

Ecuador, India, Thailand, the PRC, and Vietnam are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended pursuant to section 733(b)(1)(A) of the Act, we will make our preliminary determinations no later than 140 days after the date of this initiation.

#### Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of each petition has been provided to the representatives of the governments of Brazil, Ecuador, India, Thailand, the PRC, and Vietnam. We will attempt to provide a copy of the public version of each petition to each exporter named in the petitions, as provided for under 19 CFR 351.203(c)(2).

#### ITC Notification

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

#### Preliminary Determinations by the ITC

The ITC will preliminarily determine no later than February 17, 2004, whether there is a reasonable indication that imports of certain frozen and canned warmwater shrimp from Brazil, Ecuador, India, Thailand, the PRC and Vietnam are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination for any country will result in the investigation being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

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

Dated: January 20, 2004.

**James Jochum,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-427-818]

#### Notice of Preliminary Results of Antidumping Duty Administrative Review: Low Enriched Uranium from France

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

**ACTION:** Notice of Preliminary Results of Antidumping Duty Administrative Review.

**EFFECTIVE DATE:** January 27, 2004.

#### FOR FURTHER INFORMATION CONTACT:

Vicki Schepker or Carol Henninger at (202) 482-1756 or (202) 482-3003, respectively; AD/CVD Enforcement Office 5, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW, Washington, DC 20230.

**SUMMARY:** The Department of Commerce is conducting an administrative review of the antidumping duty order on low enriched uranium from France for the period July 13, 2001 to January 31, 2003 (the POR). We preliminarily determine that sales of subject merchandise by Eurodif, S.A. (Eurodif), Compagnie Générale Des Matières Nucléaires (COGEMA) and COGEMA, Inc. (collectively, COGEMA/Eurodif or the respondent), have been made below normal value (NV). If these preliminary results are adopted in our final results, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on appropriate entries based on the difference between the constructed export price (CEP) and the NV. Interested parties are invited to comment on these preliminary results.

#### SUPPLEMENTARY INFORMATION:

##### Background

On February 13, 2002, the Department issued an antidumping duty order on low enriched uranium from France. See *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Low Enriched Uranium from France*, 67 FR 6680 (February 13, 2002). On February 3, 2003, the Department issued a notice of opportunity to request the first administrative review of this order. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 68 FR 5272 (February 3, 2003). In accordance with 19 CFR 351.213(b), COGEMA/Eurodif, a French producer of subject merchandise, requested an administrative review of the antidumping duty order on low enriched uranium from France on February 3, 2003. On February 28, 2003, United States Enrichment Corporation and USEC, Inc. (the petitioner), a domestic producer of subject merchandise, also requested an administrative review. On March 25, 2003, the Department published a notice of initiation of the administrative

review, covering the period July 13, 2001, through January 31, 2003. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 68 FR 14394 (March 25, 2003).

On April 4, 2003, the Department issued its antidumping questionnaire to COGEMA/Eurodif. We received timely responses to all sections of the initial antidumping questionnaire and associated supplemental questionnaires. Based on a timely allegation filed by the petitioner on June 20, 2003, we initiated a major input investigation with regard to the respondent's purchases of electricity from an affiliated party. On October 27, 2003, the Department published a notice extending the time limit for the preliminary results. See *Extension of the Time Limit for the Preliminary Results of Antidumping Duty Administrative Review*, 68 FR 61184 (October 27, 2003). The time limit for the preliminary results was subsequently further extended to January 20, 2004. See *Extension of the Time Limit for the Preliminary Results of Antidumping Duty Administrative Review*, 68 FR 69994 (December 16, 2003).

#### Scope of the Order

The product covered by this order is all low enriched uranium (LEU). LEU is enriched uranium hexafluoride (UF<sub>6</sub>) with a U<sub>235</sub> product assay of less than 20 percent that has not been converted into another chemical form, such as UO<sub>2</sub>, or fabricated into nuclear fuel assemblies, regardless of the means by which the LEU is produced (including LEU produced through the down-blending of highly enriched uranium).

