

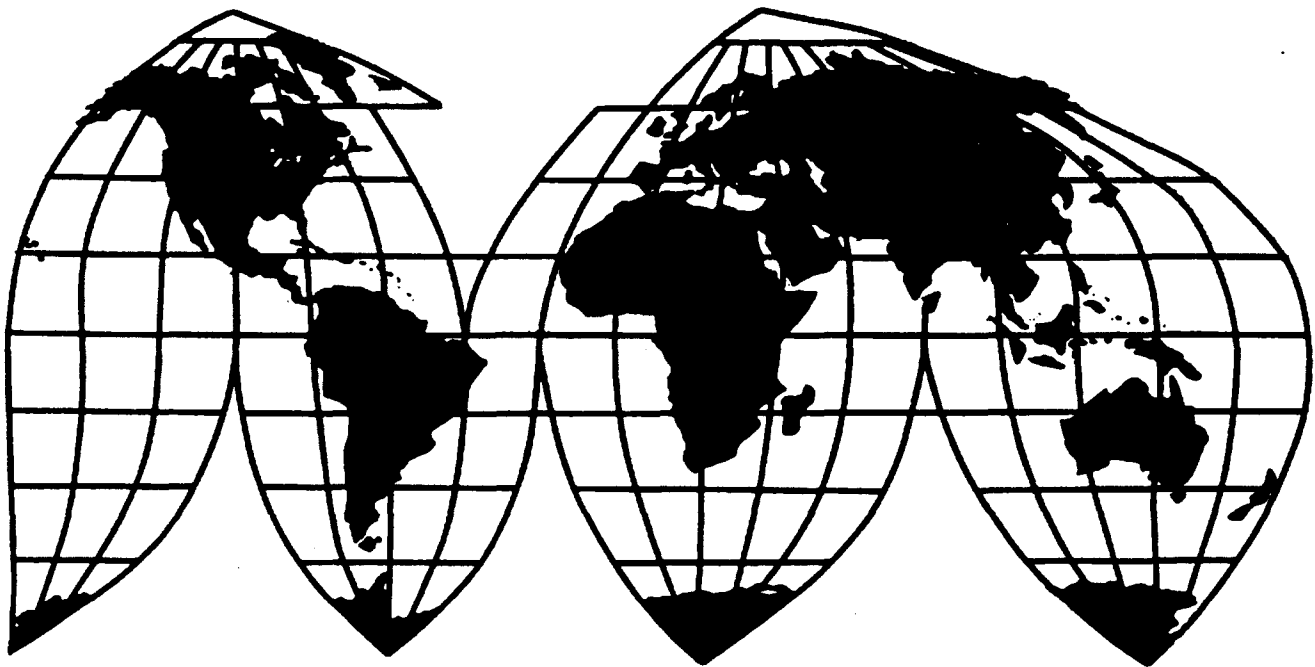
Polyvinyl Alcohol From China and Korea

Investigations Nos. 731-TA-1014 and 1017 (Final)

Publication 3634

September 2003

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been identified by the use of ***.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-1014 and 1017 (Final)

POLYVINYL ALCOHOL FROM CHINA AND KOREA

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (Commission) determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is materially injured by reason of imports from China and Korea of polyvinyl alcohol ("PVA"),² provided for in subheading

¹ The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

² For purposes of these investigations, PVA is defined as all polyvinyl alcohol hydrolyzed in excess of 80 percent, whether or not mixed or diluted with commercial levels of defoamer or boric acid, except as excluded from the definition. The following forms of polyvinyl alcohol are excluded from the definition of PVA:

- (1) PVA in fiber form;
- (2) PVA with hydrolysis less than 83 mole percent and certified not for use in the production of textiles;
- (3) PVA with hydrolysis greater than 85 percent and viscosity greater than or equal to 90 cps;
- (4) PVA with a hydrolysis greater than 85 percent, viscosity greater than or equal to 80 cps but less than 90 cps, certified for use in an ink jet application;
- (5) PVA for use in the manufacture of an excipient or as an excipient in the manufacture of film coating systems which are components of a drug or dietary supplement, and accompanied by an end-use certification;
- (6) PVA covalently bonded with cationic monomer uniformly present on all polymer chains in a concentration equal to or greater than one mole percent;
- (7) PVA covalently bonded with carboxylic acid uniformly present on all polymer chains in a concentration equal to or greater than two mole percent, certified for use in a paper application;
- (8) PVA covalently bonded with thiol uniformly present on all polymer chains, certified for use in emulsion polymerization of non-vinyl acetic material;
- (9) PVA covalently bonded with paraffin uniformly present on all polymer chains in a concentration equal to or greater than one mole percent;
- (10) PVA covalently bonded with silan uniformly present on all polymer chains certified for use in paper coating applications;
- (11) PVA covalently bonded with sulfonic acid uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent;
- (12) PVA covalently bonded with acetoacrylate uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent;
- (13) PVA covalently bonded with polyethylene oxide uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent;
- (14) PVA covalently bonded with quaternary amine uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent; and
- (15) PVA covalently bonded with diacetoneacrylamide uniformly present on all polymer chains in a concentration level greater than three mole percent certified for use in a paper application.

3905.30.00 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce (Commerce) to be sold in the United States at less than fair value (LTFV).³

BACKGROUND

The Commission instituted these investigations effective September 5, 2002, following receipt of a petition filed with the Commission and Commerce by Celanese, Ltd. of Dallas, TX and E.I. du Pont de Nemours & Co. of Wilmington, DE. The final phases of the investigations were scheduled by the Commission following notification of preliminary determinations by Commerce that imports of polyvinyl alcohol from China and Korea were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notices of the scheduling of the final phases of the Commission's investigations and of a public hearing to be held in connection therewith were given by posting copies of the notices in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notices in the *Federal Register* of April 14, 2003 (68 *FR* 17964), as amended by the *Federal Register* of August 19, 2003 (68 *FR* 49792). The hearing was held in Washington, DC, on May 8, 2003, and all persons who requested the opportunity were permitted to appear in person or by counsel.

³ Commissioner Charlotte R. Lane did not participate in these investigations.

VIEWS OF THE COMMISSION

Based on the record in these investigations, we determine that an industry in the United States is materially injured by reason of imports of certain polyvinyl alcohol (“PVA”) from the People’s Republic of China (“China”) and the Republic of Korea (“Korea”) that are sold in the United States at less than fair value.¹

I. BACKGROUND AND OVERVIEW

On September 5, 2002, antidumping duty petitions were filed regarding PVA from China, Germany, Japan, and Korea.² The investigation schedules became “staggered” when Commerce extended the deadlines for its investigations of subject imports from China and Korea, but did not extend the deadlines for its investigations concerning subject imports from Germany and Japan. The Commission’s record in these investigations, except with respect to Commerce’s final determinations on China and Korea and the parties’ comments on the significance of those determinations, closed on May 30, 2003, when the record closed in the investigations concerning Germany and Japan.³ The Commission voted in June on the investigations concerning Germany and Japan and published its corresponding determinations (herein referred to as the “previous” or “earlier” determinations).⁴ The Commission made (1) a unanimous negative present injury determination with respect to subject imports from Japan, (2) an affirmative threat determination with respect to subject imports from Japan by a 3 to 1 vote (Vice Chairman Hillman dissenting), and (3) a unanimous negative determination with respect to subject imports from Germany, which the Commission majority did not cumulate with subject imports from Japan and Korea.⁵

The record in these investigations has changed in important ways from the one applicable to our previous determinations by virtue of the inclusion of all PVA from China as subject imports eligible for cumulation. As described in greater detail below, the inclusion of PVA from China greatly expands the volume of subject imports under consideration, not only in absolute terms, but in terms of competitive

¹ Commissioner Charlotte R. Lane did not participate in these investigations.

² The petitions also concerned imports from Singapore. The Commission terminated the investigation concerning Singapore at the preliminary phase on the ground that imports from Singapore were negligible. See Polyvinyl Alcohol from China, Germany, Japan, Korea, and Singapore, Invs. Nos. 731-TA-1014 to 1018 (Prelim.), USITC Pub. 3553 at 1 (Oct. 2002).

³ See Polyvinyl Alcohol from China and Korea, 68 Fed. Reg. 17964 (Apr. 14, 2003) (regarding scheduling of the final phase of the Commission’s investigations); see also 19 U.S.C. § 1677(7)(G)(iii). Petitioners’ Final China Comments contain new factual information at Exhibit A consisting of monthly import data for the first six months of 2003. See Petitioners’ Final China Comments at Exh. A and the references thereto on page 5 and n.14. The identified materials constitute new factual information which, pursuant to the record-closing provisions of the statute, the Commission’s Rules of Practice and Procedure, as well as the Federal Register notice rescheduling the final phase of these investigations, shall not be included in Final Comments. See 19 U.S.C. §§ 1677(7)(G)(iii) and 1677m(g); 19 C.F.R. § 207.30; Certain Polyvinyl Alcohol from China and Korea, 68 Fed. Reg. 49792 (Aug. 19, 2003). Therefore, we have disregarded Exhibit A to Petitioners’ Final Comments as well as the related references as untimely new factual information. As we explained in our previous determinations, we also disregarded information referenced in Petitioners’ Final Comments pertaining to cost accounting. See Polyvinyl Alcohol from Germany and Japan, Invs. Nos. 731-TA-1015 to 1016 (Final), USITC Pub. 3604 at n.3 (June 2003) (“Previous Determinations”).

⁴ See Previous Determinations, USITC Pub. 3604.

⁵ See Previous Determinations, USITC Pub. 3604.

overlap throughout the period examined. Moreover, the extensive underselling across a broad range of PVA applications once the Chinese prices are included materially alters the nature of price competition in the PVA market. In addition, substantial direct evidence of lost sales and lost revenues confirms the market impact of the PVA from China. Because of these significant differences in the factual record, our analysis of whether there is material injury to the domestic PVA industry by reason of the subject imports is necessarily different in important ways than the analysis in our previous determinations.

In our previous determinations, we found one domestic like product co-extensive with Commerce's scope of investigation, and included all U.S. PVA producers in the domestic industry.⁶ We identified a number of factors as relevant conditions of competition in the U.S. PVA market, including the applicability of the captive production provision, the identification of PVA by reference to the different applications for which it is sold, including (in descending order of magnitude) polyvinyl butyral ("PVB"), textiles, adhesives/emulsifiers, paper products, and building materials, and declining demand for textile uses but strong demand for PVB-grade PVA.⁷ We found that while qualification by purchasers was important, U.S. producers and foreign suppliers were qualified by many purchasers.⁸ In 2002, the domestic industry supplied the largest portion of the U.S. market (and had sufficient capacity to supply all of the U.S. market), followed by non-subject imports, then by subject imports from China, subject imports from Japan and Korea, and subject imports from Germany.⁹ Finally, U.S. producers increased their export volumes during the period examined, following textile production abroad and responding to the incentive to maintain high production volumes in light of the capital-intensive nature of PVA production.¹⁰ We continue to find these conditions of competition applicable, although we note that subject imports from China, Japan, and Korea accounted for more than one-half of all imports of PVA corresponding to the scope in 2002.¹¹

In our previous determinations, we concluded that a reasonable overlap of competition existed between and among PVA from Japan, Korea, and the United States, but that there was not a reasonable overlap of competition between subject PVA from Germany and subject PVA from Japan or Korea.¹² We have now considered whether a reasonable overlap of competition exists among the subject imports from China, Japan, and Korea, and between the subject imports and the domestic like product. In light of the overlapping end uses and interchangeability noted by market participants (especially in large end-use applications such as textiles and adhesives/emulsifiers), sales to end users, geographic concentration in the East and West, and sustained presence in the U.S. market, we conclude that a reasonable overlap of competition exists.

In our earlier examination of the volume of subject imports from Japan and Korea, we concluded that, despite rapid growth (both absolutely and relatively), by 2002 the presence of these imports in the U.S. market was still small and their share relative to production (**% percent) or consumption (**% percent of the merchant market) in the United States was not at a level the Commission deemed

⁶ See Previous Determinations, USITC Pub. 3604 at 3-8.

⁷ See Previous Determinations, USITC Pub. 3604 at 13-16.

⁸ See Previous Determinations, USITC Pub. 3604 at 16.

⁹ See Previous Determinations, USITC Pub. 3604 at 17.

¹⁰ See Previous Determinations, USITC Pub. 3604 at 16-17.

¹¹ See Confidential Staff Report, Mem. INV-AA-125 (Aug. 27, 2003) ("CR")/Public Report ("PR") at Table 1.

¹² See Previous Determinations, USITC Pub. 3604 at 8-13. Vice Chairman Hillman concluded that there was a reasonable overlap of competition between and among PVA from Germany, Japan, Korea, and the United States. See id., USITC Pub. 3604 at 37-38.

significant.¹³ The cumulated volume of subject imports from China, Japan, and Korea, in contrast, consistently approached or exceeded *** percent of the U.S. merchant market for PVA.¹⁴ Thus, even absent an increase in subject import volume, cumulated subject imports maintained a significant share of the U.S. merchant market throughout the period examined, including the latter two years of the period when demand, and apparent U.S. consumption, were *** lower than in 2000, the initial year examined.¹⁵

In the previous determinations, we observed that subject PVA from Japan and Korea undersold the domestic like product in 16 of 23 comparisons, a frequency of underselling that, in isolation, “would seem significant.”¹⁶ The majority of the underselling, however, did not occur until 2002, most notably during the final two quarters of 2002.¹⁷ Moreover, the limited fully-confirmed instances of lost sales or lost revenues likewise occurred late in the period examined.¹⁸ Further, prices declined across all applications, regardless of subject import competition.¹⁹ These trends, taking place in an environment of declining demand and declining costs, provided an insufficient basis for finding significant underselling, price depression, or price suppression, since price effects were largely limited to the last half of 2002 when increasing volumes, prevalent underselling, and sales and revenue losses were most apparent.²⁰

The cumulated price effects of subject imports from China, Japan, and Korea, in contrast, are significant. Underselling is widespread, covering more than four-fifths of all observations across all three calendar years examined. The underselling margins are significant in each year, ranging from 9.5 percent to 13.4 percent on a weighted-average basis. Domestic producers faced subject import competition for each of three main end-use applications for which the Commission collected data, and saw declining prices in all three in the face of extremely low and/or falling subject import prices. The Commission’s investigation confirmed allegations of lost sales and/or lost revenue in both 2001 and 2002 that represented a significant volume of sales. Thus, while declining demand put downward pressure on prices and declining unit costs allowed some pricing flexibility, as explained below, we find that subject imports themselves contributed to price depression evident in the second half of the period examined.

