SODIUM GLUCONATE FROM THE EUROPEAN COMMUNITIES

Determination of the Commission in Investigation No. 701-TA-79 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information that would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report. Deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 701-TA-79 (Preliminary) 1/

SODIUM GLUCONATE FROM THE EUROPEAN COMMUNITIES

Determination

Based on the record 2/ developed in investigation No. 701-TA-79 (Preliminary), the Commission unanimously determines, pursuant to section 703(a) of the Tariff Act of 1930, that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury 3/ by reason of imports from the European Communities (EC) of sodium gluconate, provided for in item 437.52 of the Tariff Schedules of the United States, which are allegedly being subsidized by the EC.

Background

On June 16, 1981, Pfizer, Inc. New York, N.Y., filed a petition with the United States International Trade Commission and the U.S. Department of Commerce (Commerce) alleging that the EC is providing subsidies for the production and exportation of sodium gluconate and that, by reason of imports of this allegedly subsidized merchandise, an industry in the United States is being materially injured or threatened with material injury. Accordingly, on June 19, 1981, the Commission instituted ten preliminary countervailing duty investigations under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b) for each of the ten member states of the EC. 4/ Notice of the

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1/ The ten preliminary investigations originally instituted were designated as Sodium Gluconate from Belgium (701-TA-69); Denmark (701-TA-70); the Federal Republic of Germany (701-TA-71); France (701-TA-72); Greece (701-TA-73); Ireland (701-TA-74); Italy (701-TA-75); Luxembourg (701-TA-76); the Netherlands (701-TA-77); and the United Kingdom (701-TA-78), and have been redesignated as Sodium Gluconate from the European Communities (Inv. No. 701-TA-79 (Preliminary)).

2/ The record is defined in sec. 207.2(j) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(j)).

3/ Chairman Alberger and Commissioner Bedell determine only that there is a reasonable indication of material injury to the domestic industry. Vice Chairman Calhoun and Commissioner Stern determine that there is a reasonable indication of material injury or the threat thereof to the domestic industry.

4/ See footnote 1 above.

Commission's investigations and of the public conference to be held therewith was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C. and by publishing the Notice in the Federal Register on June 25, 1981 (46 F.R. 32971). A public conference was held in Washington, D.C. on July 14, 1981, at which all interested parties were afforded the opportunity to present information for consideration by the Commission.

On July 6, 1981, Commerce issued a notice announcing that it had found the petition to be properly filed within the meaning of its rules and that it was instituting an investigation to determine whether the EC is subsidizing its manufacturers, producers or exporters of sodium gluconate. Notice to such effect was published in the Federal Register of July 14, 1981 (46 F.R. 36221).

On July 27, 1981, in view of Commerce's decision to institute a single investigation into alleged EC subsidies of sodium gluconate, the Commission determined that the ten individual investigations that had been instituted for each of the ten member states of the EC should be redesignated as one investigation (Investigation No. 701-TA-79 (Preliminary)), Sodium Gluconate from the European Communities.

The Commission determination on the question of material injury or threat thereof by reason of the allegedly subsidized merchandise was also made on July 27, 1981. In arriving at its determination, the Commission has given due consideration to information provided by the Department of Commerce, to all written submissions from interested parties, and to information adduced at the conference and obtained by the Commission's staff from questionnaires, documented personal interviews, and other sources, all of which have been placed on the administrative record of the preliminary investigation.

VIEWS OF THE COMMISSION

Our determination is based on the following considerations.

The domestic industry

Industry is defined in section 771(4)(A) to mean the domestic producers of a product which is like that being imported. "Like product," in turn, is defined in section 771(10) as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation. . . "

The imported product is sodium gluconate. Sodium gluconate is a chemical which is used primarily by commercial and industrial users for cleaning and metal finishing purposes. It is also used in textile processing, as an additive to concrete mixes and in diet beverages. Sodium gluconate is classified into two grades according to the specifications it meets for purity: FCC grade (Food Chemicals Code), the higher grade, and technical grade. Packaging and labeling sodium gluconate as being of a certain grade means that the product is guaranteed by the manufacturer to meet the specifications of no less than that grade. Both grades have the same chemical formula. End users demanding no less than FCC grade, primarily for use in diet beverages, amount to only 5 percent of U.S. consumption. Both grades may be produced in the same establishments with the same production equipment.

Both grades are imported from the European Communities (EC). However, all imports from West Germany are guaranteed by the manufacturer to meet no less than FCC standards, while all imports from the Netherlands are guaranteed

to meet no less than technical grade standards. The equipment and raw materials used to produce the product in West Germany are such that nearly all sodium gluconate produced there is guaranteed by the manufacturer to meet FCC specifications.

Both grades are also produced in the United States. No special effort, however, is made to produce either grade; rather, the production of the different grades is largely a consequence of the natural variability of the production process and the purity of the raw materials.

Except for the 5 percent of U.S. consumers that require the higher grade, the FCC grade and the technical grade may be sold interchangeably. Most purchasers only require that the sodium gluconate meet no less than technical grade standards and indicate that any additional effectiveness due to the FCC grade because of higher purity is inconsequential. Price and availability are the primary considerations. Thus, except for the 5 percent of U.S. consumers that require the FCC grade, both the U.S.-produced and imported product are sold to similar customers in similar markets for similar uses. Since the characteristics of the two grades are basically the same, i.e., they have the same chemical formula, and since both the FCC grade and the technical grade in the majority of cases are interchangeable and compete against each other, we believe that the one like product in this case is all sodium gluconate produced in the United States. 1/

1/ Staff Report at A-2. One chemical, sodium glucoheptonate, may be substituted for sodium gluconate. This chemical, however, has a different formula from that of sodium gluconate. Furthermore, preliminary indications are that the two chemicals have different properties, and depending upon those properties, an end user will prefer one chemical to the other. Thus on the best information available, we conclude that sodium glucoheptonate is not like sodium gluconate.

