Wireking Housewares & Hardware
Hangzhou Duni Import & Export Co., Ltd. and Hangzhou Duni Industry Co., Ltd.
Hengtong Hardware Manufacturing (Huizhou) Co., Ltd.
Jiangsu Weiki Group Co.
King Shan Wire Co., Ltd. (parent company of New King Shan (Zhu Hai) Co., Ltd.)
Leader Metal Industry Co., Ltd. (aka Marmon Retail Services Asia)
New King Shan (Zhu Hai) Co., Ltd.
Taiwan Rail Company

1 If one of the above named companies does not qualify for a separate rate, all other exporters of Certain Lined Paper Products from the People’s Republic of China (“PRC”) who have not qualified for a separate rate are deemed to be covered by this review as part of the single PRC entity of which the named exporters are a part.

2 If one of the above named companies does not qualify for a separate rate, all other exporters of Certain New Pneumatic Off-the-Road Tires from the PRC who have not qualified for a separate rate are deemed to be covered by this review as part of the single PRC entity of which the named exporters are a part.

3 If one of the above named companies does not qualify for a separate rate, all other exporters of Freshwater Crawfish Tail Meat from the PRC who have not qualified for a separate rate are deemed to be covered by this review as part of the single PRC entity of which the named exporters are a part.

4 If one of the above named companies does not qualify for a separate rate, all other exporters of Kitchen Appliance Shelving and Racks from the PRC who have not qualified for a separate rate are deemed to be covered by this review as part of the single PRC entity of which the named exporters are a part.

Suspension Agreements

None.

During any administrative review covering all or part of a period falling between the first and second or third and fourth anniversary of the publication of an antidumping duty order under 19 CFR 351.211 or a determination under 19 CFR 351.218(f)(4) to continue an order or suspended investigation (after sunset review), the Secretary, if requested by a domestic interested party within 30 days of the date of publication of the notice of initiation of the review, will determine, consistent with FAG Italia v. United States, 291 F.3d 806 (Fed. Cir. 2002), as appropriate, whether antidumping duties have been absorbed by an exporter or producer subject to the review if the subject merchandise is sold in the United States through an importer that is affiliated with such exporter or producer. The request must include the name(s) of the exporter or producer for which the inquiry is requested.

For the first administrative review of any order, there will be no assessment of antidumping or countervailing duties on entries of subject merchandise entered, or withdrawn from warehouse, for consumption during the relevant provisional measures “gap” period, of the order, if such a gap period is applicable for the POR.

Interested parties must submit applications for disclosure under administrative protective orders in accordance with 19 CFR 351.305. On January 22, 2008, the Department published Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures, 73 FR 3634 (January 22, 2008). Those procedures apply to administrative reviews included in this notice of initiation. Parties wishing to participate in any of these administrative reviews should ensure that they meet the requirements of these procedures (e.g., the filing of separate letters of appearance as discussed in 19 CFR 351.103(d)).

These initiations and this notice are in accordance with section 751(a) of the Act, (19 U.S.C. 1675(a)) and 19 CFR 351.221(c)(1)(i).


Susan H. Kuhbach,
Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2010–27296 Filed 10–27–10; 8:45 am]
BILLING CODE 3510–05–P

DEPARTMENT OF COMMERCE
International Trade Administration

[A–570–836]

Glycine From the People’s Republic of China: Initiation of Antidumping Anti-circumvention Inquiry

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

SUMMARY: In response to a request from GEO Specialty Chemicals, Inc. and Chattem Chemicals, Inc., domestic interested parties in the above-referenced proceeding (“domestic interested parties”), the Department of Commerce (“the Department”) is initiating an antidumping anti-circumvention inquiry pursuant to section 781(b) of the Tariff Act of 1930, as amended (“the Act”). This inquiry will examine whether the activities of three Indian companies, Salvi Chemical Industries (allegedly affiliated with Nutraceutical International) (collectively, “Salvi”), Paras Intermediate Pvt. Ltd. (“Paras”), and AICO Laboratories India Pvt. Ltd. (“AICO”) are circumventing the antidumping duty order on glycine from the People’s Republic of China (PRC). See Antidumping Duty Order: Glycine from People’s Republic of China, 60 FR 16116 (March 29, 1995) (“PRC Glycine Order”).

