

A copy of the application and accompanying exhibits will be available for public inspection at the Office of the Foreign-Trade Zones Board's Executive Secretary at the first address listed above, and at the Lubbock International Airport, 5401 Martin Luther King Boulevard, Lubbock, Texas 79401.

Dated: August 19, 2003.

Dennis Puccinelli,

Executive Secretary.

[FR Doc. 03-21843 Filed 8-26-03; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-827]

Certain Cased Pencils From the People's Republic of China: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Extension of Time Limits.

EFFECTIVE DATE: August 27, 2003.

FOR FURTHER INFORMATION CONTACT: Paul Stolz or Magd Zalok, AD/CVD Enforcement, Office 4, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-4474 or (202) 482-4162, respectively.

TIME LIMITS:

Statutory Time Limits

Section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), requires the Department of Commerce (the Department) to make a preliminary determination within 245 days after the last day of the anniversary month of an order or finding for which a review is requested and a final determination within 120 days after the date on which the preliminary determination is published. However, if it is not practicable to complete the review within these time periods, section 751(a)(3)(A) of the Act allows the Department to extend the 245-day time limit for the preliminary determination to a maximum of 365 days and the time limit for the final determination to 180 days (or 300 days if the Department does not extend the time limit for the preliminary determination) from the date of publication of the preliminary determination.

Background

On January 22, 2003, the Department published a notice of initiation of administrative review of the antidumping duty order on certain cased pencils from the People's Republic of China, covering the period December 1, 2001, through November 30, 2002. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 68 FR 3009, 3010 (January 22, 2003). The preliminary results are currently due no later than September 2, 2003.

Extension of Time Limit for Preliminary Results of Review

We determine that it is not practicable to complete the preliminary results of this review within the original time limit. Therefore the Department is extending the time limit for completion of the preliminary results by 120 days until no later than December 31, 2003. *See* Decision Memorandum from Thomas Futtner, Acting Office Director for Import Administration, Group II, Office IV to Holly A. Kuga, Acting Deputy Assistant Secretary for Import Administration, Group II, dated concurrently with this notice, which is on file in the Central Records Unit, Room B-099 of the Department's main building. We intend to issue the final results no later than 120 days after the publication of the preliminary results notice.

This extension is in accordance with section 751(a)(3)(A) of the Act.

Dated: August 19, 2003.

Holly A. Kuga,

Acting Deputy Assistant Secretary for Import Administration, Group II.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-602-805, A-484-802, A-419-802, A-588-864, A-791-818, A-570-889]

Notice of Initiation of Antidumping Duty Investigations: Electrolytic Manganese Dioxide From Australia, Greece, Ireland, Japan, South Africa and the People's Republic of China

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

ACTION: Initiation of Antidumping Duty Investigations.

EFFECTIVE DATE: August 27, 2003.

FOR FURTHER INFORMATION CONTACT:

Catherine Bertrand (Australia) at 202-482-3207, Doug Kirby (Greece) at 202-482-3782, John Drury (Ireland) at 202-482-0195, Brandon Farlander (Japan) at 202-482-0182, Matthew Renkey (South Africa) at 202-482-2312, Rachel Kreissl (PRC) at 202-482-0409 or Alex Villanueva at 202-482-3208, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230.

SUPPLEMENTARY INFORMATION:

Initiation of Investigations

The Petition

On July 31, 2003, the Department of Commerce ("Department") received an antidumping duty petition ("Petition") filed in proper form by Kerr-McGee Chemical LLC ("Kerr-McGee or Petitioner"). Kerr-McGee is a domestic producer of electrolytic manganese dioxide ("EMD"). On August 13, 2003, Petitioner submitted information to supplement the Petition ("Supplemental Response"). Additionally, on August 13, 2003, the Department asked Petitioner to clarify the sales-below-cost allegations and the countries for which the allegations were made. *See Memorandum to the File from Alex Villanueva, Case Analyst through James C. Doyle, Program Manager; EMD: Regarding Sales-Below-Cost Allegations*, dated August 13, 2003. On August 14, 2003, Petitioner submitted a letter indicating that the sales-below-costs allegations were made only for Ireland, Japan and South Africa. Consequently, Petitioner did not request a sales-below-cost allegation for Australia and Greece. On August 20, 2003, Petitioner submitted revised lost sales and revenue information. In accordance with section 732(b) of the Tariff Act of 1930, as amended ("the Act"), Petitioner alleges imports of EMD from Australia, Greece, Ireland, Japan, South Africa and the People's Republic of China ("PRC") 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