We, therefore, believe that the product like that being imported is sodium gluconate, and the domestic industry is composed of the one U.S. producer of sodium gluconate, Pfizer.

Reasonable indication of material injury by reason of imports 1/

In making a determination of material injury or threat of material injury by reason of imports of allegedly subsidized sodium gluconate, the Commission is directed to consider, among other factors: (1) the volume of imports of the subject merchandise; (2) the effect of these imports on the price of like products in the United States; and (3) the impact of imports on the affected domestic industry. 2/ The following discussion applies this standard to the facts of this investigation.

Volume of imports

The EC is the largest source of sodium gluconate imported into the United States, and imports from the EC have increased since 1978. Between 1978 and 1980, imports from the EC increased by 30 percent, and imports further increased by 64 percent between January-April 1980 and January-April 1981. 3/

As imports of sodium gluconate from the EC increased in volume, they increased relative to the U.S. market. Imports from the EC, as a share of U.S. consumption of sodium gluconate, increased substantially between 1978 and 1980, and increased again between January-April 1980 and January-April 1981. 4/

1/ Because all the data in this investigation are of a confidential nature, most of the specific figures cannot be cited in this opinion.
2/ 19 U.S.C. § 1677(7)(B).
3/ Staff Report at A-7.
4/ Id. at A-12, 14.

Effects of imports on prices

Weighted average prices for sodium gluconate have declined since 1980, even though unit production costs increased. 1/ Price data gathered by the Commission show that imports from the EC have undersold the U.S.-produced product in a significant number of instances. The margins of underselling are significant and appear to be the reason most purchasers preferred the EC-produced product. 2/

Effects of imports on the domestic product

The fact that the increase in market penetration was at the expense of the U.S. producer is attested to by a significant amount of sales lost by the U.S. producer to imports from the EC. The Commission confirmed that several customers purchased large quantities of the EC-produced product in lieu of the U.S. product and that the primary reason for doing so was price. 3/

Coinciding with a period of increasing imports, the domestic industry from 1978 to 1980 experienced significant declines in production, shipments, in hours worked by production and related workers, and in profitability. Declining sales volume and increasing production costs resulted in severe declines in gross profit, net operating profit, and the ratio of net operating profit to sales. Pfizer's shipments and profitability on its U.S. sodium gluconate operation continued to decline in 1981. 4/ While shipments and

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1/ Id. at A-15-16.
2/ Id. at A-15-16, 18.
3/ Id. at A-17.
4/ Id. at A-8, 10, 11.

profitability declined, inventories increased. Since 1978, Pfizer's inventories of sodium gluconate also increased substantially, both absolutely and relative to sales. 1/

In view of these adverse trends in the economic indicators, the large volume of imports, significant underselling, indications of price suppression and substantial lost sales, we conclude that there is a reasonable indication of material injury and this injury is by reason of the subject imports.

Reasonable indication of threat of material injury 2/

Since 1978 imports from the EC have increased both absolutely and relative to U.S. production, and the imported product has undersold the U.S. product resulting in a significant decline in prices after 1979. 3/ Because there are no indications at this juncture that these trends will reverse in the future, Vice Chairman Calhoun and Commissioner Stern also find that there is a reasonable indication that the domestic industry is threatened with material injury. Should this case return for a final determination, we would wish to have more data on this question, particularly capacity and export plans of the foreign producers.

1/ Id. at A-9.

2/ Chairman Alberger and Commissioner Bedell determine that there is a reasonable indication that an industry in the United States is materially injured by reason of such imports and do not find it necessary to address the question of threat of material injury.

3/ Id. at A-7-8, 12-17.

Definition of country

Under section 701(a) the Commerce Department determines whether "a country under the Agreement" is providing a subsidy with respect to "a class or kind of merchandise imported into the United States", 1/ and the Commission determines whether a domestic industry is injured by imports of that merchandise. The definition of "country" is provided in section 771(3) as follows:

> The term 'country' means a foreign country . . . and, except for the purpose of antidumping proceedings, may include an association of 2 or more foreign countries . . . into a customs union outside the United States.

Thus under section 771(3), the Commerce Department may decide that a customs union, such as the European Communities, is the country for the purposes of countervailing duty proceedings. In addition, the legislative history of the Trade Agreements Acts of 1979 states that the European Communities should be treated as the country in a countervailing duty proceeding:

> In countervailing duty proceedings, a subsidy granted . . . by an institution of a customs union, will be considered to be granted by a "country." Thus, the European Communities, as well as each of its member states, is a country for purposes of countervailing duty proceedings. 2/

Since the Commerce Department in its notice of institution determined that the EC is the country for this investigation, 3/ the Commission does not

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1/ The Commerce Department's responsibility to determine the country is underscored in the Senate Finance Committee Report which states that:

> The administering authority will determine, on the basis of the facts in each case, what entity or entities will be considered the "country" for the purposes of a title VII proceeding.

S. Rep. No. 96-249, 96th Cong. 1st Sess. 81 (1979).

2/ Id.

3/ 46 Fed. Reg. 36221 (1981).

have the discretion to make a country-by-country determination in regard to the member states of the EC and must follow the Commerce Department's determination of the country in this case. 1/

Conclusion

On the basis of the best information available, we determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports from the European Communities of sodium gluconate, which are allegedly being subsidized by the European Communities.

1/ A Commission decision to treat the entire EC as the country in a countervailing duty case is consistent with the vast majority of past Commission decisions. See Canned Hams and Shoulders from Belgium, Denmark, The Federal Republic of Germany, France, Ireland, Italy, Luxembourg, The Netherlands, and The United Kingdom, Inv. Nos. 701-TA-31-39 (Final); Tomato Products from the EC (Final), Inv. Nos. 701-TA-42-50; Certain Nonquota Cheese from Belgium, Denmark, The Federal Republic of Germany, France, Ireland, Italy, Luxembourg, The Netherlands, and The United Kingdom (Final), Inv. Nos. 701-TA-52-60.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On June 16, 1981, Pfizer, Inc., New York, filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce (Commerce) alleging that the European Economic Community (EEC) is providing subsidies for the production and exportation of sodium gluconate, and that, by reason of imports of this allegedly subsidized product, an industry in the United States is being materially injured or threatened with material injury. Accordingly, on June 19, 1981, the Commission instituted preliminary countervailing duty investigations under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b) for the respective member countries of the European Communities: Belgium, Denmark, the Federal Republic of Germany, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, and the United Kingdom. Section 703(a) requires the Commission to make a determination of whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise which is the subject of the investigation by the administering authority (Commerce). Section 703(a) also directs that the Commission make its determination within 45 days of its receipt of the petition, or in this case by July 31, 1981.