DATES: Effective Date: October 28, 2010.

FOR FURTHER INFORMATION CONTACT: David Cordell or Olga Carter, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–0408 or (202) 482–8221, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 18, 2009, the domestic interested parties filed a request for initiation of an anti-circumvention inquiry, alleging two companies (AICO and Paras) were circumventing the order covering glycine from the PRC under section 781(b) of the Act and 19 CFR
351.225(h), through completion and assembly in India of the same class or kind of merchandise that is subject to the PRC Glycine Order and by labeling the merchandise as Indian origin. See domestic interested parties request “Antidumping Duty Order on Glycine from the People’s Republic of China—Circumvention of Antidumping Duty Order,” dated December 18, 2009 (“Circumvention Allegation”).

On January 15, 2010, the Department requested that domestic interested parties resubmit legible copies of AICO financial statements and of the Port Import Export Reporting Service (“PIERS”) report regarding AICO’s shipments to the United States, provided in their original Circumvention Allegation, at Exhibits B and A, respectively. The legible copies of the requested documents were submitted by the domestic interested parties on January 22, 2010. See letter from the domestic interested parties to the Department, dated January 22, 2010. On February 18, 2010, the domestic interested parties met with the Department to discuss their December 18, 2009, and January 22, 2010, submissions, in which they requested the Department initiate an anti-circumvention inquiry for glycine from the PRC. See Memorandum to the File, from Olga Carter, analyst, titled “Scope Determination Request Based on Circumvention Inquiry: Meeting with Counsel and Executive Vice President and CFO of Domestic Interested Party GEO Specialty Chemicals, Inc.,” dated February 22, 2010. On February 22, 2010, the Department requested additional information from the domestic interested parties in the form of a supplemental questionnaire.

In response to a request from the domestic interested parties, on July 29, 2010, the Department held a meeting to further discuss the December 18, 2009, and January 22, 2010, submissions, as well as the Department’s February 22, 2010, deficiency questionnaire. See Memorandum to the File, titled “Scope Determination Request Based on Circumvention Inquiry: Meeting with Counsel of Domestic Interested Party GEO Specialty Chemicals, Inc.,” dated August 2, 2010.

On August 19, 2010, the domestic interested parties filed additional information and data, supplementing their Circumvention Allegation, titled “Antidumping Duty Order on Glycine from the People’s Republic of China—Circumvention of Antidumping Duty Order” (“August 19, 2010 submission”), in which the domestic interested parties also included an anti-circumvention allegation against a third company, Salvi, and its export arm, Nutracare International. In their Circumvention Allegation, as supplemented, the domestic interested parties allege that all three Indian companies are importing technical-grade glycine from companies in the PRC, processing and/or repackaging the PRC-origin glycine, then exporting the finished product to the United States, marked as Indian-origin glycine.

On August 31, 2010, the Department requested the domestic interested parties to provide additional information to justify their claim that there is a clear and compelling need to withhold certain double bracketed information in their August 19, 2010, submission from disclosure under an administrative protective order (“APO”). On September 7, 2010, the domestic interested parties provided such justification in a response to the Department’s request, thus satisfying the basic requirements for filing a request for an anti-circumvention inquiry. See Letter from the Domestic Interested Parties to the Department, entitled “Antidumping Duty Order on Glycine from the People’s Republic of China (PRC) Scope Determination Request Based on Circumvention Inquiry: Response of Domestic Glycine Industry to Department’s August 31, 2010 Letter.” In response to this submission, on September 8, 2010, the Department established an APO and a Public Service List for this segment of the proceeding. See the Memorandum to the File “Scope Request Based on Circumvention Inquiry: Glycine from the PRC,” dated September 8, 2010.

On September 23, 2010, the Department conducted a telephone interview with the foreign market researcher to corroborate the information in the market report that the domestic interested parties filed on the record as support for their allegations and to clarify the details of the research process. See the Memorandum to the File entitled “Antidumping Circumvention Inquiry: Telephone Interview with the Foreign Market Researcher,” dated October 5, 2010 (“Telephone Interview Memo”).

