

respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. The quantity and value questionnaire will be available on the Department's Web site at <http://ia.ita.doc.gov/ia-highlights-and-news.html> on the date of the publication of this initiation notice in the **Federal Register**.

#### 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.

See Separate Rates and Combination Rates Bulletin, at 6 (emphasis added).

#### Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public versions of the Petitions have been provided to the representatives of the Governments of the PRC and Mexico. Because of the large number of producers/exporters identified in the Petitions, the Department considers the service of the public version of the Petitions to the foreign producers/exporters satisfied by the delivery of the public versions of the Petitions to the Governments of the PRC and Mexico, consistent with 19 CFR 351.203(c)(2).

#### ITC Notification

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

#### Preliminary Determinations by the ITC

The ITC will preliminarily determine, no later than May 16, 2011, whether

there is a reasonable indication that imports of galvanized steel wire from the PRC and Mexico are materially injuring, or threatening material injury to a U.S. industry. A negative ITC determination with respect to any country will result in the investigation being terminated for that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

#### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures* (73 FR 3634). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

Any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information. See section 782(b) of the Act. Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives in all segments of any AD/CVD proceedings initiated on or after March 14, 2011. See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Interim Final Rule*, 76 FR 7491 (February 10, 2011) (*Interim Final Rule*) amending 19 CFR 351.303(g)(1) & (2). The formats for the revised certifications are provided at the end of the *Interim Final Rule*. The Department intends to reject factual submissions in any proceeding segments initiated on or after March 14, 2011, if the submitting party does not comply with the revised certification requirements.

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

Dated: April 20, 2011.

**Ronald K. Lorentzen**,  
Deputy Assistant Secretary for Import Administration.

#### Appendix I

##### Scope of the Investigations

The scope of these investigations covers galvanized steel wire which is a cold-drawn carbon quality steel product in coils, of solid, circular cross section with an actual diameter of 0.5842 mm (0.0230 inch) or more, plated or coated with zinc (whether by hot-dipping or electroplating).

Steel products to be included in the scope of these investigations, regardless of Harmonized Tariff Schedule of the United States ("HTSUS") definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is two percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 1.80 percent of manganese, or
- 1.50 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 1.25 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.02 percent of boron, or
- 0.10 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.41 percent of titanium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

The products subject to these investigations are currently classified in subheadings 7217.20.30 and 7217.20.45 of the HTSUS which cover galvanized wire of all diameters and all carbon content. Galvanized wire is reported under statistical reporting numbers 7217.20.3000, 7217.20.4510, 7217.20.4520, 7217.20.4530, 7217.20.4540, 7217.20.4550, 7217.20.4560, 7217.20.4570, and 7217.20.4580. These products may also enter under HTSUS subheadings 7229.20.0015, 7229.90.5008, 7229.90.5016, 7229.90.5031, and 7229.90.5051. Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise is dispositive.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-972, A-583-848]

#### Certain Stilbenic Optical Brightening Agents From the People's Republic of China and Taiwan: Initiation of Antidumping Duty Investigations

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

**DATES:** *Effective Date:* April 27, 2011.

**FOR FURTHER INFORMATION CONTACT:** Shawn Higgins at (202) 482-0679 or Robert Bolling at (202) 482-3434 (People's Republic of China), AD/CVD Enforcement, Office 4 or Hermes Pinilla at (202) 482-3477 or Sandra Stewart at (202) 482-0768 (Taiwan), AD/CVD Enforcement, Office 5, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

**SUPPLEMENTARY INFORMATION:****The Petitions**

On March 31, 2011, the Department of Commerce (the Department) received antidumping duty (AD) petitions concerning imports of certain stilbenic optical brightening agents (stilbenic OBAs) from the People's Republic of China (PRC) and Taiwan filed in proper form by the Clariant Corporation (the petitioner). See *Antidumping Duty Petitions on Certain Stilbenic Optical Brightening Agents from the People's Republic of China and Taiwan* (March 31, 2011) (the Petitions). The petitioner is a domestic producer of stilbenic OBAs. On April 4, 2011, the Department issued a request for additional information and clarification of certain areas of the Petitions. On April 7, 2011, in response to the Department's request, the petitioner filed an amendment to the Petitions. See *Certain Stilbenic Optical Brightening Agents from the People's Republic of China and Taiwan; Amendment to Petitions* (April 7, 2011) (Supplement to the PRC AD Petition or Supplement to the Taiwan AD Petition).

