

request for a hearing is made in this investigation, the hearing will tentatively be held two days after the rebuttal brief deadline date at the U.S. Department of Commerce, 14th Street and Pennsylvania Avenue, NW., Washington, DC. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

We will make our final determination not later than 135 days after the publication of this notice in the **Federal Register**.

This determination is published pursuant to sections 733(f) and 777(i) of the Act.

Dated: December 16, 2004.

**James J. Jochum,**  
*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-421-811]

#### Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Purified Carboxymethylcellulose From the Netherlands

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

**SUMMARY:** The U.S. Department of Commerce ("the Department") preliminarily determines that purified carboxymethylcellulose ("CMC") from the Netherlands is being, or is likely to be, sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended ("the Act"). Interested parties are invited to comment on this preliminary determination. Pursuant to requests from interested parties we are postponing the final determination for this case and extending the provisional measures from a four-month period to not more than six months. Accordingly,

we will make our final determination not later than 135 days after the preliminary determination.

**EFFECTIVE DATE:** December 27, 2004.

**FOR FURTHER INFORMATION CONTACT:** John Drury at (202) 482-0195, Angelica Mendoza at (202) 482-3019, David Kurt Kraus at (202) 482-7871 or Judy Lao at (202) 482-7924, Import Administration, AD/CVD Operations, Office 7, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### Preliminary Determination

We preliminarily determine that certain purified CMC from the Netherlands is being sold, or is likely to be sold, in the United States at less than fair value ("LTFV"), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

#### Case History

On June 26, 2004, the Department initiated antidumping investigations of purified CMC from the Netherlands. See Certain Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands, and Sweden; Initiation of Antidumping Duty Investigations, 69 FR 40617 (July 6, 2004) ("Initiation Notice"). The petitioner in this investigation is Aqualon Company, a division of Hercules Incorporated. Since the initiation of these investigations the following events have occurred.

In accordance with the preamble to our regulations, the Department set aside a period of time for parties to raise issues regarding product coverage and encouraged all parties to submit comments within 20 calendar days of publication of the Initiation Notice. See Antidumping Duties; Countervailing Duties; Final Rule, 62 FR 27296, 27323 (May 19, 1997) and Initiation Notice. The Department did not receive any comments from any interested party regarding product coverage.

On July 27, 2004, the United States International Trade Commission ("ITC") preliminarily determined that there is reasonable indication that imports of CMC from Finland, Mexico, the Netherlands, and Sweden are materially injuring the U.S. industry and the ITC notified the Department of its findings. The ITC's notice was published on July 30, 2004, in the **Federal Register**. See ITC Investigation Nos. 731-TA-1073-1087 (Publication No. 45851).

On September 3, 2004 and September 9, 2004, the Department received

section A questionnaire responses from Akzo Nobel Surface Chemistry B.V. ("ANSC") and Noviant B.V. ("Noviant"), respectively. In its section A response, Noviant stated that its home market sales were less than five percent of U.S. sales. Therefore, as the home market was not viable for the purposes of calculating normal value ("NV"), Noviant intended to report third country sales to Mexico for the calculation of NV. On September 15, 2004, petitioner filed a comment with the Department stating that Noviant's selection of Mexico as the appropriate third country market for determining NV was flawed. Petitioner contended that Taiwan should have been the appropriate market because Noviant's sales volume to Taiwan was second only to that of the United States. Petitioner requested that the Department obtain full sales data (section B responses) for Noviant's sales to each of its indicated three largest non-U.S. export markets. On September 24, 2004, after considering record evidence and all factors enumerated in section 19 CFR 351.404(e) of its regulations, the Department determined that Taiwan, and not Mexico, was the most appropriate third country market to be used for the purposes of calculating Noviant's NV. See Memorandum to Richard O. Weible, Director, Selection of Third Country Market for Noviant BV (Noviant), dated September 24, 2004 ("Third Country Market Memo").

Also, on September 24, 2004, the Department received both companies' section B and C questionnaire responses. On October 1, 2004, petitioner submitted comments on Noviant's section B and C responses. In particular, petitioner alleged that certain sales of purified CMC sold in the United States by Noviant and/or its U.S. affiliates had no identical or similar sales in the third country market (*i.e.*, Taiwan). Therefore, in its October 12, 2004, supplemental questionnaire, the Department requested that Noviant respond to the constructed value ("CV") portion of section D of the antidumping questionnaire for those models sold in the United States for which there were no identical or similar sales in Taiwan. For a discussion of the Department's calculation of CV, see the "Constructed Value" section below.

The Department issued a supplemental questionnaire to ANSC for sections A, B, and C on October 8, 2004, and a supplemental questionnaire for sections A, B and C to Noviant on October 12, 2004. The Department received questionnaire responses from ANSC on October 25, 2004, and October 27, 2004. The Department received

Noviant's questionnaire response on October 27, 2004.

On October 28, 2004, due to the complexity of this case and pursuant to section 733(c)(1)(B) of the Act, the Department postponed the preliminary determination of the antidumping duty investigation on purified CMC from the Netherlands until no later than December 16, 2004. See Postponement of Preliminary Determinations of Antidumping Duty Investigations: Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands and Sweden, 69 FR 64030 (November 3, 2004).