In our earlier examination of the impact of subject imports from Japan and Korea, we observed that many volume-related industry indicators followed trends in apparent U.S. consumption, and that we were unable to establish a causal nexus between the small volume of subject imports, whose impact was largely felt only late in the period examined, and the performance of the domestic industry, which *** in 2001 and continued to *** in 2002.²¹ With respect to the cumulated subject imports from China, Japan, and Korea, however, the impact caused by significant volumes of low-priced subject imports themselves, present across the major end-use applications and throughout the period examined, is evident. Diminished apparent U.S. consumption of PVA in 2001 and continuing into 2002 heightened the need for the domestic industry to be able to compete with subject imports. Indeed, domestic market share actually increased over the period examined. This increase, however, largely reflected the decline in non-subject import competition, and could not overcome the inadequate unit revenues received by the

¹³ See Previous Determinations, USITC Pub. 3604 at 19-20.

¹⁴ See, e.g., CR/PR at Table 5.

¹⁵ See, e.g., CR/PR at Table 5.

¹⁶ See Previous Determinations, USITC Pub. 3604 at 21.

¹⁷ See Previous Determinations, USITC Pub. 3604 at 21.

¹⁸ See Previous Determinations, USITC Pub. 3604 at 22 n.115.

¹⁹ See Previous Determinations, USITC Pub. 3604 at 21-22.

²⁰ See Previous Determinations, USITC Pub. 3604 at 21-22.

²¹ See Previous Determinations, USITC Pub. 3604 at 23-27.

domestic industry in 2001 and 2002. An important factor in the domestic industry's *** returns was subject imports, which continuously undersold the domestic like product and depressed domestic prices, resulting in lost sales and revenues. We conclude that the subject imports from China, Japan, and Korea had a significant impact on the domestic industry, and therefore that the domestic industry is materially injured by reason of the subject imports from China and Korea.

II. LIKE PRODUCT AND DOMESTIC INDUSTRY

The record in these investigations is nearly identical to the record on which the determinations regarding subject imports from Germany and Japan were based, except that it also includes Commerce's final determinations concerning subject imports from China and Korea and the parties' final comments on the significance thereof. Therefore, for purposes of these determinations, we adopt the findings and analysis in the Commission's views regarding subject imports from Germany and Japan for the purpose of defining the domestic like product.²² We also adopt our previous findings and analysis regarding the definition of the domestic industry.²³ We consequently find that there is one domestic like product, encompassing all domestically produced PVA meeting the specifications stated in Commerce's scope definition. Based on our finding of a single domestic like product, we find that the domestic industry consists of all domestic PVA producers. We further conclude, consistent with our previous findings, that appropriate circumstances do not exist to exclude Solutia, Inc. ("Solutia") from the domestic industry as a related party.²⁴ Accordingly, we find that the domestic industry consists of PVA producers E.I. du Pont de Nemours & Co. ("DuPont"), Celanese, Ltd. ("Celanese"), and Solutia.

III. CUMULATION²⁵

A. In General

For purposes of evaluating the volume and price effects for a determination of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act of 1930, as amended ("the Act") requires the Commission to assess cumulatively the volume and effect of imports of the subject merchandise from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with domestic like product in the U.S. market.²⁶

²² See Previous Determinations, USITC Pub. 3604 at 3-6.

²³ See Previous Determinations, USITC Pub. 3604 at 6-8.

²⁴ See Previous Determinations, USITC Pub. 3604 at 7-8. As we explained in our analysis, ***.

²⁵ Subject imports from China and Korea are not negligible. During the 12 months prior to filing of the petition (September 2001 to August 2002), subject imports from China constituted 31.0 percent and subject imports from Korea constituted 9.5 percent of all PVA imports. CR at I-5; PR at I-5. As we noted in our previous determinations, subject imports from Japan constituted 7.5 percent of all PVA imports. See Previous Determinations, USITC Pub. 3604 at 18 n.90. Each of these figures exceeds the 3-percent negligibility threshold specified in 19 U.S.C. § 1677(24)(A)(i).

²⁶ 19 U.S.C. § 1677(7)(G)(i).

In assessing whether subject imports compete with each other and with the domestic like product,²⁷ the Commission has generally considered four factors, including:

- (1) the degree of fungibility between the subject imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.²⁸

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.²⁹ Only a “reasonable overlap” of competition is required.³⁰

B. Imports Eligible for Cumulation

With respect to the Commission’s final determinations concerning China and Korea, imports from China and Korea are both eligible for cumulation. We observe that, when the Commission decided the investigations concerning Germany and Japan, imports from China produced and exported by SSVW were not eligible for cumulation pursuant to 19 U.S.C. § 1677(7)(G)(ii)(I), because they were the subject of a preliminary negative determination by Commerce, and Commerce had not yet issued an affirmative final determination with respect to these imports.³¹ Because Commerce has now issued an affirmative final determination with respect to imports produced and exported by SSVW,³² these imports are no

²⁷ The Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) expressly states that “the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition.” SAA, H.R. Rep. 103-316, vol. I at 848 (1994), citing Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int’l Trade 1988), aff’d, 859 F.2d 915 (Fed. Cir. 1988).

²⁸ See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Invs. Nos. 731-TA-278 to 280 (Final), USITC Pub. 1845 (May 1986), aff’d, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int’l Trade), aff’d, 859 F.2d 915 (Fed. Cir. 1988).

²⁹ See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

³⁰ See Goss Graphic System, Inc. v. United States, 33 F. Supp. 2d 1082, 1087 (Ct. Int’l Trade 1998), aff’d, 216 F.3d 1357 (Fed. Cir. 2000) (“cumulation does not require two products to be highly fungible”); Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); Wieland Werke, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”).

³¹ See Previous Determinations, USITC Pub. 3604 at 9.

³² Compare Polyvinyl Alcohol from the People’s Republic of China, 68 Fed. Reg. 13674 (Mar. 20, 2003) (Commerce’s negative preliminary antidumping duty determination for SSVW) with Polyvinyl Alcohol from the People’s Republic of China, 68 Fed. Reg. 47538 (Aug. 11, 2003) (Commerce’s affirmative final antidumping duty

(continued...)

longer subject to this statutory cumulation exception. Hence, all imports from China of the subject PVA are eligible for cumulation. Imports from Japan are also eligible for cumulation in the determinations concerning China and Korea, because they were included in the same petition and because none of the statutory cumulation exceptions apply to imports from Japan.³³ We further find that PVA imports from Germany are not eligible for cumulation in these investigations, in light of the Commission's previous negative injury determination concerning PVA from Germany.³⁴

Accordingly, our discussion with respect to the four customary cumulation factors below will focus only on subject imports from Japan, Korea, and China, those countries eligible for cumulation for purposes of these determinations.

C. Reasonable Overlap of Competition

We now examine the four factors pertinent to reasonable overlap of competition.

Fungibility. The record indicates that, on a broad level, there is some similarity in characteristics between the domestic like product, on the one hand, and subject imports from China, Japan, and Korea, on the other, and between subject imports from these sources. A majority of producers and importers found that the U.S.-produced product was at least "sometimes" interchangeable with the subject imports from China, Japan, and Korea, and that imports from each of these countries were at least sometimes interchangeable with each other.³⁵

To obtain more specific information about fungibility of PVA from different sources, we collected questionnaire data concerning the extent to which PVA from U.S. sources and the subject countries is used in particular applications. Data on end use are particularly pertinent to an analysis of competition in these investigations. The parties, in their hearing testimony and written submissions, consistently discussed competition in relation to specific end-use applications, rather than in terms of

³² (...continued)
determination for SSVW).

³³ Consistent with our previous determinations, we find that PVA imports from Singapore are not eligible for cumulation in these determinations. The Commission terminated the investigation of imports from Singapore on the grounds that subject imports from Singapore were negligible. Preliminary Determination, USITC Pub. 3553 at 11-12. Consequently, imports from Singapore are not eligible for cumulation in these determinations based on the statutory exception to cumulation for terminated investigations. See 19 U.S.C. § 1677(7)(G)(ii)(II).

³⁴ See Previous Determinations, USITC Pub. 3604 at 3, 27-30, 34-36. This finding is consistent with our findings and rationale in similar circumstances in previous investigations. See, e.g., Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Invs. Nos. 731-TA-865 to 867 (Final), USITC Pub. 3387 at 6 & n.28 (Jan. 2001).

³⁵ See OCR/OPR at Table II-10. *** found that subject imports from Japan were always interchangeable with the domestic like product, and *** found these subject imports were never interchangeable with the domestic like product. *** found that subject imports from China and Korea were always or frequently interchangeable with the domestic like product, and *** reported that subject imports from China were never interchangeable with the domestic like product. The number of importers reporting that subject imports were at least "sometimes" interchangeable with the domestic like product was eight of ten for imports from Japan, five of five for imports from Korea, and eight of nine for imports from China. Id.

*** found at least frequent interchangeability for the Japan/Korea, Japan/China and Korea/China combinations. The number of importers reporting that subject import combinations were at least "sometimes" interchangeable was four of four for imports from Japan/Korea, seven of seven for imports from Japan/China and six of six for imports from Korea/China. Id. We also note that ***. OCR/OPR at Table III-4.

grades or hydrolysis levels.³⁶ Indeed, as discussed further below, prices for PVA in the U.S. market are a function of the intended end use of the product, rather than its grade.³⁷

The questionnaire data indicate that textiles has been the *** end-use category for the PVA produced in the United States and Korea and the *** end-use category for subject PVA imports from Japan and China. In 2002, *** percent of U.S. producers' shipments, *** percent of imports from China, *** percent of imports from Japan, and *** percent of imports from Korea were for textile end uses.³⁸ Similarly, in 2002, *** percent of U.S. producers' shipments, *** percent of imports from China, *** percent of imports from Japan, and *** percent of imports from Korea were for adhesives/emulsion polymerization end uses.³⁹

The pricing data the Commission collected confirm the overlap in textile and adhesive applications by domestically-produced product, subject imports from Japan, subject imports from Korea, and subject imports from China. For the one pricing product used in textile applications and the two pricing products involving adhesive applications, data were available for PVA from each of these four sources.⁴⁰

Based on information collected in these investigations concerning the interchangeability of subject imports with one another and with the domestic like product as well as shipment and pricing data indicating that PVA from all four sources are used in overlapping end-use categories, we find that subject imports from China, Japan, and Korea are fungible with one another and with the domestic like product.

Geographic Coincidence. The U.S. producers that sell PVA on the merchant market do so on a nationwide basis.⁴¹ Subject imports from Korea and China enter the United States predominantly in the East region, and, to a lesser extent, in the West region. Appreciable volumes of imports from Japan enter the United States in the East, Great Lakes, and Gulf Coast regions, while appreciable volumes of PVA from Japan, Korea, and China enter the United States in the West region.⁴²

³⁶ See, e.g., Hearing Tr. at 18-20 (Chanslor), 28-30 (McCord), 166-67 (Saeger); Petitioners' Prehearing Brief at 23-24.

³⁷ OCR at II-1; OPR at II-1. Vice Chairman Hillman differs from her colleagues' findings in the preceding paragraph. She continues to find that differences in specific end uses do not equate to a lack of fungibility. She notes that the physical differences between PVA sold to different types of end users are typically not substantial and that price differences are also not substantial. See also Previous Determinations, USITC Pub. 3604 at 37-38.

³⁸ OCR/OPR at Table II-1; see also Previous Determinations, USITC Pub. 3604 at n.55 (regarding the Japanese producers' arguments concerning overlap for textile end uses). The overlap *** is strengthened when ***. See, e.g., OCR/OPR at Table D-1. Although there was *** participation by China for the building materials end-use category, where there was participation by the United States (*** percent), Japan (*** percent), and Korea (*** percent), there was participation by China for the paper end-use category (*** percent), where there was U.S. participation (*** percent) but no participation by imports from Korea and only *** participation by imports from Japan (*** percent). OCR/OPR at Table II-1. With respect to the residual end-use category, Chairman Okun and Commissioners Koplán and Miller did not find petitioners' claim concerning competition for PVC-grade PVA persuasive. See Previous Determinations, USITC Pub. 3604 at n.43. Vice Chairman Hillman did look to overlap in PVA used for PVC end uses, and she notes that there were shipments of Japanese and U.S. product for this end use. See also USITC Pub. 3604 at 37.

³⁹ OCR/OPR at Table II-1.

⁴⁰ CR/PR at Tables 6, 7, and 9.

⁴¹ OCR/OPR at V-2.

⁴² OCR/OPR at Table IV-3.

Channels of distribution. Of domestic producers' 2002 U.S. shipments of PVA, *** percent were internally consumed, principally for production of PVB.⁴³ The remaining shipments were sold on the merchant market, principally directed to end users. Subject imports (regardless of source) have generally been sold directly to end users.⁴⁴

Simultaneous presence in the market. Subject imports of PVA from Japan, Korea, and China as well as domestic shipments of PVA were present in the U.S. market in 2000, 2001, and 2002.⁴⁵

Based on our finding that subject imports from China, Japan, and Korea are fungible with one another and the domestic like product as well as data showing that PVA from all four sources were sold in similar geographic markets, through similar channels of distribution, and all were simultaneously present in the market, we cumulate the volume and effect of subject imports from China, Japan, and Korea for purposes of our analysis in these determinations.

IV. CONDITIONS OF COMPETITION AND THE BUSINESS CYCLE

A. Captive Production

We incorporate by reference our previous findings concerning the application of the statutory captive production provision in these investigations. As in our previous determinations, because we conclude that all elements of the statutory captive production provision are met, we focus primarily on the merchant market for the domestic like product in determining market share and the factors affecting financial performance, although we analyze these factors with respect to the whole market as well.⁴⁶

B. Other Conditions of Competition and the Business Cycle

We also incorporate by reference the discussion of the pertinent conditions of competition and business cycle from our views in the German and Japan final determinations,⁴⁷ except for the final two paragraphs of that discussion, for which our point of reference has changed.

We continue to find that the U.S. PVA market is supplied principally by the domestic industry. In 2002, domestic producers accounted for *** percent of U.S. merchant market consumption and *** percent of total apparent U.S. consumption, measured by quantity.⁴⁸ Cumulated subject imports from China, Japan, and Korea were the next-largest source of supply in 2002, accounting for *** percent of U.S. merchant market consumption and *** percent of total apparent U.S. consumption by quantity.⁴⁹ The third-largest source of supply in 2002, accounting for *** percent of U.S. merchant market consumption and *** percent of total apparent U.S. consumption by quantity, was non-subject imports,

⁴³ OCR at III-10; OPR at III-4.

⁴⁴ OCR at I-10; OPR at I-7. ***. OCR at I-10, n.17; OPR at I-7, n.17. ***. OCR/OPR at Table D-1.

