Due to the additional time needed for respondent selection, the Department was unable to issue its initial antidumping duty questionnaires to the selected companies until July 2007 in each of these administrative reviews. The Department thus requires additional time to conduct its analysis for each company in each of these reviews. Therefore, in accordance with section 751(a)(3)(A) the Act, we are extending the time period for issuing the preliminary results of these reviews by 120 days, until February 28, 2008. The final results continue to be due 120 days after the publication of the preliminary results.

This notice is published pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2).

Dated: October 22, 2007.

Stephen J. Claeys,

Deputy Assistant Secretary for Import Administration.

[FR Doc. E7–21110 Filed 10–25–07; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–351–841/Brazil]
[A–570–924/People's Republic of China]
[A–549–825/Thailand]
[A–520–803/The United Arab Emirates]

Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) from Brazil, the People's Republic of China, Thailand, and the United Arab Emirates: Initiation of Antidumping Duty Investigations

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

EFFECTIVE DATE: October 26, 2007.

FOR FURTHER INFORMATION CONTACT: Mike Heaney (Brazil), AD/CVD Operations, Office 7, Erin Begnal (the People's Republic of China) AD/CVD Operations, Office 9, Stephen Bailey (Thailand), AD/CVD Operations, Office 7, Douglas Kirby (the United Arab Emirates), 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) 482–4475, (202) 482–1442, (202) 482–0193, and (202) 482–3782, respectively.

SUPPLEMENTARY INFORMATION:

The Petitions

On September 28, 2007, the Department of Commerce (the Department) received petitions on imports of PET Film from Brazil, the People's Republic of China (PRC), Thailand, and the United Arab Emirates (UAE) (petitions) filed in proper form by Dupont Teijin Films, Mitsubishi Polyester Film Inc., SKC Inc., and Toray Plastics (America) Inc., (collectively, petitioners). *See Antidumping Duty Petition: Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) from Brazil, Republic of China, Thailand, and the United Arab Emirates* (September 28, 2007). On October 3, 2007, the Department issued a request for additional information and clarification of certain areas of the petitions. Based on the Department's request, petitioners filed supplements to the petitions for all countries on October 9, 2007, and October 10, 2007. *See Supplemental Questionnaire Response: Petition for the Imposition of Antidumping Duties: Polyethylene Terephthalate Film, Sheet, and Strip from the United Arab Emirates*. On October 12, 2007, and October 15, 2007, the Department requested further clarifications from petitioners by phone. *See Memorandum to the File: Telephone Call to Petitioners Regarding the Antidumping Petition on Polyethylene Terephthalate Film, Sheet, and Strip from Brazil, the People's Republic of China, Thailand, and the United Arab Emirates, dated* October 12, 2007; *see also Memorandum to the File: Telephone conversation with Petitioners' counsel in connection with the Petitions on Polyethylene Terephthalate Film, Sheet, and Strip from Brazil, the People's Republic of China (the PRC), Thailand, and the United Arab Emirates (the UAE)*, dated October 15, 2007. On October 15, 2007, petitioners submitted additional supplements to the Petitions. *See Second Supplemental Questionnaire Response: Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) from Brazil, the People's Republic of China, Thailand, and the United Arab Emirates*, dated October 15, 2007. On October 15, 2007, Ms. Meredith Rutherford of the Department's Office of Policy, telephoned petitioners to request that they submit relevant pages from the International Trade Commission publication concerning the domestic like product. *See Memorandum to the File: Telephone conversation with Petitioners' counsel in connection with the Petitioners on Polyethylene Terephthalate Film, Sheet, and Strip from Brazil, the People's Republic of China (the PRC), Thailand, and the United Arab Emirates (the UAE)*, dated October 15, 2007. On October 16, 2007, petitioners submitted addendums to their October 15, 2007 supplements. *See Additional Exhibits to the Second Supplemental Questionnaire Response: Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) from Thailand, and the United Arab Emirates*, dated October 16, 2007; *see also Supplement to the Petition Regarding Domestic–Like Product*, dated October 16, 2007. On October 16, 2007, the Department telephoned petitioners requesting further information for Brazil, Thailand, and the UAE to which petitioners submitted responses on October 17, 2007, and October 18, 2007. *See Memorandum to the File: Telephone Call to Petitioners Regarding the Antidumping Petition and October 16, 2007, Supplement to the Petition on Polyethylene Terephthalate Film, Sheet, and Strip from Thailand and the United Arab Emirates*, dated October 17, 2007; *see also Memorandum to the File: Polyethylene Terephthalate Film, Sheet and Strip from Brazil; Telecon with Counsel for Petitioners; Date of Home Market Prices*, dated October 16, 2007; Supplement to the Petition, dated October 17, 2007, at Exhibit 1; and Supplement to the Petition, dated October 18, 2007, at Exhibit 1. On October 17, 2007, the Department telephoned petitioners regarding their responses to our October 16, 2007, inquires for Brazil, Thailand, and the UAE. *See Memorandum to the File: Telephone Call to Petitioners Regarding Submission of Information in the Antidumping Petition on Polyethylene Terephthalate Film, Sheet, and Strip from Thailand, Brazil, and the United Arab Emirates*, dated October 17, 2007. On October 18, 2007, the Department telephoned petitioners requesting additional clarification of its October, 17, 2007, filings for Thailand and the UAE. *See Memorandum to the File: Telephone Call to Petitioners Regarding the Antidumping Petition on Polyethylene Terephthalate Film, Sheet, and Strip from Thailand and the United Arab Emirates*, dated October 18, 2007.

