

instructions directly to U.S. Customs and Border Protection ("CBP") to assess antidumping duties on appropriate entries by applying the assessment rate to the entered value of the merchandise. For assessment purposes, we calculate importer-specific assessment rates for the subject merchandise by aggregating the dumping duties due for all U.S. sales to each importer and dividing the amount by the total entered value of the sales to that importer.

All other entries of the subject merchandise during the POR will be liquidated at the antidumping duty rate in place at the time of entry except for Yantai Oriental Juice Co., Qingdao Nannan Foods Co., Sanmenxia Lakeside Fruit Juice Co. Ltd., Shaanxi Haisheng Fresh Fruit Juice Co., and SDIC Zhonglu Juice Group Co. which were recently excluded from the order on remand and whose entries will be liquidated without regard to antidumping duties.

The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of the final results of this review.

#### Cash Deposit Requirements

Should the final results of this administrative review not differ from these preliminary results, the following cash deposit requirements will be effective upon publication of the final results for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) For the PRC company named above, the cash deposit rate for exports to the United States by that company will be the rate established in the final results of this review, except that, for exporters with *de minimis* rates, *i.e.*, less than 0.50 percent, no deposit will be required; (2) for companies previously found to be entitled to a separate rate in a prior segment of the proceeding, and for which no review has been requested, the cash deposit rate will continue to be the rate established in the most recent review of that company (except for Xian Yang, which had a new cash deposit rate of 3.83 percent set effective December 12, 2003); (3) for all other PRC exporters, the cash deposit rate will be 51.74 percent, the PRC country-wide *ad-valorem* rate; and (4) for non-PRC exporters of subject merchandise from the PRC to the United States, the cash deposit rate will be the rate applicable to the PRC exporter that supplied that non-PRC exporter. These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

#### Public Comment

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 30 days of the date of publication of this notice. Any hearing, if requested, will be held approximately 42 days after the publication of this notice, or the first workday thereafter. Issues raised in hearings will be limited to those raised in the case and rebuttal briefs. Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs within 30 days of the date of publication of this notice. Furthermore, as discussed in 19 CFR 351.309(d)(2), rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 35 days after the date of publication of this notice. Parties who submit case briefs or rebuttal briefs in this review are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument with an electronic version included.

The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or hearing, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these results in accordance with sections 751(a)(1), and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: June 29, 2004.

**Jeffrey A. May,**

*Acting Assistant Secretary for Import Administration.*

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#### DEPARTMENT OF COMMERCE

##### International Trade Administration

[A-405-803, A-201-834, A-421-811, A-401-808]

#### Notice of Initiation of Antidumping Duty Investigations: Purified Carboxymethylcellulose (CMC) From Finland, Mexico, the Netherlands, and Sweden

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

**ACTION:** Initiation of antidumping duty investigations.

**EFFECTIVE DATE:** July 6, 2004.

**FOR FURTHER INFORMATION CONTACT:** Brian J. Sheba (Finland) at 202-482-0145, Mark Flessner (Mexico) at 202-482-6312, John Drury (the Netherlands) at 202-482-0195, Patrick Edwards (Sweden) at 202-482-8029, Robert James at 202-482-0649, or Abdelali Elouraradia at 202-482-1374, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### Initiation of Investigations

##### *The Petition*

On June 9, 2004, the Department of Commerce (the Department) received an antidumping duty petition (Petition) filed in the proper form by Aqualon Company (Aqualon or petitioner), a division of Hercules Incorporated. Aqualon is a domestic producer of purified carboxymethylcellulose (CMC). On June 15, 2004, the Department requested clarification on a number of different issues raised by the Petition. On June 18, 2004, petitioner submitted information to supplement the Petition (Supplemental Petition). The Department requested additional revisions to the Petition on June 22, 2004, and June 25, 2004, to which petitioner responded on June 24, 2004 (Second Supplemental Petition) and June 28, 2004 (Third Supplemental Petition). In accordance with section 732(b) of the Act of 1930, as amended (the Act), petitioner alleges imports of CMC from Finland, Mexico, the Netherlands, and Sweden are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the U.S. industry.

The Department finds that petitioner filed its Petition on behalf of the domestic industry because it is an

interested party as defined in section 771(9)(C) of the Act, and it has demonstrated sufficient industry support with respect to the investigations it is presently seeking. See *Determination of Industry Support for the Petition* section below.

