

the antidumping duties by the amount of antidumping duties reimbursed. These preliminary results of this administrative review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: July 31, 2007.

**Stephen J. Claeys,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

(A-533-824)

#### **Certain Polyethylene Terephthalate Film, Sheet and Strip From India: Preliminary Results of Antidumping Duty Administrative Review**

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

**SUMMARY:** In response to timely requests for review, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain polyethylene terephthalate film, sheet and strip (PET Film) from India for the period of review (POR) July 1, 2005 through June 30, 2006. The review covers one respondent, MTZ Polyfilms, Ltd. (MTZ).

The Department preliminarily determines that MTZ did not sell subject merchandise to the United States at less than normal value during the POR. If these preliminary results are adopted in the final results of this administrative review, we will instruct U.S. Customs and Border Protection (CBP) to liquidate entries during the POR without regard to antidumping duties. The preliminary results are listed below in the section titled "Preliminary Results of Review."

**EFFECTIVE DATE:** August 7, 2007.

**FOR FURTHER INFORMATION CONTACT:** Jun Jack Zhao or Jacqueline Arrowsmith, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1396 or (202) 482-5255, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

The Department published the antidumping duty order on PET Film from India on July 1, 2002. *See Notice*

*of Amended Final Antidumping Duty Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Polyethylene Terephthalate Film, Sheet, and Strip from India*, 67 FR 44175 (July 1, 2002) (*Antidumping Duty Order*). On July 3, 2006 the Department published in the **Federal Register** a notice of "Opportunity to Request Administrative Review" of the antidumping duty order on PET Film from India. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 71 FR 37890 (July 3, 2006).

The Department received timely requests for an administrative review of the antidumping duty order on PET Film from India from Jindal Poly Films Limited of India (Jindal) and MTZ, manufacturers and exporters of MTZ film in India, by the July 31, 2006 deadline. On August 30, 2006, the Department published in the **Federal Register** the notice of initiation of the administrative review of the antidumping duty order on PET Film from India for these two companies. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 71 FR 51573 (August 30, 2006) (*Initiation Notice*).

On August 25, 2006, Jindal withdrew its request for an administrative review. Pursuant to 19 CFR 351.213(d)(1), because we received the withdrawal of Jindal's request for review within the requisite 90 days of publication of the *Initiation Notice*, we rescinded the administrative review of Jindal. *See Polyethylene Terephthalate Film, Sheet and Strip from India: Notice of Rescission, in Part, of Antidumping Duty Administrative Review*, 72 FR 1216 (January 10, 2007).

On August 2, 2006, the Department issued its questionnaire to MTZ.<sup>1</sup> MTZ submitted its section A response on August 23, 2006, and submitted its sections B and C response on October 13, 2006. The Department issued a Section A supplemental questionnaire on September 6, 2006 and MTZ responded on October 11, 2006. On

<sup>1</sup> Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales or if the home market is not viable, of sales in the most appropriate third-country market (this section is not applicable to respondents in non-market economy cases). Section C requests a complete listing of U.S. sales. Section D requests information on the cost of production of the foreign like product and the constructed value of merchandise under investigation.

January 19, 2007 and January 26, 2007, the Department issued supplemental questionnaires to which MTZ responded on February 20, 2007. The Department issued an additional supplemental questionnaire on May 16, 2007 with two deadlines; MTZ submitted its response to Section I of this questionnaire on June 4, 2007, and to Section II of this questionnaire on June 6, 2007.

On March 23, 2007, the Department, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213(h)(2), extended the deadline for the preliminary results of this antidumping duty administrative review by 120 days from April 2, 2007 to July 31, 2007. *See Polyethylene Terephthalate (PET) Film, Sheet and Strip from India: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review*, 72 FR 13745 (March 23, 2007).