Notice of the institution of the Commission's investigation and of the public conference to be held in connection therewith was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on June 25, 1981 (46 F.R. 32971). 1/ A public conference was held in Washington, D.C., on July 14, 1981, at which all interested parties were afforded the opportunity to present information for consideration by the Commission. 2/ The Commission voted on July 27, 1981.

The Product

Description and uses

The imported product complained of by the petitioner is sodium gluconate, a chemical of standard molecular structure ($NaC_6H_{11}O_7$) which, in its pure form, is a fine white powder, and in the United States is used primarily by commercial and industrial establishments for cleaning and metal-finishing purposes (e.g. derusting, bottle washing, and the cleaning of food-processing equipment). Industry sources indicate that such applications account for at least 75 percent of the product's domestic consumption. Other important applications include its use in textile processing and as an additive to

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1/ A copy of the Commission's notice of investigation and scheduling of conference for investigations Nos. 701-TA-69-78 (preliminary) is presented in app. A. The Department of Commerce's notice of institution of countervailing duty investigation is presented in app. B.

2/ A list of the participants in the Commission's conference is presented in app.C.

concrete mixes and diet beverages. Of the member countries of the European Communites, only the Federal Republic of Germany (West Germany) and the Netherlands export the product to the United States.

Sodium gluconate is universally classified by grade according to its purity. Packaging and labeling sodium gluconate as being of a certain grade means that the product within the container is guaranteed by the manufacturer to be of no less purity than the grade specified. It may or may not be of a higher grade. Identifying the actual degree of purity would necessitate testing the specific package in question. Sodium gluconate imported from West Germany and the Netherlands is sold in two grades: (1)Food Chemicals Codex (FCC), the higher of the two grades; and (2) technical grade. All imports from West Germany are guaranteed by the manufacturer to meet or exceed FCC standards, and all imports from the Netherlands are guaranteed to meet or exceed technical grade standards.

In the United States sodium gluconate meeting FCC standards is required or specified only in diet beverage applications and by * * * for its in-house cleaning. These uses account for about 5 percent of U.S. consumption. To all other purchasers, FCC grade and technical grade may be sold interchangeably. These purchasers only require that the sodium gluconate they purchase meet no less than technical grade standards and indicate that any additional effectiveness due to FCC grade because of higher purity is inconsequential. Price and availability are the primary considerations.

Both grades may be produced in the same establishments with the same production equipment. The ability to produce a batch of sodium gluconate more pure than another is a function of the purity of the raw materials and of the cleanliness of the production equipment. The equipment and raw materials used to produce the product in West Germany are such that nearly all sodium gluconate produced there is guaranteed by the manufacturer to meet FCC specifications.

Both grades are produced in the United States. No special effort, however, is necessary to produce either grade; rather, the production of the different grades is by and large a consequence of the natural variability of the production process and the purity of raw materials. Batches are periodically tested for purity; a certain number of those that meet FCC specifications are packaged accordingly and reserved for the few customers that require it. No effort is extended to segregate the rest of production by grade, since the distinction for all other customers in the United States is spurious. With the primary exception of those customers requiring FCC grade, * * *, both the U.S.-produced and imported product are sold to similar customers in similar markets for similar uses.

At least one chemical, sodium glucoheptonate, may be substituted for sodium gluconate. Industry sources indicate that sales of this product relative to sodium gluconate increased through 1978 but have since stabilized and are not expected to increase substantially. Consumption of this product in the United States is estimated to be about 10 million pounds annually, or about 70 percent that of sodium gluconate in 1980.

U.S. tariff treatment

Sodium gluconate is specifically provided for under item 437.52 of the Tariff Schedules of the United States (TSUS). Currently, the column 1 or most-favored-nation (MFN) rate of duty on this item is 4.7 percent ad valorem 1/. From January 1, 1972, when the concessions granted in the Kennedy round of trade negotiations became effective, to July 1, 1980, the MFN rate of duty was 5 percent ad valorem. Presidential Proclamation 4768 of June 28, 1980, implementing the agreements negotiated during the recent multilateral trade negotiations, provided for a gradual duty reduction of 1.3 percent for imports under this item to be effectuated in eight annual stages beginning July 1, 1980. During the first stage--from July 1, 1980, to December 31, 1981--the MFN rate of duty was 4.8 percent. The current rate of duty on this item for products of least developed developing countries (LDDC's), which reflects the rate of duty applicable at the final stage of reduction beginning January 1, 1987, is 3.7 percent ad valorem. 2/ Under the GSP, imports of sodium gluconate from designated beneficiary developing countries are eligible for duty-free treatment. 3/ The column 2 rate of duty for this item is 25 percent ad valorem. 4/

Nature and Extent of Alleged Subsidies

There is no information relating to the nature and extent of the alleged subsidies other than the allegations of the petitioner. The petitioner claims that all producers of sodium gluconate within the EEC not only receive restitution payments for the export of this chemical, but also receive

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1/ The rates of duty in rate of duty column numbered 1 are Most-Favored-Nation (MFN) rates, and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, such rates would not apply to products of developing countries which are granted preferential tariff treatment under the Generalized System of Preferences (GSP) or under the "LDDC" rate of duty column.