Certain merchandise is outside the scope of this order. Specifically, this order does not cover enriched uranium hexafluoride with a U<sub>235</sub> assay of 20 percent or greater, also known as highly enriched uranium. In addition, fabricated LEU is not covered by the scope of this order. For purposes of this order, fabricated uranium is defined as enriched uranium dioxide (UO<sub>2</sub>), whether or not contained in nuclear fuel rods or assemblies. Natural uranium concentrates (U<sub>3</sub>O<sub>8</sub>) with a U<sub>235</sub> concentration of no greater than 0.711 percent and natural uranium concentrates converted into uranium hexafluoride with a U<sub>235</sub> concentration of no greater than 0.711 percent are not covered by the scope of this order.

Also excluded from this order is LEU owned by a foreign utility end-user and imported into the United States by or for such end-user solely for purposes of conversion by a U.S. fabricator into uranium dioxide (UO<sub>2</sub>) and/or

fabrication into fuel assemblies so long as the uranium dioxide and/or fuel assemblies deemed to incorporate such imported LEU (i) remain in the possession and control of the U.S. fabricator, the foreign end-user, or their designed transporter(s) while in U.S. customs territory, and (ii) are re-exported within eighteen (18) months of entry of the LEU for consumption by the end-user in a nuclear reactor outside the United States. Such entries must be accompanied by the certifications of the importer and end user.

The merchandise subject to this order is classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 2844.20.0020. Subject merchandise may also enter under 2844.20.0030, 2844.20.0050, and 2844.40.00. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

#### Verification

As provided in section 782(i)(3) of the Tariff Act of 1930, as amended (the Act), we verified information provided by COGEMA/Eurodif from October 6–14, 2003, October 20–24, 2003, and October 29–30, 2003. We used standard verification procedures, including on-site inspection of the respondents facilities and examination of relevant sales and financial records. See Memorandum from Vicki Schepker and Carol Henninger, International Trade Compliance Analysts, to Gary Taverman, Director, Office 5, Re: Verification of the Sales Response of Eurodif S.A., Compagnie Générale Des Matières Nucléaires, and COGEMA, Inc., dated December 31, 2003, (Sales Verification Report); see also Memorandum from Ernest Z. Gziryan, Senior Accountant, to Neal Halper, Director, Office of Accounting, Re: Verification Report on the Cost of Production and Constructed Value Data Submitted by Eurodif S.A., Compagnie Générale Des Matières Nucléaires, and COGEMA, Inc. dated January 20, 2004, (Cost Verification Report); Memorandum from Ernest Z. Gziryan, Senior Accountant, to Neal M. Halper, Director, Office of Accounting, Re: Verification Report on the Cost of Production Data Submitted by EdF, dated January 20, 2004; and Memorandum from Ernest Z. Gziryan, Senior Accountant, to Neal M. Halper, Director, Office of Accounting, Re: Verification Report on the COP Data Submitted by RTE, dated January 20, 2004.

#### Fair Value Comparisons

To determine whether sales of LEU from France were made in the United States at less than fair value, we compared the constructed export price (CEP) to the constructed value (CV), as described in the *Constructed Export Price* and *Normal Value* sections of this notice.

In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated CEPs and compared them to CV.

We note that during the POR, the respondent sold LEU pursuant to contracts in which it undertook to manufacture and deliver LEU for a cash payment covering only the value of the enrichment component; for the natural uranium feedstock component, the respondent received an amount of natural uranium equivalent to the amount used to produce the LEU shipped (so-called separative work unit (SWU)<sup>1</sup> contracts). However, the product manufactured and delivered by the respondent was LEU. For purposes of our antidumping analysis, we have translated prices and costs involved in SWU contracts to an LEU basis, increasing those values to account for the cost of the uranium feedstock involved. These adjustments are described in greater detail below.

#### Constructed Export Price

In accordance with section 772 of the Act, we calculated a CEP. Section 772(b) of the Act defines CEP as the price at which the subject merchandise is first sold in the United States before or after the date of importation by or for the account of the producer or exporter of the merchandise or by a seller affiliated with the producer or exporter, to an unaffiliated purchaser, as adjusted under sections 772(c) and (d) of the Act. Consistent with this definition, we found that COGEMA/Eurodif made CEP sales during the POR because the sales were made for the account of COGEMA/Eurodif by the respondent's U.S. subsidiary, COGEMA, Inc., in the United States.

We calculated CEP based on packed prices charged to the first unaffiliated customer in the United States. For all sales, which involved payments on a SWU basis, we translated the prices to an LEU basis by adding a value for the uranium feedstock used in the production of the LEU. This value was derived from the respondent's reported entered value of feed, which was based

on publicly available price information used for customs entry purposes.