##### **Verification**

The Department conducted a sales verification of MTZ at the sales office in Mumbai from June 25, 2007 through June 29, 2007. Minor corrections were presented at verification on June 25, 2007 and filed with the Department in accordance with our filing requirements on June 26, 2007. On July 13, 2007, these corrections were filed in electronic format. *See Verification of the Sales Response of MTZ Polyfilms, Ltd. in the Antidumping Administrative Review of Polyethylene Terephthalate Film, Sheet and Strip (PET Film) from India (MTZ Verification Report)*, dated July 26, 2007, on file in the Department's Central Records Unit, Room B-099 of the main Department building.

##### **Period of Review**

This review covers the period July 1, 2005 through June 30, 2006.

##### **Scope of the Order**

For purposes of this order, the products covered are all gauges of raw, pretreated or primed PET Film, whether extruded or coextruded. Excluded are metallized films and other finished films that have had at least one of their surfaces modified by the application of a performance-enhancing resinous or inorganic layer of more than 0.00001 inches thick. Since the order was published, there has been one scope determination, dated August 25, 2003. In this determination, requested by International Packaging Films, Inc., the Department determined that tracing and drafting film is outside of the scope of the order. Imports of PET Film are classifiable under the Harmonized Tariff

Schedule of the United States (HTSUS) under item number 3920.62.00. HTSUS subheadings are provided for the convenience and customs purposes. The written scope of this proceeding is dispositive.

#### Price-to-Price Comparisons

To determine whether sales of subject merchandise to the U.S. were made at less than normal value (NV), we compared the export price (EP) to NV, as described in the "U.S. Price" and "Normal Value" sections of this notice in accordance with section 777A(d)(2) of the Act.

#### Product Comparisons

In accordance with section 771(16)(A) of the Act, we considered all products produced by respondents that are covered by the description in the "Scope of the Order" section, above, and that were sold in the home market during the POR, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. All of MTZ's U.S. sales were matched to identical merchandise sold in the home market.

#### Date of Sale

It is the Department's practice to use invoice date as the date of sale in the absence of information established that a different date is appropriate. However, 19 CFR 351.401(i) states that the Secretary may use a date other than the invoice date if the Secretary is satisfied that the material terms of the sale were established on some other date. See *Allied Tube and Conduit Corp. v. United States*, 127 F. Supp. 2d 207, 217–219 (CIT 2000). MTZ reported invoice date as the date of sale for all sales in both the home and U.S. markets. After analyzing MTZ's responses including the sample sales documents provided in its responses and after reviewing documentation at verification, we preliminarily determine that invoice date is the appropriate date of sale for all sales under review.

#### U.S. Price

In accordance with section 772(a) of the Act, we use EP when the subject merchandise was sold before the date of importation by the producer/exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States, and constructed export price (CEP) was not otherwise warranted by the facts on the record. As discussed below, we conclude that all of MTZ's sales are EP sales.

MTZ identified all of its U.S. sales as EP sales in its questionnaire responses.

The Department based the price of each of MTZ's U.S. sales of subject merchandise on EP, as defined in section 772(a) of the Act, because the merchandise was sold, prior to importation, to unaffiliated purchasers in the United States, or to unaffiliated purchasers for exportation to the United States. In accordance with sections 772(a) and 772(c) of the Act, we calculated EP using the prices MTZ charged for subject merchandise from which we made deductions for movement expenses, including, where applicable, charges for domestic inland freight, international freight, insurance, terminal handling charges, document fees, bond fees, storage fees, handling fees, U.S. brokerage and handling, which include both harbor maintenance and merchandise processing fees, and U.S. duties.

We did not make an adjustment for duty drawback as claimed by MTZ in its questionnaire responses. Specifically, we did not make an upward adjustment for duty drawback pursuant to section 772(c)(1)(B) of the Act because the information MTZ provided does not meet the "two-prong test" for duty drawback. The first prong is that the import duty and the duty rebate or exemption be directly linked to, and dependent on, one another; and the second prong is that the company must demonstrate that there were sufficient imports of the imported material to account for the duty drawback paid on the export of the manufactured product. See *Wheatland Tube Company v. United States*, Slip Op. 06–8 at 29 (CIT January 17, 2006); see also *Certain Polyethylene Terephthalate Film, Sheet and Strip from India: Final Results of Antidumping Duty Administrative Review* 71 FR 47485 (August 17, 2006), *Allied Tube & Conduit Corp. v. United States*, 374 F. Supp. 2d 1257, 1261 (CIT 2005); *Rajinder Pipes Ltd. v. United States*, 70 F. Supp. 2d 1350, 1358 (CIT 1999). At the verification, MTZ officials stated that the company was no longer claiming duty drawback for its U.S. sales because the imported raw materials cannot be tied to MTZ's exports. See *MTZ Verification Report* at page 13.

