

from our analysis certain comparison-market sales of PVA products.

### Price-to-Price Comparisons

We calculated normal value based on packed, FOB or delivered prices to unaffiliated purchasers in Taiwan. We made adjustments to the starting price for returns, where appropriate. We also made deductions, where appropriate, for inland freight (inclusive of inland insurance) pursuant to section 773(a)(6)(B) of the Act. In addition, we made adjustments for differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411, as well as for differences in circumstances-of-sale ("COS") in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. We made COS adjustments by deducting home market direct selling expenses (*i.e.*, credit expenses) and adding U.S. direct selling expenses (*i.e.*, credit expenses and bank charges). Finally, we deducted home market packing costs and added U.S. packing costs in accordance with 773(a)(6) of the Act.

### Preliminary Results of Review

As a result of this review, we preliminarily determine that the following margin exists for the period May 1, 1998 through April 30, 1999:

Manufacturer/exporter	Margin (percent)
Chang Chun Petrochemical Co., Ltd .....	0.00

Pursuant to 19 CFR 351.224(b), the Secretary will disclose to the parties to the proceeding the calculations performed in connection with this review, within five days after the date of publication of the preliminary results of this review. Any interested party may request a hearing within 30 days of publication. Any hearing, if requested, will be held 44 days after the date of publication or the first business day thereafter.

Issues raised in hearings will be limited to those raised in the respective case briefs and rebuttal briefs. Case briefs from interested parties and rebuttal briefs, limited to the issues raised in the respective case briefs, may be submitted not later than 30 days and 37 days, respectively, from the date of publication of these preliminary results. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed

five pages and a table of statutes, regulations and cases cited.

The Department will subsequently issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs, not later than 120 days after the date of publication of this notice.

Interested parties who wish to request a hearing or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, Room B-099, within 30 days of the date of publication of this notice. The request should contain: (1) The party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed.

### Cash Deposit and Assessment Requirements

The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties. The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. Upon completion of this review, the Department will issue appraisal instructions directly to the U.S. Customs Service.

If these preliminary results are adopted in the final results, we will instruct the U.S. Customs Service to assess antidumping duties on all appropriate entries covered by this review for which any importer-specific assessment rates calculated in the final results of this review are above *de minimis* (*i.e.*, at or above 0.5 percent), in accordance with 19 CFR 351.106(c)(2). For assessment purposes, we intend to calculate importer-specific assessment rates for the subject merchandise by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total entered value of the sales examined.

Furthermore, the following deposit requirements will be effective upon completion of the final results of this antidumping duty review for all shipments of PVA from Taiwan, 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) of the Act: (1) No cash deposits will be required for PVA from Taiwan that is produced by Chang Chun (unless the margin established for Chang Chun in the final results of this review is above *de minimis*); (2) for exporters not covered in this review, but covered

in the LTFV investigation or prior reviews, the cash deposit rate will continue to be the company-specific rate from the LTFV investigation or the prior review; (3) if the exporter is not a firm covered in this review, a prior review, or the original LTFV 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) the cash deposit rate for all other manufacturers or exporters will continue to be 19.21 percent, the "All Others" rate made effective by the LTFV investigation. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

### Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties 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) of the Act and 19 CFR 351.213. Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of the Assistant Secretary for Import Administration.

Dated: January 30, 2001.

**Bernard T. Carreau,**

*Deputy Assistant Secretary, AD/CVD Enforcement II.*

[FR Doc. 01-4405 Filed 2-21-01; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-588-836]

### Polyvinyl Alcohol from Japan: Preliminary Results of Antidumping Duty Administrative Review

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

**ACTION:** Notice of preliminary results of antidumping duty administrative review.

**SUMMARY:** In response to a request by the petitioner, Air Products and Chemicals,

Inc.,<sup>1</sup> the Department of Commerce is conducting an administrative review of the antidumping duty order on polyvinyl alcohol from Japan. This review covers one manufacturer/exporter, Kuraray Co., Ltd. ("Kuraray"). The period of review is May 1, 1999, through April 30, 2000.

