

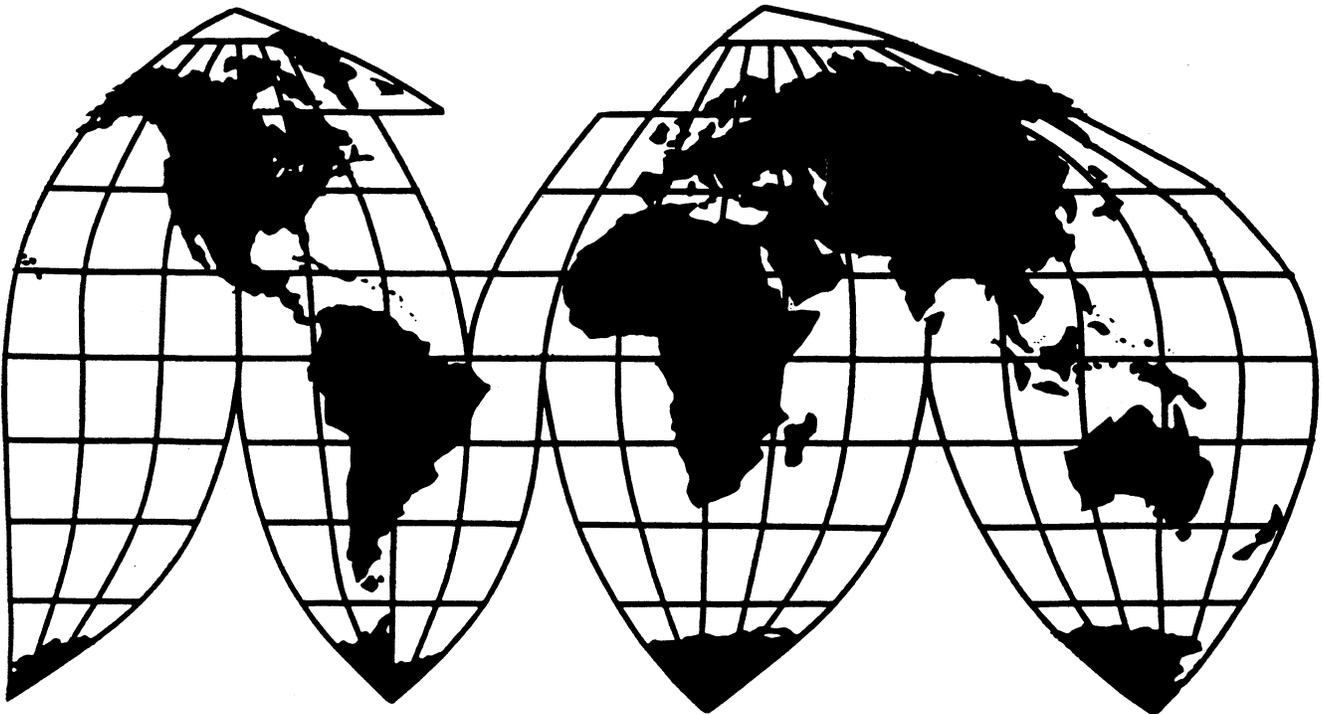
Furfuryl Alcohol from Thailand

Investigation No. 731-TA-705 (Final)

Publication 2909

July 1995

U.S. International Trade Commission



U.S. International Trade Commission

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U.S. International Trade Commission

Washington, DC 20436

Furfuryl Alcohol from Thailand



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FURFURYL ALCOHOL FROM THAILAND
INVESTIGATION NO. 731-TA-705 (FINAL)

PART I
DETERMINATION AND VIEWS OF THE COMMISSION

UNITED STATES INTERNATIONAL TRADE COMMISSION

FURFURYL ALCOHOL FROM THAILAND

Investigation No. 731-TA-705 (Final)

Determination

On the basis of the record¹ developed in the subject investigation, the Commission determines, pursuant to section 735(b) of the Tariff Act of 1930 (the Act),² that an industry in the United States is materially injured by reason of imports from Thailand of furfuryl alcohol,³ that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).⁴

Background

The Commission instituted this investigation effective May 5, 1995, following an affirmative final determination by the Department of Commerce that imports of furfuryl alcohol from Thailand were being sold at LTFV within the meaning of section 735(b)(3) of the Act.⁵ Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of May 24, 1995.⁶ A hearing was scheduled to be held in Washington, DC, on June 13, 1995. However, based on a request from the only party filing a notice of appearance in this investigation, the hearing was cancelled on June 9, 1995.⁷ Notice of cancellation of the hearing was published in the *Federal Register* of June 15, 1995.⁸

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 19 U.S.C. § 1673d(b).

³ Furfuryl alcohol (C₄H₃OCH₂OH), also called furyl carbinol, is a primary alcohol that is colorless or pale yellow in appearance. It is used in the manufacture of resins and as a wetting agent and solvent for coating resins, nitrocellulose, cellulose acetate, and other soluble dyes. It is classifiable under subheading 2932.13.00 of the *Harmonized Tariff Schedule of the United States (HTS)*. The chemical has an assigned Chemical Abstracts Service registry number of CAS 98-00-0.

⁴ The petition in this investigation was filed prior to the effective date of the Uruguay Round Agreements Act ("URAA"). This investigation, thus, remains subject to the substantive and procedural rules of the pre-existing law. *See* P.L. 103-465, approved Dec. 8, 1994, 108 Stat. 4809, at § 291.

⁵ 19 U.S.C. § 1673d(b)(3).

⁶ 60 FR 27554.

⁷ The Commission held a hearing in the companion investigations, Invs. Nos. 731-TA-703 and 704 (Final): Furfuryl Alcohol From China and South Africa, on May 3, 1995.

⁸ 60 FR 31494.

UNITED STATES INTERNATIONAL TRADE COMMISSION

FURFURYL ALCOHOL FROM THAILAND

Investigation No. 731-TA-705 (Final)

Views of The Commission

Based on the record in this final investigation, we find that an industry in the United States is materially injured by reason of imports of furfuryl alcohol from Thailand that are sold in the United States at less than fair value ("LTFV").¹

The rationale for our determination is the same as that set forth in our recent determinations regarding LTFV imports of furfuryl alcohol from the People's Republic of China ("China") and South Africa. We thus adopt those views in their entirety and incorporate them by reference in this investigation.² The Commission's determination in a Title VII investigation is based upon the record in that specific investigation. In this instance, the Commission's record is, in all significant respects, identical to the record for the Chinese and South African determinations,³ in which the Commission thoroughly discussed all relevant issues. Accordingly, we do not repeat our earlier analysis.

In reaching unanimous affirmative final determinations with respect to imports from China and South Africa, we determined that there was one like product, furfuryl alcohol.⁴ Further, we cumulated the volume and price effects of subject imports from China, South

¹ The petition in this investigation was filed prior to the effective date of the Uruguay Round Agreements Act ("URAA"). This investigation, thus, remains subject to the substantive and procedural rules of the pre-existing law. See P.L. 103-465, approved Dec. 8, 1994, 108 Stat. 4809, at § 291.

Whether the establishment of an industry in the United States is materially retarded is not an issue in this investigation.

² Furfuryl Alcohol from China and South Africa, Inv. Nos. 731-TA-703 and 704 (Final), USITC Pub. 2897 (June 1995).

