

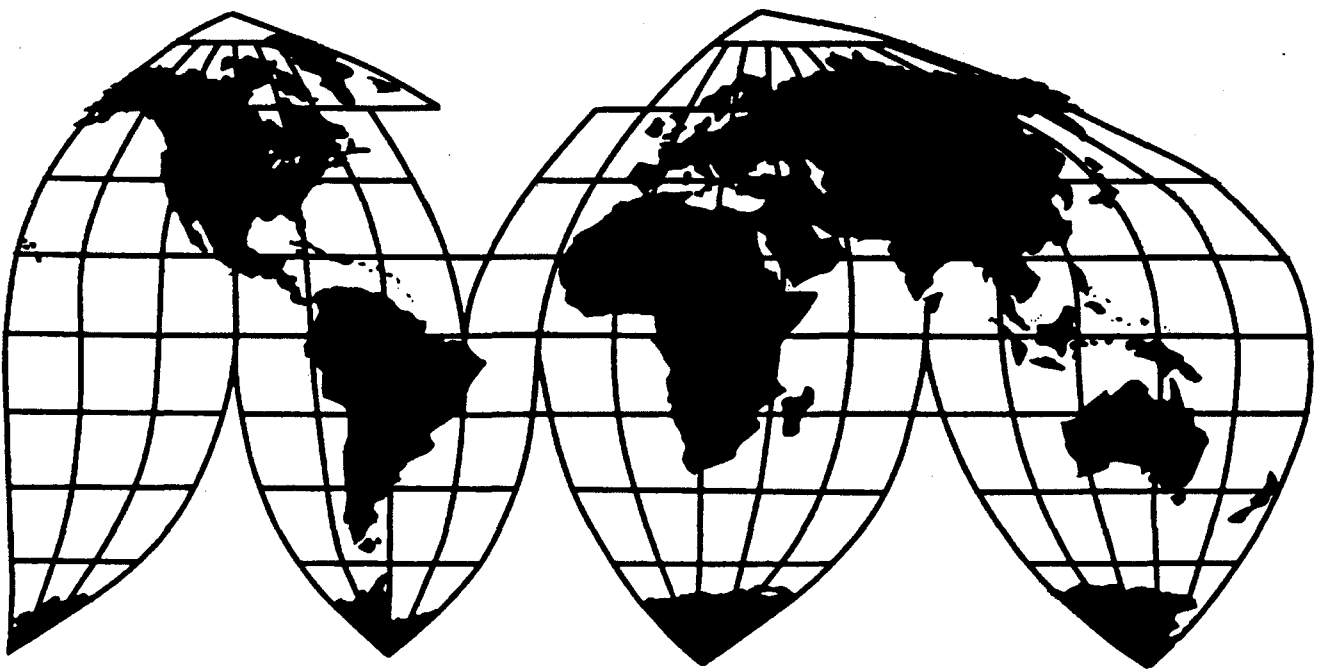
Coumarin From China

Investigation No. 731-TA-677 (Review)

Publication 3305

May 2000

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been identified by the use of *.**

GLOSSARY

APO	Administrative protective order
Advanced Bio Tech	Advanced Bio Tech, Inc.
Berje	Berje, Inc.
CAS	Chemical Abstracts Registry Service
CY	Calendar year
Centflor	Centflor Manufacturing Co., Inc.
Citrus & Allied Essences	Citrus & Allied Essences, Ltd.
Commerce	U.S. Department of Commerce
Commission/USITC	U.S. International Trade Commission
Customs	U.S. Customs Service
EU	European Union
FDA	Food and Drug Administration
FR	<i>Federal Register</i>
FTZ	Foreign trade zone
FY	Fiscal year
HTS	Harmonized Tariff Schedule of the United States
International Flavors & Fragrances	International Flavors & Fragrances, Inc.
JMP Imports	JMP Imports, Inc.
Jiangsu Native	Jiangsu Native Produce Import/Export Corp.
Jiangsu Wujian Tongshun	Jiangsu Wujian Tongshun Reagent Factory
Nanjing China First	Nanjing China First Chemical Industry, Co., Ltd.
Nanjing Jianing Biochemicals	Nanjing Jianing Biochemicals Co., Ltd.
PACE	Paper, Allied-Industrial, Chemical and Energy Workers International Union, Local 2-00948
Phoenix Aromas & Essential Oils	Phoenix Aromas & Essential Oils, Inc.
Polarome	Polarome Manufacturing Co., Inc.
RKU	RKU Associates
<i>Response</i>	Response to the Commission's Notice of Institution
Rhodia	Rhodia, Inc.
Rhône-Poulenc	Rhône-Poulenc Specialty Chemicals Co.
***	***
Sarcom	Sarcom, Inc.
Schweizerhall	Schweizerhall, Inc.
Shanghai Perfumery	Shanghai Perfumery Factory/Shanghai Perfumery Works
Tianjin Native	Tianjin Native Produce Import/Export Corp.
Tianjin Number 1	Tianjin Number 1 Perfumery
Ungerer	Ungerer & Co.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-677 (Review)

COUMARIN FROM CHINA

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty order on coumarin from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted this review on December 30, 1999 (64 F.R. 73576, December 30, 1999) and determined on April 6, 2000 that it would conduct an expedited review (65 F.R. 24504, April 26, 2000). The Commission transmitted its determination in this review to the Secretary of Commerce on May 30, 2000.

