

The Department received the Notice of Intent to Participate from NACCO Materials Handling Group, Inc. (NMHG), a domestic interested party, within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations (Sunset Regulations). NMHG claimed interested party status under section 771(9)(C) of the Act, as a manufacturer of the domestic like product in the United States.

We received complete substantive responses from NMHG within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no responses from the respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited (120-day) sunset review of this order.

Scope of the Order

The products covered by this order are certain internal-combustion, industrial forklift trucks, with lifting capacity of 2,000 to 15,000 lbs. Imports of these products were classified under item numbers 692.4025, 692.4030, and 692.4070 of the Tariff Schedules of the United States Annotated (TSUSA) and are currently classifiable under Harmonized System (HTSUS) item numbers 8427.20.00, 8427.90.00, and 8431.20.00. Although the HTSUS item numbers are provided for convenience and customs purposes, the written description remains dispositive.

The products covered by this order are further described as follows: Assembled, not assembled, and less than complete, finished and not finished, operator-riding forklift trucks powered by gasoline, propane, or diesel fuel internal-combustion engines of off-the-highway types used in factories, warehouses, or transportation terminals for short-distance transport, towing, or handling of articles. Less than complete forklift trucks are defined as imports which include a frame by itself or a frame assembled with one or more component parts. Component parts of the subject forklift trucks which are not assembled with a frame are not covered by this order.

Products not covered by this order are genuinely used forklifts. For the purposes of this antidumping duty order, we consider any forklift to be used if, at the time of entry into the United States, the importer can demonstrate to the satisfaction of the U.S. Customs and Border Protection (CBP) that the forklift was manufactured in a calendar year at least three years prior to the year of entry into the United States. The importer must show documentation from industrial

publications that reconcile the serial number and year of manufacture of the forklift. If the calendar year of manufacture is at least three years prior to its year of entry into the United States, it will not be subject to the suspension of liquidation or any assessment of antidumping duties. For example, if a forklift is entered or withdrawn from warehouse, for consumption in June 1988 and if the importer demonstrates through industrial publications that the forklift was manufactured in or before calendar year 1985, that forklift will not be covered by this order.

Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Internal-Combustion Forklift Trucks from Japan Final Results (Decision Memo) from Barbara E. Tillman, Acting Deputy Assistant Secretary for Import Administration, to Holly A. Kuga, Acting Assistant Secretary for Import Administration, dated September 27, 2005, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the order were to be revoked. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in room B-099 of the main Commerce building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/fjn>. The paper copy and electronic version of the Decision Memo are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty order on internal-combustion forklift trucks from Japan would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted Average Margin (percent)
Toyota Motor Corp	47.79
Nissan Motor Co., Ltd	51.33
Komatsu Forklift Co., Ltd	47.50
Sumitomo-Yale Co., Ltd	51.33
Toyo Umpanki Co., Ltd	51.33
Sanki Industrial Co., Ltd	13.65
Kasagi Forklift, Inc	56.81
All Others	39.45

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: September 27, 2005.

Holly A. Kuga,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-843, A-560-818 and A-570-901]

Initiation of Antidumping Duty Investigations: Certain Lined Paper Products From India, Indonesia, and the People's Republic of China

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

DATES: Effective October 6, 2005.

FOR FURTHER INFORMATION CONTACT: Christopher Hargett (India), Brandon Farlander (Indonesia), or Charles Riggle (People's Republic of China), AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4161, (202) 482-0182 and (202) 482-0650, respectively.

Initiation of Investigations

The Petitions

On September 9, 2005, the Department of Commerce ("the Department") received Petitions ("the Petitions") concerning imports of certain lined paper products ("CLPP") from India, Indonesia, and the People's Republic of China ("PRC") filed in proper form by the Association of American School Paper Suppliers and its individual members (MeadWestvaco Corporation; Norcom, Inc.; and Top Flight, Inc.) ("Petitioner") on behalf of the domestic industry and workers

producing CLPP. On September 21, 2005, the Department issued a memo clarifying that the official filing date of the Petitions was September 9, 2005. See *Memorandum from the Team to Acting Deputy Assistant Secretary Barbara Tillman: Decision Memorandum Concerning Filing Date of Petitions*, September 21, 2005. The period of investigation ("POI") for India and Indonesia is July 1, 2004, through June 30, 2005. The POI for the PRC is January 1, 2005, through June 30, 2005.

In accordance with section 732(b) of the Tariff Act of 1930, as amended ("the Act"), Petitioner alleged that imports of CLPP from India, Indonesia and the 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 are materially injuring and threaten to injure an industry in the United States.

Scope of Investigations

See *Scope Appendix*.