On October 6, 2010, the domestic interested parties amended their request for the initiation of an anti-circumvention inquiry with respect to AICO, citing to the Telephone Interview Memo. See domestic interested parties’ submission, titled “Antidumping Duty Order on Glycine from the People’s Republic of China (PRC): Antidumping Circumvention Inquiry—Amendment to Domestic Industry’s Circumvention Allegation based on Department’s Memorandum to File” (“Amendment Letter”), dated October 6, 2010, at 2. Therein, the domestic interested parties allege that, based on the telephone interview, AICO is both repackaging and refining the glycine. Id.

Scope of Order

The product covered by this order is glycine, which is a free-flowing crystalline material, like salt or sugar. Glycine is produced at varying levels of purity and is used as a sweetener or flavor enhancer, a buffering agent, re-absorbable amino acid, chemical intermediate, and a metal complexing agent. Glycine is currently classified under subheading 2922.49.4020 of the Harmonized Tariff Schedule of the United States (“HTSUS”). The scope of this order includes glycine of all purity levels. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Initiation of Antidumping Anti-Circumvention Inquiry

Section 781(b)(1) of the Act provides that the Department may find circumvention of an antidumping duty order when merchandise of the same class or kind subject to the order is reprocessed or assembled in a country other than the country to which the order applies. In conducting anti-circumvention inquiries, under section 781(b)(1) of the Act, the Department will also evaluate whether: (1) The process of assembly or completion in the other country is minor or insignificant; (2) the value of the merchandise produced in the foreign country which is subject to the antidumping duty order applies is a significant portion of the total value of the merchandise exported to the United States; and (3) action is appropriate to prevent evasion of such an order or finding. As discussed below, the domestic interested parties supported their claims with information available to them with respect to these criteria.

A. Merchandise of the Same Class or Kind

Domestic interested parties state that the PRC Glycine Order covers all grades and purity levels of glycine and that both the Department and U.S. Customs and Border Protection (“CBP”) have determined that purifying or refining...
glycine does not result in a substantial transformation necessary to change its
country of origin. See Circumvention
Allegation at 5. Therefore, the domestic
interested parties argue that the
merchandise being imported into the
United States from India from Salvi,
Paras and Aico is of the same class or
kind as that subject to the PRC Glycine
Order. See Notice of Final Determination of Sales at
Less Than Fair Value: Glycine From India, 73 FR
16640 (March 28, 2008) (Indian Glycine), and the
accompanying Issues and Decision Memorandum at
Comment 5 (Issues and Decision Memorandum).

C. Minor or Insignificant Process

Domestic interested parties allege
that for the purposes of section 781(b)(1)(C)
of the Act, the process of refining or
purifying technical-grade PRC glycine into
purified glycine is “minor or insignificant,” as defined by the Act. To
demonstrate that the processing is
“minor or insignificant,” the domestic
interested parties calculate a cost to
process the PRC glycine that is imported
into India, and allegedly performed by
Paras and Salvi, based on the domestic
industry’s cost of production. See
August 19, 2010, submission at Exhibit
2. They allege that the refining of lower-
grade glycine in India does not include
“the reactor, washing and centrifuge
steps,” which are critical to the
production process. Id. Domestic
interested parties conclude that
refinement costs that do not include
production-related processes (i.e., the
reactor, washing and centrifuge steps)
are insignificant or minor when
measured against the value of glycine
exported to the United States.
Furthermore, the domestic interested
parties argue that based on their own estimates, the
cost to refine PRC glycine ranges from
2.28 percent for AIC0 to 2.85 percent
for Paras and Salvi of the average value of
Indian glycine imported into the
United States during the period from
April 1, 2008, through March 31, 2009.
See August 19, 2010, submission at 5
and 6.

