

investigation that calls into question the relevance of this information. As such, we preliminarily determine that the highest margin in the *Petition*, which we determined during our pre-initiation analysis was based on adequate and accurate information and which we have corroborated for purposes of this preliminary determination, is relevant as the adverse facts-available rate for Korea Bio-Gen in this investigation.

Similar to our position in *Polyethylene Retail Carrier Bags from Thailand: Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 53405 (September 11, 2006) (unchanged in *Polyethylene Retail Carrier Bags from Thailand: Final Results of Antidumping Duty Administrative Review*, 72 FR 1982 (January 17, 2007)), because this is the first proceeding involving Korea Bio-Gen, there are no probative alternatives. Accordingly, by using information that was corroborated in the pre-initiation stage of this investigation and preliminarily determined to be relevant to Korea Bio-Gen in this investigation, we have corroborated the adverse facts-available rate “to the extent practicable.” See section 776(c) of the Act, 19 CFR 351.308(d), and *NSK Ltd. v. United States*, 346 F. Supp. 2d 1312, 1336 (CIT 2004) (stating, “pursuant to the ‘to the extent practicable’ language \* \* \* the corroboration requirement itself is not mandatory when not feasible”). Therefore, we find that the estimated margin of 138.83 percent in the *Initiation Notice* has probative value. Consequently, in selecting AFA with respect to Korea Bio-Gen, we have applied the margin rate of 138.83 percent, the highest estimated dumping margin set forth in the notice of initiation. See *Initiation Notice*.

#### All-Others Rate

Section 735(c)(5)(B) of the Act provides that, where the estimated weighted-averaged dumping margins established for all exporters and producers individually investigated are zero or *de minimis* or are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated. Our recent practice under these circumstances has been to assign, as the all-others rate, the simple average of the margins in the petition. See *Notice of Final Determinations of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products From Argentina, Japan and Thailand*, 65 FR 5520, 5527–28 (February 4, 2000); see also *Notice of*

*Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coil from Canada*, 64 FR 15457 (March 31, 1999), and *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coil from Italy*, 64 FR 15458, 15459 (March 31, 1999). Consistent with our practice we calculated a simple average of the rates in the *Petition*, as recalculated in the *Initiation Checklist* at Attachment VI and as listed in the *Initiation Notice*, and assigned this rate to all other manufacturers/exporters. For details of these calculations, see the memorandum from Dmitry Vladimirov to File entitled “Antidumping Duty Investigation on Glycine from the Republic of Korea—Analysis Memo for All-Others Rate,” dated September 6, 2007.

#### Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of glycine from the Republic of Korea that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the margins, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The dumping margins are as follows:

Manufacturer or exporter	Margin (percent)
Korea Bio-Gen Co., Ltd. ....	138.83
All Others .....	138.60

#### International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary determination of sales at less than fair value. If our final antidumping determination is affirmative, the ITC will determine whether the imports covered by that determination are materially injuring, or threatening material injury to, the U.S. industry. The deadline for the Commission’s determination would be the later of 120 days after the date of this preliminary determination or 45 days after the date of our final determination.

#### Public Comment

Case briefs for this investigation must be submitted no later than 30 days after the publication of this notice. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary

of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in an investigation, the hearing normally will be held two days after the deadline for submission of the rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. We will make our final determination within 75 days after the date of this preliminary determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: September 6, 2007.

**David M. Spooner,**  
Assistant Secretary for Import Administration.

[FR Doc. E7–18071 Filed 9–12–07; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A–588–868]

### Notice of Preliminary Determination of Sales at Less Than Fair Value: Glycine from Japan

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

**EFFECTIVE DATE:** September 13, 2007.

**SUMMARY:** We preliminarily determine that imports of glycine from Japan are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733 of the Tariff Act of 1930, as amended. Interested parties are invited to comment on this preliminary determination. We will make our final determination within 75 days after the date of this preliminary determination.

**FOR FURTHER INFORMATION CONTACT:**

Dmitry Vladimirov or Richard Rimlinger, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-0665 and (202) 482-4477, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

On April 26, 2007, the Department of Commerce (the Department) published in the **Federal Register** the initiation of an antidumping investigation on glycine from Japan. See *Glycine from India, Japan, and the Republic of Korea: Initiation of Antidumping Duty Investigations*, 72 FR 20816 (April 26, 2007) (*Initiation Notice*). The Department set aside a period for all interested parties to raise issues regarding product coverage. See *Initiation Notice*. We did not receive comments regarding product coverage from any interested party.