⁴⁵ OCR/OPR at Tables IV-2, IV-4.

⁴⁶ See Previous Determinations, USITC Pub. 3604 at 13-15.

⁴⁷ See Previous Determinations, USITC Pub. 3604 at 15-17.

⁴⁸ CR/PR at Tables 4, 5.

⁴⁹ CR/PR at Tables 4, 5.

which were principally from Taiwan, but also from Germany.⁵⁰ Imports from Taiwan, as well as imports from China and Japan, were covered by an antidumping duty order from mid-1996 to May 14, 2001. Commerce revoked the antidumping duty orders in May 2001 because there was insufficient participation by the domestic industry in a five-year review of the orders.⁵¹

V. MATERIAL INJURY ANALYSIS

A. General Legal Standards

In the final phase of antidumping duty investigations, the Commission determines whether an industry in the United States is materially injured by reason of the imports under investigation.⁵² In making this determination, the Commission must consider the volume of imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.⁵³ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”⁵⁴ In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.⁵⁵ No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁵⁶

For the reasons discussed below, we determine that the domestic PVA industry is materially injured by reason of less than fair value imports from China and Korea.

B. Volume of Cumulated Subject Imports

With respect to the volume of the subject imports, section 771(7)(C)(i) of the Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”⁵⁷

Both total and merchant market apparent U.S. consumption of PVA declined from 2000 to 2001 and then rose in 2002 to a level less than that of 2000.⁵⁸ Over the period examined, the volume of non-

⁵⁰ Derived from CR/PR at Tables 4, 5. The volume of non-subject imports declined from 25.9 million pounds in 2000 to 22.8 million pounds in 2001 and to 19.6 million pounds in 2002. CR/PR at Table 1.

⁵¹ OCR at I-2; OPR at I-2.

⁵² 19 U.S.C. § 1673d(b).

⁵³ 19 U.S.C. § 1677(7)(B)(i). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each [such] factor ... [a]nd explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B); see also Angus Chemical Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

⁵⁴ 19 U.S.C. § 1677(7)(A).

⁵⁵ 19 U.S.C. § 1677(7)(C)(iii).

⁵⁶ 19 U.S.C. § 1677(7)(C)(iii).

⁵⁷ 19 U.S.C. § 1677(7)(C)(i).

⁵⁸ For the merchant market, apparent U.S. consumption of PVA declined from *** pounds in 2000 to *** pounds in 2001, and then increased to *** pounds in 2002. OCR/OPR at Table IV-7. For the total market, apparent U.S. consumption of PVA declined from *** pounds in 2000 to *** pounds in 2001, and then increased to ***

(continued...)

subject imports decreased steadily, and correspondingly, their share of apparent U.S. merchant market and total apparent U.S. consumption declined between 2000 and 2002.⁵⁹

The quantity of cumulated subject imports from China, Japan, and Korea declined from 23.2 million pounds in 2000 to 18.2 million pounds in 2001 and then increased to 21.7 million pounds in 2002.⁶⁰ These imports' share of apparent U.S. merchant market consumption decreased from *** percent in 2000 to *** percent in 2001 and then increased to *** percent in 2002.⁶¹ These imports' share of total apparent U.S. consumption declined from *** percent in 2000 to *** percent in 2001, and then increased to *** percent in 2002.⁶² As a ratio to U.S. production, cumulated subject imports from China, Japan, and Korea increased from *** percent in 2000 to *** percent in 2001 and then declined to *** percent in 2002.⁶³

Even absent an overall increase in subject import volume, we find that cumulated subject imports maintained a significant share of the U.S. merchant market throughout the period examined, including in the latter two years of the period when demand and apparent U.S. consumption were *** lower than in the initial year examined, 2000.⁶⁴ Thus, we find that the volume of cumulated subject imports both absolutely and relative to production and consumption in the United States is significant.

C. Price Effects of Cumulated Subject Imports

With respect to the price effects of the subject imports, section 771(7)(C)(ii) of the Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether –

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

⁵⁸ (...continued)

pounds in 2002. OCR/OPR at Table IV-6. Captive consumption declined from *** pounds in 2000 to *** pounds in 2001, and then increased to a period high of *** pounds in 2002. OCR/OPR at Table III-3.

⁵⁹ The volume of non-subject imports declined from 25.9 million pounds in 2000 to 22.8 million pounds in 2001 and to 19.6 million pounds in 2002. CR/PR at Table 1. Their share of apparent U.S. merchant consumption increased from *** percent in 2000 to *** percent in 2001 and then declined to *** percent in 2002, a level that was lower than in 2000. CR/PR at Table 5. Their share of total apparent U.S. consumption increased from *** percent in 2000 to *** percent in 2001 and then declined to *** percent in 2002, a level that was lower than in 2000. CR/PR at Table 4.

⁶⁰ CR/PR at Table 1. Subject import data for China and Korea are from official import statistics. Because official import statistics for Japan include a substantial quantity of product that Commerce has excluded from the scope of the investigations, subject import data for Japan are based on data from importers' questionnaire responses. This information is reliable because the Commission received questionnaire responses from importers accounting for virtually all subject PVA from Japan. Commission staff adjusted the official import statistics for several non-subject countries to ensure that PVA products not within the scope were excluded from import totals. OCR at IV-1 & n.2; OPR at IV-1 & n.2.

⁶¹ CR/PR at Table 5.

⁶² CR/PR at Table 4.

⁶³ Derived from CR/PR at Table 1 and OCR/OPR at Table III-2. Thus, even though the volume of subject imports and correspondingly their share of U.S. merchant market and total U.S. apparent consumption declined between 2000 and 2001, as a ratio to U.S. production, cumulated subject imports increased between 2000 and 2001.

⁶⁴ See, e.g., CR/PR at Table 5.

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.⁶⁵

1. Importance of Price in Purchasing Decisions

The record indicates that price is an important factor purchasers used in selecting suppliers. In questionnaire responses, 15 purchasers named lowest price as a “very important” purchasing factor, 18 as “somewhat important” and one as “not important.”⁶⁶ Quality and the need for an approved supplier were the two factors purchasers most frequently named as the single most important factor in selecting a PVA supplier. Purchasers named price third most frequently as the most important factor, and price was tied with availability as the factor most frequently named as the second most important factor in selecting a supplier.⁶⁷ At the hearing, witnesses for petitioners testified that price was a very important factor in purchasing decisions; a representative of respondent Solutia also testified that it attempts to pit suppliers for the PVA it purchases against each other in an effort to obtain the best prices.⁶⁸

Prices for PVA in the United States are based not on grade or physical characteristics, but on the value PVA adds to a particular application.⁶⁹ Industry witnesses testified that purchasers for paper applications generally pay the highest prices, followed by purchasers for construction applications, adhesives/emulsions, and PVB. Textile mills and textile compounders pay the lowest prices.⁷⁰

2. Level of Substitutability

The questionnaires asked purchasers whether PVA from different sources was used in the same applications. All responding purchasers stated that U.S.-produced and Korean products were used in the same applications. Six of eight responding purchasers reported that U.S.-produced and Chinese products were used in the same applications. Purchasers provided mixed responses as to whether U.S.-produced and Japanese product could be used in the same applications, with three purchasers indicating that products from both sources were used in the same applications, and four purchasers indicating that they were not used in the same applications.⁷¹

The questionnaires also asked purchasers to compare domestically produced PVA with imports from several countries in 22 categories, two of which pertained to pricing. A majority of purchasers found the domestic like product and subject imports from Korea comparable in all but one of the remaining 20 categories, and in that category a plurality found the products comparable. A majority of purchasers found the domestic like product and subject imports from China comparable in all but one of the 20 non-pricing categories. A majority or plurality of purchasers found the domestic like product and subject imports from Japan comparable with respect to 13 of the 20 non-pricing categories; in many of the categories in which a plurality or minority found the products comparable, those purchasers that found the Japanese product superior to the domestic like product offset those that found the Japanese

⁶⁵ 19 U.S.C. § 1677(7)(C)(ii).

⁶⁶ OCR/OPR at Table II-5.

⁶⁷ OCR/OPR at Table II-3.

⁶⁸ See Hearing Tr. at 17 (Chanslor), 24 (McCord), 180 (Cannon).

⁶⁹ See Hearing Tr. at 52-53 (Chanslor), 53 (McCord).

⁷⁰ See Hearing Tr. at 64-65 (Laub), 67-68 (McCord), 68 (Welch).

⁷¹ OCR/OPR at Table II-4.

product inferior.⁷² In light of these data, we find that cumulated subject imports from China, Japan, and Korea are reasonably good substitutes for the domestic like product in applications in which these subject imports and the domestic like product are used.

3. Analysis of Pricing Data

We collected pricing data concerning seven PVA products. For purposes of this discussion, our analysis will focus on the four products for which we received data on domestically produced PVA, subject imports from China, subject imports from Japan, and/or subject imports from Korea.⁷³ The inclusion of China's data greatly increases the observed overlap for pricing products, including for adhesive products.

The first of these, product 1, is a PVA product used in textile applications. It is also the largest volume product of the seven for which pricing data were collected. Cumulated subject imports, particularly subject imports from China, were present in the U.S. market throughout the period examined,⁷⁴ and significant quantities of cumulated subject imports undersold the domestic like product throughout this period. Except for the final quarter of 2002,⁷⁵ when reported imports from China oversold the domestic product while reported imports from Japan and Korea undersold the domestic like product, subject imports from China, Japan, and Korea undersold the domestic like product in all quarters for which there were possible observations.⁷⁶

The second product, product 2, is used in adhesive applications. Cumulated subject imports, particularly subject imports from China, were present in the U.S. market throughout the period examined. Significant quantities of cumulated subject imports undersold the domestic like product throughout 2000 and 2001 and in the first quarter of 2002, at margins that generally exceeded *** percent and often exceeded *** percent. In the last three quarters of 2002, the volume of cumulated subject imports ***.⁷⁷

⁷² OCR/OPR at Table II-6.

⁷³ There were no pricing observations for subject imports from China, Japan or Korea with respect to the remaining three products used in paper or resin applications. See, e.g., CR at I-14; PR at I-12. We note that pricing products 5, 6, and 7 were added at the suggestion of German producer's counsel or at the suggestion of petitioners in the final phase of these investigations in order to increase the pricing coverage of the German product, for which the Commission previously issued a negative determination. See OCR at V-6 n.2; OPR at V-5 n.2. The absence of reported shipments of subject imports from China, Japan, or Korea for these pricing products, therefore, is not unexpected.

⁷⁴ CR/PR at Table 6. The subject imports from Japan were sold ***. Id. The subject imports from Korea were sold ***. *** Importers' Questionnaire Response. The subject imports from China ***. Hearing Tr. at 29-30, 88; questionnaire responses. The domestically produced product was sold ***. *** Producers' Questionnaire Responses; Purchasers' Questionnaire Responses. Prices to compounders are usually lower than those to end users. CR/PR at Table 6. In light of this information, we believe it is reasonable to conclude that the subject imports from Japan (sold *** to compounders) undersold the domestic like product (sold *** to compounders). We do not, however, place heavy reliance on the absolute margins of underselling by subject imports from Japan of this pricing product.

⁷⁵ In the last quarter of 2002, reported Chinese imports entered the U.S. market at the lowest volume for the reviewed period and at a high average unit price that was not consistent with previous quarters.

⁷⁶ CR/PR at Table 6.

⁷⁷ CR/PR at Table 7.

The third product, product 3, is used in paper applications.⁷⁸ Cumulated subject imports *** were present in the U.S. market throughout the period examined and undersold the domestic product in each quarter, generally at margins that exceeded *** percent.⁷⁹

The fourth product, product 4, is a product used in adhesive applications with a lower viscosity level than product 2. Cumulated subject imports were present in the U.S. market throughout the period examined except for the fourth quarter of 2001, and undersold the domestic like product in 15 of 19 possible comparisons. In the four quarters in which Korean imports oversold the domestic like product, subject imports from China and/or subject imports from Japan were also present in the U.S. market at average unit prices that undersold the domestic like product.⁸⁰

We find that underselling by subject imports was widespread, taking place in 54 of 65 possible observations.⁸¹ The underselling margins were significant in each year, ranging from 9.5 percent to 13.4 percent on a weighted-average basis.⁸²

The record shows that domestic producers faced subject import competition for each of three main end-use applications for which the Commission collected data, and saw declining prices in all three in the face of extremely low and/or falling subject import prices. Although prices increased somewhat in the early part of the period examined, by the end of the period examined domestic producers' average unit prices for all products had fallen. Prices for product 1 declined from \$*** per pound in the first quarter of 2000 to \$*** per pound in the fourth quarter of 2002, after peaking at \$*** per pound in the second and third quarters of 2001.⁸³ The greatest price declines for pricing product 2 took place in the latter part of the period examined, with domestic producers' price declining from \$*** per pound in the first quarter of 2000 to \$*** in the fourth quarter of 2002, after peaking at \$*** per pound in the second quarter of 2001.⁸⁴ Similar trends were evident for pricing with respect to product 3, for which domestic producers' price declined from \$*** per pound in the first quarter of 2000 to \$*** per pound in the fourth quarter of 2002 after peaking at \$*** per pound in the second quarter of 2001,⁸⁵ as well as for pricing product 4, for which domestic producers' price declined from \$*** in the first quarter of 2000 to \$*** per pound in the fourth quarter of 2002 after peaking at \$*** per pound in the first quarter of 2001.⁸⁶ Thus, although there were some instances of overselling in 2002, by that point domestic producers' prices had already fallen from levels reached earlier in the period examined, and as already noted above, instances of overselling were often associated with smaller shipment volumes or generally occurred when imports from at least one of the subject countries were underselling the domestic like product.

⁷⁸ Product 3 has a broader hydrolysis and a broader viscosity range than product 5 used in art paper applications. Product 3 has the same hydrolysis level but a higher viscosity level than product 7, also used in paper applications. CR at I-13; PR at I-10.

⁷⁹ CR/PR at Table 8.

⁸⁰ CR/PR at Table 9.

⁸¹ CR/PR at Table 11.

⁸² CR/PR at Table 11.

⁸³ CR/PR at Table 6.

⁸⁴ CR/PR at Table 7.

⁸⁵ CR/PR at Table 8.

⁸⁶ CR/PR at Table 9.

The Commission's investigation confirmed allegations of *** pounds of lost sales and *** pounds resulting in lost revenues in 2001 and 2002,⁸⁷ and again for each of three main end-use applications for PVA.⁸⁸ These confirmations are further proof of direct head-to-head price competition between the subject imports and domestically produced PVA; this competition had significant effects on U.S. prices.