We preliminarily determine that sales of subject merchandise have been made below normal value. If these preliminary results are adopted in our final results of administrative review, we will instruct the Customs Service to assess antidumping duties on all appropriate entries. Interested parties are invited to comment on these preliminary results.

**EFFECTIVE DATE:** February 22, 2001.

**FOR FURTHER INFORMATION CONTACT:** Barbara Wojcik-Betancourt, at (202) 482-0629, or Brian Smith, at (202) 482-1766, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

**SUPPLEMENTARY INFORMATION:**

**The Applicable Statute and Regulations**

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930, as amended ("the Act"), by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all references are made to the Department of Commerce's ("the Department's") final regulations at 19 CFR Part 351 (April 2000).

**Background**

On May 14, 1996, the Department published in the **Federal Register** an antidumping duty order on polyvinyl alcohol ("PVA") from Japan (61 FR 24286). On May 16, 2000, the Department published in the **Federal Register**, a notice advising of the opportunity to request an administrative review of this order for the period May 1, 1999, through April 30, 2000 (65 FR 31141). On May 31, 2000, we received a request from the petitioner, Air Products and Chemicals, Inc. ("petitioner"), to conduct an administrative review of Kuraray. On June 1, 2000, we received a letter from the petitioner asking the Department to correct the period of review ("POR") for this review, which was incorrectly stated in the petitioner's May 31, 2000, letter requesting initiation of the

administrative review. On July 7, 2000, we published a notice of initiation of this review for Kuraray (65 FR 41942).

On July 5, 2000, the Department issued an antidumping questionnaire to Kuraray. Because the Department disregarded sales that failed the cost test in the last completed review for Kuraray (see *Notice of Final Results of the First Antidumping Duty Administrative Review: Polyvinyl Alcohol from Japan*, 65 FR 50182 (August 17, 2000)) ("Final Results of Polyvinyl Alcohol from Japan"), the Department had reasonable grounds to believe or suspect that Kuraray's sales of the foreign like product may have been made at prices below the cost of production ("COP"), as provided by section 773(b)(2)(A)(ii) of the Act. Therefore, pursuant to section 773(b)(1) of the Act, we initiated an investigation to determine whether Kuraray made home market sales during the POR at prices below its COP, and required Kuraray to respond to the COP section of the questionnaire issued in July 2000. The Department received Kuraray's responses to the questionnaire in August and September 2000.

We issued a supplemental questionnaire to Kuraray in November 2000. A response to the supplemental questionnaire was received in December 2000.

**Scope of Review**

The product covered by this review is PVA. PVA is a dry, white to cream-colored, water-soluble synthetic polymer. This product consists of polyvinyl alcohols hydrolyzed in excess of 85 percent, whether or not mixed or diluted with defoamer or boric acid. Excluded from this review are PVAs covalently bonded with acetoacrylate, carboxylic acid, or sulfonic acid uniformly present on all polymer chains in a concentration equal to or greater than two mole percent, and PVAs covalently bonded with silane uniformly present on all polymer chains in a concentration equal to or greater than one-tenth of one mole percent. PVA in fiber form is not included in the scope of this review.

The merchandise under review is currently classifiable under subheading 3905.30.00 of the *Harmonized Tariff Schedule of the United States* ("HTSUS"). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope is dispositive.

**Period of Review**

The POR is May 1, 1999, through April 30, 2000.

**Fair Value Comparisons**

To determine whether the respondent's sales of the subject merchandise to the United States were made at below normal value, we compared, where appropriate, the export price ("EP") and constructed export price ("CEP") to the normal value, as described below. In accordance with section 777A(d)(2) of the Act, we compared, where appropriate, the export prices and CEPs of individual transactions to the monthly weighted-average price of sales of the foreign like product made in the ordinary course of trade (see section 773(a)(1)(B)(i) of the Act).

