

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

Action Affecting Export Privileges;
Universal Technology, Inc.

In the Matter of: Universal Technology, Inc., 125 Gaither Drive, Mount Laurel, NJ 08054, Respondent.

Order Relating to Universal
Technology, Inc.

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has notified Universal Technology, Inc. (hereinafter referred to as "UTI"), of its intention to initiate an administrative proceeding against UTI pursuant to section 766.3 of the Export Administration Regulations (currently codified at 15 CFR parts 730–774 (2006)) ("Regulations"),¹ and section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app 2401–2420 (2000)) ("Act"),² by issuing a proposed charging letter to UTI that alleged that UTI committed 49 violations of the Regulations. Specifically, the charges are:

1. *17 Violations of 15 CFR 764.2(a)—Exporting electronic Components to the People's Republic of China without the Required Licenses:* On 17 occasions, between on or about July 21, 2000 and on or about April 21, 2004, UTI engaged in conduct prohibited by the Regulations by exporting or causing to be exported electronic components classified under Export Control Classification Number ("ECCN") 3A001 to the People's Republic of China ("PRC") without the Department of Commerce (the "Department") licenses required by Section 742.4 of the Regulations.

2. *17 Violations of 15 CFR 764.2(e)—Exporting Electronic Components to the People's Republic of China With*

Knowledge That Violations Would Occur: In connection with the transactions described above, UTI caused the export of electronic components to the PRC with knowledge that violations of the Regulations would occur. Specifically, UTI had knowledge that Department of Commerce licenses were required to export the electronic components from the United States to the PRC and UTI caused the export of the items with knowledge that such licenses would not be obtained.

3. *15 Violations of 15 CFR 764.2(e)—False Statement on Shipper's Export Declarations Concerning Authority to Export:* In connection with 15 exports of electronic components subject to the Regulations to the PRC described above, UTI made false statements to the U.S. Government in connection with the submission of export control documents. Specifically UTI filed or caused to be filed with the U.S. Government Shipper's Export Declarations stating that the exports did not require Department of Commerce licenses ("NLR" or "No License Required"). These statements were false because licenses were required to export these items.

Whereas, BIS and UTI have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein; and

Whereas, I have approved of the terms of such Settlement Agreement; *It is therefore ordered:*

First, that a civil penalty of \$170,000 is assessed against Universal Technology, Inc., which shall be paid to the U.S. Department of Commerce upon entry of this Order. Payment shall be made in the manner specified in the attached instructions.

Second that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. 3701–3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, UTI will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

Third, that failure to make timely payment of the civil penalty set forth above shall be deemed to be a breach of this Order, and the Department of Commerce preserves its right in the event of such a breach to pursue whatever remedies are available to it by law, including but not limited to its ability to pursue administrative sanctions based on the 49 violations set

forth herein and any other pertinent violations. The payment of the civil penalty is guaranteed by Mr. Terry Tengfang Li (also known as "Terry Li"), in his individual capacity, and Ms. Nei-Chien CHu (also known as "Pearl Li"), in her individual capacity, and Mr. Terry Tengfan Li, Ms. Nei-Chien Chu and UTI are jointly and severally liable for the payment of the penalty.

Fourth, for a period of 20 years from the date of entry of the Order, Universal Technology, Inc., 125 Gaither Drive, Mount Laurel, NJ 08054, its successors or assigns, and when acting for or on behalf of UTI, its representatives, agents, officers or employees ("Denied Person") may not, directly or indirectly, participate in any way in any transaction involving any commodity, software, technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

A. Applying for, obtaining, or using any license, License Exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or

C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

Fifth, that no person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;

¹ The violations charged are alleged to have occurred from 2000 through 2004. The Regulations governing the violations at issue are found in the 2000–2004 versions of the Code of Federal Regulations (15 CFR Parts 730–774 (2000–2004)). The 2006 Regulations set forth the procedures that apply to this matter.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers act (50 U.S.C. 1701–1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005 (70 FR 45273 (August 5, 2005)), has continued the Regulations in effect under the IEEPA.

D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

Sixth, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to UTI by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of the Order.

