

the United States, to support a sales-below-cost allegation.

The Statement of Administrative Action (SAA), accompanying the URAA, states that an allegation of sales below COP need not be specific to individual exporters or producers. See SAA, H.R. Doc. No. 103-316 at 833 (1994). The SAA states that "Commerce will consider allegations of below-cost sales in the aggregate for a foreign country, just as Commerce currently considers allegations of sales at less than fair value on a country-wide basis for purposes of initiating an antidumping investigation." *Id.*

Further, the SAA provides that the "new section 773(b)(2)(A) retains the current requirement that Commerce have 'reasonable grounds to believe or suspect' that below cost sales have occurred before initiating such an investigation. 'Reasonable grounds' \* \* \* exist when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the foreign market in question are at below-cost prices." *Id.*

Pursuant to section 773(b)(3) of the Act, COP consists of the COM and SG&A (including financial expenses). The petitioner calculated COP based on its own experience as a U.S. producer during 2003, adjusted for known differences between costs incurred to manufacture PVA in the United States and in Taiwan. With the exception of labor, the publicly available data the petitioner used was contemporaneous with the prospective POI. See Initiation Checklist.

Based upon a comparison of the home-market prices of the foreign like product 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.

As such, pursuant to sections 773(a)(4) and 773(e) of the Act, the petitioner calculated NV based on constructed value (CV). Consistent with section 773(e)(2)(B)(iii) of the Act, the petitioner included in CV an amount for profit. For profit, the petitioner relied upon amounts reported in Chang Chun Petrochemical Ltd.'s (CCP's), the potential respondent's, 2003 financial statements.

We adjusted the petitioner's calculated margin because the petitioner subtracted inland freight expenses from the CV and we do not normally deduct such expenses from CV. Therefore, we added the inland freight expense of 0.30

New Taiwan dollars per kilogram to the CV calculated by the petitioner and then converted the recalculated CV to a U.S. dollars per pound figure using the same methodology as the petitioner used. This results in a CV of US\$ 0.8418 per pound and a U.S. price that is US\$ 0.2398 per pound lower than CV. We reviewed the NV and CV information provided and have determined that it represents information reasonably available to the petitioner and have reviewed it for adequacy and accuracy.

Based on a comparison of EP derived from U.S. average unit values (AUVs) to adjusted CV, the dumping margin is 39.83 percent for PVA from Taiwan.

As indicated above, the petitioner also provided information demonstrating reasonable grounds to believe or suspect that sales of PVA in the home market were made at prices below the COP, within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation.

#### Fair-Value Comparison

Based on the data provided by the petitioner, there is reason to believe that imports of PVA from Taiwan are being, or are likely to be, sold in the United States at less than fair value.

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

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured and is threatened with material injury by reason of the imports of the subject merchandise sold at less than normal value. The petitioner contends that the industry's injured condition is evidenced by the volume of lost sales, declining profitability, reductions in employment, and stagnant capacity utilization. Furthermore, the petitioner contends that injury and threat of injury is evidenced by negative effects on its revenue, market share, and growth.

These allegations are supported by relevant evidence including import data, lost sales, and pricing information. The Department assessed the allegations and supporting evidence regarding material injury and causation and determined that these allegations are supported by accurate and adequate evidence and meet the statutory requirements for initiation. See Initiation Checklist.

#### Initiation of Antidumping Investigation

Based upon the examination of the petition on PVA from Taiwan, and other information reasonably available to the Department, we find that the petition meets the requirements of section 732 of

the Act. Therefore, we are initiating an antidumping duty investigation to determine whether imports of PVA from Taiwan are being, or are likely to be, sold in the United States at less than fair value. Unless postponed, we will make our preliminary determination no later than 140 days after the date of this initiation.

#### Distribution of Copies of the Petition

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

#### International Trade Commission Notification

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

#### Preliminary Determination by the International Trade Commission

The ITC will preliminarily determine, no later than October 22, 2004, whether there is a reasonable indication that imports of PVA from Taiwan are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination will result in the investigation being terminated; otherwise, this investigation 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 27, 2004.

**James J. Jochum,**

*Assistant Secretary for Import Administration.*

[FR Doc. E4-2476 Filed 10-1-04; 8:45 am]

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## COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

### Adjustment of Import Limits for Certain Cotton, Wool Man-Made Fiber, Silk Blend and Other Vegetable Fiber Textile Products Produced or Manufactured in Hong Kong

September 28, 2004.

