

Exporter	Producer	Weight-average margin (percent)
POLYWELL INDUSTRIAL CO., a.k.a. FIRST WAY (H.K.) LIMITED.	POLYWELL PLASTIC PRODUCT FACTORY .....	64.28
ZIBO LINZI WORUN PACKING PRODUCT CO., LTD .....	ZIBO LINZI WORUN PACKING PRODUCT CO., LTD .....	64.28
SHANDONG QIKAI PLASTICS PRODUCT CO., LTD .....	SHANDONG QIKAI PLASTICS PRODUCT CO., LTD .....	64.28
CHANGLE BAODU PLASTIC CO. LTD .....	CHANGLE BAODU PLASTIC CO. LTD .....	64.28
ZIBO LINZI SHUAIQIANG PLASTICS CO. LTD .....	ZIBO LINZI SHUAIQIANG PLASTICS CO. LTD .....	64.28
ZIBO LINZI QITIANLI PLASTIC FABRIC CO. LTD .....	ZIBO LINZI QITIANLI PLASTIC FABRIC CO. LTD .....	64.28
SHANDONG YOULIAN CO. LTD .....	SHANDONG YOULIAN CO. LTD .....	64.28
ZIBO LINZI LUITONG PLASTIC FABRIC CO. LTD .....	ZIBO LINZI LUITONG PLASTIC FABRIC CO. LTD .....	64.28
WENZHOU HOTSON PLASTICS CO. LTD .....	WENZHOU HOTSON PLASTICS CO. LTD .....	64.28
JIANGSU HOTSON PLASTICS CO. LTD .....	JIANGSU HOTSON PLASTICS CO. LTD .....	64.28
CANGNAN COLOR MAKE THE BAG .....	CANGNAN COLOR MAKE THE BAG .....	64.28
ZIBO QIGAO PLASTIC CEMENT CO. LTD .....	ZIBO QIGAO PLASTIC CEMENT CO. LTD .....	64.28
PRC-WIDE RATE .....	.....	91.73

This notice constitutes the antidumping duty order with respect to laminated woven sacks from the PRC pursuant to section 736(a) of the Act. Interested parties may contact the Department's Central Records Unit, Room 1117 of the main Commerce building, for copies of an updated list of antidumping duty orders currently in effect.

This order is published in accordance with section 736(a) of the Act and 19 CFR 351.211.

Dated: August 4, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E8-18196 Filed 8-6-08; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-421-811]

#### Purified Carboxymethylcellulose From the Netherlands; Preliminary Results of Antidumping Duty Administrative Review

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

**SUMMARY:** In response to a request from petitioner Aqualon Company, a division of Hercules Incorporated (Aqualon), a U.S. manufacturer of purified carboxymethylcellulose (CMC) and CP Kelco B.V., CP Kelco U.S. Inc., Huber Engineered Materials (HEM) and J.M. Huber Corporation (CP Kelco B.V. is a producer of CMC in the Netherlands<sup>1</sup> and is referred to as "CP Kelco" for purposes of these preliminary results),

<sup>1</sup> CP Kelco U.S. Inc. and HEM are importers and purchasers of subject merchandise, and J.M. Huber Corporation is the parent of the CP Kelco group of companies.

the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on CMC from the Netherlands. This administrative review covers imports of subject merchandise produced and exported by CP Kelco (formerly known as Noviant B.V.).<sup>2</sup> The period of review (POR) is July 1, 2006, through June 30, 2007.

We preliminarily determine that sales of subject merchandise by CP Kelco have been made at less than 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 export price (EP) or constructed export price (CEP) and NV. Interested parties are invited to comment on these preliminary results.