Comments on Scope of Investigations

During our review of the Petitions, we discussed the scope with Petitioner to ensure that it accurately reflects the product for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department's regulations, we are setting aside a period for interested 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 interested parties to submit such comments within 20 calendar days of publication of this initiation notice. Comments should be addressed to Import Administration's Central Records Unit in Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230—Attention: James Terpstra. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and consult with interested parties prior to the issuance of the preliminary determinations.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed by or on behalf of the domestic industry. In order to determine whether a petition has been filed by or on behalf of the industry, the Department, pursuant to section 732(c)(4)(A) of the Act, determines whether a minimum percentage of the relevant industry supports the petition. A petition meets this requirement if the domestic producers or workers who

support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) 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. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A), or (ii) determine industry support using a statistically valid sampling method.

Section 771(4)(A) of the Act defines the "industry" as the producers of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce 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 definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a 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 like product, such differences do not render the decision of either agency contrary to law. See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001), citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

Section 771(10) of the Act defines the 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).

With regard to the domestic like product, Petitioner does not offer a definition of domestic like product distinct from the scope of the investigation. See *Indonesia Initiation*

Checklist, India Initiation Checklist, and PRC Initiation Checklist at Attachment II (Industry Support). Based on our analysis of the information submitted in the Petitions we have determined there is a single domestic like product, certain lined paper products, which is defined further in the Scope Appendix below, and we have analyzed industry support in terms of that domestic like product.

Our review of the data provided in the Petitions and other information readily available to the Department indicates that Petitioner has established industry support representing at least 25 percent of the total production of the domestic like product; and 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 Petitions, requiring no further action by the Department pursuant to section 732(c)(4)(D) of the Act. In addition, the Department received no opposition to the Petitions from domestic producers of the like product.¹ Therefore, the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product, and the requirements of section 732(c)(4)(A)(i) of the Act are met. Furthermore, the domestic producers who support the Petitions account for 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 Petitions. Thus, the requirements of section 732(c)(4)(A)(ii) of the Act also are met. Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. See *Indonesia Initiation Checklist, India Initiation Checklist, and PRC Initiation Checklist* at Attachment II (Industry Support).

The Department finds that Petitioner filed the Petitions on behalf of the domestic industry because it is an interested party as defined in section 771(9)(E) and (F) of the Act and it has demonstrated sufficient industry support with respect to the antidumping investigations that it is requesting the Department initiate. See *Indonesia Initiation Checklist, India Initiation Checklist, and PRC Initiation Checklist* at Attachment II (Industry Support).

U.S. Price and Normal Value

The following is a description of the allegation of sales at less than fair value

¹ The Department did receive a challenge to industry support in the PRC case. See *Indonesia Initiation Checklist, India Initiation Checklist, and PRC Initiation Checklist* at Attachment II (Industry Support).

upon which the Department based its decision to initiate these investigations on India, Indonesia, and the PRC. The sources of data for the deductions and adjustments relating to the U.S. price, home-market price (India and Indonesia), constructed value (India and Indonesia), and the factors of production (PRC only) are also discussed in the country-specific *Initiation Checklist*. See *Indonesia Initiation Checklist*, *India Initiation Checklist*, and *PRC Initiation Checklist*. Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we will reexamine the information and may revise the margin calculations, if appropriate.

India

Export Price ("EP")

Petitioner based U.S. price on transaction information from the Port Import-Export Reporting Service ("PIERS") data intelligence service for two Indian producers/exporters of CLPP. Petitioner based U.S. price on export price because it stated that Indian producers/exporters typically sell either directly to a distributor or retailer in the United States or through an unaffiliated trading company to unrelated distributors or retailers in the United States. In addition, the quoted sales offers are made to the unrelated customers for purchase prior to importation. See *Petition Volume II* at pages 2–4. Petitioner calculated EP based on the sale of notebooks manufactured in India by Kejriwal Paper Ltd. ("Kejriwal") and the sale of filler paper manufactured in India by Navneet Publications (India) Ltd. ("Navneet"), both free on board ("FOB") foreign port. In terms of movement charges, Petitioner deducted from U.S. price the domestic freight from the producers' factories to the ports of exportation, insurance fees, port charges, brokerage and handling fees associated with the transfer of goods to an ocean-going vessel, and document preparation fees. *Id.* at page 5 and Exhibit II–11. To be conservative, Petitioner stated that it made no downward adjustment for trading company commissions. *Id.* at page 3.