On November 5, 2004, the Department issued Noviant a supplemental section D questionnaire. On November 10, 2004, the Department issued supplemental questionnaires for deficiencies remaining in the aforementioned responses of ANSC and Noviant. The Department received the supplemental section D response from Noviant on November 19, 2004, and supplemental questionnaire responses from Noviant and ANSC on November 23, 2004.

#### **Postponement of Final Determination and Extension of Provisional Measures**

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. Section 351.210(e)(2) of the Department's regulations requires that requests by respondents for postponement of a final determination be accompanied by a request for an extension of the provisional measures from a four-month period to not more than six months.

On November 19, 2004, and November 23, 2004, Noviant and ANSC respectively requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone the deadline for its final determination until a date not later than the 135th day after the date on which the Department will have published its notice of preliminary determination. Both Noviant and ANSC also included a request to extend the provisional measures from a four-month period to not more than six months. In addition, on November 19, 2004, petitioners requested that, in the event of a negative determination or *de*

*minimis* margins, that the Department postpone the deadline for its final determination until a date not later than the 135th day after the date on which the Department will have published its notice of preliminary determination.

Accordingly, because we have made an affirmative preliminary determination in this case, and the requesting parties account for a significant portion of exports of the subject merchandise, we are postponing the final determination until not later than 135 days after the date of the publication of the preliminary determination.

#### **Period of Investigation ("POI")**

The POI is April 1, 2003, through March 31, 2004. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition, *i.e.*, June 2004.

#### **Scope of Investigation**

For purposes of this investigation, the products covered are all purified 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 investigation is classified in the Harmonized Tariff Schedule of the United States ("HTSUS") at subheading 3912.31.00. This tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this investigation is dispositive.

#### **Product Comparisons**

In accordance with section 771(16) of the Act, we considered all CMC produced and sold by the respondents in the Netherlands during the POI that fit the description in the "Scope of Investigation" section of this notice to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales made in the home market or third country market, where appropriate. Where there were no sales of identical merchandise in the home market or third country market in the

ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. Where there were no sales of identical or similar merchandise made in the ordinary course of trade, we made product comparisons using CV.

In making the product comparisons, we matched to the foreign like product based on the physical characteristics reported by the respondents in the following order of importance: grade, viscosity, degree of substitution, particle size, and solution characteristics.

On July 29, 2004, the Department issued the antidumping questionnaire to both ANSC and Noviant, noting that Appendix V was not enclosed. The Department stated that it would serve all parties with a copy of the proposed model match criteria in the near future. The Department also noted that there would be a period of comment and review before the Department issued the final model match hierarchy to all parties. On July 30, 2004, petitioner submitted its proposed model match criteria. Petitioner listed the criteria in descending order of importance: grade level, viscosity, degree of substitution, particle size, and solution characteristics, and provided sub-fields for each criterion.

On August 9, 2004, Noviant submitted comments regarding petitioner's July 30, 2004, proposed model match criteria. Noviant had no objection to the basic structure of the proposed model match nor with the ranking of the product characteristics. However, Noviant proposed adding sub-fields to grade and viscosity, while refining the definitions of degree of substitution, particle size, and solution characteristics. On August 11, 2004, petitioner commented on Noviant's August 9, 2004, comments, agreeing that the addition of one sub-field for oil drilling, and an extra viscosity range to reflect more meaningful distinctions was justified, while rebutting Noviant's breakout of production and sales variables.

On August 18, 2004, the Department issued a draft questionnaire Appendix V for model match criteria to all interested parties. On August 19, 2004, petitioner filed comments on the Department's draft model match criteria. Petitioner stated that it agreed with the Department in almost all respects with the exception of two typographical errors. On August 25, 2004, Noviant filed comments to the Department's draft model match criteria and petitioner's August 19, 2004, comments thereto. Noviant argued that the model match criteria proposed by the Department did not ensure accurate

comparisons of products or prices. After soliciting further comments from both interested parties on August 30, 2004, the Department issued its final questionnaire Appendix V model match criteria. See Letter to All Interested Parties from Robert James, Program Manager, dated August 30, 2004. The Department added sub-fields for some criteria and adjusted ranges for others in its final Appendix V, taking into account all comments submitted on behalf of both parties prior to making the final determination.

#### Date of Sale

Section 351.401(i) of the Department's regulations states that the Department will normally use the date of invoice, as recorded in the producer's or exporter's records kept in the ordinary course of business, as the date of sale. However, the Department may use a date other than the date of invoice if the alternative better reflects the date on which the material terms of sale (e.g., price and quantity) are established.

#### Noviant

For both third country market and U.S. sales, Noviant reported the date of invoice as the date of sale, in keeping with the Department's stated preference for using the invoice date as the date of sale. Noviant stated that invoicing is coincident with shipment, and therefore shipment date and invoice date are identical and are also the date of sale.

The Department is preliminarily using the invoice date as the date of sale for both third-country market and U.S. sales. We intend to examine this issue at verification, and will incorporate our findings in our analysis for the final determination, if we determine that order confirmation, or another date other than invoice date, is the appropriate date of sale.

#### ANSC

ANSC reported the date of invoice as the date of sale for both home and U.S. markets, reflecting the Department's stated preference. ANSC reported that the invoice date is indicative of the date on which material terms of sale are established and that it is possible for the quantity, price, or other terms of sale to be modified between order date and invoice date.