**DATES:** Effective Date: August 7, 2008.

**FOR FURTHER INFORMATION CONTACT:**

Stephen Bailey or Angelica Mendoza, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-0193 or (202) 482-3019, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On July 11, 2005, the Department published the antidumping duty order on CMC from the Netherlands. See *Notice of Antidumping Duty Orders: Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands and*

<sup>2</sup> See *Purified Carboxymethylcellulose from the Netherlands; Preliminary Results of Antidumping Duty Administrative Review*, 72 FR 44099, 44101 (August 7, 2007), unchanged in the final, *Purified Carboxymethylcellulose from the Netherlands: Final Results of Antidumping Duty Administrative Review*, 72 FR 70821, 70822 (December 13, 2007) (*Final Results of First Administrative Review*).

Sweden, 70 FR 39734 (July 11, 2005) (*CMC Order*). On July 3, 2007, the Department published the opportunity to request an administrative review of, *inter alia*, CMC from the Netherlands for the period July 1, 2006, through June 30, 2007. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 72 FR 36420 (July 3, 2007).

In accordance with 19 CFR 351.213(b), Aqualon, CP Kelco, and Akzo Nobel Functional Chemicals B.V. (Akzo) requested that the Department conduct an administrative review of the antidumping duty order on CMC from the Netherlands on July 25, 2007, July 27, 2007, and July 31, 2007, respectively. On August 24, 2007, the Department published in the **Federal Register** a notice of initiation of this antidumping duty administrative review covering sales, entries and/or shipments of CMC for the period July 1, 2006, through June 30, 2007, from CP Kelco and Akzo. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 72 FR 48613 (August 24, 2007).

On September 6, 2007, the Department issued its antidumping duty questionnaire to CP Kelco and Akzo. Akzo withdrew its request for review on October 2, 2007. Petitioner withdrew its request for review of sales by Akzo on October 3, 2007.

CP Kelco submitted its section A questionnaire response (AQR) on October 11, 2007, and its sections B and C questionnaire responses on October 26, 2007 (BCQR).

On November 14, 2007, Aqualon alleged that CP Kelco made home market sales of CMC at prices below the cost of production (COP) during the POR. Also on November 14, 2007, in the same submission, Aqualon provided

deficiency comments for CP Kelco's AQR relating to, *inter alia*, the viability of CP Kelco's home market.<sup>3</sup>

On November 16, 2007, the Department rescinded the administrative review with respect to Akzo. *See Purified Carboxymethylcellulose from the Netherlands: Partial Rescission of Antidumping Duty Administrative Review*, 72 FR 64582 (November 16, 2007).

On December 21, 2007, the Department initiated a sales-below-cost investigation of home market sales made by CP Kelco. *See the Department's December 21, 2007, Memorandum to the File, from Stephen Bailey, Case Analyst, and Theresa Deeley, Program Manager, Office of Accounting, titled "Petitioner's Allegation of Sales Below the Cost of Production for CP Kelco B.V." (Cost Initiation Memorandum)*. As a result, on December 27, 2007, the Department requested that CP Kelco respond to section D of the Department's questionnaire.

On January 4, 2008, CP Kelco submitted comments regarding Aqualon's November 14, 2007, submission relating to the viability of CP Kelco's home market. CP Kelco submitted its section D response on January 10, 2008, including its cost reconciliation. On January 16, 2008, the Department issued its first sections A–C supplemental questionnaire to CP Kelco. On January 17, 2008, Aqualon submitted comments on CP Kelco's January 10, 2008, section D questionnaire response.<sup>4</sup>

On February 8, 2008, the Department issued its third-country selection memorandum in which Taiwan was chosen as the appropriate third-country market for CP Kelco. *See Third Country Memorandum*.

On February 13, 2008, CP Kelco submitted its sections A–C supplemental questionnaire response (SQR). On February 15, 2008, the Department issued a section D supplemental questionnaire to CP Kelco, and on February 28, 2008, CP Kelco submitted its response. On March 10, 2008, Aqualon submitted comments

on CP Kelco's February 28, 2008, section D supplemental questionnaire response.

On March 18, 2008, the Department extended the deadline for the preliminary results by 120 days from April 1, 2008, until July 30, 2008. *See Purified Carboxymethylcellulose from the Netherlands: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review*, 73 FR 14436 (March 18, 2008).