³ The Commission's Report in Furfuryl Alcohol from Thailand, incorporates by reference the Commission's Report in Furfuryl Alcohol from China and South Africa, USITC Pub. 2897 (June 1995). The Commission also issued a supplemental report in the instant investigation. We therefore refer to the Report in Furfuryl Alcohol from China and South Africa as the Confidential Report ("CR") or Public Report ("PR") and the supplemental report in Furfuryl Alcohol from Thailand as the "Supplemental Report."

The Commission held a hearing on May 3, 1995 in the companion investigations regarding imports of furfuryl alcohol from China and South Africa and had scheduled a separate hearing regarding subject imports from Thailand. That hearing, however, was cancelled based on a request from the only party to file a notice of appearance in this investigation, petitioner. There has been only one new submission in this investigation. Petitioner filed a prehearing brief on June 6, 1995, which is very similar to its prehearing brief in the Chinese and South African investigations. The Thai respondents did not file any briefs in this final investigation and the Thai exporter's and producer's questionnaire responses were incorporated into the Commission's Final Staff Report for the Chinese and South African investigations.

⁴ Furfuryl Alcohol from China and South Africa, USITC Pub. 2897 at I-5 (June 1995).

Africa and Thailand in reaching our affirmative material injury determinations.⁵ Indeed, the only issue unique to this investigation is the question of whether imports from Thailand, which remain subject to investigation, may be cumulated with imports from China and South Africa that are subject to recent orders.

CUMULATION OF IMPORTS SUBJECT TO RECENT ORDERS⁶

If the statutory requirements for cumulation are otherwise met,⁷ the Commission has, in appropriate circumstances, cumulated the volume and price effects of imports subject to an ongoing investigation with the volume and price effects of imports that entered the United States prior to the issuance of a recent antidumping or countervailing duty order.⁸ The investigations of imports of furfuryl alcohol from China, South Africa, and Thailand were initiated simultaneously based on petitions filed on the same day.⁹ The Commission compiled a single record for all three investigations. In Furfuryl Alcohol from China and

⁵ Furfuryl Alcohol from China and South Africa, USITC Pub. 2897 at I-12-I-15 (June 1995).

⁶ Vice Chairman Nuzum and Commissioner Newquist do not join the following discussion. In their view cumulation is appropriate here because petitions in all three investigations were filed simultaneously, the periods examined are identical, and the records are concurrent. However, Commerce's negative preliminary determination concerning imports from Thailand caused this investigation to lag approximately one month behind the other two. Therefore, the only reason all three final investigations did not reach the Commission simultaneously was administrative. There is no difference among the investigations: the circumstances which caused a unanimous Commission to cumulate a month ago are the same; and the facts which led to unanimous affirmative final determinations in the preceding investigations are the same. Vice Chairman Nuzum and Commissioner Newquist note that although the statute as amended by the Uruguay Round is not controlling in this investigation, their view of this particular issue is entirely consistent with the amended statute. See 19 U.S.C. § 1677(7)(G). It is also consistent with their approach in similar instances where administrative action has caused the "splitting up" of simultaneously filed investigations. See, e.g., Sulfur Dyes from India, Inv. No. 731-TA-550 (Final), USITC Pub. 2619 at 23-31 (Separate Views of Chairman Newquist and Commissioner Nuzum)(April 1993); Grain-Oriented Silicon Electrical Steel from Italy, Inv. No. 731-TA-659 (Final), USITC Pub. 2800 at I-15 (Views of Commissioner Newquist)(August 1994); Disposable Lighters from the People's Republic of China, Inv. No. 731-TA-700 (Final), USITC Pub. 2896 at I-17 (Additional Views of Vice Chairman Janet A. Nuzum) and I-25 (Separate and Dissenting Views of Commissioner Newquist)(June 1995).

For the reasons above, in Vice Chairman Nuzum and Commissioner Newquist's view, "cumulation of imports subject to recent orders" is an appropriate question for investigations not arising from simultaneously filed petitions. In that event, their colleagues' analysis below would be helpful as an approach to determining whether cumulation is warranted. Vice Chairman Nuzum and Commissioner Newquist note, however, that such cumulation may not be permitted under the amended statute.

⁷ See 19 U.S.C. § 1677(7)(C)(iv) and (v).

⁸ See e.g., Stainless Steel Wire Rod from Brazil and France, Inv. Nos. 731-TA-636 and 637 (Final), USITC Pub. 2721 at I-19 and I-20 (Jan. 1994); Ferrosilicon from Russia and Venezuela, Inv. No. 303-TA-23, 731-TA-568 and 570 (Final), USITC Pub. 2650 at 16-17 (June 1993). See also Chaparral Steel v. United States, 901 F.2d 1097, 1105 (Fed. Cir. 1990).

⁹ The Commission's preliminary determinations in all three investigations were made simultaneously. See Furfuryl Alcohol from China, South Africa, and Thailand, Inv. Nos. 731-TA-703-705 (Preliminary), USITC Pub. 2797 (July 1994).

South Africa, the Commission determined that cumulation of imports from Thailand with those from China and South Africa was required by statute because the imports from all three countries competed with one another and with the domestic like product. Less than one month has elapsed since the issuance of the antidumping duty orders covering imports from China and South Africa.¹⁰ The separate final determination for Thailand, pursuant to 19 U.S.C. § 1673d(b)(3), is required only because Commerce made a negative preliminary determination in this investigation, but made affirmative preliminary determinations in the two other investigations; Commerce then made affirmative final determinations with respect to all three investigations.¹¹

We determine that cumulation of Thai imports with the imports from China and South Africa continues to be appropriate under these circumstances. In particular, we note that the data obtained by the Commission regarding the Chinese and South African imports subject to the recent orders covers exactly the same period as the data obtained on the imports from Thailand; there is no later data to consider in our determination regarding Thai imports. Moreover, there were large inventories of furfuryl alcohol from China and South Africa at the end of the period of investigation relative to imports of furfuryl alcohol from these countries.¹² In addition, a substantial volume of subject imports from ***.¹³ We therefore conclude that imports from China and South Africa continue to have a negative effect on the domestic furfuryl alcohol market.

Based on the foregoing facts, we determine that cumulation of the volume and price effects of imports from Thailand in this final antidumping investigation with those of imports from China and South Africa that entered prior to the recent orders is warranted.

¹⁰ These orders were issued on June 21, 1995. See Notice of Antidumping Duty Order: Furfuryl Alcohol from the People's Republic of China (PRC), 60 Fed. Reg. 32302 (June 21, 1995); Notice of Amended Antidumping Duty Determination and Order: Furfuryl Alcohol from South Africa, 60 Fed. Reg. 32302 (June 21, 1995). Supplemental Report at C-9 - C-11.

¹¹ See Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from Thailand, 60 Fed. Reg. 22557 (May 8, 1995). Supplemental Report at C-3. See also notice for the People's Republic of China, 60 Fed. Reg. 22544, and notice for South Africa, 60 Fed. Reg. 22550. CR at B-7; PR at B-7.

¹² While end of period inventories for imports from China and South Africa declined slightly over the period of investigation, these inventories accounted for a substantial share of imports from these countries, *** and a significant share of U.S. apparent consumption, *** at the end of the period of investigation. Tables 12 and 17, CR at II-36 and II-49, PR at II-24 and II-32. See Mitsubishi Corp. v. United States, 820 F. Supp. 608, 622 (Ct. Int'l Trade 1993).