The Department is preliminarily using the invoice date as the date of sale for home market sales and all U.S. sales with the exception of those sales that occurred within distribution channel 2. For sales in U.S. market channel 2, ANSC stated that the invoice is generated after the shipment date. See also ANSC's October 25, 2004,

supplemental questionnaire response at 6. In keeping with the Department's preferred practice, we have used the date of shipment as the date of sale for U.S. market channel 2 sales. For all other sales, we used the invoice date as the date of sale.

#### Fair Value Comparisons

To determine whether sales of purified CMC from the Netherlands to the United States were made at LTFV, we compared the export price ("EP") or constructed export price ("CEP") to NV, as described in the "Export Price and Constructed Export Price" and "Normal Value" sections of this notice. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI weighted-average EPs and CEPs to NVs, and where there were no similar product matches, we compared EP or CEP to CV.

As discussed below under "Home Market Viability and Comparison Market Selection," we determined that ANSC had a viable home market during the POI. However, Noviant did not have a viable home market. Therefore, the Department used third country sales from Taiwan for NV. See discussion below.

#### Export Price and Constructed Export Price

Section 772(a) of the Act defines EP as the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection 772(c) of the Act. In accordance with section 772(b) of the Act, CEP is 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, as adjusted under subsections (c) and (d).

#### 1. ANSC

During the POI, ANSC made direct sales to unaffiliated customers in the United States and sales through its affiliate, Akzo Nobel Inc. ("AN-US"). After reviewing the evidence on the record of this investigation, we have preliminarily determined that ANSC's transactions through its affiliate are classified properly as CEP sales because these sales occurred in the United States and were made through its U.S.

affiliate(s) to an unaffiliated buyer. Such a determination is consistent with section 772(b) of the Act and the U.S. Court of Appeals for the Federal Circuit's decision in *AK Steel Corp. et al v. United States*, 226 F.3d 1361, 1374 (Fed. Cir. 2000) ("AK Steel").

#### Export Price

We used EP methodology, in accordance with section 772(a) of the Act, for sales that were produced and exported by ANSC from the Netherlands to the first unaffiliated purchaser in the United States prior to importation. We based EP on the packed price to unaffiliated purchasers in the United States. In accordance with section 772(c)(2)(A) of the Act, we made deductions for movement expenses, where appropriate, for foreign inland freight from the plant to distribution warehouse, warehousing, foreign inland freight from plant/warehouse to the port of exportation, foreign inland insurance, foreign brokerage and handling, U.S. brokerage and handling, international freight, and U.S. inland freight from port to warehouse. In addition, we deducted billing adjustments and discounts from EP, where appropriate.

#### Constructed Export Price

For sales of merchandise produced by ANSC and sold by AN-US to unaffiliated purchasers in the United States, we calculated CEP in accordance with section 772(c) of the Act. We based CEP on the packed duty paid prices to unaffiliated purchasers in the United States. We made adjustments to the starting price (gross unit price) for billing adjustments. In accordance with section 772(c)(2)(A) of the Act, we deducted the following movement expenses, where appropriate, from the starting price: foreign inland freight from the plant to distribution warehouse, warehousing, foreign inland freight from plant/warehouse to the port of exportation, foreign inland insurance, foreign brokerage and handling, U.S. brokerage and handling, international freight, marine insurance, U.S. inland freight from port to warehouse, U.S. warehousing expense, other U.S. transportation expenses, and U.S. customs duty. See also 19 CFR 351.401(e). Pursuant to section 772(d)(1) of the Act, we deducted from the starting price selling expenses associated with economic activities that occurred in the United States during the POI, including direct U.S. selling expenses (i.e., imputed credit expenses), U.S. inventory carrying costs, and other indirect selling expenses. Pursuant to section 772(d)(3) of the Act, where

applicable, we made an adjustment for CEP profit.

## 2. Noviant

Based on a review of evidence on the record, Noviant made direct sales to unaffiliated customers in the United States and sales through its U.S. affiliates, Noviant Inc. and Huber Engineered Materials ("HEM"). After reviewing the evidence on the record of this investigation, we have preliminarily determined that Noviant's transactions through its affiliates are classified properly as CEP sales because these sales occurred in the United States and were made through its U.S. affiliate(s) to an unaffiliated buyer. Such a determination is consistent with sections 772(a) and 772(b) of the Act, respectively, and the U.S. Court of Appeals for the Federal Circuit's decision in *AK Steel*.

## Export Price

We used EP methodology, in accordance with section 772(a) of the Act, for sales that were produced and exported by Noviant from the Netherlands to the first unaffiliated purchaser in the United States prior to importation. We based EP on the packed price to unaffiliated purchasers in the United States. In accordance with section 772(c)(2)(A) of the Act, we made deductions, where appropriate, for movement expenses including foreign inland freight from the plant to the port of exportation, U.S. brokerage and handling expenses, and marine insurance.