The record indicates that there were a number of factors during the period examined that influenced price declines in the U.S. market. As we noted above, whether measured in terms of the merchant market or total apparent U.S. consumption, demand fell over the period examined, with levels in 2001 and 2002 being lower than in 2000. Celanese attempted to raise its prices during the earlier portion of the period examined to offset high raw material cost increases, but lost sales volume, and DuPont indicated that it has cut its prices to maintain volume. Both producers reduced prices in the latter part of the period examined.⁸⁹ Although domestic producers withstood some of the competition at the beginning of the period examined and increased their exports in order to maintain production volumes, the continued presence of significant volumes of low-priced subject imports in the U.S. market that were competing for sales for three important end-use categories contributed to the price depression evident in the second half of the period examined. While declining demand put downward pressure on prices and declining unit costs allowed some pricing flexibility in 2002,⁹⁰ we find the effects of subject imports in depressing U.S. prices, themselves, to be significant because the low-priced subject imports occurred at a time when domestic producers were competing for a share of a diminished U.S. market.

We have considered the possible effects of non-subject imports on domestic prices. Although there were instances where non-subject imports from Germany and Taiwan undersold the domestic like product, such instances were less frequent and generally involved smaller margins of underselling than with respect to subject imports.⁹¹ Moreover, in 2002 when domestic prices were declining, cumulated subject import volume was increasing both absolutely and relative to merchant market consumption and total U.S. consumption, but the volume of non-subject imports was declining.⁹²

In addition, we note that prices for most PVA products declined, even where there were no reported shipments from any of the three subject countries. Although this could suggest the influence of

⁸⁷ Another lost revenue allegation involving *** pounds of PVA from *** was confirmed for 2003. OCR/OPR at Table V-10.

⁸⁸ OCR/OPR at Tables V-10, V-11, and D-1 (including lost sales or revenue confirmations from ***). The record does not support petitioners' arguments that ***. See Petitioners' Prehearing Brief at 50-52; Tr. at 29-30 (McCord). The record appears to ***. See OCR at V-27; OPR at V-8; Solutia's Posthearing Brief, Exhs. 1-2.

We have not included in the preceding characterization of lost sales and lost revenues the allegation of lost revenue on *** pounds of PVA sales in 2002 to ***, as that company asserted that it receives ***. OCR at V-26; OPR at V-8. We note, however, that *** is a ***. OCR/OPR at Table D-2. Neither have we included in the preceding characterization the allegation of a lost sale of *** pounds of PVA in *** to ***, which reported that import prices from *** were nearly *** percent lower than those offered by domestic producers at that time. OCR at V-24; OPR at V-7. We note, however, that *** increased its purchases of PVA from *** from *** pounds in 2000 to *** pounds in 2001 and to *** pounds in 2002, while reducing its purchases of PVA from U.S. producers from *** pounds in 2000 to *** pounds in 2001 and to *** pounds in 2002. OCR/OPR at Table D-2.

⁸⁹ See, e.g., Hearing Tr. at 18-19 (Chanslor), 25-26 (McCord); Petitioners' Prehearing Brief at 56.

⁹⁰ OCR/OPR at Tables VI-1 (total operations), VI-5 (merchant market operations).

⁹¹ OCR/OPR at Tables V-1 to V-9 (German products were priced higher than domestic products in 19 of 24 comparisons, or 12 of 17 if focusing only on products 3 and 7), E-1 to E-6 (Taiwan products were priced higher than domestic products in 14 of 60 comparisons, lower in 45 of 60 comparisons, and the same in 1 comparison).

⁹² CR/PR at Tables 1, 4, and 5.

other factors on prices, the evidence of significant instances of lost sales and lower revenues suffered by the domestic industry confirms the particular price effects of low-priced imports of PVA from China, Japan, and Korea that is indicated by their frequent underselling of domestic prices. Moreover, we find the declines in the prices of products where there was competition with the cumulated subject imports to be distinguishable because they were accompanied by a declining domestic sales volume.⁹³ In contrast, domestic sales volume for the primary pricing item which did not face direct competition from equivalent forms of subject imports (product 7) increased *** between 2000 and 2002.⁹⁴

Consequently, we find that there has been significant price underselling by cumulated subject imports from China, Japan, and Korea and the effect of these subject imports depresses prices to a significant degree.

D. Impact of Cumulated Subject Imports on the Domestic Industry⁹⁵

In examining the impact of the subject imports on the domestic industry, we consider all relevant economic factors that bear on the state of the industry in the United States.⁹⁶ These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development.⁹⁷ No single factor

⁹³ CR/PR at Tables 6-9. Domestic sales volumes of products 1, 2, and 4 were lower in 2002 than in 2000; domestic sales volumes of product 3 in 2002 were higher than in 2000 but lower than in 2001. The volume of domestic shipments of pricing product 1 declined from *** pounds in 2000 to *** pounds in 2002. The volume of domestic shipments of pricing product 2 declined from *** pounds in 2000 to *** pounds in 2002. The volume of domestic shipments of pricing product 4 declined from *** pounds in 2000 to *** pounds in 2002. The volume of domestic shipments of pricing product 3 increased from *** pounds in 2000 to *** pounds in 2001 but then declined to *** pounds in 2002. Derived from CR/PR at Tables 6-9.

⁹⁴ OCR/OPR at Table V-7. Domestic sales volume for this product rose from *** pounds in 2000 to *** pounds in 2001 and to *** pounds in 2002.

⁹⁵ The statute instructs the Commission to consider the “magnitude of the margin of dumping” in an antidumping proceeding as part of its consideration of the impact of imports. See 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination concerning Japan, Commerce assigned 144.16 percent dumping margins to four named manufacturer/exporters and an “all others” rate of 76.78 percent. See 68 Fed. Reg. 19510, 19513 (Apr. 21, 2003). With respect to Korea, Commerce assigned a dumping margin of 38.74 percent to Korean producer D.C. Chemical, and an all others rate of 32.08. With respect to China, in an amended final determination regarding subject imports from this country, Commerce issued a dumping margin of 6.91 percent for SSVW and a PRC-wide rate of 97.86 percent. See CR at I-3; PR at I-2.

⁹⁶ 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851, 885 (“In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” Id. at 885).

⁹⁷ In relying on the financial data provided in the Commission report, we reject petitioners’ challenges to the Commission accounting staff’s valuation of raw material costs for domestic producer ***. The accounting staff valued inputs to PVA production at cost and byproducts of the PVA production process at market value. *** did not use this method of valuation in its original questionnaire response, did not make the adjustments to its questionnaire data requested by staff until petitioners filed their posthearing submission, and continued to challenge these adjustments thereafter. See Petitioners’ Posthearing Brief at 6-7, Exh. 5. Nevertheless, the valuation technique used by staff is consistent not only with generally accepted accounting principles, but also with the method *** itself uses in its internal accounting. OCR/OPR at Table VI-1 n.5. It is also the way ***. OCR/OPR at Table VI-1 n.4.

(continued...)

is dispositive and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”^{98 99}

Both total and merchant market apparent U.S. consumption of PVA declined from 2000 to 2001 and then rose in 2002 to a level less than that of 2000.¹⁰⁰ Several output-related indicators of U.S. industry performance followed the same pattern as consumption and demand. These included production,¹⁰¹ commercial and total U.S. shipments,¹⁰² and capacity utilization.¹⁰³ By contrast, the

⁹⁷ (...continued)

Nor have we considered the materials which petitioners cited initially in their Final Comments to challenge staff’s raw material cost valuations because these materials represented new factual information, as explained above.

⁹⁸ 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851, 885; Live Cattle from Canada and Mexico, Invs. Nos. 701-TA-386, 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 25 n.148 (Feb. 1999).

⁹⁹ We have not relied on the data petitioners submitted in their Posthearing Brief concerning the first quarter of 2003 performance of DuPont and Celanese in our analysis. Although we have considered this information, we find that it lacks probative value for several reasons. First, partial year data are only probative if compared to the similar segment for the previous calendar year. Petitioners submitted first quarter data for 2003 but not 2002. (Petitioners did not include in their comments on the questionnaires a request that the Commission collect quarterly data for either 2002 or 2003. See Letter from John-Alex Romano to Marilyn Abbott (Feb. 19, 2003); see also 61 Fed. Reg. 37818, 37826 (July 22, 1996) (“parties should make data collection requests in their questionnaire comments rather than later in the investigation”). Second, the information submitted by petitioners does not include any data for Solutia, so it does not encompass the entire domestic industry. Third, the financial information submitted by petitioners is unreliable because it does not include the adjustments, described above, that Commission accounting staff required to ensure compliance with generally accepted accounting principles.

¹⁰⁰ For the merchant market, apparent U.S. consumption of PVA declined from *** pounds in 2000 to *** pounds in 2001, and then increased to *** pounds in 2002. OCR/OPR at Table IV-7. For the total market, apparent U.S. consumption of PVA declined from *** pounds in 2000 to *** pounds in 2001, and then increased to *** pounds in 2002. OCR/OPR at Table IV-6. Captive consumption declined from *** pounds in 2000 to *** pounds in 2001, and then increased to a period high of *** pounds in 2002. OCR/OPR at Table III-3.

¹⁰¹ Production was at its period high of *** pounds in 2000. It then declined to *** pounds in 2001, and increased to *** pounds in 2002. OCR/OPR at Table III-2.

¹⁰² The quantity of the domestic industry’s commercial U.S. shipments declined from its period high of *** pounds in 2000 to *** pounds in 2001, and then increased to *** pounds in 2002. The value of these shipments declined from a period high of \$*** in 2000 to \$*** in 2001 and then increased to \$*** in 2002. OCR/OPR at Table III-3.

The quantity of the domestic industry’s total U.S. shipments declined from its period high of *** pounds in 2000 to *** pounds in 2001, and then increased to *** pounds in 2002. The value of these shipments declined from a period high of \$*** in 2000 to \$*** in 2001 and then increased to \$*** in 2002. Id.

The quantity of the domestic industry’s internal shipments declined from *** pounds in 2000 to *** pounds in 2001, and then increased to its period high of *** pounds in 2002. The value of these shipments declined from a period high of \$*** in 2000 to \$*** in 2001 and then increased to \$*** in 2002. Id.

¹⁰³ Capacity utilization declined from its period high of *** percent in 2000 to *** percent in 2001, and then increased to *** percent in 2002. OCR/OPR at Table III-2.

domestic industry's export shipments were higher in 2002 than in 2000.¹⁰⁴ Capacity increased throughout the 2000-2002 period.¹⁰⁵ Inventory levels, however, declined throughout the period.^{106 107}

Diminished apparent U.S. consumption of PVA in 2001, and continuing into 2002, heightened the need for the domestic industry to be able to compete with subject imports for the remaining U.S. market. Indeed, the domestic industry increased its share of apparent U.S. merchant market consumption from *** percent in 2000 to *** percent in 2001, and then to *** percent in 2002.¹⁰⁸ We find, however, that this increase largely reflected the decline in non-subject import competition.¹⁰⁹ In contrast, the significant market share of subject imports essentially did not decline over the period.

Although the domestic industry was able to increase its share of a diminished U.S. market, it was not able to sell its PVA in 2001 and 2002 at prices that would enable it to operate in a reasonably profitable manner. The average unit value of the domestic industry's merchant market sales was steady from 2000 to 2001, and then fell by *** percent in 2002.¹¹⁰ Inadequate and falling sales values were a

¹⁰⁴ The quantity of the domestic industry's export shipments declined from *** pounds in 2000 to *** pounds in 2001, and then increased to a period high of *** pounds in 2002. The value of these shipments declined from \$*** in 2000 to \$*** in 2001 and then increased to a period high of \$*** in 2002. OCR/OPR at Table III-3.

As discussed in our previous determinations, we disagree with respondent Solutia's argument that, as a matter of law, the Commission is required to exclude production for export markets from its consideration of impact when export sales are substantial and readily segregated. See Previous Determinations, USITC Pub. 3604 at 24-25 n.30. Pursuant to legislative history, however, we have carefully considered the extent to which "the export performance ... of the domestic industry" may be contributing to any injury experienced by the domestic industry. H.R. Rep. 96-317 at 47 (1979). We note that the domestic industry's exports sold in other markets are not in competition with subject imports sold in the U.S. market.

¹⁰⁵ The domestic industry's capacity increased from *** pounds in 2000 to *** pounds in 2001 and then to *** pounds in 2002. OCR/OPR at Table III-2.

¹⁰⁶ Inventories declined from *** pounds in 2000 to *** pounds in 2001 and then to *** pounds in 2002. Inventories also declined relative to production and shipments from 2000 to 2002. OCR/OPR at Table III-5.

¹⁰⁷ Capital expenditures increased from \$*** in 2000 to \$*** in 2001 and 2002. Research and development expenses declined from \$*** in 2000 to \$*** in 2001, and then increased to a period high of \$*** in 2002. OCR/OPR at Table VI-7. The record shows that the domestic industry's employment-related indicators fluctuated between 2000 and 2002. Employment and hours worked were lower in 2002 than in 2000. The number of production and employment workers increased from *** in 2000 to *** in 2001, and then declined to a period low of *** in 2002. Hours worked increased from *** in 2000 to *** in 2001, and then declined to a period low of *** in 2002. OCR/OPR at Table III-6. Productivity, by contrast, was higher in 2002 than in 2000. Productivity declined from *** pounds/hour in 2000 to *** pounds/hour in 2002, and then increased to a period high of *** pounds/hour in 2002. OCR/OPR at Table III-6.

¹⁰⁸ OCR/OPR at Table IV-7. The domestic industry's share of total apparent U.S. consumption increased from *** percent in 2000 to *** percent in 2001, and then increased further to *** percent in 2002. OCR/OPR at Table IV-6.

¹⁰⁹ The volume of non-subject imports declined from 25.9 million pounds in 2000 to 22.8 million pounds in 2001 and to 19.6 million pounds in 2002. Their share of apparent U.S. merchant consumption increased from *** percent in 2000 to *** percent in 2001 and then declined to *** percent in 2002, and their share of total apparent U.S. consumption increased from *** percent in 2000 to *** percent in 2001 and then declined to *** percent in 2002. CR/PR at Tables 1, 4, 5.

¹¹⁰ CR/PR at Table B-2. For the total U.S. market, the average unit value of the domestic industry's U.S. shipments was fairly steady from 2000 to 2001 (declining *** percent), and then fell by *** percent in 2002. CR/PR at Table B-1.

main reason why the industry posted *** operating results in 2001 and 2002,¹¹¹ including *** on its merchant market sales in ***.¹¹² As described above, low-priced subject imports significantly depressed domestic prices, and thus made a material contribution to the industry's *** financial results.

