

NPA: Mississippi Industries for the Blind,  
Jackson, MS  
NSN: 6530-00-197-9228  
NPA: Alabama Industries for the Blind,  
Talladega, AL  
NPA: Arizona Industries for the Blind,  
Phoenix, AZ  
NPA: Blind Industries & Services of  
Maryland, Baltimore, MD  
NPA: Mississippi Industries for the Blind,  
Jackson, MS  
*Contracting Activity:* Veterans Affairs  
National Acquisition Center, Hines, IL  
NSN: 6530-01-036-0398  
NPA: UNKNOWN  
NSN: 6530-01-244-2776  
NSN: 6530-01-244-9946  
NSN: 6530-01-246-0156  
NSN: 6530-01-246-1935  
NSN: 6530-01-248-4813  
NPA: Alabama Industries for the Blind,  
Talladega, AL  
NPA: Arizona Industries for the Blind,  
Phoenix, AZ  
NPA: Blind Industries & Services of  
Maryland, Baltimore, MD  
NPA: Mississippi Industries for the Blind,  
Jackson, MS  
*Contracting Activity:* Defense Supply Center  
Philadelphia, Philadelphia, PA  
NSN: 6530-00-299-9603  
NPA: Alabama Industries for the Blind,  
Talladega, AL  
NPA: Arizona Industries for the Blind,  
Phoenix, AZ  
NPA: Blind Industries & Services of  
Maryland, Baltimore, MD  
NPA: Mississippi Industries for the Blind,  
Jackson, MS  
*Contracting Activity:* Defense Supply Center  
Philadelphia, Philadelphia, PA  
*Contracting Activity:* Veterans Affairs  
National Acquisition Center, Hines, IL

**Kimberly M. Zeich,**

*Director, Program Operations.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

A-570-894

#### **Certain Tissue Paper Products from the People's Republic of China: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review**

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

**SUMMARY:** The Department of Commerce ("the Department") is currently conducting the 2006 2007 administrative review of the antidumping duty order on certain tissue paper products from the People's Republic of China ("PRC"). The period of review ("POR") for this review is March 1, 2006, through February 28, 2007.

Ten respondents reported that they had no exports or sales of the subject merchandise during the POR. After checking U.S. Customs and Border Protection data, we are preliminarily rescinding our review of these companies. Additionally, in conducting the review, the Department found that both Max Fortune Industrial Limited & Max Fortune (FETDE) Paper Products Co., Ltd. (collectively "Max Fortune") and Guilin Qifeng Paper Co., Ltd. ("Guilin Qifeng") reported subject sales to the United States during the POR, which the Department found to have entered as not subject to antidumping duties, and thus were liquidated without the assess of such duties. With respect to Max Fortune, the Department will continue to collect additional information from Max Fortune and CBP, and consider this issue for the final results. With respect to Guilin Qifeng, because we found that Guilin Qifeng made no dutiable entries of subject tissue paper during the POR, the Department is preliminarily rescinding its review with respect to Guilin Qifeng. If these preliminary results are adopted in our final results of this review, we will instruct CBP to assess antidumping duties on all appropriate entries of subject merchandise during the POR.

Interested parties are invited to comment on these preliminary results. We will issue the final results no later than 120 days from the date of publication of this notice, unless extended.

**EFFECTIVE DATE:** April 4, 2008

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

Bobby Wong or Michael Quigley, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0409 or (202) 482-4047, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On March 3, 2007, the Department published a notice of *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 72 FR 9505 (March 2, 2007). On March 26, 2007, in accordance with 19 CFR 351.213(b), the Department received a timely request from Guilin Qifeng for an administrative review. On March 30, 2007, in accordance with 19 CFR 351.213(b), the Department received a timely request from Max Fortune, and from Seaman Paper Company of Massachusetts, Inc. ("petitioner") for a

review of five companies.<sup>1</sup> On April 2, 2007, in accordance with 19 CFR 351.213(b), the Department received a timely review request from Foshan Sansico Co., Ltd.

On April 27, 2007, the Department published the notice of initiation of an administrative review of the antidumping duty order on certain tissue paper products from the PRC covering the period March 1, 2007, through February 28, 2007. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 72 FR 20986 (April 27, 2007). On May 1, 2007, the Department requested quantity and value ("Q&V") information from all parties named in the initiation notice. On May 15, 2007, the Department received the following documents: 1) a separate rate certification and Q&V response from Guilin Qifeng; 2) a letter from Vietnam Quijiang certifying that it made no entries of the subject merchandise during the POR; and 3) a certification it made no entries of subject merchandise during the POR, and a request from Samsam to rescind the Department's review with respect to Samsam. On May 16, 2007, the Department received a Q&V response from the Sansico Group, certifying that none of its affiliates made entries of subject merchandise to the United States during the POR. On May 17, 2007, the Department received Max Fortune's Q&V response and its separate rate certification. On May 22, 2007, the Sansico Group again publicly certified that none of its affiliates made entries of subject merchandise during the POR.