Section 351.401(i) of the Department's regulations provide that the date of sale will normally be the date of invoice, unless the material terms of sale are set on some other date.

In the instant case, the material terms of sale are set on the date of the contract with the U.S. customer. Therefore, we based the date of sale on that date.

The sales examined in this review represented merchandise which entered the United States during the POR. We have not included deliveries made of merchandise entered during the provisional measures gap period<sup>2</sup> (gap period) in our calculation because these entries are not subject to antidumping duties. For the purposes of the preliminary results, we have accepted COGEMA/Eurodif's allocation methodology for linking deliveries to entries with two exceptions. See Preliminary Results Calculation Memorandum - Eurodif S.A., Compagnie Générale Des Matières Nucléaires, and COGEMA, Inc. from Vicki Schepker and Carol Henninger, International Trade Compliance Analysts to Constance Handley, Program Manager (January 20, 2004) (Preliminary Calculation Memorandum). We verified that some entries could be definitively linked to a particular delivery to a U.S. utility. For entries that could not be definitively linked to a delivery, COGEMA/Eurodif used a hierarchy to allocate LEU in inventory at the fabricator to deliveries, starting with Eurodif-produced LEU entered during the POR. See Sales Verification Report at 42–43.

We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These include foreign inland freight from the plant to the port of exit, international freight, marine insurance, charges for shipment of samples, transportation expenses for the movement of customer feed, and port charges. We also deducted any discounts from the starting price.

In accordance with section 772(d)(1) of the Act, we deducted from the starting price those selling expenses that were incurred in selling the subject merchandise in the United States, including indirect selling expenses, credit expense, and inventory carrying costs.

In addition, in accordance with 772(d)(3) and 772(f) of the Act, we made

<sup>1</sup> SWU is a unit of measurement of the effort required to separate the U235 and U238 atoms in uranium feed in order to create a final product richer in U235 atoms.

<sup>2</sup> The provisional measures referred to in section 733(d) of the Act expired on January 9, 2002. The order was published on February 13, 2002. Therefore, between those dates, no duties were collected.

a deduction for CEP profit. The CEP profit rate is normally calculated on the basis of total revenue and total expenses on sales in the comparison market and the U.S. market. In this case, there were no useable home market sales of LEU during the POR and therefore no useable home market profit from which to derive CEP profit. Therefore, we based CEP profit on the total expenses and total revenue derived from Eurodif's U.S. and third-country sales of the subject merchandise. See Preliminary Calculation Memorandum.

Finally, we made additional adjustments to CEP based upon our findings at verification. See Preliminary Calculation Memorandum.

### Normal Value

#### A. Selection of Comparison Markets

Section 773(a)(1) of the Act directs that NV be based on the price at which the foreign like product is sold in the home market, provided that the merchandise is sold in sufficient quantities (or value, if quantity is inappropriate) and that there is no particular market situation that prevents a proper comparison with the export price (EP) or CEP. The statute contemplates that quantities (or value) will normally be considered insufficient if they are less than five percent of the aggregate quantity (or value) of sales of the subject merchandise to the United States.

Pursuant to section 773(a)(1) of the Act, because COGEMA/Eurodif's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales of the subject merchandise, we determined that the home market was viable. However, COGEMA/Eurodif has only one customer in the home market, an affiliated party. Because we had no independent means to determine whether prices for sales to this customer were made at arm's length, for purposes of this review, we have based NV on CV. See sections 351.403 and 351.405 of the Department's regulations. Adjustments made in deriving CV are described in detail in the *Calculation of Normal Value Based on Constructed Value* section below.

#### B. Calculation of Normal Value Based on Constructed Value

Section 773(a)(4) of the Act provides that where NV cannot be based on comparison market sales, NV may be based on CV. Section 773(e) of the Act provides that CV shall be based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for selling, general, and

administrative expenses (SG&A), profit, and U.S. packing costs. In accordance with section 773(e)(2)(B)(iii) of the Act, we based general and administrative (G&A) expenses on amounts derived from Eurodif's financial statements. We based financial expenses on the financial statements of COGEMA's parent company, AREVA, which represents the highest level of consolidation for Eurodif. For selling expenses, we used information on Eurodif's indirect selling expenses from its questionnaire response and from information obtained at verification. Where appropriate, we made circumstance of sale (COS) adjustments to CV in accordance with section 773(a)(8) of the Act and 19 CFR 351.410 of the Department's regulations. For a further discussion of the calculation of indirect selling expenses and a COS adjustment of a proprietary nature, see the Preliminary Calculation Memorandum.