On May 18, 2007, we sent Quantity and Value (Q&V) questionnaires to all companies identified in the petition as well as to companies for which we obtained public information indicating that the companies produced and/or exported glycine. See the June 22, 2007, Memorandum to the File Re: Issuance of Quantity and Value Questionnaires to Potential Japanese Respondents. We received responses from eleven companies. We did not receive responses from the following companies: Showa Denko K.K., Hayashi Pure Chemical Industries Co. Ltd., CBC Co., Ltd., Seino Logix Co. Ltd., Estee Lauder Group Companies K.K., Chelest Corporation. On June 1, 2007, we issued a letter to companies from which we did not receive Q&V responses extending the deadline for submission to June 8, 2007. In that letter we notified parties that failure to respond to our June 1, 2007, request for information may result in the application of facts available, including an adverse inference, to the companies in question in accordance with sections 776(a) and (b) of the Tariff Act of 1930, as amended (the Act). On June 26, 2007, we selected Nu-Scaan Nutraceuticals Ltd. (Nu-Scaan) and Yuki Gosei Co., Ltd. (Yuki Gosei) as mandatory respondents. See the Memorandum to Laurie Parkhill entitled "Antidumping Duty Investigation Glycine from Japan - Respondent Selection," dated June 26, 2007.

On May 25, 2007, the International Trade Commission (ITC) issued its affirmative preliminary determination that there is a reasonable indication that

an industry in the United States is materially injured by reason of imports of glycine from Japan. See *Glycine from India, Japan, and Korea*, 72 FR 29352 (May 25, 2007).

**Period of Investigation**

The period of investigation is January 1, 2006, through December 31, 2006.

**Scope of Investigation**

The merchandise covered by this investigation is glycine, which in its solid (*i.e.*, crystallized) form is a free-flowing crystalline material. Glycine is used as a sweetener/taste enhancer, buffering agent, reabsorbable amino acid, chemical intermediate, metal complexing agent, dietary supplement, and is used in certain pharmaceuticals. The scope of this investigation covers glycine in any form and purity level. Although glycine blended with other materials is not covered by the scope of this investigation, glycine to which relatively small quantities of other materials have been added is covered by the scope. Glycine's chemical composition is C<sub>2</sub>H<sub>5</sub>NO<sub>2</sub> and is normally classified under subheading 2922.49.4020 of the Harmonized Tariff Schedule of the United States (HTSUS).

The scope of this investigation also covers precursors of dried crystalline glycine, including, but not limited to, glycine slurry (*i.e.*, glycine in a non-crystallized form) and sodium glycinate. Glycine slurry is classified under the same HTSUS subheading as crystallized glycine (2922.49.4020) and sodium glycinate is classified under subheading HTSUS 2922.49.8000.

While HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

**Issuance of Questionnaire**

On June 26, 2007, we issued sections A, B, C, D, and E<sup>1</sup> of the antidumping questionnaire to Nu-Scaan and Yuki Gosei.

<sup>1</sup> Section A of the antidumping duty questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all of the company's home-market sales of the foreign like product or, if the home market is not viable, of sales of the foreign like product in the most appropriate third-country market. Section C requests a complete listing of the company's U.S. sales of subject merchandise. Section D requests information of the cost of production of the foreign like product and the constructed value of the merchandise under investigation. Section E requests information on further-manufacturing activities.

**Nu-Scaan**

On July 17, 2007, we received a letter from Nu-Scaan requesting an extension of the July 16, 2007, deadline to respond to section A of our questionnaire. Nu-Scaan's extension request was filed one day past the deadline for responding to section A, as established in our questionnaire. Nu-Scaan's extension request was also not filed in accordance with 19 CFR 351.303 and 304 of our regulations. Specifically, Nu-Scaan's submission lacked the proper markings at the top right-hand corner of the cover letter required under 19 CFR 351.303(d), it was not served to parties on the service list for this proceeding pursuant to 19 CFR 351.303(f), it did not contain a certificate of service pursuant to 19 CFR 351.303(f)(2), and it did not contain a certification of completeness and accuracy by the official responsible for presentation of the factual information pursuant to 19 CFR 351.303(g). On July 17, 2007, despite Nu-Scaan's late and improperly filed extension request, we accepted it as a timely filing and granted Nu-Scaan's request for an extension in full, thus extending the deadline for Nu-Scaan to respond to section A of our questionnaire to July 26, 2007. In our July 17, 2007, letter replying to Nu-Scaan's extension request, we described the various filing deficiencies that we had identified, informed Nu-Scaan that any further submissions from it that are not filed in accordance with 19 CFR 351.303 and 304 of our regulations would be deemed untimely filed pursuant to 19 CFR 351.302, and that we would return such submissions without considering or retaining any information contained therein as part of the official record. We also informed Nu-Scaan that we may use facts otherwise available for Nu-Scaan's antidumping margin in this investigation pursuant to sections 776(a) and (b) of the Act.