2/ The rates of duty in rate of duty column "LDDC" are preferential rates (reflecting the full U.S. MTN concession rate for a particular item without staging) and are applicable to products of the least developed developing countries designated in general headnote 3(d) of the TSUS which are not granted duty-free treatment under the GSP. If no rate of duty is provided in the "LDDC" column for a particular item, the rate of duty provided in column numbered 1 applies.

3/ The GSP, under title V of the Trade Act of 1974, provides duty-free treatment of specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is scheduled to remain in effect until Jan. 4, 1985, unless modified by the President or terminated.

4/ The rates of duty in rate of duty column numbered 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

production refunds for the manufacture of corn starch and glucose, from which sodium gluconate is made. The petitioner believes the current values of the production refund and export refund are $177.40 per metric ton and $55.20 per metric ton, respectively.

On July 6, 1981, Commerce issued a notice announcing that it had found the petition to be properly filed within the meaning of its rules and that it was instituting an investigation. The notice to such effect was published in the Federal Register of July 14, 1981 (46 F.R. 36221). The scope of Commerce's investigation is identical to that of the Commission's.

U.S. Producers

The petitioner, Pfizer Inc., accounts for virtually all of the sodium gluconate manufactured in the United States. 1/ Pfizer is a large, diversified, multinational corporation with manufacturing plants in several locations in both the United States and abroad. Overall sales for Pfizer in 1980 were in excess of $3 billion. In addition to manufacturing specialty chemicals like sodium gluconate, the company manufactures a wide variety of pharmaceutical products, agricultural products (such as seeds and feed supplements), and consumer products (such as toiletries and women's fragrances). Sales of specialty chemicals account for about 14 percent, or over $400 million, of Pfizer's overall sales.

All of the sodium gluconate Pfizer manufactures domestically is produced at its plant in Groton, Conn. Pfizer also manufactures sodium gluconate in several other countries; however, none of this production is exported to the United States. As a share of Pfizer's total specialty chemical sales, sales of sodium gluconate are less than * * * percent. Products other than sodium gluconate produced at Pfizer's Groton plant include antibiotics and other pharmaceuticals, diagnostic products, vitamins, and several types of specialty chemicals.

Foreign Producers

There are three known producers of sodium gluconate in the EEC--Benckiser GmbH in West Germany, Akzo Chemie BV (Akzo) in the Netherlands, and Roquette Freres in France. Since 1977, only Benckiser and Akzo have exported to the United States in other than sample quantities.

U.S. Importers

Benckiser, Inc., Newton Centre, Mass., accounts for all of the imports of sodium gluconate from West Germany, and Armak Co., Inc. (Armak), Chicago, Ill., accounts for all of the imports from the Netherlands. Both are related,

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1/ A very small quantity of very high grade sodium gluconate is produced by Pfanstiel Labs, Inc., Waukegan, Ill., for in-house purposes.

respectively, to the foreign manufacturers of their imported products. 1/ Sodium gluconate accounts for less than * * * percent of Armak's overall sales but for about * * * percent of Benckiser's overall sales. No value is added to the imported product.

U.S. Market and Channels of Distribution

As indicated previously, at least 75 percent of the sodium gluconate sold in the United States is for cleaning and metal-finishing purposes. Such applications include the cleaning of food-processing equipment and commercial eating utensils, bottle washing, and derusting of equipment and machinery. Textile processing, concrete mixing, and the production of certain chemicals (where sodium gluconate is used as an intermediate) account for another 20 percent. For these markets there is no significance attached to the grade of sodium gluconate as long as it meets the minimum standards required for technical grade. The diet beverage industry and * * * consume the remaining 5 percent of sodium gluconate sold in the United States. For these uses sodium gluconate meeting no less than FCC standards is specified.

Sodium gluconate is sold directly to end users as well as through distributors. Whether a particular end user will buy directly from the manufacturer or importer or indirectly through a distributor is largely dependent upon location, payment and credit terms, and volume and size of shipment--not upon the particular use of the product. * * * . Otherwise, Pfizer, Benckiser, and Armak supply similar customers in similar markets for similar uses, though not necessarily in identical proportions.

The consumption of sodium gluconate fell by about * * * percent in 1980 in response to a decline in demand, particularly in the automobile and related industries, which use sodium gluconate for metal finishing. The decline is believed to be temporary, due in large part to economic conditions that affect the entire economy. In 1981 the trend in sodium gluconate sales is upward for all markets.

1/ * * *

The Question of Material Injury

U.S. imports

In addition to being imported from West Germany and the Netherlands, sodium gluconate is also imported from Japan and Finland. 1/ * * *. From 1978 to 1980, imports from Japan, the second largest source of U.S. imports of sodium gluconate, declined irregularly from 3.4 million pounds, or from * * * percent of total imports, to 3.3 million pounds, or to * * * percent of total imports. From January-April 1980 to January-April 1981, however, imports from Japan increased by over 200 percent, from 394,000 pounds to 1.2 million pounds, or from * * * percent to * * * percent of total imports, respectively. Imports from Finland have increased rapidly since 1978, although they remain at a relatively low level. From virtually nothing in 1978, imports from Finland increased to 315,000 pounds in 1980, or to about * * * percent of total imports, and further increased by 400 percent from January-April 1980 to the corresponding period in 1981 to a level of about * * * percent of total imports. * * *.

U.S. production, capacity, and capacity utilization

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The data on domestic capacity supplied to the Commission by Pfizer are based on operating its facilities 3 shifts a day, 7 days a week, with allowance for maintenance and downtime. Because the equipment used to manufacture sodium gluconate is also used to manufacture other chemicals, the capacity for producing sodium gluconate reflects the periodic product-mix decisions of the firm's management, i.e., decisions as to the optimum allocation of resources among its various products, based on the company's

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1/ Official U.S. import statistics published by the U.S. Department of Commerce, which show imports by country of origin by month, show significant amounts of imports of sodium gluconate originating in Belgium, Canada, France, Iceland, and the United Kingdom. Other than Roquette Freres in France, which has shipped only sample quantities of sodium gluconate to the United States, there are no known producers of sodium gluconate in these countries. Commerce's net import file, which lists imports by importer and by shipment, reveals that all of the imports shown as originating in the above countries are in fact being imported by Benckiser, all of whose imports originate in West Germany. Data provided by Benckiser in response to the Commission's questionnaire corroborates that West Germany accounts for the imports which Commerce's public statistics attribute to the above countries. Commerce has been notified of the apparent misclassification of imports by country in this instance and is reviewing shipping documents to verify the country of origin. It is likely that the West German-produced product is being transhipped through these countries, which are then mistakenly credited with its production.