These investigations cover all manganese dioxide (MnO₂) that has been manufactured in an electrolysis process, whether in powder, chip or plate form. Excluded from the scope are natural manganese dioxide ("NMD") and chemical manganese dioxide ("CMD"), including high-grade chemical manganese dioxide ("CMD-U").

The merchandise subject to this investigation is classified in the Harmonized Tariff Schedule of the United States ("HTSUS") at subheading 2820.10.0000. The tariff classifications are provided for convenience and Customs purposes; however, the written description of the scope of these investigations is dispositive.

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 (May 19, 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, D.C. 20230. This 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.

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 (Ct. Int'l Trade 2001), citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 642-44 (Ct. Int'l Trade 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 there is a single domestic like product, EMD, 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 August 20, 2003, 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. To estimate 2002 production for all domestic EMD producers named in the Petition, Petitioner estimated production data using Roskill Information Service Ltd. and conservatively assumed that the remaining company produced to capacity. For purposes of determining industry support, Petitioner combined its year 2002 production data with Erachem Comilog, Inc. ("Erachem"), also a domestic producer, and supporter of the Petition. To estimate 2002 production for all other domestic EMD producers named in the Petition, Petitioner estimated production data using Roskill Information Services Ltd. and conservatively assumed the remaining company produced to capacity. This estimated production data was added to the actual production data detailed above to arrive at total estimated U.S. production of EMD for the year 2002 in short tons. See Petition at Exhibit 9 describing how this production data was estimated.

Using the data described above, the share of total estimated U.S. production of EMD in year 2002 represented by Petitioner and Erachem, a supporter of the Petition, equals over 50 percent of total domestic production. Therefore, the Department finds 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 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 deductions and adjustments relating to U.S. and foreign market prices and cost of production ("COP") and constructed value ("CV") 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 corrected certain information contained in the Petition's margin calculations; these corrections 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.

Periods of Investigation

The anticipated period of investigation ("POI") for Australia, Greece, Ireland, Japan and South Africa will be July 1, 2002 through June 30, 2003. The anticipated POI for the PRC will be January 1, 2003 through June 30, 2003. See 19 CFR 351.204(b).

Export Price for All Countries

In calculating the U.S. price, Petitioner has relied exclusively on average unit value ("AUV") data with respect to the HTSUS number 2820.10.0000. This HTS number is a "basket category" as it includes both subject and non-subject merchandise. This HTS number includes the subject merchandise, EMD, as well as non-subject merchandise, CMD, and possibly NMD¹. Historically, the Department has not accepted basket category AUV's as the basis for U.S. price unless petitioners can provide evidence that the imports classified under the basket category overwhelmingly consist of subject merchandise. In this case, Petitioner has provided information on the record that supports its position that the overwhelming percentage of the imports from the subject countries are, in fact, within the scope of the investigation.

Petitioner used PIERS data to corroborate its contention that the imports under HTSUS number 2820.10.0000 are in fact overwhelmingly subject merchandise because PIERS provides greater product identification information than official U.S. Census data as reported on the International Trade Commission's Dataweb import statistics ("Dataweb").

¹ Note that Petitioner indicated at footnote 11 on page 6 of its July 31, 2003, petition, that NMD would be in the basket category HTS number 2820.10.0000. However, it would appear that NMD is properly classified under HTS 2602.00.0000, with 10-digit designations varying according to manganese weight. As a result, NMD should not be included in the basket category.