**AGENCY:** Committee for the Implementation of Textile Agreements (CITA).

**ACTION:** Issuing a directive to the Commissioner, Bureau of Customs and Border Protection adjusting limits.

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**EFFECTIVE DATE:** October 4, 2004.

**FOR FURTHER INFORMATION CONTACT:**

Naomi Freeman, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4212. For information on the quota status of these limits, refer to the Quota Status Reports posted on the bulletin boards of each Customs port, call (202) 927-5850, or refer to the Bureau of Customs and Border Protection website at <http://www.cbp.gov>. For information on embargoes and quota re-openings, refer to the Office of Textiles and Apparel website at <http://otexa.ita.doc.gov>.

**SUPPLEMENTARY INFORMATION:**

**Authority:** Section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854); Executive Order 11651 of March 3, 1972, as amended.

The current limits for certain categories are being adjusted for swing and special shift.

A description of the textile and apparel categories in terms of HTS numbers is available in the **CORRELATION: Textile and Apparel Categories with the Harmonized Tariff Schedule of the United States** (see **Federal Register** notice 69 FR 4926, published on February 2, 2004). Also see 68 FR 59917, published on October 20, 2003.

**D. Michael Hutchinson,**

*Acting Chairman, Committee for the Implementation of Textile Agreements.*

**Committee for the Implementation of Textile Agreements**

September 28, 2004.

Commissioner,  
*Bureau of Customs and Border Protection,  
Washington, DC 20229.*

Dear Commissioner: This directive amends, but does not cancel, the directive issued to you on October 14, 2003, by the Chairman, Committee for the Implementation of Textile Agreements. That directive concerns imports of certain cotton, wool, man-made fiber, silk blend and other vegetable fiber textiles and textile products, produced or manufactured in Hong Kong and exported during the twelve-month period which began on January 1, 2004 and extends through December 31, 2004.

Effective on October 4, 2004, you are directed to adjust the limits for the following categories, as provided for under the Uruguay Round Agreement on Textiles and Clothing:

Category	Adjusted twelve-month limit <sup>1</sup>
Group II	
237, 239pt. <sup>2</sup> , 331pt. <sup>3</sup> 332-348, 351, 352, 359(1) <sup>4</sup> , 359(2) <sup>5</sup> , 359pt. <sup>6</sup> , 433-438, 440- 448, 459pt. <sup>7</sup> , 631pt. <sup>8</sup> 633-648, 651, 652, 659(1) <sup>9</sup> , 659(2) <sup>10</sup> , 659pt. <sup>11</sup> , and 443/ 444/643/644(1), as a group.	945,555,286 square meters equivalent.
Sublevels in Group II	
647 .....	688,867 dozen.
648 .....	1,217,104 dozen of which not more than 1,217,104 dozen shall be in Category 648-W <sup>12</sup> .
Within Group II sub- group	
342 .....	658,059 dozen.
351 .....	1,271,964 dozen.
642 .....	306,457 dozen.
651 .....	410,382 dozen.
Group III—only 852 ...	1,854,891 square me- ters equivalent.

<sup>1</sup> The limits have not been adjusted to account for any imports exported after December 31, 2003.

<sup>2</sup> Category 239pt.: only HTS number 6209.20.5040 (diapers).

<sup>3</sup> Category 331pt.: all HTS numbers except 6116.10.1720, 6116.10.4810, 6116.10.5510, 6116.10.7510, 6116.92.6410, 6116.92.6420, 6116.92.6430, 6116.92.6440, 6116.92.7450, 6116.92.7460, 6116.92.7470, 6116.92.8800, 6116.92.9400 and 6116.99.9510.

<sup>4</sup> Category 359(1): only HTS numbers 6103.42.2025, 6103.49.8034, 6104.62.1020, 6104.69.8010, 6114.20.0048, 6114.20.0052, 6203.42.2010, 6203.42.2090, 6204.62.2010, 6211.32.0010, 6211.32.0025 and 6211.42.0010.

