

Dated: December 26, 2001.

**Richard W. Moreland,**  
Acting Assistant Secretary for Import  
Administration.

## Appendix

List of Comments and Issues in the Decision  
Memorandum

Filiz and Pastavilla

1. Calculation of the Countervailing Duty  
(CVD) Field

Pastavilla

2. Calculation of Warranty Expense
3. Application of Negative Interest Cost
4. Indexing Fixed Overhead Costs
5. Revocation of the Antidumping Duty  
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6. Clerical Error in the Affiliated Party  
Program

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-475-818]

#### Notice of Final Results of Antidumping Duty Administrative Review, Partial Rescission of Antidumping Duty Administrative Review and Revocation of Antidumping Duty Order in Part: Certain Pasta From Italy

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

**ACTION:** Notice of final results of  
antidumping duty administrative  
review, partial rescission of  
antidumping duty administrative review  
and revocation of antidumping duty  
order in part.

**SUMMARY:** On June 28, 2001, the  
Department of Commerce (the  
“Department”) published the  
preliminary results of the administrative  
review of the antidumping duty order  
on certain pasta from Italy. This review  
covers the following exporters/  
producers of subject merchandise: (1)  
Barilla G.e.R. F.lli S.p.A.. (“Barilla”), (2)  
CO.R.EX S.p.A. (“Corex”), (3) Delverde  
S.p.A. and its affiliate, Tamma Industrie  
Alimentari di Capitanata, S.r.L.  
(collectively, “Delverde”), (4) Pastificio  
Guido Ferrara S.r.l. (“Ferrara”), (5)  
Pastificio F.lli Pagani S.p.A. (“Pagani”),  
(6) Pastificio Antonio Pallante S.r.l. and  
its affiliate, Industrie Alimentari  
Molisane S.r.l. (collectively, “Pallante”),  
(7) P.A.M., S.r.l. and its affiliate, Liguori  
(collectively, “PAM”), (8) N. Puglisi & F.  
Industria Paste Alimentari S.p.A.  
(“Puglisi”), (9) Pastificio Riscossa F.lli  
Mastromauro S.r.l. (“Riscossa”), and (10)  
Rummo S.p.A. Molino e Pastificio

(“Rummo”). The period of review  
(“POR”) is July 1, 1999, through June  
30, 2000.

Based on our analysis of the  
comments received, these final results  
differ from the preliminary results. The  
final results are listed in the section  
“*Final Results of Review.*” For our final  
results, we have found that during the  
POR, Barilla, Ferrara, Pallante, PAM,  
and Riscossa sold subject merchandise  
at less than normal value (“NV”). We  
have also found that during the POR,  
Corex, Pagani, Puglisi and Rummo did  
not make sales of the subject  
merchandise at less than NV (*i.e.*, they  
had “zero” or de minimis dumping  
margins). Based on a decision of the  
U.S. Court of Appeals for the Federal  
Circuit, we are rescinding the review  
with respect to Delverde. *See*  
*Determination to Rescind* section of this  
notice. In addition, we are revoking the  
antidumping order with respect to  
Corex and Puglisi, based on three years  
of sales in commercial quantities at not  
less than NV. *See Determination to*  
*Revoke* section of this notice.

**EFFECTIVE DATE:** January 3, 2002.

**FOR FURTHER INFORMATION CONTACT:**  
James Terpstra or Geoffrey Craig, AD/  
CVD Enforcement, Office VI, Group II,  
Import Administration, U.S. Department  
of Commerce, Room 4012, 14th Street  
and Constitution Avenue, NW.,  
Washington, DC 20230; telephone (202)  
482-3965, or (202) 482-4161,  
respectively.

