

DEPARTMENT OF COMMERCE**International Trade Administration**

[A-570-892]

Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 from the People's Republic of China

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

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

EFFECTIVE DATE: November 17, 2004.

SUMMARY: We determine that carbazole violet pigment 23 (CVP-23) from the People's Republic of China (PRC) is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The estimated margins of sales at LTFV are shown in the *Final Determination of Investigation* section of this notice.

FOR FURTHER INFORMATION CONTACT: Tisha Loeper-Viti or Marin Weaver at (202) (202) 482-7425 or (202) 482-2336, respectively; AD/CVD Operations, Office 8, China/NME Unit, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:**Case History**

The preliminary determination in this investigation was published on June 24, 2004. See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Carbazole Violet Pigment 23 from the People's Republic of China*, 69 FR 35287 (June 24, 2004) (*Preliminary Determination*). Since the preliminary determination, the following events have occurred.

We conducted verification of the questionnaire responses of GoldLink Industries Co., Ltd. (GoldLink), Nantong Haidi Chemical Co., Ltd. (Haidi), Trust Chem Co., Ltd. (Trust Chem) and Tianjin Hanchem Int'l Trading Co., Ltd. (Hanchem)¹ from August 2 through

¹ Hanchem was established subsequent to the period of investigation (POI) out of the U.S. sales department of a company named Tianjin Heng An Trading Co., Ltd. (Heng An). During the POI, sales of subject merchandise to the United States were made by Heng An. We have determined that it is appropriate to treat Heng An and Hanchem as a single entity for the purposes of the margin calculations for this antidumping duty investigation and for the application of the antidumping law.

August 24, 2004. The petitioners² filed surrogate value information and data on August 10, 2004, and the respondents collectively filed surrogate value information and data on August 17, 2004.

On October 8, 2004, the respondents, the petitioners, Clariant Corporation (Clariant) and Colors LLC (Colors), domestic interested parties, filed case briefs. The respondents, the petitioners, and Clariant filed rebuttal briefs on October 13, 2004. Colors requested a public hearing on July 26, 2004. It retracted its request for a public hearing on October 13, 2004.

Scope of Investigation

The merchandise covered by this investigation is carbazole violet pigment 23 identified as Color Index No. 51319 and Chemical Abstract No. 6358-30-1, with the chemical name of *diindolo [3,2-b:3',2'-m]triphenodioxazine, 8,18-dichloro-5,15-diethy-5,15-dihydro-*, and molecular formula of C₃₄H₂₂C₁₂N₄O₂.³ The subject merchandise includes the crude pigment in any form (e.g., dry powder, paste, wet cake) and finished pigment in the form of presscake and dry color. Pigment dispersions in any form (e.g., pigments dispersed in oleoresins, flammable solvents, water) are not included within the scope of the investigation.

The merchandise subject to this investigation is classifiable under subheading 3204.17.9040 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

Period of Investigation

The POI is April 1, 2003, through September 30, 2003. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (i.e., November 2003). See 19 CFR 351.204(b)(1).

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this proceeding and to which we have responded are listed in the *Appendix* to this notice and addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice. Parties

² The petitioners are Sun Chemical Corporation and Nation Ford Chemical Company.

³ Please note that the bracketed section of the product description, *[3,2-b:3',2'-m]*, is not business proprietary information. In this case, the brackets are simply part of the chemical nomenclature. See December 4, 2003, amendment to petition at 8.

can find a complete discussion of the issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit (CRU), room B-099 of the main Department building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://ia.ita.doc.gov>. The paper copy and electronic version of the Issues and Decision Memorandum are identical in content.

Non-Market Economy

The Department has treated the PRC as a non-market economy (NME) country in all its previous antidumping investigations. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China*, 68 FR 7765 (February 18, 2003); and *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). In accordance with section 771(18)(C) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked. No party in this investigation has sought revocation of the NME status of the PRC. Therefore, pursuant to section 771(18)(C) of the Act, the Department will continue to treat the PRC as an NME country.

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs the Department to base normal value (NV) on the NME producer's factors of production, valued in a market economy at a comparable level of development that is a significant producer of comparable merchandise. The sources of individual factor prices are discussed under the *Normal Value* section, below. For further details, see the *Preliminary Determination*.

Separate Rates

In our *Preliminary Determination*, we found that GoldLink, Haidi, and Trust Chem met the criteria for the application of a separate, company-specific antidumping duty rate. We have not received any other information since the preliminary determination which would warrant reconsideration of our separate rates determination with respect to these companies. For a complete discussion of the Department's determination that the respondents are

entitled to a separate rate, see the *Preliminary Determination*.