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

VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order covering imports of coumarin from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. BACKGROUND

In February 1995, the Commission determined that an industry in the United States was being materially injured by reason of imports of coumarin from China that were being sold at less than fair value.¹ On February 9, 1995, the Department of Commerce (“Commerce”) issued an antidumping duty order on imports of coumarin from China.²

On December 30, 1999, the Commission instituted a review pursuant to section 751(c) of the Act to determine whether revocation of the antidumping duty order on coumarin from China would likely lead to continuation or recurrence of material injury.³

In five-year reviews, the Commission initially determines whether to conduct a full review (which would include a public hearing, the issuance of questionnaires, and other procedures) or an expedited review, as follows. First, the Commission determines whether individual responses of interested parties to the notice of institution are adequate. Second, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties – domestic interested parties (producers, unions, trade associations, or worker groups) and respondent interested parties (importers, exporters, foreign producers, trade associations, or subject country governments) – demonstrate a sufficient willingness among each group to participate and provide information requested in a full review.⁴ If the Commission finds the responses from either group of interested parties to be inadequate, the Commission may determine, pursuant to section 751(c)(3)(B) of the Act, to conduct an expedited review unless it finds that other circumstances warrant a full review.

The only response to the Notice of Institution in this review was filed on behalf of Rhodia Inc. (“Rhodia”), a domestic producer of coumarin,⁵ and the Paper, Allied-Industrial Chemical and Energy Workers International Union, Local 2-00948 (“PACE”), a labor union that represents the coumarin production workers at Rhodia.⁶ Rhodia accounted for 100 percent of U.S. coumarin production in 1999.⁷ No respondent interested party filed a response.⁸

¹ Coumarin from The People’s Republic of China, Inv. No. 731-TA-677 (Final), USITC Pub. 2852 (Feb. 1995) (“Original Determination”).

² 60 Fed. Reg. 7751 (Feb. 9, 1995).

³ 64 Fed. Reg. 73576 (Dec. 30, 1999).

⁴ See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

⁵ Rhodia is the successor-in-interest to Rhône-Poulenc, the petitioner in the original investigation.

⁶ For the purpose of these views we refer to Rhodia and PACE collectively as “Rhodia.”

⁷ Response of Rhodia to the Notice of Institution at 2 (February 22, 2000) (“Rhodia’s Response”).

⁸ Nor did any other person file a submission under Commission Rule 207.61(d). A coalition of eight U.S.
(continued...)

On April 6, 2000, the Commission determined that the domestic interested party group response to its notice of institution was adequate but that the respondent interested party group response was inadequate.⁹ Pursuant to section 751(c)(3)(B) of the Act,¹⁰ the Commission voted to expedite its review of this matter.

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “domestic industry.”¹¹ The Act defines “domestic like product” 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 under this subtitle.”¹² In a section 751(c) review, the Commission must also take into account “its prior injury determination.”¹³

In its final five-year review determination, Commerce defined the subject merchandise as:

an aroma with the chemical formula $C_9H_6O_2$, that is also known by other names, including 2H-1-benzopyran-2-one, 1,2-benzopyrone, cis-o-coumaric acid lactone, coumarinic anhydride, 2-Oxo-1,2-benzopyran, 5,6-benzo-alpha-pyrone, ortho-hydroxycinnamic acid lactone, cis-ortho-coumaric acid anhydride, and tonka bean camphor. All forms and variations of coumarin are included within the scope of the order, such as coumarin in crystal, flake or powder form, and “crude” or unrefined coumarin (i.e., prior to purification or crystallization). Excluded from the scope of this order are ethylcoumarins ($C_{11}H_{10}O_2$) and methylcoumarins ($C_{10}H_8O_2$). This merchandise is currently classifiable under the Harmonized Tariff Schedule (“HTS”) subheading 2932.21.00. The HTS subheading is provided for convenience and for Customs purposes only. The written description remains dispositive.¹⁴

Coumarin is a white crystalline substance with a sweet, fresh, hay-like odor. The product was originally extracted from tonka beans, but synthetic production has displaced those natural sources. Its

⁸ (...continued)

importers submitted an entry of appearance and APO application, which were subsequently withdrawn, and did not respond to the Commission’s notice of institution.

⁹ See Explanation of Commission Determination on Adequacy in Coumarin from China (April 6, 2000). See also 65 Fed. Reg. 24504 (Apr. 26, 2000).

¹⁰ 19 U.S.C. § 1675(c)(3)(B).

¹¹ 19 U.S.C. § 1677(4)(A).

¹² 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (CIT 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (CIT 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 96-249 at 90-91 (1979).

¹³ 19 U.S.C. § 1675(a)(1)(a).

¹⁴ 64 Fed. Reg. 53996 (Oct. 5, 1999).

primary use is as a major fragrance component in detergents and personal care products.¹⁵ Coumarin is also used as a metal brightener in the electroplating industry and as an intermediate chemical to produce derivative products such as dihydrocoumarin (used as a flavor and in the fragrance industry).¹⁶

In the original investigation, the Commission determined that the domestic like product was all coumarin.¹⁷ There is no new information obtained during this five-year review that would suggest a reason for revisiting the Commission's original like product determination.¹⁸ Rhodia stated in its response to the Notice of Institution that it agreed with the Commission's original like product definition.¹⁹ Accordingly, we define the domestic like product as all coumarin.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the "domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product."²⁰ Given our definition of the domestic like product, we define the domestic industry as the sole domestic producer of coumarin.²¹

III. REVOCATION OF THE ANTIDUMPING DUTY ORDER ON COUMARIN FROM CHINA WOULD LIKELY LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping duty order unless: (1) it makes a determination that subsidization and/or dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of an order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."²² The SAA states that "under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation [of the order] . . . and the elimination of its restraining effects on volumes and prices of imports."²³ Thus, the likelihood standard is prospective in nature.²⁴ The statute provides

¹⁵ Confidential Report ("CR") at I-6; Public Report ("PR") at I-5.

