

Currency Conversion

Our preliminary analysis of Federal Reserve dollar-won exchange rate data shows that the won declined rapidly at the end of 1997, losing over 40% of its value between the beginning of November and the end of December. The decline was, in both speed and magnitude, many times more severe than any change in the dollar-won exchange rate during the previous eight years. Had the won rebounded quickly enough to recover all or almost all of the initial loss, the Department might have been inclined to view the won's decline at the end of 1997 as nothing more than a sudden, but only momentary, drop, despite the magnitude of that drop. As it was, however, there was no significant rebound. Therefore, we have preliminarily determined that the decline in the won at the end of 1997 was so precipitous and large that the dollar-won exchange rate cannot reasonably be viewed as having simply fluctuated during this time, i.e., as having experienced only a momentary drop in value. Therefore, in making this preliminary determination, the Department used daily rates exclusively for currency conversion purposes for home market sales matched to U.S. sales occurring between November 1 and December 31, 1997. For U.S. sales occurring between January 1 and February 28, 1998, we determined the exchange rates based upon our normal practice, with the exception of using the average of the January 1 through February 28, 1998, exchange rate as a benchmark. See *Emulsion Styrene-Butadiene Rubber from the Republic of Korea: Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 63 FR 59514 (November 4, 1998). We invite the interested parties to comment on this issue.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following margin exists for the period March 1, 1997, through February 28, 1998:

Manufacturer/exporter	Margin (percent)
Dong-Il Steel Manufacturing Co., Ltd.	*13.79
Dong Young	*13.79
Jinyang Wire Rope, Inc.	*13.79
Kumho Wire Rope Mfg. Co., Ltd.	0.25
Kwangshin Rope	1.51
Sungsan Special Steel Processing	*13.79
Yeonsin Metal	*13.79

*Adverse Facts Available Rate.

Parties to the proceeding may request disclosure within five days of the date of publication of this notice. Any interested party may request a hearing within thirty days of publication. Any hearing, if requested, will be held 44 days after the publication of this notice, or the first workday thereafter. Interested parties may submit case briefs within 30 days of the date of publication of this notice. Parties who submit argument in this proceeding are requested to submit with each argument: (1) a statement of the issues, and (2) a brief summary of the arguments. Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. The Department will issue a notice of the final results of this administrative review, which will include the results of its analysis of issues raised in any such written comments or at the hearing, within 120 days from the publication of these preliminary results.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appraisal instructions directly to the Customs Service. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the determination and for future deposits of estimated duties. For Kumho, for duty assessment purposes, we calculated importer-specific assessment rates by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total entered value of those same sales. In order to estimate the entered value, we subtracted international movement expenses from the gross sales value. This specific rate calculated for each importer will be used for the assessment of antidumping duties on the relevant entries of subject merchandise during the POR.

Furthermore, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of steel wire rope from Korea entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) the cash deposit rate for the reviewed companies will be the rates established in the final results of this administrative review (except no cash deposit will be required for those companies whose weighted-average margin is zero or *de minimis*, i.e., less than 0.5 percent); (2) for merchandise exported by manufacturers

or exporters not covered in this review but covered in the original LTFV investigation or a previous review, the cash deposit will continue to be the most recent rate published in the final determination or final results for which the manufacturer or exporter received an individual rate; (3) if the exporter is not a firm covered in this review, the previous review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous reviews, the cash deposit rate will be 1.51 percent, the "all others" rate established in the LTFV investigation (58 FR 16397, March 26, 1993).

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

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

Dated: December 1, 1998.

Robert S. LaRussa,
Assistant Secretary for Import
Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-588-041]

Final Results of Expedited Sunset Review on Synthetic Methionine from Japan

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

ACTION: Notice of final results of expedited sunset review: synthetic methionine from Japan.

SUMMARY: On August 3, 1998, the Department of Commerce ("the Department") initiated a sunset review of the antidumping finding on synthetic methionine from Japan (63 FR 41227) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and a complete substantive

response filed on behalf of the domestic industry, and inadequate response (in this case no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping finding would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Appendix to this notice.

FOR FURTHER INFORMATION CONTACT: Martha V. Douthit or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th St. & Constitution Ave., NW, Washington, D.C. 20230; telephone (202) 482-3207 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 8, 1998.

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of the sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Order*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*"). Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

Scope

The merchandise subject to this antidumping finding is synthetic methionine other than synthetic L methionine. Synthetic methionine is an amino acid produced in two grades, DL methionine national formula grade (used for research and pharmaceutical purposes) and L methionine feed grade (used as a food additive). Both grades of synthetic methionine are currently classifiable under item 425.0420 of the Tariff Schedules of the United States Annotated and Harmonized Tariff Schedule item number 2930.40.00.