The PRC-Wide Rate

In the *Preliminary Determination*, we found that the use of the PRC-wide rate was appropriate for other exporters in the PRC based on our presumption that those exporters who did not submit a response to the Department's questionnaire, and hence failed to demonstrate entitlement to a separate rate, constitute a single enterprise under common control by the Chinese government. We applied adverse facts available to determine the single antidumping duty rate, the PRC-wide rate, applicable to the PRC exporters that comprise this single enterprise. See, e.g., *Final Determination of Sales at Less Than Fair Value: Synthetic Indigo from the People's Republic of China*, 65 FR 25706, 25707 (May 3, 2000). In addition, while information provided by Hanchem and verified by the Department supports Hanchem's claim that it is not part of the PRC entity, we applied as adverse facts available to Hanchem the same rate as that applied to the PRC entity due to Hanchem's verification failure. To calculate the PRC-wide rate, we relied on information in the petition, as amended, which we were able to corroborate.

Since the preliminary determination, we have obtained new information regarding several surrogate values and the respondents' consumption factors. Based on this new information, we find we are no longer able to corroborate the petition margin. See Memorandum to Laurie Parkhill, Antidumping Duty Investigation of Carbazole Violet Pigment 23 from the People's Republic of China (PRC) Recalculated PRC-Wide Rate (November 8, 2004). Instead, we have recalculated the PRC-wide rate using information otherwise available. The PRC-wide rate is, for the final determination, 217.94 percent.

Surrogate Country

For purposes of the final determination, we continue to find that India remains the appropriate primary surrogate country for the PRC. For further discussion and analysis regarding the surrogate country selection for the PRC, see the *Preliminary Determination*.

Verification

As provided in section 782(i) of the Act, we verified the information submitted by the respondents for use in our final determination. We used standard verification procedures including examination of relevant accounting and production records, and

original source documents provided by the respondents. For changes from the *Preliminary Determination* as a result of verification, see the *Changes Since the Preliminary Determination* section, below. See also Memorandum from Marin Weaver and Christopher Welty, International Trade Compliance Analysts to the File: Antidumping Investigation of Carbazole Violet Pigment 23 from the PRC - Verification of Nantong Haidi Chemical Co., Ltd., dated September 30, 2004; Memorandum from Marin Weaver and Christopher Welty, International Trade Compliance Analysts to the File: Antidumping Investigation of Carbazole Violet Pigment 23 from the People's Republic of China - GoldLink Industries, Inc., dated September 29, 2004; Memorandum from Marin Weaver and Christopher Welty, International Trade Compliance Analysts to the File: Antidumping Investigation of Carbazole Violet Pigment 23 from the People's Republic of China - Verification of Tianjin Hanchem International Trading Co., Ltd., dated September 28, 2004; Memorandum from Marin Weaver and Christopher Welty, International Trade Compliance Analysts to the File: Antidumping Investigation of Carbazole Violet Pigment 23 from the PRC - Verification of Nantong Longteng Chemical Co., Ltd., dated September 29, 2004; Memorandum from Marin Weaver and Christopher Welty, International Trade Compliance Analysts to the File: Antidumping Investigation of Carbazole Violet Pigment 23 from the PRC - Verification of Jiangsu Multicolor Fine Chemical Co., Ltd., dated October 1, 2004; Memorandum from Marin Weaver and Christopher Welty, International Trade Compliance Analysts to the File: Antidumping Investigation of Carbazole Violet Pigment 23 from the People's Republic of China - Verification of Trust Chem Co., Ltd., dated September 28, 2004; Memorandum from Marin Weaver and Christopher Welty, International Trade Compliance Analysts to the File: Antidumping Investigation of Carbazole Violet Pigment 23 from the PRC - Calculation of Jiangsu Multicolor Fine Chemical Co., Ltd.'s Utility and Labor Factors of Production, dated September 30, 2004.

Changes Since the Preliminary Determination

Based on our findings at verification and on our analysis of the comments received, we have made certain adjustments to the calculation methodologies used in the preliminary determination. These adjustments are discussed in detail in the Issues and Decision Memorandum and in the

Memorandum to Laurie Parkhill, Director, China/NME Group, Office 8, from Tisha Loeper-Viti, International Trade Compliance Analyst, Re: Factors of Production Valuation for Final Determination, dated November 8, 2004 (Factors of Production Memorandum).

Critical Circumstances

On June 18, 2004, at the Preliminary Determination, we made a preliminary finding of critical circumstances with respect to Haidi, and Hanchem on the basis of massive imports of the subject merchandise over a relatively short period. We received comments from interested parties on this issue, and they are discussed in detail in the accompanying Issues and Decision Memorandum at Comment 2. Based on our final determination of sales at less than fair value, pursuant to section 735(a)(3)(A)(i) and (B), we determine that critical circumstances exist with respect to Haidi and Hanchem. See Memo from Jeffrey A. May, Deputy Assistant Secretary for Import Administration to James J. Jochum, Assistant Secretary for Import Administration, Antidumping Duty Investigation of Carbazole Violet Pigment 23 from the People's Republic of China Final Determination on Critical Circumstances.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B)(ii) of the Act, we are directing U.S. Customs and Border Protection (CBP) to continue the suspension of liquidation of entries of subject merchandise from the PRC, that are entered, or withdrawn from warehouse, for consumption on or after June 24, 2004, (the date of publication of the *Preliminary Determination* in the **Federal Register**). For Haidi and Hanchem, we will instruct CBP to suspend liquidation of unliquidated entries that are entered, or withdrawn from warehouse, for consumption on or after the date that is 90 days prior to the date publication of the preliminary determination. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average amount by which NV exceeds the U.S. price, as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice.