Table 1.-- Sodium gluconate: U.S. imports for consumption by principal sources, 1978-80, January-April 1980, and January-April 1981.

Source	1978	1979	1980	January-April	
				1980	1981
	Quantity (pounds)				
West Germany	***	***	***	***	***
Japan	3,443,156	3,852,832	3,331,746	394,156	1,219,478
The Netherlands	***	***	***	***	***
Finland	0	2,205	315,258	44,092	220,460
Total	***	***	***	***	***
	Percent of total quantity				
West Germany	***	***	***	***	***
Japan	***	***	***	***	***
The Netherlands	***	***	***	***	***
Finland	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0
	Value (dollars)				
West Germany 2/	***	***	***	***	***
Japan 3/	1,041,000	1,191,000	1,034,000	124,000	375,000
The Netherlands 2/	***	***	***	***	***
Finland 3/	0	662	100,000	14,000	68,000
Total	***	***	***	***	***
	Unit value (cents)				
West Germany	***	***	***	***	***
Japan	30.2	30.9	31.0	31.5	30.8
The Netherlands	***	***	***	***	***
Finland	0	30.0	31.7	31.8	30.8
Total	***	***	***	***	***

***.

2/ Landed, duty-paid value.

3/ Custom's import value.

Source: Imports from West Germany and The Netherlands compiled from responses to questionnaires of the U.S. International Trade Commission; imports from other countries compiled from official statistics of the U.S. Department of Commerce.

Table 2.-- Sodium gluconate: Pfizer's U.S. production, U.S. capacity, and capacity utilization, 1978-80, January-April 1980, and January-April 1981

Item	1978	1979	1980	January-April--	
				1980	1981
Production-----1,000 pounds--	***	***	***	***	***
Capacity----------do----	***	***	***	***	***
Ratio of production to capacity----------percent--	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

estimates of sales and other variables. The "capacity" for producing each chemical will vary accordingly. * * *.

U.S. producer's shipments and exports

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Table 3.--Sodium gluconate: Pfizer's domestic shipments and exports, 1978-80, January-April 1980, and January-April 1981

Item	1978	1979	1980	January-April--	
				1980	1981
	Quantity (1,000 pounds)				
Domestic shipments----------	***	***	***	***	***
Exports----------	***	***	***	***	***
Total----------	***	***	***	***	***
	Value (1,000 dollars)				
Domestic shipments----------	***	***	***	***	***
Exports----------	***	***	***	***	***
Total----------	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Inventories

* * * * * * *.

Table 4.--Sodium gluconate: Pfizer's inventories as of Dec. 31, 1978-80, and Apr. 30, 1980-81

Item	Dec. 31--			Apr. 30--	
	1978	1979	1980	1980	1981
Inventories--1,000-pounds	***	***	***	***	***
Ratio of inventories to shipments during the preceding 12-month or 4-month period 1/-percent	***	***	***	***	***

1/ Annualized

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Employment

* * * (table 5). For most of the chemical industry, a decline in production of one chemical does not ordinarily result in a decline in employment, since a worker's time may be allocated among several different chemicals. Even in an instance in which the production of several chemicals at a plant declines, workers are usually retained to operate the equipment with steam to keep it ready for use when production resumes. Basic changes in employment occur when new plants are opened or when old plants are closed or converted to new methods of production.

Table 5.--Average number of employees, total and production and related workers, in Pfizer's U.S. establishment producing sodium gluconate, hours worked, and output per worker-hour, 1978-80, January-April 1980, and January-April 1981

Item	1978	1979	1980	January-April--	
				1980	1981
Average number of employees					
All persons	***	***	***	***	***
All production and related workers	***	***	***	***	***
Production and related workers producing sodium gluconate	***	***	***	***	***
Hours worked by production and related workers in the production of sodium gluconate--hours	***	***	***	***	***
Output per worker-hour--pounds	***	***	***	***	***

1/ * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

* * * * * * *

Financial performance of the U.S. producer

* * * * * * *

Table 6.--Selected financial data for Pfizer on its U.S. sodium gluconate operations, 1978-80, January-April 1980, and January-April 1981

Item	1978	1979	1980	January-April	
				1980	1981
Net sales--------1,000 dollars--	***	***	***	***	***
Cost of goods sold--------do----	***	***	***	***	***
Gross profit (loss)-------do----	***	***	***	***	***
General, selling, and administrative expenses-------do----	***	***	***	***	***
Net operating profit or (loss)------------------do----	***	***	***	***	***
Ratio of net operating profit or (loss) to net sales--percent--	***	***	***	***	***
Funds (loss) from operations 1/----------1,000 dollars----	***	***	***	***	***
Fixed assets employed in the production of sodium gluconate at yearend:					
Original cost------do----	***	***	***	***	***
Book value---------do----	***	***	***	***	***
Replacement cost---do----	***	***	***	***	***
Ratio of net operating profit or (loss) to--					
Original cost of assets percent----	***	***	***	***	***
Book value of assets--do----	***	***	***	***	***
Replacement cost of assets do----	***	***	***	***	***

1/ Defined as net operating profit (loss) plus depreciation expense.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

* * * * * * *.

The Question of the Threat of Material Injury

* * *. Price data submitted to the Commission indicate that West German-produced sodium gluconate is underselling the U.S.-produced product and that prices have declined significantly since January-March of 1980, despite increased costs of production. Data on shipments, exports, capacity, and planned changes in capacity for the foreign producers are not available.

