

any time before or after the meeting. However, to facilitate distribution of public presentation materials to PECSEA members, the PECSEA suggests that public presentation materials or comments be forwarded before the meeting to the address listed below: Ms. Lee Ann Carpenter, Advisory Committees—MS: 3876, Bureau of Export Administration, 15th St. & Pennsylvania Ave., NW, U.S. Department of Commerce, Washington, DC 20230.

A Notice of Determination to close meetings, or portions of meetings, of the PECSEA to the public on the basis of 5 U.S.C. 522(c)(1) was approved October 25, 1999, in accordance with the Federal Advisory Committee Act. A copy of the Notice of Determination is available for public inspection and copying in the Central Reference and Records Inspection Facility, Room 6020, U.S. Department of Commerce, Washington, DC. For further information, contact Ms. Lee Ann Carpenter on (202) 482-2583.

Dated: January 5, 2000.

**Iain S. Baird,**

*Deputy Assistant Secretary for Export Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-858]

#### Initiation of Antidumping Investigation: Citric Acid and Sodium Citrate From the People's Republic of China

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

**EFFECTIVE DATE:** January 11, 2000.

**FOR FURTHER INFORMATION CONTACT:** Sunkyu Kim, AD/CVD Enforcement Group I, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2613.

#### Initiation of Investigation

##### *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 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce's (the

Department's) regulations are to 19 CFR Part 351 (April 1999).

##### *The Petition*

On December 15, 1999, the Department received a petition filed in proper form by Archer Daniels Midland Company, Cargill, Incorporated, and Tate & Lyle Citric Acid, Inc. (collectively, the petitioners). On December 20, 1999, the Department requested further information on industry support from the petitioners. The Department received supplemental information in response to that request on December 27, 1999.

In accordance with section 732(b) of the Act, the petitioners allege that imports of citric acid and sodium citrate from the People's Republic of China (PRC) are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports pose a serious and imminent threat of material injury to an industry in the United States.

The Department finds that the petitioners filed the petition on behalf of the domestic industry because they are interested parties as defined in sections 771(9) (C) and (D) of the Act and have demonstrated sufficient industry support. See "Determination of Industry Support for the Petition" section, below.

##### *Scope of Investigation*

The scope of the investigation includes all grades and granulation sizes of citric acid and sodium citrate in any type of packaging and in either dry form or in any solution, including, but not limited to, solutions of water, alcohol and ether. The scope of the investigation includes the hydrous and anhydrous forms of citric acid and the dihydrate and anhydrous forms of sodium citrate, otherwise known as citric acid sodium salt. Sodium citrate includes both trisodium citrate and monosodium citrate which are also known as citric acid trisodium salt and citric acid monosodium salt, respectively.

Citric acid and sodium citrate are classifiable under 2918.14.0000 and 2918.15.1000 of the Harmonized Tariff Schedule of the United States (HTSUS), respectively. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

During our review of the petition, we discussed the definition of the scope of the investigation with the petitioners to ensure that the definition accurately reflects the products for which they are seeking relief. As we discussed in the preamble to the Department's

regulations, we are setting aside a period for parties to raise issues regarding product coverage. See Antidumping Duties; Countervailing Duties: Final Rule, 62 FR 27296, 27323 (May 19, 1997). The Department encourages all parties to submit such comments by January 25, 2000. Comments should be addressed to Import Administration's Central Records Unit at Room 1870, U.S. Department of Commerce, Pennsylvania Avenue and 14th Street, NW, Washington, DC 20230. This scope consultation period is intended to provide the Department with ample opportunity to consider all comments and consult with parties prior to the issuance of the preliminary determination.

##### *Determination of Industry Support for the Petition*

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (1) At least 25 percent of the total production of the domestic like product; and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition.

Section 771(4)(A) of the Act defines the term "industry" as the producers of a domestic like product. Thus, to determine whether the petition has the requisite industry support, the statute directs the Department to look to producers and workers who account for production of the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether the domestic industry has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory provision regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the domestic like product, such differences do not render the decision of either agency contrary to the law.<sup>1</sup> Section 771(10) of the Act defines

<sup>1</sup> See *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988); *High Information Content Flat Panel Displays and Display Glass*

domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation," i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition. In this case, the petitioners claim that all citric acid and sodium citrate constitute one class or kind of merchandise.

Based on our analysis of the information and arguments presented to the Department, we have determined that, for purposes of initiation of this investigation, there is a single domestic like product which is defined in the "Scope of Investigation" section, above.