¹⁶ CR at I-6; PR at I-5.

¹⁷ Original Determination at I-6.

¹⁸ See generally CR at I-6, n.14; PR at I-5, n.14.

¹⁹ Rhodia's Response at 21-22; CR and PR at I-4.

²⁰ 19 U.S.C. § 1677(4)(A).

²¹ Rhodia is the only domestic producer of coumarin, and the successor-in-interest to Rhône-Poulenc, the only domestic producer of coumarin at the time of the original investigation. Rhodia is not related to any Chinese producer or exporter of coumarin. CR at I-9; PR at I-7.

²² 19 U.S.C. § 1675a(a).

²³ SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that "[t]he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of

(continued...)

that “the Commission shall consider that the effects of revocation . . . may not be imminent, but may manifest themselves only over a longer period of time.”²⁵ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ time frame applicable in a threat of injury analysis [in antidumping duty investigations].”^{26 27}

Although the standard in five-year reviews is not the same as the standard applied in original antidumping duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked.”²⁸ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, and whether the industry is vulnerable to material injury if the order is revoked.^{29 30}

Section 751(c)(3) of the Act and the Commission’s regulations provide that in an expedited five-year review the Commission may issue a final determination “based on the facts available, in accordance

²³ (...continued)

material injury, or material retardation of an industry).” SAA at 883.

²⁴ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

²⁵ 19 U.S.C. § 1675a(a)(5).

²⁶ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

²⁷ In analyzing what constitutes a reasonably foreseeable time, Commissioner Koplan examines all the current and likely conditions of competition in the relevant industry. He defines “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

²⁸ 19 U.S.C. § 1675a(a)(1).

²⁹ 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

³⁰ Section 752(a)(1)(D) of the Act directs the Commission to take into account in five-year reviews involving antidumping proceedings “the findings of the administrative authority regarding duty absorption.” 19 U.S.C. § 1675a(a)(1)(D). Commerce has not issued any duty absorption findings in connection with the orders under review.

with section 776.”³¹ We note that the statute authorizes the Commission to take adverse inferences in five-year reviews, but emphasize that such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. We generally give credence to the facts supplied by the participating parties and certified by them as true, but base our decision on the evidence as a whole, and do not automatically accept the participating parties’ suggested interpretation of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.”³² As noted above, no respondent interested party adequately responded to the Commission’s notice of institution. Accordingly, we have relied on the facts available in this review, which consist primarily of the record in the Commission’s original investigation on coumarin, the limited information collected by the Commission since the institution of these reviews, and the information submitted by the sole domestic producer.

For the reasons stated below, we determine that revocation of the antidumping duty order on coumarin from China would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”³³

As in the original investigation, the record in this review indicates that this market is characterized by several conditions of competition, namely: (1) coumarin is a substitutable commodity-like product;³⁴ (2) importers can maintain significant inventories in the United States, allowing for just-in-time delivery; (3) there are a small number of firms that purchase coumarin and price information is

³¹ 19 U.S.C. § 1675(c)(3)(B); 19 C.F.R. § 207.62(e). Section 776 of the Act, in turn, authorizes the Commission to “use the facts otherwise available” in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a). The statute permits the Commission to use adverse inferences in selecting from among the facts otherwise available when an interested party has failed to cooperate by acting to the best of its ability to comply with a request for information. 19 U.S.C. § 1677e(b). Such adverse inferences may include selecting from information from the record of our original determination and any other information placed on the record. *Id.*

³² SAA at 869.

³³ 19 U.S.C. § 1675a(a)(4).

³⁴ During the original investigation there was some discrepancy as to differences in quality. Petitioner maintained that the subject imports and domestic product were equivalent in content and quality. Importer respondents claimed that there were differences in overall quality and inconsistency within shipments from China. However, the record of this review indicates that despite some problems with inconsistent quality of product shipped by some Chinese producers, U.S. importers have uniformly been able to qualify as suppliers to the largest coumarin purchasers. Original Determination at I-16, n. 66; CR at I-7; PR at I-5-6.

rapidly disseminated within the industry; (4) contracts are awarded by competitive bidding and typically contain meet-or-release clauses; (5) there are an increasing number of importers of Chinese coumarin and price competition among importers is fierce; and (6) demand is inelastic, (that is because the demand for coumarin is derived from the demand for downstream fragrance products and coumarin represents a small share of the price of the fragrance products, a decline in the price of coumarin would not be likely to increase demand).³⁵

The record also indicates that apparent U.S. consumption of coumarin in 1999 was comparable to levels during the time of the original investigation.³⁶ Demand for coumarin is still derived from the demand for downstream products,³⁷ and there are relatively few purchasers that account for a large portion of demand.³⁸ During the original investigation, there were almost no nonsubject imports of coumarin,³⁹ but since the imposition of the antidumping duty order, increasing amounts of nonsubject coumarin have been imported, primarily from Japan.⁴⁰ In 1999, China accounted for 45 percent of total U.S. imports of coumarin, while Japan accounted for 44 percent. Consequently, while the domestic industry has gained market share since the imposition of the order, market share formerly held by subject imports has also gone to Japanese imports.⁴¹

Based on the record evidence, we find that these conditions of competition in the U.S. coumarin market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we find that current conditions in the U.S. coumarin market provide us with a sufficient basis upon which to assess the likely effects of revocation of the antidumping duty order within the reasonably foreseeable future.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the order under review is revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁴² In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁴³

³⁵ Original Determination at I-7.