#### SUPPLEMENTARY INFORMATION:

##### The Applicable Statute

Unless otherwise indicated, all  
citations to the Tariff Act of 1930, as  
amended (“the Act”), are references to  
the provisions effective January 1, 1995,  
the effective date of the amendments  
made to the Act by the Uruguay Round  
Agreements Act. In addition, unless  
otherwise indicated, all citations to the  
Department’s regulations are to 19 CFR  
part 351 (2000).

##### Background

On June 28, 2001, the Department  
published the preliminary results of  
administrative review of the  
antidumping duty order on certain pasta  
from Italy. *See Notice of Preliminary*  
*Results and Partial Rescission of*  
*Antidumping Duty Administrative*  
*Review and Intent To Revoke*  
*Antidumping Duty Order in Part:*  
*Certain Pasta From Italy*, 66 FR 34414  
(June 28, 2001) (“*Preliminary Results*”).  
The review covers ten manufacturers/  
exporters. The POR is July 1, 1999,  
through June 30, 2000. We invited  
parties to comment on our preliminary

results of review. We received case  
briefs on August 6, 2001, from Ferrara,  
Pallante, and PAM. On August 6, 2001,  
Riscossa submitted a letter with one  
clerical error allegation. A public  
hearing was not held with respect to  
this review.<sup>1</sup> On November 1, 2001, the  
Department published a notice  
extending the final results until no later  
than December 25, 2001. *See Certain*  
*Pasta from Italy and Turkey: Extension*  
*of Final Results of Antidumping Duty*  
*Administrative Reviews*, 66 FR 55160  
(November 1, 2001). We also received a  
letter from PAM dated December 5,  
2001.<sup>2</sup> The Department has conducted  
this administrative review in  
accordance with section 751 of the Act.

##### Scope of Review

Imports covered by this review are  
shipments of certain non-egg dry pasta  
in packages of five pounds (2.27  
kilograms) or less, whether or not  
enriched or fortified or containing milk  
or other optional ingredients such as  
chopped vegetables, vegetable purees,  
milk, gluten, diastasis, vitamins,  
coloring and flavorings, and up to two  
percent egg white. The pasta covered by  
this scope is typically sold in the retail  
market, in fiberboard or cardboard  
cartons, or polyethylene or  
polypropylene bags of varying  
dimensions.

Excluded from the scope of this  
review are refrigerated, frozen, or  
canned pastas, as well as all forms of  
egg pasta, with the exception of non-egg  
dry pasta containing up to two percent  
egg white. Also excluded are imports of

<sup>1</sup> On July 22, 2001, PAM requested a hearing.  
However, instead the Department and PAM held an  
*ex parte* meeting. *See* Memorandum from Melissa  
G. Skinner to the File, “*Ex Parte Meeting with*  
*Counsel for PAM S.r.l. in the Antidumping Duty*  
*Administrative Review of Certain Pasta from Italy,*”  
dated August 22, 2001, on file in the Central  
Records Unit, room B-099, of the Department’s  
main building (the “CRU”).

<sup>2</sup> This letter requests that the Department  
combine shape categories 5 (short cuts), 6 (specialty  
short cuts) and 7 (souppettes). PAM argues that the  
Department has acknowledged that it erred with  
respect to this issue in the judicial review of the  
third administrative review. In its brief to the Court  
of International Trade, the Department stated, “We  
respectfully request that the Court remand this  
issue to Commerce for the limited purpose of  
reviewing the record with regard to shape  
categories.” *See* United States’ Memorandum in  
Opposition to Plaintiff’s Motion for Judgment  
Pursuant to Rule 56.2,” dated November 2, 2001.  
PAM has inferred from this statement that “this is  
a clear and unequivocal statement in which the U.S.  
concedes that it erred in the original determination  
in the 98/99 administrative review.” Therefore,  
PAM has requested that the Department modify the  
final results of the current review (*i.e.*, combine  
shape categories 5, 6, and 7) in light of the  
Department’s request to the Court for a remand. To  
the contrary, we simply requested from the Court  
the opportunity “to review the record with regard  
to shape categories.”

organic pasta from Italy that are accompanied by the appropriate certificate issued by the Istituto Mediterraneo Di Certificazione, by Bioagricoop Scrl, by QC&I International Services, by Ecocert Italia, by Consorzio per il Controllo dei Prodotti Biologici, by Associazione Italiana per l'Agricoltura Biologica, or by Codex S.R.L.