¹³ CR at II-37, PR at II-24. Imports of furfuryl alcohol from ***. These imports accounted for ***. Id. and Table 16, CR at II-44, PR at II-29.

CONCLUSION

Accordingly, we adopt in their entirety our analysis and views, including those regarding like product, domestic industry, related party, condition of the domestic industry, cumulation, and material injury by reason of cumulated LTFV imports from China, South Africa, and Thailand, in Furfuryl Alcohol from China and South Africa, Inv. Nos. 731-TA-703 and 704 (Final), USITC Pub. 2897 (June 1995) and incorporate them by reference in this final determination. For the reasons set forth in those determinations and above, we determine that the domestic furfuryl alcohol industry is materially injured by reason of LTFV imports from Thailand.

FURFURYL ALCOHOL FROM THAILAND
INVESTIGATION NO. 731-TA-705 (FINAL)

PART II
INFORMATION OBTAINED IN THE INVESTIGATION

INTRODUCTION

This investigation results from a petition filed on May 31, 1994, by counsel on behalf of QO Chemicals, Inc., West Lafayette, IN, alleging that an industry in the United States is materially injured, and threatened with material injury, by reason of less than fair value (LTFV) imports of furfuryl alcohol¹ from China, South Africa, and Thailand. Information relating to the background of these investigations is provided below.

Date	Item
May 31, 1994	Petition filed at the Commission and Commerce; institution of Commission preliminary investigations
June 27, 1994	Commerce's notices of initiation (59 FR 32953)
July 27, 1994	Commission's affirmative preliminary determinations (59 FR 38201)
December 16, 1994	Commerce's affirmative preliminary determinations: - China (59 FR 65009) - South Africa (59 FR 65012) Commerce's negative preliminary determination: - Thailand (59 FR 65014)
January 19, 1995	Commission's institution of final investigations: - China (60 FR 3874) - South Africa (60 FR 3874)
May 3, 1995	Commission's hearing on imports from China and South Africa
May 8, 1995	Commerce's affirmative final determinations: - China (60 FR 22544) - South Africa (60 FR 22550) - Thailand (60 FR 22557)
May 24, 1995	Commission's institution of final investigation: - Thailand (60 FR 27554) - South Africa (60 FR 3874)
June 6, 1995	Commission's affirmative final determinations on China and South Africa
June 13, 1995	Proposed date for hearing on imports from Thailand
June 14, 1995	Commission's notification of China and South Africa determinations to Commerce
July 11, 1995	Commission's affirmative final determination on Thailand
July 18, 1995	Commission's notification of Thailand determination to Commerce

¹ Furfuryl alcohol (C₄H₇OCH₂OH), also called furyl carbinol, is a primary alcohol that is colorless or pale yellow in appearance. It is used in the manufacture of resins and as a wetting agent and solvent for coating resins, nitrocellulose, cellulose acetate, and other soluble dyes. It is classifiable under subheading 2932.13.00 of the *Harmonized Tariff Schedules (HTS)*. The chemical has an assigned Chemical Abstracts Service registry number of CAS 98-00-0.

Notice of the institution of the Commission's final investigation on Thailand, and of a public hearing to be held in connection therewith, was given by posting a copy of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register*. A public hearing on Thailand was scheduled to be held by the Commission on June 13, 1995. However, because of a lack of public interest, the scheduled hearing was canceled on June 9, 1995. *Federal Register* notices regarding the Commission's institution of investigation No. 731-TA-705 (Final), cancellation of the public hearing, and final determinations in investigations Nos. 731-TA-703 and 704 (Final) are presented in appendix A.

Report Format

This report is intended to be used in conjunction with the Commission report entitled *Furfuryl Alcohol From The People's Republic of China and South Africa: Investigations Nos. 731-TA-703 and 704 (Final)*, USITC Publication 2897, June 1995. That report contains information relevant to the investigations on China, South Africa, and Thailand. The only information that has changed since the previous report is the section on "Nature and Extent of Sales at LTFV." An update to this section is presented below.

NATURE AND EXTENT OF SALES AT LTFV

Thailand

On June 6, 1995, the U.S. Department of Commerce (Commerce) issued a revised LTFV margin regarding imports of furfuryl alcohol from Thailand. According to the public memorandum issued by Commerce, the margin for Thailand was increased from 5.94 percent to 7.82 percent.² The change occurred because of a ministerial error in the calculation of the home-market credit expense for Indo-Rama (Thailand). A copy of this memorandum is presented in appendix B.

South Africa

On June 21, 1995, Commerce published in the *Federal Register* an amended final antidumping duty determination on imports of furfuryl alcohol from South Africa.³ According to the notice, the margin for South Africa was lowered from 15.48 percent to 11.55 percent. The change occurred because of a ministerial error in calculating the final margin. A copy of this notice is presented in appendix C.

China

On June 21, 1995, Commerce published in the *Federal Register* its antidumping duty order for imports of furfuryl alcohol from China. The margins in the order were unchanged from Commerce's final determination margins. A copy of this notice is presented in appendix C.

² In a phone conversation with the case investigator at Commerce on June 10, 1995, Commission staff was informed that the new higher margin will not be collected until and unless a final duty order is issued and published in the *Federal Register*.

³ 60 FR 32302.

APPENDIX A

COMMISSION'S *FEDERAL REGISTER* NOTICES

remote bulletin board system for personal computers at 202-205-1895 (N,8,1).

SUPPLEMENTARY INFORMATION:

Background

This investigation is being instituted as a result of an affirmative final determination by the Department of Commerce that imports of furfuryl alcohol from Thailand are being sold in the United States at less than fair value within the meaning of section 735 of the Act (19 U.S.C. § 1673d). This investigation was requested in a petition filed on May 31, 1994, by counsel on behalf of QO Chemicals, Inc., West Lafayette, IN.

Participation in the Investigation and Public Service List

Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules, not later than twenty-one (21) days after publication of this notice in the *Federal Register*. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

Limited Disclosure of Business Proprietary Information (BPI) Under An Administrative Protective Order (APO) and BPI Service List

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this final investigation available to authorized applicants under the APO issued in the investigation, provided that the application is made not later than twenty-one (21) days after the publication of this notice in the *Federal Register*. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff Report

The prehearing staff report in this investigation will be placed in the nonpublic record on May 25, 1995, and a public version will be issued thereafter, pursuant to § 207.21 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with this investigation beginning at 9:30 a.m. on June 13, 1995, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the

Commission on or before June 5, 1995. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on June 6, 1995, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by §§ 201.6(b)(2), 201.13(f), and 207.23(b) of the Commission's rules. Parties are strongly encouraged to submit as early in the investigation as possible any requests to present a portion of their hearing testimony *in camera*.

Written Submissions

Each party is encouraged to submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of § 207.22 of the Commission's rules; the deadline for filing is June 6, 1995. Parties may also file written testimony in connection with their presentation at the hearing, as provided in § 207.23(b) of the Commission's rules, and posthearing briefs, which must conform with the provisions of § 207.24 of the Commission's rules. The deadline for filing posthearing briefs is June 21, 1995; witness testimony must be filed no later than three (3) days before the hearing. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before June 21, 1995. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ sections 201.6, 207.3, and 207.7 of the Commission's rules.