On May 5, 2008, the Department issued its second sections A–C supplemental questionnaire to CP Kelco and on May 12, 2008, CP Kelco submitted its response (2nd SQR). On July 2, 2008, Aqualon submitted comments regarding the shutdown of operations at the CP Kelco CMC plant in Sweden.

#### Period of Review

The POR is July 1, 2006, through June 30, 2007.

#### Scope of the Order

The merchandise covered by this order is all purified carboxymethylcellulose (CMC), sometimes also referred to as purified sodium CMC, polyanionic cellulose, or cellulose gum, which is a white to off-white, non-toxic, odorless, biodegradable powder, comprising sodium CMC that has been refined and purified to a minimum assay of 90 percent. Purified CMC does not include unpurified or crude CMC, CMC Fluidized Polymer Suspensions, and CMC that is cross-linked through heat treatment. Purified CMC is CMC that has undergone one or more purification operations, which, at a minimum, reduce the remaining salt and other by-product portion of the product to less than ten percent. The merchandise subject to this order is currently classified in the Harmonized Tariff Schedule of the United States at subheading 3912.31.00. This tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this order is dispositive.

#### Fair Value Comparisons

To determine whether sales of CMC from the Netherlands to the United States were made at less than fair value, we compared the EP or CEP to the NV, as described in the "Export Price and Constructed Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A(d)(2) of the Tariff Act of 1930, as amended (the Act), we compared the EPs and CEPs of individual U.S. transactions to monthly weighted-average NVs.

#### Product Comparisons

In accordance with section 771(16) of the Act, we considered sales of CMC covered by the description in the "Scope of the Order" section of this notice, *supra*, which were sold in the appropriate third-country market, Taiwan, during the POR to be the foreign like product for the purpose of determining appropriate product comparisons to CMC sold in the United States. For our discussion of market viability and selection of comparison market, *see the "Normal Value" section of this notice, infra*. We have relied on the following five criteria to match U.S. sales of the subject merchandise to sales in Taiwan of the foreign like product: grade, viscosity, degree of substitution, particle size, and solution characteristic.

Where there were no sales of identical merchandise in the third-country market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics and reporting instructions listed in the Department's September 6, 2007, antidumping duty questionnaire.

#### Export Price

In accordance with section 772 of the Act, we calculate either an EP or a CEP, depending on the nature of each sale. Section 772(a) of the Act defines EP as the price at which the subject merchandise is first sold by the foreign exporter or producer before the date of importation to an unaffiliated purchaser in the United States, or to an unaffiliated purchaser for exportation to the United States. Section 772(b) of the Act defines CEP as the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter. CP Kelco classified two types of sales to the United States: (1) Sales to direct end user customers (EP sales); and (2) sales via its U.S. affiliates, CP Kelco U.S. and HEM, to end-users and distributors (CEP sales). For purposes of these preliminary results, we have accepted CP Kelco's classifications and identified two additional classifications. *See "Level of Trade" section below*.

We calculated EP based on prices charged to the first unaffiliated U.S. customer. We used the sale invoice date as the date of sale.<sup>5</sup> We made

<sup>3</sup> The Department addressed Aqualon's comments in its February 8, 2008, Memorandum to Director Richard O. Weible, from Stephen Bailey, Case Analyst, titled "Selection of Third Country Market for CP Kelco B.V." (Third Country Memorandum).

<sup>4</sup> Also on January 17, 2008, the Department clarified one of the questions in its January 16, 2008, supplemental questionnaire asking for cancelled sales in both the comparison and U.S. markets. *See the Department's January 17, 2008, Memo to the File from Stephen Bailey, Case Analyst, titled "Clarification of Question 1 of the Sections A–C Supplemental Questionnaire for CP Kelco B.V."*

<sup>5</sup> *See the Department's July 30, 2008, Memorandum to the File from Stephen Bailey, Case Analyst titled "Analysis of Data Submitted by CP*

deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act, including foreign inland freight, international freight, marine insurance, and U.S. customs duty and brokerage. Additionally, and consistent with the prior administrative review of this antidumping duty order, we made a deduction from EP for the factoring charges incurred by CP Kelco on its U.S. accounts receivable, where appropriate. *See Final Results of First Administrative Review*, 72 FR at 70822.