The Question of the Causal Relationship Between the Allegedly Subsidized Imports and the Alleged Material Injury

U.S. consumption and market penetration of imports

Apparent consumption of sodium gluconate rose from * * * million pounds in 1978 to * * * million pounds in 1979, and then fell by * * * percent to * * * million pounds in 1980 (table 7). From January-April 1980 to January-April 1981, consumption increased from * * * million pounds to * * * million pounds, or by *** percent. In terms of value, apparent consumption of sodium gluconate rose from * * * million in 1978 to * * * million in 1979, and fell to * * * million in 1980; despite increased costs of production, consumption rose by * * * percent in January-April 1981 compared to the corresponding period in 1980.

As a share of total U.S. consumption, imports from all countries increased from * * * percent in 1978 to * * * percent in 1980, while, for the same period, imports from West Germany increased from * * * percent to * * * percent and imports from the Netherlands declined from * * * percent to * * * percent (table 7). Imports from the two countries together increased from * * * percent of consumption in 1978 to * * * percent in 1980. As imports from West Germany further increased from * * * percent of consumption in January-April 1980 to * * * percent of consumption in January-April 1981, imports from the Netherlands declined from * * * percent of consumption to * * * percent of consumption. Imports for the two countries together increased from * * * percent of consumption in January-April 1980 to * * * percent of consumption in January-April 1981.

Prices

Data on sales prices of sodium gluconate were requested by the Commission from Pfizer, Benckiser, and Armak, the sole domestic producer and the two importers of the West German-produced and the Netherlands-produced product, respectively. The data, shown in tables 8 and 9, are delivered net selling prices to principal distributors and principal end users, by quarters, for the period January 1979 through June 1981. Table 8 shows net delivered selling prices and the weighted average selling prices of Pfizer and Benckiser to selected principal distributors. (* * *). Table 9 shows similar data on their sales to selected principal end users. Neither of the tables include customers which specify FCC grade. Except for that small segment of the market that specifies FCC grade, sodium gluconate guaranteed to meet no less than technical grade specifications and no less than FCC grade specifications are used interchangeably in the United States. Thus, although all imports from West Germany are guaranteed to meet FCC standards, for most of the market they must be priced to compete with the lower grade material sold by others.

Table 7.--Sodium gluconate: Pfizer's shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1978-80, January-April 1980, and January-April 1981

(Quantity in thous ds of pounds; value in thousands of dollars)

Period	Pfizer's shipments	Imports--				
		From EEC			From other countries	Total
		West Germany	The Netherlands	Total		
	Quantity					
1978	***	***	***	***	3,443	***
1979	***	***	***	***	3,855	***
1980	***	***	***	***	3,647	***
Jan.-Apr.						
1980	***	***	***	***	438	***
1981	***	***	***	***	1,439	***

Period	Exports	Apparent consumption	Ratio (percent) of imports to consumption				
			From EEC			From other countries	Total
			West Germany	The Netherlands	Total		
	Quantity						
1978	***	***	***	***	***	***	***
1979	***	***	***	***	***	***	***
1980	***	***	***	***	***	***	***
Jan.-Apr.							
1980	***	***	***	***	***	***	***
1981	***	***	***	***	***	***	***

NOTE: Quantity on this page; value on next page.

Table 7.--Sodium gluconate: Pfizer's shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1978-80, January-April 1980, and January-April 1981--Continued

(Quantity in thousands of pounds; value in thousands of dollars)

Period	Pfizer's shipments	Imports--				
		From EEC			From other countries	Total
		West Germany	The Netherlands	Total		
	Value					
1978	***	***	***	***	1,041 2/	***
1979	***	***	***	***	1,192 2/	***
1980	***	***	***	***	1,134 2/	***
Jan.-Apr.						
1980	***	***	***	***	138 2/	***
1981	***	***	***	***	443 2/	***

Period	Exports	Apparent consumption	Ratio (percent) of imports to consumption				
			From EEC			From other countries	Total
			West Germany	The Netherlands	Total		
	Value						
1978	***	***	***	***	***	***	***
1979	***	***	***	***	***	***	***
1980	***	***	***	***	***	***	***
Jan.-Apr.							
1980	***	***	***	***	***	***	***
1981	***	***	***	***	***	***	***

1/ Landed, duty-paid value
2/ Customs import value

Source: Imports from West Germany and The Netherlands compiled from data received in response to questionnaires of the U.S. International Trade Commission; imports from other countries compiled from official statistics of the U.S. Department of Commerce.

Table 8.--Sodium gluconate: Pfizer's and Benckiser's net delivered selling prices to principal distributors, by quarters, January 1979-June 1981.

(In cents per pound)

Period	* * *		* * *		* * *		Weighted average prices	
	Pfizer	Benckiser	Pfizer	Benckiser	Pfizer	Benckiser	Pfizer * * *	Benckiser * * *
1979:								
Jan.-Mar---	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***
1980:								
Jan.-Mar---	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***
1981:								
Jan.-Mar---	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 8 (distributors) shows that, of a total of 15 instances where direct price comparisons between Pfizer and Benckiser can be made (i.e., prices to the same customer in the same calender quarter), Benckiser's prices were lower in * * * instances. The *** instances in which Pfizer's prices were lower were all in * * *. Margins of underselling by Benckiser ranged from * * * cents per pound, or * * * percent less than Pfizer's price, to * * * cents per pound, or * * * percent less than Pfizer's price. A calculation of weighted average prices of Benckiser and Pfizer to these customers shows that from January-March 1979 to October-December 1979 Pfizer's prices rose by * * * percent, while Benckiser's prices rose by * * * percent. While Pfizer's prices remained stable in 1980, Benckiser's prices declined from * * * cents per pound to * * * cents per pound. In 1981, when * * * , Benckiser's prices increased from * * * cents per pound to * * * cents per pound.