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), petitioners allege that imports of PET Film from Brazil, the PRC, Thailand, and the UAE are being, or are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that such imports materially injure, or threaten material injury to, an industry in the United States.

The Department finds that petitioners filed these petitions on behalf of the domestic industry because petitioners are an interested party as defined in section 771(9)(C) of the Act, and petitioners have demonstrated sufficient industry support with respect to the

investigations that petitioners are requesting the Department to initiate (*see* ''Determination of Industry Support for the Petitions'' below).

Scope of Investigations

The products covered by these investigations are all gauges of raw, pre–treated, or primed PET Film, whether extruded or co–extruded. 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 more than 0.00001 inches thick. Also excluded is Roller transport cleaning film which has at least one of its surfaces modified by application of 0.5 micrometers of SBR latex. Tracing and drafting film is also excluded. PET Film is classifiable under subheading 3920.62.00.90 of the Harmonized Tariff Schedule of the United States (HTSUS). While HTSUS subheadings are provided for convenience and Customs purposes, our written description of the scope of these investigations is dispositive.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers who support the petition account for (i) at least 25 percent of the total production of the domestic like product and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers accounting for more than 50 percent of the total production of the domestic like product, the Department shall (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A) or (ii) determine industry support using a statistically valid sampling method if there is a large number of producers in the industry.

Section 771(4)(A) of the Act defines the ''industry'' as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether ''the domestic industry'' has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information because the Department determines industry support at the time of initiation. Although this may result in different definitions of the domestic like product, such differences do not render the decision of either agency contrary to law. *See USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001); *see also Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

Section 771(10) of the Act defines the domestic like product as ''a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.'' Thus, the reference point from which the domestic like–product analysis begins is ''the article subject to an investigation,'' *i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition.

With regard to the domestic like product, petitioners do not offer a definition of domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that PET Film constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like–product analysis in these cases, *see* the *Antidumping Duty Investigation Initiation Checklist: Polyethylene Terephthalate Film, Sheet, and Strip from Brazil* (*Brazil Initiation Checklist*) at Attachment II (Analysis of Industry Support), *Antidumping Duty Investigation Initiation Checklist: Polyethylene Terephthalate Film, Sheet, and Strip from the People's Republic of China (PRC)* (*PRC Initiation Checklist*) at Attachment II (Analysis of Industry Support), *Antidumping Duty Investigation Initiation Checklist: Polyethylene Terephthalate Film, Sheet, and Strip from Thailand (Thailand Initiation Checklist)* at Attachment II (Analysis of Industry Support), and the *Antidumping Duty Investigation Initiation Checklist: Polyethylene Terephthalate Film, Sheet, and Strip from the United Arab Emirates (UAE)* (*UAE Initiation Checklist*) at Attachment II (Analysis of Industry Support), on file in the Central Records Unit, Room B–099 of the main Department of Commerce building.

In determining whether petitioners have standing (*i.e.*, those domestic workers and producers supporting the petition account for (i) at least 25 percent of the total production of the domestic like product and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition), we considered the industry support data contained in the petition with reference to the domestic like product as defined in Attachment I, (Scope of these petitions), to the *Brazil Initiation Checklist*, *PRC Initiation Checklist*, *Thailand Initiation Checklist*, and *UAE Initiation Checklist*. To establish industry support, petitioners provided their production of the domestic like product for the year 2006, and compared that to production of the domestic like product for the industry. For further discussion, see the Brazil Initiation Checklist, PRC Initiation Checklist, Thailand Initiation Checklist, and UAE Initiation Checklist at Attachment II.

Our review of the data provided in these petitions, supplemental submissions, and other information readily available to the Department indicates that petitioners have established industry support. First, these petitions established support from domestic producers accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling). *See* section 732(c)(4)(D) of the Act. Second, the domestic producers have met the statutory criteria for industry support under section 732(c)(4)(A)(i) because the domestic producers who support these petitions account for at least 25 percent of the total production of the domestic like product. Finally, the domestic producers have met the statutory criteria for industry support under 732(c)(4)(A)(ii) because the domestic producers who support these petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, these petitions. Accordingly, the Department determines that these petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. *See* the *Brazil Initiation Checklist*, *PRC Initiation Checklist*, *Thailand Initiation*

Checklist, and *UAE Initiation Checklist* at Attachment II.