On May 29, 2007, the Department selected Max Fortune and Guilin Qifeng as mandatory respondents in the administrative review, as they were responsible for 100 percent of the reported imports of certain tissue paper from the PRC under review. *See* May 29, 2007, memorandum to James C. Doyle, Director; from Scot T. Fullerton, Senior International Trade Analyst through Christopher D. Riker, Program Manager regarding Certain Tissue Paper Products from the People's Republic of China: Selection of Respondents.

On June 1, 2007, the Department received comments from petitioner regarding Samsam's Q&V response. In

<sup>1</sup> Max Fortune Industrial Limited, & Max Fortune (FETDE) Paper Products Co., Ltd. (collectively "Max Fortune"); Samsam Production Limited, Guangzhou Baxi Printing Products Limited, Guilin Samsam Paper Products Ltd. (collectively "Samsam"); Guilin Qifeng Paper Co., Ltd. ("Guilin Qifeng"); Vietnam Quijiang Paper Co., Ltd. ("Vietnam Quijiang"); and Foshan Sansico Co., Ltd., Sansico Asia Pacific Limited, PT Grafitecindo Ciptaprima, PT Printec Perkasa, PT Printec Perkasa II, & PT Sansico Utama (collectively "Sansico Group").

response, on June 7, 2007, the Department received rebuttal comments from Samsam. On June 14, 2007, the Department received additional comments from petitioner in response to Samsam's June 7, 2007, rebuttal comments.

On August 24, 2007, in response to Max Fortune's request, the Department extended the deadline to submit new factual information on the record of this review.<sup>2</sup> On August 28, 2007, the Department invited interested parties to comment on the Department's surrogate country selection and/or significant production in the other potential surrogate countries and to submit publicly available information to value the factors of production. *See* August 28, 2007, letter to All Interested Parties; from Scot T. Fullerton, Program Manager regarding the Administrative Review of Certain Tissue Paper Products from the People's Republic of China. On October 2, 2007, the Department received comments from petitioner regarding the Department's selection of India as the surrogate country. On October 30, 2007, in response to petitioner's October 25, 2007, request, the Department extended the deadline to submit new factual information regarding surrogate value data. *See* Memorandum to the File; from Bobby Wong, International Trade Compliance Analyst regarding the Second Administrative Review of Certain Tissue Paper Products from the People's Republic of China. On November 14, 2007, in response to petitioner's November 13, 2007, request, the Department further extended the deadline to submit surrogate value information. On November 14, 2007, Guilin Qifeng submitted Indian surrogate value information on the record of the administrative review. *See* November 14, 2007, letter to the Department; from Guilin Qifeng Paper Co., Ltd. regarding: Certain Tissue Paper Products from the People's Republic of China: Submission of Surrogate Value Information. On November 16, 2007, petitioners submitted Indian surrogate value information on the record of the administrative review. *See* letter to the Department; regarding: Administrative Review of Certain Tissue Paper Products from the People's Republic of China – Surrogate Values, dated November 16, 2007.

On November 20, 2007, the Department published an extension of the time limit to complete the preliminary results. *See Certain Tissue Paper Products from the People's Republic of China: Extension of Preliminary Results of Antidumping Duty Administrative Review*, 72 FR 65298 (November 20, 2007).

#### Questionnaires

On May 30, 2007, the Department issued the antidumping duty questionnaire ("original questionnaire") to Max Fortune and Guilin Qifeng.

#### Max Fortune:

On June 20, 2007, the Department received Max Fortune's timely submission of its section A questionnaire response. On July 16, 2007, the Department received Max Fortune's timely submission of its section C and D questionnaire response, and sales and cost reconciliation. On September 5, 2007, the Department received from petitioner, comments regarding Max Fortune's section A, C, and D questionnaire responses.

On December 19, 2007, the Department issued a supplemental questionnaire ("first supplemental questionnaire") to Max Fortune. On January 17, 2008, the Department received Max Fortune's timely response to the Department's first supplemental questionnaire. On February 1, 2008, the Department issued an additional supplemental questionnaire ("second supplemental questionnaire") to Max Fortune. On February 22, 2008, and February 27, 2008, the Department received Max Fortune's timely responses to the Department's second supplemental questionnaire.

#### Guilin Qifeng:

On June 27, 2007, the Department received Guilin Qifeng's timely submission of its section A questionnaire response. On July 6, 2007, in response to a request from Guilin Qifeng, the Department extended the deadline for Guilin Qifeng to submit its response to the Department's section C and D questionnaire. On July 13, 2007, the Department received Guilin Qifeng's timely submission of its section C and D questionnaire responses. On July 18, 2007, the Department received Guilin Qifeng's timely submission of its sales and cost reconciliation.<sup>3</sup> On September

10, 2007, the Department received comments from petitioner regarding Guilin Qifeng's section A, C, and D questionnaire responses.

On November 13, 2007, the Department issued a supplemental questionnaire to Guilin Qifeng. On December 5, 2007, the Department received Guilin Qifeng's timely response to the Department's supplemental questionnaire.