We calculated CEP based on prices charged to the first unaffiliated U.S. customer after importation. We used the sale invoice date as the date of sale.<sup>6</sup> We based CEP on the gross unit price from CP Kelco U.S. and HEM to their unaffiliated U.S. customers, making adjustments where necessary for billing adjustments, pursuant to section 772(c)(1) of the Act. Where applicable, the Department made deductions for movement expenses (foreign inland freight, international freight, U.S. inland freight, U.S. customs duty and brokerage, marine insurance and post-sale warehousing), in accordance with section 772(c)(2) of the Act and section 351.401(e) of the Department's regulations. We also added freight revenue, where applicable. In accordance with sections 772(d)(1) and (2) of the Act, we also deducted, where applicable, U.S. direct selling expenses, including credit expenses, U.S. indirect selling expenses, and U.S. inventory carrying costs incurred in the United States and the Netherlands associated with economic activities in the United States. We also deducted CEP profit in accordance with section 772(d)(3) of the Act. Additionally, and consistent with the prior administrative review of this antidumping duty order, we made a deduction from CEP for the factoring charges incurred by CP Kelco on its U.S. accounts receivable, where appropriate. *See Final Results of First Administrative Review*, 72 FR at 70822.

## Normal Value

### A. Home Market Viability and Comparison Market Selection

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, whether the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate

volume of U.S. sales), we compared respondent's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act.

Section 773(a)(1)(C)(ii) of the Act provides that the Department may determine that home market sales are inappropriate as a basis for determining NV if the administering authority determines that the aggregate quantity of the foreign like product sold in the exporting country is insufficient to permit a proper comparison with the sales of the subject merchandise to the United States. When sales in the home market are not viable, section 773(a)(1)(B)(ii) of the Act provides that sales to a particular third country market may be utilized if: (I) The prices in such market are representative; (II) the aggregate quantity of the foreign like product sold by the producer or exporter in that third country market is five percent or more of the aggregate quantity of the subject merchandise sold in or to the United States; and (III) the Department does not determine that a particular market situation in the third country market prevents a proper comparison with the U.S. price.

CP Kelco reported, and we determined, that CP Kelco's aggregate volume of home market sales of the foreign like product was not greater than five percent of the aggregate volume of U.S. sales of subject merchandise. *See* AQR at exhibit A-1; *see also* Third Country Memorandum. Therefore, because CP Kelco's sales in the home market did not provide a viable basis for calculating NV, we relied on sales to a third country as the basis for NV in accordance with section 773(a)(1)(B)(ii) of the Act. The following is a description of the Department's procedure in selecting the third country sales used to calculate NV for sales of the foreign like product made by CP Kelco.

In its AQR, CP Kelco provided information regarding its sales to Taiwan, Germany, and Denmark. Upon review of the information provided by CP Kelco, in accordance with section 773(a)(1)(c) of the Act, the Department selected Taiwan as the appropriate comparison market. The Department found that exports of the foreign like product to Taiwan were similar to those exported to the United States, the aggregate quantity of the exports of the foreign like product to Taiwan was five percent or more of the subject merchandise sold in the United States, there was no evidence of a particular market situation, and exports to Taiwan were substantially larger than exports

either to Germany or to Denmark. In addition, the Department did not find any evidence on the record suggesting that Taiwan would be an inappropriate third country market to select as a comparison market. Accordingly, on February 8, 2008, the Department selected Taiwan as the appropriate third country for comparison market purposes. *See* Third Country Memorandum.<sup>7</sup>

We also used constructed value (CV) as the basis for calculating NV, in accordance with section 773(a)(4) of the Act, for those sales that did not have identical or similar product matches.