On July 31, 2007, in order to provide Nu-Scaan with another opportunity to respond, we issued a letter to Nu-Scaan extending voluntarily the deadline for submission of the antidumping questionnaire response to August 7, 2007. On July 31, 2007, we received Nu-Scaan's section A response. Nu-Scaan's July 31, 2007, submission was not filed in accordance with 19 CFR 351.303 and 304. Specifically, it did not contain the proper markings at the top right-hand corner of the cover letter required under 19 CFR 351.303(d), it was not served to parties on the service list for this proceeding pursuant to 19 CFR 351.303(f), it did not contain a certificate of service pursuant to 19 CFR 351.303(f)(2), it did not provide an

explanation as to why certain bracketed information is entitled to business—proprietary treatment and lacked an agreement permitting disclosure under an administrative protective order pursuant to 19 CFR 351.304(b)(1), it did not provide a full explanation of the reasons as to why certain information in double brackets was claimed to be exempt from disclosure under administrative protective order pursuant to 19 CFR 351.304(b)(2), and no public versions of the submission were filed as required by 19 CFR 351.304(c). In our August 14, 2007, letter to Nu—Scaan we described the specific filing deficiencies that we had identified with respect to its July 31, 2007, submission and informed Nu—Scaan that its section A response was an untimely filing pursuant to 19 CFR 351.302 and that we were returning the submission without considering or retaining any information contained therein as part of the official record. We did not receive a response (or a request for extension to respond) from Nu—Scaan to sections B, C, and D, of our questionnaire by the close of business on August 7, 2007, the date of the extended deadline.

#### *Yuki Gosei*

On July 11, 2007, we received Yuki Gosei's response to section A of our questionnaire. Yuki Gosei's July 11, 2007, submission was not filed in accordance with 19 CFR 351.303 and 304 of the regulations. Specifically, it lacked the requisite number of copies pursuant to 19 CFR 351.303(c), it did not contain the proper markings at the top right-hand corner of the cover letter pursuant to 19 CFR 351.303(d), it was not served on parties on the service list for this proceeding pursuant to 19 CFR 351.303(f), it did not contain a certificate of service as required under 19 CFR 351.303(f)(2), and it did not contain a certification of completeness and accuracy by the official responsible for presentation of the factual information pursuant to 19 CFR 351.303(g). In a July 16, 2007, letter to Yuki Gosei, we described these specific filing deficiencies, we rejected the submission in question, and we requested Yuki Gosei to re-file its section A response properly by July 30, 2007, in accordance with 19 CFR 351.303 and 304. In our July 16, 2007, letter to Yuki Gosei, we also informed it that any further submissions that were not filed in accordance with 19 CFR 351.303 and 304 would be deemed untimely filed pursuant to 19 CFR 351.302, that we would return such submissions without considering or retaining any information contained therein as part of the official record, and

that we may use facts otherwise available for Yuki Gosei's antidumping margin in this investigation pursuant to sections 776(a) and (b) of the Act.

On July 26, 2007, we received Yuki Gosei's re-submission of its section A response to our questionnaire, but it was not filed in accordance with 19 CFR 351.303. Specifically, it lacked a certificate of service and was not served on interested parties, as required by 19 CFR 351.303(f). In our July 31, 2007, letter to Yuki Gosei, we informed it that, despite yet another round of filing deficiencies on its part, we would accept Yuki Gosei's July 26, 2007, submission as timely filed, provided that Yuki Gosei file a letter with us confirming that it had served its section A response upon all interested parties by August 8, 2007. In our July 31, 2007, letter to Yuki Gosei, we reiterated that, absent Yuki Gosei's fulfillment of the requested service requirements, we would reject its July 26, 2007, submission as untimely filed pursuant to 19 CFR 351.302, that we would return such submissions without considering or retaining any information contained therein as part of the official record, and that we may use facts otherwise available for Yuki Gosei's antidumping margin in this investigation pursuant to sections 776(a) and (b) of the Act.

We did not receive a letter from Yuki Gosei attesting that it had served its section A response upon interested parties. We also confirmed with interested parties that they were not served Yuki Gosei's section A response. On August 7, 2007, in order to provide Yuki Gosei with another opportunity to respond, we issued a letter to Yuki Gosei extending voluntarily the deadline for submitting a response to sections B, C, and D of the antidumping questionnaire to August 14, 2007. We did not receive a response (or a request for extension to respond) from Yuki Gosei to sections B, C, and D of our questionnaire by the close of business on August 14, 2007, the date of the extended deadline. In our August 17, 2007, letter to Yuki Gosei we informed it that its July 26, 2007, section A response is an untimely filing pursuant to 19 CFR 351.302, and that we were returning the submission without considering or retaining any information contained therein as part of the official record.