In accordance with §§ sections 201.16(c) and 207.3 of the rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.20 of the Commission's rules.

Issued: May 17, 1995.

Investigation No. 731-TA-705 (Final)

Furfuryl Alcohol From Thailand

AGENCY: International Trade Commission.

ACTION: Institution and scheduling of final antidumping investigation.

SUMMARY: The Commission hereby gives notice of the institution of final antidumping investigation No. 731-TA-705 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act) to determine whether 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 from Thailand of furfuryl alcohol, provided for in subheading 2932.13.00 of the Harmonized Tariff Schedule of the United States.

For further information concerning the conduct of this investigation, hearing procedures, and rules of general application, consult 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).

EFFECTIVE DATE: May 5, 1995.

FOR FURTHER INFORMATION CONTACT: Fred H. Fischer (phone: 202-205-3179; e-mail: fred.fischer@itc.sprint.com), 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. Information can also be obtained by calling the Office of Investigations'

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 95-12727 Filed 5-23-95; 8:45 am]

BILLING CODE 7020-02-P

personal computers at 202-205-1895
(N.8.1).

Authority: This notice is published pursuant to §§ 201.10 and 201.35 of the Commission's rules (19 CFR 201.10 and 201.35).

Issued: June 12, 1995.

By order of the Commission.,

Donna R. Koehnke,

Secretary.

[FR Doc. 95-14696 Filed 6-14-95; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-705 (Final)]

Furfuryl Alcohol from Thailand

AGENCY: International Trade
Commission.

ACTION: Notice of cancellation of public
hearing.

SUMMARY: On June 7, 1995, the Commission received a letter from counsel for petitioner in the subject investigation (QO Chemicals, Inc., West Lafayette, IN) withdrawing its request to appear at the hearing, provided that such withdrawal would result in a determination by the Commission not to hold a hearing. No other party has filed a request to appear at the hearing, which was scheduled for June 13, 1995 (60 FR 27554, May 24, 1995). Accordingly, the Commission has determined to cancel its public hearing in this investigation, and that no earlier announcement of this cancellation was possible.

EFFECTIVE DATE: June 9, 1995.

FOR FURTHER INFORMATION CONTACT: Fred Fischer (202-205-3179), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained 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. Information can also be obtained by calling the Office of Investigations' remote bulletin board system for

alcohol,² that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

Background

The Commission instituted these investigations effective December 16, 1994, following preliminary determinations by the Department of Commerce that imports of furfuryl alcohol from China and South Africa were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the institution of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of January 19, 1995 (60 FR 3874). The hearing was held in Washington, DC, on May 3, 1995, and all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determinations in these investigations to the Secretary of Commerce on June 14, 1995. The views of the Commission are contained in USITC Publication 2897 (June 1995), entitled "Furfuryl Alcohol from The People's Republic of China and South Africa: Investigations Nos. 731-TA-703 and 704 (Final)."

Issued: June 15, 1995.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 95-15177 Filed 6-20-95; 8:45 am]

BILLING CODE 7020-02-P²

[Investigations Nos. 731-TA-703 and 704
(Final)]

Furfuryl Alcohol From China and South Africa

Determination

On the basis of the record¹ developed in the subject investigations, the 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 South Africa of furfuryl

¹ The record is defined in § 207.2(f) of the Commission's rules of practice and procedure (19 CFR 207.2(f)).

APPENDIX B

COMMERCE'S MINISTERIAL ERROR MEMORANDUM



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

JUN 6 1995

A-549-812
Investigation
Public Document

MEMORANDUM FOR: Barbara R. Stafford
Deputy Assistant Secretary
for Investigations

THROUGH: Gary Taverman *ST 5/25/95*
Acting Director
Office of Antidumping Investigations

FROM: Easton Team

SUBJECT: Alleged Ministerial Error in the Calculation
of the Antidumping Duty Margin for Indo-Rama
Chemicals (Thailand) Ltd.

RE: Final Determination of Sales at Less Than
Fair Value: Furfuryl Alcohol from Thailand

Background

We presented Aitken Irvin Lewin, counsel for the respondent, Indo-Rama Chemicals (Thailand) Ltd. (IRCT), and Winthrop, Stimson, Putnam & Roberts, counsel for the petitioner, QO Chemicals, with the calculations and disclosure materials for the final determination, on May 4, and May 8, 1995, respectively.

On May 12, 1995, we received a timely submission from the petitioner alleging a ministerial error in the Department of Commerce's (Department) final determination calculations. The petitioner alleges that the Department incorrectly calculated the number of days of credit based on the difference between the sale date and the shipment date.

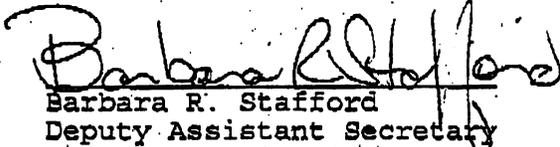
Analysis and Recommendation

We have reviewed the petitioner's allegation and agree that we erred in calculating the number of days for the home-market credit expense. In accordance with 19 CFR 353.28, we recommend that the Department correct the calculations.



-2-

If you agree with this recommendation, the corrected margin for IRCT and "All Others" will be revised from 5.94 to 7.82 percent.


Barbara R. Stafford
Deputy Assistant Secretary
for Investigations

5/6/95
-- Date --

APPENDIX C

COMMERCE'S *FEDERAL REGISTER* NOTICES

Producer/manufacturer/exporter	Margin percentage
Ilovo Sugar Limited	15.48
All Others	15.48

TTC Notification

In accordance with section 735(d) of the Act, we have notified the ITC of our determination. The ITC will make its determination whether these imports materially injure, or threaten injury to, a U.S. industry within 45 days of the publication of this notice. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or canceled.

However, if the ITC determines that such injury does exist, we will issue an antidumping duty order directing the Customs Service officers to assess an antidumping duty on furfuryl alcohol from South Africa, that are entered, or withdrawn from warehouse, for consumption on or after the date of suspension of liquidation, equal to the amount by which the foreign market value of the merchandise exceeds the United States price.

This determination is published pursuant to section 735(d) of the Act (19 U.S.C. 1673(d)) and 19 CFR 353.20.

Dated: May 1, 1995.

Susan G. Esserman,
Assistant Secretary for Import
Administration.

[FR Doc. 95-11261 Filed 5-5-95; 8:45 am]

BILLING CODE 3510-06-P

[A-649-812]

Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From Thailand

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

EFFECTIVE DATE: May 8, 1995.

FOR FURTHER INFORMATION CONTACT: John Brinkmann or Greg Thompson, Office of Antidumping Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482-5288 or 482-2336, respectively.

Final Determination

We determine that furfuryl alcohol from Thailand is being, 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 are shown in the "Suspension of Liquidation" section of this notice.

Case History

Since the preliminary determination of sales at LTFV on December 9, 1994 (59 FR 65014, December 16, 1994), the following events have occurred.

At the request of the petitioner, QO Chemicals, the Department postponed the final determination until May 1, 1995 (59 FR 66901, December 28, 1994). Pursuant to the Department's request, on January 17, 1995, the respondent, Indo-Rama Chemicals (Thailand) Ltd. (IRCT), submitted additional information pertaining to its potential exports sales price (ESP) transactions. In addition, IRCT submitted its response to Section D of the questionnaire, which requests information on the cost of production (COP) and constructed value (CV). The petitioner commented on this response, which IRCT later supplemented pursuant to our request on February 6, 1995.