On February 25, 2008, the Department issued a second supplemental questionnaire to Guilin Qifeng. On February 29, 2008, the Department received a timely response to the second supplemental questionnaire. On March 6, 2008, the Department received comments from Petitioner, regarding Guilin Qifeng's second supplemental questionnaire response.

#### Non-Market Economy Country

In every case conducted by the Department involving the PRC, the PRC has been treated as a non-market economy ("NME") country. *See, e.g., Certain Tissue Paper Products from the People's Republic of China: Final Results and Final Rescission, in Part, of Antidumping Duty Administrative Review*, 72 FR 58642 (October 16, 2007). Pursuant to the Act, any determination that a foreign country is a NME country shall remain in effect until revoked by the administering authority. *See, e.g., Freshwater Crawfish Tail Meat from the People's Republic of China: Notice of Final Results of Antidumping Duty Administrative Review*, 71 FR 7013 (February 10, 2006); and *Carbazole Violet Pigment 23 from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Rescission in Part*, 71 FR 65073, 65074 (November 7, 2006) unchanged in *Carbazole Violet Pigment 23 from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 72 FR 26589 (May 10, 2007). None of the parties to this proceeding has contested such treatment. Accordingly, we calculated NV in accordance with section 773(c) of the Act, which applies to NME countries.

#### Surrogate Country and Factors

Section 773(c)(4) of the Act requires the Department to value an NME producer's factors of production, to the extent possible, in one or more market-

<sup>2</sup> *See* August 24, 2007, letter from Catherine Bertrand, Acting Program Manager, AD/CVD Operations, Office 9; to All Interested Parties; regarding the Administrative Review of Certain Tissue Paper Products from the People's Republic of China for the period March 1, 2006 to February 28, 2007.

<sup>3</sup> However, the Department informed Guilin Qifeng that it had incorrectly placed the document on the record of the tissue paper anticircumvention inquiry, and therefore requested that Guilin Qifeng re-file its submission on the proper segment of the review, which the Department received and considered timely on October 25, 2007. *See* October

24, 2007, letter from Vietnam Quijiang Paper Co., Ltd. to the US Department of Commerce regarding Certain Tissue Paper Products from China, Circumvention Inquiry: Withdrawal of Previously Submitted Documents From the Administrative Review; on the record of the concurrent Circumvention Inquiry.

economy countries that (1) are at a level of economic development comparable to that of the NME country, and (2) are significant producers of comparable merchandise. Thus, on August 24, 2007, we requested a list of possible surrogate countries that are at a level of economic development that is comparable to the PRC from Import Administration's Office of Policy ("the OP"). See Memorandum from Kristina Horgan, Senior International Trade Analyst, AD/CVD Operations, Office 9, to Ronald Lorentzen, Director, Office of Policy, Re: Administrative Review of Certain Tissue Paper Products from the People's Republic of China (August 24, 2007).

On August 27, 2007, the OP issued memorandums identifying five countries as being at a level of economic development comparable to the PRC for the POR for the administrative review. See Memorandum from Ron Lorentzen, Director, Office of Policy, to Catherine Bertrand, Acting Program Manager, AD/CVD Operations, Office 9, Re: Antidumping Duty Administrative Review of Certain Tissue Paper Products from the People's Republic of China: Request for a List of Surrogate Countries (August 27, 2007) ("Policy Memo"). The countries identified in the Policy Memo were India, Sri Lanka, Egypt, Indonesia and the Philippines. However, the Department has found that of the five countries identified as at a comparable level of economic development, only Egypt and India were producers of identical merchandise. Furthermore, World Trade Atlas<sup>4</sup> ("WTA") data show that of the five countries identified in the Policy Memo, in calendar year 2006, India was by far the largest exporter of identical merchandise. See March 31, 2008, Memo to the File; from Scot T. Fullerton, Program Manager regarding WTA Export Data.

On August 28, 2007, the Department issued a request for parties to submit comments on surrogate country selection for consideration in these preliminary results in the administrative review. See letter from Scot T. Fullerton, Program Manager to All Parties, dated May 21, 2007. On October 2, 2007, Petitioner submitted comments regarding the selection of the surrogate country and argued that India is the most appropriate surrogate country. See October 2, 2007 Letter to the Department; from petitioner regarding

the Administrative Review of Certain Tissue Paper Products from the People's Republic of China – Comments on Surrogate Country Selection. No other party submitted comments regarding selection of the surrogate country. Furthermore, no interested party has submitted surrogate values from any country other than India.

Therefore, the Department has preliminarily determined that: 1) India is at a comparable level of economic development to China; 2) India has significant production of identical merchandise; and 3) India provides the best opportunity to use quality, publicly available, contemporaneous, data to value the factors of production. Accordingly, given that India meets the Department's criteria for surrogate-country selection, we preliminarily determine that India is an appropriate surrogate country for all inputs in this review.