The merchandise subject to review is currently classifiable under item 1902.19.20 of the *Harmonized Tariff Schedule of the United States* ("HTSUS"). Although the HTSUS subheading is provided for convenience and Customs purposes, the written description of the merchandise subject to the order is dispositive.

### Scope Rulings

The Department has issued the following scope rulings to date:

(1) On August 25, 1997, the Department issued a scope ruling that multicolored pasta, imported in kitchen display bottles of decorative glass that are sealed with cork or paraffin and bound with raffia, is excluded from the scope of the antidumping and countervailing duty orders. See Memorandum from Edward Easton to Richard Moreland, dated August 25, 1997, in the case file in the CRU.

(2) On July 30, 1998, the Department issued a scope ruling, finding that multipacks consisting of six one-pound packages of pasta that are shrink-wrapped into a single package are within the scope of the antidumping and countervailing duty orders. See Letter from Susan H. Kuhbach, Acting Deputy Assistant Secretary for Import Administration, to Barbara P. Sidari, Vice President, Joseph A. Sidari Company, Inc., dated July 30, 1998, which is available in the CRU.

(3) On October 23, 1997, the petitioners filed an application requesting that the Department initiate an anti-circumvention investigation of Barilla, an Italian producer and exporter of pasta. The Department initiated the investigation on December 8, 1997 (62 FR 65673). On October 5, 1998, the Department issued its final determination that Barilla's importation of pasta in bulk and subsequent repackaging in the United States into packages of five pounds or less constitutes circumvention, with respect to the antidumping duty order on pasta from Italy pursuant to section 781(a) of the Act. See *Anti-circumvention Inquiry of the Antidumping Duty Order on Certain Pasta from Italy: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 63 FR 54672 (October 13, 1998).

(4) On October 26, 1998, the Department self-initiated a scope inquiry to determine whether a package weighing over five pounds as a result of allowable industry tolerances is within the scope of the antidumping and countervailing duty orders. On May 24, 1999, we issued a final scope ruling finding that, effective October 26, 1998, pasta in packages weighing or labeled up to (and including) five pounds four ounces is within the scope of the antidumping and countervailing duty orders. See Memorandum from John Brinkmann to Richard Moreland, dated May 24, 1999, which is available in the CRU.

The following scope ruling is pending:

(5) On April 27, 2000, the Department self-initiated an anti-circumvention inquiry to determine whether Pagani's importation of pasta in bulk and subsequent repackaging in the United States into packages of five pounds or less constitutes circumvention, with respect to the antidumping and countervailing duty orders on pasta from Italy pursuant to section 781(a) of the Act and 19 CFR 351.225(b). See *Certain Pasta from Italy: Notice of Initiation of Anti-circumvention Inquiry of the Antidumping and Countervailing Duty Orders*, 65 FR 26179 (May 5, 2000).

### Verification

As provided in section 782(i) of the Act, we verified U.S. sales information provided by Puglisi's U.S. affiliate, Rienzi & Sons. We used standard verification procedures, including an examination of relevant sales and financial records. Our verification results are outlined in the Puglisi verification report placed in the case file in the CRU. We revised certain sales verification findings. See the Puglisi verification report and calculation memorandum.