Verification of IRCT's sales and COP/CV questionnaire responses was conducted during the months of February and March, 1995. The Department issued reports concerning these verifications on March 21, 1995.

IRCT and the petitioner submitted case briefs on March 29, 1995, and rebuttal briefs on March 31, 1995. At the petitioner's request, the Department held a hearing on April 4, 1995.

Scope of Investigation

The product covered by this investigation is furfuryl alcohol (C₄H₆OCH₂OH). Furfuryl alcohol is a primary alcohol, and is colorless or pale yellow in appearance. It is used in the manufacture of resins and as a wetting agent and solvent for coating resins, nitrocellulose, cellulose acetate, and other soluble dyes.

The product subject to this investigation is classifiable under subheading 2932.13.00 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Period of Investigation

The period of investigation (POI) is December 1, 1993, through May 31, 1994.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute and to the Department's regulations are in

reference to the provisions as they existed on December 31, 1994.

Such or Similar Comparisons

For purposes of the final determination, we have determined that furfuryl alcohol constitutes a single "such or similar" category of merchandise. Since the respondent sold merchandise in the home market identical to that sold in the United States during the POI, we made identical merchandise comparisons.

Fair Value Comparisons

To determine whether sales of furfuryl alcohol from Thailand to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the "United States Price" and "Foreign Market Value" sections of this notice. In accordance with 19 CFR 353.58 (1994), we made comparisons at the same level of trade, where possible.

United States Price

We based USP on purchase price, in accordance with section 772(b) of the Act, because the subject merchandise was sold to an unrelated purchaser before importation into the United States and because exporter's sales price methodology was not otherwise indicated (see Comment 2 below).

With regard to the calculation of movement expenses, we made deductions from the U.S. sales price, where appropriate, for foreign brokerage, foreign inland freight, ocean freight, and marine insurance in accordance with section 772(d)(2)(A) of the Act.

Since IRCT discounts all account receivables pertaining to its U.S. sales, we calculated U.S. credit expenses based on IRCT's average short-term interest rate. In accordance with section 772(d)(1)(B) of the Act, we added to USP the amount of the Thai import duties, not collected on material inputs by reason of exportation of the subject merchandise to the United States.

In accordance with our standard practice, pursuant to the decision of the U.S. Court of International Trade (CIT) in *Federal-Mogul Corporation and The Torrington Company v. United States*, 834 F. Supp. 1391 (CIT 1993), our calculations include an adjustment to U.S. price for the consumption tax levied on comparison sales in Thailand (See *Preliminary Antidumping Duty Determination: Color Negative Photographic Paper and Chemical Components from Japan*, 59 FR 16177, 16179 (April 6, 1994), for an explanation of this methodology).

Cost of Production

As we indicated in our preliminary determination, the Department initiated an investigation of potential below-cost home market sales on November 21, 1994. In order to determine whether home market sales prices were below COP within the meaning of section 773(b) of the Act, we calculated COP based on the sum of the respondent's cost of materials, fabrication, general expenses and packing, in accordance with 19 CFR 353.51(c). We made the following adjustments to the respondent's reported COP data:

1. We recalculated IRCT's corn cob consumption based on the weighted-average cost of corn cobs used in the production of furfuryl alcohol during the POI;

2. We recalculated depreciation expense based on the fixed asset lives reported in IRCT's 1993 audited financial statements; and

3. We allocated annual general and administrative expenses based on annual cost of sales.

After computing COP, we added the sales-specific VAT and home market packing to the COP figure. We compared COP to reported prices that were net of movement charges, direct and indirect selling expenses, and inclusive of VAT and home market packing. In accordance with section 773(b) of the Act, we followed our standard methodology to determine whether the home market sales of each product were made at prices below COP in substantial quantities over an extended period of time, and whether such sales were made at prices that would permit recovery of all costs within a reasonable period of time in the normal course of trade.

To satisfy the requirement of section 773(b)(1) that below-cost sales be disregarded only if made in substantial quantities, we apply the following methodology. Where we find that over 90 percent of a respondent's sales were at prices above the COP, we do not disregard any below-cost sales because we determine that a respondent's below-cost sales are not made in substantial quantities. If between ten and 90 percent of a respondent's sales were at prices above the COP, we disregard only the below-cost sales if made over an extended period of time. Where we find that more than 90 percent of a respondent's sales were at prices below the COP and were sold over an extended period of time, we disregard all sales and calculate FMV based on CV, in accordance with section 773(b) of the Act. In this case, we found that between ten and 90 percent of the sales were made below the COP. As a result, we

tested whether those below cost sales had been made over an extended period of time.

In accordance with section 773(b)(1) of the Act, in order to determine whether below-cost sales had been made over an extended period of time, we compare the number of months in which below-cost sales occurred to the number of months in the POI in which the product was sold. If a product was sold in three or more months of the POI, we do not exclude below-cost sales unless there were below-cost sales in at least three months during the POI. When we find that sales occurred in one or two months, the number of months in which the sales occurred constitutes the extended period of time; i.e., where sales were made in only two months, the extended period of time was two months, where sales were made in only one month, the extended period of time was one month. (See *Final Determination of Sales at Less Than Fair Value: Certain Carbon Steel Butt-Weld Pipe Fittings from the United Kingdom* (60 FR 10558, 10560, February 27, 1995)). In this case, we found that the respondent had made sales of furfuryl alcohol at prices below the COP in two of the months that sales were made. As a result, none of the sales made below the COP were disregarded.

Foreign Market Value

As stated in the preliminary determination, we found that the home market was viable for sales of furfuryl alcohol, in accordance with 19 CFR 353.48(a). We calculated FMV based on delivered prices, and deducted home market inland freight, unloading charges and insurance in accordance with 19 CFR 353.56(a).

FMV was reduced by home market packing costs and increased by U.S. packing costs in accordance with section 773(a)(1) of the Act. The Department also made circumstance-of-sale adjustments for home market direct selling expenses, which included imputed credit expenses and technical services in accordance with 19 CFR 353.56(a)(2). We also deducted commissions incurred on home market sales and added total U.S. indirect selling expenses, capped by the amount of home market commissions in accordance with 19 CFR 353.56(b). The total U.S. indirect selling expenses included U.S. inventory carrying costs, and indirect selling expenses incurred in Thailand on U.S. sales.

We adjusted for the consumption tax in accordance with our practice (see "United States Price" section of this notice).

Currency Conversion

We have made currency conversions based on the official exchange rates, as certified by the Federal Reserve Bank of New York, in effect on the dates of the U.S. sales, pursuant to 19 CFR 353.60.

Verification

As provided in section 776(b) of the Act, we verified the information used in making our final determination.

Interested Party Comments

What follows are summaries of the parties' arguments, followed by the Department's positions on each of the issues raised.

Comment 1: Using Best Information Otherwise Available (BIA)

The petitioner states that the Department should use BIA for purposes of the final determination because IRCT impeded the conduct of the investigation by failing to divulge the extent of its relationship with the U.S. importer, Indo-Rama Chemicals (America), Inc. (IRCA). The petitioner claims that IRCT should have reported its U.S. sales as ESP rather than on a purchase price basis, and only reported ESP data after the Department specifically requested it to do so.