Normal Value ("NV")

To calculate NV, Petitioner provided a price quote for one size of packaged and lined filler paper, obtained through foreign market research regarding products manufactured by Navneet and offered for sale in the Indian market. See *Petition Volume II* at pages 10–11. This

sale price was offered by Navneet without the involvement of a distributor or agent. Petitioner has not based normal value upon the ex-factory normal value for Kejriwal because the foreign market researcher found that Kejriwal is not involved in the sale of merchandise domestically. Petitioner stated that Kejriwal has dedicated its current production to producing and selling only to the United States market. See *id.*

Price-to-Constructed Value ("CV") Comparisons

Petitioner has provided information demonstrating reasonable grounds to believe or suspect that sales of CLPP in the home market were made at prices below the fully absorbed cost of production ("COP"), within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation. Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing ("COM"); selling, general, and administrative expenses ("SG&A"); financial expenses; and packing expenses. Petitioner calculated COM based on their own production experience, adjusted for known differences between costs incurred to produce CLPP in the United States and in India. Petitioner calculated the COM as the sum of raw materials, direct labor, and manufacturing overhead inclusive of energy and depreciation expenses. However, Petitioner calculated the manufacturing overhead ratio by dividing the manufacturing overhead amount inclusive of depreciation expense by the sum of raw materials, direct labor, and energy. Petitioner then applied this ratio to the sum of raw materials and direct labor to calculate the COM. Thus, Petitioner included energy in the denominator of the calculated overhead rate, which is not arithmetically consistent with the raw materials and direct labor to which it was applied. To correct this error, we recalculated the manufacturing overhead ratio by dividing the manufacturing overhead amount inclusive of energy and depreciation expenses by the sum of raw materials and direct labor, and applied this ratio to the sum of direct materials and direct labor to calculate the COM. As a result of changes to overhead and SG&A, the profit ratio also changed.

To calculate SG&A and financial expenses, Petitioner relied upon amounts reported in Navneet's 2004 fiscal year financial statements, an Indian CLPP producer. In calculating the COP, Petitioner erroneously included certain items (e.g., rebates,

discounts, transportation expenses etc.) in the SG&A expenses. Therefore, to avoid double counting, we revised the SG&A, inclusive of interest expense ratios, and recalculated the COP. See *India Initiation Checklist*. Based upon a comparison of the prices of the foreign like product in the home market to the recalculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, Petitioner also based NV for sales in India on CV. Petitioner calculated CV using the same COM, SG&A, and financial expense figures used to compute the Indian home market costs. Consistent with 773(e)(2) of the Act, Petitioner included in CV an amount for profit. See *India Initiation Checklist*.

Indonesia

Export Price

Petitioner based U.S. price on EP, which was based on a sales quote. Petitioner also claims that Indonesian producers typically sell subject merchandise directly to a distributor or retailer in the United States or through an unaffiliated trading company to unrelated distributors or retailers in the United States. Petitioner also asserts that the sales quote it obtained is to unrelated customers for purchase prior to importation. See *Petition Volume III* at page 2. Petitioner claims that it was informed of this price through a common process of auction-style bidding between U.S. producers and Indonesian producers and/or exporters, as well as through monitoring of import manifests as collected through the PIERS service. See *Petition Volume III* at page 3. To be conservative, Petitioner stated that it made no downward adjustment for trading company commissions.

Petitioner calculated an export price based upon transaction information concerning sales of CLPP produced in Indonesia. Because Petitioner believes that PT. Pabrik Kertas Tjiwi Kimia Tbk. ("Tjiwi Kimia") was the primary manufacturer/exporter of CLPP to the United States during the POI, Petitioner calculated EP based upon sales of a specific type of filler paper sold by Tjiwi Kimia. See *Petition Volume III* at pages 3–4.

Petitioner states that it was unable to obtain sales terms, but based upon its own experience, knows that CLPP is

quoted by Indonesian producers and exporters on a FOB export port basis. Petitioner notes that CLPP is also sold on a per unit basis. From the quoted transaction price, Petitioner deducted domestic freight from the producer's factory to the port of exportation, port charges, and brokerage and handling fees associated with the transfer of goods to an ocean-going vessel along with documentation fees. See Petition Volume III at pages 4–5. Although Petitioner also stated that it was deducting inland freight insurance, we see no evidence of this deduction in the Petition. In its September 22, 2005, submission, Petitioner provided a revised price quote, resulting in an adjusted EP. See the September 22, 2005, Supplemental Response at III–Suppl–1 and III–Suppl–9. See *Indonesia Initiation Checklist*.

Normal Value

Petitioner calculated NV based upon information on sales or offers of sales in Indonesia of CLPP that are identical or similar to the imported product. See Petition at Exhibit III–3. Petitioner used quoted transaction prices of CLPP produced by Tjiwi Kimia and sold or offered for sale to customers in Indonesia. Petitioner notes that there are differences in the physical characteristics between the product sold in the United States and the product sold by Tjiwi Kimia in Indonesia. Petitioner states that these differences relate to paper size. Petitioner has accounted for these differences in sizes through a difference in merchandise adjustment. See Petition Volume III at page 10 and at Exhibit III–21. All of the quoted prices for Indonesian home market sales are on a per unit basis. We have revised Petitioner's calculation of the exchange rate to be a simple average of daily exchange rates during the POI in accordance with our standard practice.