#### *Scope of the Investigations*

For purposes of these investigations, the products covered are all purified carboxymethylcellulose (CMC), sometimes also referred to as purified sodium CMC, polyanionic cellulose, or cellulose gum, which is a white to off-white, non-toxic, odorless, biodegradable powder, comprising sodium carboxymethylcellulose that has been refined and purified to a minimum assay of 90 percent. Purified CMC does not include unpurified or crude CMC, CMC Fluidized Polymer Suspensions, and CMC that is cross-linked through heat treatment. Purified CMC is CMC that has undergone one or more purification operations which, at a minimum, reduce the remaining salt and other by-product portion of the product to less than ten percent.

The merchandise subject to this investigation is classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 3912.31.00. This tariff classification is provided for convenience and Customs purposes; however, the written description of the scope of these investigations is dispositive.

During our review of the Petition, we discussed the scope with the petitioner to ensure that it accurately reflects the product for which the domestic industry is seeking relief. See Memorandum from Deborah Scott to the File, dated June 24, 2004. Moreover, as discussed in the preamble to the Department's regulations, we are setting aside a period for parties to raise issues regarding product coverage. See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (1997). The Department encourages all interested parties to submit such comments within 20 days of publication of this notice. Comments should be addressed to Import Administration's Central Records Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and consult with parties prior to the issuance of the preliminary determinations.

#### *Periods of Investigation*

The anticipated period of investigation (POI) for Finland, Mexico, the Netherlands, and Sweden is April 1, 2003, through March 31, 2004. See 19 CFR 351.204(b).

#### *Determination of Industry Support for the Petition*

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that the Department's industry support determination, which is to be made before the initiation of the investigation, be based on whether a minimum percentage of the relevant industry supports the petition. A petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A), or (ii) determine industry support using a statistically valid sampling method.

Section 771(4)(A) of the Act defines the "industry" as the producers of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. See *USEC, Inc. v.*

*United States*, 132 F. Supp. 2d 1, 8 (CIT 2001), citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 642-44 (CIT 1988).

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation," *i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition.

With regard to the domestic like product, petitioner does not offer a definition of domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted in the Petition we have determined that there is a single domestic like product, purified CMC, which is defined further in the "Scope of the Investigations" section above, and we have analyzed industry support in terms of that domestic like product. For more information on our analysis and the data upon which we relied, see *Antidumping Duty Investigation Initiation Checklist (Initiation Checklist)*, dated June 29, 2004, Appendix II—Industry Support on file in the Central Record Unit (CRU) in room B-099 of the main Department of Commerce building.

In determining whether the domestic petitioner has standing, we considered the industry support data contained in the Petition with reference to the domestic like product as defined above in the "Scope of the Investigations" section. Petitioner is the sole manufacturer or producer of the domestic like product. See *IMR International Quarterly Review of Food Hydrocolloids for the third quarter of 2003*, Petition at page 2 and Exhibit 1-H, at 55.

Using the data described above, the share of total estimated U.S. production of CMC in year 2003 represented by petitioner equals over 50 percent of total domestic production. Therefore, the Department finds that the domestic producers who support the Petition account for at least 25 percent of the total production of the domestic like product. In addition, as no domestic producers have expressed opposition to the Petition, the Department also finds that the domestic producers who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition.

Therefore, we find that petitioner has met the requirements of section 732(c)(4)(A) of the Act.

#### *Export Price and Normal Value*

The following are descriptions of the allegations of sales at less than fair value upon which the Department based its decision to initiate these investigations. The source or sources of data for the adjustments relating to U.S. and foreign market prices have been accorded treatment as business proprietary information. Petitioner's sources and methodology are discussed in greater detail in the business proprietary version of the Petition and in our *Initiation Checklist*. We revised certain information contained in the Petition's margin calculations; these revisions are set forth in detail in the *Initiation Checklist*. Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we may re-examine this information and revise the margin calculations, if appropriate.