The respondent states that it provided the Department with all the necessary ESP data in a timely manner when it was requested and, further, that it fully cooperated in the investigation regarding the relationship between IRCA and IRCT.

DOC Position

We agree with the respondent that IRCT and IRCA cooperated with the Department throughout this investigation. They submitted all requested information, and documented it during verification. Because IRCT did not impede our investigation, we have used the respondent's data for purposes of the final determination.

Comment 2: ESP or Purchase Price

IRCT contends that its categorization of IRCA as an unrelated party is consistent with the Department's definition of related parties pursuant to section 771(13), was verified by the Department, and that the U.S. price should be based upon the purchase price methodology. The respondent's argument is fully discussed in the proprietary version of its case brief.

The petitioner argues that the record evidence indicates that IRCT and IRCA are related parties and, therefore, if the Department decides not to resort to BIA, it should base USP on ESP. The petitioner's argument is fully discussed

in the proprietary version of its case brief. The following are some of the non-proprietary points that the petitioner raises: (1) The owner of IRCA is also president and director to a sister company of IRCT; and (2) the ESP response was filed on behalf of IRCT by, and the entire response was certified only by, IRCT's counsel.

DOC Position

We determined that the information on the record, as verified by the Department, does not satisfy the criteria set forth in section 771(13) of the Act for recognizing the U.S. sales as ESP transactions. An analysis of the individual criteria considered requires reference to proprietary information and is discussed in the proprietary version of the concurrence memorandum, dated May 1, 1995. Because we found that IRCA does not act as IRCT's principal or agent, under 771(13), at least one of the parties would have to own or control an interest in the other, or some other person or persons would have to own or control sufficient interest in both, for the Department to determine USP on the basis of ESP data (see *Small Business Telephone Systems from Korea*, 54 FR 53141 (1989) and/or *Certain Forged Steel Crankshafts from Japan*, 52 FR 36984 (1987)). The Department confirmed at verification that there was no ownership or controlling interest between IRCT and IRCA, and no common ownership or controlling interest by a third party. Therefore, we have based the USP on purchase price

Comment 3: Indirect Selling Expenses

The petitioner argues that, because the respondent failed to provide the Department with information concerning additional indirect selling expenses and storage charges incurred in the United States, the Department should use BIA to determine the indirect selling expenses for the POI. As BIA, the petitioner requests that the Department rely on information in the petition.

The respondent asserts that it did not understate any selling expenses incurred in the importation, storage, or sale of furfuryl alcohol. The respondent argues that the Department verified both IRCT and IRCA with respect to these expenses. Therefore, in the event the Department makes its final determination based on ESP, the respondent argues that the Department should calculate U.S. indirect selling expenses on the information provided. The respondent further states that many of the indirect selling expenses that the petitioner referenced simply do not exist.

DOC Position

Based on the Department's decision to use the purchase price methodology, this issue has been rendered moot.

Comment 4: Interest Rate

The petitioner argues that the Department should use the appropriate interest rate from IRCA's response in computing any credit expenses and inventory carrying cost. The petitioner's argument is fully discussed in the proprietary version of its March 29, 1995 case brief.

The respondent states that it is not related to IRCA. However, should the Department base its determination on ESP sales, the respondent argues that the Department should not use IRCA's interest rate. The respondent's argument is fully discussed in the proprietary version of its case brief.

DOC Position

The use of the importer's interest rate in the calculation of credit expense and inventory carrying cost for U.S. sales is not at issue because the calculation of USP is based on the purchase price methodology. Therefore, the interest rate used to calculate both expenses for U.S. sales is based on IRCT's short-term borrowing experience. Because the U.S. sales are made in U.S. dollars, the interest rate used to calculate the credit expense and inventory carrying cost is the rate that IRCT incurs for its U.S. dollar denominated short-term borrowing for the POI (see *Final Determination of Sales at Less than Fair Value: Disposable Pocket Lighters from Thailand*, 51 FR 14270, 14265 (March 16, 1995)).

Comment 5: Technical Service

IRCT contends that home market "outside" technical service expenses are directly related to specific sales, and are properly deductible as direct selling expenses.

DOC Position

This issue is moot because the expenses were incurred on sales which are not included in our final calculations, having occurred at a level of trade different than that of the U.S. sales.

Comment 6: Home Market Sale Outside the Ordinary Course of Trade

In its original sales listing, IRCT categorized one home market sale as outside of the ordinary course of trade. IRCT states that the sale was inadvertently reported as a normal sale in the revised sales listing. IRCT states that this sale was (1) a single isolated trial sale for a different application, (2)

of a quantity far smaller than the standard quantity sold for all other home market sales, and (3) at a price substantially higher than that charged to IRCT's regular customers.

DOC Position

We agree with the respondent. Section 771(15) of the Act defines "ordinary course of trade" as those conditions and practices which are "normal in the trade under consideration." The documents for this sale were verified and the sale was found to be an isolated, non-recurring sale, and at a quantity inconsistent with the standard quantity shipped. Therefore, because the sale was not normal in the trade under consideration, we found it to be made outside the ordinary course of trade under section 771(15) of the Act. Accordingly, we have not included it in our margin analysis.

Comment 7: Allocation of Indirect Selling Expenses

IRCT argues that the Department should use the revised allocation percentages for unassigned indirect selling expenses (e.g., office rental, phone, etc.) that were presented during verification because these percentages more accurately reflect the actual time spent by the sales personnel.

The petitioner contends that this revised allocation constitutes a submission of untimely, unsupported data in the middle of verification and, therefore, should not be relied upon by the Department.

DOC Position

Based on the fact that neither IRCT's original allocation nor its revised allocation of indirect selling expenses was supported by documentation, neither was used in our final determination. Instead, the Department allocated these expenses based on the quantity of furfuryl alcohol sold in the domestic and export markets. Given the lack of information, this was the most reasonable allocation methodology available (see concurrence memorandum dated, May 1, 1995).

Comment 8: Corn Cob Costs

The petitioner asserts that the cost of corn cobs, a primary direct material of furfuryl and furfuryl alcohol, should be calculated based on the respondent's actual corn cob expenses incurred during the POI, rather than on the annual weighted-average methodology submitted by IRCT. Further, the petitioner argues for the use of actual expenses because the respondent's corn cob prices vary according to competitive

market conditions, rather than the seasonality of corn production claimed by the respondent.

The respondent contends that its methodology accurately reflects corn cob consumption because it eliminates seasonal trends in pricing, availability, and purchases. Additionally, the respondent states its submission methodology is consistent with its normal accounting system. Moreover, the petitioner's proposed methodology ignores the value of corn cob in beginning inventory. Therefore, the respondent argues that the Department should reject the petitioner's claim.

DOC Position

The most appropriate cost calculation methodology for corn cobs used in the production of furfuryl alcohol should take into account the actual corn cobs used during the POI based on IRCT's normal weighted-average inventory cost flow assumption. Therefore, we have recalculated IRCT's corn cob cost based on the weighted-average cost of corn cob inventories at the beginning of the POI, plus all purchases of the input made during the POI.