Petitioner states that it does not have the information concerning delivery terms in the home market, but has assumed delivery to customers in Jakarta. Petitioner states that it deducted from this price inland freight charges from the Indonesian mill to their home market customers, and a distributor mark-up. In its submission, Petitioner notes that it was not able to obtain actual inland freight expenses incurred by Tjiwi Kimia in shipping to its home market customers, or by what method the subject merchandise was shipped. Therefore, Petitioner has used the average of the truck and rail freight rates as reported by the Department in its investigation of *Carbon and Certain Alloy Steel Wire Rod From Ukraine*. See

Petition Volume III at page 10–11, and at Exhibit III–5, and 21. Petitioner states that, because neither Tjiwi Kimia, the Asia Pulp and Paper Group, nor their wholesalers, provided a price quote for sales in the home market when contacted, Petitioner instead contacted a distributor. Therefore, Petitioner has deducted a ten percent mark-up to reflect the “likely mark-up that a customer would likely incur in prices from a distributor.” See Petition Volume III at page 12, and at Exhibit III–13. Petitioner notes that NV was calculated in the manner above to be conservative. See *Indonesia Initiation Checklist*.

Cost of Production

Petitioner has provided information demonstrating reasonable grounds to believe or suspect that sales of CLPP in the home market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation. Pursuant to section 773(b)(3) of the Act, COP consists of COM; SG&A; financial expenses; and packing expenses. Petitioner calculated COM based on the production experience of a large U.S. CLPP producer, adjusted for known differences between costs incurred to produce CLPP in the United States and in Indonesia.

Petitioner computed factory overhead costs (which are composed primarily of depreciation expenses) based on Tjiwi Kimia's parent company's 1999 consolidated financial statements. However, the parent company appears to be an integrated paper producer (*i.e.*, manufactures the blank paper in rolls as well as the final CLPP product) and, as a result, appears to maintain a substantial amount of fixed assets for the production of blank paper in rolls. In Petitioner's calculation of COP, the factory overhead ratio (*i.e.*, overhead expenses over the cost of goods sold) was applied to Tjiwi Kimia's total cost of manufacturing, which included the cost of blank paper in rolls, to obtain factory overhead costs. In order to avoid double-counting any factory overhead costs incurred by the paper producer in the paper production process that are included in the price of blank paper, we revised Petitioner's calculation of factory overhead costs by excluding factory overhead from the blank paper costs before applying the factory overhead ratio to COM.

To calculate SG&A and financial expenses, Petitioner relied upon amounts reported in the 1999 consolidated financial statements of

Tjiwi Kimia's parent company, Asia Pulp & Paper Co. Ltd.

Based upon a comparison of the prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation. See *Indonesia Initiation Checklist*.

Normal Value based on Constructed Value

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, Petitioner also based NV on CV. We calculated CV using the same COM, SG&A, and financial expense figures used to compute the COP. Petitioner did not include an amount for profit in the calculation of CV, as permitted by 773(e)(2) of the Act, because the most recent data available (*i.e.*, the parent company's 1999 consolidated financial statements) reflected a net loss. Therefore, Petitioner did not adjust CV to account for profit. Should the need arise to use the profit rate provided by Petitioner as facts available under section 776 of the Act in our preliminary or final determination, we will re-examine the information and may, if appropriate, revise the CV calculations. See *Indonesia Initiation Checklist*.

PRC

Export Price

Petitioner based its U.S. prices on information regarding Chinese quoted offer prices as relayed by a U.S. customer. Petitioner based U.S. price on export price because it stated that Indian producers/exporters typically sell either directly to a distributor or retailer in the United States or through an unaffiliated trading company to unrelated purchasers in the United States. The Department deducted from these prices the costs associated with exporting the product, including foreign port expense, inland insurance, and brokerage and handling. See *PRC Initiation Checklist*.

Normal Value

Petitioner stated that the PRC is a non-market economy (“NME”) and no determination to the contrary has yet been made by the Department. In previous investigations, the Department has determined that the PRC is an NME. See *Notice of Final Determination of Sales at Less Than Fair Value: Magnesium Metal from the People's*

Republic of China, 70 FR 9037 (February 24, 2005), *Notice of Final Determination of Sales at Less Than Fair Value: Certain Tissue Paper Products from the People's Republic of China*, 70 FR 7475 (February 14, 2005), and *Notice of Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the People's Republic of China*, 69 FR 70997 (December 8, 2004). In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production valued in a surrogate market-economy country in accordance with section 773(c) of the Act. In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters. Petitioner selected India as the surrogate country arguing that, pursuant to section 773(c)(4) of the Act, India is an appropriate surrogate because it is a market-economy country that is at a comparable level of economic development to the PRC and is a significant producer and exporter of CLPP. See Petition Volume IV at pages 10–12. Based on the information provided by Petitioner, we believe that its use of India as a surrogate country is appropriate for purposes of initiating this investigation. After the initiation of the investigation, we will solicit comments regarding surrogate country selection. Also, pursuant to 19 CFR 351.301(c)(3)(i) of the Department's regulations, interested parties will be provided an opportunity to submit publicly available information to value factors of production within 40 days after the date of publication of the preliminary determination.