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of stilbenic OBAs from the PRC and Taiwan 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, or threatening material injury to, an industry in the United States.

The Department finds that the petitioner filed these Petitions on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act and has demonstrated sufficient industry support with respect to the initiation of the AD investigations that the petitioner is requesting. See the "Determination of Industry Support for the Petitions" section below.

**Period of Investigation**

Because the Petitions were filed on March 31, 2011, the period of investigation (POI) for the PRC investigation is July 1, 2010, through December 31, 2010. The POI for the Taiwan investigation is January 1, 2010, through December 31, 2010. See 19 CFR 351.204(b)(1).

**Scope of the Investigations**

The products covered by these investigations are certain OBAs from the PRC and Taiwan. For a full description of the scope of the investigations, see

the "Scope of the Investigations," in Appendix I of this notice.<sup>1</sup>

**Comments on Scope of Investigations**

During our review of the Petitions, we discussed the scope with the petitioner to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (*Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by May 10, 2011, twenty calendar days from the signature of this notice. Comments should be addressed to Import Administration's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

**Comments on Product Characteristics for Antidumping Questionnaires**

The Department requests comments from interested parties regarding the appropriate physical characteristics of stilbenic OBAs to be reported in response to the Department's AD questionnaires. This information will be used to identify the key physical characteristics of the merchandise under consideration in order to report the relevant factors and costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as (1) general product characteristics and (2) the product-comparison criteria. We find that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, while there may be some physical product characteristics utilized by manufacturers to describe stilbenic OBAs, it may be that only a

select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, we must receive comments at the above address by May 10, 2011. Additionally, rebuttal comments limited to those issues raised in the comments must be received by May 17, 2011.

**Determination of Industry Support for the Petitions**

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers 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 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 if there is a large number of producers in the industry.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole 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 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

<sup>1</sup> See also Memorandum to File from Shawn Higgins, dated April 14, 2011, regarding telephone conversation with counsel for the petitioner regarding the scope of the Petitions.

Department's determination is subject to limitations of time and information because the Department determines industry support at the time of initiation. Although this may result in different definitions of the domestic 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 (CIT 1988), *aff'd* 865 F.2d 240 (CAFC 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, the petitioner does not offer a definition of domestic like product distinct from the scope of these investigations. Based on our analysis of the information submitted on the record, we have determined that stilbenic OBAs constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like-product analysis in these cases, see the Antidumping Duty Investigation Initiation Checklist: Certain Stilbenic Optical Brightening Agents from the PRC (PRC Initiation Checklist) at Attachment II and the Antidumping Duty Investigation Initiation Checklist: Certain Stilbenic Optical Brightening Agents from Taiwan (Taiwan Initiation Checklist) at Attachment II, on file in the Central Records Unit, Room 7046 of the main Department of Commerce building.

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry-support data contained in the Petitions with reference to the domestic like product as defined in the "Scope of the Investigations" in Appendix I of this notice. To establish industry support, the petitioner provided its own 2010 production data of the domestic like product and compared this to total production of the domestic like product for the entire domestic industry. *See* Volume I of the Petitions at 3 and Exhibits I-1 and I-16; *see also* PRC Initiation Checklist at Attachment II and Taiwan Initiation Checklist at Attachment II.

The Department's review of the data provided in the Petitions, supplemental responses, and other information readily available to the Department indicates that the petitioner has established industry support. First, based on information provided in the Petitions, the petitioner established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling). *See* section 732(c)(4)(D) of the Act; *see also* PRC Initiation Checklist at Attachment II and Taiwan Initiation Checklist at Attachment II. Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product. *See* PRC Initiation Checklist at Attachment II and Taiwan Initiation Checklist at Attachment II. Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) 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. 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 id.*

The Department finds that the petitioner filed the Petitions on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act and it has demonstrated sufficient industry support with respect to the AD investigations that it is requesting the Department to initiate. *See id.*

#### **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, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.

The petitioner contends that the industry's injured condition is illustrated by reduced market share, lost sales, reduced production, a lower capacity-utilization rate, fewer

shipments, underselling, price depression or suppression, lost revenue, decline in financial performance, and an increase in import penetration. We have assessed the allegations and supporting evidence regarding material injury and causation, and we have determined that these allegations are supported by adequate evidence and meet the statutory requirements for initiation. *See* PRC Initiation Checklist at Attachment III and Taiwan Initiation Checklist at Attachment III.