Petitioner points out that for the subject countries, in many instances, PIERS data clearly identifies EMD for individual shipments. For other shipments, PIERS often identifies them as simply "Manganese Dioxide." These shipments could very well be of subject merchandise but PIERS' lack of specificity prevents a clear identification as such. Given the reluctance of the Department to rely on basket category AUV's for U.S. price, we requested that Petitioner demonstrate that the PIERS data captures the universe of subject merchandise sales during the POI. Additionally, for subject countries where a portion of total POI imports cannot be clearly identified as EMD, we requested that Petitioner demonstrate through other means that all (or at least an overwhelming majority) of the imports were in fact EMD. In order to show the completeness of the PIERS data, Petitioner provided a ratio of total imports according to the PIERS data, as divided by total imports as reported by Dataweb for each of the six countries in the petition. A review of the concordance between PIERS and Dataweb show that for five of the six countries, a substantial majority of the imports are EMD. See Supplemental Response at Exhibit A.

In the case of Ireland, the PIERS import volume is significantly less than the Dataweb volume. Petitioner suggests that the discrepancy between PIERS and Dataweb is due to systematic under-reporting of Irish EMD imports in PIERS. According to Petitioner, EMD imports from Ireland as shown in PIERS are likely mis-labeled as imports from the UK, because there is no EMD production in England, Scotland, or Wales. In addition, Petitioner believes that some imports from Ireland are entering the United States via Canada, and PIERS may have excluded such entries entirely as PIERS does not report on truck, plane, or railway entries. See Supplemental Response at pages 22–24. We found this explanation reasonable because we found no evidence to contradict these statements after conducting a review of the data submitted by Petitioner. See *Initiation Checklist*. Therefore, we find that there is a sufficient basis to accept the Irish AUV data as a basis for U.S. price.

As the second step in its analysis, Petitioner examined each PIERS import entry and compared those which specifically identified the imported product as EMD to those identifying another product, which was usually simply "manganese dioxide," thereby

generating another set of ratios.² For five countries (Australia, Greece, Ireland, Japan, and South Africa), the PIERS-based EMD-to-total-imports ratios show that at least approximately eight-seven percent of the entries in the basket HTS category were EMD, while two of the countries (South Africa and Greece) were one-hundred percent. Extrapolating the PIERS-based results to the Dataweb figures, the Department is able to adequately conclude that the overwhelming portion of imports reflected in the Dataweb figures are EMD, and are therefore adequate figures upon which to base export price for Australia, Greece, Ireland, Japan, and South Africa.

Finally, we note that the PIERS EMD-to-total imports ratio does not demonstrate that all imports from the PRC are EMD and that there is evidence on the record that the PRC does produce CMD and NMD. As a result, Petitioner provided further information to corroborate its argument that the Chinese imports to the United States were EMD. Specifically, Petitioner provided Dataweb statistics that showed that there were entries of Chinese merchandise in only three months of the POI to two different ports. Petitioner provided an affidavit to attest to the fact that the material was significantly EMD. See Petition at Exhibit 5. The volumes indicated in the affidavit match two of the three entries listed in the Dataweb statistics, and represent approximately eighty-nine percent of the volume entered into the United States under the relevant HTS number. Petitioner did not have any information regarding the third and final month's entry volume. However, the average unit value of the third month's entries is significantly higher than the others. Therefore, Petitioner notes that the inclusion of this data point is conservative since it lowers the overall margin. See *Initiation Checklist*. Therefore, we find that there is a sufficient basis to accept the Chinese AUV data as a basis for U.S. price.

Australia

Export Price

For a description of export price for Australia, see *Export Price for All*

² Note that these ratios only counted those PIERS entries which could be positively identified as EMD in the numerator. However, the remaining entries may include EMD, so the actual EMD-to-total imports ratios may in fact be higher. Moreover, Petitioner also provided additional evidence that it is likely that only EMD is being imported under this HTS category. Petitioner provided information that CMD is produced only in Belgium and the PRC, while NMD is predominantly produced in Gabon, Ghana, Brazil, the PRC, Mexico, and India. See Petition at Exhibit 9 and 13.

Countries above. Petitioner also adjusted this AUV data for foreign inland freight costs. *See* Petition at Exhibit 28 and *Initiation Checklist*.