### Determination To Rescind

On March 12, 2001, the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit") reversed a ruling by the U.S. Court of International Trade ("CIT") and issued an order remanding to the CIT the final determination of the antidumping duty less-than-fair-value ("LTFV") investigation (covering the period from May 1, 1994 through April 31, 1995) on certain pasta from Italy. The CIT subsequently remanded the case to the Department. Delverde's LTFV margin is now *de minimis*. See *Notice of Amendment of Final Determination of Sales at Less Than Fair Value Pursuant to Court Decision and Revocation in Part: Certain Pasta From Italy*, 66 FR 65889 (December 21,

2001). Therefore, because Delverde's LTFV margin is *de minimis*, Delverde is not subject to suspension of liquidation and has been excluded from the antidumping duty order on Pasta from Italy. We are rescinding this review with respect to Delverde because it has been excluded from the antidumping duty order.

### Determination To Revoke

On July 13, 2000, and July 31, 2000, Puglisi and Corex, respectively, submitted letters to the Department requesting, pursuant to 19 CFR 351.222(b) and (e), revocation of the antidumping duty order with respect to their sales of the subject merchandise. In accordance with 19 CFR 351.222(e), on July 31, 2000 and September 13, 2000, respectively, Puglisi and Corex submitted the required certifications and agreements that they had not sold the subject merchandise at less than NV for a period of three consecutive reviews, which included this review period, and that they sold the subject merchandise in commercial quantities to the United States during each of these three years. Puglisi and Corex also have stated that they would not sell the subject merchandise at less than NV to the United States in the future, and each agreed to the reinstatement of the antidumping order with respect to its merchandise, as long as any exporter or producer is subject to the order, if the Department concludes that either Puglisi or Corex sold the subject merchandise at less than NV. See 19 CFR 351.222(e)(1)(i)-(iii).

In our preliminary results, in accordance with 19 CFR 351.222(f)(2), we stated our intent to revoke, in part, the order for certain pasta from Italy as it pertains to Corex and Puglisi sales of the subject merchandise. See *Preliminary Results*. No parties submitted comments on either Puglisi's or Corex's requests for revocation.

Therefore, because Puglisi has made sales at not less than NV for three consecutive reviews in commercial quantities (see Memorandum from Geoffrey Craig to File, "Shipments of Pasta to the United States by Puglisi," dated June 21, 2001) and because there is no evidence on the record to indicate the likelihood of resumption of sales at dumped prices, we are revoking the antidumping duty order, in part, with respect to subject merchandise produced or produced and sold by Puglisi. See *Certain Welded Stainless Steel Pipe From Taiwan: Final Results of Antidumping Duty Administrative Review and Determination To Revoke Order In Part*, 65 FR 39367 (June 26, 2000). Also, because Corex has made

sales at not less than NV for three consecutive reviews in commercial quantities (see Memorandum from Cindy Robinson to File, "Shipments of Pasta to the United States by Corex," dated June 21, 2001) and because there is no evidence on the record to indicate continued application of the order is necessary to offset dumping, we are revoking the antidumping duty order, in part, with respect to subject merchandise produced or produced and sold by Corex. In accordance with 19 CFR 351.222(f)(3), we will terminate the suspension of liquidation for Puglisi's and Corex's merchandise entered, or withdrawn from warehouse, for consumption on or after July 1, 2000 (the first day after the period under review), and will instruct the U.S. Customs Service to release any bond and refund any cash deposit.

#### Use of Facts Available

In the *Preliminary Results*, we applied adverse facts available ("FA") to determine Barilla's dumping margin. See *Preliminary Results*, at 66 FR 34116. We did not receive comments regarding this issue; therefore, pursuant to section 776(a)(2)(A) of the Act, we have continued to apply adverse FA to determine Barilla's dumping margin in the final results.

#### Selection of Adverse FA

Consistent with the *Preliminary Results*, in accordance with section 776(b) of the Act, we are assigning Barilla an adverse facts available rate of 45.59 percent. See *Id.* We did not receive comments with respect to the selection of this rate; therefore we have continued to apply the 45.59 percent rate for Barilla.