## Constructed Export Price

For sales of merchandise produced by Noviant and sold by Noviant Inc. and HEM to unaffiliated purchasers in the United States, we calculated CEP in accordance with section 772(c) of the Act. We based CEP on the packed duty paid prices to unaffiliated purchasers in the United States. We made adjustments to the starting price (gross unit price) for billing adjustments, rebates, and freight revenue. In accordance with section 772(c)(2)(A) of the Act, we deducted the following movement expenses, where appropriate, from the starting price: foreign inland freight from the plant to the port of exportation, foreign inland insurance, foreign brokerage and handling expenses, international freight, marine insurance, U.S. brokerage and handling expenses, U.S. customs duties, U.S. warehousing expenses, and U.S. inland freight from warehouse to unaffiliated customers. See also 19 CFR 351.401(e). Pursuant to section 772(d)(1) of the Act, we deducted from the starting price selling expenses

associated with economic activities that occurred in the United States during the POI, including direct U.S. selling expenses (*i.e.*, imputed credit expenses), U.S. inventory carrying costs, and other indirect selling expenses. Pursuant to section 772(d)(3) of the Act, where applicable, we made an adjustment for CEP profit.

Noviant reported the short-term interest rate for loans extended to its U.S. affiliates, Noviant Inc. and HEM, by an affiliated lender, JMH Finance Corp. ("JMHF"), and by an unaffiliated lender, respectively. See Noviant's second supplemental questionnaire response ("SSQR") dated November 24, 2004, at 22 and Exhibit C-35. We note that Noviant Inc.'s reported short-term dollar interest rate for loans from its affiliate, JMHF, is significantly lower than HEM's borrowing rate from an unaffiliated lender. Therefore, we preliminarily determine that Noviant Inc.'s reported short-term dollar interest rate is not at arm's length. Accordingly, we used HEM's interest rate for short-term borrowings from an unaffiliated lender during the POI to calculate Noviant Inc.'s imputed credit expenses and inventory carrying costs on CEP sales.

## 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.*, 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)(iii) of the Act provides that the Department may determine that home market sales are inappropriate as a basis for determining NV if the particular market situation would not permit a proper comparison. 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 the 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.

In this investigation, we determined that ANSC's aggregate volume of home market sales of the foreign like product was greater than five percent of the aggregate volume of U.S. sales of the subject merchandise. Therefore, for ANSC, we used home market sales as the basis for NV in accordance with section 773(a)(1)(B)(i) of the Act.

However, we determined that Noviant'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. Therefore, 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 Noviant.

On September 9, 2004, Noviant reported in its section A questionnaire response that its home market sales of the foreign like product were less than five percent of the aggregate quantity of its sales to the United States. Therefore, we determined that Noviant's sales in the home market did not provide a viable basis for calculating NV.

In its section A response, Noviant asserted that Mexico was the most appropriate third country market for purposes of determining NV, because of the comparability of merchandise, similarities in channels of distribution and levels of trade, and concentration of sales. On September 15, 2004, petitioner argued that the information provided by Noviant was not adequate for the Department to exercise its regulatory responsibility, set forth under section 351.404(e) of the Department's regulations, to determine the most appropriate third country market upon which to base NV. In addition, petitioner requested that the Department review Noviant's sales of foreign like product for each of its three largest third country markets, *i.e.* Taiwan, Germany and Mexico, as reported in Noviant's section A response. Upon review of the information provided by Noviant, in accordance with section 773(a)(1)(c)(ii) of the Act, the Department selected Taiwan as the appropriate comparison market. The Department found that exports of the foreign like products to Taiwan were adequately similar to those exported to the United States, and that exports to Taiwan were substantially larger than exports either to Mexico or to Germany. 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 September 16, 2004, the Department requested that Noviant report its sales of foreign like product sold to Taiwan during the POI. See Memorandum to the File from Angelica L. Mendoza, Noviant BV's Section B Response (Third-Country Market), dated September 20, 2004. See also Third Country Market Memo.

For Noviant, we also used 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. Level of Trade

In accordance with section 773(a)(1)(B)(i) 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. See also section 351.412 of the Department's regulations. The NV LOT is the level of the starting-price sales in the comparison market or, when NV is based on CV, the level of the sales from which we derive selling, general and administrative ("SG&A") expenses and profits. For EP sales, the U.S. LOT is also the level of the starting-price sale, which is usually from the exporter to the importer. For CEP sales, the U.S. LOT is the level of the constructed sale from the exporter to the affiliated importer. See section 351.412(c)(1) of the Department's regulations. As noted in the "Export Price and Constructed Export Price" section above, we preliminarily find that all of Noviant's and ANSC's sales through their U.S. affiliates are appropriately classified as CEP sales, while all direct sales to unrelated customers are properly classified as EP sales.

To determine whether NV sales are at a different LOT than EP or CEP sales, we examine 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 a different LOT than EP or CEP sales, and the difference affects price comparability, as manifested in a pattern of consistent price differences between sales on which NV is based and comparison market sales at the LOT of the export transaction, we make a LOT adjustment under section 773(a)(7)(A) of the Act. For CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP

offset provision). See Final Determination of Sales at Less Than Fair Value: Greenhouse Tomatoes from Canada, 67 FR 8781 (February 26, 2002); see also Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa, 62 FR 61731, 61732 (November 19, 1997).

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).

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>1</sup> including selling functions, class of customer ("customer category"), and the level of selling expenses for each type of sale.

#### Noviant

In this investigation, we obtained information from Noviant regarding the marketing stages involved in sales to the reported third country and U.S. markets. Noviant reported that it sells to unaffiliated distributors and end users in the third country market (*i.e.*, Taiwan), and to U.S. affiliates, Noviant Inc. and HEM, in the United States, and directly to unaffiliated U.S. customers.