Petitioner explained that the production process for CLPP involves drawing out large rolls of paper (*i.e.*, "web paper"), printing lines with a press machine, cutting it to desired size, and perforating the paper as necessary. See Petition Volume IV at 13. Petitioner stated that manufacturing of CLPP is extremely similar regardless of location and therefore its use of the U.S. producer's product-specific production costs and/or consumption rates represents the best information reasonably available to Petitioner at this time. See Petition Volume IV at 13–14. In building up the factors of production,

Petitioner started with blank paper in rolls as the primary input in finished CLPP.

Petitioner provided a dumping margin calculation using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C). See Petition Volume IV at Exhibit IV–20; and September 22, 2005, First Supplement Exhibit IV–Supp–9; September 23, 2005, at Exhibit IV–Supp–2–6; and September 27, 2005, at Exhibit IV–Supp–3–10. To determine the quantities of inputs used by the PRC producers to produce 150-count filler paper and 70-count spiral-bound notebooks, Petitioner relied on the production experience and actual consumption rates of a U.S. CLPP producer for the period January 2005 through June 2005. For composition books, Petitioner relied on its understanding of the "step and repeat" manufacturing process to estimate usage rates for the period July 1, 2004, through June 30, 2005.

In accordance with section 773(c)(4) of the Act, Petitioner valued factors of production, where possible, on reasonably available, public surrogate country data. To value certain factors of production, Petitioner used *Monthly Statistics of the Foreign Trade of India*, as published by the Directorate General of Commercial Intelligence and Statistics of the Ministry of Commerce and Industry, Government of India. For more information see the *PRC Initiation Checklist*.

For inputs valued in Indian rupees and not contemporaneous with the POI, Petitioner used information from the wholesale price indices in India as published by the International Monetary Fund in the *International Financial Statistics* to determine the appropriate adjustments for inflation. In addition, Petitioner made currency conversions, where necessary, based on the average rupee/U.S. dollar exchange rate for the POI as reported on the Department's Web site. The Department recalculated Petitioner's exchange rate for the POI to be a simple daily average. See *PRC Initiation Checklist*.

The Department calculates and publishes the surrogate values for labor to be used in NME cases on its Web site. Therefore, to value labor, Petitioner used a labor rate of \$0.85 per hour, in accordance with the Department's regulations. See 19 CFR 351.408(c)(3) and the September 27, 2005, submission at page 8. Petitioner stated that electricity was recorded in overhead and did not include packing costs. See Petition at Exhibit IV–13.

Petitioner calculated surrogate financial ratios (overhead, SG&A, and profit) using information obtained from

the Navneet 2003–2004 Annual Report. See Petition Volume IV at page 19–21 and Exhibit IV–19. Navneet is an Indian producer of CLPP. In this case, the Department has accepted the financial information from the Navneet financial statements for the purposes of initiation, because these data appear to be the best information on such expenses currently available to Petitioner. However, the Department identified certain errors in Petitioner's calculations and has corrected these surrogate financial ratios as discussed below. Petitioner calculated the COM as the sum of raw materials, direct labor, and manufacturing overhead expenses inclusive of energy and depreciation expenses. However, Petitioner calculated the manufacturing overhead ratio by dividing the manufacturing overhead amount, as discussed above, by the sum of raw materials, direct labor, and energy. Petitioner then applied this ratio to the sum of raw materials and direct labor to calculate the COM. Thus, Petitioner erred in calculating the overhead amount included in the COM, by including energy in the denominator of the calculated overhead rate and then applying this rate to the sum of materials and direct labor. To correct this error, we recalculated the manufacturing overhead ratio by dividing the manufacturing overhead amount (inclusive of energy and depreciation expenses) by the sum of raw materials and direct labor, and applied this ratio to the sum of raw materials and direct labor to calculate the COM.

To calculate the SG&A ratio and financial expenses, Petitioner relied upon amounts reported in Navneet's 2004 fiscal year financial statements. In calculating the SG&A ratio (which includes the interest expense ratio), Petitioner erroneously included certain items such as rebates, discounts, transportation expenses, etc. These items are generally accounted for elsewhere in our calculations. Therefore, to avoid double counting, we revised the SG&A ratio to exclude these items. As a result of these changes in the overhead and SG&A ratios, the profit ratio also changed. See *PRC Initiation Checklist*.