Because we could not determine whether COGEMA/Eurodif's sales in France were made in the ordinary course of trade in the home market, we calculated profit in accordance with section 773(e)(2)(B)(iii) of the Act and the Statement of Administrative Action (SAA) at 841. We based CV profit on the profit rate of Eurodif's sales of LEU in all markets other than the United States and France. See Constructed Value Calculation Adjustments Memorandum for the Preliminary Results from Ernest Z. Gziryan, Senior Accountant, to Neal M. Halper, Director, Office of Accounting (January 20, 2004) (Constructed Value Calculation Adjustments Memorandum). The profit cap under alternative (iii) of section 773(e)(2)(B) of the Act cannot be calculated in this case because we do not have information allowing us to calculate the amount normally realized by exporters or producers (other than respondent) in connection with the sale, for consumption in the foreign country, of the merchandise in the same general category.

In addition to these adjustments, we included in the reported cost the Public Service Electricity Generation Fund tax (the "FSPPE levy") accrued by Eurodif and recorded in the company's books. See Constructed Value Calculation Adjustments Memorandum, *see also* Cost Verification Report at 8.

In this case, electricity is considered a major input that Eurodif obtained from its affiliated supplier, Électricité de France (EdF). See Memorandum from Ernest Gziryan, Senior Accountant, to Gary Taverman, Director, Office 5, Re: Petitioner's Allegation of Purchases of Major Inputs From Affiliated Parties at

Prices Below the Affiliated Parties' Cost of Production, dated August 13, 2003. Section 773(f)(3) of the statute states that "in the case of a transaction between affiliated persons involving the production by one of such persons of a major input, the administering authority may determine the value of the major input on the basis of the information available regarding such cost of production, if such cost is greater than the amount that would be determined for such input under paragraph (2)." Section 351.407(b) of the Department's regulations states that in applying the major input rule, the Department will normally include the higher of the transfer price between affiliates, the market price for the input, or the affiliate's cost of production (COP) for the purchased input. As such, we evaluated the affiliated supplier's reported electricity COP. We found that EdF's books reflected a calculated cost based on a marginal costing methodology and resulted in different costs for the same physically identical product - electricity. As it is the Department's long standing practice to calculate a single average cost for producing products of identical physical characteristics, for the preliminary results we adjusted the reported electricity COP by calculating one average POR cost of producing electricity and used it in our major input analysis. We adjusted the reported value of electricity purchased from EdF to the higher of the transfer price, the market price or EdF's cost of production. Due to the proprietary nature of this information, see the Constructed Value Calculation Adjustments Memorandum for more details.

### Level of Trade/CEP Offset

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (LOT) as the EP or CEP transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on CV, that of the sales from which we derive SG&A expenses and profit. For EP, the U.S. LOT is also the level of the starting-price sale, which is usually from exporter to importer. For CEP, it is the level of the constructed sale from the exporter to the importer.

To determine whether NV sales are at a different LOT than EP or CEP, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated 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 NV is based and comparison-market sales at the LOT of the export transaction, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV 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 NV and CEP affects price comparability, we adjust NV 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).

In implementing these principles in this review, we obtained information from the respondent about the marketing stages involved in the reported U.S. sales, as well as in the home market, including a description of the selling activities performed by the respondent for each channel of distribution. Given that all U.S. sales were CEP sales, we considered only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act.

In the U.S. market, the respondent sells to utility customers. After deducting expenses associated with the selling activities reflected in the price under section 772(d) of the Act (*i.e.*, the expenses of COGEMA, Inc.), we noted selling expenses associated with strategic planning and marketing, customer sales contact, production planning and evaluation, and contract

administration. These expenses did not vary by U.S. channel of distribution. Therefore, we found all U.S. sales to be made at a single LOT.

Selling expenses for CV were based on Eurodif's selling expenses exclusive of expenses allocated to Eurodif's U.S. sales. Eurodif performed all the selling activities for sales to its sole customer in the French market. Therefore, we found a single LOT of trade in the home market.