Normal Value

With respect to normal value ("NV"), Petitioner provided information that there were no commercial quantity sales of EMD in the home market during the POI and that there is no viable third country market on which to base NV. *See* Petition at Exhibit 6 and 18. Therefore, Petitioner based NV on CV. *See* Supplemental Response at Exhibit K.

Petitioner calculated cost of manufacturing ("COM") based on its own production experience, adjusted for known differences between costs incurred to produce EMD in the United States and Australia using publicly available data. To calculate interest, Petitioner relied upon information from Delta-Australia's corporate parent, Delta PLC, for the year 2002. Petitioner based profit on the 2002 experience of Ticor Limited, a producer of titanium dioxide, which Petitioner stated was similar to the production process of manganese dioxide. *See* Petition at page 21. We have accepted this methodology for purposes of this initiation. The price to CV comparison produced an estimated dumping margin of 47.01 percent.

Greece

Export Price

For a description of export price for Greece, *see* *Export Price for All Countries* above. Petitioner made no deduction for imputed credit expenses or foreign inland freight costs. *See* *Initiation Checklist*.

Normal Value

With respect to NV, Petitioner stated it did not know whether the home market for Greece was viable and home market prices were not reasonably available for Tosoh-Greece's sales of EMD during the POI. *See* Petition at page 23. However, Petitioner provided a third country price for EMD offered for sale in Belgium. The Petition provides evidence that these sales of EMD in the third-country market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act. We note, however, that Petitioner did not request a sales-below-cost of production investigation for Greece. Therefore, because the home market prices were unavailable, the home market viability is unknown and the largest third country market price is below COP, Petitioner's dumping allegation is based on CV.

Pursuant to section 773(b)(3) of the Act, cost of production ("COP") consists of manufacture ("COM"), selling, general and administrative (SG&A) expenses, and packing. Petitioner calculated COM based on its own production experience, adjusted for known differences between costs incurred to produce EMD in the United States and Greece using publicly available data. To calculate interest, Petitioner relied upon information based upon the 2002 financial statement of Tosoh Corporation, the corporate parent of Tosoh-Greece. To calculate SG&A, petitioner relied upon the 2002 financial statement of a similar company for which data was reasonably available, Aluminum de Grece Industrial and Commercial S.A. ("Aluminum de Grece"). Petitioner chose Aluminum de Grece, an aluminum producer, because the production of aluminum is similar to EMD production.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, Petitioner based NV for Greece on constructed value ("CV"). Petitioner calculated CV using the COM, SG&A and interest expense figures used to compute Greece home market costs. Consistent with section 773(e)(2) of the Act, the petitioner included in CV an amount for profit. For profit, Petitioner relied upon amounts reported in Aluminum de Grece's 2002 financial statement. *See* Supplemental Response at Exhibit L. Petitioner explained that the production of Aluminum De Grece is similar to the process of EMD as they are both energy intensive and involve purification of the ore feedstock and electrolysis. *See* Petition at page 24.

We are initiating this investigation based on constructed value of EMD from Greece calculated by Petitioner. Based on the comparison of the U.S. price to NV, the estimated dumping margin is 22.86 percent. *See* *Initiation Checklist*.

Ireland

U.S. Price

For a description of export price for Ireland, *see* *Export Price for All Countries* section above. Petitioner made adjustments for foreign inland freight to the AUV data. *See* Petition at Exhibits 3, 33 and *Initiation Checklist*.

Normal Value

With respect to NV, Petitioner relied on foreign market research and third country market price, as Mitsui-Ireland's EMD production was not sold in the home market during the POI and Petitioner demonstrated that all

production was for export activities. *See* Petition at Exhibit 34.

Petitioner used Germany as the viable third country comparison market as Germany is the second largest export market for Irish EMD after the United States. Pursuant to section 773 of the Act, Petitioner retrieved data confirming that Mitsui-Ireland's EMD exports to Germany represent at least 22 percent of its total EMD exports to the United States during the period July 2000 through May 2003. Petitioner calculated an average net third-country price and adjusted for movement expenses from Ireland to Germany and for imputed credit expenses. *See* Petition at Exhibit 33 and Supplemental Response at Exhibit M.