The Department finds that petitioners filed these petitions on behalf of the domestic industry in accordance with section 732(c)(4)(A) of the Act. Petitioners are an interested party as defined in section 771(9)(C) of the Act and have demonstrated sufficient industry support in favor of the initiation of the antidumping duty investigations. *See Brazil Initiation Checklist*, *PRC Initiation Checklist*, *Thailand Initiation Checklist*, and *UAE Initiation Checklist* at Attachment II.

Allegations and Evidence of Material Injury and Causation

Petitioners allege that the U.S. industry producing the domestic like product is being materially injured by reason of the imports of the subject merchandise sold at less than normal value. While the imports from the UAE do not meet the statutory requirement for cumulation on a volume basis, in its analysis for threat, petitioners allege that imports from the UAE will imminently account for more than three percent of all imports of the subject merchandise by volume and, therefore, they are not negligible. In addition, petitioners have demonstrated that imports from the UAE for the first half of 2007 do meet the statutory requirement for cumulation on a volume basis. *See* section 771(24)(A)(iv) of the Act; *see also Brazil Initiation Checklist*, *PRC Initiation Checklist*, *Thailand Initiation Checklist*, and *UAE Initiation Checklist* at Attachment III. Petitioners contend that the industry's injured condition is illustrated by reduced market share, lost revenue and sales, reduced production and capacity utilization, reduced shipments, underselling and price depressing and suppressing effects, reduced employment, and decline in financial performance. We have assessed the allegations and supporting evidence regarding material injury and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. *See Brazil Initiation Checklist*, *PRC Initiation Checklist*, *Thailand Initiation Checklist*, and *UAE Initiation Checklist* at Attachment III.

Periods of Investigation

For Brazil, Thailand, and the UAE, in accordance with section 351.204(b) of the Department's regulations, because these petitions were filed on September 28, 2007, the anticipated period of investigation (POI) is July 1, 2006 through June 30, 2007. For the PRC, the anticipated POI is January 1, 2007, through June 30, 2007.

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which the Department has based its decision to initiate investigations with respect to Brazil, the PRC, Thailand, and the UAE. The sources of data for the deductions and adjustments relating to U.S. price and normal value are discussed in greater detail in the *Brazil Initiation Checklist*, *PRC Initiation Checklist*, **Thailand Initiation Checklist**, and **UAE Initiation Checklist**. Should the need arise to use any of this information as facts available under section 776 of the Act, we may reexamine the information and revise the margin calculation, if appropriate.

Alleged U.S. Price and Normal Value: Brazil

Petitioners state that Brazilian producer Terphane Ltda.'s U.S. affiliate, Terphane Inc., was the importer of record for PET Film imports from Brazil during the POI. Petitioners calculated constructed export price (CEP) using information regarding a representative sale of 48–gauge packaging film made through Terphane Inc. to an unaffiliated customer in the United States. Petitioners deducted from U.S. price a mark–up based on the expenses and profit rate of a U.S. importer of PET Film. We adjusted petitioners' mark–up value to exclude certain expenses covered in separate deductions (*i.e.*, inland freight from the U.S. port to the distribution warehouse and brokerage charges). Petitioners also deducted from U.S. price an amount for international freight and insurance, U.S. customs duties, inland freight from the U.S. warehouse to the customer and credit expense. *See Brazil Initiation Checklist*. International freight and insurance were calculated as the difference between the value of PET Film imports from Brazil on a CIF basis, and the value of PET Film imports from Brazil on a custom's value basis as reported on the ITC's ''DataWeb'' *http://usitc.gov/tata/hts/other/dataweb*. In calculating U.S. customs duties, petitioners applied U.S. duty rates to the customs value AUV for import data for the POI. U.S. inland freight was based on the freight expenses of a U.S. producer to the same customer. Petitioners calculated credit using the average U.S. prime rates available for the POI, and used what petitioners describe as the standard thirty-day credit period between shipment and payment for PET Film sales.

Petitioners based normal value on a sale of 48–gauge packaging film by Terphane Ltda. to one of its home market customers in Brazil during the POI. Petitioners deducted credit and packing expenses. Petitioners calculated credit using the standard thirty-day period between shipment and payment dates for PET Film sales consistent with other countries subject to these petitions, and used average prime rates available for Brazil for the POI. Petitioners maintain packing costs in Brazil and the United States are equivalent and therefore based packing expenses on those of one petitioning firm. *See Brazil Initiation Checklist*. Petitioners made no deduction for inland freight in calculating NV, claiming the terms of sale were essentially ex–factory. See Supplement to the Brazil Petition, dated October 16, 2007, at Exhibit 4.