³⁶ CR at I-17; PR at I-13; CR and PR at Table I-3.

³⁷ CR at I-19; PR at I-13; citing Original Determination at I-7.

³⁸ CR at I-7-8; PR at I-6.

³⁹ CR and PR at Table I-2.

⁴⁰ *Id.*

⁴¹ CR and PR at Table I-3.

⁴² 19 U.S.C. § 1675a(a)(2).

⁴³ 19 U.S.C. § 1675a(a)(2)(A)-(D).

In the original investigation, the Commission found that the market share of subject imports more than doubled during the period of investigation to account for a majority of apparent U.S. consumption.⁴⁴ The Commission also found that an increase in market share for subject imports represented an equal loss in market share for the domestic industry.⁴⁵ Immediately following imposition of the antidumping duty order in February 1995, subject imports from China fell significantly. The quantity of subject imports in 1995 was approximately *** percent of 1991 import levels.⁴⁶ In 1997, when Commerce amended its final determination and increased the antidumping margins for Chinese producers Jiangsu Native and Tiangin Native, the volume of subject imports dropped even further.⁴⁷ We conclude that the order has led to a reduced presence of Chinese imports in the United States.

There is limited information on the record concerning the current status of the coumarin industry in China because there were no responses by foreign producers or exporters to the Commission's notice of institution. According to Rhodia, 16 Chinese firms have produced coumarin since 1993, five of which had an aggregate production capacity of 3.1 millions pounds and production of 1.3 million pounds in 1999. Rhodia reports that capacity utilization for these five Chinese producers was approximately 42 percent in 1999, indicating that unused capacity in China was about *** U.S. production in that year.⁴⁸ Moreover, the available information indicates that the coumarin industry in China continues to be heavily export-oriented⁴⁹ and that China has not developed significant alternate markets since the time of the original investigation, as seen by the industry's reportedly low capacity utilization rate. We also note that there is little demand for coumarin in China.⁵⁰

The rapid increase in imports found during the original investigation demonstrates an ability by Chinese exporters to rapidly increase shipments to the United States. The United States is likely to be an attractive market for increasing volumes of Chinese coumarin if the order is revoked both because of the overall size of the market and because the European Union, another important market for China, has also had an antidumping duty order in place on Chinese coumarin since April 1996.⁵¹

Based on the record in this review, it is likely that producers in China would significantly increase exports to the U.S. market if the order is revoked.⁵² We therefore conclude that, based on the record

⁴⁴ Original Determination at I-14-15.

⁴⁵ Original Determination at I-15.

⁴⁶ CR at I-12; PR at I-8.

⁴⁷ CR at I-13-16; PR at I-11-12. Commerce's original order imposed antidumping duty margins of 15.04 percent for Jiangsu Native, 50.35 percent for Tiangin Native, and 160.80 percent for all other manufacturers and exporters from China. 60 Fed. Reg. 7751 (Feb. 9, 1995). The order was later amended to increase the margin for Jiangsu Native to 31.02 percent and the margin for Tiangin Native to 70.45 percent. 62 Fed. Reg. 8424 (Feb. 25, 1997).

⁴⁸ CR at I-20 PR at I-15. Rhodia states that there is substantial global excess capacity, much of which is in China. Rhodia's Response at 7.

⁴⁹ CR at I-21; PR at I-15.

⁵⁰ *Id.*

⁵¹ CR at I-22; PR at I-15.

⁵² Chairman Bragg infers that, upon revocation, subject producers would revert to their historical emphasis on exporting to the United States, as evidenced in the Commission's original determination. Based upon the record in this review, Chairman Bragg finds that the historical emphasis will likely result in significant volumes of subject

(continued...)

evidence, the volume of subject imports would likely increase to a significant level absent the restraining effects of the order.

D. Likely Price Effects

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with domestic like products and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the prices of domestic like products.⁵³

During the original investigation, the Commission found that the prices of Chinese coumarin were generally below the U.S. producer's prices for non-bid contracts and consistently below the U.S. producer's prices for spot sales.⁵⁴ The Commission found that the prices of Chinese coumarin declined during the period of investigation while the U.S. producer's prices remained constant, resulting in lost sales and lost market share.⁵⁵ The Commission concluded that the domestic producer "lost several large customers because of low import prices" and that "subject imports suppressed domestic coumarin prices to a significant degree."⁵⁶

In 1999, even with the antidumping duty order in place, the average unit value ("AUV") for the domestic producer's shipments of coumarin was \$***-- lower than at any period reviewed during the original investigation.⁵⁷ The limited information in the record in this review concerning prices of Chinese coumarin indicates that the AUV of subject imports was generally below the AUV of nonsubject imports from Japan.⁵⁸ This pricing information, in conjunction with the high level of substitutability between domestic and subject coumarin, and the Chinese industry's incentive to maximize the use of available capacity, indicates that, if the order were revoked, subject imports would likely undersell the domestic like product, as they did before the orders were imposed, and would significantly depress or suppress U.S. prices.⁵⁹ Thus, based on the record in this review, we find that revocation of the antidumping duty orders would be likely to lead to significant underselling by the subject imports of the domestic like product, as well as significant price depression and suppression.