#### Scope of Order

The tissue paper products subject to this order are cut-to-length sheets of tissue paper having a basis weight not exceeding 29 grams per square meter. Tissue paper products subject to this order may or may not be bleached, dye-colored, surface-colored, glazed, surface decorated or printed, sequined, crinkled, embossed, and/or die cut. The tissue paper subject to this order is in the form of cut-to-length sheets of tissue paper with a width equal to or greater than one-half (0.5) inch. Subject tissue paper may be flat or folded, and may be packaged by banding or wrapping with paper or film, by placing in plastic or film bags, and/or by placing in boxes for distribution and use by the ultimate consumer. Packages of tissue paper subject to this order may consist solely of tissue paper of one color and/or style, or may contain multiple colors and/or styles.

The merchandise subject to this order does not have specific classification numbers assigned to them under the Harmonized Tariff Schedule of the United States ("HTSUS"). Subject merchandise may be under one or more of several different subheadings, including: 4802.30; 4802.54; 4802.61; 4802.62; 4802.69; 4804.31.1000; 4804.31.2000; 4804.31.4020; 4804.31.4040; 4804.31.6000; 4804.39; 4805.91.1090; 4805.91.5000; 4805.91.7000; 4806.40; 4808.30; 4808.90; 4811.90; 4823.90; 4820.50.00; 4802.90.00; 4805.91.90; 9505.90.40. The tariff classifications are provided for convenience and customs purposes;

however, the written description of the scope of this order is dispositive.<sup>5</sup>

Excluded from the scope of this order are the following tissue paper products: (1) tissue paper products that are coated in wax, paraffin, or polymers, of a kind used in floral and food service applications; (2) tissue paper products that have been perforated, embossed, or die-cut to the shape of a toilet seat, i.e., disposable sanitary covers for toilet seats; and (3) toilet or facial tissue stock, towel or napkin stock, paper of a kind used for household or sanitary purposes, cellulose wadding, and webs of cellulose fibers (HTSUS 4803.00.20.00 and 4803.00.40.00).

#### Preliminary Partial Rescission of 2006/2007 Administrative Review

Foshan Sansico, Samsam, Guangzhou Baxi, Guilin Samsam, PT Grafitecindo, PT Printec, PT Printec II, Utama, Sansico, and Vietnam Quijiang, certified that they did not export subject tissue paper from China to the United States during the POR. To corroborate these certifications, the Department reviewed PRC tissue paper shipment data maintained by CBP, and found no discrepancies with the statements made by these companies. See March 31, 2008, Memorandum to the File; from Scot T. Fullerton, Program Manager regarding CBP Corroboration. Therefore, for the reasons noted above, the Department is preliminarily rescinding the administrative review with respect to Foshan Sansico, Samsam, Guangzhou Baxi, Guilin Samsam, PT Grafitecindo, PT Printec, PT Printec II, Utama, Sansico, and Vietnam Quijiang.

#### Guilin Qifeng:

In its response to the Department's quantity and value questionnaire and in its response to the Department's original questionnaire, Guilin Qifeng certified that it made export sales of subject tissue paper to the United States during the POR. Furthermore, in its response, Guilin Qifeng provided sales and shipping documentation demonstrating that the shipments were in fact sales of subject tissue paper during the POR. See June 27, 2007, letter from Guilin Qifeng; to the Department regarding Tissue Paper Products from the People's Republic of China: Section A Response of Guilin Qifeng Paper Co., Ltd; and December 5, 2007, letter from Guilin Qifeng to the Department regarding 2<sup>nd</sup>

<sup>4</sup> World Trade Atlas, published by Global Trade Information Services, Inc., is a secondary electronic source that republishes the import prices reported in the Monthly Statistics of the Foreign Trade of India, Volume II: Imports ("MSFTI"), as published by the Directorate General of Commercial Intelligence and Statistics of the Ministry of Commerce and Industry, Government of India.

<sup>5</sup> On January 30, 2007, at the direction of CBP, the Department added the following HTSUS classifications to the AD/CVD module for tissue paper: 4802.54.3100, 4802.54.6100, and 4823.90.6700. However, we note that the six-digit classifications for these numbers were already listed in the scope.

Review Certain Tissue Paper Products from China, Supplemental Questionnaire Response of Guilin Qifeng Paper Co., Ltd. However, in reviewing CBP data for PRC exports of tissue paper to the United States, the Department found that Guilin Qifeng had no dutiable entries of subject tissue paper during the POR. On February 28, 2008, the Department released CBP import data, which identified each of Guilin Qifeng's reported sales, to counsel for Guilin Qifeng. In its letter accompanying the data, the Department noted that, according to the CBP data, each of Guilin Qifeng's reported POR sales were liquidated and not subject to antidumping duties. In response, counsel for Guilin Qifeng stated that due to the proprietary nature of the data, it was unable to share the data with its client for the purposes of comment. Subsequently, the Department has notified CBP in regards to the potentially misclassified entries<sup>6</sup> and requested from CBP copies of Guilin Qifeng's entry documentation of the alleged liquidated entries to determine if the entries were, in fact, subject to the antidumping duty order. We will continue to examine the issue for the final results.