Comment 9: Depreciation

The petitioner argues that the Department should reject IRCT's claimed increase in the useful lives of its buildings and machinery which was submitted in accordance with a change in IRCT's depreciation policy. According to the petitioner, IRCT's proposed change in its depreciation policy was approved after the initiation of this case. It maintains that, at a minimum, the Department should recompute depreciation expense for IRCT's buildings and machinery based on the original useful lives of the assets. However, the petitioner claims that even these useful lives, as well as the useful lives of other assets owned by IRCT, are inconsistent with U.S. generally accepted accounting principals (GAAP) and thus distort the costs associated with the production of furfuryl alcohol.

IRCT argues that its submitted depreciation expense reflects its normal record keeping for the period that most closely corresponds to the POI. It claims that it extended the useful lives of its buildings and machinery because the assets were constructed of "high-quality, long-lasting" materials. The decision to change the estimated useful lives of its assets, IRCT states, was made prior to the initiation of this investigation.

DOC Position

In computing COP for the subject merchandise, the Department generally

relies on the accounting records maintained by respondent in the normal course of its operations. These records, however, must be kept in accordance with respondent's home country GAAP if those GAAP reasonably reflect the costs associated with producing the subject merchandise.

In IRCT's case, the change in the useful lives of buildings and machinery assets, although reflected in the company's accounting records during 1994, had yet to be approved by the company's independent auditors or the Thai government as of the date of our verification. Thus, we believe that it is inappropriate for us to determine whether IRCT's change in the useful lives of these assets reasonably reflects the company's depreciation expense for the POI since it is impossible for us to conclude that the new policy is in accordance with Thai GAAP.

We disagree with the petitioner's argument that the original useful lives of IRCT's assets are not in accordance with U.S. GAAP and thus distort furfuryl alcohol production costs. U.S. GAAP allows companies to determine the useful lives of production assets based on the estimated economic lives of those assets. In IRCT's case, we have no reason to believe that the depreciable lives historically utilized by the company fail to reflect the economic lives of the underlying assets. Therefore, we have calculated depreciation expense based on the original useful lives of the assets.

Comment 10: General and Administrative Expense ("G&A") Allocation

The petitioner contends that IRCT provided no justification for deviating from the Department's normal G&A calculation methodology by allocating G&A expenses to non-productive cost centers. According to the petitioner, IRCT's methodology distorts the cost of production for furfuryl alcohol. Therefore, as BIA, the petitioner asserts the Department should allocate all G&A expenses solely to furfuryl alcohol.

IRCT argues that its G&A allocation methodology is consistent with GAAP and appropriate for this investigation. According to IRCT, the Department's normal methodology of allocating G&A, on the basis of cost of sales, overstates furfuryl alcohol production costs. IRCT contends that, its G&A allocation methodology more properly matches benefits received from G&A expenditures to the appropriate business cost centers.

DOC Position

We agree with the petitioner that IRCT did not adequately support its G&A allocation methodology. To compute G&A expense for COP, IRCT allocated its G&A expense equally among its four cost centers. Two of those cost centers did not produce any products during the POI.

During verification, IRCT provided no evidence to support its allocation methodology for G&A expenditures, nor did IRCT demonstrate that the allocation methodology was used in its normal accounting system. Instead, we found that IRCT's submitted G&A allocation methodology was based on subjective factors. We have, therefore, recalculated IRCT's G&A expenses by allocating reported fiscal year 1993 company-wide G&A expense based on the company's cost of sales for that year. This is in accordance with our normal G&A methodology, as stated in section D of the Department's questionnaire.

Comment 11: G&A Expense Calculation Period

IRCT reported G&A expenses based on the six-month POI rather than on an annual basis. IRCT contends its six-month G&A expense calculation accurately reflects the actual G&A costs incurred during the POI.

DOC Position

Ordinarily, G&A expenses are considered to be period costs for accounting purposes. As such, they differ from product costs like direct materials, labor, and overhead in that G&A expenses are not included in inventory costs but, instead, are accounted for as expenses during the period in which they are incurred. This is because, unlike product costs, G&A can neither be easily nor accurately matched to the revenues generated from the sales of an individual unit of production. Instead, G&A expenses are typically incurred in connection with a company's overall operations. Many expenses categorized as G&A, such as insurance and bonus payments, are incurred sporadically throughout the fiscal year. Moreover, G&A expenses are often accrued during the fiscal year based on estimates that are then adjusted to actual expenses at year-end. Because of their nature as period costs, and due to the irregular manner in which many companies record G&A expenses, the Department generally looks to a full-year period in computing G&A expenses for COP and CV. Such a period encompasses operating results over a longer time span than the POI and typically reports the results of at

least one business cycle. Under ordinary circumstances, the most appropriate full-year G&A period is that represented by the latest fiscal year for which the respondent has complete and audited financial statements.

IRCT provided no evidence to justify deviating from the Department's normal practice of using annual financial data for G&A. As of the last day of verification, IRCT's 1994 audited financial statements were not available. Consequently, we calculated G&A expense based on IRCT's 1993 annual audited financial statements.

Comment 12: Waste Water

The petitioner states that IRCT excluded certain waste water treatment expenses from its submitted COP. As BIA, the petitioner suggests that the Department include the accounts payable amount reported in IRCT's May 1994 Trial Balance.

The respondent asserts that it has properly included all waste water treatment costs in its submitted COP. It states that the particular account noted by the petitioner reflects costs associated with the purchase of waste water treatment equipment.

DOC Position

We agree with the respondent. The respondent included all waste water treatment expenses incurred during the POI in its COP submission. Therefore, no adjustment is required.

Comment 13: Insurance Proceeds

IRCT offset its submitted COP for furfuryl alcohol by insurance proceeds received due to an unexpected equipment failure during the POI. IRCT contends that it properly included insurance revenue received for both equipment repair costs and for the increase in per-unit costs resulting from the equipment failure.

The petitioner concedes that IRCT tied part of the insurance settlement directly to equipment repair costs and should be allowed a partial offset for these costs. According to the petitioner, however, IRCT did not show how the remaining proceeds relate to the company's claimed increase in per-unit costs.

DOC Position

We agree with the respondent that the insurance proceeds should be used to offset IRCT's furfuryl alcohol costs. During verification, we found that the insurance proceeds were paid to IRCT for equipment failure and overhead costs incurred during the period in which the equipment was under repair. Thus, these proceeds relate directly to

the equipment failure which occurred during the POI. Due to this equipment failure, IRCT incurred higher per-unit production costs in addition to the cost of repairs. Accordingly, we consider it reasonable for IRCT to offset its submitted COP by all proceeds received for the insurance claim.

Suspension of Liquidation

In accordance with section 735(d) of the Act, we are directing the Customs Service to suspend liquidation of all entries of furfuryl alcohol from Thailand, as defined in the "Scope of Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of our final determination¹ in the Federal Register.

The Customs Service shall require a cash deposit or posting of a bond on all entries equal to the estimated amount by which the FMV exceeds the USP, as shown below. The suspension of liquidation will remain in effect until further notice.

Producer/manufacturer/exporter	Margin percentage
IRCT	5.94
All Others	5.94

ITC Notification

In accordance with section 735(d) of the Act, we have notified the ITC of our determination. The ITC will make its determination whether these imports materially injure, or threaten injury to, a U.S. industry within 45 days of the publication of this notice. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or cancelled.

However, if the ITC determines that such injury does exist, we will issue an antidumping duty order directing the Customs Service officers to assess an antidumping duty on furfuryl alcohol from Thailand, entered, or withdrawn from warehouse, for consumption on or after the date of suspension of liquidation, equal to the amount by which the foreign market value of the merchandise exceeds the United States price.