Background

On August 3, 1998, the Department initiated a sunset review of the antidumping finding on synthetic methionine from Japan (63 FR 41227) pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate from Degussa Corporation ("Degussa"), NOVUS International Inc., ("NOVUS"), and

Rhone-Poulenc Animal Nutrition ("RPAN") (collectively, "petitioners") within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. Each company claimed interested-party status under section 771(9)(C) of the Act as a U.S. manufacturer of synthetic methionine. We received a complete substantive response on September 2, 1998 from the petitioners. We did not receive a response from any respondent interested party. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the *Sunset Regulations*, we determined to conduct an expedited review.

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping finding would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping finding, and it shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the finding is revoked.

The Department's determinations concerning continuation or recurrence of dumping and magnitude of the margin are discussed below. In addition, parties' comments with respect to the continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (see section II.A.3). In addition, the

Department indicated that normally it will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

The antidumping finding on synthetic methionine from Japan was published in the **Federal Register** as Treasury Decision 73-188 (38 FR 18382, July 10, 1973). In the 1980's, the Department conducted several administrative reviews.¹ The finding remains in effect for all imports of synthetic methionine from Japan.

The petitioners argue that revocation of the finding would result in the continuation or recurrence of dumping on the basis that (1) the imposition of the finding resulted in the departure of imports of Japanese synthetic methionine from the U.S. market, (2) Japanese producers would re-enter the U.S. market at dumped prices, and (3) Japanese producers could not sell in the U.S. market without dumping.

With respect to the cessation of imports of Japanese synthetic methionine, the petitioners provided statistics for imports of synthetic methionine (both DL- and L-methionine) for the period 1968 through 1997.² The petitioners stated that L-methionine is considerably more expensive than DL methionine and, based on the substantial decline in volume (from 2890 metric tons in 1978 to 86 metric tons in 1997) and the substantial increase in unit values (from \$2.53/kg. in 1978 to \$25.78/kg. in 1997), virtually all imports of synthetic methionine from Japan since 1978 consist of L-methionine. Therefore, the petitioners conclude that imports of DL-

¹ See *Synthetic Methionine From Japan; Final Results of Administrative Review and Clarification of Antidumping Finding*; 47 FR 15622 (April 12, 1982); *Antidumping; Synthetic Methionine from Japan; Final Results of Administrative Review of Antidumping Finding*; 48 FR 20465 (May 6, 1983); *Final Results of Antidumping Administrative Review; Synthetic Methionine from Japan*; 52 FR 38953 (October 20, 1987); and *Synthetic Methionine From Japan; Final Results of Antidumping Duty Administrative Review*; 53 FR 15261 (April 28, 1988).

² See Petitioners' September 2, 1998, Substantive Response to Notice of Initiation, Table 1, page 8. Compiled from prepared testimony of Dale MacDonald before United States Tariff Commission for 1968-1972 and from Bureau of Census Data for TSUSA 425.0420 and HTS 2930.40.00 for 1985-1997.

methionine have declined or ceased following the imposition of the finding.

In support of its assertion that Japanese producers would re-enter the U.S. market at dumped prices, the petitioners argue that, as demonstrated by the original finding, Japanese producers have a history of dumping excess production capacity in the U.S. market. Further, the petitioners contend that the circumstances that face the Japanese methionine industry today are remarkably similar to those existing at the time of the original investigation, particularly with respect to Japanese excess capacity and the need to export the vast majority of production. Based on statistics from the United Nations Statistical Division, Commodity Trade Statistics, the petitioners note that for the 1995 through 1997 period, Japan exported a significant volume of synthetic methionine, particularly to Asian countries. Petitioners add that, presumably in response to increased demand in recent years, particularly in Asia, the Japanese industry has completed a substantial addition to its production capacity. Petitioners argue, therefore, that the Asian financial crisis and recent additions to capacity have left Japanese producers again with substantial excess capacity and the need to find new markets.

Finally, in support of its assertion that the Japanese producers could not sell in the U.S. market without dumping if the antidumping finding were revoked, the petitioners state that the U.S. market for synthetic methionine is characterized by intense competition. The petitioners add that, as the largest consumers of methionine, the United States also has the largest customers and, consequently, prices in the United States are lower than in the rest of the world. Using proprietary information related to Japanese home market prices and U.S. sales prices during the 1995 to 1997, the petitioners claim that Japanese producers would have to dump their merchandise in order to make a sale in the U.S. market.

For the reasons stated above, the petitioners strongly support a determination that dumping of Japanese synthetic methionine is likely to continue or recur if the finding were revoked.