D. Value of Merchandise Produced in
the PRC is a Significant Portion of the
Total Value of the Merchandise
Exported to the United States

Domestic interested parties allege
that the production process for glycine that
takes place in the PRC prior to
processing in India and subsequent
shipment to the United States accounts
for the significant portion of the total
value of the final product. See
August 19, 2010, submission at 5 and 6.

Domestic interested parties argue that
an analysis of the relevant statutory
factors of section 781(b)(2) of the Act
further supports the conclusion that the
Indian processing is “minor or
insignificant.” These factors include:
(1) Level of investment in the foreign
country; (2) level of research and
development in the foreign country; (3)
nature of the production process in the
foreign country; (4) extent of production
facilities in the foreign country; and (5)
whether the value of the processing
performed in the foreign country
represents a small proportion of the
value of the merchandise imported into
the United States. The domestic
interested parties’ analysis of these
factors, including citations as
appropriate, is as follows.

(1) Level of Investment

Domestic interested parties state that
manufacturing of glycine requires a
significant level of investment. See
August 19, 2010, submission at 8.

Domestic interested parties further
contend that unlike the manufacturing
of glycine, the processing of a lower-
grade, PRC-origin glycine into a more
refined grade does not require a
significant level of investment, since
Indian companies are allegedly
reprocessing the PRC-origin glycine by
refining it, and then repackaging the
PRC-origin glycine. See August 19,
2010, submission at 6 through 8 and 19.

(2) Level of Research and Development

Domestic interested parties state that
the purification, refining, and
repackaging of glycine are technically
mature processes and, therefore, believe
no research and development is
required to refine, purify and repackage
PRC-origin glycine as performed by
Paras, Salvi, and AICO. See August 19,
2010, submission at 9.

(3) Nature of the Production Process

Domestic interested parties state that
they were not able to acquire definitive
information regarding the production
processes used by Paras, Salvi, and
AICO. See August 19, 2010 submission
at 9. However, the domestic interested
parties describe a possible scenario
where Paras and Salvi refine PRC
glycine by placing it in a sieve and then
repackage the processed PRC-origin
glycine for export as Indian glycine. Id
at 9–10. Further, the domestic interested
parties state that the Department has
previously determined that Paras’
further processing of imported glycine
into higher-purity grades was not
significant enough to substantially
transform the glycine into Indian-origin
glycine. See August 19, 2010,
submission at 4, citing to Indian Glycine
and the accompanying Issues and
Decision Memorandum at Comment 5.

Domestic interested parties’ allegations
that AICO’s production process involves
processing in addition to repackaging
PRC-origin glycine, are based on the
Market Research Report and foreign
market researcher’s statement during the
telephone interview with the
Department. See Market Research
Report at 25; see also Amendment Letter
at 2. Thus, the domestic interested
parties claim that the production
processes of the named Indian
companies are limited to refining and
repackaging of technical-grade PRC
glycine. See August 19, 2010,
submission at 5.
(4) Extent of Production Facilities

The domestic interested parties allege that AICO does not manufacture glycine. See August 19, 2010, submission at 6. Further, the domestic interested parties allege that the extent of AICO’s production facilities is limited to the facilities required for processing and repackaging. See Telephone Interview Memo at 4. See also August 19, 2010, submission at 6.

With respect to Paras, the domestic interested parties described Paras’s production facilities, as it pertained to the processing of PRC-origin glycine, as consisting of a refining line, in which PRC glycine bypasses the reactor, washing and centrifuge steps. See August 19, 2009, submission at 4.

With respect to Salvi, the domestic interested parties claim that Salvi’s operation is similar to Paras’s operation. See August 19, 2010, submission at 2.