Petitioner alleges that the sales of EMD in the third-country market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act. Pursuant to that section of the Act, COP consists of the COM, SG&A expenses, and packing. In the analysis of the third-country market price (above), market prices are inclusive of selling expenses, and therefore Petitioner used a COP also inclusive of SG&A. In regard to SG&A expense, Petitioner states it was unable to obtain specific and detailed financial data for Mitsui-Ireland, and believes it reasonable to use an SG&A ratio of the most similar Irish metals producer for which data was available - Glencar Mining, PLC. *See* Petition at Exhibit 56, page 16 and Supplemental Response at Exhibit M.

Petitioner used its own COM in the CV calculations with adjustments for known differences in production costs between Ireland and the U.S. for materials, energy and labor costs across the manufacturing process of EMD: ore handling (a.k.a. "leaching"), electrolysis, and finishing.

For interest expense, Petitioner relied upon amounts reported for the Japanese parent company Mitsui Mining & Smelting Co., Ltd. (Mitsui Kinzoku)'s interest expense for the year ending March 2002. *See* Petition at Exhibit 55, page 14. Consistent with 773(e)(2) of the Act, Petitioner included in CV an amount for profit. However, Petitioner applied the "zero" profit rate of Glencar Mining, PLC. *See* Petition at Exhibit 56, pages 16-17.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, Petitioner based NV for sales in Ireland on CV. *See* Supplemental Response at Exhibit M.

We have accepted this methodology for purposes of this initiation. The price to CV comparison produced an estimated dumping margin of 25.04 percent. *See* *Initiation Checklist*.

Japan**Export Price**

For a description of export price for Japan, see *Export Price for All Countries* above. Petitioner also adjusted the AUV for foreign inland freight expenses based upon information obtained from a foreign market researcher. See Petition at Exhibit 7 and Supplemental Response at pages 28–29 and Exhibit H. Petitioner made no other adjustments to U.S. price, claiming this resulted in a conservative estimate.

Normal Value

With respect to NV, Petitioner relied on the same foreign market researcher to obtain price quotes for the foreign like product sold in Japan. Petitioner obtained from the market researcher price quote for alkaline grade, powder form EMD sold in the Japanese home market which the researcher indicates is the same type and grade sold in the United States. See Petition at Exhibit 7 and Supplemental Response Exhibit H. Petitioner adjusted this price by deducting total movement expenses. Petitioner made no deduction for imputed credit expenses. See *Initiation Checklist*. Petitioner claimed this was a conservative estimate, as foreign market research revealed payment terms in a range of periods.

Claiming that the Japanese producer's sales of the foreign like product were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act, Petitioner requested that the Department initiate a country-wide sales-below-cost investigation. See Petitioner's August 14, 2003 letter. Pursuant to section 773(b)(3) of the Act, COP consists of the COM, SG&A expenses, and packing. Petitioner calculated COM based on Petitioner's own experience, adjusted for known differences based on the foreign market research of Japanese EMD producers' operations and publicly available data.

Based upon the comparison of the prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, Petitioner based NV for sales in Japan on CV. Petitioner calculated CV using the same COM, SG&A, and interest expense figures used to compute the COP. Consistent with section 773(e)(2) of the Act, Petitioner included in CV an amount for profit.

Petitioner relied upon the profit ratio reported in Tosoh's 2002 annual report. See Petition at Exhibit 53 and Supplemental Response at page 30.

We have accepted this methodology for purposes of this initiation. The price to CV comparison produced an estimated dumping margin of 87.96 percent. See *Initiation Checklist*.

South Africa**Export Price**

For a description of export price for South Africa, see *Export Price for All Countries* above. Petitioner adjusted this AUV data for foreign inland freight costs. See Petition at Exhibit 38.