### B. Cost of Production (COP) Analysis

On December 21, 2007, based on a request from Aqualon, the Department initiated a sales-below-cost investigation of CP Kelco because Aqualon provided a reasonable basis to believe or suspect that CP Kelco is selling CMC in Taiwan at prices below its COP. Therefore, pursuant to section 773(b)(1) of the Act, we examined whether CP Kelco's sales in Taiwan were made at prices below the COP and requested that CP Kelco respond to Section D of the Department's antidumping duty questionnaire. *See* Cost Initiation Memorandum.

### C. Calculation of Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP for each model based on the sum of CP Kelco's material and fabrication costs for the foreign like product, plus amounts for selling expenses, general and administrative (G&A) expenses, financial expenses, and packing costs. We relied on the COP information provided by CP Kelco.

### D. Test of Comparison Market Prices

We compared CP Kelco's weighted-average COP figures to that company's Taiwan sales prices of the foreign like product, as required under section 773(b) of the Act, to determine whether sales to Taiwan had been made at prices below COP. On a product-specific basis, we compared COP to Taiwan prices, less any applicable movement charges.

In determining whether to disregard Taiwan sales made at prices below the COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Act, whether such sales were made in substantial quantities within an extended period of time, and whether such sales were made at prices which permitted the recovery of all costs within a reasonable period of time in the normal course of trade. Pursuant to

Kelco B.V. in the Preliminary Results of the Antidumping Duty Administrative Review of Purified Carboxymethylcellulose (CMC) from the Netherlands" (Sales Analysis Memo), for a further discussion of this issue.

<sup>6</sup> See Id.

<sup>7</sup> CP Kelco reported sales to Taiwan in its BCQR.

section 773(b)(2)(C) of the Act, where less than 20 percent of CP Kelco's Taiwan sales of a given model were made at prices below the COP, we did not disregard any below-cost sales of that model because we determined that the below-cost sales were not made within an extended period of time in "substantial quantities." Where 20 percent or more of CP Kelco's Taiwan sales of a given model were at prices less than COP, we disregarded the below-cost sales because: (1) They were made within an extended period of time in "substantial quantities," in accordance with sections 773(b)(2)(B) and (C) of the Act, and (2) based on our comparison of prices to the weighted-average COPs for the POR, they were at prices which would not permit the recovery of all costs within a reasonable period of time, as described in section 773(b)(2)(D) of the Act.

#### E. Results of Cost Test

Our sales-below-cost test for CP Kelco revealed that less than 20 percent of the sales of certain models to Taiwan were made at prices below the COP. We therefore retained all such sales in our analysis and used them as the basis for determining NV. Our cost test also indicated that more than 20 percent of sales of certain models to Taiwan were sold at prices below COP within an extended period of time and were at prices which would not permit the recovery of all costs within a reasonable period of time. Thus, in accordance with section 773(b)(1) of the Act, we excluded these below-cost sales from our analysis and used the remaining above-cost sales as the basis for determining NV.

#### F. Price-to-Price Comparisons

We used the sale invoice date as the date of sale.<sup>8</sup> We calculated NV based on prices to unaffiliated customers and matched U.S. sales to NV. We made deductions, where appropriate, for foreign inland freight and international freight pursuant to section 773(a)(6)(B) of the Act. In addition, we made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise, pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411, as well as for differences in circumstances of sale (COS) as appropriate (*i.e.*, commissions and credit), in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. Finally, we deducted third country packing costs and added U.S. packing costs in accordance with

sections 773(a)(6)(A) and (B) of the Act. Additionally, and consistent with the prior administrative review of this antidumping duty order, we made a deduction from NV for the factoring charges incurred by CP Kelco on its home market accounts receivable, where appropriate. *See Final Results of First Administrative Review*, 72 FR 70822.

#### G. Price-to-CV Comparisons

In accordance with section 773(a)(4) of the Act, we based NV on CV if we were unable to find a contemporaneous comparison market match for the U.S. sale. We calculated CV based on the cost of materials and fabrication employed in producing the subject merchandise, selling, general and administrative (SG&A) expenses, financial expense, and profit. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses, interest, and profit on the amounts CP Kelco incurred and realized in connection with the production and sale of the foreign like product in the ordinary course of trade for consumption in Taiwan. For selling expenses, we used weighted-average Taiwanese selling expenses. Where appropriate, we made COS adjustments to CV in accordance with section 773(a)(8) of the Act and 19 CFR 351.410.