For the preliminary results, the Department has examined all of the information provided by Guilin Qifeng as well as the CBP import data, and finds that Guilin Qifeng's entries of subject tissue paper were classified upon entry as not subject to the antidumping duty order, and therefore not subject to suspension of liquidation. We note that one of the Department's primary functions in the course of an administrative review is to determine the appropriate antidumping duty margin to apply to subject merchandise, for the purpose of directing CBP to liquidate suspended entries of subject merchandise at that rate. *See* section 751(a)(2)(C) of the Act (stating that one of the purposes of an administrative review is to assess the current amount of antidumping duties on entries of subject merchandise). Because the record currently shows that Guilin Qifeng's entries of subject merchandise were made as not being subject to antidumping duties, and thus has no suspended entries, consistent with the Act and with the Department's past practice, the Department is preliminarily rescinding its review with respect to Guilin Qifeng. *See Certain*

*Cut-to-Length Carbon-Quality Steel Plate Products From Italy: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 39299 (July 12, 2006).

#### Separate Rates

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to its export activities. *See Notice of Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("Sparklers"). In this review, in support of its claim for a company-specific rate, Max Fortune has reported that it is a wholly foreign owned company registered and located in Hong Kong. *See* letter to the Department; from Max Fortune regarding Certain Tissue Paper from the People's Republic of China (June 20, 2006). Consequently, no additional separate rates analysis is necessary for Max Fortune. *See Notice of Final Determination of Sales at Less Than Fair Value: Bicycles From the People's Republic of China*, 61 FR 19026 (April 30, 1996).

#### Normal Value Comparisons: Max Fortune

To determine whether Max Fortune's sales of the subject merchandise were made at prices below normal value, we compared U.S. price to normal values, as described in the "U.S. Price" and "Normal Value" sections of this notice, below.

#### U.S. Price – Export Price

We based U.S. price on export price ("EP") in accordance with section 772(a) of the Act, because the first sale to an unaffiliated purchaser was made prior to importation, and constructed export price ("CEP") was not otherwise warranted by the facts on the record. We calculated EP based on the packed price from the exporter to the first unaffiliated customer in the United States. Where applicable, we deducted foreign inland freight, insurance, foreign brokerage and handling expenses, ocean freight, and marine insurance from the starting price (gross unit price), in accordance with section 772(c) of the Act.

Max Fortune also certified that it made export sales of subject tissue paper to the United States during the POR. To corroborate these certifications,

the Department reviewed subject tissue paper shipment data maintained by CBP. Based on the CBP data, the Department found that several of Max Fortune's reported U.S. sales of subject merchandise that entered during the POR may have been misclassified, and appeared to have been liquidated by CBP. On February 22, 2008, in response to the Department's second supplemental questionnaire requesting clarification regarding the liquidated entries, counsel for Max Fortune stated that they were unable to confirm the Department's findings with their client due to the proprietary nature of the CBP data. Given that certain reported sales by Max Fortune appear to have been liquidated, the Department will continue to request additional information from Max Fortune and CBP, and consider this issue for purposes of assessment for the final results. *See* Memorandum to the File, through Scot T. Fullerton, Program Manager, AD/CVD Operations, Office 9, from Bobby Wong, Senior International Trade Analyst, AD/CVD Operations, Office 9, regarding Second Antidumping Administrative Review of Certain Tissue Paper from the People's Republic of China: Max Fortune Industrial Limited and Max Fortune (FETDE) Paper Products Co., Ltd., Analysis Memorandum for the Preliminary Results of Review (March 31, 2008) ("Max Fortune Analysis Memo"). Furthermore, the Department has notified CBP in regards to the potentially misclassified entries, as well as requested Max Fortune's entry documentation covering the alleged liquidated entries, and will continue to examine the issue for the final results.

#### Use of Facts Available

Section 776(a)(1) of the Act mandates that the Department use facts available if necessary information is not available on the record of an antidumping proceeding. In the instant review, Max Fortune has indicated that its records for dye and ink consumption in the papermaking and paper printing stages of production do not permit it to report the FOP data in a manner consistent with the Department's requests for specific consumption of dyes on a color specific basis. *See* January 17, 2008, letter to the Department from Max Fortune regarding Certain Tissue Paper Products from the People's Republic of China. Pursuant to section 776(a)(2)(B) of the Act, Max Fortune has therefore failed to provide information relevant to the Department's analysis. Thus, consistent with section 782(d) of the Act, the Department has determined it necessary to apply facts otherwise available. Consistent with the

<sup>6</sup> See March 31, 2008, letter from David M. Spooner, Assistant Secretary for Import Administration, United States Department of Commerce; to Thomas S. Winkowski, Assistant Commissioner, Office of Field Operations, U.S. Customs and Border Protection.

Department's application in the previous segment of the instant review, the Department has preliminarily determined to apply the average Indian import values for three dye types, which are commonly used in the production of tissue paper, to value the aggregate amount of dye consumed in the production of the subject tissue paper. Therefore, the Department is also requesting comments from parties regarding 1) the appropriateness of amending the Department's CONNUM requirement to report the consumption of inks and dyes on a color-specific basis, and 2) the application of the methodology described above to value the aggregate consumption of ink and dyes for the purposes of the final results and subsequent reviews.