Normal Value

With respect to NV, Petitioner provided a home market price obtained through foreign market research for EMD comparable to the product exported to the United States which serve as a basis for EP. Petitioner made no adjustments to this calculated average home market price. Petitioner also provided information demonstrating reasonable grounds to believe or suspect that sales of EMD in the home market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation.

Pursuant to section 773(b)(3) of the Act, COP consists of COM, SG&A expenses, and packing. Petitioner calculated COM based on its own production experience, adjusted for known differences between costs incurred to produce EMD in the United States and South Africa using publicly available data. To calculate interest, Petitioner relied upon information from Delta SA's corporate parent, Delta PLC, for the year 2002. To calculate SG&A, Petitioner relied upon the 2002 financial statement of the most similar company for which data was reasonably available, Highveld. Based upon a comparison of the prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, Petitioner based NV for South Africa on CV. Petitioner calculated CV using the same COM, SG&A and interest expense figures used to compute South African home market

costs. Consistent with section 773(e)(2) of the Act, Petitioner included in CV an amount for profit. For profit, Petitioner relied upon amounts reported in Highveld's 2002 financial statement.

We have accepted this methodology for purposes of this initiation. The price to CV comparison produced an estimated dumping margin of 24.82 percent. See *Initiation Checklist*.

PRC**Export Price**

For a description of export price for the PRC, see *Export Price for All Countries* above. Petitioner also deducted an amount for foreign inland freight in the PRC from the starting U.S. Price. The calculation of foreign inland freight was derived using an inflated value used in the recent preliminary determination on polyvinyl alcohol from the PRC. See Petition at Exhibit 41 and Supplemental Response at page 37.

Normal Value

Petitioner asserts that the Department considers the PRC to be a non-market economy country ("NME") and therefore, constructed NV based on the factors of production methodology pursuant to section 773(c) of the Act. In previous cases, the Department has determined that the PRC is an NME country. See e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Barium Carbonate From the People's Republic of China*, 68 FR 46577 (August 6, 2003) and *Notice of Initiation of Antidumping Investigation: Floor-Standing, Metal-Top Ironing Tables and Certain Parts Thereof from the People's Republic of China*, 68 FR 44040 (July 25, 2003). In accordance with section 771(18)(C)(i) of the Act, the NME status remains in effect until revoked by the Department. The NME status of the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product appropriately is based on factors of production valued in a surrogate market economy country in accordance with section 773(c) of the Act. In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

For NV, Petitioner based the factors of production, as defined by section 773(c)(3) of the Act, on its own consumption rates because information regarding Chinese producers' consumption rates is not reasonably available. See Supplemental Response

at pages 39–40. Thus, Petitioner has assumed, for purposes of the Petition, that producers in the PRC use the same inputs in the same quantities as Petitioner, adjusted for any known differences. Based on the information provided by Petitioner, we believe that its factors of production methodology represents information reasonably available to Petitioner and is appropriate for purposes of initiating this investigation.

Petitioner asserts that India is the most appropriate surrogate country for the PRC, claiming that India is: (1) a significant producer of comparable merchandise; and (2) at a level of economic development comparable to the PRC. Based on the information provided by Petitioner, we believe that Petitioner's use of India as a surrogate country is appropriate for purposes of initiating this investigation.

Petitioner based the factors of production (raw materials, labor, energy and packing), as defined by section 773(c)(3) of the Act, for EMD from the PRC on its own experience and adjusted for known differences. Pursuant to section 773(c)(4), Petitioner valued these factors using a variety of sources, including Monthly Statistics of Foreign Trade of India, Volumes I and II, Directorate General of Commercial Intelligence & Statistics (Monthly) ("MSFTI"), Chemical Weekly, the Department's factor valuation memoranda from other NME proceedings, Government of India and pricing lists from Indian chemical manufacturers.

For manganese dioxide ore, the main raw material, Petitioner provided a surrogate value based on the prices from the financial statements of Eveready Industries India, Ltd. ("Eveready India"), an Indian manufacturer of the subject merchandise. For certain chemical inputs (e.g., sulfuric acid), Petitioner provided a surrogate value based on pricing information from Chemical Weekly. For other inputs such as caustic soda, lime (high calcium), harbonite 800S, Petitioner used pricing data from MSFTI to calculate surrogate values.