Final Determination of Investigation

We determine that the following weighted-average percentage margins exist for the period April 1, 2003, through September 30, 2003:

Manufacturer/exporter	Weighted-Average Margin
GoldLink Industries Co., Ltd.	5.51%
Nantong Haidi Chemical Co., Ltd.	44.50%
Trust Chem Co., Ltd.	27.19%
Tianjin Hanchem International Trading Co.	217.94%
PRC-Wide Rate.	217.94%

The PRC-wide rate applies to all entries of the merchandise under investigation except for entries from the four exporters listed above.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury, or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or cancelled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP officials to assess antidumping duties on all imports of subject merchandise entered for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Order (APO)

This notice also serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: November 8, 2004.

James J. Jochum,

Assistant Secretary for Import Administration.

Appendix Decision Memorandum

I. ISSUES RELATED TO MULTIPLE RESPONDENTS

Comment 1: Financial Ratios

Comment 2: Critical Circumstances

Comment 3: Surrogate Value Sources

Comment 4: HTS Classification

Comment 5: Chemical Concentration Levels

Comment 6: Ethyl Alcohol

Comment 7: Hydrochloric Acid and Nitric Acid

Comment 8: Calcium Chloride

Comment 9: Ethyl Bromide

Comment 10: Ethanolamine Solvent

Comment 11: Steam

Comment 12: Electricity

Comment 13: Import Brokerage and Terminal Charges

II. ISSUES SPECIFIC TO INDIVIDUAL RESPONDENTS

Comment 14: Multicolor Tolling

Comment 15: Application of Adverse Facts Available to Multicolor

Comment 16: Application of Adverse Facts Available to Haidi

Comment 17: Haidi Factors of production

Comment 18: Application of Adverse Facts Available to Trust Chem

Comment 19: Application of Adverse Facts Available to Hanchem

Comment 20: Application of Adverse Facts Available to Longteng

Comment 21: General Issues Raised by Colors LLC

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-838]

Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 From India

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

DATES: Effective November 17, 2004.

FOR FURTHER INFORMATION CONTACT: Lyn Johnson or Richard Rimlinger, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-5287 or (202) 482-4477, respectively.

SUPPLEMENTARY INFORMATION:

Final Determination

The Department of Commerce (the Department) has conducted this antidumping investigation in accordance with section 735 of the Tariff Act of 1930, as amended (the Act). We have determined that carbazole violet pigment 23 (CVP-23) from India is being sold, or is likely to be sold, in the United States at less than fair value

(LTFV), as provided in section 735 of the Act. The estimated margins for sales at LTFV are shown in the "Final Determination Margins" section of this notice.

Background

The preliminary determination of sales at LTFV in this investigation was issued on June 24, 2004. See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Carbazole Violet Pigment 23 From India*, 69 FR 35293 (June 24, 2004) (*Preliminary Determination*).

Since the *Preliminary Determination* the following events have occurred. From August 23 through August 27, 2004, we conducted verification of Pidilite Industries Ltd. (Pidilite), and from August 30 through September 2, 2004, we conducted verification of Alpanil Industries (Alpanil). On October 1, 2004, we received a joint case brief from Alpanil and Pidilite and a case brief from the Clariant Corporation (Clariant), a domestic interested party. On October 6, 2004, we received a joint rebuttal brief from Alpanil and Pidilite, a rebuttal brief from Clariant, and a rebuttal brief from the petitioners (Sun Chemical Corporation and Nation Ford Chemical Company).

Period of Investigation

The period of investigation (POI) is October 1, 2002, through September 30, 2003, which corresponds to the four most recent fiscal quarters prior to the month of filing of the petition.

Scope of Investigation

The merchandise covered by this investigation is CVP-23 identified as Color Index No. 51319 and Chemical Abstract No. 6358-30-1, with the chemical name of *diindolo [3,2-b:3',2'-m]triphenodioxazine, 8,18-dichloro-5, 15-diethyl-5, 15-dihydro-*, and molecular formula of C₃₄H₂₂Cl₂N₄O₂.¹ The subject merchandise includes the crude pigment in any form (e.g., dry powder, paste, wet cake) and finished pigment in the form of presscake and dry color. Pigment dispersions in any form (e.g. pigments dispersed in oleoresins, flammable solvents, water) are not included within the scope of the investigation.

The merchandise subject to this investigation is classifiable under subheading 3204.17.9040 of the Harmonized Tariff Schedule of the

¹ The bracketed section of the product description, *[3,2-b:3',2'-m]*, is not business proprietary information. In this case, the brackets are simply part of the chemical nomenclature. See December 4, 2003, amendment to petition at 8.