**Product Comparisons**

In accordance with section 771(16) of the Act, we considered all products produced by Kuraray covered by the description in the "Scope of the Review" section, above, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales made in the home market within the contemporaneous window period, which extends from three months prior to the U.S. sale until two months after the sale. Where there were no sales of identical merchandise made in the home market in the ordinary course of trade, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondent in the following order: viscosity, hydrolysis, particle size, tackifier, defoamer, ash, color, volatiles, and visual impurities.

**Export Price and Constructed Export Price**

During the POR, Kuraray sold subject merchandise to the U.S. market (1) directly through its wholly-owned U.S. affiliate (Kuraray America Inc.); (2) through Kuraray America via its wholly-owned home market affiliate (Kuraray Trading Co., Ltd.) (hereafter referred to as Kuraray Trading); or (3) directly through unaffiliated Japanese trading companies.

We examined the facts surrounding the U.S. sales process for those U.S. sales which Kuraray made through its affiliates. Based on the evidence on the record, we found that Kuraray either sells the subject merchandise directly to its U.S. affiliate or through Kuraray Trading, which in turn sells the subject merchandise to the U.S. affiliate. For U.S. sales made only through its U.S.

<sup>1</sup> On January 19, 2001, counsel for Air Products and Chemicals, Inc. ("Air Products") stated that Air Products' PVA business was sold to Celanese Ltd.

affiliate, the U.S. customer contacts Kuraray's U.S. affiliate, who then places the order with Kuraray. Kuraray arranges for delivery of the goods from Japan to the unaffiliated U.S. customer and issues its invoice to its U.S. affiliate for payment of the goods. Even though Kuraray's U.S. affiliate does not have a warehouse, it takes title to the goods once it pays Kuraray for the goods. The U.S. affiliate then issues its sales invoice to the unaffiliated U.S. customer and collects payment for the goods (see pages 11 and 12, and 16 through 18, and Exhibits A.3.a.-1, A.3.a.-2 and A.3.c, of the August 31, 2000, antidumping questionnaire response).

For U.S. sales made through Kuraray Trading to the U.S. affiliate, the U.S. affiliate still transmits the U.S. customer's order to Kuraray. However, Kuraray sells the goods to Kuraray Trading in Japan. Kuraray Trading then issues the U.S. affiliate its sales invoice. Kuraray Trading arranges for delivery of the goods from Japan to the unaffiliated U.S. customer, and the U.S. affiliate takes title to the goods once it pays Kuraray Trading for the goods. The U.S. affiliate also issues its sales invoice to the unaffiliated U.S. customer and collects payment for the goods (see pages 11 and 12, and 16 through 18, and Exhibits A.3.a.-1, A.3.a.-2 and A.3.c, of the August 31, 2000, antidumping questionnaire response). Therefore, based on the facts on this record, the Department preliminarily determines that these sales were made "in the United States" within the meaning of section 772(b) of the Act, and, thus, should be treated as CEP transactions (see *AK Steel Corp., et al. v. United States*, 226 F.3d 1361, 1374 (Fed. Cir 2000)).

For Kuraray's U.S. sales not made in the United States (*i.e.*, not made through its U.S. affiliate), we calculated EP based on the reported packed FOB price between Kuraray and the unaffiliated trading company in Japan. We made deductions, as appropriate, from the starting price for foreign inland freight from the plant to the port of exportation, foreign warehousing expenses, foreign inland insurance, and foreign brokerage and handling expenses, in accordance with section 772(c)(2)(A) of the Act.

For Kuraray's U.S. sales made in the United States through its U.S. affiliate, we based CEP on packed CIF or delivered prices to unaffiliated purchasers in the United States. We made deductions, where appropriate, for foreign inland freight from the plant to the port of exportation, foreign inland insurance, foreign brokerage and handling expenses, international freight, palletization charges, foreign

warehousing expenses, U.S. brokerage and handling expenses, U.S. Customs duties (which include harbor maintenance and merchandise processing fees), and U.S. inland freight expenses (freight from port to the customer), in accordance with section 772(c)(2)(A) of the Act.

In accordance with section 772(d)(1) of the Act, we deducted from CEP direct and indirect selling expenses that were associated with Kuraray's economic activities occurring in the United States. We also deducted from CEP an amount for profit, in accordance with section 772(d)(3) of the Act.