Table 9 (end users) shows that out of a total of 18 instances where direct price comparisons between Pfizer and Benckiser can be made, Benckiser's prices were lower in * * * instances. In *** of the remaining instances, Pfizer's and Benckiser's prices were equivalent. Margins of underselling by Benckiser ranged from * * * cent per pound, or * * * percent less than Pfizer's price, to * * * cents per pound, or * * * percent less than Pfizer's price. Of a total of four instances where direct price comparisons between Pfizer and Armak can be made, Armak's prices were lower in * * *. From

Table 9.--Sodium gluconate: Pfizer's, Benckiser's, and Armak's net delivered selling prices to principal end users, by quarters, January 1979-June 1981

(In cents per pound)

Period	* * *		* * *		* * *		* * *		* * *		Weighted average prices		
	Pfizer	Benckiser	Pfizer	Benckiser	Pfizer	Benckiser	Pfizer	Armak	Pfizer	Armak	Pfizer	Benckiser	Armak
1979:													
Jan.-Mar---	***	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***	***	***	***	***	***
1980:													
Jan.-Mar---	***	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***	***	***	***	***	***
1981:													
Jan.-Mar---	***	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

January-March 1979 to October-December 1979, weighted average prices of Pfizer increased by * * * percent while those of Benckiser increased by * * * percent. (Armak * * *). In 1980, however, the prices of all three sellers declined. But while Pfizer's and Armak's prices each declined by about * * * percent, Benckiser's prices declined by * * * percent. In January-June of 1981, when * * *, Benckiser's prices increased by * * * percent, or from * * * cents per pound to * * * cents per pound.

Although Pfizer's prices increased from January 1979 to April 1980, a comparison of unit costs with unit prices indicates that prices did not keep pace with costs. Unit production costs increased by * * * percent in 1978-80, while unit prices increased by only * * * percent. 1/ Between January-April 1980 and the corresponding period of 1981, unit production costs increased by * * * percent while unit prices declined by * * * percent.

Lost sales

The Commission requested that Pfizer provide certain data regarding any sales of sodium gluconate lost in the United States to imports from any country within the EEC. In response, Pfizer identified seven customers to which it allegedly lost sales of approximately * * * (* * * pounds) to imports from the Netherlands and approximately * * * (* * * pounds) to imports from West Germany between 1978 and 1980. For 1980 alone, Pfizer alleges that it lost sales of approximately * * * pounds, valued at * * *, to imports from these countries. The Commission was able to contact 6 of the 7 customers identified by Pfizer and verify that in 1980 sales of * * * pounds of Pfizer's sodium gluconate, valued at * * *, were lost to imports from the Netherlands and that sales of * * * pounds, valued at * * *, were lost to imports from West Germany. The customers contacted by the Commission are shown in the following tabulation:

1/ For the purpose of this calculation, unit production cost includes * * * .

Customer	Sodium gluconate purchased from Benckiser (B) or Armak (A) in lieu of U.S.-produced product in 1980	
	Quantity	Value 1/
	pounds	dollars
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***

1/ Based on net realized price of Pfizer's last previous sale to this customer.

Five of the six customers contacted indicated that the imported material was purchased in lieu of the U.S.-produced material primarily because of price. The remaining purchaser emphasized the willingness of the European producers to agree to long-term contracts, which, this purchaser indicated, tended to keep prices more stable. According to this purchaser, the U.S. producer refused to commit itself to a similar arrangement.

APPENDIX A

COMMISSION'S NOTICE
CONCERNING
INVESTIGATIONS NOS. 701-TA-69-78

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation Nos. 701-TA-69 thru 78 (Preliminary)

SODIUM GLUCONATE FROM BELGIUM, DENMARK, THE FEDERAL REPUBLIC OF GERMANY, FRANCE, GREECE, IRELAND, ITALY, LUXEMBOURG, THE NETHERLANDS, AND THE UNITED KINGDOM

Notice of Institution of Preliminary Countervailing Duty Investigations and Scheduling of Conference

AGENCY: United States International Trade Commission

ACTION: Institution of preliminary countervailing duty investigations to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry is materially retarded, by reason of allegedly subsidized imports from Belgium (Inv. No. 701-TA-69); Denmark (Inv. No. 701-TA-70); the Federal Republic of Germany (Inv. No. 701-TA-71); France (Inv. No. 701-TA-72); Greece (Inv. No. 701-TA-73); Ireland (Inv. No. 701-TA-74); Italy (Inv. No. 701-TA-75); Luxembourg (Inv. No. 701-TA-76); The Netherlands (Inv. No. 701-TA-77); and the United Kingdom (Inv. No. 701-TA-78) of sodium gluconate, provided for in item 437.52 of the Tariff Schedules of the United States.

EFFECTIVE DATE: June 16, 1981.

FOR FURTHER INFORMATION CONTACT: John MacHatton, Supervisory Investigator (202-523-0439).

SUPPLEMENTARY INFORMATION:

Background. These investigations are being instituted following receipt of a petition on June 16, 1981, filed by Pfizer, Inc., New York, New York. The petition alleges that the European Economic Community provides subsidies for the production and exportation of sodium gluconate, and that, by reason of

imports of this allegedly subsidized product, an industry in the United States is being materially injured or threatened with material injury.

Authority. Section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b) requires the Commission to make a determination of whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise which is the subject of the investigation by the administering authority. Such a determination must be made within 45 days after the date on which a petition is filed under section 702(b) or on which notice is received from the Department of Commerce of an investigation commenced under section 702(a). Accordingly, the Commission, on June 19, 1981, instituted preliminary countervailing duty investigations Nos. 701-TA-69 thru 78. These investigations will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR 207, 44 F.R. 76457) and particularly, subpart B thereof.

Written submissions. Any person may submit a written statement of information pertinent to the subject matter of these investigations to the Commission on or before July 20, 1981. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential Business Data". Confidential submissions 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 data, will be available for public inspection.

Conference. The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 10:00 a.m., e.d.t., on July 14, 1981, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the Supervisory Investigator for these investigations, Mr. John MacHatton (202-523-0439). It is anticipated that parties in support of the petition for countervailing duties and parties opposed to such petition will each be collectively allocated one hour within which to make an oral presentation at the conference. Further details concerning the conduct of the conference will be provided by the Supervisory Investigator.