#### **Use of Facts Otherwise Available**

For the reasons discussed below, we determine that the use of adverse facts available (AFA) is appropriate for the preliminary determination with respect to Nu—Scaan and Yuki Gosei.

#### *A. Use of Facts Available*

Section 776(a)(2) of the Act provides that, if an interested party withholds information requested by the administering authority, fails to provide such information by the deadlines for submission of the information and in the form or manner requested, subject to subsections (c)(1) and (e) of section 782, significantly impedes a proceeding under this title, or provides such information but the information cannot be verified as provided in 782(i), the administering authority shall use, subject to section 782(d) of the Act, facts otherwise available in reaching the applicable determination. Section 782(d) of the Act provides that, if the administering authority determines that a response to a request for information does not comply with the request, the administering authority shall promptly inform the responding party and provide an opportunity to remedy the deficient submission. Section 782(e) of the Act states further that the Department shall not decline to consider submitted information if all of the following requirements are met: (1) The information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5) the information can be used without undue difficulties.

In this case, Nu—Scaan and Yuki Gosei did not provide pertinent information we requested that is necessary to calculate respective antidumping margins for the preliminary determination. Specifically, Nu—Scaan and Yuki Gosei failed to respond to all sections of our questionnaire, thereby withholding, among other things, home-market and U.S. sales information necessary for reaching the applicable determination, pursuant to section 776(a)(2)(A) of the Act. In addition, Showa Denko K.K., Hayashi Pure Chemical Industries Co. Ltd., CBC Co., Ltd., Seino Logix Co. Ltd., Estee Lauder Group Companies K.K., and Chelest Corporation did not respond to our Q&V questionnaire and, thus, they failed to provide pertinent information we requested that was needed in the consideration and selection of mandatory respondents, thus significantly impeding this proceeding. Thus, in reaching our preliminary determination, pursuant to sections 776(a)(2)(A), (B), and (C) of the Act, we have based dumping margins on the facts otherwise available for the

following firms: Nu-Scaan, Yoki Gosei, Showa Denko K.K., Hayashi Pure Chemical Industries Co. Ltd., CBC Co., Ltd., Seino Logix Co. Ltd., Estee Lauder Group Companies K.K., and Chelest Corporation.

*B. Application of Adverse Inferences for Facts Available*

In applying the facts otherwise available, section 776(b) of the Act provides that, if the administering authority finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority, in reaching the applicable determination under this title, the administering authority may use an inference adverse to the interests of that party in selecting from among the facts otherwise available.

Adverse inferences are appropriate “to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.” See Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103-316, vol.1 (1994) at 870 (SAA). Further, “affirmative evidence of bad faith on the part of a respondent is not required before the Department may make an adverse inference.” See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27340 (May 19, 1997). Although the Department provided the mandatory respondents with several notices informing them of the consequences of their failure to respond adequately to the questionnaire in this case, pursuant to section 782(d) of the Act, Nu-Scaan and Yuki Gosei did not respond properly to the questionnaire. Similarly, although the Department provided Showa Denko K.K., Hayashi Pure Chemical Industries Co. Ltd., CBC Co., Ltd., Seino Logix Co. Ltd., Estee Lauder Group Companies K.K., and Chelest Corporation with notices informing them of the consequences of their failure to respond adequately to our Q&V questionnaire, the companies in question did not respond to our Q&V questionnaire. This constitutes a failure on the part of Nu-Scaan, Yuki Gosei, Showa Denko K.K., Hayashi Pure Chemical Industries Co. Ltd., CBC Co., Ltd., Seino Logix Co. Ltd., Estee Lauder Group Companies K.K., and Chelest Corporation to cooperate to the best of their ability to comply with a request for information by the Department within the meaning of section 776(b) of the Act. Because these companies did not provide the information requested, section 782(e) of the Act is not applicable. Based on the above, the Department has preliminarily

determined that the companies in question failed to cooperate to the best of their ability and, therefore, in selecting from among the facts otherwise available, an adverse inference is warranted. See, e.g., *Notice of Final Determination of Sales at Less than Fair Value: Circular Seamless Stainless Steel Hollow Products from Japan*, 65 FR 42985 (July 12, 2000) (the Department applied total AFA where the respondent failed to respond to the antidumping questionnaire).

