application form required the company to report export data from the prior year. See Petitioners’ Critical Circumstances Allegation at 2; see also DP Master Group’s Second Supplemental Questionnaire Response (July 7, 2010) at 1. Petitioners contend that there is no reason that an application form would request information regarding export performance unless it was relevant for approval of the subsidy. As such, petitioners argue that the DP Master Group received a subsidy contingent upon export performance, which is inconsistent with Article 3 of the Subsidies Agreement.

In its July 21, 2010, questionnaire response, in addition to monthly shipment data, the DP Master Group submitted information attempting to show that importers, exporters, and producers had reason to believe that a countervailing duty (CVD) proceeding was likely in June 2009, and, therefore, the Department should use as its base period the first half of 2009, and as its comparison period the second half of 2009, to determine whether there were massive imports. See 19 CFR 351.206(h)(2)(i). Specifically, the DP Master Group submitted a declaration from the partner and owner of a company involved with drill pipe, drill collar, and other drilling equipment. See DP Master Group’s Third Supplemental

Questionnaire Response (July 21, 2010) at Exhibit 69. The declaration references conversations that this individual had with others in the industry regarding fundraising in order to pay for antidumping (AD) and CVD investigations.

### Analysis

Section 703(e)(1) of the Tariff Act of 1930, as amended (the Act), provides that the Department will preliminarily determine that critical circumstances exist if there is a reasonable basis to believe or suspect that: (A) the alleged countervailable subsidy is inconsistent with the Subsidies Agreement, and (B) there have been massive imports of the subject merchandise over a relatively short period.

When determining whether an alleged countervailable subsidy is inconsistent with the Subsidies Agreement, the Department limits its critical circumstances findings to those subsidies contingent on export performance or use of domestic over imported goods (*i.e.*, those prohibited under Article 3 of the Subsidies Agreement).<sup>5</sup> In the *Preliminary Determination*, we stated that additional information was required to fully analyze the “Technology to Improve Trade R&D Fund” program, under which the DP Master Group received assistance during the POI. See 75 FR at 33261. In its July 7, 2010, supplemental questionnaire response (at 1), the DP Master Group stated that the application for assistance under the program required the company to report information related to exports from the previous year. The Government of China (GOC), in its July 9, 2010, second supplemental response (at 1), reported that this program was established “for the purpose of inducing R&D activities relating to export products.”<sup>6</sup> Based on this evidence, we determine that there is a reasonable basis to believe or suspect that the assistance under the “Technology to Improve Trade R&D Fund” is export contingent and, therefore is inconsistent with the Subsidies Agreement.

<sup>5</sup> See, *e.g.*, *Notice of Preliminary Negative Determination of Critical Circumstances: Certain New Pneumatic Off-the-Road Tires From the People’s Republic of China*, 73 FR 21588, 21589-90 (April 22, 2008), unchanged in *Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Carbon and Certain Alloy Steel Wire Rod From Germany*, 67 FR 55808, 55809 (August 30, 2002).

<sup>6</sup> At Exhibit 1 of the July 9, 2010, second supplemental questionnaire response, the Chinese government submitted a blank copy of the application form which requires information on “total export of the last fiscal year” and “percentage of total export of the last fiscal year.”

In determining whether imports of the subject merchandise have been “massive,” section 351.206(h)(1) of the Department’s regulations provides that the Department normally will examine: (i) the volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, the Department will not consider imports to be massive unless imports during the “relatively short period” (comparison period) have increased by at least 15 percent compared to imports during an “immediately preceding period of comparable duration” (base period). See 19 CFR 351.206(h)(2).

Section 351.206(i) of the Department’s regulations defines “relatively short period” as normally being the period beginning on the date the proceeding commences (*i.e.*, the date the petition is filed) and ending at least three months later. For consideration of this allegation, we have used a five-month base (*i.e.*, August 2009 through December 2009) and comparison period (*i.e.*, January 2010 through May 2010), which is the maximum amount of data that can be examined prior to the preliminary determination of this investigation.

Concerning the DP Master Group’s suggestion to compare shipment data of the first and second half of 2009, based on knowledge of the petition, we find that the evidence put forth by the DP Master Group is speculative and does not justify using that base and comparison period to determine whether there were massive imports. The single declaration submitted by the DP Master Group refers to fundraising that might result in the event of an investigation and does not demonstrate that any action was taken by the DP Master Group.

In determining whether there were massive imports, we analyzed the evidence presented in the petitioners’ Critical Circumstances Allegation and the DP Master Group’s monthly shipment data for the period August 2009 through May 2010. The Department’s examination of these data demonstrates that there was a massive increase in shipments of subject merchandise by the DP Master Group during the period immediately following the filing of the petition on December 31, 2009. Specifically, shipments of subject merchandise increased by 220.56 percent in terms of volume. See the Memorandum to the File from Kristen Johnson, Trade Analyst, AD/CVD Operations Office 3, regarding “Critical Circumstances Shipment Data Analysis,” (Critical

Circumstances Memorandum) (August 9, 2010) at 2.