#### Normal Value

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating normal value (*i.e.*, the aggregate volume of home market sales of the foreign like product is five percent or more of the aggregate volume of U.S. sales), we compared the respondent's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with 19 CFR 351.404(b). We determined that the quantity of foreign like product sold in the exporting country was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States because Kuraray made sales in its home market which were greater than five percent of its sales in the U.S. market. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based normal value on home market sales in Japan.

#### Level of Trade/CEP Offset

In accordance with section 773(a)(7) of the Act, to the extent practicable, we determined normal value based on sales in the comparison market at the same level of trade ("LOT") as the EP or CEP transaction. The normal value LOT is that of the starting-price sales in the comparison market or, when normal value is based on constructed value, that of the sales from which we derive selling, general and administrative ("SG&A") expenses and profit. For export price, the LOT is also the level of the starting-price sale, which is usually from the exporter to the importer. For CEP, it is the level of the constructed export sale from the exporter to the affiliated importer.

To determine whether normal value sales are at a different LOT than export price or CEP, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the customer. If the comparison-market sales are at a

different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which normal value is based and comparison-market sales at the LOT of the export transaction, we make a LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the normal value level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between normal value and CEP affects price comparability, we adjust normal value under section 773(a)(7)(B) of the Act (the CEP offset provision). See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997).

We note that the U.S. Court of International Trade ("CIT") has held that the Department's practice of determining LOT for CEP transactions after CEP deductions is an impermissible interpretation of section 772(d) of the Act. See, *e.g.*, *Borden, Inc., v. United States*, 4 F. Supp. 2d 1221, 1241-42 (CIT 1998) (*Borden*); and *Micron Technology, Inc. v. United States*, 40 F. Supp. 2d 481 (CIT 1999). The Department believes, however, that its practice is in full compliance with the statute. On June 4, 1999, the CIT entered final judgement in *Borden* on the LOT issue. See, *i.e.*, *Borden, Inc. v. United States*, Court No. 96-08-01970, Slip Op. 99-50 (CIT June 4, 1999). The government has filed an appeal of *Borden*, which is currently pending before the U.S. Court of Appeals for the Federal Circuit. Consequently, the Department has continued to follow its normal practice of adjusting CEP under section 772(d) prior to starting a LOT analysis, as articulated by the Department's regulations at section 351.412.

In this case, Kuraray reported two customer categories (*i.e.*, distributors and end users) and three channels of distribution (sales through unaffiliated distributors to end users, direct sales to end users, and sales through its affiliate to end users) for its home market sales. In its response, Kuraray claims that its sales to unaffiliated home market customers (*i.e.*, end users and distributors) are at the same LOT as its sales made through affiliated customers because Kuraray provides the same selling services to its unaffiliated and affiliated customers. Specifically, Kuraray identified the following selling services to both types of customer: (1) Salespeople visits; (2) inventory maintenance; (3) after-sale service and technical advice; (4) advertising; (5)

freight and delivery; and (6) handling of rejected merchandise. Based on our review of the record evidence, we agree with the respondent's claim that all home market sales are at the same LOT (see exhibit A.3.c. of the August 31, 2000, submission).

Kuraray had both EP and CEP sales in the U.S. market. Kuraray reported that its EP sales were made through one channel of distribution (*i.e.*, sales through unaffiliated Japanese trading companies to U.S. end users). Kuraray also reported that its CEP sales were made through two channels of distribution (*i.e.*, sales through its U.S. affiliate *via* its home market affiliate and sales through its U.S. affiliate only), which we have treated as one LOT because there is no apparent difference in the selling functions performed by Kuraray (see exhibit A.3.c. of the August 31, 2000, submission). In analyzing Kuraray's selling activities for its EP sales, we found that the EP sales involved basically the same selling functions associated with the home market LOT described above (*i.e.*, inventory maintenance, freight and delivery, and handling of rejected merchandise). Therefore, based upon this information, we preliminarily determine that the LOT for all EP sales is the same as that in the home market.