#### *Export and Normal Value Price for All Countries*

Petitioner has relied on prices in affidavits of Aqualon employees to establish U.S. and normal value (NV) prices. Petitioner computed the ex-factory export price in U.S. dollars by obtaining from members of its U.S. sales force information on selling price in the United States of CMC produced in the subject countries. Petitioner then deducted costs incident to transporting and selling the subject merchandise to customers in the United States based on information from its shipping/logistics department. Petitioner's adjustments to U.S. price also relied on costs more closely matched to the date of the U.S. price, rather than an average over the entire POI. See Petition at Exhibit 4 at 4-1. However, the Department has determined that foreign currency conversions should be based on averages for the entire POI. See *Initiation Checklist* at Attachment V. Petitioner did not include warehousing expenses as an adjustment to the U.S. sales price because petitioner did not know whether the price quotes obtained in the affidavit were warehoused by Noviant in the United States or shipped directly to the customer. See Petition at Exhibit 4 at 4-3, note 3. We have accepted this methodology for the purposes of initiation.

To calculate NV, petitioner obtained home market prices in the subject countries from members of its sales force located in these countries. Petitioner then made deductions

incident to transporting and selling the subject merchandise to arrive at NV. See Petition at Exhibit 4 at 4-2.

Petitioner did not make adjustments for imputed credit expenses for the U.S. or home market prices. Petitioner stated that neither payment terms nor interest rates are believed to be materially different for CMC in the United States and the home markets. Accordingly, petitioner did not make an imputed credit adjustment since such adjustment would not have a material effect on the dumping margins. See Petition at Exhibit 4 at 4-2, note 2. We have accepted this methodology for the purposes of initiation.

#### **Finland**

##### *Export Price*

To calculate export price (EP), petitioner obtained a price contemporaneous with the POI for subject merchandise sold to a potential U.S. customer for calendar year 2004 by Noviant, a producer of purified CMC in Finland, from its plant in Finland. See Petition at Exhibit 5. The price includes freight delivered to the customer's manufacturing sites in the United States. Petitioner then made adjustments for U.S. inland freight expense, ocean freight and marine insurance, documentation fees, port fees, U.S. customs duties, intra-European freight, and foreign inland freight expense.

Because Chicago is Noviant's Midwestern distribution point and Noviant's customer at issue is located in the Midwest, petitioner calculated U.S. inland freight on the basis of a New York to Chicago rail price quote obtained by a company official from independent shipping companies. See Petition at Exhibit 4 at 4-4 and Second Supplemental Response at Exhibit 4-B. Petitioner next calculated the per pound freight charge from this quote. See Petition at Exhibit 4-A.

Petitioner calculated ocean freight and marine insurance based on the difference between the CIF and FOB average unit value of CMC imports into the United States from the month most closely associated with the U.S. date of sale. For Finland, petitioner utilized U.S. Census data for December 2003. See Petition at Exhibit 4-D. The Department has determined that a POI-wide ocean unit freight value which excludes any shipment of CMC valued below \$0.80/lb or above \$2.75/lb is a more accurate representation of ocean freight expense for the subject merchandise. Accordingly, the Department requested that petitioner correct the ocean freight rates. The

correction has slightly changed petitioner's ocean freight expense. See Third Supplemental Petition and *Initiation Checklist*.

Petitioner obtained prices for an import documentation fee on a per container basis from a price quote from a logistics company. See Second Supplemental Response at Exhibit 4-B. Petitioner converted the container-based charge to a per pound basis. See Petition at Exhibit 4-A.

Harbor maintenance and merchandise processing fees at the port of importation were quoted to petitioner from an independent shipper. See Second Supplemental Response at Exhibit 4-B. These fees are, respectively, 0.125 percent and 0.21 percent of the entered value of imports. *Ad valorem* duties on imports of CMC for HTS heading 3912.31 are 6.4 percent of FOB value. See Petition at Exhibit 4-C.

Petitioner calculated foreign inland freight charges based on its knowledge of the location of the Noviant plant in Aankoski, Finland and the logistics for the lowest cost method of exporting CMC to the United States. See Second Supplemental Response at Exhibit 4-B. Petitioner assumes a shipment ex-works Aankoski to the port of Kotka, Finland and then by ocean freight to Hamburg, Germany. See Second Supplemental Response at Exhibit 4-B. Petitioner then converts the shipping charges to a per pound basis. See Petition Exhibit 4-A and *Initiation Checklist* at Attachment V.