With regard to whether imports of subject merchandise by the “all other” exporters of drill pipe in the PRC were massive, the Department normally relies on data sourced from the International Trade Commission’s (ITC’s) Dataweb, adjusted to remove shipments by the respondents participating in the investigation.<sup>7</sup> In this case, however, use of data from the ITC’s Dataweb is not meaningful, because when the DP Master Group’s monthly shipments are subtracted from the monthly data generated by the ITC’s Dataweb for the main HTSUS categories (*i.e.*, 7304.22 and 7304.23),<sup>8</sup> the results for a number of months are a negative amount. See Critical Circumstances Memorandum at 3. This indicates that some of the DP Master Group’s shipments entered under the “may also enter under” HTSUS categories listed in the scope. We note that those numbers represent basket categories and, therefore, would not provide accurate data for use in our analysis. As such, we are basing our preliminary finding of critical circumstances for “all other” exporters of drill pipe from the PRC on the shipping experience of the DP Master Group.

Regarding the preliminary conclusion to base our finding of critical circumstances for “all other” exporters of drill pipe from the PRC on the shipping experience of the DP Master Group, we note that the two firms initially identified by the Department in the Customs and Border Protection (CBP) Data Query Memorandum as the two largest shippers of drill pipe to the United States during the POI subsequently claimed that their shipments do not, in fact, reflect subject merchandise. Assuming that the non-shipment claims of these two firms are valid,<sup>9</sup> then the share of the DP Master

Group’s exports of drill pipe to the United States during the POI is larger than is indicated in the CBP Data Query Memorandum and, thus, constitutes an additional basis for the Department to base its finding of critical circumstances for “all other” exporters of drill pipe from the PRC on the shipping experience of the DP Master Group.

### Conclusion

Based on the analysis above, we preliminarily determine critical circumstances exist for imports of drill pipe from the DP Master Group. We also preliminarily determine, based on the shipment experience of the DP Master Group, that critical circumstances exist as well for imports of drill pipe from “all other” exporters from the PRC. We will make a final determination concerning critical circumstances for drill pipe from the PRC when we make our final countervailable subsidy determination in this investigation.

### Suspension of Liquidation

In accordance with section 703(e)(2)(A) of the Act, we are directing CBP to suspend liquidation of any unliquidated entries of subject merchandise from the PRC entered, or withdrawn from warehouse for consumption, on or after March 13, 2010, which is 90 days prior to the date of publication of the *Preliminary Determination* in the **Federal Register**.

### ITC Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination.

This determination is issued and published pursuant to sections 703(f) and 777(i)(1) of the Act.

Dated: August 9, 2010.

**Ronald K. Lorentzen,**

*Deputy Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-924]

### Polyethylene Terephthalate Film, Sheet, and Strip From the People’s Republic of China: Preliminary Results and Preliminary Rescission, in Part, of Antidumping Duty Administrative Review

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

**SUMMARY:** In response to requests from interested parties, the Department of Commerce (“the Department”) is conducting an administrative review of the antidumping duty order on polyethylene terephthalate film, sheet, and strip (“PET film”) from the People’s Republic of China (“PRC”). The period of review (“POR”) is November 6, 2008, through October 31, 2009. This administrative review covers two mandatory respondents, and four separate rate respondents (*i.e.*, one separate rate respondent that filed a separate rate certification, one separate rate respondent that claimed it did not ship or sell subject merchandise to the United States during the POR, and two separate rate respondents who currently have a separate rate, but that failed to either recertify the separate rate, or, in the alternative, make a claim that they did not ship or sell subject merchandise to the United States during the POR).

We have preliminarily determined that sales have been made below normal value (“NV”) by certain companies subject to this review. If these preliminary results are adopted in our final results of this review, we will instruct U.S. Customs and Border Protection (“CBP”) to assess antidumping duties on entries of subject merchandise during the POR for which the importer-specific assessment rates are above *de minimis*.

We invite interested parties to comment on these preliminary results of review. Parties who submit comments are requested to submit with each argument a statement of the issue and a brief summary of the argument. We intend to issue the final results of this review no later than 120 days from the date of publication of this notice.

#### FOR FURTHER INFORMATION CONTACT:

Thomas Martin, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3936.

#### SUPPLEMENTARY INFORMATION:

The Department received a timely request from DuPont Teijin Films, Mitsubishi Polyester Film, Inc., SKC, Inc., and Toray Plastics (America), Inc. (collectively, “Petitioners”), in accordance with 19 CFR 351.213(b)(1), for an administrative review of the antidumping duty order on PET film from the PRC for six companies: Fuwei Films (Shandong) Co., Ltd. (“Fuwei Films”), Shaoxing Xiangyu Green Packing Co., Ltd. (“Green Packing”), Tianjin Wanhua Co., Ltd. (“Wanhua”), Sichuan Dongfang Insulating Material

<sup>7</sup> See, e.g., *Certain Oil Country Tubular Goods From the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Negative Critical Circumstances Determination*, 74 FR 47210, 47212 (September 15, 2009), unchanged in *Certain Oil Country Tubular Goods From the People’s Republic of China: Final Affirmative Countervailing Duty Determination: Final Negative Critical Circumstances Determination*, 74 FR 64045 (December 7, 2009).

<sup>8</sup> Query of the 7304.22 and 7304.23 HTSUS categories is in keeping with the data analysis conducted for respondent selection where the Department relied solely on Customs and Border Protection data of 7304.22 and 7304.23 for selecting respondents. See Memorandum to the File from Eric G. Greynolds, Program Manager, AD/CVD Operations, Office 3, regarding “Release of Initial Customs and Border Protection Data,” (January 22, 2010) (CBP Data Query Memorandum).

<sup>9</sup> The Department has requested entry documents from CBP to verify the companies’ claim of non-shipment of subject merchandise.