### Factors of Production

In accordance with section 773(c) of the Act, we calculated NV based on the factors of production which included, but were not limited to: (A) hours of labor required; (B) quantities of raw materials employed; (C) amounts of energy and other utilities consumed; and (D) representative capital costs, including depreciation. We used the factors of production reported by the producer for materials, energy, labor, and packing. To calculate NV, we multiplied the reported unit factor quantities by publicly available Indian surrogate values.

In the instant review, Max Fortune reported that it purchased an input, which was consumed in the production of the merchandise under review, from a market-economy ("ME") supplier and paid for in a market-economy currency. Section 773(c) of the Act and 19 CFR 351.408(c)(1) requires the Department to accept input prices to value the factors of production when the input is purchased from a ME supplier and paid for in a ME currency. Furthermore, consistent with the Department's stated policy reflected in *Antidumping Methodologies: Market Economy Inputs, Expected Non-Market Economy Wages, Duty Drawback; and Request for Comments*, 71 FR 61716 (October 19, 2006) ("2006 Statement of Policy"), when a sufficient proportion of an input is purchased from a market economy, the Department will use the reported market economy prices to value the appropriate inputs when the item was paid for in a market economy currency. For purposes of the preliminary results, we have determined that Max Fortune's reported market economy purchases accounted for a significant portion of total purchases of that input and, therefore, have used the reported purchase prices to value the input in the

Department's normal value calculation. See Max Fortune Analysis Memo.

Normally, the Department prefers to use factors of production data that accurately represent the quantity of inputs consumed on a control number ("CONNUM")-specific basis. In the present case, however, Max Fortune has indicated that its records for dye and ink consumption in the papermaking and paper printing stages of production do not permit it to report the FOP data in a manner consistent with the Department's requests. Pursuant to section 776(a)(2)(B) of the Act, however, because Max Fortune failed to provide information relevant to the Department's analysis, consistent with section 782(d) of the Act, the Department has determined to apply facts otherwise available with regard to this factor of production. We have used the average Indian import values for three dye types, as discussed above, as facts available to value the aggregate consumption of dyes used in the production of the subject tissue paper.

In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data, in accordance with our normal practice. See, e.g., *Fresh Garlic From the People's Republic of China: Final Results of Antidumping Duty New Shipper Review*, 67 FR 72139 (December 4, 2002), and accompanying Issues and Decision Memorandum at Comment 6; and *Final Results of First New Shipper Review and First Antidumping Duty Administrative Review: Certain Preserved Mushrooms From the People's Republic of China*, 66 FR 31204 (June 11, 2001), and accompanying Issues and Decision Memorandum at Comment 5. When we used publicly available import data from the Ministry of Commerce of India ("Indian Import Statistics") for March 2006 through February 2007, as published by the WTA, to value inputs sourced domestically by PRC suppliers, we added a surrogate cost for freight using the shorter of the reported distance from the domestic supplier to the factory or the distance from the closest seaport to the factory. See *Sigma Corp. v. United States*, 117 F.3d 1401, 1408 (Fed. Cir. 1997). When we used non-import surrogate values for factors sourced domestically by PRC suppliers (e.g., market economy purchased inputs), we based freight for this input on the actual distance from the input supplier to the site at which the input was consumed.

Additionally, in instances where we relied on Indian import data to value inputs, in accordance with the Department's practice, we excluded imports from both NME countries and

countries deemed to maintain broadly available, non-industry-specific subsidies which may benefit all exporters to all export markets (i.e., Indonesia, South Korea, and Thailand) from our surrogate value calculations. See, e.g., *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results of 1999-2000 Administrative Review, Partial Rescission of Review, and Determination Not to Revoke Order in Part*, 66 FR 57420 (November 15, 2001) and accompanying Issues and Decision Memorandum at Comment 1; See also Memorandum to the File, through James C. Doyle, Director, Office 9, and Scot T. Fullerton, Program Manager, AD/CVD Operations, Office 9; from Michael Quigley, Senior International Trade Analyst, AD/CVD Operations, Office 9, regarding Antidumping Duty Administrative Review of Certain Tissue Paper from the People's Republic of China: Factors of Valuation for the Preliminary Results (March 31, 2008) ("Factor Valuation Memo"). This memorandum is on file in the Central Records Unit ("CRU"), room 1117 of the Department building.

Where we could not obtain publicly available information contemporaneous with the POR to value factors of production, we inflated the surrogate value using the Indian Wholesale Price Index ("WPI"), as published in the *International Financial Statistics* of the International Monetary Fund, for those surrogate values in Indian rupees to be contemporaneous with the POR. We also made currency conversions, where necessary, pursuant to section 773A of the Act and 19 CFR 351.415, to U.S. dollars using the daily exchange rate corresponding to the reported date of each sale. We relied on the daily exchanges rates posted on the Import Administration website (<http://www.trade.gov/ia/>).

Specifically, the Department used Indian Import Statistics to value the raw material and packing material inputs that Max Fortune used to produce the merchandise under review during the POR, except where listed below. For a detailed description of all surrogate values used for Max Fortune, see Factor Valuation Memo at Exhibit 2.