*C. Selection and Corroboration of Information Used as Facts Available*

Where the Department applies AFA because a respondent failed to cooperate by not acting to the best of its ability to comply with a request for information, section 776(b) of the Act authorizes the Department to rely on information derived from the petition, a final determination, a previous administrative review, or other information placed on the record. See also 19 CFR 351.308(c) and the SAA at 829-831. It is the Department's practice to use the highest calculated rate from the petition in an investigation when a respondent fails to act to the best of its ability to provide the necessary information and there are no other respondents. See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Purified Carboxymethylcellulose From Finland*, 69 FR 77216 (December 27, 2004) (unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Purified Carboxymethylcellulose From Finland*, 70 FR 28279 (May 17, 2005)). Therefore, because an adverse inference is warranted, we have assigned to Nu-Scaan, Yuki Gosei, Showa Denko K.K., Hayashi Pure Chemical Industries Co. Ltd., CBC Co., Ltd., Seino Logix Co. Ltd., Estee Lauder Group Companies K.K., and Chelest Corporation the highest margin alleged in the petition, as recalculated in the Initiation Notice, of 280.57 percent (see *Petition for the Imposition of Antidumping Duties on Imports of Glycine from India, Japan, and the Republic of Korea* filed on March 30, 2007 (*Petition*), and April 3, 12, 13, 17, and 18, 2007, supplements to the *Petition* filed on behalf of Geo Specialty Chemicals, Inc., (the petitioner)), as recalculated in the April 19, 2007, “Office of AD/CVD Operations Initiation Checklist for the Antidumping Duty Petition on Glycine from Japan” (*Initiation Checklist*) on file in Import Administration's Central Records Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution

Avenue, NW, Washington, DC 20230. We included the range of margins we re-calculated in the *Initiation Checklist* in the notice of initiation of this investigation. See *Initiation Notice*, 72 FR at 20819.

When using facts otherwise available, section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition) rather than on information obtained in the course of an investigation, it must corroborate, to the extent practicable, that information from independent sources that are reasonably available at its disposal.

The SAA clarifies that “corroborate” means the Department will satisfy itself that the secondary information to be used has probative value. See SAA at 870. As stated in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996) (unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 62 FR 11825, 11843 (March 13, 1997)), to corroborate secondary information, the Department will examine, to the extent practicable, the reliability and relevance of the information used. The Department's regulations state that independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. See 19 CFR 351.308(d) and the SAA at 870.

For the purposes of this investigation, to the extent appropriate information was available, we reviewed the adequacy and accuracy of the information in the \ during our pre-initiation analysis and for this preliminary determination. See *Initiation Checklist*. We examined evidence supporting the calculations in the *Petition* to determine the probative value of the margins alleged in the *Petition* for use as adverse facts available for purposes of this preliminary determination. During our pre-initiation analysis, we examined the key elements of the export-price

and normal-value calculations used in the *Petition* to derive margins. During our pre-initiation analysis, we also examined the information from various independent sources provided either in the *Petition* or in supplements to the *Petition*, that corroborates key elements of the export-price and normal-value calculations used in the *Petition* to derive estimated margins.

Specifically, the petitioner calculated export prices using two price quotes it obtained for glycine from Japan for sales to large customers in the United States during 2006. We obtained affidavits from persons who obtained the U.S. price quotes. See *Initiation Checklist* at 7. The petitioner then compared the value of the U.S. price quotes with the average monthly Customs Unit Values (AUVs) 'F.O.B. foreign port' of glycine imports from Japan for consumption in the United States, classified under HTSUS number 2922.49.4020 for year 2006, gathered from the Bureau of the Census IM145 import statistics. See *Initiation Checklist* at 6–7. U.S. official import statistics are sources that we consider reliable. See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value: Superalloy Degassed Chromium from Japan*, 70 FR 48538 (August 18, 2005), and applicable Memorandum to the File from Dmitry Vladimirov entitled "Preliminary Determination in the Antidumping Duty Investigation of Superalloy Degassed Chromium from Japan: Corroboration of Total Adverse Facts Available Rate," dated August 11, 2005 (*Chromium from Japan*) (unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Superalloy Degassed Chromium from Japan*, 70 FR 65886 (November 1, 2005)). We confirmed that the AUVs were consistent with the range of values of the U.S. price quotes. Further, we obtained no other information that would make us question the reliability of the pricing information provided in the *Petition*.

The petitioner adjusted U.S. prices for foreign inland freight, international freight, U.S. inland freight, distributor mark-up, and credit charges. The petitioner used publicly available data, such as PIERs Global Intelligence Services, information at [www.freightcenter.com](http://www.freightcenter.com), data queries from USITC Interactive Tariff and Trade DataWeb, etc., to estimate charges for foreign inland freight, international freight, and U.S. inland freight. See *Initiation Checklist* at 6–7. These are sources that we consider reliable. Further, we obtained no other information that would make us question the reliability of the adjusted information provided in the *Petition*. In

addition, because the petitioner reported that there were no credit expenses in the home market, the regulations at 19 CFR 351.410(c) do not require an adjustment for differences in circumstances of sale in the instant case. Therefore, the net U.S. prices we re-calculated in the *Initiation Checklist* excluded an adjustment for U.S. credit expenses. As such, it was not necessary to corroborate the petitioner's calculation of U.S. credit expenses. The petitioner estimated the distributor mark-up based on GEO Specialty Chemicals, Inc.'s sales personnel's knowledge of distributor mark-ups in the domestic glycine industry. The petitioner provided an affidavit from persons attesting to the validity of the distributor mark-up value the petitioner used in the calculation of net U.S. price. See *Initiation Checklist* at 6–7.