Eurodif generally performs the same kinds of selling functions in both markets. We note that for several of the thirteen reported categories of selling functions, Eurodif stated that it performs the functions to the same degree for both the CEP and the home market LOT. The respondent described different degrees of selling activities for its home market sales and sales to its U.S. affiliate in the following categories: sales forecasting, visiting customers/potential customers, negotiating contracts, receiving and booking orders/order processing, collecting payments/invoice follow-up, and customer follow-up. We reviewed each of the selling functions at verification and found that Eurodif performs the same level of selling activity for receiving and booking orders/order processing and collecting payments/invoice follow-up for both home market and CEP sales. *See Sales Verification Report at 15–19.* With regard to the selling functions of visiting customers/potential customers and negotiating contracts, Eurodif had reported different levels of activity for sales in the home market and sales to its U.S. affiliate. We found that Eurodif performs these functions to a similar

degree for its sales in the U.S. market and in the home market, as all of its sales in the home market are to one customer under a long-term contract. For sales forecasting and customer follow-up, in which Eurodif reported different levels of activity for sales in the home market and sales to its U.S. affiliate, we found that there are some minor differences in the levels of these selling functions. However, these differences alone do not constitute a basis for finding a more advanced level of trade in the home market. We note that we did not base CV profit on sales in France. *See the Calculation of Normal Value Based on Constructed Value* section above. Since there is no evidence on the record to indicate that the selling functions for sales to third-country markets differ from Eurodif's selling functions to COGEMA, Inc., we have no reason to conclude that Eurodif's home market, third-country market and U.S. sales were made at different levels of trade. Accordingly, we are not granting a CEP offset adjustment.

**Currency Conversion**

We made currency conversions into U.S. dollars in accordance with section 773A of the Act, based on exchange rates in effect on the date of the U.S. sale, as certified by the Federal Reserve Bank.

**Preliminary Results of Review**

As a result of this review, we preliminarily determine that the following weighted-average margin exists for the period July 13, 2001, through January 31, 2003:

Producer	Weighted-Average Margin (Percentage)
COGEMA/Eurodif .....	5.34

The Department will disclose calculations performed in accordance with 19 CFR 351.224(b). An interested party may request a hearing within 30 days of publication of these preliminary results. *See* 19 CFR 351.310(c). Any hearing, if requested, will be held 44 days after the date of publication, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results. Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 37 days after the date of publication. Parties who submit arguments are

requested to submit with the argument (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities. Further, the parties submitting written comments should provide the Department with an additional copy of the public version of any such comments on diskette. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results.

**Assessment**

Upon completion of this administrative review, pursuant to 19 CFR 351.212(b), the Department will

calculate an assessment rate on all appropriate entries. We will calculate importer-specific duty assessment rates on the basis of the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of the examined sales for that importer. Where the assessment rate is above *de minimis*, we will instruct CBP to assess duties on all entries of subject merchandise by that importer.

**Cash Deposit Requirements**

The following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of LEU from France entered, or withdrawn from warehouse,

for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) the cash deposit rate listed above for COGEMA/Eurodif will be the rate established in the final results of this review, except if a rate is less than 0.5 percent, and therefore *de minimis*, the cash deposit will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the 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 (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be 19.95 percent, the "All Others" rate established in the LTFV investigation. These cash deposit 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) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entities 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 determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: January 20, 2004.

**James J. Jochum,**

*Assistant Secretary for Import Administration.*

[FR Doc. 04-1695 Filed 1-26-04; 8:45 am]

**BILLING CODE 3510-DS-S**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-887]

#### Notice of Preliminary Determination of Sales at Less Than Fair Value: Tetrahydrofurfuryl Alcohol from the People's Republic of China

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

**EFFECTIVE DATE:** January 27, 2004.

**FOR FURTHER INFORMATION CONTACT:** Catherine Bertrand or Peter Mueller, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-3207 and (202) 482-5811 respectively.