Although non-subject imports were present in the U.S. market throughout the period examined, including at lower prices than the domestic like product, the volume of non-subject imports was declining both absolutely and relative to apparent merchant market and total apparent U.S. consumption between 2001 and 2002. We find that cumulated subject imports were generally priced even lower than non-subject imports, and given their significant volume including in the critical periods in 2001 and 2002, subject imports themselves had a material impact on the domestic industry. This is so regardless of any adverse effects caused by non-subject imports.

The domestic industry was able to increase production volumes and diminish production costs by increasing its quantity of export sales between 2001 and 2002 and this overall increase in export sales had a positive effect on its total revenues. Nevertheless, we find that the domestic industry did so at the expense of average sales values, since export prices were *** than U.S. prices.¹¹³

Given our findings about the significant volume of subject imports both absolutely and as a share of apparent domestic consumption and production, evidence of significant underselling and price depression by subject imports, and corresponding declines in many of the domestic industry's performance indicators, especially in 2001 and 2002, we conclude that cumulated subject imports are having a significant adverse impact on the domestic PVA industry. We consequently determine that the domestic PVA industry is materially injured by reason of less than fair value imports from China and Korea.

CONCLUSION

For the reasons stated above, we determine that the domestic industry producing PVA products is materially injured by reason of subject imports of PVA from China and Korea that Commerce found to be sold at less than fair value.

¹¹¹ We also recognize that one reason why operating income did not recover from 2001 to 2002 in the same manner as gross profit was because there was a *** increase in selling, general, and administrative (SG&A) expenses overall as well as expressed as a ratio to net sales. OCR/OPR at Table VI-1. This was principally due to the fact that ***. OCR/OPR at Table VI-2 n.3.

¹¹² The domestic industry's merchant market operating income declined from a period high of \$*** in 2000 to *** in 2001, and then improved to *** in 2002. As a ratio to net sales, operating income declined from a period high of *** percent in 2000 to *** percent in 2001, and then improved to *** percent in 2002. OCR/OPR at Table VI-5.

The domestic industry's operating income on internal transfers declined from \$*** in 2000 to \$*** in 2001, and then increased to a period high of \$*** in 2002. OCR/OPR at Table C-3.

The domestic industry's total operating income declined from a period high of \$*** in 2000 to *** in 2001, and then increased to \$*** in 2002. As a ratio to sales, operating income declined from a period high of *** percent in 2000 to *** percent in 2001, and then increased to *** percent in 2002. OCR/OPR at Table VI-1.

We also examined cash flow. For merchant market operations, cash flow declined from a period high of \$*** in 2000 to \$*** in 2001 and then increased to \$*** in 2002. OCR/OPR at Table VI-5. For total operations, cash flow declined from a period high of \$*** in 2000 to \$*** in 2001 and then increased to \$*** in 2002. OCR/OPR at Table VI-1.

¹¹³ OCR/OPR at Table III-3.

INTRODUCTION

BACKGROUND

These investigations result from a petition filed on September 5, 2002, by Celanese, Ltd. (Celanese) of Dallas, TX and DuPont (E.I. du Pont de Nemours & Co.) of Wilmington, DE, alleging that an industry in the United States is materially injured and threatened with further material injury by reason of less than fair value (LTFV) imports of polyvinyl alcohol (PVA)¹ from China and Korea.² Information relating to the background of these investigations is provided below.

<i>Effective date</i>	<i>Action</i>
September 5, 2002	Petition filed with Commerce and the Commission; institution of Commission investigations
October 1, 2002	Commerce's notice of initiation
March 20, 2003	Commerce's preliminary determinations for China (68 FR 13674) and Korea (68 FR 13681); scheduling of the final phase of the Commission's investigations (68 FR 17964, April 14, 2003)
May 8, 2003	Commission's hearing
August 11, 2003	Commerce's final determinations for China (68 FR 47538) and Korea (68 FR 47540); revised scheduling of the final phase of the Commission's investigations (68 FR 49792, August 19, 2003) ³
September 4, 2003	Parties' final comments
September 12, 2003	Commission's votes
September 24, 2003	Commission's determinations transmitted to Commerce

¹ For purposes of these investigations, PVA is defined as all polyvinyl alcohol hydrolyzed in excess of 80 percent, whether or not mixed or diluted with commercial levels of defoamer or boric acid, except as excluded from the definition. (See the section of this report entitled "The Product" for a list of the excluded forms of polyvinyl alcohol.) PVA is covered by subheading 3905.30.00 of the HTS with a general or normal trade relations tariff rate of 3.2 percent *ad valorem*. Although the HTS subheading is provided for convenience and Customs purposes, the written description of PVA subject to these investigations is dispositive.

² The petition was also filed with respect to U.S. imports of PVA from Germany, Japan, and Singapore. The Commission determined that subject imports from Singapore were negligible during the preliminary phase of its investigations and pursuant to section 733(a) of the Act terminated its investigation for Singapore (inv. No. 731-TA-1018). See *Polyvinyl Alcohol from China, Germany, Japan, Korea, and Singapore*, invs. Nos. 731-TA-1014-1018 (Preliminary), USITC Pub. No. 3553, October 2002, p. 1. Commerce subsequently postponed its preliminary and final determinations for China and Korea but not those for Germany and Japan. Following Commerce's affirmative preliminary LTFV determinations for Germany and Japan (68 FR 7980, February 19, 2003 and 68 FR 8203, February 20, 2003, respectively), the Commission scheduled the final phase of its investigations for Germany and Japan (68 FR 11144, March 7, 2003). Following Commerce's affirmative preliminary LTFV determinations for China and Korea (68 FR 13674, March 20, 2003 and 68 FR 13681, March 20, 2003, respectively), the Commission scheduled the final phase of its investigations for China and Korea (68 FR 17964, April 14, 2003). The Commission subsequently made a negative determination with respect to U.S. imports of PVA from Germany that are sold at LTFV and made an affirmative threat determination with respect to U.S. imports of PVA from Japan that are sold at LTFV (68 FR 38386, June 27, 2003). See also *Polyvinyl Alcohol from Germany and Japan*, invs. Nos. 731-TA-1015-1016 (Final), USITC Pub. No. 3604, August 2003, p. 1.

³ *Federal Register* notices are presented in appendix A.

DATA COLLECTED IN THESE INVESTIGATIONS

U.S. industry data that were collected in these investigations are presented in the report previously issued by the Commission in invs. Nos. 731-TA-1014-1017 (Final), hereinafter *Original Confidential Report (OCR)*. U.S. industry data are based on questionnaire responses of three firms (Celanese, DuPont, and Solutia, Inc. (Solutia)), which accounted for all U.S. production of PVA during the period 2000 through 2002. Information on threat considerations for the industry in China are also presented in the *OCR*; data on the industry in China consist of those reported by Sinopec Sichuan Vinylon Works (Sichuan Vinylon), which accounted for virtually all of China's reported exports of PVA to the United States during 2000-02.

U.S. imports, apparent consumption, and market shares with country subtotals for those imports that pursuant to current Commission practice, are eligible for cumulation in these final phase investigations (i.e., from China, Japan, and Korea) are presented in this supplemental report as is pricing and related information for U.S. imports of PVA from China, Japan, and Korea; a table presenting combined data for the industries in China, Japan, and Korea; and summary tables for the U.S. commercial and total markets for PVA (appendix B). Imports consist of official import statistics compiled by Commerce but adjusted using questionnaire data to subtract out any excluded PVA products. Information on conditions of competition in the U.S. market, pricing practices, factors affecting prices, and lost sales and lost revenues are shown in the *OCR*.⁴

NATURE AND EXTENT OF SALES AT LTFV

On August 11, 2003, Commerce published notices in the *Federal Register* of its final determinations of sales at LTFV for China and Korea. The weighted-average dumping margins (in percent *ad valorem*) are presented in the following tabulation.

Country and firm	Margins
China: ¹	
Sichuan Vinylon	6.91 ²
All others	97.86
Korea: ³	
DC Chemical	38.74
All others	32.08
<i>Notes on next page.</i>	

⁴ See also the *OCR* for a discussion of previous investigations on PVA.

Continuation.

¹ Commerce determined that Sichuan Vinyon met the criteria for the application of a separate rate. Commerce also determined that additional Chinese producers/exporters failed to respond to its questionnaires and used adverse facts available to assign a China-wide rate that was the highest margin stated in its notice of initiation. For Sichuan Vinyon, Commerce compared the export price (EP) to normal value (NV); it calculated EP and NV in its final determination using the same methodology stated in its preliminary determination, except for a series of adjustments itemized in its *Decision Memorandum* (see <http://ia.ita.doc.gov>). It used EP since Sichuan Vinyon sold the subject product directly to the first unaffiliated purchaser prior to importation. Commerce based EP on the packed free-on-board Chinese port or cost-insurance-freight U.S. port prices to unaffiliated purchasers in the United States, as appropriate. Commerce treated China as a nonmarket economy country and based NV on factors of production. It determined that India was a significant producer of merchandise comparable to PVA and selected India as the surrogate country.

² As amended in 68 FR 52183, September 2, 2003.

³ Commerce determined to use adverse inferences in determining the antidumping duty margin for DC Chemical. On March 27, 2003, DC Chemical notified Commerce that it no longer intended to participate in the investigation and refused to allow Commerce to completely verify its submitted information. Commerce, accordingly, used (adjusted) margins from the petition as adverse facts available. Petitioners' calculated EP and NV were corroborated by comparing them to information submitted by DC Chemical and were found by Commerce to have probative value. For the all others rate, Commerce calculated a simple average of the two (adjusted) dumping margins contained in the petition.

Source: 68 FR 47538, August 11, 2003 (China) and 68 FR 47540, August 11, 2003 (Korea), except as noted. See also Commerce's preliminary determination of LTFV sales for China (68 FR 13674, March, 20, 2003) where Commerce made a *de minimis* preliminary finding for Sichuan Vinyon.

THE PRODUCT

Commerce has defined the scope of these investigations as follows: polyvinyl alcohol hydrolyzed in excess of 80 percent, whether or not mixed or diluted with commercial levels of defoamer or boric acid, except as excluded from the definition. The following forms of polyvinyl alcohol are excluded from the definition of PVA:

- (1) PVA in fiber form;
- (2) PVA with hydrolysis less than 83 mole percent and certified not for use in the production of textiles;
- (3) PVA with hydrolysis greater than 85 percent and viscosity greater than or equal to 90 cps;
- (4) PVA with a hydrolysis greater than 85 percent, viscosity greater than or equal to 80 cps but less than 90 cps, certified for use in an ink jet application;
- (5) PVA for use in the manufacture of an excipient or as an excipient in the manufacture of film coating systems which are components of a drug or dietary supplement, and accompanied by an end-use certification;
- (6) PVA covalently bonded with cationic monomer uniformly present on all polymer chains in a concentration equal to or greater than one mole percent;
- (7) PVA covalently bonded with carboxylic acid uniformly present on all polymer chains in a concentration equal to or greater than two mole percent, certified for use in a paper application;

- (8) PVA covalently bonded with thiol uniformly present on all polymer chains, certified for use in emulsion polymerization of non-vinyl acetic material;
- (9) PVA covalently bonded with paraffin uniformly present on all polymer chains in a concentration equal to or greater than one mole percent;
- (10) PVA covalently bonded with silan uniformly present on all polymer chains certified for use in paper coating applications;
- (11) PVA covalently bonded with sulfonic acid uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent;
- (12) PVA covalently bonded with acetoacetylolate uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent;
- (13) PVA covalently bonded with polyethylene oxide uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent;
- (14) PVA covalently bonded with quaternary amine uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent; and
- (15) PVA covalently bonded with diacetoneacrylamide uniformly present on all polymer chains in a concentration level greater than three mole percent certified for use in a paper application.

See the *OCR* for a full discussion of the product.

U. S. IMPORTS, APPARENT CONSUMPTION, AND MARKET SHARES

U.S. IMPORTS

Table 1 lists U.S. imports of PVA by specified country sources with a subtotal for the U.S. imports from China, Japan, and Korea that, pursuant to current Commission practice, are subject to cumulation in these final phase investigations. As shown, the volume of U.S. imports from China, Japan, and Korea, in aggregate, fell by 21.3 percent from 2000 to 2001 and then rose by 18.8 percent from 2001 to 2002 to a point that was 6.5 percent less than the quantity reported at the beginning of the period examined. The value of the subtotaled U.S. imports declined steadily from 2000 to 2002, with an overall fall of 7.7 percent. The trends for China are the same as those for the country subtotal; as shown, China accounted for the majority of imports from these three countries. Taiwan, a nonsubject source, was the largest single source, by volume and value, of all U.S. imports of PVA during the period examined.

The following tabulation presents the quantity (in thousands of pounds) and the shares (in percent) of total U.S. imports of subject PVA accounted for by China and Korea during the period September 2001 to August 2002:

Source	Quantity	Share
China	12,152	31.0
Korea	3,712	9.5
All others	23,295	59.5
Total	39,159	100.0

Source: Compiled from official Commerce statistics (that were adjusted using questionnaire responses for Japan and for certain nonsubject countries (i.e., Italy and the United Kingdom) to subtract out PVA hydrolyzed at 80 percent or less and excluded PVA). The adjustments are estimates in that the shares of nonsubject PVA reported in questionnaire responses for calendar years 2001 and 2002 were, respectively, applied to official Commerce statistics for the September 2001 through December 2001 and January 2002 through August 2002 periods.

APPARENT U.S. CONSUMPTION

Data on apparent U.S. consumption of PVA are based on U.S. producers' shipments as reported in the Commission's questionnaires and, with the exception of Japan for which questionnaire data were used, imports as recorded by the Department of Commerce (adjusted, where necessary, to subtract out nonsubject PVA). Data on total apparent U.S. consumption are presented in table 2. Data on only apparent U.S. consumption in the commercial market are presented in table 3.

U.S. MARKET SHARES

Data on market shares in the total U.S. market for PVA are presented in table 4. Data on U.S. commercial market shares only are presented in table 5.