### Energy:

Max Fortune reported the consumption of water, electricity, and coal as energy inputs consumed in the production of the subject tissue paper. To value water, we calculated the average water rates from various regions as reported by the Maharashtra Industrial Development Corporation,

<http://midcindia.org>, dated June 1, 2003, and inflated the value for water to be contemporaneous to the POR. See Factor Valuation Memo at Exhibit 8. To value electricity, we used the latest rates provided by the OECD's International Energy Agency's publication: *Key World Energy Statistics* from 2003. Because the electricity prices are based on annual year 2000 price, we inflated the value for electricity to be contemporaneous to the POR—average WPI rate. See Factor Valuation Memo at Exhibit 7. For coal, we applied the specified price for the appropriate grade of coal, as published in the 2005 Indian Minerals Yearbook and data published by the Coal India Limited for December 2007. See Factor Valuation Memo at Exhibit 7.

#### Financial Ratios:

Consistent with the determination in the LTFV investigation, to value the surrogate financial ratios for factory overhead, selling, general & administrative expenses, and profit, the Department relied on the publicly available information in the financial statements for Pudumjee Pulp & Paper Mills Ltd. ("Pudumjee") for fiscal year 2006–2007, submitted by petitioner on November 16, 2007. The annual report covers the period April 1, 2006, to March 31, 2007, and also includes data for the 2005–2006 fiscal year, covering the entire POR. We have determined that Pudumjee's financial statements are appropriate for use in these preliminary results because Pudumjee is a producer of comparable merchandise and its financial data are contemporaneous with the POR. See Factor Valuation Memo at Exhibit 11.

#### Wage Rate:

Because of the variability of wage rates in countries with similar levels of per-capita gross national product, 19 CFR 351.408(c)(3) requires the use of a regression-based wage rate. Therefore, to value the labor input, we used the PRC's regression-based wage rate published by Import Administration on its website, <http://www.trade.gov/ia/>. We note that this wage rate is calculated in accordance with the Department's revised methodology. See *Expected Non Market Economy Wages: Request for Comments on 2006 Calculation*, 72 FR 949 (January 9, 2007) and *Antidumping Methodologies: Market Economy Inputs, Expected Non Market Economy Wages, Duty Drawback, and Request for Comments*, 71 FR 6176 (October 19, 2006). See also Factor Valuation Memo.

#### Movement Expenses:

To value truck freight, we calculated a weighted-average freight cost based

on publicly available data from [www.infreight.com](http://www.infreight.com), an Indian inland freight logistics resource website. See Factor Valuation Memo at Exhibit 10.

To value brokerage and handling, we used a simple average of the publicly summarized version of the average value for brokerage and handling expenses reported in the U.S. sales listings in Essar Steel Ltd.'s ("Essar") February 28, 2005, Section C submission in the antidumping duty review of certain hot-rolled carbon steel flat products from India, for which the POR was December 1, 2003, through November 30, 2004; information from Agro Dutch Industries Ltd.'s (Agro Dutch) May 25, 2005, Section C submission, taken from the administrative review of preserved mushrooms from India, for which the POR was February 1, 2004, through January 31, 2005; and information from Kejriwal Paper Ltd.'s ("Kejriwal") January 9, 2006, Section C submission, taken from the investigation of certain lined paper from India, for which the POR was July 1, 2004, through June 30, 2005. See *Certain Hot-Rolled Carbon Steel Flat Products From India: Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 2018 (January 12, 2006); *Certain Preserved Mushrooms From India: Final Results of Antidumping Duty Administrative Review*, 71 FR 10646 (March 2, 2006); and *Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006). See also Factor Valuation Memo at Exhibit 6.

In accordance with 19 CFR 351.301(c)(3)(ii), for the final determination in an antidumping administrative review, interested parties may submit publicly available information to value the factors of production within 20 days after the date of publication of the preliminary determination.<sup>7</sup>

<sup>7</sup> In accordance with 19 CFR 351.301(c)(1), for the final determination of this administrative review, interested parties may submit factual information to rebut, clarify, or correct factual information submitted by an interested party less than ten days before, on, or after, the applicable deadline for submission of such factual information. However, the Department notes that 19 CFR 351.301(c)(1) permits new information only insofar as it rebuts, clarifies, or corrects information recently placed on the record. The Department generally cannot accept the submission of additional, previously absent-from-the-record alternative surrogate value information pursuant to 19 CFR 351.301(c)(1). See *Glycine from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Rescission*, in Part, 72 FR 58809 (October 17, 2007) and accompanying Issues and Decision Memorandum at Comment 2.

#### Preliminary Results of Review

We preliminarily determine that the following antidumping duty margins exist:

#### CERTAIN TISSUE PAPER FROM THE PRC

Individually Reviewed Exporters	Percent
Max Fortune Ltd. ....	0.00

For details on the calculation of the antidumping duty weighted-average margin for each company, see the respective company's analysis memorandum for the preliminary results of the first administrative review of the antidumping duty order on tissue paper from the PRC, dated March 31, 2008. Public versions of these memoranda are on file in the CRU.