#### Home Market Viability

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating normal value (NV) (i.e., the aggregate volume of home market sales of the foreign like product is five percent or more of the aggregate volume of U.S. sales), we compared the volume of MTZ's home market sales of the foreign like product during the POR to

the volume of U.S. sales of subject merchandise during the POR. See section 773(a)(1) of the Act. Based on this comparison, we determined that MTZ's quantity of sales in the home market exceeded five percent of its sales of PET Film to the United States. See 19 CFR 351.404(b). Therefore, MTZ's volume of sales in the home market during the POR was sufficient to serve as a viable basis for calculating NV.

#### Normal Value

In accordance with section 773(a)(1)(B)(i) of the Act, we have based NV on the price at which the foreign like product was first sold for consumption in the home market, in the usual commercial quantities, in the ordinary course of trade, and, to the extent practicable, at the same level of trade (LOT) as the EP sale. See "Level of Trade" section below.

Pursuant to section 773(a)(6)(B)(ii) of the Act, we made deductions from normal value for movement expenses, including domestic inland freight and domestic brokerage, as appropriate. In accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410(c) and 19 CFR 351.410 (d), we deducted home market credit and added U.S. credit. MTZ reported that it paid commissions on some U.S. sales and some home market sales. We made the appropriate adjustment for commissions paid in the home market pursuant to 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410(c). We made adjustments, in accordance with 19 CFR 351.410(e), for indirect selling expenses incurred on comparison market or U.S. sales where commissions were granted on sales in one market but not in the other, the "commission offset." Specifically, where commissions are incurred in one market, but not in the other, we will limit the amount of such allowance to the amount of either the selling expenses incurred in the one market or the commissions allowed in the other market, whichever is less. In accordance with sections 773(a)(6)(A) and (B)(i) of the Act, we deducted home market packing and added U.S. packing costs. We did not make an adjustment for other direct selling expenses, because MTZ's original and supplemental responses do not demonstrate that these expenses consist of additional direct selling expenses that have not already been accounted for elsewhere. See *Analysis Memorandum for the Preliminary Results of the Antidumping Administrative Review of Antidumping Duty Order on PET Film from India: MTZ Polyfilms, Ltd. (MTZ Preliminary Analysis Memorandum)*, dated July 31, 2007.

## Level of Trade

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same LOT as the EP or CEP sale. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent). See 19 CFR 351.412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. *Id.*; see also *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (November 19, 1997) (*South African Plate Final*). In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the chain of distribution),<sup>2</sup> including selling functions,<sup>3</sup> class of customer (customer category), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying levels of trade for EP and comparison market sales (*i.e.*, NV based on either home market or third-country prices), we consider the starting prices before any adjustments.

When the Department is unable to match U.S. sales to sales of the foreign like product in the comparison market at the same LOT as the EP or CEP sale, the Department may compare the U.S. sale to sales at a different LOT in the comparison market. MTZ reported a single level of trade and a single channel of distribution for both markets. At verification, we reviewed the information provided by MTZ with respect to the distribution system and selling functions in the home and U.S. markets. See *MTZ Verification Report* at 4 and 5. Based on our analysis, the Department preliminarily determines that only one LOT existed in each market for MTZ. As such, no LOT adjustment is warranted for MTZ. See *MTZ Preliminary Analysis Memorandum*.

## Currency Conversion

In accordance with section 773A of the Act, we made currency conversions

based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank of New York.