#### Level of Trade (LOT)

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 LOT in the comparison market is the LOT of the starting-price sales in the comparison market or, when NV is based on CV, the LOT of the sales from which we derive SG&A expenses and profit. With respect to U.S. price for EP transactions, the LOT is also that of the starting-price sale, which is usually from the exporter to the importer. For CEP transactions, the LOT is that of the constructed sale from the exporter to the importer.

To determine whether comparison market sales are at a different LOT from U.S. sales, we examined 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 different LOTs 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, the Department makes an LOT adjustment in accordance with section 773(a)(7)(A) of the Act. For CEP sales, we examine stages in the

marketing process and selling functions along the chain of distribution between the producer and the customer. We analyze whether different selling activities are performed, and whether any price differences (other than those for which other allowances are made under the Act) are shown to be wholly or partly due to a difference in LOT between the CEP and NV. Under section 773(a)(7)(A) of the Act, we make an upward or downward adjustment to NV for LOT if the difference in LOT involves the performance of different selling activities and is demonstrated to affect price comparability, based on a pattern of consistent price differences between sales at different LOTs in the country in which NV is determined. Finally, if the NV LOT is at a more advanced stage of distribution than the LOT of the CEP, but the data available do not provide an appropriate basis to determine an LOT adjustment, we reduce NV by the amount of indirect selling expenses incurred in the foreign comparison market on sales of the foreign like product, but by no more than the amount of the indirect selling expenses incurred for CEP sales. *See* section 773(a)(7)(B) of the Act (the CEP offset provision).

In analyzing differences in selling functions, we determine whether the LOTs identified by the respondent are meaningful. *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27371 (May 19, 1997). If the claimed LOTs are the same, we expect that the functions and activities of the seller should be similar. Conversely, if a party claims that LOTs are different for different groups of sales, the functions and activities of the seller should be dissimilar. *See Porcelain-on-Steel Cookware from Mexico: Final Results of Administrative Review*, 65 FR 30068 (May 10, 2000) and accompanying Issues and Decision Memorandum at Comment 6. In the present review, CP Kelco claimed an LOT adjustment. *See* CP Kelco's BCQR at page B-19. In order to determine whether the comparison market sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the "chain of distribution"),<sup>9</sup> including selling functions, class of customer (customer category), and the

<sup>8</sup>See the Department's Sales Analysis Memo for a further discussion of this issue.

<sup>9</sup>The marketing process in the United States and third country market begins with the producer and extends to the sale to the final user or customer. The chain of distribution between the two may have many or few links, and the respondent's sales occur somewhere along this chain. In performing this evaluation, we considered CP Kelco's narrative response to properly determine where in the chain of distribution the sale occurs.

level of selling expenses for each type of sale.

CP Kelco reported two LOTs in the third country market, Taiwan, with two channels of distribution: (1) Direct sales from the plant to end users, and (2) direct sales from the plant to distributors. Based on our review of evidence on the record, we find that third country market sales through both channels of distribution were substantially similar with respect to selling functions and stages of marketing. CP Kelco performed the same selling functions for sales in both third country market channels of distribution, including customer care, logistics, packing, freight and delivery services, collection, sales promotion, and guarantees, *etc.* See CP Kelco's AQR at page A-29, and CP Kelco's SQR at page 7. Accordingly, we preliminarily find that CP Kelco had only one LOT for its third country market sales.