Based on our examination of the aforementioned information, we consider the petitioner's calculation of net U.S. prices corroborated.

To calculate normal value, the petitioner determined domestic Japanese prices, obtained by an economic consultant, for USP-grade glycine based on price quotations obtained from Japanese glycine manufacturers. These price quotations identified specific terms of sale and payment terms. See *Initiation Checklist* at 7–8. The petitioner provided an affidavit from an economic consultant attesting to the validity of the value of the Japanese price quotations that the petitioner used in the calculation of net foreign value. See *Initiation Checklist* at 7–8. See also Memorandum to the File entitled "Telephone Call to Market Research Firm Regarding the Antidumping Petition on Glycine from Japan," dated April 19, 2007. The petitioner did not report a home-market interest rate or a home-market credit expense. Thus, we did not make an adjustment to normal value for home-market credit expenses. The petitioner did not make any adjustments to normal value. Based on our examination of the aforementioned information, we consider the petitioner's calculation of normal value, based on price quotations, corroborated.

In the *Initiation Notice*, we stated that the petitioner provided information demonstrating reasonable grounds to believe or suspect that certain sales of glycine in Japan were made at prices below the fully absorbed cost of production, within the meaning of section 773(b) of the Act. See *Initiation Notice*, 72 FR at 20818. As we stated in the *Initiation Notice*, based upon a comparison of price quotations for sales of that same grade glycine in Japan and

the country-specific cost of production of the product, we found reasonable grounds to believe or suspect that sales of glycine in Japan were made below the cost of production, within the meaning of section 773(b)(2)(A)(i) of the Act. See *Initiation Notice*, 72 FR at 2018. Accordingly, as we stated in the *Initiation Notice*, we initiated a country-wide cost investigation with regard to Japan. *Id.* As we stated further, because it alleged sales below cost, pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioner also based normal value for Japanese sales of a certain grade glycine on constructed value when the home-market prices for a certain grade glycine used in the cost comparisons fell below the cost of production. *Id.*

Pursuant to section 773(b)(3) of the Act, the cost of production consists of the cost of manufacturing (COM), selling, general and administrative (SG&A) expenses, financial expenses, and packing expenses. As we stated in the *Initiation Notice*, to calculate the COM, the petitioner multiplied the usage quantity of each input needed to produce one metric ton of glycine by the value of that input. The petitioner obtained all of the quantity and value data it used to calculate the COM from public sources. The petitioner obtained the input-usage factors from the public record of the 1997–1998 administrative review of the antidumping duty order on glycine from the People's Republic of China. See *Initiation Notice*, 72 FR at 20819. The producer in the 1997–1998 review produced glycine by the same production method utilized by producers in Japan. In exhibit O of its April 13, 2007, supplement to the *Petition*, the petitioner provided a declaration from a chemist and a director of technology at Specialty Chemicals, Inc., who acknowledged that, once the particular production process is chosen, the consumption quantities of inputs are dictated by the particular steps and chemistry of the process. As such, the petitioner claimed, the input-consumption factors it had used in its cost-of-production/constructed-value build-up that were reported by a Chinese glycine producer in the 1997–1998 administrative review are equally valid as a basis for estimating the inputs needed during the current period of investigation and, thus, for developing an accurate cost of producing glycine. See April 13, 2007, supplement to the *Petition* at page 2 and exhibit O.

The petitioner obtained the values for the inputs for the production of glycine from various public sources. *Id.* Specifically, the petitioner valued raw

materials using import statistics in the World Trade Data Atlas for the year 2006, exclusive of imports from non-market and heavily subsidized economies, which is the latest Japanese import data available. See *Initiation Checklist* at 8–9. The petitioner valued labor costs using year 2004 average per-hour wages for Japan using the International Labour Organization's Yearbook of Labour Statistics and per-capita gross national income obtained from the World Bank. The petitioner did not adjust labor data for wage inflation. See *Initiation Checklist* at 9–10. The petitioner valued electricity and water consumption using data from page 43 of the Key World Energy Statistics 2003, published by the International Energy Agency. The petitioner did not adjust electricity data for inflation. See *Initiation Checklist* at 9. The petitioner calculated average factory overhead, SG&A, and the financial-expense ratios based on the current audited financial statements of a publically traded Japanese producer of glycine. See *Initiation Checklist* at 9–11.