For sales which we categorized as CEP sales, after making the appropriate deductions under section 772(d) of the Act, we found that the remaining expenses associated with selling activities performed by Kuraray are limited to general and administrative expenses that are reflected in the CEP price. In contrast, the normal value prices include selling expenses attributable to selling activities performed by Kuraray for the home market, such as sales support, freight and delivery functions (see exhibit A.3.c. of the August 31, 2000, submission). Accordingly, we have concluded that CEP is at a different LOT from the normal value LOT.

We then examined whether a LOT adjustment or CEP offset may be appropriate. In this case, Kuraray only sold at one LOT in the home market; therefore, there is no information available to determine a pattern of consistent price differences between the sales on which normal value is based and the comparison market sales at the LOT of the export transaction, in accordance with the Department's normal methodology as described above (see *Final Results Polyvinyl Alcohol from Japan*; and *Porcelain-on-Steel Cookware from Mexico Final Results of Administrative Review*, 65 FR 30068 (May 10, 2000), and accompanying

Decision Memorandum at Comment 6). Further, we do not have information which would allow us to examine pricing patterns based on respondent's sales of other products, and there are no other respondents or other record information on which such an analysis could be based. Accordingly, because the data available do not provide an appropriate basis for making a LOT adjustment, but the LOT in the home market is at a more advanced stage of distribution than the LOT of the CEP, we made a CEP offset adjustment in accordance with section 773(a)(7)(B) of the Act.

### Cost of Production Analysis

Pursuant to section 773(b)(1) of the Act, we initiated a COP investigation of sales made by Kuraray in the home market.

#### A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP, by grade, based on the sum of the cost of materials and fabrication, general and administrative ("G&A") expenses, and packing costs. We relied on the submitted COP data except for the following: (1) we adjusted Kuraray's reported per-unit costs to account for the overstatement of acetic acid amounts; and (2) we adjusted Kuraray's reported labor cost for one product where Kuraray failed to report a value (*i.e.*, a positive value) (see Preliminary Results Calculation Memorandum from Team to the File, dated January 30, 2001).

#### B. Test of Home Market Prices

We compared the weighted-average COP to the comparison-market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP within an extended period of time in substantial quantities, and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time. On a grade-specific basis, we compared the COP to the comparison-market prices, less any applicable movement charges, discounts, and direct and indirect selling expenses.

#### C. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of the respondent's sales of a given product were made at prices below the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." Where 20

percent or more of the respondent's sales of a given product were made at prices below the COP, we disregarded the below-cost sales because such sales were found to be made within an extended period of time in "substantial quantities," in accordance with sections 773(b)(2)(B) and (C) of the Act, and because the below-cost sales of the product were at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act.

Based on this test, we excluded from our analysis certain comparison-market sales of PVA products that were made at below-COP prices (see Preliminary Results Calculation Memorandum from Team to the File, dated January 30, 2001).

### Price-to-Price Comparisons

We calculated normal value based on both packed, FOB or delivered prices Kuraray charged to its unaffiliated purchasers in Japan and packed, FOB or delivered prices Kuraray Trading charged to its unaffiliated purchasers in Japan. We made adjustments to the starting price for discounts, where appropriate. We also made deductions, where appropriate, for inland freight (*i.e.*, plant to warehouse and warehouse to customer), inland insurance and warehousing expenses, pursuant to section 773(a)(6)(B) of the Act.

For all comparisons, we made a circumstance-of-sale adjustment, where appropriate, for differences in credit expenses, pursuant to section 773(a)(6)(C)(iii) of the Act and 19 C.F.R. 351.410(c).

For comparisons to CEP sales, we also deducted from normal value the lesser of comparison-market indirect selling expenses and indirect selling expenses deducted from CEP (the CEP offset), pursuant to section 773(a)(7)(B) of the Act and 19 CFR 351.412(f).

For comparisons to both export price and CEP sales, we made adjustments to normal value for differences in packing expenses, in accordance with section 773(a)(6) of the Act. We also made adjustments to normal value, where appropriate, for differences in costs attributable to differences in the physical characteristics of the merchandise, pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411.