#### **Allegations of Sales at Less Than Fair Value**

The following is a description of the allegations of sales at less than fair value upon which the Department based its decision to initiate investigations of imports of stilbenic OBAs from the PRC and Taiwan. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the PRC Initiation Checklist and Taiwan Initiation Checklist.

#### **Alleged U.S. Price and NV: The PRC**

The petitioner states that PRC exporters/producers first sell subject merchandise in the United States to unaffiliated resellers. *See* Volume III of the Petitions at 13-14. The petitioner does not have access, however, to the prices charged by PRC producers to U.S. resellers. *Id.* As a result, to calculate export price (EP), the petitioner based its calculation on the prices charged by U.S. resellers of PRC stilbenic OBAs to a U.S. customer. *Id.* Specifically, the petitioner calculated EP based on a price at which revenues were lost due to a competing bid from a supplier of PRC stilbenic OBAs. *See* Supplement to the PRC AD Petition at Exhibits 32 and 33. The petitioner substantiated the price used as a basis for the EP calculation with an affidavit. *See* Supplement to the PRC AD Petition at Exhibit 32. The price used as a basis for the EP calculation is a delivered price to an end-user for stilbenic OBAs supplied in a solution state. *See* Volume III of the Petitions at 14. To calculate EP for stilbenic OBAs in a solution state, the petitioner adjusted the EP based on the terms of sale for brokerage and handling in the port of export, international freight, U.S. customs duties, U.S. reseller markup, and U.S. inland freight. To calculate EP for stilbenic OBAs in a powder state, the petitioner adjusted the EP based on the terms of sale for brokerage and handling in the port of export, international freight, U.S. customs duties, U.S. reseller markup, further manufacturing (*i.e.*, dilution), and U.S. inland freight.

See Volume III of the Petitions at 13–17 and Supplement to the PRC AD Petition at Exhibit 33.

The petitioner states that the PRC is a non-market economy (NME) country and no determination to the contrary has been made by the Department. See Volume III of the Petitions at 2–3. 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, therefore, remains in effect for purposes of the initiation of the PRC investigation. Accordingly, the NV of the product for the PRC investigation 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 the PRC investigation, all parties, including the public, will have the opportunity to provide relevant information related to the issue of the PRC's NME status and the granting of separate rates to individual exporters.

Citing section 773(c)(4) of the Act, the petitioner contends that India is the appropriate surrogate country for the PRC because it is at a level of economic development comparable to that of the PRC and it is a significant producer of stilbenic OBAs. See Volume III of the Petitions at 3–5 and Exhibit III–1. Also, the petitioner states that Indian data for valuing factors of production are available and reliable. See Volume III of the Petitions at 3. Based on the information provided by the petitioner, we believe that it is appropriate to use India as a surrogate country for initiation purposes. After initiation of the investigation, interested parties will have the opportunity to submit comments regarding surrogate-country selection and, pursuant to 19 CFR 351.301(c)(3)(i), 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.

The petitioner calculated the NV and dumping margins for the U.S. prices, discussed above, using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. The petitioner calculated NVs for stilbenic OBAs in both solution and powder state based on its own consumption rates for producing stilbenic OBAs. See Volume III of the Petitions at 5–6, 11–12, and Exhibit III–2. In calculating NV, the petitioner based the quantity of each of the inputs used to manufacture and pack stilbenic OBAs in the PRC based on its own

production experience during the POI because it stated that the actual usage rates of the foreign manufacturers of stilbenic OBAs were not reasonably available. *Id.* The petitioner stated, however, that its production process and cost structure is representative of the PRC stilbenic OBAs producers because the production of stilbenic OBAs “involves the same basic technology worldwide.” See Volume III of the Petitions at 6. The petitioner adjusted its factor inputs to reflect any known differences between the petitioner's production process and the process employed by PRC producers. See Volume III of the Petitions at 11–12 and Exhibit III–2. The petitioner also adjusted its factor inputs to reflect higher usage rates for energy and labor in the production of stilbenic OBAs in powder state. See Volume III of the Petitions at 12 and Supplement to the PRC AD Petition at Exhibit 31.