<sup>5</sup> Category 359(2): only HTS numbers 6103.19.2030, 6103.19.9030, 6104.12.0040, 6104.19.8040, 6110.20.1022, 6110.20.1024, 6110.20.2030, 6110.20.2035, 6110.90.9044, 6110.90.9046, 6201.92.2010, 6202.92.2020, 6203.19.1030, 6203.19.9030, 6204.12.0040, 6204.19.8040, 6211.32.0070 and 6211.42.0070.

<sup>6</sup> Category 359pt.: all HTS numbers except 6115.19.8010, 6117.10.6010, 6117.20.9010, 6203.22.1000, 6204.22.1000, 6212.90.0010, 6214.90.0010, 6406.99.1550, 6505.90.1525, 6505.90.1540, 6505.90.2060, 6505.90.2545 and HTS numbers in 359(1) and 359(2).

<sup>7</sup> Category 459pt.: all HTS numbers except 6115.19.8020, 6117.10.1000, 6117.10.2010, 6117.20.9020, 6212.90.0020, 6214.20.0000, 6405.20.6030, 6405.20.6060, 6405.20.6090, 6406.99.1505, 6406.99.1560.

<sup>8</sup> Category 631pt.: all HTS numbers except 6116.10.1730, 6116.10.4820, 6116.10.5520, 6116.10.7520, 6116.93.8800, 6116.93.9400, 6116.99.4800, 6116.99.5400 and 6116.99.9530.

<sup>9</sup> Category 659(1): only HTS numbers 6103.23.0055, 6103.43.2020, 6103.43.2025, 6103.49.2000, 6103.49.8038, 6104.63.1020, 6104.63.1030, 6104.69.1000, 6104.69.8014, 6114.30.3044, 6114.30.3054, 6203.43.2010, 6203.43.2090, 6203.49.1010, 6203.49.1090, 6204.63.1510, 6204.69.1010, 6210.10.9010, 6211.33.0010, 6211.33.0017 and 6211.43.0010.

<sup>10</sup> Category 659(2): only HTS numbers 6112.31.0010, 6112.31.0020, 6112.41.0010, 6112.41.0020, 6112.41.0030, 6112.41.0040, 6211.11.1010, 6211.11.1020, 6211.12.1010 and 6211.12.1020.

<sup>11</sup> Category 659pt.: all HTS numbers except 6115.11.0010, 6115.12.2000, 6117.10.2030, 6117.20.9030, 6212.90.0030, 6214.30.0000, 6214.40.0000, 6406.99.1510, 6406.99.1540 and HTS numbers in 659(1) and 659(2).

<sup>12</sup> Category 648-W: only HTS numbers 6204.23.0040, 6204.23.0045, 6204.29.2020, 6204.29.2025, 6204.29.4038, 6204.63.2000, 6204.63.3000, 6204.63.3510, 6204.63.3530, 6204.63.3532, 6204.63.3540, 6204.69.2510, 6204.69.2530, 6204.69.2540, 6204.69.2560, 6204.69.6030, 6204.69.9030, 6210.50.5035, 6211.20.1555, 6211.20.6820, 6211.43.0040 and 6217.90.9060.

The Committee for the Implementation of Textile Agreements has determined that these actions fall within the foreign affairs exception to the rulemaking provisions of 5 U.S.C. 553(a)(1).

Sincerely,  
D. Michael Hutchinson,  
*Acting Chairman, Committee for the  
Implementation of Textile Agreements.*

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## COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

### Adjustment of Import Limits for Certain Cotton, Wool and Man-Made Fiber Textiles and Textile Products Produced or Manufactured in Indonesia

September 29, 2004.

**AGENCY:** Committee for the  
Implementation of Textile Agreements  
(CITA).

**ACTION:** Issuing a directive to the  
Commissioner, Bureau of Customs and  
Border Protection adjusting limits.

**EFFECTIVE DATE:** October 4, 2004.

**FOR FURTHER INFORMATION CONTACT:** Ross  
Arnold, International Trade Specialist,  
Office of Textiles and Apparel, U.S.  
Department of Commerce, (202) 344-  
2650. For information on the quota  
status of these limits, refer to the Quota  
Status Reports posted on the bulletin  
boards of each Customs port, call (202)  
927-5850, or refer to the Bureau of  
Customs and Border Protection website  
at <http://www.cbp.gov>. For information  
on embargoes and quota re-openings,  
refer to the Office of Textiles and  
Apparel website at <http://otexa.ita.doc.gov>.