CP Kelco reported one EP LOT and one CEP LOT each with its own separate channel of distribution in the United States for EP and CEP sales: (1) Direct (EP) sales to end users and distributors, and (2) sales through its U.S. affiliate (CEP sales) to end users and distributors of merchandise. However, in reviewing CP Kelco's questionnaire responses, we preliminarily find that CP Kelco has a total of four channels of distribution for its U.S. sales: (1) Direct sales to end users of merchandise produced to order (EP sales); (2) direct sales to end users of merchandise sold from inventory (EP sales); (3) sales through U.S. affiliates (CP Kelco U.S. and HEM) to end users and distributors of merchandise produced to order (CEP sales); and (4) sales through U.S. affiliates (CP Kelco U.S. and HEM) from warehouse stock maintained by each company to end users and distributors of merchandise (CEP sales). Therefore, we preliminarily find that there are two channels of distribution for EP sales, and two channels of distribution for CEP sales. See CP Kelco's AQR at pages A-16 through A-29.

We reviewed the selling functions and services performed by CP Kelco in the U.S. market for EP sales, as described by CP Kelco in its questionnaire responses. CP Kelco reported that for sales produced to order and pulled from stock, CP Kelco's customer care personnel process all orders which are entered into its operating system. Additionally, sales invoices are issued by CP Kelco's plant directly to the customer, and CP Kelco's logistics department arranges for freight and delivery to CP Kelco's unaffiliated U.S. customers. Other services provided for CP Kelco's EP sales include: Customer

care, logistics, packing, freight and delivery, and collection, *etc.* See CP Kelco's AQR at page A-16 through A-29.

For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and CEP profit under section 772(d) of the Act. See *Micron Technology Inc. v. United States*, 243 F.3d 1301, 1314-1315 (Fed. Cir. 2001). We reviewed the selling functions and services performed by CP Kelco on CEP sales relating to the CEP LOT, as described by CP Kelco in its questionnaire responses, after these deductions. We found that CP Kelco provides almost no selling functions to its U.S. affiliate. CP Kelco reported that the only services it provided for the CEP sales were logistics, packing, and freight and delivery, and very limited customer care and inventory maintenance. See CP Kelco's AQR at page A-16 through A-29.

We then examined the selling functions performed by CP Kelco on its EP sales in comparison with the selling functions performed on CEP sales (after deductions). We found that CP Kelco performs an additional layer of selling functions on its direct sales to unaffiliated U.S. customers which are not performed on its sales to affiliates (*e.g.*, sales negotiating, credit risk management, collection, sales promotion, direct sales personnel, technical support, guarantees, *etc.*). See CP Kelco's AQR at page A-29. Because these additional selling functions are significant, we find that CP Kelco's direct sales to unaffiliated U.S. customers (EP sales) are at a different LOT than its CEP sales.

Next, we examined the third country market and EP sales. CP Kelco's third country market and EP sales were both made to end users and distributors. In both cases, the selling functions performed by CP Kelco were almost identical for both markets. Other than commissions, which were only incurred on third country sales made to end users, in both markets CP Kelco provided the following services: Sales negotiating, credit risk management, customer care, logistics, packing, freight/delivery, collection, sales promotion, direct sales personnel, technical support, and guarantees. See CP Kelco's AQR at page A-29. Because the selling functions and channels of distribution are substantially similar, we preliminarily determine that the third country market LOT is the same as the EP LOT. It was, therefore, unnecessary to make a LOT adjustment for comparison of third country market and EP prices.

According to section 773(a)(7)(B) of the Act, a CEP offset is appropriate when the LOT in the home market or third country market is at a more advanced stage than the LOT of the CEP sales and there is no basis for determining whether the difference in LOTs between NV and CEP effects price comparability. CP Kelco reported that it provided minimal selling functions and services for the CEP LOT; consequently, the third country market LOT is more advanced than the CEP LOT. Based on our analysis of the channels of distribution and selling functions performed by CP Kelco for sales in the third country market and CEP sales in the U.S. market (*i.e.*, sales support and activities provided by CP Kelco on sales to its U.S. affiliates), we preliminarily find that the third country market LOT is at a more advanced stage of distribution when compared to CEP sales because CP Kelco provides many selling functions in the third country market at a higher level of service (*e.g.*, sales negotiations, customer care, collection, direct sales personnel, technical support, *etc.*) compared to selling functions performed for its CEP sales (*i.e.*, CP Kelco reported that the only services it provided for CEP sales were logistics, packing, and freight and delivery, and very limited customer care and inventory maintenance). See CP Kelco's AQR at page A-29. Thus, we find that CP Kelco's third country market sales are at a more advanced LOT than its CEP sales. Because there was only one LOT in the third country market and no data were available to determine the existence of a pattern of price differences, and we do not have any other information that provides an appropriate basis for determining a LOT adjustment, we applied a CEP offset to NV for CEP comparisons pursuant to section 773(a)(7)(B) of the Act.