#### Assessment Rates

Pursuant to 19 CFR 351.212(b), the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department intends to issue appropriate assessment instructions directly to CBP 15 days after publication of the final results of this review. For assessment purposes, where possible, we calculated importer-specific assessment rates for tissue paper from the PRC via *ad valorem* duty assessment rates based on the ratio of the total amount of the dumping margins calculated for the examined sales to the total entered value of those same sales. We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any assessment rate calculated in the final results of this review is above *de minimis*. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of these reviews and for future deposits of estimated duties, where applicable.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for Max Fortune, the cash deposit rate will be established in the final results of this review (except, if the rate is zero or *de minimis*, i.e., less than 0.5 percent, no cash deposit will be required for that company); (2) for all other previously investigated or reviewed PRC and non-



PRC exporters that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 112.64 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporters that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

#### Schedule for Final Results of Review

The Department will disclose calculations performed in connection with the preliminary results of this review within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Any hearing will normally be held 37 days after the publication of this notice, or the first workday thereafter, at the U.S. Department of Commerce, 14<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20230. Individuals who wish to request a hearing must submit a written request within 30 days of the publication of this notice in the **Federal Register** to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, 14<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20230. Requests for a public hearing should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) to the extent practicable, an identification of the arguments to be raised at the hearing.

Unless otherwise notified by the Department, interested parties may submit case briefs within 30 days of the date of publication of this notice in accordance with 19 CFR 351.309(c)(ii). As part of the case brief, parties are encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited in accordance with 19 CFR 351.309(c)(2)(ii). Rebuttal briefs, which must be limited to issues raised in the case briefs, must be filed within five days after the case brief is filed in accordance with 19 CFR 351.309(d). The Department will issue the final results of this review, which will include the results of its analysis of issues raised in the briefs, not later than 120 days after the date of publication of this notice in

accordance with section 751(a)(2)(B)(iv) of the Act and 19 CFR 351.213(h)(1).

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during these review periods. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

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

Dated: March 31, 2008.

**Stephen J. Claeys,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E8-7102 Filed 4-3-08; 8:45 am]

**BILLING CODE 3510-DS-S**

#### DEPARTMENT OF COMMERCE

##### International Trade Administration

[A-570-836]

#### Glycine from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Partial Rescission

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

**SUMMARY:** In response to a request from Geo Specialty Chemicals, Inc. ("GSC"), a domestic glycine producer, the Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on glycine from the People's Republic of China ("PRC"). This review covers Nantong Dongchang Chemical Industry Corporation ("Nantong Dongchang") and Baoding Mantong Fine Chemistry Co., Ltd. ("Baoding Mantong"). The period of review ("POR") is March 1, 2006, through February 28, 2007. On July 26, 2007, Nantong Dongchang indicated that it would not reply to the Department's antidumping questionnaire in this administrative review; therefore, we have preliminarily determined to apply facts otherwise available with an adverse inference ("AFA") to Nantong Dongchang. In addition, we have preliminarily determined that Baoding Mantong made sales below normal value ("NV"). With respect to the 21 other companies for

whom petitioners submitted a request for review and a subsequent timely withdrawal request, we are rescinding this review.<sup>1</sup> The preliminary results are listed below in the section titled "Preliminary Results of Review." If these preliminary results are adopted in our final results, we will instruct U.S. Customs and Border Protection ("CBP") to assess the *ad valorem* margins against the entered value of each entry of the subject merchandise during the POR.

Interested parties are invited to comment on these preliminary results. We will issue the final results no later than 120 days from the date of publication of this notice.

**EFFECTIVE DATE:** April 4, 2008.

#### FOR FURTHER INFORMATION CONTACT:

Michael Quigley or Toni Dach, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4047, or (202) 482-1655, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On March 29, 1995, the Department published in the **Federal Register** an antidumping duty order on glycine from the PRC. *See Antidumping Duty Order: Glycine from the People's Republic of China*, 60 FR 16116 (March 29, 1995). On March 2, 2007, the Department published an *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 72 FR 9505 (March 2, 2007). On March 28, 2007, GEO Speciality Chemicals, Inc. ("GSC"), requested that the Department conduct an administrative review of sales of subject merchandise by 26 companies to the United States during the POR, in accordance with section 351.213(b) of the Department's regulations. Those 26 companies are: A.H.A. International Company, Ltd.; Amol Biotech Limited; Baoding Mantong; Beijing Jian Li Pharmaceutical Company; Changzhou Dahua Importer and Exporter (Group); Chem-Base (Nantong) Laboratories Company; China Container Line (USA); Dongchang Chemical Industrial Company; Hua Yip Company, Inc.; Jizhou City Huayang Chemical Company, Ltd.; Nantong Dongchang; Orichem International Ltd.; Qingdao Samin Chemical Company,

<sup>1</sup> Although the Department initiated an administrative review for 24 companies, Nantong Dongchang was also identified in the initiation notice as Dongchang Chemical Industrial Company, as GSC indicated in its July 27, 2007, letter to the Department.