Where the petitioner used constructed value to determine normal value, it added an amount for profit calculated using the same financial statements. See *Initiation Checklist* at 9–11. Because the petitioner had demonstrated, and we confirmed, the validity of the input-usage quantities it used in its cost-of-production/constructed value build-up, used public sources of information, such as official import statistics that we confirmed were accurate to value inputs of production, and used audited current financial statements of a publicly traded Japanese glycine producer to compute factory overhead, SG&A, financial expense, and profit that we confirmed were accurate, we consider the petitioner's calculation of normal value based on constructed value corroborated. Further, we consider the petitioner's calculation of normal value corroborated because the bulk of calculations encompassed publicly available information or import statistics which do not require further corroboration. See, e.g., *Chromium from Japan*.

Therefore, because we confirmed the accuracy and validity of the information underlying the derivation of margins in the *Petition* by examining source documents as well as publically available information, we preliminarily determine that the margins in the *Petition* are reliable for the purposes of this investigation.

In making a determination as to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal as to whether

there are circumstances that would render a margin not relevant. Where circumstances indicate that the selected margin is not appropriate as AFA, the Department will disregard the margin and determine an appropriate margin. For example, in *Fresh Cut Flowers from Mexico: Final Results of Antidumping Duty Administrative Review*, 61 FR 6812 (February 22, 1996), the Department disregarded the highest margin as "best information available" (the predecessor to "facts available") because the margin was based on another company's uncharacteristic business expense that resulted in an unusually high dumping margin.

In *Am. Silicon Techs. v. United States*, 273 F. Supp. 2d 1342, 1346 (CIT 2003), the court found that the adverse facts-available rate bore a "rational relationship" to the respondent's "commercial practices," and was, therefore, relevant. In the pre-initiation stage of this investigation, we confirmed that the calculation of margins in the *Petition* reflects commercial practices of the particular industry during the period of investigation. Further, no information has been presented in the investigation that calls into question the relevance of this information. As such, we preliminarily determine that the highest margin in the *Petition*, which we determined during our pre-initiation analysis was based on adequate and accurate information and which we have corroborated for purposes of this preliminary determination, is relevant as the adverse facts-available rate for Nu-Scaan, Yuki Gosei, Showa Denko K.K., Hayashi Pure Chemical Industries Co. Ltd., CBC Co., Ltd., Seino Logix Co. Ltd., Estee Lauder Group Companies K.K., and Chelest Corporation in this investigation.

Similar to our position in *Polyethylene Retail Carrier Bags from Thailand: Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 53405 (September 11, 2006) (unchanged in *Polyethylene Retail Carrier Bags from Thailand: Final Results of Antidumping Duty Administrative Review*, 72 FR 1982 (January 17, 2007)), because this is the first proceeding involving Nu-Scaan, Yuki Gosei, Showa Denko K.K., Hayashi Pure Chemical Industries Co. Ltd., CBC Co., Ltd., Seino Logix Co. Ltd., Estee Lauder Group Companies K.K., and Chelest Corporation, there are no probative alternatives. Accordingly, by using information that was corroborated in the pre-initiation stage of this investigation and preliminarily determined to be relevant to Nu-Scaan, Yuki Gosei, Showa Denko K.K., Hayashi Pure Chemical Industries Co. Ltd., CBC

Co., Ltd., Seino Logix Co. Ltd., Estee Lauder Group Companies K.K., and Chelest Corporation in this investigation, we have corroborated the AFA rate "to the extent practicable." See section 776(c) of the Act, 19 CFR 351.308(d), and *NSK Ltd. v. United States*, 346 F. Supp. 2d 1312, 1336 (CIT 2004) (stating that, "pursuant to the 'to the extent practicable' language the corroboration requirement itself is not mandatory when not feasible"). Therefore, we find that the estimated margin of 280.57 percent in the *Initiation Notice* has probative value. Consequently, in selecting AFA with respect to Nu-Scaan, Yuki Gosei, Showa Denko K.K., Hayashi Pure Chemical Industries Co. Ltd., CBC Co., Ltd., Seino Logix Co. Ltd., Estee Lauder Group Companies K.K., and Chelest Corporation, we have applied the margin rate of 280.57 percent, the highest estimated dumping margin set forth in the notice of initiation. See *Initiation Notice*.