Noviant reported one LOT in the third country market, Taiwan, with one channel of distribution to two classes of customers: (1) Direct sales from the plant to end users, and (2) direct sales from the plant to distributors. In reviewing Noviant's questionnaire responses, we preliminarily find that Noviant, in fact, had the following two channels of distribution in Taiwan: (1) Direct sales from the plant to end users and distributors, and (2) sales from warehouse to distributors. Specifically, in its supplemental questionnaire

response dated October 27, 2004 ("SQR"), Noviant stated that for its sales to distributors in Taiwan, it either produces to order or takes material from stock. See Noviant's SQR at 7. Further, based on our review of evidence on the record, we find that third country market sales to both customer categories and through both channels of distribution were substantially similar with respect to selling functions and stages of marketing. For example, Noviant employed an affiliated selling agent to assist with negotiation, customer inquiries, and to participate in industry trade shows in Asia, for which Noviant paid it a commission, for all sales to Taiwan. See Noviant's SQR at 4–5 and 7–8. Noviant performed the same selling functions for sales in both third country market channels of distribution, including sales forecasting, order input/processing, advertising, warranty service, freight and delivery services, etc. See Noviant's section A questionnaire response dated September 9, 2004, ("AQR") at Exhibit A–5. Accordingly, we preliminarily find that Noviant had only one LOT for its third country market sales.

Noviant reported one EP LOT and one CEP LOT each with one channel of distribution in the United States, and with two classes of customers for CEP sales: (1) Direct sales to end users of merchandise produced to order, and (2) sales through U.S. affiliates to end users and distributors of merchandise produced to order. However, in reviewing Noviant's questionnaire responses, we preliminarily find that there are two additional channels of distribution for U.S. sales, *i.e.*, (1) Noviant made direct sales to end users from inventory, and (2) Noviant Inc. and HEM sold purified CMC from warehouse stock maintained by each company to unaffiliated end users and distributors (the latter by Noviant Inc. only). Therefore, we preliminarily find that there are two channels of distribution for EP sales, and two channels of distribution for CEP sales. See Noviant's AQR at A–21–A–26.

We reviewed the selling functions and services performed by Noviant in the U.S. market for EP sales, as described by Noviant in its questionnaire responses. We find that the selling functions and services performed by Noviant on direct sales for both U.S. channels of distribution relating to the EP LOT (*i.e.*, sales of merchandise produced to order to unaffiliated end users and sales of merchandise from stock to unaffiliated end users) are similar. In particular, for sales produced to order and pulled from stock, Noviant's customer care personnel process all orders and its

<sup>1</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 respondents' sales occur somewhere along this chain. In performing this evaluation, we considered each respondent's narrative response to properly determine where in the chain of distribution the sale occurs.

logistics department arranges for freight and delivery to Noviant's unaffiliated U.S. customers. *See* Noviant's AQR at A-27-A-28. Accordingly, because these selling functions are substantially similar for these two channels of distribution, we preliminarily determine that there is one EP LOT in the U.S. market.

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 Noviant on CEP sales for both channels of distribution relating to the CEP LOT, as described by Noviant in its questionnaire responses, after these deductions. We have determined that the selling functions performed by Noviant on all CEP sales are similar because Noviant provides almost no selling functions to either U.S. affiliate in support of either channel of distribution. Noviant reported that the only services it provided for the CEP sales were packaging, order input/processing services, and very limited freight and delivery and sales/marketing support services. *See* Noviant's SQR at Exhibit A-19. Accordingly, because the selling functions provided by Noviant on sales to affiliates in the United States are substantially similar, we preliminarily determine that there is one CEP LOT in the U.S. market.

We then examined the selling functions performed by Noviant on its EP sales in comparison with the selling functions performed on CEP sales (after deductions). We found that Noviant 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 forecasting, strategic/economic planning, advertising, sales promotion, inventory maintenance, market research, after-sales support services, etc.). *See* Noviant's SQR at Exhibit A-19. Because these additional selling functions are significant, we find that Noviant'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. Noviant's third country market and EP sales were both made to end users and distributors. In both cases, the selling functions performed by Noviant were almost identical for both markets. Other than commissions, which were only paid to selling agents for third country sales, and re-packing services, which were mainly provided on U.S. sales, in both

markets Noviant provided the following services: strategic and economic planning, sales forecasting, sales promotion, procurement/sourcing services, order/input processing, technical assistance, provide after-sales services, etc. *See* Noviant's SQR at Exhibit A-19. 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 an 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. Noviant reported that it provided minimal selling functions and services for the CEP LOT and that, therefore, 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 Noviant for sales in the third country market and CEP sales in the U.S. market (i.e., sales support and activities provided by Noviant 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 Noviant provides many selling functions in the third country market at a higher level of service (i.e., sales forecasting, strategic/economic planning, sales promotion, inventory maintenance, direct sales personnel, market research, technical assistance, etc.) as compared to selling functions performed for its CEP sales (i.e., very limited freight and delivery, sales forecasting, and inventory maintenance services). *See* Noviant's SQR at Exhibit A-19. Thus, we find that Noviant's third country market sales are at a more advanced LOT than its CEP sales. There was only one LOT in the third country market, there was no data 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. Therefore, we applied a CEP offset to NV for CEP comparisons.