Petitioners also allege Terphane Ltda.'s home market sale is below its cost of production. Petitioners therefore calculated constructed value for 48–gauge packaging film, basing Terphane Ltda.'s cost of production on that of a U.S. producer's experience during the POI, adjusted for known differences between the United States and Brazil. *See* ''Cost of Production and Constructed Value'' section, *infra*.

Alleged U.S. Price and Normal Value: The People's Republic of China

For U.S. price, petitioners relied on price information of a representative sale of Chinese PET Film sold by a U.S. distributor to a U.S. customer in early 2007, based on the experience of a salesperson at one of the petitioning firms. *See* PRC Petition at Exhibit 12; Supplemental Response, dated October 10, 2007, at Exhibit 1 (''October 10, 2007 Supplemental Response''); and Supplemental Response, dated October 15, 2007, at Exhibit 2 (''October 15, 2007 Supplemental Response''). The price information supplied by petitioners was for 48 gauge packaging film, which falls within the scope of these petitions. Petitioners deducted from the price the costs associated with exporting and delivering the product, including a distributor mark–up fee, ocean freight and insurance charges, U.S. duty, port and wharfage fees, and U.S. inland freight. We adjusted petitioners' mark–up value to exclude certain expenses covered in separate deductions (*i.e.*, inland freight and brokerage charges). *See PRC Initiation Checklist* at Attachment V.

Because the Department considers the PRC to be a non–market-economy country (NME), petitioners constructed normal value based on the factors–of-

production methodology pursuant to section 773(c) of the Act. Recently, the Department examined the PRC's market status and determined that NME status should continue for the PRC. *See Memorandum from the Office of Policy to David M. Spooner, Assistant Secretary for Import Administration, Regarding the People's Republic of China Status as a Non–Market Economy*, dated August 30, 2006. (This document is available online at *http://ia.ita.doc.gov/download/prc–nme-status/prc–lined-paper–memo–08302006.pdf*.). In addition, in two recent investigations, the Department also determined that the PRC is an NME country. *See Final Determination of Sales at Less Than Fair Value: Certain Activated Carbon from the People's Republic of China*, 72 FR 9508 (March 2, 2007), and *Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 19690 (April 19, 2007). In accordance with section 771(18)(C)(i) of the Act, the NME status remains in effect until revoked by the Department. The presumption of the NME status of the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the normal value of the product is based appropriately on factors of production valued in a surrogate market–economy country in accordance with section 773(c) of the Act. During the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

Petitioners assert that India is the appropriate surrogate country for valuing the factors of production for the PRC because India is: (1) a significant producer of identical merchandise; and (2) at a level of economic development comparable to that of the PRC. *See* PRC Petition at 41. Based on the information provided by petitioners, we believe that petitioners' use of India as a surrogate country is appropriate for purposes of initiating this investigation. After the initiation of the investigation, we will solicit comments regarding surrogate country selection. Also, pursuant to 19 CFR 351.301(c)(3)(i), interested parties will be provided an opportunity to submit publicly available information to value factors of production within 40 days of the date of publication of the preliminary determination.

Petitioners provided dumping–margin calculations using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. Petitioners calculated normal value for the U.S. price discussed above based on U.S. industry experience for producing PET Film, which they state is consistent with standard PET Film production methodology. Petitioners also state that Chinese producers use substantially the same material inputs and production processes as U.S. producers. *See* PRC Petition at 41–42 and Exhibit 15. Petitioners state that the primary materials used to produce PET Film are monoethylene glycol (''MEG''), terephthalic acid (''PTA''), and/or dimethyl terephthalate (''DMT''), although they believe that PRC producers utilize PTA rather than DMT. *See* PRC Petition at 42 and October 10, 2007 Supplemental Response at 7.

For the normal–value calculations, pursuant to section 773(c)(4) of the Act, petitioners used surrogate values from a variety of sources, including the *ASFI Monthly Bulletin*, published by the Association of Synthetic Fibre Industry of India, Indian import statistics from the *World Trade Atlas*, the International Energy Agency's (''IEA'') *Energy Prices & Taxes 2007 (First Quarter)* edition, the Department's NME Wage Rate for the PRC, and publicly available financial statements, to value the factors of production (FOP). *See* PRC Petition at 42–43 and Exhibits 16–20; October 10, 2007 Supplemental Response at Exhibits 5, 6, 7 and 9; and October 15, 2007 Supplemental Response at Exhibit 4. Petitioners converted the inputs valued in Indian rupees to U.S. dollars based on the average rupee/U.S. dollar exchange rate for the POI, as reported on the Department's website at *http://ia.ita.doc.gov/exchange/index.html*.