(5) Value of Processing Performed in India Represents a Small Proportion of the Value of the Merchandise Imported into the United States

Domestic interested parties allege that the production process for glycine that takes place in the PRC prior to refining in India and subsequent shipment to the United States accounts for the vast majority of the total value of the final product. See August 19, 2010, submission, Exhibits 2 and 3. See also Market Research Report at 25. Domestic interested parties claim that the value of processing performed in India represents a small portion of the value, compared to either the cost of production or import value. See August 19, 2010, submission at 5 and at Exhibit 2. In support of their claim, domestic interested parties submit the domestic industry’s estimated cost of Paras’s and Salvi’s processing of PRC glycine. According to their calculations, both companies’ estimated cost of processing (i.e., “repackaging and refining cost”) amounts to $0.0784 per pound, representing 2.85 percent of the average value of Indian glycine imported into the United States. Id. In addition, based on the analysis of AICO’s financial statements, the domestic interested parties contend that AICO’s purchases of imported goods were the dominant components of its 2007 and 2009 costs of goods sold. See August 19, 2010, submission at 18. According to the domestic interested parties’ calculations of AICO’s estimated processing cost of PRC glycine, its value amounts to $0.0620 per pound, or 2.29 percent of the average value of Indian glycine imported to the United States. See August 19, 2010, submission at 6 and at Exhibit 3. Therefore, the domestic interested parties contend that the value of glycine processing that is performed in India represents a small portion of the value of the glycine imported to the United States. Id.

Factors to Consider in Determining Whether Action is Necessary

Domestic interested parties argue that the additional factors contained in section 781(b)(3) of the Act must also be considered in the Department’s decision whether to issue a finding of anti-circumvention regarding importation of Indian glycine.

Pattern of Trade

Domestic interested parties state that section 781(b)(3)(C) of the Act directs the Department to take into account the pattern of trade, including sourcing patterns, when making a decision whether to include merchandise assembled or completed in India within the scope of the PRC Glycine Order. Domestic interested parties allege that from 2008 to 2009, glycine imports from the PRC to the United States decreased by 96.5 percent and imports of glycine from India rose by 13.8 percent and India’s share of the U.S. glycine imports rose from 27 percent to 50 percent over the same time period. See August 19, 2010, submission at 12 and at Exhibit 5. Domestic interested parties also point out that the market share of total U.S. imports of glycine from the PRC dropped from 38 percent to 2 percent over the same time period. Id.

Affiliation

None of the companies alleged to be circumventing the order are alleged to be affiliated with PRC producers. However, the domestic interested parties claim a buyer/seller relationship exists between AICO and Chiyuen International Trading Ltd., a manufacturer in the PRC of amino acetic acid (i.e., glycine). See August 19, 2010, submission at 18.

Subsequent Import Volume

Domestic interested parties cite to section 781(b)(3)(C) of the Act, which directs the Department to take into account whether imports of the merchandise into the foreign country have increased after the initiation of the investigation which resulted in the issuance of such an order or finding when making a decision on anti-circumvention rulings. Domestic interested parties allege that from 2003–2004 to 2008–2009, imports into India of PRC glycine rose more than 246 percent. See August 19, 2010, submission at 13.

Analysis

Based on our analysis of the domestic interested parties’ anti-circumvention inquiry request, as supplemented, and our September 23, 2010, phone call with the foreign market researcher, the Department determines that the domestic interested parties have satisfied the criteria under section 781(b)(1) of the Act to warrant the Department’s initiation of an anti-circumvention inquiry. In accordance with 19 CFR 351.225(e), if the Department finds that the issue of whether a product is included within the scope of an order cannot be determined based solely upon the application and the descriptions of the merchandise contained in the petition, the investigation and other determinations, the Department will notify by mail all parties on the Department’s scope service list of the initiation of a scope inquiry, including an anti-circumvention inquiry. In addition, in accordance with 19 CFR 351.225(f)(1)(ii), a notice of the initiation of an anti-circumvention inquiry issued under paragraph (e) of this section will include a description of the product that is the subject of the anti-circumvention inquiry, i.e., glycine from the PRC that is processed and/or repackaged in India, as provided in the scope of the PRC Glycine Order, and an explanation of the reasons for the Department’s decision to initiate the anti-circumvention inquiry, as provided below.

With regard to whether the merchandise from India is of the same class or kind as the merchandise produced in the PRC, the domestic interested parties have presented information to the Department which appears to indicate that, pursuant to section 781(b)(1)(A) of the Act, the merchandise being produced in and/or exported from India by AICO, Paras and Salvi may be of the same class or kind as glycine produced in the PRC and subject to the PRC Glycine Order. Consequently, the Department finds that the domestic interested parties provided sufficient information in its request, as supplemented regarding the class or kind of merchandise to warrant initiation of an anti-circumvention inquiry.