#### All-Others Rate

Section 735(c)(5)(B) of the Act provides that, where the estimated weighted-averaged dumping margins established for all exporters and producers individually investigated are zero or *de minimis* or are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated. Our recent practice under these circumstances has been to assign, as the all-others rate, the simple average of the margins in the petition. See *Notice of Final Determinations of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products From Argentina, Japan and Thailand*, 65 FR 5520, 5527–28 (February 4, 2000); see also *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coil from Canada*, 64 FR 15457 (March 31, 1999), and *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coil from Italy*, 64 FR 15458, 15459 (March 31, 1999). Consistent with our practice we calculated a simple average of the rates in the *Petition*, as recalculated in the *Initiation Checklist* at Attachment VI and as listed in the *Initiation Notice*, and assigned this rate to all other manufacturers/exporters. For details of these calculations, see the memorandum from Dmitry Vladimirov to File entitled "Antidumping Duty Investigation on Glycine from Japan - Analysis Memo for All-Others Rate," dated September 6, 2007.



### Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of glycine from Japan that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the margins, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The dumping margins are as follows:

Manufacturer or Exporter	Margin (percent)
Nu-Scaan Nutraceuticals Co., Ltd. ....	280.57
Yuki Gosei Co., Ltd. ....	280.57
Showa Denko K.K. ....	280.57
Hayashi Pure Chemical Industries Co., Ltd. ....	280.57
CBC Co., Ltd. ....	280.57
Seino Logix Co., Ltd. ....	280.57
Estee Lauder Group Companies K.K. ....	280.57
Chelest Corporation ....	280.57
All Others .....	165.34

### International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary determination of sales at less than fair value. If our final antidumping determination is affirmative, the ITC will determine whether the imports covered by that determination are materially injuring, or threatening material injury to, the U.S. industry. The deadline for the Commission's determination would be the later of 120 days after the date of this preliminary determination or 45 days after the date of our final determination.

### Public Comment

Case briefs for this investigation must be submitted no later than 30 days after the publication of this notice. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made

in an investigation, the hearing normally will be held two days after the deadline for submission of the rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. We will make our final determination within 75 days after the date of this preliminary determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: September 6, 2007.

**David M. Spooner,**  
Assistant Secretary for Import Administration.

[FR Doc. E7-18080 Filed 9-12-07; 8:45 am]

**BILLING CODE 3510-DS-S**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-504]

### Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles from the People's Republic of China

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

**EFFECTIVE DATE:** September 13, 2007.

**SUMMARY:** On May 10, 2007, the Department of Commerce ("Department") published its preliminary results in the antidumping duty administrative review of petroleum wax candles from the People's Republic of China ("PRC"). See *Petroleum Wax Candles from the People's Republic of China: Preliminary Results and Partial Rescission of the Eighth Administrative Review*, 72 FR 26595 (May 10, 2007) ("Preliminary Results"). We invited interested parties to comment on the Preliminary Results.

**FOR FURTHER INFORMATION CONTACT:** Irene Gorelik, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6905.

### SUPPLEMENTARY INFORMATION:

#### Case History

This administrative review covers one manufacturer/exporter of subject merchandise: Deseado International, Ltd. ("Deseado"). Petitioner is the National Candle Association ("NCA"). The *Preliminary Results* in this administrative review were published on May 10, 2007. On June 12, 2007, Petitioner and Deseado submitted comments. On June 18, 2007, Petitioner and Deseado submitted rebuttal comments. No interested parties requested a hearing.

#### Period of Review

The period of review ("POR") covers August 1, 2005, through July 31, 2006.

#### Scope of the Order<sup>1</sup>

The products covered by *Notice of Antidumping Duty Order: Petroleum Wax Candles from the People's Republic of China*, 51 FR 30686 (August 28, 1986) ("Candles Order") are certain scented or unscented petroleum wax candles made from petroleum wax and having fiber or paper-cored wicks. They are sold in the following shapes: tapers, spirals, and straight-sided dinner candles; round, columns, pillars, votives; and various wax-filled containers. The products were classified under the Tariff Schedules of the United States 755.25, Candles and Tapers. The products covered are currently classified under the Harmonized Tariff Schedule of the United States ("HTSUS") item 3406.00.00. Although the HTSUS subheading is provided for convenience purposes, our written description remains dispositive. See *Candles Order and Petroleum Wax Candles From the People's Republic of China: Notice of Final Results of Antidumping Duty New Shipper Review*, 69 FR 77990 (December 29, 2004).

Additionally, on October 6, 2006, the Department published its final determination of circumvention of the antidumping duty order on petroleum wax candles from the PRC. See *Later-Developed Merchandise Anticircumvention Inquiry of the Antidumping Duty Order on Petroleum Wax Candles from the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 71 FR 59075 (October 6, 2006). The Department determined that candles composed of petroleum wax and over 50 percent or more palm and/or other vegetable oil—

<sup>1</sup> Final scope rulings on petroleum wax candles scope inquiries addressed by the Department can be found at: <http://ia.ita.doc.gov/download/candles-prc-scope/index.html>.