For PTA and MEG, the main raw materials in the production of PET Film, petitioners provided surrogate values based on the *ASFI Monthly Bulletin* from 2006, inflated to the POI using a Wholesale Price Index (''WPI'') inflator. *See* PRC Petition at 42 and Exhibit 16 and October 15, 2007 Supplemental Response at Exhibit 4. In addition, petitioners state that the production of PET Film utilizes very small amounts of fillers, which petitioners did not include in the normal value calculation. Petitioners state that they were unable to determine the correct tariff numbers in order to value these inputs, and not including them in the normal value calculation is a conservative approach. *See* PRC Petition at 42 and October 10, 2007 Supplemental Response at 8. With regard to energy (electricity), petitioners provided a surrogate value using the IEA's *Energy Prices & Taxes* 2007 (First Quarter) edition, which petitioners inflated to the POI, as the electricity value is based on the price paid by industrial users in India in 2000. *See* PRC Petition at 42 and Exhibits 17–18 and October 10, 2007 Supplemental Response at 8–9 and Exhibit 6. For labor, petitioners submitted a labor usage rate which was valued using the Department's NME Wage Rate for the PRC. For packing inputs, petitioners valued flanges, two–by-fours, and cores using Indian import statistics obtained through the *World Trade Atlas* from which they excluded data pertaining to NME and subsidy countries. *See* October 10, 2007 Supplemental Response at 10 and Exhibits 8 and 9; and October 15, 2007 Supplemental Response at 3. Petitioners asserted that pallets were utilized as a packing factor of production, but stated in their October 15, 2007 Supplemental Response that since they did not know the average weight of the pallets that form the basis of this HTS number in the Indian import statistics (as the surrogate value from the *World Trade Atlas* is based on rupees per piece), they removed the pallet expense. However, in their October 10, 2007 Supplemental Response at Exhibit 8, petitioners listed the weight of a typical pallet used to pack PET Film. We have applied this weight to the pallet surrogate value to derive a rupees per kilogram value and added this expense to normal value. *See PRC Initiation Checklist* at Attachment V for a revised pallet surrogate value.

For the normal–value calculations, petitioners derived the figures for factory overhead, selling, general, and administrative expenses, and profit from the financial ratios of three large Indian producers of PET Film: Flex Industries, Garware Polyester Limited, and Polyplex Corporation. The financial statements that petitioners provided covered the period of April 2005 to March 2006. Additionally, petitioners calculated a simple average of the three companies' financial ratios for purposes of the petition. *See* PRC Petition at 43 and Exhibit 20 and October 10, 2007 Supplemental Response at Exhibit 7. We did not make any other adjustments to the NV as calculated by the petitioners, other than the inclusion of pallets as a packing input. *See* Attachment V for the revised NV calculation.

Separate Rates for the Antidumping Investigation of Imports of PET Film from the PRC

In 2005, the Department modified the process by which exporters and producers may obtain separate–rate status in NME investigations. The Department's practice is discussed further in *Policy Bulletin 05.1:*

Separate–Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non–Market Economy Countries (April 5, 2005) (''*Separate Rates and Combination Rates Bulletin*''), available on the Department's website at *http://ia.ita.doc.gov/policy/bull05–1.pdf*. The process now requires the submission of a separate–rate status application. Based on our experience in processing the separate–rate applications in antidumping duty investigations, we have modified the application for this investigation to make it more administrable and easier for applicants to complete. *See, e.g., Initiation of Antidumping Duty Investigation: Certain New Pneumatic Off–the-Road Tires from the People's Republic of China*, 72 FR 43591, 43594–95 (August 6, 2007) (''*Tires from the PRC*''). The specific requirements for submitting the separate–rate application in this investigation are outlined in detail in the application itself, which will be available on the Department's website at *http://ia.ita.doc.gov/ia–highlights-and–news.html* on the date of publication of this initiation notice in the **Federal Register**. The separate–rate application is due no later than December 17, 2007.

Alleged U.S. Price and Normal Value: Thailand

For U.S. price, petitioners relied on a representative sale of Thai PET Film sold to a U.S. customer during the proposed POI. *See* Thailand Petition at Exhibit 22; Supplemental Response, dated October 9, 2007, at Exhibit 3. The price information supplied by petitioners was for 48 gauge packaging film, which falls within the scope of the petitions. Petitioners deducted from the price the costs associated with exporting and delivering the product, including a distributor mark–up (based on Flex America's financial statements), ocean freight and insurance charges, U.S. duty, port and wharfage fees, and U.S. inland freight. Additionally, petitioners deducted imputed credit expenses. We have adjusted the CEP price by recalculating the claimed distributor mark–up submitted by petitioners to eliminate line items which are being deducted separately from U.S. price. *See Thailand Initiation Checklist*.