⁵² (...continued)

imports into the United States if the order is revoked.

⁵³ 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

⁵⁴ CR at I-16; PR at I-12.

⁵⁵ Original Determination at I-11.

⁵⁶ Original Determination at I-12.

⁵⁷ CR at I-11; PR at I-8.

⁵⁸ CR at I-17; PR at I-12.

⁵⁹ Chairman Bragg infers that, in the event of revocation, subject producers will revert to aggressive pricing practices in connection with exports of subject merchandise to the United States, as evidences in the Commission's original determination.

E. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁶⁰ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.⁶¹ As required by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty order at issue and whether the industry is vulnerable to material injury if the order is revoked.⁶²

In the original investigation, the Commission found that subject imports had a detrimental impact on the domestic industry resulting in losses in sales volume, production, and capacity. It also found that operating income, profitability, and employment suffered as well.⁶³

The record in this review indicates that the order had a positive effect on industry performance. U.S. shipments of domestically produced coumarin increased significantly from *** pounds in 1994 to *** pounds in 1995.⁶⁴ The domestic producer also reports increased profitability⁶⁵ and expanded

⁶⁰ 19 U.S.C. § 1675a(a)(4).

⁶¹ 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887.

Commerce’s original order imposed antidumping duty margins of 15.04 percent for Jiangsu Native, 50.35 percent for Tiangin Native, and 160.80 percent for all other manufacturers and exporters from China. 60 Fed. Reg. 7751 (Feb. 9, 1995). The order was later amended to increase the margin for Jiangsu Native to 31.02 percent and the margin for Tiangin Native to 70.45 percent. 62 Fed. Reg. 8424 (Feb. 25, 1997). Commerce expedited its determination in its five-year review of coumarin from China, and found that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at margins of 31.02 percent for Jiangsu Native, 70.45 percent for Tiangin Native, and 160.80 percent for all other manufacturers and exporters from China. Commerce’s Final Results of Expedited Sunset Review, 65 Fed. Reg. at 25906 (May 4, 2000).

⁶² The SAA states that in assessing whether the domestic industry is vulnerable to injury if the orders are revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

⁶³ Original Determination at I-18.

⁶⁴ CR at I-10; PR at I-7.

⁶⁵ *Id.*

employment.⁶⁶ In light of the foregoing, we do not conclude that the domestic industry is currently in a vulnerable condition.⁶⁷

We find it likely that revocation of the order would result in a significant increase in the volume of subject imports at prices significantly lower than those of the domestic like product, and that such increased volumes of subject imports would likely depress or suppress the industry's prices significantly. This would likely have a significant adverse impact on the production, shipment, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's employment, profitability, and ability to raise capital and make and maintain necessary capital investments. Accordingly, based on the limited record in this review, we conclude that, if the antidumping duty order is revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order on coumarin from China would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

⁶⁶ Rhodia's Response at 17.

⁶⁷ Based upon the limited record in this expedited review, Chairman Bragg determines that the domestic industry currently is not in a weakened condition as contemplated by the vulnerability criterion of the statute.

INFORMATION OBTAINED IN THE REVIEW

INTRODUCTION

On December 30, 1999, the Commission gave notice that it had instituted a review to determine whether revocation of the antidumping duty order on coumarin from China would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.¹ On April 6, 2000, the Commission determined that the domestic interested party response to its notice of institution was adequate;² the Commission also determined that the respondent interested party response was inadequate. The Commission found no other circumstances that would warrant conducting a full review. Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(3)).³ The Commission voted on this review on May 17, 2000, and notified Commerce of its determination on May 30, 2000.

The Original Investigation

The Commission completed the original investigation⁴ in February 1995, determining that an industry in the United States was materially injured by reason of imports of coumarin from China that Commerce determined to be sold at less than fair value.⁵ The Commission defined the like product as coumarin.⁶ It also found the relevant domestic industry to consist of Rhône-Poulenc, the sole domestic

¹ 64 FR 73576, December 30, 1999. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

² The Commission received one submission in response to its notice of institution for the subject review. It was filed on behalf of Rhodia, a domestic producer of coumarin, and PACE, a labor union representing coumarin production workers at Rhodia. Rhodia represented 100 percent of U.S. coumarin production in 1999. *Response of Rhodia*, p. 2. In addition, a coalition of eight U.S. importers submitted an entry of appearance and APO application but did not respond to the Commission's notice of institution.

³ 65 FR 24504, April 26, 2000. The Commission's notice of its expedited review appears in app. A. See the Commission's web site (<http://www.usitc.gov>) for Commissioner votes on whether to conduct an expedited or full review. The Commission's statement on adequacy is presented in app. B.

⁴ The investigation resulted from a petition filed by Rhône-Poulenc on December 30, 1993. Rhodia, currently the sole U.S. producer of the domestic like product, is the successor-in-interest by corporate reorganization to Rhône-Poulenc, the only U.S. producer of coumarin during the original investigation. *Response of Rhodia*, p. 2.