Inspection of petition. The petition filed in this case is available for public inspection at the Office of the Secretary, U.S. International Trade Commission.

By order of the Commission.

Kenneth R. Mason
Secretary

Issued: June 22, 1981

APPENDIX B

COMMERCE'S NOTICE OF INITIATION OF COUNTERVAILING DUTY INVESTIGATIONS

by its Chairman and Executive Officer at Washington, D.C., this 8th day of July 1981, pursuant to Order of the Board.

Foreign-Trade Zones Board.

Malcolm Baldrige,

Chairman and Executive Officer.

Attest:

John J. Da Ponte, Jr.,

Executive Secretary.

[FR Doc. 81-20588 Filed 7-13-81; 8:45 am]

BILLING CODE 3510-25-M

International Trade Administration

Initiation of Countervailing Duty Investigation Sodium Gluconate From the European Economic Community

AGENCY: International Trade Administration, Department of Commerce.

ACTION: Initiation of Countervailing Duty Investigation.

SUMMARY: We are initiating a countervailing duty investigation to determine whether the European Economic Community (EC) is subsidizing its manufacturers, producers or exporters of sodium gluconate. We are notifying the U.S. International Trade Commission (ITC) of this action so it may determine whether imports of this merchandise are materially injuring, or threatening to materially injure, a U.S. industry. If both investigations proceed normally, the ITC will announce its preliminary determination by July 31, 1981, and we will announce ours by September 9, 1981.

EFFECTIVE DATE: (Date of publication in the Federal Register).

FOR FURTHER INFORMATION CONTACT: Mary A. Martin, Import Administration Specialist, Office of Investigations, International Trade Administration, Department of Commerce, Washington, D.C. 20230 (202) 377-3534.

SUPPLEMENTARY INFORMATION:

Case History

On June 16, 1981, we received a petition from counsel representing Pfizer, Inc. New York, New York. Complying with the filing requirements of section 355.26 of the Department of Commerce's Regulations (19 CFR 355.26), the petition alleges that the EC is subsidizing its manufacturers, producers or exporters of sodium gluconate, and that imports of this merchandise to the Uniterd States are materially injuring a U.S. industry.

Scope of Investigation

The merchandise covered by this investigation is sodium gluconate currently provided for in item number 437.5250 of the Tariff Schedules of the United States Annotated.

The petition alleges that the EC is providing a subsidy for the production and exportation of sodium gluconate. More specifically, the petition alleges that the EC has granted a production subsidy to certain products derived from starch, and to glucose derived by direct hydrolysis from maize groats and meal. The petition also alleges that the EC has granted export restitution payments, which are an export subsidy, to its manufacturers, producers or exporters of sodium gluconate as a salt of gluconic acid.

Critical Circumstances

The petition also alleges that critical circumstances exist within the meaning of section 355.29 of the Department of Commerce's Regulations (19 CFR 355.29) by reason of massive imports over a relatively short period. However, the petition relies upon a comparison of imports during the first quarters of the last two years to support this allegation. A comparison of imports during the first quarter of 1981 with imports for each quarter of 1979 and 1980 reveals that imports for the second quarters of 1979 and 1980 were at similar levels to the first quarter of 1981 and the imports for the fourth quarter of 1980 were at the lowest level since the first quarter of 1979. Therefore, we determine that critical circumstances do not exist as regards imports of sodium gluconate from the EC.

Initiation of Investigation

After conducting a summary review of the petition, we have found that its information reasonably supports its allegations. Therefore, in accordance with section 702(c) of the Tariff Act of 1930, as amended, (19 U.S.C. 1671a) (the Act) we are initiating a countervailing duty investigation to determine whether the EC is giving its manufacturers, producers or exporters of sodium gluconate certain benefits that are subsidies within the meaning of section 771(5) of the Act.

ITC Notification

Section 702(a) of the Act also requires us to notify the ITC of this action and to give it the information we used to reach this decision. We will make available to the ITC all non-privileged and non-confidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

July 7, 1981.

[FR Doc. 81-20589 Filed 7-13-81; 8:45 am]

BILLING CODE 3510-25-M

Rice University; Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to Section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Pub. L. 89-651, 80 Stat. 897) and the regulations issued thereunder as amended (15 CFR 301).

A copy of the record pertaining to this decision is available for public review between 8:30 a.m. and 5:00 p.m. in Room 2119 of the Department of Commerce Building, 14th and Constitution Avenue, N.W., Washington, D.C. 20230.

Docket No. 81-00056. Applicant: Rice University, Department of Chemistry, P.O. Box 1892, Houston, Texas 77001. Article: Excimer Laser, EMG 101. Manufacturer: Lambda-Physik GmbH, West Germany. Intended use of article: See Notice on page 18564 in the Federal Register of March 25, 1981.

Comments: No comments have been received with respect to this application.

Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States.

Reasons: The foreign article provides (1) an average power of four watts, (2) a pulse energy of 150 millijoules for XeCl and (3) a repetition rate of 0.1-30 hertz. The National Bureau of Standards advises in its memorandum dated May 19, 1981 that (1) the combined capabilities of the foreign article described above are pertinent to the applicant's intended purpose and (2) it knows of no domestic instrument or appratus of equivalent scientific value to the foreign article for the applicant's intended use.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which is being manufactured in the United States.

APPENDIX C

PARTICIPANTS IN THE COMMISSION'S CONFERENCE

BEFORE THE

UNITED STATES INTERNATIONAL TRADE COMMISSION

In the Matter of:	)	
Sodium Gluconate from the European Economic Community.	)	Case No. 701-TA-69 thru 78

Room 259
701 E Street, N.W.
Washington, D.C.

Tuesday,
July 14, 1981

The above-entitled conference was commenced at 10:43 a.m., pursuant to notice.

BEFORE: CHARLES ERVIN
Director of Operations

APPEARANCES:

On behalf of the Petitioner:

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