With regard to energy (electricity), Petitioner provided a surrogate value using Eveready India's financial statements. In addition, Petitioner provided a surrogate value for natural gas, a second energy source, using pricing information from the Gas Authority of India website.

Labor was valued using the regression-based wage rate for the PRC provided by the Department, in accordance with 19 CFR 351.408(c)(3). With regard to certain packing

materials, Petitioner used MSFTI pricing data as the basis for the surrogate values.

Petitioner has provided values for inputs that represent almost 99 percent of the total cost of materials, energy, and packing in the NV calculation. Petitioner explained that the estimated value of the inputs for which it was unable to identify Indian surrogate values represents a minuscule portion of the NV calculation.

For some inputs, Petitioner did not provide a surrogate value using Indian imports statistics or any of the sources identified above. Instead, Petitioner used its own U.S. acquisition costs to value those inputs. Petitioner explained that the U.S. acquisition cost was used because there were no known differences in Chinese production processes and any differences would be immaterial. The inputs for which Petitioner used a U.S. acquisition cost included: packing materials and certain minor factors used in the production of EMD. See *Initiation Checklist* at Attachment V.

Petitioner contends that it has attempted to identify surrogate values for as many inputs as possible, including those that are common to other Chinese antidumping cases before the Department. Petitioner also explains that it has not been able to identify surrogate values for inputs that are unusual and used in very small amounts.

We have decided not to accept Petitioner's reliance on the U.S. acquisition costs to value the packing materials and certain minor factors of production because our practice in NME cases is to obtain surrogate values from a surrogate country. In the instant case, Petitioner did not provide surrogate values for certain inputs using information from a surrogate country. Therefore, in accordance with the Department's practice, we have not included those surrogates in the calculation of NV provided by Petitioner. By doing so, the Department is lowering the normal value, which is conservative. See *Notice of Initiation of Antidumping Duty Investigations: 4,4'-Diamino-2,2'-Stilbenedisulfonic Acid (DAS) and Stilbenic Fluorescent Whitening Agents (SFWA) from Germany, India, and the People's Republic of China*, 68 FR 34579 (June 10, 2003) and *Initiation Checklist*.

Eveready India was selected by Petitioner as the surrogate producer in India to compute factory overhead and SG&A expenses. See *Initiation Checklist*. Petitioner calculated the overhead ratio by dividing Eveready India's total overhead expenses

(including "Depreciation," "Repairs to Machinery and Buildings," and "Stores and Spares Consumed") by Eveready India's material and energy expenses.

Petitioner excluded labor expenses from the denominator in the calculation of the overhead ratio on the grounds that Eveready India's Tea Division employs over 44,000 people while its Battery, Flashlights and Packet Tea Division (which produces EMD) employs 3,400 people. See Petition at 40. While the Department agrees it is appropriate to exclude non-EMD related labor expenses from the denominator of the overhead ratio, we do not agree it is appropriate to deduct EMD related labor expenses. Therefore, the Department added EMD-related labor expenses into the overhead ratio and COM calculations. The Department then applied the ratio to the labor expense inclusive COM as per its standard practice. With regard to SG&A, Petitioner calculated a ratio by dividing all the SG&A expense by Eveready India's total COM (inclusive of labor expenses). See *Initiation Checklist*.

Eveready India did not report a profit in its financial statements, therefore, Petitioner based the profit ratio on aggregate data published by the Reserve Bank of India ("RBI") (See *Final Determination of the Antidumping Duty Investigation of Saccharin from the People's Republic of China*, (Issues and Decision Memoranda at Comment 9) 68 FR 27530 (May 20, 2003)), for the accounting period 2000–2001, the most current data available from the RBI. Petitioner calculated profit as a percentage of the COP for public companies and private companies, and then averaged these two ratios to obtain a single profit ratio. See *Initiation Checklist*.