Table 1
PVA: U.S. imports, by source, 2000-02

Source	Calendar year		
	2000	2001	2002
Quantity (1,000 pounds)			
China	19,588	13,287	13,400
Japan	1,007	1,173	4,154
Korea	2,584	3,789	4,122
Subtotal	23,179	18,249	21,676
Germany	1,774	2,804	1,713
Taiwan	21,410	15,640	14,076
All others ¹	2,708	4,347	3,829
Total	49,070	41,040	41,293
Value (\$1,000)²			
China	11,968	10,227	8,375
Japan	1,714	1,553	2,974
Korea	1,986	3,215	3,116
Subtotal	15,668	14,995	14,465
Germany	1,897	2,664	1,611
Taiwan	16,318	13,359	9,988
All others ¹	2,804	4,140	3,489
Total	36,687	35,157	29,554
Unit value (per pound)			
China	\$0.61	\$0.77	\$0.63
Japan	1.70	1.32	0.72
Korea	0.77	0.85	0.76
Average	0.68	0.82	0.67
Germany	1.07	0.95	0.94
Taiwan	0.76	0.85	0.71
All others ¹	1.04	0.95	0.91
Average	0.75	0.86	0.72
<i>Continued on next page.</i>			

Table 1—Continued
PVA: U.S. imports, by source, 2000-02

Source	Calendar year		
	2000	2001	2002
Share of quantity (percent)			
China	39.9	32.4	32.5
Japan	2.1	2.9	10.1
Korea	5.3	9.2	10.0
Subtotal	47.3	44.5	52.6
Germany	3.6	6.8	4.1
Taiwan	43.6	38.1	34.1
All others	5.5	10.6	9.3
Total	100.0	100.0	100.0
Share of value (percent)			
China	32.6	29.1	28.3
Japan	4.7	4.4	10.1
Korea	5.4	9.1	10.5
Subtotal	42.7	42.6	48.9
Germany	5.2	7.6	5.5
Taiwan	44.5	38.0	33.8
All others	7.6	11.8	11.8
Total	100.0	100.0	100.0
<p>¹ As indicated earlier, official Commerce statistics include nonsubject PVA (i.e., the 15 forms of PVA hydrolyzed in excess of 80 percent excluded by Commerce as well as <u>all</u> PVA hydrolyzed at 80 percent or lower). With respect to nonsubject countries, petitioners alleged during the preliminary phase of the investigations that imports from United Kingdom and Italy (which collectively accounted for 10.0 percent of total polyvinyl alcohol imports in 2002) have a hydrolysis level of 80 percent or lower. Petitioners' postconference brief, p. 38, n. 105. The Commission was able to contact the largest U.S. importers of polyvinyl alcohol from the United Kingdom and *** of the *** significant U.S. importers from Italy and, based upon their information, adjusted Commerce statistics to exclude nonsubject PVA.</p> <p>²Landed, duty-paid.</p>			
<p>Source: Compiled from Commerce statistics (adjusted, as described above) for all sources except for Japan for which questionnaire data were utilized.</p>			

Table 2

PVA: U.S. shipments of domestic product, U.S. imports, by source, and apparent U.S. consumption, 2000-02

Item	Calendar year		
	2000	2001	2002
Quantity (1,000 pounds)			
U.S. producers' U.S. shipments	***	***	***
U.S. imports from--			
China	19,588	13,287	13,400
Japan ¹	979	1,079	2,974
Korea	2,584	3,789	4,122
Subtotal	23,151	18,155	20,495
Germany	1,774	2,804	1,713
Taiwan	21,410	15,640	14,076
All others	2,708	4,347	3,829
Total imports	49,042	40,946	40,114
Apparent U.S. consumption	***	***	***
Value (\$1,000)			
U.S. producers' U.S. shipments	***	***	***
U.S. imports from--			
China	11,968	10,227	8,375
Japan ¹	1,858	1,577	2,530
Korea	1,986	3,215	3,116
Subtotal	15,812	15,019	14,021
Germany	1,897	2,664	1,611
Taiwan	16,318	13,359	9,988
All others	2,804	4,140	3,489
Total imports	36,831	35,181	29,109
Apparent U.S. consumption	***	***	***
¹ U.S. importers' U.S. shipments.			
Source: Compiled from data submitted in response to Commission questionnaires and from Commerce statistics.			

Table 3**PVA: U.S. commercial market shipments of domestic product, U.S. imports, by source, and apparent U.S. commercial market consumption, 2000-02**

Item	Calendar year		
	2000	2001	2002
Quantity (1,000 pounds)			
U.S. producers' commercial shipments	***	***	***
U.S. imports from--			
China	19,588	13,287	13,400
Japan ¹	979	1,079	2,974
Korea	2,584	3,789	4,122
Subtotal	23,151	18,155	20,495
Germany	1,774	2,804	1,713
Taiwan	21,410	15,640	14,076
All others	2,708	4,347	3,829
Total imports	49,042	40,946	40,114
Apparent U.S. consumption	***	***	***
Value (\$1,000)			
U.S. producers' commercial shipments	***	***	***
U.S. imports from--			
China	11,968	10,227	8,375
Japan ¹	1,858	1,577	2,530
Korea	1,986	3,215	3,116
Subtotal	15,812	15,019	14,021
Germany	1,897	2,664	1,611
Taiwan	16,318	13,359	9,988
All others	2,804	4,140	3,489
Total imports	36,831	35,181	29,109
Apparent U.S. consumption	***	***	***
¹ U.S. importers' U.S. shipments.			
Source: Compiled from data submitted in response to Commission questionnaires and from Commerce statistics.			

Table 4

PVA: Apparent U.S. consumption and market shares, 2000-02

* * * * *

Table 5

PVA: Apparent U.S. commercial market consumption and market shares, 2000-02

* * * * *

PRICE DATA

The Commission requested that U.S. producers and importers provide quarterly data for the total quantity and f.o.b. value of their U.S. commercial shipments to unrelated customers of seven specific PVA products. Data were requested for the period January 2000 through December 2002. The products for which pricing data were requested are as follows:

Product 1.--PVA for use in textile applications with a range of hydrolysis between 95-100 (percent) and a viscosity between 20-35 (centipois)

Product 2.--PVA for use in adhesive applications with a range of hydrolysis between 80-89 (percent) and a viscosity between 20-35 (centipois)

Product 3.--PVA for use in paper applications with a range of hydrolysis between 95-100 (percent) and a viscosity between 20-35 (centipois)

Product 4.--PVA for use in adhesives applications with a range of hydrolysis between 80-89 (percent) and a viscosity between 0-19 (centipois)

Product 5.-- PVA for use in art paper applications with a range of hydrolysis between 86-89 (percent) and a viscosity between 7-9 (centipois)

Product 6.-- PVA for use in resin applications with a range of hydrolysis between 86-89 (percent) and a viscosity between 16 and 20 (centipois)

Product 7.-- PVA for use in paper applications with a range of hydrolysis between 95-100 (percent) and a viscosity between 0 and 19 (centipois)

Two U.S. producers and six importers of subject product provided usable pricing data for sales of the requested products in the U.S. market, although not all firms reported pricing data for all products for all quarters. Selling price data reported by the U.S. producers and importers accounted for *** percent of the quantity of U.S. producers' commercial shipments of PVA during 2000-02, *** percent of the imports from China, *** percent of the imports from Japan, and *** percent of imports from Korea.⁵ Less Japanese pricing data were available in the final phase than in the preliminary because certain pricing products covered in the preliminary phase of the investigations were excluded from the scope in the final phase of the investigations.

Data on selling prices and quantities of products 1 through 4 sold by the U.S. producers and importers are presented in tables 6 through 9, and prices of products 1 through 4 are presented in figure 1.

⁵ These coverage shares use Commerce statistics as the basis for imports.

Table 6

PVA: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarters, 2000-02

* * * * *

Table 7

PVA: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarters, 2000-02

* * * * *

Table 8

PVA: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarters, 2000-02

* * * * *

Table 9

PVA: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarters, 2000-02

* * * * *

Figure 1

PVA: Prices of U.S.-produced and subject imported products, by product and by quarters, January 2000-December 2002

* * * * *

No price data were received on imports from China, Japan, or Korea of products 5, 6, or 7. Table 10 summarizes the price data and table 11 summarizes the data on margins.

Table 10

PVA: Summary of weighted-average f.o.b. prices for products 1 through 4, by countries

* * * * *

Table 11

PVA: Summary of underselling/overselling

* * * * *

THE INDUSTRIES IN CHINA, JAPAN, AND KOREA COMBINED

Table 12 presents data for the PVA industries in China, Japan, and Korea combined, and table 13 presents data on U.S. importers' end-of-period inventories.

Table 12

PVA: Aggregated data for reporting producers in China, Japan, and Korea, 2000-02, and projected for 2003 and 2004

* * * * *

Table 13

PVA: U.S. importers' end-of-period inventories of imports, by source, 2000-02

* * * * *

APPENDIX A
***FEDERAL REGISTER* NOTICES**

the top. All submissions requesting confidential treatment must conform with the requirements of section 201.6 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.6). All written submissions, except for confidential business information, will be made available for inspection by interested persons. The Commission may include such confidential business information in the report it sends to USTR. All submissions should be addressed to the Secretary at the Commission's office in Washington, DC. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's Rules (19 CFR 201.18) (see Handbook for Electronic Filing Procedures, ftp://ftp.usitc.gov/pub/reports/electronic_filing_handbook.pdf). Hearing-impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on (202) 205-1810.

Issued: August 13, 2003.

By order of the Commission.

Marilyn R. Abbott,
Secretary.

[FR Doc. 03-21201 Filed 8-18-03; 8:45 am]
BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-1014 and 1017 (Final)]

Polyvinyl Alcohol From China and Korea

AGENCY: International Trade Commission.

ACTION: Revised schedule for the subject investigations.

DATES: August 13, 2003.

FOR FURTHER INFORMATION CONTACT: Debra Baker (202-205-3180), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these investigations may be viewed on

the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: On March 20, 2003, the Department of Commerce (Commerce) made its preliminary determinations for China (68 FR 13674) and Korea (68 FR 13681). On April 14, 2003, the Commission accordingly established a schedule for the conduct of the final phase of the subject investigations (68 FR 17964). On August 11, 2003, Commerce made its final determinations for China (68 FR 47538) and Korea (68 FR 47540). The Commission, therefore, is revising its schedule to conform with the statutory deadlines established by the date of publication in the *Federal Register* of Commerce's final determinations.

The Commission's new schedule for the investigations is as follows: A supplemental staff report will be placed in the nonpublic record on August 27, 2003, and party comments on the supplemental staff report and on Commerce's final determinations are due on September 4, 2003. Party comments may not exceed 20 pages of textual material, double-spaced and single-sided, on stationery measuring 8½ x 11 inches, and shall otherwise satisfy the requirements of section 207.30(b) of the Commission's rules.

For further information concerning these investigations see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

Issued: August 13, 2003.

By order of the Commission.

Marilyn R. Abbott,
Secretary.

[FR Doc. 03-21202 Filed 8-18-03; 8:45 am]
BILLING CODE 7020-02-P

DEPARTMENT OF LABOR

Employee Benefits Security Administration

[Prohibited Transaction Exemption (PTE) 2003-26, Exemption Application Numbers D-11137, 11138, and 11139]

Northwest Airlines Pension Plan for Salaried Employees (Salaried Plan), the Northwest Airlines Pension Plan for Pilot Employees (Pilot Plan), and the Northwest Airlines Pension Plan for Contract Employees (Contract Plan) (Collectively, the Plans), Located in Eagan, MN

AGENCY: Employee Benefits Security Administration, Department of Labor.

ACTION: Grant of individual exemption.

SUMMARY: This document contains a final exemption issued by the Department of Labor (the Department) from certain prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (ERISA or the Act) and from certain taxes imposed by the Internal Revenue Code of 1986 (the Code).

The exemption permits: (1) The in-kind contribution(s) of the common stock of Pinnacle Airlines Corp.¹ (Pinnacle Stock) to the Plans by Northwest Airlines, Inc. (Northwest), a party in interest with respect to such Plans; (2) the holding of the Pinnacle Stock by the Plans; (3) the sale of the Pinnacle Stock by the Plans to Northwest; (4) the acquisition, holding, and exercise by the Plans of a put option (the Put Option) granted to the Plans by Northwest; and (5) the guaranty to the Plans by Northwest Airlines Corporation (NWA Corp.) of Northwest's obligation to honor the Put Option (the Exemption Transactions). The exemption affects participants and beneficiaries of, and fiduciaries with respect to, the Plans.

DATES: This exemption is effective as of January 15, 2003.

FOR FURTHER INFORMATION CONTACT: Wendy M. McColough of the Office of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor, telephone (202) 693-8540. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: On January 17, 2003, the Department published a notice in the *Federal Register* (68 FR 2578) of a proposed individual exemption (the Proposed Exemption). The Proposed Exemption was requested in an application filed on

¹ Pinnacle Airlines Corp. is the holding company of Pinnacle Airlines, Inc.

to limit Wai Yuan's bonding option only to such merchandise for which it is both the producer and exporter. For Jinfu, which has identified Cixi Yikang as the producer of subject merchandise for the sale under review, we will instruct Customs to limit the bonding option only to entries of subject merchandise from Jinfu that was produced by Cixi Yikang.

Interested parties that need access to proprietary information in these new shipper reviews should submit applications for disclosure under administrative protective orders in accordance with 19 CFR 351.305 and 351.306. This initiation and notice are in accordance with section 751(a) of the Act (19 U.S.C. 1675(a)) and 19 CFR 351.214(d).

Dated: July 31, 2003.

Joseph A. Spetrini,
Acting Assistant Secretary for Grant Aldonas,
Under Secretary.

[FR Doc. 03-20423 Filed 8-8-03; 8:45 am]

BILLING CODE 3510-08-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-874]

Notice of Final Determination of Sales at Less Than Fair Value: Polyvinyl Alcohol from the People's Republic of China

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

EFFECTIVE DATE: August 11, 2003.

FOR FURTHER INFORMATION CONTACT:
Elizabeth Eastwood or Alice Gibbons at
(202) 482-3874 and (202) 482-0498,
respectively, AD/CVD Enforcement,
Office 2, Import Administration,
International Trade Administration,
U.S. Department of Commerce, 14th
Street and Constitution Avenue, NW,
Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Final Determination:

We determine that polyvinyl alcohol (PVA) from the People's Republic of China (PRC) is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 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.

Background

The preliminary determination in this investigation was issued on March 14,

2003. See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Polyvinyl Alcohol from the People's Republic of China*, 68 FR 13674 (March 20, 2003) (*Preliminary Determination*). Since the preliminary determination, the following events have occurred.

With respect to scope, on March 3, 2003, the petitioners agreed to revise the scope of the companion case on PVA from Japan to exclude certain types of PVA covalently bonded with diacetoneacrylamide. The petitioners' submission was made in response to a request by Japan VAM and POVAL Co., Ltd., one of the mandatory respondents in the companion Japanese case.

Because these comments relate to PVA in general, we find that they are applicable to this proceeding. Accordingly, as we did in the preliminary determination, we have modified the scope to conform to that set forth in the companion Japanese proceeding, as described in the "Scope of the Investigation" section of this notice below. See *Notice of Final Determination of Sales at Less Than Fair Value: Polyvinyl Alcohol from Japan*, 68 FR 19510 (April 21, 2003).