## Preliminary Results of Review

As a result of this review, we preliminarily find that the following weighted-average dumping margin exists for the period July 1, 2005 through June 30, 2006:

Manufacturer/Exporter	Margin
MTZ Polyfilms Ltd. (MTZ).	0.24%; ( <i>de minimis</i> )

## Duty Assessment

Upon publication of the final results of this review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.106(c)(s), if the preliminary results remain unchanged in the final results, we will instruct CBP to liquidate without regard to antidumping duties all entries of subject merchandise during the POR by the importers or customers reported by MTZ in its databases. The Department intends to issue appropriate assessment instructions directly to CBP 15 days after the date of publication of the final results of this review.

## Cash Deposit

If these preliminary results are adopted in the final results of review, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review, as provided in section 751(a)(1) of the Act: 1) the cash deposit rate for MTZ will be that established in the final results of this review (currently *de minimis*); 2) for previously reviewed or investigated companies not covered in this review, the cash deposit rate will continue to be the company-specific rate published for the most recent period; 3) if the exporter is not a firm covered in this review, a prior review, or the less-than-fair-value (LTFV) investigation, but the manufacturer is a firm covered in this review, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the subject merchandise; and 4) if neither the exporter nor the manufacturer is a firm covered in this or any previous proceeding conducted by the Department, the cash deposit rate will

continue to be 5.71 percent, which is the "all others" rate established in the less than fair value investigation (24.14 percent), adjusted for the export subsidy rate found in the companion countervailing duty investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

## Public Comment

Pursuant to 19 CFR 351.224(b), the Department will disclose to any party to the proceeding the calculations performed in connection with these preliminary results within five days after the date of publication of this notice. Pursuant to 19 CFR 351.309(c)(ii), interested parties may submit written comments in response to these preliminary results. Unless extended by the Department, case briefs are to be submitted within 30 days after the date of publication of this notice. *Id.* Rebuttal briefs, limited to arguments raised in case briefs, may be submitted no later than five days after the time limit for filing case briefs. See 19 CFR 351.309(d). Parties who submit arguments in this proceeding are requested to submit with the argument: 1) a statement of the issues; 2) a brief summary of the argument; and 3) a table of authorities. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

Also, pursuant to 19 CFR 351.310(c), within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs. Parties will be notified of the time and location. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case brief, rebuttal brief, or hearing no later than 120 days after publication of these preliminary results, unless extended. See section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

## Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) 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

<sup>2</sup> In performing this evaluation, we considered all of MTZ's narrative responses to properly determine where in the chain of distribution the sale occurs.

<sup>3</sup> Selling functions associated with a particular chain of distribution help us to evaluate the level(s) of trade in a particular market. For purposes of these preliminary results, we have organized the common selling functions into four major categories: sales process and marketing support, technical service, freight and delivery, and inventory maintenance. See Exhibit A-7 of August 23, 2006 Section A questionnaire response.

occurred and the subsequent assessment of double antidumping duties.

The preliminary results of this administrative review and this notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: July 31, 2007.

**Stephen J. Claeys,**

*Acting Assistant Secretary for Import Administration.*

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**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

**A-401-808**

#### **Purified Carboxymethylcellulose From Sweden: Preliminary Results of Antidumping Duty Administrative Review**

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

**SUMMARY:** In response to a request from petitioner Aqualon Company, a division of Hercules Incorporated (Aqualon), a U.S. manufacturer of purified carboxymethylcellulose (CMC), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on CMC from Sweden. This administrative review covers imports of subject merchandise produced and exported by Noviant AB and CP Kelco AB (collectively, CP Kelco). The period of review is December 27, 2004, through June 30, 2006.

We preliminarily determine that sales of CMC by CP Kelco have not been made at less than normal value (NV). If these preliminary results are adopted in our final results, we will instruct U.S. Customs and Border Protection (CBP) to liquidate appropriate entries without regard to antidumping duties. We invite interested parties to comment on these preliminary results. Parties who submit comments in this review are requested to submit with each argument a statement of the issue and a brief summary of the argument.