The Department's practice in NME proceedings is to add to surrogate values based on import statistics a surrogate freight cost calculated using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in

Sigma Corp. v. United States, 117 F. 3d 1401, 1408 (Fed. Cir. 1997). Here, Petitioner was unable to obtain the actual supplier distances to the Chinese producer, and did not adjust its NV calculation to include a freight expense for the raw material inputs. See Petition Volume IV at pages 15–16 and Exhibit IV–15. Therefore, we did not include the freight-in expense from Navneet's financial statement in the buildup of materials costs for purposes of calculating the surrogate financial ratios.

Fair Value Comparisons

Based on the data provided by Petitioner, there is reason to believe that imports of CLPP from India, Indonesia and the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP (method derived from one price quote) to NV, calculated in accordance with section 773(a) of the Act, and of EP to CV, the range of the revised estimated dumping margins for CLPP from Indonesia is 77.06 percent to 118.63 percent. Based on comparisons of EP to NV, calculated in accordance with section 773(c) of the Act, the estimated revised weighted-average dumping margin for CLPP from the PRC is 258.21 percent. The estimated revised dumping margins for India based on a comparison of EP to recalculated CV ranged from 181.68 percent to 215.93 percent.

Allegations and Evidence of Material Injury and Causation

With regard to India, Indonesia and the PRC, Petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the individual and cumulated imports of the subject merchandise sold at less than NV. Petitioner contends that the industry's injured condition is illustrated by the decline in customer base, market share, domestic shipments, prices and profit. We have assessed the allegations and supporting evidence regarding material injury and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. See *Indonesia Initiation Checklist*, *India Initiation Checklist*, and *PRC Initiation Checklist* at Attachment III (Injury).

Separate Rates and Quantity and Value Questionnaire

The Department recently modified the process by which exporters and producers may obtain separate-rate status in NME investigations. See Policy Bulletin 05.1: Separate-Rates Practice

and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries, (April 5, 2005), available on the Department's Web site at <http://ia.ita.doc.gov/policy/bull05-1.pdf>. The process now requires the submission of a separate-rate status application. Based on our experience in processing the separate rates applications in the antidumping duty investigations of *Artists Canvas* and *Diamond Sawblades* (see *Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People's Republic of China*, 70 FR 21996, 21999 (April 28, 2005), and *Initiation of Antidumping Duty Investigations: Diamond Sawblades and Parts Thereof from the People's Republic of China and the Republic of Korea*, 70 FR 35623, 35629 (June 21, 2005)), we have modified the application for this investigation to make it more administrable and easier for applicants to complete. The specific requirements for submitting the separate-rates application in this investigation are outlined in detail in the application itself, which will be available on the Department's Web site at <http://ia.ita.doc.gov/> on the date of publication of this initiation notice in the **Federal Register**. Please refer to this application for all instructions.

Use of Combination Rates in an NME Investigation

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. The *Separate Rates and Combination Rates Bulletin*, states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.

Separate Rates and Combination Rates Bulletin, at page 6.

Initiation of Antidumping Investigations

Based upon our examination of the Petitions on CLPP, we find that these Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of CLPP are being, or are likely to be, sold in the United States at less than fair value. Unless postponed, we will make our preliminary determinations no later than 140 days after the date of these initiations.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act, copies of the public versions of the respective Petition has been provided to the Government of India, Government of Indonesia, and the Government of the PRC.

International Trade Commission Notification

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

Preliminary Determination by the ITC

The ITC will preliminarily determine, within 25 days after the date on which it receives notice of these initiations, whether there is a reasonable indication that imports of CLPP from India, Indonesia and the PRC are causing material injury, or threatening to cause material injury, to a U.S. industry. See section 733(a)(2) of the Act. A negative ITC determination will result in the investigations being terminated; 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: September 29, 2005.

Barbara E. Tillman,

Acting Assistant Secretary for Import Administration.

Scope Appendix

Scope of the Investigation

The scope of this investigation includes certain lined paper products, typically school supplies,² composed of or including paper that incorporates straight horizontal and/or vertical lines on ten or more paper sheets,³ including but not limited to such products as single- and multi-subject notebooks,

² For purposes of this scope definition, the actual use of or labeling these products as school supplies or non-school supplies is not a defining characteristic.