In March and April 2003, we conducted verification of the questionnaire responses of the sole participating respondent in this case, Sinopec Sichuan Vinylon Works (SVW).

We gave interested parties an opportunity to comment on the preliminary determination. In May, we received case and rebuttal briefs from the petitioners (Celanese Chemicals Ltd. and E.I. DuPont de Nemours & Company) and SVW. The Department held a public hearing on May 29, 2003, at the request of SVW.

Scope of the Investigation

The merchandise covered by this investigation is PVA. This product consists of all PVA hydrolyzed in excess of 80 percent, whether or not mixed or diluted with commercial levels of defoamer or boric acid, except as noted below.

The following products are specifically excluded from the scope of this investigation:

- 1) PVA in fiber form.
- 2) PVA with hydrolysis less than 83 mole percent and certified not for use in the production of textiles.
- 3) PVA with hydrolysis greater than 85 percent and viscosity greater than or equal to 90 cps.
- 4) PVA with a hydrolysis greater than 85 percent, viscosity greater than or equal to 80 cps but less than 90 cps, certified for use in an ink jet application.

5) PVA for use in the manufacture of an excipient or as an excipient in the manufacture of film coating systems which are components of a drug or dietary supplement, and accompanied by an end-use certification.

6) PVA covalently bonded with cationic monomer uniformly present on all polymer chains in a concentration equal to or greater than one mole percent.

7) PVA covalently bonded with carboxylic acid uniformly present on all polymer chains in a concentration equal to or greater than two mole percent, certified for use in a paper application.

8) PVA covalently bonded with thiol uniformly present on all polymer chains, certified for use in emulsion polymerization of non-vinyl acetic material.

9) PVA covalently bonded with paraffin uniformly present on all polymer chains in a concentration equal to or greater than one mole percent.

10) PVA covalently bonded with silan uniformly present on all polymer chains certified for use in paper coating applications.

11) PVA covalently bonded with sulfonic acid uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

12) PVA covalently bonded with acetoacetylate uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

13) PVA covalently bonded with polyethylene oxide uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

14) PVA covalently bonded with quaternary amine uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

15) PVA covalently bonded with diacetoneacrylamide uniformly present on all polymer chains in a concentration level greater than three mole percent, certified for use in a paper application.

The merchandise under investigation is currently classifiable under subheading 3905.30.00 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 under investigation is dispositive.

Period of Investigation

The period of investigation is January 1, 2002, through June 30, 2002, which corresponds to the two most recent fiscal quarters prior to the month of the

filing of the petition (i.e., September 2002).

Nonmarket Economy Status for the PRC

The Department has treated the PRC as a nonmarket economy (NME) country in all past antidumping investigations. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Pure Magnesium in Granular Form from the People's Republic of China*, 66 FR 49345, 49346 (September 27, 2001). A designation as a NME remains in effect until it is revoked by the Department. See section 771(18)(C) of the Act. No party in this investigation has requested a revocation of the PRC's NME status. Therefore, we have continued to treat the PRC as an NME in this investigation. For further details, see *Preliminary Determination*, 68 FR at 13676.

Separate Rate

In our preliminary determination, we found that SVW had met the criteria for receiving a separate antidumping rate. We have not received any information since the preliminary determination which would warrant reconsideration of our separate-rate determination with respect to this company. Therefore, we continue to find that SVW should be assigned an individual dumping margin.

Surrogate Country

For purposes of the final determination, we continue to find that India is the appropriate primary surrogate country for the PRC. For further discussion and analysis regarding the surrogate country selection for the PRC, see *Preliminary Determination*, 68 FR at 13679.

PRC-Wide Rate and Use of Facts Otherwise Available

As explained in the Department's *Preliminary Determination*, SVW was the only exporter to respond to the Department's questionnaire and cooperate in this investigation. Therefore, we have continued to calculate a company-specific rate for SVW only. However, in the preliminary determination, we stated that our review of U.S. import statistics from the PRC revealed that SVW did not account for all imports into the United States from the PRC. For this reason, we determined that some PRC exporters of subject merchandise failed to cooperate in this investigation. In accordance with our standard practice, as adverse facts available, we are assigning as the PRC-wide rate the higher of: (1) the highest margin listed in the notice of initiation; or (2) the margin calculated for SVW. See, e.g., *Final Determination of Sales at Less Than Fair Value: Certain Cold-*

Rolled Flat-Rolled Carbon Quality Steel Products From The People's Republic of China, 65 FR 34660 (May 31, 2000), and accompanying decision memorandum at *Comment 1*. For purposes of the final determination of this investigation, we are using the margin stated in the notice of initiation (i.e., 97.86 percent) as adverse facts available because it is higher than the margin we calculated for SVW.

Analysis of Comments Received

All issues raised in the case briefs by parties to this proceeding and to which we have responded are listed in the Appendix to this notice and addressed in the Decision Memorandum, which is adopted by this notice. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit, room B-099, of the main Department building. 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.

Changes Since the Preliminary Determination

Based on our analysis of comments received, we have made certain changes to the margin calculations. For a discussion of these changes, see the "Margin Calculations" section of the Decision Memorandum.

Verification

As provided in section 782(i) of the Act, we verified the information submitted by the respondent for use in our final determination. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondent.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the U.S. Bureau of Customs and Border Protection (BCBP) to continue to suspend liquidation of all entries of PVA from the PRC, except for PVA exported by SVW, that are entered, or withdrawn from warehouse, for consumption on or after March 20, 2003, the date of publication of our preliminary determination. Regarding SVW, we have calculated a margin for this final determination which is not *de minimis*. Therefore, we are directing the BCBP to begin suspending liquidation of

entries of PVA exported by SVW that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this determination in the Federal Register. The BCBP shall require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. These instructions suspending liquidation will remain in effect until further notice.

The dumping margins are provided below:

Manufacturer/exporter	Margin (percent)
Sinopec Sichuan Vinylon Works	7.40
PRC-wide	97.86

The PRC-wide rate applies to all entries of the subject merchandise except for entries from SVW.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing the BCBP to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding APO

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 is a sanctionable violation.

This determination is issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: August 4, 2003.

Joseph A. Spetrini,
Acting Assistant Secretary for Grant Aldonas,
Under Secretary.

Appendix Issues in the Decision Memorandum

Comments

1. Valuation of an Input Supplied by a Joint Venture Partner
 2. Treatment of Acetylene Tail Gas as Co-Product vs. By-Product
 3. Cost Allocation Methodology for Acetylene and Acetylene Tail Gas
 4. Adjustment of Factors of Production for Vinyl Acetate Monomer (VAM)
 5. Surrogate Value for Activated Carbon
 6. Surrogate Value for Natural Gas
 7. Valuation of N-Methyl-2-Pyrrolidone (NMP)
 8. Clerical Error in the Preliminary Determination
 9. Application of a By-Product Credit in the Calculation of the Surrogate Financial Ratios
 10. Adjustments to the Surrogate Financial Ratios for Differences in Integration Levels
 11. Surrogate Value for Ocean Freight [FR Doc. 03-20319 Filed 8-8-03; 8:45 am]
- BILLING CODE 3510-DS-6

DEPARTMENT OF COMMERCE

International Trade Administration [A-580-850]

Notice of Final Determination of Sales at Less Than Fair Value: Polyvinyl Alcohol from the Republic of Korea

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

EFFECTIVE DATE: August 11, 2003.

FOR FURTHER INFORMATION CONTACT: Irina Itkin or Jill Pollack at (202) 482-0656 and (202) 482-4593, respectively, AD/CVD Enforcement, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Final Determination

We determine that polyvinyl alcohol (PVA) from the Republic of Korea (Korea) is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 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.

Background

The preliminary determination in this investigation was issued on March 14, 2003. See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Polyvinyl Alcohol from the Republic of Korea*, 68 FR 13681 (March 20, 2003) (*Preliminary Determination*).

Since the preliminary determination, the following events have occurred. On March 3, 2003, the petitioners agreed to revise the scope of the companion case on PVA from Japan to exclude certain types of PVA covalently bonded with diacetoneacrylamide. The petitioners' submission was made in response to a request by Japan VAM and POVAL Co., Ltd., one of the mandatory respondents in the companion Japanese case.

Because these comments relate to PVA in general, we find that they are applicable to this proceeding. Accordingly, as we did in the preliminary determination, we have modified the scope to conform to that set forth in the companion Japanese proceeding, as described below. See *Notice of Final Determination of Sales at Less Than Fair Value: Polyvinyl Alcohol from Japan*, 68 FR 19510 (April 21, 2003).

On March 12, 2003, DC Chemical Company, Ltd. (DC CHEM), the mandatory respondent in this investigation, filed a request to exclude from the scope of this investigation certain grades of PVA in which the PVA is covalently bonded with itaconic acid.

On March 27, 2003, DC CHEM notified the Department that it no longer intended to participate in this investigation. For further discussion, see the "Facts Available (FA)" section of this notice.

On April 1, 2003, the petitioners commented on DC CHEM's exclusion request. For further discussion, see the "Scope Comments" section of this notice.

Scope of the Investigation

The merchandise covered by this investigation is PVA. This product consists of all PVA hydrolyzed in excess of 80 percent, whether or not mixed or diluted with commercial levels of defoamer or boric acid, except as noted below.

The following products are specifically excluded from the scope of this investigation:

- (1) PVA in fiber form.
- (2) PVA with hydrolysis less than 83 mole percent and certified not for use in the production of textiles.

(3) PVA with hydrolysis greater than 85 percent and viscosity greater than or equal to 90 cps.

(4) PVA with a hydrolysis greater than 85 percent, viscosity greater than or equal to 80 cps but less than 90 cps, certified for use in an ink jet application.

(5) PVA for use in the manufacture of an excipient or as an excipient in the manufacture of film coating systems which are components of a drug or dietary supplement, and accompanied by an end-use certification.

(6) PVA covalently bonded with cationic monomer uniformly present on all polymer chains in a concentration equal to or greater than one mole percent.

(7) PVA covalently bonded with carboxylic acid uniformly present on all polymer chains in a concentration equal to or greater than two mole percent, certified for use in a paper application.

(8) PVA covalently bonded with thiol uniformly present on all polymer chains, certified for use in emulsion polymerization of non-vinyl acetic material.

(9) PVA covalently bonded with paraffin uniformly present on all polymer chains in a concentration equal to or greater than one mole percent.

(10) PVA covalently bonded with silan uniformly present on all polymer chains certified for use in paper coating applications.

(11) PVA covalently bonded with sulfonic acid uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

(12) PVA covalently bonded with acetoacrylate uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

(13) PVA covalently bonded with polyethylene oxide uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

(14) PVA covalently bonded with quaternary amine uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

(15) PVA covalently bonded with diacetoneacrylamide uniformly present on all polymer chains in a concentration level greater than three mole percent, certified for use in a paper application.

The merchandise under investigation is currently classifiable under subheading 3905.30.00 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 under investigation is dispositive.

Scope Comments

On March 12, 2003, DC CHEM filed a request to exclude from the scope of this investigation certain grades of a copolymer of PVA in which the PVA is covalently bonded with itaconic acid. On April 1, 2003, the petitioners commented on DC CHEM's exclusion request. In their comments, the petitioners state that three of the five grades of PVA listed in DC CHEM's exclusion request (*i.e.*, CL-05, CL-05A, and CL-05S) are not subject to this investigation because their level of hydrolysis is less than 80 percent. Regarding the remaining grades, the petitioners comment that PVA covalently bonded with itaconic acid (a type of carboxylic acid) for use in paper applications is also outside the scope of this investigation. See item 7 in the "Scope of the Investigation" section of this notice, above. However, the petitioners do not agree to exclude PVA covalently bonded with itaconic acid for non-paper applications because, they assert, these products are directly competitive with products produced by the domestic industry.

We have analyzed DC CHEM's request and the petitioners' objections and we find no modifications to the scope are warranted. Because PVA covalently bonded with itaconic acid for non-paper applications is clearly within the scope of the investigation, we find no basis on which to exclude these products.

Period of Investigation

The period of investigation (POI) is July 1, 2001, through June 30, 2002. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, September 2002).

Analysis of Comments Received

On April 11, 2003, we received comments from the petitioners in response to the preliminary determination. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in the *Decision Memo*, which is on file in the Central Records Unit, room B-099, of the main Department building. In addition, a complete version of the *Decision Memo* can be accessed directly on the Web at <http://ia.ita.doc.gov>. The paper copy and electronic version of the *Decision Memo* are identical in content.

Facts Available (FA)

The mandatory respondent in this case, DC CHEM, notified the Department on March 27, 2003, that it no longer intended to participate in the investigation. Section 776(a)(2) of the Act provides that, if an interested party: (A) Withholds information requested by the Department, (B) fails to provide such information by the deadline, or in the form or manner requested, (C) significantly impedes a proceeding, or (D) provides information that cannot be verified, the Department shall use, subject to sections 782(d) and (e) of the Act, facts otherwise available in reaching the applicable determination.

In selecting from among the facts otherwise available, section 776(b) of the Act authorizes the Department to use an adverse inference if the Department finds that an interested party failed to cooperate by not acting to the best of its ability to comply with a request for information. See, *e.g.*, *Notice of Final Determination of Sales of Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 55792, 55794-96 (August 30, 2002). To examine whether the respondent cooperated by acting to the best of its ability under section 776(b) of the Act, the Department considers, *inter alia*, the accuracy and completeness of submitted information and whether the respondent has hindered the calculation of accurate dumping margins. See, *e.g.*, *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products From Brazil*, 65 FR 5554, 5567 (February 4, 2000).

In the instant investigation, the accuracy and completeness of the submitted information has not been established because the respondent did not agree to verification of all of its responses. Without verified data on the record, the Department cannot calculate accurate margins. Therefore, the respondent's refusal to allow a complete verification has hindered the calculation of accurate dumping margins and impeded the proceeding within the meaning of section 776(a)(2)(C) of the Act. As a result, application of facts available is appropriate. Moreover, by refusing to allow the Department to verify all of its responses, the respondent did not act to the best of its ability as required by section 776(b) of the Act. Consequently, we have determined to make an adverse inference in determining an antidumping duty margin for DC CHEM.

Corroboration of Information

Section 776(b) of the Act authorizes the Department to use as adverse facts available (AFA) information derived from the petition, the final determination from the LTFV investigation, a previous administrative review, or any other information placed on the record.

Section 776(c) of the Act requires the Department to corroborate, to the extent practicable, secondary information used as FA. Secondary information is defined as "[i]nformation derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise." See 19 CFR 351.308 (c) and (d); see also the Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103-316 at 870 (1994).