##### *Normal Value*

To calculate home market NV, petitioner met with representatives of a Finnish customer during the POI. During the course of that meeting, the customer stated the current Noviant price on a delivered basis. Petitioner converted this price from Euros per kilogram to U.S. dollars per pound. See Petition at Exhibit 5-A and *Initiation Checklist* at Attachment V.

Petitioner's only adjustment to NV is foreign inland freight expense to account for the shipment of the subject merchandise from Noviant's plant in Aankoski, Finland to the customer's plant in Finland. Petitioner ascertained this freight expense through a price quote from an independent shipper. See Second Supplemental Petition at Exhibit 4-B. Petitioner then converted this freight expense to a U.S. dollar per pound basis. See Second Supplemental Petition at Exhibit 4-E and *Initiation Checklist* at Attachment V.

We have accepted this methodology for purposes of this initiation. The export price to normal value

comparison produced a dumping margin of 6.65 percent. *See Initiation Checklist* at Attachment V.

### Mexico

#### Export Price

To calculate EP, petitioner obtained a price for the subject merchandise contemporaneous with the POI by Quimica Amtex, S.A. de C.V. (Amtex), a Mexican producer of CMC, from its plant in Mexico to a U.S.-based customer. *See Petition* at Exhibit 6. Petitioner then made adjustments for U.S. and foreign inland freight, insurance, and U.S. border crossing fees.

Petitioner calculated U.S. and foreign inland freight on the basis of a price quote obtained by a company official. This price quote encompasses a single cost for truck freight from Amtex's plant in Mexico to the customer in the United States. *See Second Supplemental Response* at Exhibit 4-B. Petitioner then calculated a per pound freight charge from this quote. *See Petition* at Exhibit 4-A.

To calculate insurance expenses petitioner relied on the difference between the CIF and FOB average unit value of purified CMC imports into the United States from Mexico. The U.S. Bureau of the Census served as the source of these data. *See Petition* at Exhibit 4-D and *Third Supplemental Petition*.

Petitioner computed U.S. border crossing fees based on a price quote from a company official. *See Second Supplemental Response* at Exhibit 4-B. Petitioner then converted this fee to a per pound basis. *See Petition* at Exhibit 6.

#### Normal Value

To calculate NV, petitioner met with representatives of a Mexican customer during the POI. During the course of that meeting, the customer presented a price quote showing Amtex's current price to that customer on a delivered basis. *See Petition* at Exhibit 6.

Petitioner adjusted NV by deducting foreign inland freight expenses. Petitioner based this adjustment on a freight rate obtained by an employee for shipping CMC by truck from its plant to its customer in Mexico. *See Second Supplemental Response* at Exhibit 4-B and *Initiation Checklist* at Attachment V. Petitioner made no other deductions to NV.

We have accepted this methodology for purposes of this initiation. The export price to normal value comparison produced a dumping margin of 71.91 percent. *See Initiation Checklist* at Attachment V.

### The Netherlands

#### U.S. Price

To calculate EP, petitioner obtained a price contemporaneous with the POI for subject merchandise sold to a customer in the United States for calendar year 2004 by Aqualon's competitor, Noviant, from its plant in the Netherlands. *See Petition* at Exhibit 7. The quoted price includes freight delivered to the customer's manufacturing site in the United States. Petitioner then made adjustments for U.S. inland freight expense, ocean freight and marine insurance, documentation fees, port fees, U.S. customs duties, and foreign inland freight expense.

Petitioner calculated U.S. inland freight on the basis of a truck rate quote from the port in Charleston, South Carolina to the customer's location obtained by a company official from independent shipping companies. *See Second Supplemental Response* at Exhibit 4-B. Petitioner next calculated the per pound freight charge from this quote. *See Petition* at Exhibit 4-A.

Petitioner calculated ocean freight and marine insurance based on the difference between the CIF and FOB average unit value of CMC imports into the United States in the month most closely associated with the U.S. date of sale. For the Netherlands, petitioner used U.S. Census data from March 2004. *See Petition* at Exhibit 4-D. The Department has determined that a POI-wide ocean unit freight value which excludes any shipment of CMC valued below \$0.80/lb or above \$2.75/lb is a more accurate representation of ocean freight expense for the subject merchandise. Accordingly, the Department requested that petitioner correct the ocean freight rates. The correction has slightly changed petitioner's ocean freight expense. *See Third Supplemental Petition* and *Initiation Checklist*.