In the first administrative review conducted by the Department covering imports prior to June 30, 1980, the Department found that 11 of the 19 Japanese manufacturers and exporters either had no shipments or no longer existed.³ In subsequent administrative

reviews, the Department found no shipments from all but two non-responsive companies.⁴ We find, therefore, that the cessation of imports and the existence of dumping margins after the issuance of the finding is highly probative of the likelihood of continuation or recurrence of dumping of synthetic methionine from Japan. Deposit rates above *de minimis* continue in effect for several manufacturers, exporters, and/or third country resellers (for example, Nippon Kayaku, Nippon Soda/Mitsui, Nippon Soda/Mitsui/Central Soya (Canada)).⁵ As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, if imports cease after the order is issued, we may reasonably assume that exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping. Therefore, given that shipments of the subject merchandise ceased soon after the issuance of the finding and that dumping margins continue after the issuance of the finding, and absent argument and evidence to the contrary, the Department, consistent with section II.A.3 of the *Sunset Policy Bulletin*, determines that dumping is likely to continue or recur if the finding were revoked.

Magnitude of Dumping

In the *Sunset Policy Bulletin*, the Department stated that, in a sunset review of an antidumping finding for which no company-specific margin or "all others" rate is included in the Treasury finding published in the **Federal Register**, the Department normally will provide to the Commission the company-specific margin from the first final results of administrative review published in the **Federal Register** by the Department. Additionally, if the first final results do not contain a margin for a particular company, the Department normally will provide the Commission, as the margin for that company, the first "new shipper" rate established by the

of Antidumping Finding; 47 FR 15622 (April 12, 1982).

⁴ See *Antidumping; Synthetic Methionine from Japan; Final Results of Administrative Review of Antidumping Finding*; 48 FR 20465 (May 6, 1983); *Final Results of Antidumping Administrative Review; Synthetic Methionine from Japan*; 52 FR 38953 (October 20, 1987); and *Synthetic Methionine From Japan; Final Results of Antidumping Duty Administrative Review*; 53 FR 15261 (April 28, 1988).

⁵ See *Final Results of Antidumping Administrative Review; Synthetic Methionine from Japan*; 52 FR 38953 (October 20, 1987); and *Synthetic Methionine From Japan; Final Results of Antidumping Duty Administrative Review*; 53 FR 15261 (April 28, 1988).

Department for that finding. (See section II.B.1 of the *Sunset Policy Bulletin*.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3 of the *Sunset Policy Bulletin*.)

Because Treasury did not publish weighted-average dumping margins in its finding, the margins determined in the original investigation are not available to the Department for use in this sunset review. Under these circumstances, the Department normally will select the margin from the first administrative review conducted by the Department as the magnitude of the margin of dumping likely to prevail if the finding is revoked.

In its substantive response, the petitioners propose three alternatives as the magnitude of the margin likely to prevail if the finding is revoked: (1) The original dumping margin, (2) the margin found in the most recent administrative review, or (3) a new margin established by using information on Japanese and U.S. prices. In support of their request that the Department select the original dumping margin of 48 percent, the petitioners state that although this rate was not included in the finding issued by the Treasury, this rate can be documented as the original fair value rate from several sources, including the Department's first final results of administrative review in which the Department used this rate as the "best information available."⁶ The petitioners suggest that should the Department decline to select the original dumping margin of 48 percent, the Department should select the dumping margin of 79 percent found in the most recent administrative review that involved actual shipments.⁷ Finally, the petitioners suggest that the Department could utilize current pricing information for the Japanese and U.S. market provided in its substantive response to determine a new margin.

In this case, although the petitioners submitted information identifying the margin determined by Treasury to be 48 percent (or 50 percent depending upon source),⁸ and the Department, in its first administrative review identified the 48 percent "best information available" rate for non-responsive firms as being

⁶ See *Synthetic Methionine From Japan; Final Results of Administrative Review and Clarification of Antidumping Finding*; 47 FR 15622 (April 12, 1982).

⁷ See *Final Results of Antidumping Duty Administrative Review; Synthetic Methionine from Japan*; 52 FR 38953 (October 20, 1987).

⁸ See Petitioners' September 2, 1998, Substantive Response to Notice of Initiation, pp. 21-24.

³ See *Synthetic Methionine From Japan; Final Results of Administrative Review and Clarification*

the "fair value rate,"⁹ this rate was not published by Treasury in its July 10, 1973 finding.