The petitioner valued the factors of production based on reasonably available, public surrogate-country data, including Indian import statistics from the Global Trade Atlas (GTA). See Volume III of the Petitions at 6–7 and Exhibit III–4 and Supplement to the PRC AD Petition at Exhibit 29. The petitioner excluded from these import statistics imports from countries previously determined by the Department to be NME countries, *i.e.*, it excluded imports from Indonesia, the Republic of Korea, and Thailand, as the Department has previously excluded prices from these countries because they maintain broadly available, non-industry-specific export subsidies, and it excluded imports labeled as being from “unspecified countries.” See Volume III of the Petitions at 6–7 and Exhibit III–4. In addition, the petitioner made currency conversions, where necessary, based on the POI-average rupee/U.S. dollar exchange rate as reported on the Department's Web site. See Volume III of the Petitions at 12 and Exhibit III–13 and Supplement to the PRC AD Petition at Exhibits 30–31. The petitioner determined labor costs using the labor consumption, in hours, derived from its own experience. See Volume III of the Petitions at 11 and Supplement to the PRC AD Petition at Exhibits 30–31. The petitioner valued labor costs using the Department's current methodology of calculating an hourly wage rate by averaging industry-specific earnings and/or wages in countries that are economically comparable to the PRC and that are significant producers of comparable merchandise. See Volume III of the Petitions at 7–8 and 10 and Supplement

to the PRC AD Petition at 3 and Exhibit 28.

The petitioner determined electricity costs using the electricity consumption, in kilowatt hours, derived from its own experience. See Volume III of the Petitions at 11–12 and Supplement to the PRC AD Petition at Exhibits 30–31. The petitioner valued electricity using the Indian electricity rate reported by the Central Electric Authority of the Government of India. See Volume III of the Petitions at 8–9 and Exhibit III–26.

The petitioner determined natural gas costs using the natural gas consumption derived from its own experience. See Volume III of the Petitions at 11–12 and supplement to the PRC AD Petition at Exhibits 30–31. The petitioner valued natural gas using data obtained from the Government of India Ministry of Petroleum and Natural Gas as well as the gas transmission costs from the Gas Authority of India Ltd. See Volume III of the Petitions at 9 and Exhibit III–8.

The petitioner determined water costs using the water consumption derived from its own experience. See Volume III of the Petitions at 11–12 and Supplement to the PRC AD Petition at Exhibits 30–31. The petitioner valued water based on information that is contemporaneous with the POI from the Maharashtra Industrial Development Corporation. See Volume III of the Petitions at 9 and Supplement to the PRC AD Petition at 2 and Exhibit 27.

The petitioner based factory overhead, selling, general and administrative (SG&A), and profit on data from Daikaffil Chemicals India Limited (Daikaffil Chemicals), an Indian producer of stilbenic OBAs, for the fiscal year April 2009 through March 2010. See Volume III of the Petitions at 10 and Exhibits III–9 and III–10. The petitioner states that Daikaffil Chemicals was an Indian producer of stilbenic OBAs during fiscal year 2009–2010. See Volume III of the Petitions at 10. Therefore, for purposes of the initiation, the Department finds the petitioner's use of Daikaffil Chemicals' financial ratios appropriate. See 19 CFR 351.408(c)(4).

#### **Alleged U.S. Price and NV: Taiwan**

The petitioner calculated two constructed export prices (CEPs) (one for stilbenic OBAs in solution and one in powder state) using a price quote it obtained from a credible source for stilbenic OBAs in the solution state. The petitioner substantiated the U.S. price quote with an affidavit and a declaration from the person who obtained the information. To calculate CEP for stilbenic OBAs in a solution state, the petitioner adjusted the CEP based on the

terms of sale for brokerage and handling incurred in Taiwan and the United States, international freight, U.S. customs duties, U.S. inland freight, U.S. indirect selling expenses, and CEP profit. To calculate CEP for stilbenic OBAs in a powder state, the petitioner adjusted the CEP based on the terms of sale for brokerage and handling incurred in Taiwan and the United States, international freight, U.S. customs duties, U.S. inland freight, U.S. indirect selling expenses, further manufacturing (*i.e.*, dilution), and CEP profit. See Volume II of the Petitions at 7–19, Exhibits II–18 through II–26, Supplement to the Taiwan AD Petition at Exhibit 28, and Taiwan Initiation Checklist.