The SAA clarifies that "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value. See the SAA at 870. The SAA also states that independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. *Id.*

In order to determine the probative value of the margins in the petition for use as AFA for purposes of this final determination, we used information submitted by DC CHEM on the record of this investigation. We reviewed the adequacy and accuracy of the information in the petition during our pre-initiation analysis of the petition, to the extent appropriate information was available for this purpose (see the September 25, 2002, Initiation Checklist, on file in the Central Records Unit, Room B-099, of the Main Commerce Department building, for a discussion of the margin calculations in the petition). In accordance with section 776(c) of the Act, to the extent practicable, we examined the key elements of the export price (EP) and normal value (NV) calculations on which the margins in the petition were based. See the August 4, 2003, memorandum to the file from the team entitled "Corroboration of Data Contained in the Petition for Assigning Facts Available Rates" (Corroboration Memo).

Export Price

With respect to the margins in the petition, EP was based on POI price quotes for the sale of fully-hydrolyzed PVA produced by DC CHEM to customers in the United States. The petitioners calculated net U.S. prices for PVA by deducting certain movement charges and a distributor mark-up, where applicable.

We corroborated the U.S. prices from the petition by comparing them to prices of comparable products reported by DC CHEM. We found that the petitioners' price quotes were comparable to the price information submitted by DC CHEM. Therefore, we find that the petitioners' information for U.S. price has probative value. For further discussion, see the Corroboration Memo.

Normal Value

The petitioners based NV on a home-market price quote from DC CHEM for fully-hydrolyzed PVA of a comparable grade to the products exported to the United States during the POI. This price quote was contemporaneous with the U.S. price quotes used as the basis for EP. We corroborated the home-market price from the petition by comparing it to prices of comparable products sold by DC CHEM. We found that the petitioners' price quote was comparable to the price information submitted by DC CHEM. Therefore, we find that the petitioners' information for home-market price has probative value. See the Corroboration Memo.

In addition, the petitioners alleged that sales of PVA in the home market were made at prices below the fully-absorbed cost of production (COP), within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation. Based upon a comparison of the prices of the foreign like product in the home market to the calculated COP of the product, we found reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. See *Notice of Initiation of Antidumping Duty Investigations: Polyvinyl Alcohol From Germany, Japan, the People's Republic of China, the Republic of Korea, and Singapore*, 67 FR 61591, 61594 (October 1, 2002) (*Initiation Notice*). Accordingly, the Department initiated a country-wide cost investigation. Pursuant to section 773(b)(3) of the Act, COP consisted of the cost of manufacture (COM), selling, general and administrative (SG&A) expenses, and packing expenses. The

petitioners calculated COP based on their own production experience, adjusted for known differences between costs incurred to manufacture PVA in the United States and Korea. We corroborated the COP from the petition by comparing it to the COP of comparable products sold by DC CHEM. We found that the petitioners' calculated COP was comparable to DC CHEM's COP. Therefore, we find that the petitioners' calculated COP has probative value. See the Corroboration Memo.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners based NV for sales in Korea on constructed value (CV). The petitioners calculated CV using the same COM, SG&A, and financial expense figures they used to compute the COP. Consistent with section 773(e)(2) of the Act, the petitioners included in CV an amount for profit based on DC CHEM's 2001 financial statements. The petitioners' calculation of profit was based on operating profit rather than the net income of the producer. Therefore, we recalculated the CV profit rate to include non-operating items. Because this calculation resulted in a loss, we used a profit rate of zero for purposes of initiation.

For purposes of the AFA rate we have calculated for this final determination, however, we do not believe it is appropriate to exclude profit from the margin calculations because to do so would not be an adverse inference. Consequently, we have revised our calculation of the profit rate to use a rate derived from the publicly available 2001 financial statements of another Korean petrochemical company, LG Petrochemical. For further discussion, see the *Decision Memo* at Comment 1.

Therefore, based on our efforts described above to corroborate information contained in the petition and in accordance with 776(c) of the Act, we consider the margins in the notice of initiation, as adjusted, to be corroborated to the extent practicable for purposes of this final determination. See the Corroboration Memo.

Accordingly, in selecting AFA with respect to DC CHEM, we have applied the margin rate of 38.74 percent, which is the highest estimated dumping margin submitted in the petition, used in the notice of initiation, and subsequently adjusted as explained above. See the *Initiation Notice*, 67 FR at 61593, and the *Decision Memo* at Comment 1.

All Others

Section 735(c)(5)(B) of the Act provides that, where the estimated

weighted-average dumping margins established for all exporters and producers individually investigated are zero or *de minimis* or are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated "All Others" rate for exporters and producers not individually investigated. This provision contemplates that we weight-average margins other than zero, *de minimis*, and FA margins to establish the "All Others" rate. Where the data do not permit weight-averaging such rates, the SAA provides that we may use other reasonable methods. See the SAA at 873. Because the petition contained two estimated dumping margins, we have used these two estimated dumping margins, as adjusted for the notices of initiation and final determination, to create an "All Others" rate based on a simple average. Therefore, we have calculated the margin of 32.08 percent as the "All Others" rate. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value and Final Affirmative Finding of Critical Circumstances: Elastic Rubber Tape from India*, 64 FR 19123, 19124 (April 19, 1999).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the U.S. Bureau of Customs and Border Protection (BCBP) to continue to suspend all entries of PVA from Korea that are entered, or withdrawn from warehouse, for consumption on or after March 20, 2003, the date of publication of the preliminary determination. The BCBP shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. These instructions suspending liquidation will remain in effect until further notice.

The dumping margins are provided below:

Manufacturer/exporter	Margin (percent)
DC Chemical Company, Ltd	38.74
All Others	32.08

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury or threat of material

injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing the BCBP to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding APO

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 is a sanctionable violation.

This determination is issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: August 4, 2003.

Joseph A. Spetrini,
Acting Assistant Secretary for Grant Aldonas,
Under Secretary.

[FR Doc. 03-20320 Filed 8-8-03; 8:45 am]

BILLING CODE 3510-06-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-810]

Stainless Steel Bar From India; Final Results of Antidumping Duty Administrative Review

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

ACTION: Notice of final results of antidumping duty administrative review.

SUMMARY: On March 7, 2003, the Department of Commerce published the preliminary results of the administrative review of the antidumping duty order on stainless steel bar from India. We gave interested parties an opportunity to comment on the preliminary results and have made certain changes for the final results. We find that certain companies reviewed sold stainless steel bar from India in the United States below normal value during the period February 1, 2001 through January 31, 2002.

EFFECTIVE DATE: August 11, 2003.

FOR FURTHER INFORMATION CONTACT: Cole Kyle or Ryan Langan, Office 1, AD/CVD

Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington DC 20230; telephone (202) 482-1503 or (202) 482-2613, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 7, 2003, the Department published the *Notice of Preliminary Results of Antidumping Duty Administrative Review: Stainless Steel Bar from India* ("Preliminary Results") in the *Federal Register* (68 FR 11058).

In April and May 2003, we conducted verifications of the sales and cost of production ("COP") questionnaire responses submitted by Isibars Limited ("Isibars"), Venus Wire Industries Limited ("Venus"), and the Viraj Group, Ltd. ("Viraj"). We issued verification reports in May and June 2003.

After inviting parties to comment on the *Preliminary Results* of this review, Carpenter Technology Corp., Crucible Specialty Metals Division of Crucible Materials Corp., Electralloy Corp., Slater Steels Corp., Empire Specialty Steel and the United Steelworkers of America (AFL-CIO/CLC) (collectively, "the petitioners"), and Mukand, Ltd. ("Mukand"), Venus Wire Industries Limited ("Venus"), and the Viraj Group, Ltd. ("Viraj") filed case and rebuttal briefs,¹ respectively, on June 30 and July 9, 2003.

Scope of the Order

Merchandise covered by the order is shipments of stainless steel bar ("SSB"). SSB means articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. SSB includes cold-finished SSBs that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the term does not include stainless steel semi-finished products, cut length flat-rolled products (*i.e.*, cut length rolled products which, if less than 4.75 mm in thickness, have a width measuring at least 10 times the thickness, or, if 4.75

mm or more in thickness, have a width which exceeds 150 mm and measures at least twice the thickness), wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes and sections.

The SSB subject to this order is currently classifiable under subheadings 7222.11.00.05, 7222.11.00.50, 7222.19.00.05, 7222.19.00.50, 7222.20.00.05, 7222.20.00.45, 7222.20.00.75, and 7222.30.00.00 of the *Harmonized Tariff Schedule of the United States* ("HTSUS"). Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this order is dispositive.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the *Issues and Decision Memorandum for the Final Results of the Administrative Review of Stainless Steel Bar from India* ("Decision Memorandum") dated August 4, 2003, which is hereby adopted by this notice. A list of the issues which parties raised and to which we responded, all of which are 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 Central Records Unit, Room B-099 of the main Department building ("CRU"). In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Web at <http://ia.ita.doc.gov/frn/index.html>. The paper copy and electronic version of the *Decision Memorandum* are identical in content.

Facts Otherwise Available

We continue to find that Mukand did not cooperate to the best of its ability in this review and are assigning Mukand an antidumping duty rate based on total adverse facts available. See section 776 of the Tariff Act of 1930, as amended effective January 1, 1995 ("the Act"), by the Uruguay Round Agreements Act ("URAA"). See also *Preliminary Results and Decision Memorandum* at Comment 1.

Fair Value Comparisons

To determine whether sales of stainless steel bar from India to the United States were made at less than fair value, we compared export price ("EP") or constructed export price

¹ The other company in this review, Isibars Limited, did not file case or rebuttal briefs.

of Administrative Review of Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation" for requests received by the last day of September 2003. If the Department does not receive, by the last day of September 2003, a request for review of entries covered by an order, finding, or suspended investigation listed in this notice and for the period identified above, the Department will instruct the Customs Service to assess antidumping or countervailing duties on those entries at a rate equal to the cash deposit of (or bond for) estimated antidumping or countervailing duties required on those entries at the time of entry, or withdrawal from warehouse, for consumption and to continue to collect the cash deposit previously ordered.

This notice is not required by statute but is published as a service to the international trading community.

Dated: August 27, 2003.

Gary Taverman,
Acting Deputy Assistant Secretary, Group II
for Import Administration.

[FR Doc. 03-22345 Filed 8-29-03; 8:45am]

BILLING CODE 3510-08-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-879]

Notice of Amended Final Determination of Sales at Less Than Fair Value: Polyvinyl Alcohol From the People's Republic of China

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

EFFECTIVE DATE: September 2, 2003.

FOR FURTHER INFORMATION CONTACT: Elizabeth Eastwood or Alice Gibbons, AD/CVD Enforcement Group I, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-3874 or (202) 482-0498, respectively.

Amendment to Final Determination

In accordance with sections 735(a) and 777(i)(1) of the Tariff Act of 1930, as amended, (the Act), on August 11, 2003, the Department published its notice of final determination of sales at less than fair value (LTFV) in the investigation of polyvinyl alcohol (PVA) from the People's Republic of China (PRC). See *Notice of Final Determination of Sales at Less Than Fair Value: Polyvinyl Alcohol From the*

People's Republic of China, 68 FR 47538 (Aug. 11, 2003). On August 11, 2003, we received an allegation, timely filed pursuant to 19 CFR 351.224(c)(2), from the respondent, Sinopec Sichuan Vinylon Group (SVW), that the Department had made a ministerial error in its final determination. We did not receive comments on SVW's submission from the petitioners in this investigation, Celanese Chemicals Ltd. and E.I. Dupont de Nemours & Company. After analyzing SVW's submission, we have determined, in accordance with 19 CFR 351.224(e), that we made a ministerial error in our calculation of total freight expenses for certain sales with CIF Chongqing delivery terms in the margin calculations performed for the final determination.

Further, in reviewing the calculation of SVW's freight expenses for these CIF Chongqing transactions, we discovered two other clerical errors in the margin program directly related to the one identified by the respondent. First, we discovered that the error in total freight expenses discussed above also relates to SVW's FOB Chongqing sales. Second, in determining which inland freight expenses were applicable to SVW's CIF Chongqing sales, we discovered that we had incorrectly recalculated marine insurance expenses. Correcting these errors resulted in a revised margin for SVW.

For a detailed discussion of the ministerial errors noted above, as well as the Department's analysis, see the August 25, 2003, memorandum to Jeffrey May from the Team entitled "Ministerial Error Allegation in the Final Determination of the Antidumping Duty Investigation on Polyvinyl Alcohol from the People's Republic of China."

Therefore, in accordance with 19 CFR 351.224(e), we are amending the final determination of sales at LTFV in the antidumping duty investigation of PVA from the PRC. The revised dumping margins are as follows:

Manufacturer/exporter	Original final margin (percent)	Amended final margin (percent)
Sinopec Sichuan Vinylon Works	7.40	6.91
PRC-wide	97.86	97.86

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the U.S. Bureau of Customs and Border Protection (BCBP) to continue to suspend liquidation of all entries of

PVA from the PRC. The BCBP shall require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as indicated in the chart above. These instructions suspending liquidation will remain in effect until further notice.

This determination is issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: August 26, 2003.

James J. Jochum,
Assistant Secretary for Import Administration.

[FR Doc. 03-22346 Filed 8-29-03; 8:45 am]

BILLING CODE 3510-08-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 082503H]

Mid-Atlantic Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of a public meeting.

SUMMARY: The Mid-Atlantic Fishery Management Council's (Council) Tilefish Committee, together with the Tilefish Industry Advisors and Tilefish Technical Team, will hold a public meeting.

DATES: The meeting will be held on Wednesday, September 18, 2003, from 10 a.m. to 4 p.m.

ADDRESSES: This meeting will be held at the Crowne Plaza Meadowlands, Two Harmon Plaza, Secaucus, NJ; telephone: 201-348-6900.

Council address: Mid-Atlantic Fishery Management Council, 300 S. New Street, Room 2115, Dover, DE 19904.

FOR FURTHER INFORMATION CONTACT: Daniel T. Furlong, Executive Director, Mid-Atlantic Fishery Management Council; telephone: 302-674-2331, ext. 19.

SUPPLEMENTARY INFORMATION: The purpose of this meeting is to address the decision of the court in *Hadaja v. Evans* which raised questions with respect to the Administrative Record for tilefish.

Although non-emergency issues not contained in this agenda may come before this group for discussion, those issues may not be the subject of formal action during this meeting. Action will be restricted to those issues specifically identified in this notice and any issues arising after publication of this notice

APPENDIX B
SUMMARY DATA

Table B-1

PVA: Summary data concerning the U.S. market, 2000-02

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Table B-2

PVA: Summary data concerning the U.S. commercial market, 2000-02

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