⁵ Chairman Watson, Vice Chairman Nuzum, and Commissioner Bragg also found that critical circumstances existed with respect to subject imports from China; Commissioner Rohr, Commissioner Newquist, and Commissioner Crawford found that critical circumstances did not exist with respect to the subject merchandise. *Coumarin from The People's Republic of China* (Final), Publication 2852, February 1995, p. I-5. Commerce treated the tie vote as an affirmative critical circumstances determination. 60 FR 7751, February 9, 1995.

⁶ *Coumarin from The People's Republic of China* (Final), p. I-6. The Commission stated in its preliminary views that "{t}here is only a single producer of coumarin, which makes only a single grade of coumarin. Both the petitioner (Rhône-Poulenc) and respondents agree that the Commission should define the like product as all coumarin. We agree: no other product is more "like" Chinese coumarin than U.S. coumarin. All domestically produced coumarin shares common physical characteristics and uses, is largely interchangeable, and is made using common manufacturing processes and employees. The majority of coumarin is also sold through the same channel of distribution, directly to end users. Furthermore, petitioner sells all of its coumarin within a relatively narrow price range. In addition, the parties agree that there is no other domestically produced product that is a close substitute for coumarin." *Coumarin from The People's Republic of China* (Preliminary), Publication 2733, February 1994, pp. I-6 and I-7.

producer of coumarin.⁷ Rhodia indicated in its *Response* that it agrees with the Commission's original determination of one like product.⁸ After receipt of the Commission's determination, Commerce issued an antidumping duty order on imports of coumarin from China.⁹

Commerce's Final Results of Expedited Sunset Review

On April 28, 2000, the Commission received Commerce's "Final Results of Expedited Sunset Review" concerning coumarin from China.¹⁰ Commerce determined that dumping is likely to continue or recur if the antidumping duty order is revoked. The following tabulation provides information with regard to the margin (*in percent*) of dumping that Commerce found would likely prevail if the order is revoked:¹¹

<u>Company</u>	<u>Margin</u>
Jiangsu Native	31.02
Tianjin Native	70.45
All others	160.80

The order remains in effect for all manufacturers and exporters of the subject merchandise from China.

THE PRODUCT

Scope

Commerce's final results of its expedited sunset review provides the following definition of the subject product (coumarin):

Coumarin is an aroma chemical with the chemical formula $C_9H_6O_2$ that is also known by other names, including 2H-1-benzopyran-2-one, 1,2-benzopyrone, cis-o-coumaric acid lactone, coumarinic anhydride, 2-Oxo-1,2-benzopyran, 5,6-benzo-alpha-pyrone, ortho-hydroxycinnamic acid lactone, cis-ortho-coumaric acid anhydride, and tonka bean camphor. All forms and variations of coumarin are included within the scope of the

⁷ *Coumarin from The People's Republic of China* (Final), pp. I-5 and I-6.

⁸ *Response* of Rhodia, p. 21. It adds, "{t}he facts that led the Commission to find a single like product and a single domestic producer continue to exist today." *Id.*, p. 22.

⁹ 60 FR 7751, February 9, 1995. This order required the posting of a cash deposit equal to the estimated weighted-average antidumping duty margins, which were 15.04 percent (with a negative critical circumstances finding) for Jiangsu Native, 50.35 percent (with an affirmative critical circumstances finding) for Tianjin Native, and 160.80 percent (with an affirmative critical circumstances finding) for all others. Commerce's order was subsequently amended, as follows: Jiangsu Native (31.02 percent), Tianjin Native (70.45 percent), and all others (no change). 62 FR 8424, February 25, 1997. There have been no administrative reviews to date.

¹⁰ Commerce's notice of its final results appears in app. A. Also, see Commerce's web site (http://www.ita.doc.gov/import_admin/records/sunset) at *Case History and Scope Information*.

¹¹ Commerce determined that the margins calculated in the original investigation reflect the behavior of Chinese producers and exporters without the discipline of the order and are probative of their behavior if the order were revoked.

order, such as coumarin in crystal, flake, or powder form, and "crude" or unrefined coumarin (i.e., prior to purification or crystallization). Excluded from the scope of this order are ethylcoumarins ($C_{11}H_{10}O_2$) and methylcoumarins ($C_{10}H_8O_2$).

Coumarin is classified under the HTS subheading 2932.21.00¹² and enters under the column 1-general rate of 11.9 percent ad valorem. The HTS subheading is provided for convenience and for Customs purposes, but Commerce's written description of the merchandise is dispositive as to the scope of the product coverage.¹³

Description, Uses, and Marketing¹⁴

Coumarin (CAS Registry Number 91-64-5) is a white, almost colorless crystalline solid, manufactured from petroleum-based organic chemicals. It has a sweet, fresh, hay-like, slightly spicy odor, similar to that of vanilla, and a bitter aromatic burning taste.¹⁵ The product was initially isolated in 1820 from tonka beans, which contain up to 1.5 percent coumarin. Synthetic production, however, has since displaced natural sources for the product. Coumarin is classified structurally as a lactone with the molecular formula $C_9H_6O_2$. It can be marketed as characteristic colorless crystals, or as a free-flowing powder or flakes. Coumarin sold in the United States generally is in crystalline form.