Seventh, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

Eighth, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

Ninth, that this Order shall be served on the Denied Person, and shall be published in the **Federal Register**.

This Order, which constitutes the final agency action in this matter, is effective immediately.

Entered this 23rd day of June 2006.

Darryl Jackson,

Assistant Secretary of Commerce for Export Enforcement.

[FR Doc. 06-6000 Filed 7-5-06; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-827]

Certain Cased Pencils from the People's Republic of China; Final Results and Partial Rescission of Antidumping Duty Administrative Review

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

SUMMARY: On December 28, 2005, the Department of Commerce (the Department) published in the **Federal Register** the preliminary results and intent to rescind in part the 2003-2004 administrative review of the antidumping duty order on certain cased pencils (pencils) from the People's Republic of China (PRC). *See Certain Cased Pencils from the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review and Intent to Rescind in Part*, 70 FR 76755 (December 28, 2005) ("Preliminary Results"). The period of review (POR) is December 1, 2003, through November 30, 2004. We have now completed the 2003-2004 administrative review of the order. Based on comments received, we have made changes in the dumping margin calculations. Therefore, the final results differ from the preliminary results. For details regarding these changes, see the section of this notice entitled "Changes Since the Preliminary Results." The final results are listed below in the "Final Results of Review" section.

EFFECTIVE DATE: July 6, 2006.

FOR FURTHER INFORMATION CONTACT: Paul Stolz or Charles Riggle, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-4474 and (202) 482-0650, respectively.

Background

On December 28, 2005, the Department published the preliminary results of this review. *See Preliminary Results*. The POR is December 1, 2003, through November 30, 2004. On January 20, 2006, we extended the deadline for submission of case briefs and rebuttal briefs to February 24, 2006, and March 1, 2006, respectively. We also extended the deadline for submission of surrogate value information until February 14, 2006. On February 14, 2006, Sanford LP, Rose Moon, Inc., General Pencil Company, Inc., and Musgrave Pencil

Company (the domestic interested parties) submitted surrogate value information.¹ On February 24, 2006, we received case briefs from respondents China First Pencil Co., Ltd. (CFP)/Three Star Stationery Industry Corp. (Three Star)(CFP/Three Star),² Orient International Holding Shanghai Foreign Trade Co., Ltd. (SFTC), and Shandong Rongxin Import & Export Co. Ltd. (Rongxin), and from the domestic interested parties. We received rebuttal briefs from CFP/Three Star, SFTC, Rongxin, and the domestic interested parties on March 1, 2006.

On April 27, 2006, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), the Department extended the time limit for the final results of this review until June 26, 2006. *See Certain Cased Pencils from the People's Republic of China: Extension of Time Limit for Final Results of Antidumping Duty Administrative Review*, 71 FR 24839 (April 27, 2006).

Due to the unexpected emergency closure of the main Commerce building on Monday, June 26, 2006, the Department is issuing these final results on June 27, 2006, the next business day. *See Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

Scope of the Order

Imports covered by this order are shipments of certain cased pencils of any shape or dimension (except as noted below) which are writing and/or drawing instruments that feature cores of graphite or other materials, encased in wood and/or man-made materials, whether or not decorated and whether

¹ Domestic interested parties submitted a revised translation of certain documents included in this submission on February 16, 2006.

² The Department initiated separate reviews of China First Pencil Company, Ltd. (CFP) and Shanghai Three Star Stationery Industry Corp. (Three Star) based on timely requests from interested parties. In the final results of the 2001-2002 administrative review the Department collapsed CFP and Three Star for purposes of its antidumping analysis. *See Certain Cased Pencils from the People's Republic of China; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 69 FR 29266 (May 21, 2004), and the accompanying Issues and Decision Memorandum at Comment 6. The Department continued to collapse CFP and Three Star in the final results of the 2002-2003 administrative review. *See Certain Cased Pencils from the People's Republic of China; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 42301 (July 22, 2005) (Pencils 02/03), and the accompanying Issues and Decision Memorandum at Comment 1. For this review, the Department continues to consider CFP and Three Star (hereinafter referred to as CFP/Three Star) to be a single entity.