With respect to petitioners' comment that the Department should use the margin established in the most recent review covering actual shipments for certain producers, petitioners have not provided an adequate basis for deviating from the Department's stated policy as set out above. Petitioners assert that this margin relates to a more recent period—July 1, 1985 through June 30, 1986—and is higher than the margins calculated in the first review conducted by the Department. In the *Sunset Policy Bulletin* the Department stated that "a company may choose to increase dumping in order to maintain or increase market share" and that "the Department may, in response to argument from an interested party, provide to the Commission a more recently calculated margin for a particular company, where, for that particular company, dumping margins increased after the issuance of the order." (See section II.B.2 of the *Sunset Policy Bulletin*.) The policy does not envision a general exception for any case in which a higher margin was found at some point during the life of the order. The Department's intent was to establish a policy of using the original investigation margin as the starting point, thus providing interested parties the opportunity and incentive to come forward with data which would support a different estimate. The petitioners, however, merely assert that "this is a large margin and is therefore indicative of how Japanese merchandise is likely to be priced in the absence of an order." (See Petitioners' September 2, 1998, Substantive Response, p. 25.) The petitioners did not, however, present arguments with respect to changes in margin levels as related to market share. The statistics provided by the petitioners, 1968–1997 annual volume, value, and unit value of imports of synthetic methionine (both DL and L), do not show an increase in imports concurrent with an increase in dumping, nor does it present the Department with a picture of the relative market shares held by Japanese manufacturers and exporters. Given the information available to the Department,

it is not possible to discern whether any increases or decreases in margins reflect an effort to maintain or increase market share.

Similarly, petitioners request that the Department use existing information on Japanese and U.S. prices to calculate a margin does not provide an adequate basis for altering our approach. As noted in the *Sunset Regulations* and *Sunset Policy Bulletin*, only under the most extraordinary circumstances will the Department rely on a dumping margin other than those it calculated and published in its prior determination and, further, that it will consider other factors, such as prices and costs, in AD sunset reviews only where it determines that good cause to consider such other factors exists.¹⁰ Petitioners did not make any "good cause" arguments. Further, petitioners have not offered any rationale suggesting that such a calculation would not be more speculative and, therefore, less probative than a calculated rate from an administrative review. Therefore, we are not persuaded that it is appropriate to deviate from the policy.

In conclusion, we are not persuaded that we should deviate from our the policy, as stated in the *Sunset Policy Bulletin*, of using the first rates calculated by the Department where published Treasury rates are not available. Rather, consistent with the *Sunset Policy Bulletin*, we determine that the original margins calculated by the Department are probative of the behavior of the Japanese manufacturers and exporters of synthetic methionine. The Department will report to the Commission the company-specific and "all others" rate contained in the Appendix to this notice.

Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping finding would be likely to lead to continuation or recurrence of dumping at the margins listed in the Appendix to this notice.

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with Section 351.305 of the

Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year "sunset" review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: December 1, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

APPENDIX

Manufacturers/exporters	Margin (percent)
Ajinimoto Co	5.54
Apls Pharmaceutical Co	22.54
Amano Pharmaceutical Co., Ltd ..	48.00
Chugai Boyeki Co	0
Daida Bussan Co	0
Helm Japan Ltd	11.14
Inui Yakuhin Kogyo	0
Isho Corporation	0
Iwaka & Co	1.69
Koyo Merchantile Co., Ltd	0
Kyowa Hakko Kogyo Co	30.68
Marubeni Corp	48.00
Nippon Kayaku	0
Nippon Soda Co., Ltd./Mitsui & Co	8.83
Nisso Raiho Kogyo & Co., Ltd	0
K Sakai & Co	0
Sakai Chemical	13.43
Sumitomo Chemical Industrial Co ..	0
Tetra Chemicals Co	8.40
All others	48.00
Third-Country Reseller (country)	
Atlantic Trading Co. (Canada)	0
H.J. Baker & Brothers (West Germany)	0
Chemical & Feeds Ltd. (England)	48.00
Chemo Dondorff (West Germany)	48.00
Deutsch-Norwegische GmbH (West Germany)	22.53
Fortamex Chemicals (Canada)	21.66
Karl O. Helm (West Germany)	1.31
Hoffman LaRoche (Canada)	0
Instel Corp. (France)	6.25
MAC Organization (Italy)	0
Mitsui & Co. (Belgium)	0
Mitsui & Co. (United Kingdom)	0
Nutrikem Limited (United Kingdom)	0
Seimsgluss & Shon (West Germany)	48.00
R.W. Unwin & Co (United Kingdom)	0

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⁹ See *Synthetic Methionine From Japan; Final Results of Administrative Review and Clarification of Antidumping Finding*; 47 FR 15622 (April 12, 1982).

¹⁰ See Section 351.218(e)(2) of the *Sunset Regulations* and Section II.C of the *Sunset Policy Bulletin*.