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. As such, 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.

#### ANSC

In this investigation, we obtained information from ANSC regarding the marketing stages involved in sales to the reported home and U.S. markets. ANSC reported that it sells to unaffiliated distributors and end users in the home market (i.e., the Netherlands), and to a U.S. affiliate, AN-US, in the United States, and directly to unaffiliated U.S. customers.

ANSC reported one LOT in the home market, the Netherlands, with one channel of distribution to two classes of customers: (1) Direct sales from the plant to end users, and (2) direct sales from the plant to distributors. *See* ANSC's section A questionnaire response dated September 3, 2004 ("ANSC's AQR") at Appendix 7A. Based on our review of evidence on the record, we find that home market sales to both customer categories were substantially similar with respect to selling functions and stages of marketing. ANSC performed the same selling functions at the same level for sales to both home market customer categories, including sales forecasting, strategic planning, packing, warehousing, inventory management, order processing, freight and delivery arrangements, etc. *See* ANSC's AQR at Appendix 7A. Accordingly, we preliminarily find that ANSC had only one LOT for its home market sales.

ANSC reported one EP LOT and one CEP LOT with three total channels of distribution in the United States: (1) Direct sales to end users and distributors, (2) direct sales by the U.S. affiliate to end users and distributors using existing inventory in the United States, and (3) direct sales by the U.S. affiliate to end users and distributors with merchandise shipped directly from the Netherlands. *See* ANSC's AQR at A-16.

We reviewed the selling functions and services performed by ANSC in the U.S. market for EP sales, as described by ANSC in its questionnaire responses. We find that the selling functions and services performed by ANSC on direct sales for both U.S. channels of distribution relating to the EP LOT (i.e., sales of merchandise produced to order to unaffiliated end users or distributors and sales of merchandise from stock to unaffiliated end users and distributors) are similar. In particular, for both U.S. channels of distribution, ANSC provided similar levels of service with respect to sales forecasting, strategic planning, packing, warehousing, inventory management, order

processing, freight and delivery arrangements, etc. See ANSC's AQR at Appendix 7A. Accordingly, because these selling functions are substantially similar for these two channels of distribution, we preliminarily determine that there is one EP LOT in the U.S. market.

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 ANSC on CEP sales, as described by ANSC in its questionnaire responses, after these deductions. We have determined that the selling functions performed by ANSC on all CEP sales were identical. In particular, ANSC performed the following services for both CEP channels of distribution: strategic planning, packing, warehousing, inventory management, order processing, technical assistance, etc. See ANSC's AQR at Appendix 7A. Accordingly, because the selling functions provided by ANSC on all sales to its affiliate in the United States are identical, we preliminarily determine that there is one CEP LOT in the U.S. market.

We then examined the selling functions performed by ANSC on its EP sales in comparison with the selling functions performed on CEP sales (after deductions). We found that ANSC performs an additional layer of selling functions on its direct sales to unaffiliated U.S. customers, which are not performed on its sales to its affiliate (e.g., sales forecasting, warehousing, inventory maintenance, direct sales staff, market research, technical assistance, after-sales support services, etc.). See ANSC's AQR at Appendix 7A. Because these additional selling functions are significant, we find that ANSC's direct sales to unaffiliated U.S. customers (EP sales) are at a different LOT than its CEP sales.

Next, we compared the home market and EP sales. ANSC's home market sales and EP sales were both made to end users and distributors. The selling functions performed by ANSC were identical for both markets, with the limited exceptions of advertising and distributor training. In both markets, ANSC provided the following services: sales forecasting, strategic planning, packing, warehousing, inventory management, order processing, direct sales crew, market research, technical assistance, sales/marketing support, provide guarantees, provide after-sales service, provide freight and delivery,

and invoicing. See ANSC's AQR at Appendix 7A. Because the selling functions and channels of distribution are substantially similar, we preliminarily determine that the home market LOT is the same as the EP LOT. It was therefore unnecessary to make a LOT adjustment for comparison of home 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. ANSC reported that it provided minimal selling functions and services for the CEP LOT and that, therefore, the home market LOT is more advanced than the CEP LOT. Based on our analysis of the channels of distribution and selling functions performed by ANSC for sales in the home market and CEP sales in the U.S. market (i.e., sales support and activities provided by ANSC on sales to its U.S. affiliate), we preliminarily find that the home market LOT is at a more advanced stage of distribution when compared to CEP sales because ANSC provides many selling functions in the home market at a higher level of service (i.e., sales forecasting, strategic/economic planning, sales promotion, inventory maintenance, invoicing, market research, technical assistance, etc.) as compared to selling functions performed for its CEP sales (i.e., very limited sales forecasting, warehousing, inventory maintenance services, technical assistance, etc.). See ANSC's AQR at Appendix 7A. Thus, we find that ANSC's home market sales are at a more advanced LOT than its CEP sales. There was only one LOT in the home market, there was no data 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. Therefore, we applied a CEP offset to NV for CEP comparisons.

To calculate the CEP offset, we deducted the home market indirect selling expenses from NV for home market sales that were compared to U.S. CEP sales. As such, we limited the home 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.