³ There shall be no minimum page requirement for looseleaf filler paper.

composition books, wireless notebooks, looseleaf or glued filler paper, graph paper, and laboratory notebooks, and with the smaller dimension of the paper measuring 6 inches to 15 inches (inclusive) and the larger dimension of the paper measuring 8³/₄ inches to 15 inches (inclusive). Page dimensions are measured size (not advertised, stated, or "tear-out" size), and are measured as they appear in the product (*i.e.*, stitched and folded pages in a notebook are measured by the size of the page as it appears in the notebook page, not the size of the unfolded paper). However, for measurement purposes, pages with tapered or rounded edges shall be measured at their longest and widest points. Subject lined paper products may be loose, packaged or bound using any binding method (other than case bound through the inclusion of binders board, a spine strip, and cover wrap). Subject merchandise may or may not contain any combination of a front cover, a rear cover, and/or backing of any composition, regardless of the inclusion of images or graphics on the cover, backing, or paper. Subject merchandise is within the scope of this petition whether or not the lined paper and/or cover are hole punched, drilled, perforated, and/or reinforced. Subject merchandise may contain accessory or informational items including but not limited to pockets, tabs, dividers, closure devices, index cards, stencils, protractors, writing implements, reference materials such as mathematical tables, or printed items such as sticker sheets or miniature calendars, if such items are physically incorporated, included with, or attached to the product, cover and/or backing thereto.

Specifically excluded from the scope of this petition are: unlined copy machine paper; writing pads with a backing (including but not limited to products commonly known as "tablets," "note pads," "legal pads," and "quadrille pads"), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply to such writing pads if they consist of hole-punched or drilled filler paper; three-ring or multiple-ring binders, or notebook organizers incorporating such a ring binder provided that they do not include subject paper; index cards; printed books and other books that are case bound through the inclusion of binders board, a spine strip, and cover wrap; newspapers; pictures and photographs; desk and wall calendars and organizers (including but not limited to such products generally

known as "office planners," "time books," and "appointment books"); telephone logs; address books; columnar pads & tablets, with or without covers, primarily suited for the recording of written numerical business data; lined business or office forms, including but not limited to: preprinted business forms, lined invoice pads and paper, mailing and address labels, manifests, and shipping log books; lined continuous computer paper; boxed or packaged writing stationery (including but not limited to products commonly known as "fine business paper," "parchment paper," and "letterhead"), whether or not containing a lined header or decorative lines; Stenographic pads ("steno pads"), Gregg ruled,⁴ measuring 6 inches by 9 inches;

Also excluded from the scope of these investigations are the following trademarked products: Fly* lined paper products: A notebook, notebook organizer, loose or glued note paper, with papers that are printed with infrared reflective inks and readable only by a Fly* pen-top computer. The product must bear the valid trademark Fly*.⁵ Zwipes*: A notebook or notebook organizer made with a blended polyolefin writing surface as the cover and pocket surfaces of the notebook, suitable for writing using a specially-developed permanent marker and erase system (known as a Zwipes* pen). This system allows the marker portion to mark the writing surface with a permanent ink. The eraser portion of the marker dispenses a solvent capable of solubilizing the permanent ink, allowing the ink to be removed. The product must bear the valid trademark Zwipes*.⁶ FiveStar*Advance*: A notebook or notebook organizer bound by a continuous spiral, or helical, wire and with plastic front and rear covers made of a blended polyolefin plastic material joined by 300 denier polyester, coated on the backside with PVC (poly vinyl chloride) coating, and extending the entire length of the spiral or helical wire. The polyolefin plastic covers are of specific thickness; front cover is .019 inches (within normal manufacturing tolerances) and rear cover is .028 inches (within normal manufacturing tolerances). Integral with the stitching that attaches the polyester spine

⁴ "Gregg ruling" consists of a single- or double-margin vertical ruling line down the center of the page. For a six-inch by nine-inch stenographic pad, the ruling would be located approximately three inches from the left of the book.

⁵ Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

⁶ Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

covering, is captured both ends of a 1" wide elastic fabric band. This band is located 2³/₈" from the top of the front plastic cover and provides pen or pencil storage. Both ends of the spiral wire are cut and then bent backwards to overlap with the previous coil but specifically outside the coil diameter but inside the polyester covering. During construction, the polyester covering is sewn to the front and rear covers face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. The flexible polyester material forms a covering over the spiral wire to protect it and provide a comfortable grip on the product. The product must bear the valid trademarks FiveStar*Advance*.⁷

FiveStar Flex*: A notebook, a notebook organizer, or binder with plastic polyolefin front and rear covers joined by 300 denier polyester spine cover extending the entire length of the spine and bound by a 3-ring plastic fixture. The polyolefin plastic covers are of a specific thickness; front cover is .019 inches (within normal manufacturing tolerances) and rear cover is .028 inches (within normal manufacturing tolerances). During construction, the polyester covering is sewn to the front cover face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. During construction, the polyester cover is sewn to the back cover with the outside of the polyester spine cover to the inside back cover. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. Each ring within the fixture is comprised of a flexible strap portion that snaps into a stationary post which forms a closed binding ring. The ring fixture is riveted with six metal rivets and sewn to the back plastic cover and is specifically positioned on the outside back cover. The product must bear the valid trademark FiveStar Flex*.⁸

Merchandise subject to this investigation is typically imported under headings 4820.10.2050, 4810.22.5044, 4811.90.9090 of the Harmonized Tariff Schedule of the United States (HTSUS).⁹ The tariff classifications are provided for

⁷ Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

⁸ Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

⁹ During the investigation additional HTS codes may be identified.

convenience and U.S. Customs and Border Protection purposes; however, the written description of the scope of the investigation is dispositive.