With respect to NV, the petitioner calculated NV based on constructed value (CV). The petitioner computed a CV for stilbenic OBAs in the solution state and in the powder state, using the same methodology described below.

Pursuant to section 773(a)(4) of the Act, the petitioner calculated CV using the cost of manufacturing, SG&A expenses, packing expenses, and financial expenses. The petitioner then added the average profit rate based on the most recent financial statements of a company in the same general industry in Taiwan as the producer. See Taiwan Initiation Checklist.

The petitioner calculated raw materials, labor, energy, and packing based on its own production experience, adjusted for known differences to manufacture stilbenic OBAs in Taiwan using publically available data. See Taiwan Initiation Checklist for details of the calculation of raw materials, labor, energy, and packing. To calculate the factory overhead, SG&A, financial expenses, and the profit rate, the petitioner relied on cost data from a Taiwanese producer of optical brighteners. See Volume II of the Petitions at 8–12 and Exhibits II–16 and II–17 and Taiwan Initiation Checklist.

#### Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of stilbenic OBAs from the PRC and Taiwan are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EPs to NVs in accordance with section 773(c) of the Act, the estimated dumping margins for stilbenic OBAs from the PRC range from 80.64 percent to 203.16 percent. See the PRC Initiation Checklist. Based on comparisons of CEPs to CVs in accordance with section 773(a)(4) of the Act, the estimated dumping margins for stilbenic OBAs from Taiwan range from 61.79 percent

to 109.45 percent. See Taiwan Initiation Checklist.

#### Initiation of Antidumping Investigations

Based upon the examination of the Petitions on stilbenic OBAs from the PRC and Taiwan, we find that the Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of stilbenic OBAs from the PRC and Taiwan are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

#### Targeted Dumping Allegations

On December 10, 2008, the Department issued an interim final rule for the purpose of withdrawing 19 CFR 351.414(f) and (g), the regulatory provisions governing the targeted dumping analysis in AD investigations, and the corresponding regulation governing the deadline for targeted dumping allegations, 19 CFR 351.301(d)(5). See *Withdrawal of the Regulatory Provisions Governing Targeted Dumping in Antidumping Duty Investigations*, 73 FR 74930 (December 10, 2008). The Department stated that “withdrawal will allow the Department to exercise the discretion intended by the statute and, thereby, develop a practice that will allow interested parties to pursue all statutory avenues of relief in this area.” *Id.* at 74931.

In order to accomplish this objective, if any interested party wishes to make a targeted dumping allegation in these investigations pursuant to section 777A(d)(1)(B) of the Act, such allegation is due no later than 45 days before the scheduled date of the preliminary determinations.

#### Respondent Selection

##### The PRC

Following standard practice in AD investigations involving NME countries, the Department will request quantity and value information from all known exporters and producers identified with complete contact information in Volume III of the Petitions and Supplement to the PRC AD Petition. The quantity and value data received from NME exporters/producers will be used as the basis to select the mandatory respondents.

The Department requires that the respondents submit a response to both

the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. See *Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Initiation of Antidumping Duty Investigation*, 73 FR 10221, 10225 (February 26, 2008), and *Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People's Republic of China*, 70 FR 21996, 21999 (April 28, 2005). On the date of publication of this initiation notice in the **Federal Register**, the Department will post the quantity and value questionnaire along with the filing instructions on the Import Administration Web site at <http://ia.ita.doc.gov/ia-highlights-and-news.html> and a response to the quantity and value questionnaire is due no later than May 11, 2011. Also, the Department will send the quantity and value questionnaire to those PRC companies identified in Volume I of the Petitions at Exhibit I–8.

#### Taiwan

Following standard practice in AD investigations involving market-economy countries, the Department intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports under HTSUS number 3204.20.80 during the POI. We intend to release the CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO within five days of publication of this **Federal Register** notice and make our decision regarding respondent selection within 20 days of publication of this notice. The Department invites comments regarding the CBP data and respondent selection within 10 days of publication of this **Federal Register** notice.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Instructions for filing such applications may be found on the Department's Web site at <http://ia.ita.doc.gov/apo>.