#### *C. Calculation of Normal Value Based on Comparison Market Prices*

##### *ANSC*

We calculated ANSC's NV based on delivered prices to unaffiliated customers. We made deductions for

movement expenses, including inland freight from plant to distribution warehouse, warehousing, inland freight from plant/warehouse to customer and inland insurance. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act and section 351.410 of the Department's regulations for differences in circumstances of sale for discounts and rebates and other direct selling expenses. We also deducted home market packing costs and added U.S. packing costs to the starting price in accordance with section 773(a)(6)(A) and (B) of the Act. Furthermore, we made an adjustment for differences in costs attributable to differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and section 351.411 of the Department's regulations. We also deducted third country packing costs and added U.S. packing costs in accordance with section 773(a)(6)(A) and (B) of the Act.

##### *Noviant*

For Noviant's sales of the foreign like product, we calculated NV based on cost insurance and freight ("CIF") prices to unaffiliated customers in the third country market. We made deductions, where appropriate, from the starting price for movement expenses, including inland freight, international freight, and marine insurance, under section 773(a)(6)(B)(ii) of the Act. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410 for differences in circumstances of sale for imputed credit expenses. We also made an adjustment to NV to account for commissions paid in the third country (i.e., Taiwan) but not in the U.S. market, in accordance with section 351.410(e) of our regulations. As the offset for third country commissions, we applied the lesser of third country commissions or U.S. indirect selling expenses.

Furthermore, we made an adjustment for differences in costs attributable to differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and section 351.411 of our regulations. We also deducted third country packing costs and added U.S. packing costs in accordance with section 773(a)(6)(A) and (B) of the Act.

Noviant reported that, during the POI, it paid an affiliated selling agent, Noviant Pte., commissions for their handling of all purified CMC sales in Taiwan. See Noviant's section B response dated September 27, 2004, at B-24–B25. During the course of this proceeding, the Department requested



that Noviant provide evidence for the record showing that these transactions were made at arm's-length. With respect to commissions paid for sales of purified CMC made in the third country market, Noviant reported commissions paid to its affiliated selling agent and the actual selling expenses incurred by Noviant Pte. In order to determine whether the commissions paid by Noviant to its affiliate were arm's-length transactions, we compared the commissions paid to the affiliated selling agents to those paid by Noviant to an unaffiliated selling agent on sales of purified CMC in Taiwan. We preliminarily find that Noviant has not sufficiently demonstrated that the reported commissions it paid to its affiliated selling agent were made at arm's-length. Therefore, we did not make adjustments for commissions paid to Noviant Pte. on sales of purified CMC in Taiwan. Instead, we adjusted the starting price for the actual selling expenses incurred by Noviant Pte. related to Taiwanese sales of purified CMC produced by Noviant.

In its section A questionnaire response, Noviant explained that all of its short-term borrowings from its affiliated lender, JMHF, have to be conducted on a fully arm's-length basis as this is a criterion for International Financial Service Center ("IFSC") status. See Noviant's AQR at A-15-A-16. Noviant stated that independent auditors must certify annually to JMHF's IFSC status as required by Irish law. See Noviant's AQR at Exhibit A-4. In its second supplemental questionnaire, the Department requested that Noviant provide evidence in support of its assertion that the short-term borrowing rates offered by JMHF were made at arm's-length. See November 10, 2004, letter to Noviant BV from Abdelali Elouaradia, Program Manager.<sup>2</sup> In its response to the Department's request, Noviant reiterated that the lending rates applicable to loans extended by JMHF were at arm's-length rates pursuant to Irish law. See

Noviant's SSQR dated November 24, 2004, at 26 and Exhibit A-27. Because Noviant did not submit any data to support its arm's-length claim, in accordance with our practice, we have not assumed that they are arm's-length transactions. See *Industrial Phosphoric Acid From Belgium*; Preliminary Results of Antidumping Duty Administrative Review, 64 FR 24574 (May 7, 1999). Therefore, we have disregarded the third country market credit expenses and inventory costs reported by Noviant. Instead, we utilized the weighted-average short-term dollar commercial and industrial lending rate based on loans made by all commercial banks during the POI reported by the Federal Reserve in calculating Noviant's imputed credit expenses on third country market sales denominated in U.S. dollars. See *Import Administration Policy Bulletin 98-2*. In calculating Noviant's credit expenses and inventory carrying costs on third country market sales denominated in Euros, we utilized the weighted-average short-term Euro monetary financial institution lending rate from the European Central Bank ("ECB") based on loans extended to non-financial corporations during the POI. Because Noviant's manufacturing costs are incurred in Euros, we used the ECB weighted-average short-term Euro lending rate to calculate Noviant's inventory carrying costs for its third country market sales.

#### *D. Calculation of Normal Value Based on Constructed Value*

In accordance with section 773(a)(4) of the Act, we based Noviant's NV on CV where there were no comparable sales in the third country market made in the ordinary course of trade. In accordance with section 773(e) of the Act, we calculated CV based on the sum of Noviant's cost of materials and fabrication for the foreign like product, plus amounts for SG&A, profit, and U.S. packing costs. We calculated the cost of materials and fabrication and interest based on the methodology based on the

CV information provided by Noviant in its section D response. We have recalculated Noviant's general and administrative ("G&A") expense ratio based on G&A expenses for the year ended December 31, 2003, incurred by Noviant only and not those of the Noviant Group. In doing so, we have deducted rental and sundry income from Noviant's total reported G&A expenses. We also added sundry expenses to our calculation of the G&A expense ratio. See Memorandum to Neal Halper, Director, Office of Accounting, Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Determination—Noviant BV, dated December 16, 2004 ("COP/CV Memo").