With regard to completion or assembly of merchandise in a foreign country, pursuant to section 781(b)(1)(B) of the Act, the domestic interested parties have also presented information to the Department which appears to indicate that certain glycine exported from India to the United States is being further processed by AICO, Paras and
Salvi using glycine imported into India from the PRC. We find that the information presented by the domestic interested parties regarding this criterion supports their request to initiate an anti-circumvention inquiry. The Department believes that the domestic interested parties sufficiently addressed the factors described by sections 781(b)(1)(C) and 781(b)(2) of the Act regarding whether the processing of glycine in India is minor or insignificant. Specifically, in support of its argument, the domestic interested parties relied on information from Indian Glycine, on the domestic interested parties’ calculations based on their estimated cost of production and cost of processing and repackaging of PRC-origin glycine, allegedly performed by Paras, Salvi, and AICO, and information in the Market Research Report as described above. Thus, we find that the information presented by the domestic interested parties supports their request, as supplemented, to initiate an anti-circumvention inquiry. In particular, for the purposes of initiation, we find that the domestic interested parties have sufficiently supported their allegations that: (1) Little investment has been made by either Paras, Salvi, or AICO in their respective processing of PRC glycine; (2) Paras, Salvi, and AICO perform processing and repackaging of the lower-grade PRC glycine, which are technologically mature processes that do not require research and development by these companies; (3) the mere processing of the lower-grade glycine through refinement, purification, and repackaging does not alter the fundamental characteristics of the glycine, or whether it is subject to the scope of the PRC Glycine Order; (4) Paras’s, Salvi’s, and AICO’s facilities for processing and repackaging PRC glycine do not require the typically capital-intensive production facilities needed to manufacture glycine; and (5) refining and repackaging of PRC glycine represents a small proportion of the value of the merchandise exported to the United States.

Our analysis will focus on Paras’s, Salvi’s, and AICO’s processing operations in India and, in the context of this proceeding, we will closely examine the extent of processing done in India, as well as Paras’s, Salvi’s, and AICO’s relationships with glycine suppliers in the PRC. With respect to the value of the merchandise produced in the PRC, pursuant to section 781(b)(1)(D) of the Act, the domestic interested parties relied on their information and arguments presented in the “minor or insignificant” portion of their anti-circumvention request, as supplemented, to indicate that the value of PRC glycine may be significant relative to the total value of the glycine processed and repackaged in India and then exported to the United States. We find that the information provided adequately addresses this factor, as discussed above, for the purposes of initiating an anti-circumvention inquiry.

Finally, the domestic interested parties argue that, pursuant to section 781(b)(3) of the Act, the Department should also consider the pattern of trade, affiliation, and subsequent import volumes as factors in determining whether to initiate an anti-circumvention inquiry. The export and import data submitted by the domestic interested parties suggests that imports of glycine from the PRC into India rose significantly in recent years. Accordingly, based on the domestic interested parties’ allegations, as supplemented, we have determined that domestic interested parties have provided a sufficient basis to initiate an anti-circumvention inquiry concerning the PRC Glycine Order, pursuant to section 781(b) of the Act. These anti-circumvention inquiries pertain solely to Paras, Salvi, and AICO.

If, within sufficient time, the Department receives a formal request from an interested party regarding potential anti-circumvention of the PRC Glycine Order by other Indian companies, we will consider conducting additional inquiries concurrently.

In accordance with 19 CFR 351.225(i)(2), if the Department issues a preliminary affirmative determination, we will then instruct CBP to suspend liquidation and require a cash deposit of estimated duties on the merchandise.

The Department will, following consultation with interested parties, establish a schedule for questionnaires and comments on the issues. The Department intends to issue its final determination within 300 days of the date of publication of this initiation. See section 781(f) of the Act.

This notice is published in accordance with section 777(i)(1) of the Act.


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

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BILLING CODE 3510–DS–P