Petitioner obtained prices for an import documentation fee on a per container basis from a price quote from a logistics company. *See Second Supplemental Response* at Exhibit 4-B. Petitioner converted the container-based charge to a per pound basis. *See Petition* at Exhibit 4-A.

Harbor maintenance and merchandise processing fees at the port of importation were quoted to petitioner from an independent shipper. *See Second Supplemental Response* at Exhibit 4-B. These fees are, respectively, 0.125 percent and 0.21 percent of the entered value of imports. *Ad valorem* duties on imports of CMC for HTS heading 3912.31 are 6.4 percent

of FOB value. *See Petition* at Exhibit 4-C.

Petitioner calculated foreign inland freight charges based on its knowledge of the location of the Noviant plant in Nijmegen, the Netherlands and the logistics for the lowest cost method of exporting CMC to the United States. *See Second Supplemental Response* at Exhibit 4-B. Petitioner assumes a shipment ex-works Nijmegen to the port of Rotterdam, the Netherlands. *See Second Supplemental Response* at Exhibit 4-B. Petitioner then converted the shipping charges to a per pound basis. *See Petition* Exhibit 4-A and *Initiation Checklist* at Attachment V.

#### Normal Value

To calculate home market NV, petitioner spoke with a Dutch customer. During the course of that conversation, the customer gave petitioner a purchase price for CMC from a producer of CMC in the Netherlands. *See Petition* at Exhibit 7 and *Initiation Checklist* at Attachment V.

Petitioner's only adjustment to NV is foreign inland freight expense to account for the shipment of the subject merchandise from Zaamdan, the Netherlands to the customer's plant in the Netherlands. Petitioner ascertained this freight expense through a price quote from an independent shipper. *See Second Supplemental Petition* at Exhibit 4-B. Petitioner then converted this freight expense to a U.S. dollar per pound basis. *See Second Supplemental Petition* at Exhibit 4-E and *Initiation Checklist* at Attachment V.

We have accepted this methodology for purposes of this initiation. The export price to normal value comparison produced a dumping margin of 39.46 percent. *See Initiation Checklist* at Attachment V.

### Sweden

#### Export Price

To calculate export price, petitioner obtained a price quote from a U.S. consumer of CMC contemporaneous with the POI for subject merchandise from Noviant, a producer of CMC in Sweden, from its plant in Sweden. *See Petition* at Exhibit 8 and *Second Supplemental Petition* at Exhibit 8. Petitioner made adjustments for U.S. inland freight expense, ocean freight and insurance, documentation and port fees, U.S. customs duties, intra-European freight expense and foreign inland freight expense.

Petitioner calculated U.S. inland freight on the basis of a rail quote from an independent shipping company. The rail quote is from Charleston, South

Carolina to the U.S. customer's manufacturing site in the United States. See Second Supplemental Petition at Exhibit 4-B and Third Supplemental Petition. Petitioner next calculated the per pound freight charge from this quote. See Petition at Exhibit 4-A for methodology and Second Supplemental Petition Exhibit 8.

Petitioner calculated ocean freight and insurance to the United States based on the difference between CIF and FOB average unit values of imports in the month most closely corresponding with the U.S. date of sale. For Sweden, petitioner used U.S. Census data from March 2004. See Petition at Exhibit 4 at 4-6 and Exhibits 4-A and 4-D. The Department has determined that a POI-wide ocean unit freight value which excludes any shipment of CMC valued below \$0.80/lb or above \$2.75/lb is a more accurate representation of ocean freight expense for the subject merchandise. Accordingly, the Department requested that petitioner correct the ocean freight rates. The correction has slightly changed petitioner's ocean freight expense. See Third Supplemental Petition and *Initiation Checklist*.

Documentation fees were based upon a per container price quote obtained from its in-house logistics company. See Second Supplemental Response at Exhibit 4-B. Petitioner converted this price to a dollar per pound basis for its margin calculation. See Petition at Exhibit 4-A. Harbor maintenance and merchandise processing fees at the port of importation were quoted to petitioner from an independent shipper. See Second Supplemental Response at Exhibit 4-B. These fees are, respectively, 0.125 percent and 0.21 percent of the entered value of imports. *Ad valorem* duties on imports under HTS heading 3912.31 are 6.4 percent of FOB value. See Petition at Exhibit 4 at 4-4 to 4-5 and Exhibit 4-C.