#### Separate Rates

In order to obtain separate-rate status in NME investigations, exporters and producers must submit a separate-rate status application. See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market-Economy Countries (April 5, 2005) (Separate Rates and Combination Rates Bulletin), available on the Department's Web site at <http://ia.ita.doc.gov/policy/bull05-1.pdf>. Based on our experience in

processing the separate-rate applications in previous AD investigations, we have modified the application for this investigation to make it more administrable and easier for applicants to complete. See, e.g., *Initiation of Antidumping Duty Investigation: Certain New Pneumatic Off-the-Road Tires From the People's Republic of China*, 72 FR 43591, 43594–95 (August 6, 2007). The specific requirements for submitting the separate-rate application in the NME 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/ia-highlights-and-news.html> on the date of publication of this initiation notice in the **Federal Register**. The separate-rate application will be due 60 days after publication of this initiation notice. For exporters and producers who submit a separate-rate status application and subsequently are selected as mandatory respondents, these exporters and producers will no longer be eligible for consideration for separate-rate status unless they respond to all parts of the questionnaire as mandatory respondents. As explained in the "Respondent Selection" section above, the Department requires that respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status.

#### 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.

See Separate Rates and Combination Rates Bulletin at 6 (emphasis added).

#### Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the Government of the PRC and Taiwan authorities. Because of the large number of producers/exporters identified in the Petitions, the Department considers the service of the public version of the Petitions to the foreign producers/exporters satisfied by the delivery of the public version to the Government of the PRC and Taiwan authorities, consistent with 19 CFR 351.203(c)(2).

#### ITC Notification

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

#### Preliminary Determinations by the ITC

The ITC will preliminarily determine no later than May 16, 2011, whether there is a reasonable indication that imports of stilbenic OBAs from the PRC and Taiwan are materially injuring or threatening material injury to a U.S. industry. A negative ITC determination for any country will result in the investigation being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

#### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures* (73 FR 3634). Parties wishing to participate in this investigation should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

Any party submitting factual information in an AD or countervailing duty (CVD) proceeding must certify to the accuracy and completeness of that information. See section 782(b) of the Act. Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives in all segments of any AD/CVD proceedings initiated on or after March 14, 2011. See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Interim Final Rule*, 76 FR 7491 (February 10, 2011) (*Interim Final*

*Rule*), amending 19 CFR 351.303(g)(1) and (2). The formats for the revised certifications are provided at the end of the *Interim Final Rule*. The Department intends to reject factual submissions in any proceeding segments initiated on or after March 14, 2011, if the submitting party does not comply with the revised certification requirements.

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

Dated: April 20, 2011.

**Ronald K. Lorentzen,**  
Deputy Assistant Secretary for Import Administration.

#### Appendix I

##### Scope of the Investigations

The certain stilbenic optical brightening agents ("OBA") covered by these investigations are all forms (whether free acid or salt) of compounds known as triazinylaminostilbenes (i.e., all derivatives of 4,4'-bis [1,3,5-triazin-2-yl] amino-2,2'-stilbenedisulfonic acid), except for compounds listed in the following paragraph. The certain stilbenic OBAs covered by these investigations include final stilbenic OBA products, as well as intermediate products that are themselves triazinylaminostilbenes produced during the synthesis of final stilbenic OBA products.

Excluded from these investigations are all forms of 4,4'-bis[4-anilino-6-morpholino-1,3,5-triazin-2-yl] amino-2,2'-stilbenedisulfonic acid, C<sub>40</sub>H<sub>40</sub>N<sub>12</sub>O<sub>8</sub>S<sub>2</sub> ("Fluorescent Brightener 71"). These investigations cover the above-described compounds in any state (including but not limited to powder, slurry, or solution), of any concentrations of active certain stilbenic OBA ingredient, as well as any compositions regardless of additives (i.e., mixtures or blends, whether of certain stilbenic OBAs with each other, or of certain stilbenic OBAs with additives that are not certain stilbenic OBAs), and in any type of packaging.

These stilbenic OBAs are classifiable under subheading 3204.20.8000 of the Harmonized Tariff Schedule of the United States ("HTSUS"), but they may also enter under subheadings 2933.69.6050, 2921.59.4000 and 2921.59.8090. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

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#### DEPARTMENT OF COMMERCE

##### International Trade Administration

[A-520-804]

##### Certain Steel Nails From the United Arab Emirates: Initiation of Antidumping Duty Investigation

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