Moreover, the Department has determined that the petition and supplemental information contain adequate evidence of sufficient industry support. See January 4, 2000, Initiation Checklist (public version on file in the Central Records Unit of the Department of Commerce, Room B-099). The petitioners demonstrated that they account for all of the domestic production of citric acid; however they did not provide data on the total domestic production of sodium citrate. The Department is aware that U.S. companies other than the petitioners purchase citric acid and convert it into sodium citrate. If we conservatively estimate the maximum quantity of sodium citrate produced by non-petitioning U.S. companies, from imported citric acid and domestically-produced citric acid, the petitioners still account for more than 50 percent of the U.S. production of citric acid and sodium citrate. Therefore, the producers who support the petition account for more than 50 percent of the production of the domestic like product. See January 4, 2000, Initiation Checklist (public version on file in the Central Records Unit of the Department of Commerce, Room B-099).

We received a letter in opposition to the petition from Proctor & Gamble, Inc., which is both a domestic producer of the subject merchandise, as well as an importer of subject merchandise from the PRC. Because Proctor & Gamble, Inc. is an importer of the subject merchandise from the PRC, the Department may disregard Proctor & Gamble, Inc.'s position, in accordance with section 732(c)(4)(B)(ii) of the Act. The Department has disregarded Proctor

& Gamble, Inc.'s opposition because, according to Proctor & Gamble, Inc., they are a major purchaser and user of domestic and imported citric acid and sodium citrate. However, even if the Department had considered Proctor & Gamble, Inc.'s opposition to the petition, the petitioners, as discussed above, have demonstrated that they account for more than 50 percent of the total production of the domestic like product. Accordingly, the Department determines that this petition is filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

#### *Export Price and Normal Value*

The following describes the allegations of sales at less than fair value upon which our decision to initiate this investigation is based. Should the need arise to use any of this information in our preliminary or final determinations for purposes of facts available under section 776 of the Act, we may re-examine the information and revise the margin calculations, if appropriate.

The petitioners identified 102 known or potential PRC producers of subject merchandise. The petitioners based export price (EP) on brokers' offers for the sale of PRC-origin anhydrous citric acid and sodium citrate in solution to U.S. purchasers. For citric acid, the petitioners made deductions from the starting price for a U.S. distributor mark-up, U.S. and home market freight expenses, international movement expenses, U.S. customs, processing and harbor fees, and a solution expense. For sodium citrate, the petitioners made the same deductions as for citric acid but did not make a deduction for solution expense. We adjusted the petitioners' calculation of EP for sodium citrate to include a deduction for solution expense because the starting price quoted was for sodium citrate in solution.

Because the PRC is considered a nonmarket economy (NME) country under section 771(18) of the Act, the petitioners based normal value (NV) on the factors of production valued in a surrogate country, in accordance with section 773(c) of the Act. For purposes of the petition, the petitioners selected India as the most appropriate surrogate market economy. The petitioners developed information on the representative factors of production for citric acid in the PRC from their knowledge of citric acid production in the PRC. For sodium citrate, the petitioners based the factors of production on their experience in manufacturing the product because the information available to them did not

include the factors for sodium citrate production in the PRC.

The petitioners valued raw material inputs based on publicly available price data in India. The petitioners identified the major material input in the production of citric acid and sodium citrate as starch. The petitioners valued starch using the average Indian import value for a type of starch which most closely corresponds to the particular type of starch used by the Chinese producer, as published in *Chemical Weekly* on November 9, 1999. The petitioners also identified additional material inputs used in the production of citric acid and sodium citrate. The additional material inputs were valued using both *Chemical Weekly* and United Nations Trade Statistics publications. Where appropriate, the petitioners adjusted the values reported in *Chemical Weekly* to exclude sales and excise taxes. For starch and other raw materials, the petitioners increased the unit value to include estimated transportation costs. However, because the petitioners did not provide an appropriate surrogate value for costs associated with transporting inputs in the PRC, we adjusted the petitioners' normal value calculation by excluding freight costs associated with transporting raw material inputs.

To value energy inputs, the petitioners used publicly available prices in India, with the exception of one input. For this particular input, the petitioners relied on a U.S. producer's experience. However, because the petitioners did not provide an appropriate surrogate value for the cost of this input in the PRC, we adjusted the petitioners' normal value calculation by excluding this input's cost from the calculation.

For labor and packing materials, the petitioners estimated the consumption amounts based on their own experiences. The petitioners valued labor based on a regression-based wage rate, in accordance with 19 CFR 351.408 (c)(3). For packing materials, the petitioners used 1996-1997 Indian import values from the *Monthly Statistics of Foreign Trade of India*.

Where appropriate, the petitioners adjusted the factor values for inflation using either the Indian wholesale price index (WPI) or the U.S. WPI for the period April through June 1999, as published in the International Monetary Fund's *International Financial Statistics* (IFS Data). Additionally, the petitioners converted factors based on Indian rupees to U.S. dollars using an average Indian rupee to U.S. dollar exchange rate from the monthly average rates as

*Therefor from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition*, 56 FR 32376, 32380-81 (July 16, 1991).

reported in the IFS Data for the period April through August 1999.