#### Analysis of Comments Received

All issues raised in the case briefs by parties to this administrative review are addressed in the "Issues and Decision Memorandum for the Fourth Antidumping Duty Administrative Review" ("Decision Memorandum") from Bernard T. Carreau, Deputy Assistant Secretary for Import Administration, to Richard W. Moreland, Acting Assistant Secretary for Import Administration, dated concurrently with this notice, which is hereby adopted by this notice. A list of the issues which parties have raised, and to which we have responded in the *Decision Memorandum*, is attached to this notice as an Appendix. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in the CRU. In addition, a complete

version of the *Decision Memorandum* can be accessed directly on the Web at <http://ia.ita.doc.gov>. The paper copy and electronic version of the *Decision Memorandum* are identical in content.

#### Final Results of Review

As a result of our review, we determine that the following weighted-average percentage margins exist for the period July 1, 1999, through June 30, 2000:

Manufacturer/exporter	Margin (percent)
Barilla .....	45.59
Corex .....	0
Ferrara .....	2.03
Pagani .....	0
Pallante .....	1.78
PAM .....	4.10
Puglisi .....	*0.09
Riscossa .....	1.03
Rummo .....	*0.01

\*De minimis.

#### Assessment

The Department shall determine, and Customs shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b), we have calculated exporter/importer-specific assessment rates by aggregating the dumping margins for all U.S. sales to each importer and dividing the amount by the total entered value of the sales to that importer. In situations in which the importer-specific assessment rate is above de minimis, we will instruct Customs to assess antidumping duties on that importer's entries of subject merchandise. We will direct Customs to assess the resulting percentage margins against the entered Customs values for the subject merchandise on each of that importer's entries under the order during the POR.

#### Cash Deposit Requirements

The following deposit requirements will be effective upon publication of this notice of final results of administrative review for all shipments of certain pasta from Italy entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed companies will be the rates shown above, except where the margin is *de minimis* or zero we will instruct Customs not to collect cash deposits; (2) for previously reviewed or 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, a prior review, or the original

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 11.26 percent, the "All Others" rate established in the LTFV investigation. See *Notice of Antidumping Duty Order and Amended Final Determination of Sales at Less Than Fair Value: Certain Pasta from Italy*, 61 FR 38547 (July 24, 1996). These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

#### Notification

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties or countervailing 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 doubled antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO are sanctionable violations.

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

Dated: December 26, 2001.

**Richard W. Moreland,**  
Acting Assistant Secretary for Import Administration.

#### Appendix

List of Comments and Issues in the Decision Memorandum

##### Ferrara

1. Billing adjustments
2. CONNUM construction

##### Pallante

3. Entered value calculation
4. Export subsidy rate
5. Mismatched CONNUM and shape product characteristic
6. Level of trade

**PAM**

7. Cost of production and constructed value data
8. Classification of certain sales as U.S. sales
9. Home market sales used in below-cost test
10. Entry-by-entry basis
11. "Zeroing" negative margins
12. Startup adjustment
13. Exchange rate conversions
14. De minimis amounts
15. Currency of transaction
16. Level of trade methodology
17. Level of trade adjustment
18. General shape methodology
19. Department's shape classification of certain cuts
20. Release of data
21. Inclusion of constructed export price language in the margin program
22. Miscellaneous
23. Accuracy of final results

**Riscossa**

24. Clerical error

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**DEPARTMENT OF COMMERCE****International Trade Administration**

[A-570-001]

**Potassium Permanganate From the People's Republic of China: Preliminary Results of Antidumping Duty New Shipper Review**

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

**ACTION:** Notice of Preliminary Results of Antidumping Duty New Shipper Review of Potassium Permanganate from the People's Republic of China.