For normal value, petitioners submitted price information for a home market sale obtained by an employee of a Thai PET Film reseller. *See* Thailand Petition at Exhibit 23; Supplemental Response, dated October 16, 2007, at Exhibit 4; and Supplemental Response, dated October 17, 2007, at Exhibit 1. However, complete information with respect to certain home market expense(s) were not reasonably available to the petitioners. As such, adequate home market prices were not reasonably available to petitioners; therefore, we have relied on petitioners' information for constructed value to calculate normal value. We are not initiating a sales below cost investigation because there are no home/comparison market sales. According to 19 CFR 351.301(d)(2)(i)(A), this will not preclude petitioners from filing a cost allegation once information becomes available.

Petitioners calculated constructed value for 48–gauge packaging film. With exception of FOH, SG&A expense, interest expense and profit rates, which were based on PTL's experience, petitioners calculated constructed value using PTL's cost of production using the experience of a U.S. producer of PET Film, adjusted for known differences between costs in Thailand and the United States. We recalculated petitioners' price–to-CV margin calculation to include an amount for packing. *See Thailand Initiation Checklist* for a detailed discussion on petitioners' calculation of CV.

Alleged U.S. Price and Normal Value: UAE

Petitioners calculated both a CEP and an export price (EP). Petitioners based CEP on a sale made by Flex UAE's U.S. affiliate, Flex America, to an unaffiliated customer during the proposed POI. The PET Film at issue is 92–gauge packaging film which, Petitioners explain, is a common and representative type of PET Film sold in the U.S. market and was sold on a ''Delivered, Duty Paid'' basis with 30 day payment terms. Petitioners deducted a distributor mark–up (based on Flex America's financial statements), international freight, U.S. Duty, U.S. inland freight, and U.S. credit. We have adjusted the CEP price by recalculating the claimed distributor mark–up submitted by petitioners to eliminate line items which are being deducted separately from U.S. price (*i.e.*, inland freight from the U.S. port to the distribution warehouse and brokerage charges).

Petitioners calculated EP on the POI weighted–average AUV customs value for PET Film imports from the UAE into the U.S. for subheading number 3920.62.00.90 of the Harmonized Tariff Schedule of the United States (HTS) based on Customs Value data collected from the USITC. *See UAE Initiation Checklist*.

For normal value, petitioners submitted price information for a home market sale which took place during the POI. However, complete information with respect to certain home market expense(s) were not reasonably available to the petitioners. As such, adequate home market prices were not reasonably available to petitioners; therefore, we have relied on petitioners' information for constructed value to calculate normal value. *See UAE Initiation Checklist* for a detailed discussion on petitioners' calculation of CV. We are not initiating a sales below cost investigation because there are no home/comparison market sales. According to 19 CFR 351.301(d)(2)(i)(A), this will not preclude petitioners from filing a cost allegation once information becomes available.

Petitioners calculated COM (except direct materials and fixed overhead) and packing expenses based on a U.S. producer's cost experience adjusted for known differences to manufacture PET Film in the UAE, using publicly–available data. *See* IEA publication, Energy Prices and Taxes for 2007: UAE's Regulation and Supervision Bureau publication of UAE energy costs from Industrial/Commercial rates for 2004. To calculate direct material, fixed overhead, SG&A and financial expense rates, petitioners relied on the most contemporaneous financial statements to the POI for a PET Film producer in the UAE. *See UAE Initiation Checklist*.

Petitioners valued raw materials using the per pound value of purchased polyester chips divided by the production quantity reported in FY 2006 financial statements of Flex UAE, a PET Film producer in the UAE. These were the most recent statement available. *See, e.g.*, the Supplement to the Petition, October 10, 2007, at page 8 and Exhibit 7.

Petitioners determined energy costs using the cost experience of a U.S. PET Film producer to manufacture one pound of PET Film, adjusted by the ratio of energy costs in UAE to that in the United States. Petitioners obtained the annual UAE energy costs for 2004 from the Industrial/Commercial rate published by the UAE's Regulation and Supervision Bureau and the annual U.S. energy costs for 2004 from the International Energy Agency publication, Energy Prices and Taxes for 2006. *See, e.g.*, the UAE Petition at page 65 and 66, and Exhibits 33 and 34.

To calculate labor, fixed overhead, SG&A expense, interest expense and profit, petitioners relied on the financial statements of Flex UAE for the fiscal year end December 31, 2006. We recalculated petitioners' price–to-CV margin calculation to include an amount for packing. *See, e.g.*, the UAE Petition at Exhibit 35, the supplement to the Petition, dated October 10, 2007, at

pages 10 and 11, and Exhibit 7 and Supplement to the Petition, dated October 15, 2007, at page 3 and Exhibit 5.

Respondent Selection and Quantity and Value Questionnaire for the PRC

In prior NME investigations, it has been the Department's practice to request quantity and value information from all known exporters identified in the PRC Petition. *See*, *e.g.*, *Initiation of Antidumping Duty Investigation: Certain New Pneumatic Off–the-Road Tires From the People's Republic of China*, 72 FR 43591 (August 6, 2007). For this investigation, because the HTSUS number 3920.62.00.90, as discussed above in the ''Scope of the Investigation,'' provides comprehensive coverage of imports of PET Film, the Department expects to select respondents in this investigation based on U.S. Customs and Border Protection (CBP) data of U.S. imports under HTSUS number 3920.62.00.90 during the POI.