Petitioner calculated foreign inland freight expense based on its knowledge of the distance from Noviant AB's production facility in Skoghal, Sweden and the logistics for the lowest cost method of exporting subject merchandise to the United States. See Second Supplemental Response at 4-B. Petitioner assumes a shipment ex-works by truck or rail from Skoghal to the port of Göteborg, Sweden and then by ocean freight to either Hamburg or Bremerhaven, both in Germany. See Second Supplemental Response at Exhibit 4-B and Supplemental Petition at 16. All shipping charges are converted to a per pound basis. See Petition at Exhibit 4-A and *Initiation Checklist* at Attachment V.

#### *Normal Value*

To calculate home market NV, petitioner conducted sales calls with representatives of two Swedish purchasers of the subject merchandise. The calls were made contemporaneous within the anticipated POI. During these two separate telephone conversations, the potential customers indicated to petitioner the current price being offered by Noviant for a particular grade of the subject merchandise. Petitioner converted this price to establish the U.S. dollar price per pound. See Petition at Exhibit 8-A and *Initiation Checklist* at Attachment V.

Petitioner's only adjustment to NV is foreign inland freight expense to account for the shipment of the subject merchandise from Noviant's plant in Skoghal, Sweden to its customer in Sweden. Petitioner ascertained this freight expense through a price quote from an independent shipper. See Second Supplemental Petition at Exhibit 4-B. Petitioner then converted this freight expense to a U.S. dollar per pound basis. See Second Supplemental Petition at Exhibit 4-E and *Initiation Checklist* at Attachment V.

We have accepted this methodology for purposes of this initiation. The export price to normal value comparison produced a dumping margin of 25.29 percent. See *Initiation Checklist* at Attachment V.

#### **Fair Value Comparisons**

Based on the data provided by petitioner, there is reason to believe imports of purified CMC from Finland, Mexico, the Netherlands, and Sweden are being, or are likely to be, sold at less than fair value.

#### **Allegations and Evidence of Material Injury and Causation**

With respect to Finland, Mexico, the Netherlands, and Sweden, petitioner alleges the U.S. industry producing the domestic like product is being materially injured, or threatened with material injury, by reason of the individual and cumulated imports of the subject merchandise sold at less than NV.

Petitioner contends that the industry's injured condition is evident in examining net operating income, profit, net sales volumes, production employment, as well as inventory levels, and reduced capacity utilization. See Petition at pages 26-27 and Petition Exhibit 10. Petitioner asserts its share of the market has declined from 2001 to 2003. See Petition at pages 19-20 and Petition Exhibit 11. For a full discussion of the allegations and evidence of material injury, See *Initiation Checklist*.

#### **Initiation of Antidumping Investigations**

Based on our examination of the Petition covering purified CMC, we find it meets the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of purified CMC from Finland, Mexico, the Netherlands, and Sweden are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended pursuant to section 733(b)(1)(A) of the Act, we will make our preliminary determinations no later than 140 days after the date of this initiation, or November 16, 2004.

#### **Distribution of Copies of the Petition**

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of the Petition has been provided to representatives of the governments of Finland, Mexico, the Netherlands, and Sweden. We will attempt to provide a copy of the public version of the Petition to each exporter named in the Petition, as provided in section 19 CFR 351.203(c)(2).

#### **International Trade Commission Notification**

The ITC will preliminarily determine on July 23, 2004, whether there is reasonable indication that imports of purified CMC from Finland, Mexico, the Netherlands, and Sweden are causing, or threatening, material injury to a U.S. industry. A negative ITC determination for any country will result in the investigation being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: June 29, 2004.

**Jeffrey May,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 04-15227 Filed 7-2-04; 8:45 am]

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#### **DEPARTMENT OF COMMERCE**

##### **International Trade Administration**

##### **Quarterly Update to Annual Listing of Foreign Government Subsidies on Articles of Cheese Subject to an In-Quota Rate of Duty**

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

**ACTION:** Publication of quarterly update to annual listing of foreign government