The primary application for coumarin is as a major fragrance component in a wide variety of consumer and industrial products, such as baby powder, household soaps and detergents, and cosmetics and other personal care products. During 1993, 93 percent of U.S. shipments of coumarin were for use in fragrance compounding. The remainder was consumed as an intermediate chemical to produce derivatives such as dihydrocoumarin (used primarily as a flavor and secondarily in the fragrance industry), or was used in the electroplating industry to give chrome-plated steel a highly-polished quality. Rhodia indicates that ***.¹⁶

Both Rhône-Poulenc and importers sold the vast majority of their coumarin directly to fragrance producers, most of which are located in the New York metropolitan area.¹⁷ Most end users require suppliers to provide a pre-shipment sample of coumarin to determine if it meets certain quality standards. The most important quality consideration is odor. The qualification period may take from 1 week to several months. During the original investigation, the petitioner maintained that domestically produced

¹² Besides coumarin, HTS subheading 2932.21.00 also includes ethylcoumarins ($C_{11}H_{10}O_2$) and methylcoumarins ($C_{10}H_8O_2$) that are not subject to the antidumping duty order.

¹³ Commerce's Final Results of Expedited Sunset Review.

¹⁴ All of the discussion in this section is from the original investigation, unless otherwise noted. *Staff Report of January 17, 1995*, pp. I-4 through I-8 and I-32 through I-34. Rhodia states that, "{t}he conditions of competition the Commission found in the original investigation {that} made the domestic industry vulnerable to the impact of low-priced imports remain equally relevant today." In particular, it cites (1) the commodity-nature of coumarin and resulting importance of price, (2) the wide-spread communication of pricing information in the market, (3) the prevalence of meet-or-release clauses and the lack of minimum quantities in sales contracts, and (4) the use of a competitive bidding process. *Response of Rhodia*, pp. 17-18.

¹⁵ The FDA prohibits the use of coumarin in edible products.

¹⁶ *Response of Rhodia*, p. 4.

¹⁷ Rhodia reports that coumarin produced in China is currently sold both to U.S. distributors, who resell to what are usually the smaller consumers, and to end users, which are the larger consumers. *Id.*

coumarin and the imported product were equivalent in content and quality.¹⁸ The importer respondents disputed this characterization and asserted that there were differences in the overall quality of some Chinese coumarin as compared to that produced by Rhône-Poulenc,¹⁹ as well as inconsistency between and within import shipments of coumarin from China. The importer respondents attributed these variations to differences in the raw material and production techniques used to manufacture Chinese coumarin.²⁰ Purchasers' responses to Commission questionnaires issued during the original investigation were mixed, with six reporting that the products were comparable and seven reporting that the imported product is inferior. Of the six largest purchasers, which accounted for about 60 percent of total purchases of coumarin during 1993, all had used both the domestic and imported product in their manufacture of fragrances.

Rhône-Poulenc sold nearly all of its product on either a negotiated contract or a bid basis.²¹ In 1993, importers sold about half of their coumarin on a spot basis, and about half on a bid or negotiated contract basis. Contracts typically lasted for three months to one year. For bid sales, customers sent a bid request to various suppliers who then responded with bids typically including price, delivery and payment terms, packaging, and sometimes a minimum volume. Rhône-Poulenc published price lists that specified quantity discounts ***. Most importers negotiated prices on a transaction-by-transaction basis and did not publish price lists. U.S. inland transportation costs accounted for a small (less than two percent) proportion of the total delivered price.

In its views for the original investigation, the Commission pointed to the bidding process and to the use of meet-or-release clauses in contracts, indicating that such characteristics of the U.S. coumarin market “{heightened} the degree to which sellers compete with each other on the basis of price.”²² Rhodia states that purchase decisions continue to “rely heavily on price.”²³ Further, “{a} few large end users still account for a large percentage of consumption and information about price is still rapidly communicated among market participants.”²⁴

¹⁸ Specifically, the economic consultant for the petitioner described coumarin as “a classic homogeneous commodity product.” *Conference transcript*, p. 31. Rhodia indicates that coumarin is unchanged and “remains a commodity product.” *Response of Rhodia*, p. 7.

¹⁹ The petitioner in the original investigation indicated there were no differences in odor, appearance, or chemistry among the batches of coumarin which it produced.

²⁰ Reportedly, the quality of coumarin produced in China “varies dramatically,” even within the same factory. At least some factories in China, however, manufactured product of very high quality. *Conference transcript*, pp. 63-65.

²¹ The company reported that almost all of its supply agreements contained a meet-or-release clause. *Conference transcript*, pp. 26. ***.

Rhodia states that “{a} significant portion of sales continue to be made through a bidding process. Contracts contain meet-or-release provisions and lack a minimum quantity.” *Response of Rhodia*, p. 7.

²² *Coumarin from The People's Republic of China* (Final), p. I-7.

²³ *Response of Rhodia*, p. 7.

²⁴ *Id.* The Commission stated in its original views that “information about price changes is rapidly communicated in the coumarin market because there are only a few sellers of coumarin, and a few manufacturers of fragrance products accounted for a large share of total domestic coumarin consumption. Importers and brokers frequently provide these customers with quote sheets that facilitate the rapid dissemination of pricing information throughout the market.” *Coumarin from The People's Republic of China* (Final), p. I-7.