#### SUPPLEMENTARY INFORMATION:

##### Preliminary Determination

We preliminarily determine that tetrahydrofurfuryl alcohol ("THFA") from the People's Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Tariff Act of 1930, as amended ("the Act"). The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

##### Case History

On June 23, 2003, the Department of Commerce ("Department") received a petition on THFA from the PRC filed in proper form by Penn Specialty Chemicals, Inc. ("petitioner"). See *Petition for the Imposition of Antidumping Duties: Tetrahydrofurfuryl Alcohol from the PRC*, dated June 23, 2003 ("Petition"). This investigation was initiated on July 18, 2003. See *Notice of Initiation of Antidumping Duty Investigation: Tetrahydrofurfuryl Alcohol from the People's Republic of China*, 68 FR 42686 (July 18, 2003) ("Notice of Initiation"). The Department initiated the investigation using a non-market economy analysis. For a further discussion of the PRC's market analysis, please see the "Non-Market Economy Country Status" section below. For a detailed discussion of the comments regarding the scope of the merchandise under investigation, please see the "Scope of the Investigation" section below.

On August 11, 2003, the United States International Trade Commission ("ITC") issued its affirmative preliminary determination that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from the PRC of THFA. See *Tetrahydrofurfuryl Alcohol from China*, 68 FR 48938 (August 15, 2003).

On July 23, 2003, the Department requested quantity and value ("Q&V") information from four PRC companies that were identified in the *Petition* and for which the Department was able to locate contact information.<sup>1</sup> On August

5, 2003, the Embassy of the United States, Beijing, submitted to the Department an additional list ("embassy list") of potential producers/exporters of THFA in the PRC.<sup>2</sup> Included in the embassy list were two companies that matched with two producers/exporters submitted in the petitioner's list.<sup>3</sup> After comparing the two lists, the Department concluded that seven companies in the PRC potentially exported, manufactured, or had the capability to manufacture THFA.<sup>4</sup> Shortly thereafter, using proprietary U.S. Bureau of Customs and Border Protection ("CBP") data, the Department identified an additional potential exporter, Qingdao Wenkem (F.T.Z.) Trading Co., Ltd. ("QWTC"), of subject merchandise during the period of investigation ("POI"). Therefore, in total, the Department identified eight potential producers/exporters of subject merchandise during the POI.<sup>5</sup>

On August 12, 2003, the Department requested Q&V information from the three PRC companies which were submitted as part of the embassy list, (i.e., Wenzhou Dongsheng Chemicals and Reagent Factory, Qingdao Tian'an Group Co., Ltd., Gaoping Chemicals Co., Ltd., and Taizhou Qianquan Medical and Chemicals Co., Ltd.), and to QWTC. On August 13, 2003, the Department also sent the Ministry of Commerce in the PRC and the Embassy of the PRC in Washington a letter requesting assistance in locating all known PRC producers/exporters of THFA who exported the subject merchandise to the United States during POI and the quantity and value information for all exports to the United States of the merchandise under investigation during the POI. In response, the Department received two submissions, one from

Corp., Taizhou Qianquan Medical and Chemicals Co., Ltd., and Zhucheng Huaxiang Chemical Company.

<sup>2</sup> Companies included: Wenzhou Dongsheng Chemicals and Reagent Factory, Qingdao Tian'an Group Co., Ltd., and Gaoping Chemicals Co., Ltd., Zhucheng Huaxiang Chemicals Co., Ltd. and Taizhou Qianquan Medical and Chemicals Co., Ltd.

<sup>3</sup> Two matching companies: Zhucheng Huaxiang Chemicals Co., Ltd. and Taizhou Qianquan Medical and Chemicals Co., Ltd.

<sup>4</sup> Wenzhou Dongsheng Chemicals and Reagent Factory, Qingdao Tian'an Group Co., Ltd., Gaoping Chemicals Co., Ltd., Zhucheng Huaxiang Chemicals Co., Ltd., Taizhou Qianquan Medical and Chemicals Co., Ltd., Hunan Sun-Yuan Chemical Co., Ltd., and Shandong Baofeng Chemicals Group Corp.

<sup>5</sup> Wenzhou Dongsheng Chemicals and Reagent Factory, Qingdao Tian'an Group Co., Ltd., Gaoping Chemicals Co., Ltd., Zhucheng Huaxiang Chemicals Co., Ltd., Taizhou Qianquan Medical and Chemicals Co., Ltd., Hunan Sun-Yuan Chemical Co., Ltd., Shandong Baofeng Chemicals Group Corp., and Qingdao Wenkem (F.T.Z.) Trading Company Ltd.

<sup>1</sup> Companies include: Hunan Sun-Yuan Chemical Co., Ltd., Shandong Baofeng Chemicals Group