**SUMMARY:** The Department of Commerce (the Department) is conducting a new shipper review of the antidumping duty order on potassium permanganate from the People's Republic of China (PRC) in response to a request from Groupstars Chemical Co. Ltd. (Groupstars). The review covers the period January 1, 2000 through December 31, 2000. The Department has preliminarily determined that the sale of subject merchandise during the period of review (POR) was made below normal value (NV). If the preliminary results are adopted in our final results of review, we will instruct the U.S. Customs Service (Customs) to assess antidumping duties on the entry under review.

The Department invites interested parties to comment on the preliminary results.

**EFFECTIVE DATE:** January 3, 2002.

**FOR FURTHER INFORMATION CONTACT:** John Conniff or Chris Brady, AD/CVD Enforcement, Office 4, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-1009 and (202) 482-4406, respectively.

**SUPPLEMENTARY INFORMATION:****The Applicable Statute and Regulations**

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended, (the Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR Part 351 (2000).

**Background**

On January 31, 1984, the Department published in the **Federal Register** (49 FR 3897) the antidumping duty order on potassium permanganate from the PRC. On January 30, 2001, in accordance with section 751(a)(2)(B) of the Act and section 351.214 of the Department's regulations, the Department received a timely request from Groupstars to conduct a new shipper review of the antidumping order on potassium permanganate from the PRC.

Section 351.214(b) of the Department's regulations requires that the exporter or producer requesting a new shipper review include the following in its request: (i) A statement from such exporter or producer that it did not export subject merchandise to the United States during the period of investigation (POI); (ii) certification that, since the investigation was initiated, such exporter or producer has never been affiliated with any exporter or producer who exported the subject merchandise to the United States during the POI; (iii) in an antidumping proceeding involving inputs from a non-market economy (NME) country, a certification that the export activities of such exporter or producer are not controlled by the central government; and (iv) documentation establishing: (a) The date on which the subject merchandise was first entered, or withdrawn from warehouse, for consumption, or, if this date cannot be established, the date on which the exporter or producer first shipped the subject merchandise for export to the United States; (b) the volume of that shipment and subsequent shipments; and (c) the date of the first sale to an unaffiliated customer in the United States. Groupstars' new shipper review

request was accompanied by information and certifications establishing the date on which the company first shipped and entered potassium permanganate for consumption in the United States, the volume of the shipment, and the date of first sale to an unaffiliated customer in the United States. Also, Groupstars certified that it did not export potassium permanganate from the PRC during the POI and was not affiliated with any company which had exported during the POI. In addition, Groupstars certified that its export activities are not controlled by the PRC's central government.

On February 28, 2001, the Department initiated a new shipper review of Groupstars covering the period January 1, 2000, through December 31, 2000. See *Potassium Permanganate From the People's Republic of China: Initiation of Antidumping New Shipper Review*, 66 FR 13895 (March 8, 2001). On August 17, 2001, the Department published an extension of the deadline for completion of the preliminary results of this new shipper review until December 25, 2001. See *Potassium Permanganate From the People's Republic of China: Extension of Time Limit for Preliminary Results of Antidumping New Shipper Review*, 66 FR 43183.

On March 28, 2001, the Department issued its antidumping questionnaire to Groupstars. Groupstars responded to the Department's questionnaire on May 11, 2001 and June 14, 2001. Additionally, Groupstars submitted responses to the Department's May, August and October, 2001 supplemental questionnaires during May, August and October 2001, respectively. On September 28, 2001, the Department provided all interested parties the opportunity to submit any information which they wanted the Department to consider when valuing factors of production (FOP) in this new shipper review. On October 14, 2001, Groupstars submitted publicly available information and comments for consideration in valuing the FOP used in our NV calculations. On October 15, 2001, petitioner also submitted publicly available information and comments for this purpose.

**Scope of the Review**

Imports covered by this review are shipments of potassium permanganate, an inorganic chemical produced in free-flowing, technical, and pharmaceutical grades. During the review period, potassium permanganate was classifiable under item 2841.60.0010 of the Harmonized Tariff Schedule (HTS). The HTS item number is provided for convenience and Customs purposes.