Use of Combination Rates in an NME Investigation

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation, pursuant to 19 CFR 351.107(b)(1). The *Separate Rates and Combination Rates Bulletin*, at 6, describes that, while continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the POI. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the POI. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non–investigated firms receiving the weighted–average of the individually calculated rates. This practice is referred to as the application of ''combination rates'' because such rates apply to specific combinations of exporters and one or more producers. The cash–deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the POI.

Fair–Value Comparisons

Based on the data provided by petitioners, there is reason to believe that imports of PET Film from Brazil, Thailand, the UAE, and the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of export price/constructed export price to normal value that we revised as discussed above and calculated in accordance with section 773(c) of the Act, these are the estimated dumping margins for PET Film: 1) the estimated dumping margins for Brazil range from 13.08 percent (price–to-price) to 44.36 percent (price to CV); 2) the estimated dumping margin for the PRC is 76.72 percent; 3) the estimated dumping margin for Thailand is 80.24 percent (price–to-CV); and 4) the UAE's estimated dumping margins range from 35.44 percent (EP–to-CV) to 73.23 percent (CEP–to-CV).

Initiation of Antidumping Investigations

Based upon the examination of the petitions on PET Film from Brazil, the PRC, Thailand, and the UAE and other information reasonably available to the Department, the Department finds that these petitions meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of PET Film from Brazil, the PRC, Thailand, and the UAE are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act, unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Sales Below Cost Allegation

Petitioners have provided information demonstrating reasonable grounds to believe or suspect that sales of PET Film in Brazil were made at prices below the fully absorbed cost of production (COP), within the meaning of section 773(b) of the Act, and requested that the Department conduct a sales–below-costs investigation. We note that because petitioners were unable to provide adequate home market prices for Thailand or the UAE, we are not initiating country–wide cost investigations for those countries at this time. According to 19 CFR 351.301(d)(2)(i)(A), petitioners are not precluded from filing a cost allegation once the information becomes available.

An allegation of sales below COP need not be specific to individual exporters or producers. *See*, *e.g.*, Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103–316, Vol. 1 (1994) at 833. Thus, Commerce will consider allegations of below–cost sales in the aggregate for a foreign country. *Id.* Further, section 773(b)(2)(A) of the Act requires that the Department have ''reasonable grounds to believe or suspect'' that below–cost sales have occurred before initiating such an investigation. Reasonable grounds exist when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the foreign market in question are at below–cost prices.

As described in the section below on ''Cost of Production and Constructed Value,'' the Department calculated a country–specific COP for a certain gauge of PET Film for Brazil. Based upon a comparison of the prices of the foreign–like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country–wide cost investigation with regard to Brazil. We note, however, that if we determine that the Brazilian home market is not viable, our initiation of a country–wide cost investigation with respect to sales in the home market will be rendered moot. *See Brazil Initiation Checklist*.

Cost of Production and Constructed Value (CV)

Pursuant to section 773(a)(4) of the Act, COP consists of the cost of manufacturing (''COM''); selling, general and administrative (SG&A) expenses; financial expenses; and packing.

Pursuant to section 773(a)(4) of the Act, petitioners calculated a single CV as the basis for normal value (NV). Petitioners calculated CV using the COM; SG&A expenses; financial expenses. Petitioners then added the average profit rate based on the most recent financial statements of a PET Film producer. *See Brazil Initiation Checklist*, *Thailand Initiation Checklist*, and *UAE Initiation Checklist*.

Brazil

Petitioners calculated COM and packing based on a U.S. producer's cost experience, adjusted for known differences (*e.g.*, energy and labor) to manufacture PET Film in Brazil using publically–available data. To calculate SG&A and financial expense rates, petitioners relied on the financial statements most contemporaneous to the proposed POI for a thermoplastic resins (including PET Film) producer in Brazil, Braskem Ltda. See Brazilian Initiation Checklist.Petitioners determined the cost of terephthalic acid (PTA) and mono–ethylene glycol (MEG) based on the quantities used to manufacture one pound of PET Film as

experienced by a U.S. PET Film producer. *See* Volume I of the Brazil Petition at page 32 and Volume II of the Brazil Petition at Exhibit 5. Petitioners stated the cost of the required raw material in Brazil were similar to that incurred by the U.S. PET Film producer and provided an affidavit in the Supplement to the Petition, dated October 10, 2007, at Exhibit 6 as support.