[FR Doc. E5-5515 Filed 10-5-05; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-427-818]

Low Enriched Uranium From France; Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review

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

EFFECTIVE DATE: October 6, 2005.

FOR FURTHER INFORMATION CONTACT:

Mark Hoadley or Myrna Lobo, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington DC 20230; telephone: (202) 482-3148 or (202) 482-2371.

Background

On March 23, 2005, the Department of Commerce ("the Department") published in the **Federal Register** the notice of initiation of the administrative review of the antidumping duty order on low enriched uranium from France, covering the period February 1, 2004, through January 31, 2005. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 70 FR 14643 (March 23, 2005).

Extension of Time Limits for Preliminary Results

Section 751(a)(3)(A) of the Tariff Act of 1930 ("the Act") requires the Department to issue the preliminary results of an administrative review within 245 days after the last day of the anniversary month of an antidumping duty order for which a review is requested and issue the final results within 120 days after the date on which the preliminary results are published. However, if the Department finds it is not practicable to complete the review within the time period, section 751(a)(3)(A) of the Act allows the Department to extend these deadlines to a maximum of 365 days and 180 days, respectively.

Due to the complex nature of the case and the need to issue supplemental

questionnaires, the Department finds that it is not practicable to complete the preliminary results in this administrative review of low enriched uranium from France by October 31, 2005. Therefore, the Department is extending the time limit for completion of the preliminary results until no later than February 28, 2006, in accordance with section 751(a)(3)(A) of the Act. The deadline for the final results of the administrative review continues to be 120 days after the publication of the preliminary results.

We are issuing and publishing this notice in accordance with sections 751(a)(3)(A) and 777(i)(1) of the Act.

Dated: September 29, 2005.

Barbara E. Tillman,

Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. 05-20162 Filed 10-5-05; 8:45 am]

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DEPARTMENT OF COMMERCE.

International Trade Administration

A-570-851

Notice of Extension of the Preliminary Results of the Administrative Antidumping Duty Review: Certain Preserved Mushrooms from the People's Republic of China

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

EFFECTIVE DATE: October 6, 2005.

FOR FURTHER INFORMATION CONTACT:

Irene Gorelik or Paul Walker, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-6905 and (202) 482-0413, respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 19, 1999, the Department published in the **Federal Register** an amended final determination and antidumping duty order on certain preserved mushrooms from the PRC. See *Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Preserved Mushrooms from the People's Republic of China*, 64 FR 8308 (February 19, 1999).

On February 1, 2005, the Department published a *Notice of Opportunity to Request Administrative Review of Antidumping or Countervailing Duty Order, Finding, or Suspended*

Investigation, 70 FR 5136. On February 28, 2005, the Petitioner requested, in accordance with section 751(a) of the Tariff Act of 1930 ("the Act") and 19 CFR 351.213(b), an administrative review of the antidumping duty order on certain preserved mushrooms from the PRC for thirty companies covering the period February 1, 2004, through January 31, 2005. On February 7, 2005, and February 25, 2005, four Chinese companies, Gerber Food (Yunnan) Co., Ltd., Green Fresh Foods (Zhangzhou) Co., Ltd., Primera Harvest (Xiangfan) Co., Ltd., and Raoping Yucun Canned Foods Factory requested an administrative review. The Department notes that these four companies were also included in the Petitioner's February 28, 2005, request for an administrative review of thirty companies.

On March 23, 2005, the Department initiated an administrative review of thirty Chinese companies. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 70 FR 14643 (March 23, 2005). On June 29, 2005, the Petitioner filed a timely letter withdrawing its request for review of twenty-five companies. On July 21, 2005, the Department rescinded the reviews for the twenty-five companies. See *Certain Preserved Mushrooms from the People's Republic of China: Notice of Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 42038 (July 21, 2005).

Extension of Time Limits for Preliminary Results

Pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act"), the Department shall issue preliminary results in an administrative review of an antidumping duty order within 245 days after the last day of the anniversary month of the date of publication of the order. The Act further provides, however, that the Department may extend that 245-day period to 365 days if it determines it is not practicable to complete the review within the foregoing time period. The Department finds that it is not practicable to complete the preliminary results within the originally anticipated time limit of October 31, 2005 due to complex respondent specific issues of production processes and sales. The Department has deemed it necessary to provide additional time to conduct a thorough analysis prior to issuing the preliminary results.

Section 751(a)(3)(A) of the Act and section 351.213(h)(2) of the Department's regulations allow the Department to extend the deadline for