After revising the NV calculation submitted by Petitioner as discussed above, the Department accepted Petitioner's calculation of NV for initiation purposes based on the above arguments which resulted in an estimated dumping margin of 31.38 percent. See *Initiation Checklist* at Attachment V.

Fair Value Comparisons

Based on the data provided by Petitioner, there is reason to believe imports of EMD from Australia, Greece, Ireland, Japan, South Africa and the PRC are being, or are likely to be, sold at less than fair value.

Allegations and Evidence of Material Injury and Causation

With respect to Australia, Greece, Ireland, Japan, South Africa and the PRC, Petitioner alleges that 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 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 41–60. Petitioner asserts its share of the market has declined from 2000 to 2002. See Petition at page 48. For a full discussion of the allegations and evidence of material injury, see *Initiation Checklist* at Appendix IV and Supplemental Response at pages 42–42.

Initiation of Antidumping Investigations

Based on our examination of the Petition covering EMD, we find it meets the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of EMD from Australia, Greece, Ireland, Japan, South Africa and the PRC 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 January 7, 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 Australia, Greece, Ireland, Japan, South Africa and the PRC. 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 September 12, 2003, whether there is reasonable indication that imports of EMD from Australia, Greece, Ireland, Japan, South Africa and PRC 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: August 20, 2003.

Jeffrey A. May,

Acting Assistant Secretary for Import Administration.

[FR Doc. 03–21903 Filed 8–26–03; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533–820]

Certain Hot-Rolled Carbon Steel Flat Products from India: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Extension of Time Limits.

EFFECTIVE DATE: August 27, 2003.

FOR FURTHER INFORMATION CONTACT: Timothy Finn or Kevin Williams, AD/CVD Enforcement, Office 4, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482–0065 or (202) 482–2371, respectively.

TIME LIMITS:

Statutory Time Limits

Section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), requires the Department of Commerce (the Department) to make a preliminary determination within 245 days after the last day of the anniversary month of an order or finding for which a review is requested and a final determination within 120 days after the date on which the preliminary determination is published. However, if it is not practicable to complete the review within these time periods, section 751(a)(3)(A) of the Act allows the Department to extend the 245-day time limit for the preliminary determination to a maximum of 365 days and the time limit for the final determination to 180 days (or 300 days if the Department does not extend the time limit for the preliminary determination) from the date of publication of the preliminary determination.

Background

On January 22, 2003, the Department published a notice of initiation of administrative review of the antidumping duty order on certain hot-rolled carbon steel flat products from

India, covering the period May 3, 2001 through November 30, 2002. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 68 FR 3009, 3010 (January 22, 2003). The preliminary results are currently due no later than September 2, 2003.

Extension of Time Limit for Preliminary Results of Review

We determine that it is not practicable to complete the preliminary results of this review within the original time limit. Therefore, the Department is extending the time limit for completion of the preliminary results by 62 days until no later than November 3, 2003. See Decision Memorandum from Thomas Futtnr, Acting Office Director for Import Administration, Group II, Office IV to Holly A. Kuga, Acting Deputy Assistant Secretary for Import Administration, Group II, dated concurrently with this notice, which is on file in the Central Records Unit, Room B-099 of the Department's main building. We intend to issue the final results no later than 120 days after the publication of the preliminary results notice.

This extension is in accordance with section 751(a)(3)(A) of the Act.

Dated: August 18, 2003.

Holly A. Kuga,

Acting Deputy Assistant Secretary for Import Administration, Group II.

[FR Doc. 03–21905 Filed 8–26–03; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-475–059]

Notice of Initiation of Antidumping Duty Changed Circumstances Review: Pressure Sensitive Plastic Tape From Italy

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

SUMMARY: In accordance with section 751(b) of the Tariff Act of 1930, as amended, (the Act) and 19 CFR 351.216 (2003), Tyco Adhesives Italia S.p.A. (Tyco) requested that the Department of Commerce (the Department) conduct a changed circumstances review of the antidumping duty order on pressure sensitive plastic tape (PSPT) from Italy. In response to this request, the Department is initiating a changed circumstances review of the above-referenced order.

EFFECTIVE DATE: August 27, 2003.