Petitioners determined labor costs using the labor cost experience of a U.S. PET Film producer to manufacture one pound of PET Film, adjusted by the ratio of labor costs in Brazil to those of the United States. Petitioners obtained the annual Brazilian and U.S. labor costs from the Department's ''Expected Wage Calculation: 2003,'' found at *http://ia.ita.doc.gov/wages/03wages/110805–2003–Tables* for Brazil and the United States. *See* Supplement to the Petition, dated October 10, 2007, at pages 9–10 and Exhibit 7.

Petitioners determined energy costs using the cost experience of a U.S. PET Film producer to manufacture one pound of PET Film, adjusted by the ratio of energy costs in Brazil to that of the United States. Petitioners obtained the annual Brazilian and U.S. energy costs from the International Energy Agency publication, Energy Prices and Taxes for 2004. *See* Volume I of the Petition at page 33 and Volume II of the Petition at Exhibits 5 and 9.

Petitioners determined the fixed overhead costs (exclusive of energy and labor) using the cost experience of a U.S. PET Film producer to manufacture one pound of PET Film. Petitioners' stated this was reasonable because the one producer of PET Film in Brazil does not publish its financial statements. *See* Volume I of the Brazil Petition at pages 33 and 34 and Supplement to the Petition, dated October 10, 2007, at page 8.

To calculate SG&A expense, interest expense and profit, petitioners relied on the financial statements of Braskem Ltda. for the fiscal year ended December 31, 2005, the most recent financial statements available. *See* Volume II of the Petition at Exhibit 10.

We recalculated fixed overhead costs based on the financial statements of Braskem Ltda. for the fiscal year ended December 31, 2005, as this best reflects the cost experience in Brazil. *See* Volume II of the Petition at Exhibit 10. To calculate a price–to-CV margin, we added packing to this revised CV. *See Brazil Initiation Checklist*.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of these petitions have been provided to the representatives of the Governments of Brazil, the PRC, Thailand, and the UAE. We will attempt to provide a copy of the public version of the petitions to the foreign producers/exporters named in the petitions.

International Trade Commission Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determination by the International Trade Commission

The ITC will preliminarily determine, no later than November 12, 2007, whether there is a reasonable indication that imports of PET Film from Brazil, the PRC, Thailand, and the UAE materially injure, or threaten material injury to, a U.S. industry. A negative ITC determination covering all classes or kinds of merchandise covered by the petitions would result in the investigations being terminated. Otherwise, these investigations will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: October 18, 2007.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E7–21120 Filed 10–25–07; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–428–830]

Notice of Initiation of New Shipper Antidumping Duty Review: Stainless Steel Bar from Germany

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

SUMMARY: The Department of Commerce (''the Department'') has received a request for a new shipper review of the antidumping duty order on Stainless Steel Bar (''SSB'') from Germany published on March 7, 2002 (67 FR 10382). In accordance with section 751(a)(2)(B) of the Tariff Act of 1930, as amended (''the Act''), and 19 CFR 351.214(d), we are initiating an antidumping new shipper review of Flanschenwerk Bebitz GmbH (''Flanschenwerk'').

EFFECTIVE DATE: October 26, 2007.

FOR FURTHER INFORMATION CONTACT: Brandon Farlander or Damian Felton, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–0182 or (202) 482–0133, respectively.

SUPPLEMENTARY INFORMATION: The Department received a timely request from Flanschenwerk, in accordance with 19 CFR 351.214(c), for a new shipper review of the antidumping duty order on SSB from Germany, which has a September semiannual anniversary month.

Pursuant to section 751(a)(2)(B)(i)(I) of the Act and 19 CFR 351.214(b)(2)(i), Flanschenwerk, an exporter and producer of the subject merchandise, certified that it did not export subject merchandise to the United States during the period of investigation (''POI'') (October 1, 1999, through September 30, 2000). Pursuant to section 751(a)(2)(B)(i)(II) of the Act and 19 CFR 351.214(b)(2)(iii)(A), Flanschenwerk also certified that since the initiation of the investigation it has not been affiliated with any exporter or producer who exported the subject merchandise to the United States during the POI, including those not individually examined during the investigation. Pursuant to 19 CFR 351.214(b)(2)(iv), Flanschenwerk also submitted documentation establishing the date on which its SSB was first shipped for export to the United States, the volume of that shipment, and the date of the first sale to an unaffiliated customer in the United States.

The Department conducted a query of the U.S. Customs and Border Protection (''CBP'') database to confirm that Flanschenwerk's shipment of subject merchandise had entered the United States for consumption and has been suspended for antidumping duties. The Department also corroborated Flanschenwerk's assertion that it made no subsequent shipments to the United States by reviewing CBP data.

Scope of the Order

For the purposes of this order, the term ''stainless steel bar'' includes articles of stainless steel in straight lengths that have been either hot–rolled, forged, turned, cold–drawn, cold–rolled or otherwise cold–finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. SSB includes cold–finished stainless steel bars that are turned or ground in straight lengths, whether produced from hot–rolled bar or from