#### *Currency Conversion*

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

#### *Verification*

As provided in section 782(i) of the Act, we will verify the information relied upon in making our final determination.

#### *Suspension of Liquidation*

In accordance with section 733(d)(2) of the Act, we are directing U.S. Customs and Border Protection ("CBP") to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average amount by which NV exceeds EP or CEP, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Manufacturer/exporter	POI	Weighted-average margin (percent)
Akzo Nobel Surface Chemistry .....	04/01/03–03/31/04	12.04
Noviant BV .....	04/01/03–03/31/04	27.11
All Others .....	04/01/03–03/31/04	22.21

See Memoranda to the File, Preliminary Determination Analysis for ANSC and

Noviant, respectively, dated December

16, 2004. Public versions of our analysis memoranda are on file in the CRU.

<sup>2</sup> A public version of this document is on file in the Central Records Unit ("CRU"), room B-099 of

the Herbert C. Hoover Department of Commerce

building, 1401 Constitution Avenue, NW., Washington, DC.



The "All Others" rate is derived exclusive of all *de minimis* margins and margins based entirely on facts available. See Memorandum to the File, Calculation of All Others Rate, dated December 16, 2004. A public version of this memorandum is on file in the CRU.

#### ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary affirmative determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry. Because we have postponed the deadline for our final determination to 135 days from the date of the publication of this preliminary determination, the ITC will make its final determination within 45 days of our final determination.

#### Disclosure

We will disclose the calculations used in our analysis to parties in this proceeding in accordance with section 351.224(b) of the Department's regulations.

#### Public Comment

Case briefs for this investigation must be submitted to the Department no later than seven days after the date of the final verification report is issued in this proceeding. Rebuttal briefs must be filed five days from the deadline date for case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Section 774 of the Act provides that the Department will hold a public hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held two days after the rebuttal brief deadline date at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department

of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

We will make our final determination no later than 135 days after the publication of this notice in the **Federal Register**.

This determination is published pursuant to sections 733(f) and 777(i) of the Act.

Dated: December 16, 2004.

**James J. Jochum,**

*Assistant Secretary for Import Administration.*

[FR Doc. 04-28118 Filed 12-23-04; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-401-808]

#### **Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Purified Carboxymethylcellulose From Sweden**

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

**SUMMARY:** The Department of Commerce (the Department) preliminarily determines that purified carboxymethylcellulose (CMC) from Sweden is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The estimated margins of sales at LTFV are shown in the Suspension of Liquidation section of this notice.

**EFFECTIVE DATE:** December 27, 2004.

#### **FOR FURTHER INFORMATION CONTACT:**

Helen M. Kramer at 202-482-0405 or Abdelali Elouaradia at 202-482-1374, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW., Washington, DC 20230.

#### **Case History**

On June 9, 2004, the Department received a petition for the imposition of antidumping duties on purified CMC from Finland, Mexico, the Netherlands, and Sweden, filed in the proper form by Aqualon Company (Aqualon or petitioner), a division of Hercules Incorporated. See Letter from petitioner

to Secretary Evans of the Department, "Petition for the Imposition of Antidumping Duties on Imports of Purified Carboxymethylcellulose (CMC) from Finland, Mexico, the Netherlands, and Sweden" (Petition). The Department initiated the antidumping investigations of purified CMC from Finland, Mexico, the Netherlands, and Sweden on June 29, 2004. See *Notice of Initiation of Antidumping Investigations: Purified Carboxymethylcellulose (CMC) from Finland, Mexico, the Netherlands, and Sweden*, 69 FR 40617 (July 6, 2004) (Initiation Notice). Since the initiation of this investigation, the following events have occurred.

On July 23, 2004, the International Trade Commission (the Commission) preliminarily determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of purified CMC from Finland, Mexico, the Netherlands, and Sweden that are alleged to be sold in the United States at LTFV. See *Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands, and Sweden*, 69 FR 45851 (July 30, 2004).

On July 29, 2004, the Department issued Sections A, B, and C of the antidumping questionnaire<sup>1</sup> to Noviant CMC Oy of Finland, Quimica Amtex S.A. of Mexico, Noviant Holdings B.V. of the Netherlands, Akzo Nobel Specialty Chemicals of the Netherlands, and Noviant AB of Sweden.

On July 30, 2004, petitioner submitted suggested model match criteria. On August 3, 2004, John Drury, Mark Flessner, Robert James, and Brian Sheba of the Department traveled to petitioner's Hopewell, Virginia production facility for a plant tour. See Memorandum to The File from Robert James, Program Manager, "Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands, and Sweden; Tour of Aqualon's Hopewell Plant" (August 5, 2004).

On August 9, 2004, respondents Noviant OY (Finland), Noviant BV (the

<sup>1</sup> Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all of the company's home market sales of foreign like product or, if the home market is not viable, of sales of the foreign like product in the most appropriate third-country market (this section is not applicable to respondents in non-market economy cases). Section C requests a complete listing of the company's U.S. sales of subject merchandise. Section D requests information on the cost of production of the foreign like product and the constructed value of the merchandise under investigation. Section E requests information on further manufacturing.