To calculate the CEP offset, we deducted the third country market indirect selling expenses from NV for third country market sales that were compared to U.S. CEP sales. We limited the third country market indirect selling expense deduction by the amount of the indirect selling expenses deducted in calculating the CEP as required under section 772(d)(1)(D) of the Act.

#### Currency Conversion

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

### Preliminary Results of Review

As a result of our review, we preliminarily determine the weighted-average dumping margin for the manufacturer/exporter listed below for the period July 1, 2006, through June 30, 2007, to be as follows:

Manufacturer/Exporter	Margin (percent)
CP Kelco B.V. (formerly known as Noviant B.V.) .....	7.02

The Department will disclose calculations performed in connection with these preliminary results of review within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results of review. See 19 CFR 351.309(c)(ii). Rebuttal briefs and rebuttals to written comments, limited to issues raised in the case briefs and comments, may be filed no later than five days after the time limit for filing case briefs. See 19 CFR 351.309(d). Parties who submit argument in these proceedings 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. See 19 CFR 351.309(c)(2). Executive summaries should be limited to five pages total, including footnotes. Further, we request that parties submitting briefs and rebuttal briefs provide the Department with a copy of the public version of such briefs on diskette. An interested party may request a hearing within 30 days after the publication of the preliminary results. See 19 CFR 351.310(c). Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs. See 19 CFR 351.310(d). The Department will issue the final results of this review, including the results of our analysis of the issues raised in any such written comments or at a hearing, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

### Assessment Rates

Upon completion of this review the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. Pursuant to 19 CFR 351.212(b)(1), the Department calculates an assessment rate for each importer of the subject merchandise covered by the review. The Department intends to issue assessment instructions to CBP 15 days

after the date of publication of the final results of review.

The Department clarified its "automatic assessment" regulation on May 6, 2003. See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003). This clarification will apply to entries of subject merchandise during the POR produced by CP Kelco and for which CP Kelco did not know another company would export its merchandise to the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.

### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate listed in the final results of review; (2) for previously 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 or the original less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be the all-others rate of 14.57 percent, which is the all-others rate established in the LTFV investigation. See *CMC Order*. These deposit requirements, when imposed, shall remain in effect until further notice.

### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

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

Dated: July 30, 2008.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E8-18218 Filed 8-6-08; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-405-803]

### Purified Carboxymethylcellulose From Finland; Notice of Preliminary Results of Antidumping Duty Administrative Review

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

**SUMMARY:** In response to requests from Aqualon Company, a division of Hercules Inc. (the petitioner) and respondents CP Kelco OY and CP Kelco U.S., Inc. (collectively, CP Kelco), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on purified carboxymethylcellulose (CMC) from Finland. The review covers exports of the subject merchandise to the United States produced by CP Kelco. The period of review (POR) is July 1, 2006, through June 30, 2007.

We preliminarily find that CP Kelco made sales at less than normal value (NV) during the POR. If these preliminary results are adopted in our final results of this review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties based on differences between the export price (EP) or constructed export price (CEP) and NV.

**DATES:** *Effective Date:* August 7, 2008.

**FOR FURTHER INFORMATION CONTACT:** Tyler Weinhold or Robert James, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1121 or (202) 482-0649, respectively.

### SUPPLEMENTARY INFORMATION:

#### Background

The Department published the antidumping duty order on CMC from Finland on July 11, 2005. See *Notice of Antidumping Duty Orders: Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands, and Sweden,*