**EFFECTIVE DATE:** August 7, 2007.

#### **FOR FURTHER INFORMATION CONTACT:**

Patrick Edwards or Angelica Mendoza, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-8029 or (202) 482-3019, respectively.

## **SUPPLEMENTARY INFORMATION:**

### **Background**

On July 11, 2005, the Department published in the **Federal Register** the antidumping duty order on CMC from Sweden. *See Notice of Antidumping Duty Orders: Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands and Sweden*, 70 FR 39734 (July 11, 2005). On July 3, 2006, we published in the **Federal Register** a notice of opportunity to request an administrative review of, *inter alia*, the antidumping duty order on CMC from Sweden. *See Antidumping or Countervailing Duty Order, Findings, or Suspended Investigation; Opportunity to Request Administrative Review*, 71 FR 37890 (July 3, 2006). Pursuant to section 751(a) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213(b), Aqualon timely requested an administrative review of the antidumping duty order on CMC from Sweden on July 27, 2006. On August 30, 2006, in accordance with section 751(a) of the Act and 19 CFR 351.221(c)(1)(i), the Department published a notice of initiation of the administrative review of this order. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 71 FR 51573 (August 30, 2006). We are conducting an administrative review of the order on CMC from Sweden for CP Kelco for the period December 27, 2004, through June 30, 2006.

CP Kelco entered its appearance in this proceeding on August 31, 2006, and the Department issued its Antidumping Duty Questionnaire to CP Kelco on September 11, 2006. On October 17, 2006, we received the Section A Response from CP Kelco (Section A Response). On November 9, 2006, CP Kelco filed its Section B and C questionnaire responses (Section B and C Responses). On December 8, 2006, Aqualon alleged that CP Kelco made home market sales of CMC at prices below the cost of production (COP) during the POR. On January 24, 2007, we initiated a sales-below-cost investigation of home market sales made by CP Kelco. *See* the Department's January 24, 2007, Memorandum to the File from Patrick Edwards, Case Analyst and Gina Lee, Case Accountant, (Cost Initiation Memorandum) for CP Kelco. As a result, on January 24, 2007, the Department requested that CP Kelco respond to section D of the Department's questionnaire. CP Kelco submitted its section D response on February 5, 2007, (Section D Response), including its cost reconciliation.

On January 26, 2007, the Department issued its first sections A-C supplemental questionnaire to CP Kelco and on February 15, 2007, CP Kelco submitted its response (Supplemental Response). On April 2, 2007, the Department issued to CP Kelco a second section A through C supplemental questionnaire, and on April 13, 2007, CP Kelco submitted its response (Second Supplemental Response).

On April 5, 2007, due to the complexity of the case and pursuant to section 751(a)(3)(A) of the Act, the Department extended the deadline for the preliminary results by 120 days from April 2, 2007, until July 31, 2007. *See Purified Carboxymethylcellulose from Finland, Sweden, the Netherlands, and Mexico: Extension of Time Limits for Preliminary Determinations of Antidumping Duty Administrative Reviews*, 72 FR 16767 (April 5, 2007).

From April 23, 2007, through April 25, 2007, and from April 30, 2007, through May 4, 2007, respectively, the Department conducted on-site verifications of CP Kelco's U.S. constructed export price (CEP) and home market sales responses. *See* "Verification" section below. On June 19, 2007, the Department sent a letter to CP Kelco requesting specific changes to its home market and U.S. sales databases, based on the verification findings and minor corrections. *See* Letter to CP Kelco AB and CP Kelco U.S. Inc. from Angelica L. Mendoza, Program Manager, regarding Request for Revised Home Market and U.S. Sales Databases, dated June 19, 2007. On June 29, 2007, the Department received CP Kelco's revised sales files as requested by the Department.

### **Period of Review**

The period of review (POR) is December 27, 2004, through June 30, 2006.

### **Scope of the Order**

The merchandise covered by this order is all purified 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 CMC 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