Finally, for factory overhead, selling, general, and administrative expenses (SG&A), and profit, the petitioners used publicly available financial statements of Indian metal and chemical producers as published by the Reserve Bank of India in 1997.

Based on comparisons of EP to NV, as adjusted by the Department, the petitioners estimate dumping margins ranging from 211.58 to 307.79 percent.

#### *Fair Value Comparisons*

Based on the data provided by the petitioners, there is reason to believe that imports of citric acid and sodium citrate from the PRC are being, or are likely to be, sold at less than fair value.

#### *Allegations and Evidence of Material Injury and Causation*

The petitioners allege that the U.S. industry producing the domestic like product is threatened with material injury by reason of imports of the subject merchandise sold at less than NV. The allegations of threat of injury and causation are supported by relevant evidence including business proprietary data from the petitioners and U.S. Customs import data. The Department assessed the allegations and supporting evidence regarding the threat of material injury and causation and determined that these allegations are sufficiently supported by accurate and adequate evidence and meet the statutory requirements for initiation. *See* Initiation Checklist (public version on file in the Central Records Unit of the Department of Commerce, Room B-099).

#### *Initiation of Antidumping Investigation*

We have examined the petition on citric acid and sodium citrate from the PRC and have found that it meets the requirements of section 732 of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether imports of citric acid and sodium citrate from the PRC are being, or are likely to be, sold in the United States at less than fair value. Unless postponed, we will make our preliminary determination for the antidumping duty investigation by May 23, 2000.

#### *Distribution of Copies of the Petitions*

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of the petition has been provided to the representatives of the government of the PRC. We will attempt to provide a copy of the public version

of the petition to each exporter named in the petition (as appropriate).

#### *International Trade Commission Notification*

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

#### *Preliminary Determination by the ITC*

The ITC will determine by January 31, 2000, whether there is a reasonable indication that imports of citric acid and sodium citrate from the PRC are threatening to cause material injury to a U.S. industry. A negative ITC determination will result in the investigation being terminated; otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is published in accordance with section 777(i)(1) of the Act.

Dated: January 4, 2000.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 00-638 Filed 1-10-00; 8:45 am]

**BILLING CODE 3510-DS-P**

## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

**[A-570-820]**

#### **Certain Compact Ductile Iron Waterworks Fittings and Glands From the People's Republic of China: Final Results of Antidumping Duty Administrative Review**

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

**ACTION:** Notice of final results of first antidumping duty administrative review.

**SUMMARY:** On October 14, 1999, the Department of Commerce ("the Department") published the preliminary results of the administrative review of the antidumping duty order on Certain Compact Ductile Iron Waterworks Fittings and Glands ("CDIW") from the People's Republic of China (64 FR 55697). The review covers shipments to the United States by one exporter of the subject merchandise, Beijing Metals and Minerals Import and Export Corporation, ("BMMIEC"), during the period September 1, 1997, through August 31, 1998.

We gave interested parties an opportunity to comment on our preliminary results and received no comments. The final results remain

unchanged from the preliminary results. The final weighted-average dumping margin for the reviewed firm is listed below in the section entitled "Final Results of Review."

**EFFECTIVE DATE:** January 11, 2000.

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

Lyman Armstrong or Paige Rivas, AD/CVD Enforcement Group II, Office IV, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3601 or (202) 482-0651 respectively.

#### **Applicable Statute and Regulations**

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR part 351 (1999).

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On October 14, 1999, the Department published the preliminary results of the administrative review of the antidumping duty order on Certain Compact Ductile Iron Waterworks Fittings and Glands ("CDIW") from the People's Republic of China (64 FR 55697). We invited interested parties to comment and received no comments. The Department has now completed this review in accordance with section 751 of the Act and section 351.213 of its regulations.

##### **Scope of Review**

The products subject to this antidumping duty order are: (1) Certain compact ductile iron waterworks (CDIW) fittings of 3 to 16 inches nominal diameter regardless of shape, including bends, tees, crosses, wyes, reducers, adapters, and other shapes, whether or not cement line, and whether or not covered with bitumen or similar substance, conforming to American Water Works Association/American National Standards Institute (AWWA/ANSI) specification C153/A21.53, and rated for water working pressure of 350 PSI; and (2) certain CDIW standard ductile iron glands for fittings in sizes 3 to 16 inches, conforming to AWWA/ANSI specification C111/A21.11 and rated for water working pressure of 350 PSI. All accessory packs (including accessory packs containing glands), are excluded from the scope of this order.