This determination is published pursuant to section 735(d) of the Act (19 U.S.C. 1673(d)) and 19 CFR 353.20.

¹ The preliminary determination was negative in this case.

Dated: May 1, 1995
 Susan G. Esmerman,
 Assistant Secretary for Import
 Administration
 IFR Doc. 95-11263 Filed 5-5-95 @ 4:55 am
 BILLING CODE 3510-05-P

[A-791-802]

**Notice of Amended Final Antidumping
Duty Determination and Order: Furfuryl
Alcohol From South Africa.**

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

ACTION: Notice.

EFFECTIVE DATE: June 21, 1995.

FOR FURTHER INFORMATION CONTACT: John
Brinkmann or Donna Berg, Office of
Antidumping Investigations, Import
Administration, International Trade
Administration, U.S. Department of
Commerce, 14th Street and Constitution
Avenue NW., Washington, DC 20230;
telephone: (202) 482-5288 or (202) 482-
0114, respectively.

Amended Final Determination

We presented counsel for the
respondent, Illovo Sugar Limited, and
counsel for the petitioner, QO
Chemicals, with the calculations and
disclosure materials concerning the
final determination on May 4, and 8,
1995, respectively.

The respondent and the petitioner
filed timely submissions alleging
ministerial errors in the Department of
Commerce's (Department) final
determination calculations. On May 5,

1995, the respondent alleged that the Department made an inadvertent spreadsheet error which resulted in the revised figures for certain ESP observations being moved to the wrong columns. On May 15, 1995, the petitioner alleged that we departed from our established practice and, for certain U.S. observations, applied a daily exchange rate instead of the quarterly rate to convert South African Rand to U.S. dollars. (For specific details of these allegations and our analysis thereof, see Memorandum from Gary Taverman to Barbara R. Stafford dated May 25, 1995).

We have reviewed the respondent's allegation and agree that we erred in moving the revised figures for certain variables to the adjacent spreadsheet columns. In accordance with 19 CFR 353.28, we have corrected the calculations for the final determination.

With respect to the petitioner's allegation, however, we disagree that our reliance on the daily exchange rate constitutes a departure from our established practice. It is the Department's practice to make currency conversions at the Federal Reserve certified quarterly exchange rate except where the daily exchange rate varies by five percent or more from the quarterly rate.

Inasmuch as the variance between the daily and quarterly rates equaled five percent, we followed our established practice and used the daily rate in the final determination. Accordingly, we determined that petitioner's allegation does not constitute a ministerial error.

Pursuant to 19 CFR 353.28, we have corrected the final dumping margins. The final dumping margin for Illovo Sugar Limited and "All Others" has been amended from 15.48 to 11.55 percent.

Scope of Order

The merchandise covered by this order is furfuryl alcohol (C₄H₃OCH₂OH). Furfuryl alcohol is a primary alcohol, and is colorless or pale yellow in appearance. It is used in the manufacture of resins and as a wetting agent and solvent for coating resins, nitrocellulose, cellulose acetate, and other soluble dyes.

The product subject to this order is classifiable under subheading 2932.13.00 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Antidumping Duty Order

On June 14, 1995, in accordance with section 735(d) of the Act, the U.S. International Trade Commission (ITC) notified the Department that imports of furfuryl alcohol from South Africa materially injure a U.S. industry. Therefore, in accordance with section 736 of the Act, the Department will direct United States Customs officers to assess, upon further advice by the administering authority pursuant to section 736(a)(1) of the Act, antidumping duties equal to the amount by which the foreign market value of the merchandise exceeds the United States price for all entries of furfuryl alcohol from South Africa. These antidumping duties will be assessed on all unliquidated entries of furfuryl alcohol from South Africa entered, or withdrawn from warehouse, for consumption on or after December 16, 1994, the date on which the Department published its preliminary determination notice in the *Federal Register* (59 FR 65012).

On or after the date of publication of this notice in the *Federal Register*, U.S. Customs officers must require, at the same time as importers would normally deposit estimated duties, the following cash deposits for the subject merchandise:

Manufacturer/producer/exporter	Weighted-average margin percentage
Illovo Sugar Company	11.55
All others	11.55

This notice constitutes the antidumping duty order with respect to furfuryl alcohol from South Africa, pursuant to section 736(a) of the Act. Interested parties may contact the Central Records Unit, Room B-099 of the Main Commerce Building, for copies of an updated list of antidumping duty orders currently in effect.

This order is published in accordance with section 736(a) of the Act and 19 CFR 353.21.

Dated: June 14, 1995.

Susan G. Esserman,
Assistant Secretary for Import
Administration.

[FR Doc. 95-15221 Filed 6-20-95; 8:45 am]

BILLING CODE 3510-DS-P

International Trade Administration
[A-570-835]

**Notice of Antidumping Duty Order:
Furfuryl Alcohol From the People's
Republic of China (PRC)**

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

EFFECTIVE DATE: June 21, 1995.

FOR FURTHER INFORMATION CONTACT: John
Brinkmann or Donna Berg, Office of
Antidumping Duty Investigations,
Import Administration, U.S. Department
of Commerce, 14th Street and
Constitution Avenue NW., Washington,
DC 20230; telephone (202) 482-5288 or
(202) 482-0114, respectively.

Scope of Order

The merchandise covered by this order is furfuryl alcohol (C₄H₇OCH₂OH). Furfuryl alcohol is a primary alcohol, and is colorless or pale yellow in appearance. It is used in the manufacture of resins and as a wetting agent and solvent for coating resins, nitrocellulose, cellulose acetate, and other soluble dyes.

The product subject to this order is classifiable under subheading 2932.13.00 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Antidumping Duty Order

On June 14, 1995, in accordance with section 735(d) of the Act, the U.S. International Trade Commission (ITC) notified the Department that imports of furfuryl alcohol from the PRC materially injure a U.S. industry. Therefore, in accordance with section 736 of the Act, the Department will direct United States Customs officers to assess, upon further advice by the administering authority pursuant to section 736(a)(1) of the Act, antidumping duties equal to the amount by which the foreign market value of the merchandise exceeds the United States price for all entries of furfuryl alcohol from the PRC. These antidumping duties will be assessed on all unliquidated entries of furfuryl alcohol from the PRC entered, or withdrawn from warehouse, for consumption on or after December 16, 1994, the date on which the Department published its preliminary determination notice in the *Federal Register* (59 FR 65009).

On or after the date of publication of this notice in the *Federal Register*, U.S. Customs officers must require, at the same time as importers would normally

deposit estimated duties, the following cash deposits for the subject merchandise:

Manufacturer/producer/exporter	Weighted-average margin percentage
Qingdao Chemicals & Medicines Import and Export Corporation	50.43
Sinochem Shandong Import and Export Group Corporation	43.54
China-Wide	45.27

This notice constitutes the antidumping duty order with respect to furfuryl alcohol from the PRC, pursuant to section 736(a) of the Act. Interested parties may contact the Central Records Unit, Room B-099 of the Main Commerce Building, for copies of an updated list of antidumping duty orders currently in effect.

This order is published in accordance with section 736(a) of the Act and 19 CFR 353.21.

Dated: June 14, 1995.

Susan G. Esserman,
Assistant Secretary for Import Administration.

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