### Preliminary Results of Review

As a result of this review, we preliminarily determine that the following margin exists for the period May 1, 1999, through April 30, 2000:

Manufacturer/exporter	Margin (percent)
Kuraray Co., Ltd. ....	4.87

Pursuant to 19 CFR 351.224(b), the Department will conduct disclosure within five days after the date of publication of this notice. Any interested party may request a hearing within 30 days of publication. Any hearing, if requested, will be held 44 days after the date of publication or the first business day thereafter.

Issues raised in hearings will be limited to those raised in the respective case briefs and rebuttal briefs. Case briefs from interested parties and rebuttal briefs, limited to the issues raised in the respective case briefs, may be submitted not later than 30 days and 37 days, respectively, from the date of publication of these preliminary results. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations and cases cited.

The Department will issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice.

Interested parties who wish to request a hearing or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, Room B-099, within 30 days of the date of publication of this notice. The request should contain: (1) The party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed.

#### Cash Deposit and Assessment Requirements

The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties.

The Department shall determine and the Customs Service shall assess antidumping duties on all appropriate entries. The Department will issue appropriate appraisal instructions directly to the Customs Service upon completion of this review. For Kuraray, for duty assessment purposes, we intend to calculate 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 the same sales of subject merchandise for each importer. In accordance with 19 CFR 351.106(c)(2), we will instruct the Customs Service to assess antidumping duties on all appropriate entries covered by this review if any importer-specific assessment rate calculated in the final results of this review is above *de minimis* (i.e., at or above 0.50 percent).

Furthermore, the following deposit requirements will be effective upon publication of the final results of this antidumping duty administrative review for all shipments of PVA from Japan, entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a) of the Act: (1) The cash deposit rate for Kuraray will be the rate established in the final results; (2) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value ("LTFV") 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 (3) the cash deposit rate for all other manufacturers or exporters will continue to be 77.49 percent, the "All Others" rate made effective by the LTFV investigation. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties 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) of the Act and 19 CFR 351.213. Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of the Assistant Secretary for Import Administration.

Dated: January 30, 2001.

**Bernard T. Carreau,**

*Deputy Assistant Secretary, AD/CVD Enforcement II.*

[FR Doc. 01-4406 Filed 2-21-01; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-508-810]

#### Preliminary Affirmative Countervailing Duty Determination: Pure Magnesium From Israel

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

**EFFECTIVE DATE:** February 22, 2001.

**FURTHER INFORMATION CONTACT:** Marian Wells or Melanie Brown, Office of CVD/AD Enforcement I, Import Administration, U.S. Department of Commerce, Room 3096, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-6309 and (202) 482-4987, respectively.

**SUMMARY:** The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of pure magnesium from Israel. For information on the estimated countervailing duty rates, please see the "Suspension of Liquidation" section of this notice.

#### SUPPLEMENTARY INFORMATION:

##### Petitioners

The petition in this investigation was filed by the Magnesium Corporation of America ("Magcorp"), the United Steel Workers of America, Local 8319, and the United Steelworkers of America, Local 482 (the petitioners).

##### Case History

Since the publication of the notice of initiation in the **Federal Register** (see *Notice of Initiation of Countervailing Duty Investigation: Pure Magnesium from Israel*, 65 FR 68126 (November 14, 2000) (*Initiation Notice*)), the following events have occurred. On November 8, 2000, we issued countervailing duty questionnaires to the Government of Israel (GOI) and the sole producer/exporter of the subject merchandise, Dead Sea Magnesium Ltd. (DSM). On December 20, 2000, we postponed the preliminary determination of this investigation until no later than February 14, 2001. See, *Pure Magnesium from Israel: Postponement of Time Limit for Preliminary Determination of Countervailing Duty Investigation*, 65 FR 81489 (December 26, 2000). We received responses to our initial questionnaires from the GOI and DSM on January 3, 2001. Between January 11 and 30, 2001, we issued supplemental questionnaires to the GOI and DSM, and we received responses to those questionnaires in January and February.