THE INDUSTRY IN THE UNITED STATES

U.S. Producer

As indicated earlier, the original petitioner, Rhône-Poulenc, New Brunswick, NJ, was the only U.S. firm that produced the subject product during the original investigation.²⁵ Its successor corporation, Rhodia, remains the only U.S. producer of coumarin.²⁶ The firm is not related to any Chinese producer or exporter of coumarin.²⁷

U.S. Production, Capacity, and Shipments

Data reported by U.S. producers of coumarin in the Commission's original investigation and in response to its review institution notice are shown in table I-1. With the exception of capacity and the unit value of U.S. shipments, all presented indicators trended downward during the period reviewed in the original investigation, or from 1991 to January-June 1994. Production capacity ***; the unit values of domestically-produced coumarin increased somewhat from \$*** per pound in 1991 to \$*** per pound in January-June 1994. As noted by the Commission in its original views, "{p}etitioner argued that its strategy had been to hold the line on price as much as possible, even if to do so resulted in loss of sales volume."²⁸ From 1991 to 1993, the quantity of U.S. shipments declined by *** percent; interim 1993 to interim 1994 sales fell by *** percent. The Commission stated that, "{b}y attempting to maintain its price in the face of declining import prices, petitioner lost a large volume of sales. ... {A}'s sales volume, production, and capacity utilization declined, petitioner experienced increased per unit production costs which it was unable to recover through price increases in the face of declining import prices. Operating income and profitability, as well as employment, suffered as a result."²⁹

Table I-1

Coumarin: U.S. producer's capacity, production, and U.S. shipments, 1991-93, January-June 1993, January-June 1994, and 1999

* * * * *

Rhodia indicates that following the imposition of the antidumping order in February 1995 its U.S. shipments of coumarin rose from *** pounds in 1994 to *** pounds in 1995, or by *** percent. It states, "as production rose, domestic capacity utilization increased, which permitted reduced costs of production as fixed costs were spread over greater production volume." Further, the firm's net sales

²⁵ *Staff Report of January 17, 1995*, p. I-9. Rhône-Poulenc (Specialty Chemicals Co.) was a division of Rhône-Poulenc, Inc., the U.S. subsidiary of the French company Rhône-Poulenc S.A. *Id.*

²⁶ *Response of Rhodia*, p. 19. Rhodia was established on January 1, 1998, following the divestment of Rhône-Poulenc's remaining stake in the firm. Rhodia is a world leader in specialty chemicals with almost 110 production sites in 29 countries. See www.rhone-poulenc.com, www.us.rhodia.com, and www.rhodia.com.

²⁷ *Response of Rhodia*, p. 19.

²⁸ *Coumarin from The People's Republic of China* (Final), p. I-11.

²⁹ *Id.*, p. I-13.

grew “significantly,” and profitability improved from ***.³⁰ As shown in table I-1, domestic production of coumarin in 1999 was *** percent higher than that reported in 1993. Coumarin production in the United States, in fact, now *** exceeds that reported at the beginning of the period reviewed during the original investigation, or in 1991. The quantity of U.S. shipments, however, has risen at a slower rate than production, rising by *** percent from 1993 to 1999, presumably because of ***.³¹ Further, there appears to have been a decline in U.S. shipments of domestically-produced coumarin during the post-order period.³²

Current pricing for domestically-produced coumarin is not on the record. However, as shown in table I-1, the unit value of domestically-produced coumarin in 1999 (at \$****) was lower than at any period reviewed during the original investigation. Rhodia indicates in its *Response* that “domestic prices have already been significantly weakened by new, low-priced coumarin imports from Japan and China.”³³ ... The current price deterioration worsened significantly ***.” The firm believes that prices *** and indicates that the decline has resulted in a *** at Rhodia. Rhodia states, further, that “it is probable” that its New Brunswick plant will close if the antidumping order is revoked.³⁴

U.S. IMPORTS AND CONSUMPTION

U.S. Imports

During the original investigation, the Commission identified a total of 21 importers of the subject merchandise from China, almost all of which reported importing exclusively from China. ***. Another importer, ***, imported coumarin into an FTZ for the purpose of manufacturing fragrances, ***. Imports *** accounted for *** percent of total subject imports during 1993. Nearly all U.S. importers were located in New York or New Jersey.³⁵ In its *Response*, Rhodia identified 12 firms, including Polarome, that are believed to import coumarin from China into the United States.³⁶

As shown in figure I-1 and table I-2, U.S. imports of coumarin from China increased dramatically from 1991 to 1992, then declined in 1993 to a point that remained well above reported imports in 1991. Also, more coumarin was imported from China in interim 1994 than in interim 1993. Imports of Chinese coumarin in 1995 were approximately ***, in terms of quantity, of that imported in 1991, the first year reviewed during the original investigation. Rhodia points to this decline in subject imports, stating that the imposition of the antidumping duty order, in February 1995, “had an immediate

³⁰ *Response* of Rhodia, pp. 16-17.

³¹ Rhodia stated in its *Response* that “because U.S. market conditions had been stabilized by the order and the New Brunswick {NJ} plant operations had become assured of viability, the firm ***.” *Id.*, p. 16.

³² The 1999 figure for U.S. shipments (*** pounds, as shown in table I-1) is *** lower than the quantity Rhodia reported for 1995 (or *** pounds, as shown on page 16 of its *Response*).

³³ See the section of this report entitled “U.S. Imports” for further information on subject imports as well as on imports of coumarin from Japan, which include what Rhodia believes are transshipments of Chinese material.

³⁴ *Response* of Rhodia, pp. 18-19. Rhodia also produces coumarin at its facility in St. Fons, France. *Id.*, p. 16.

³⁵ *Staff Report of January 17, 1995*, pp. I-11 and I-12.

³⁶ Namely, Advanced Bio Tech, Berje, Centflor, Citrus & Allied Essences, International Flavors & Fragrances, JMP Imports, Phoenix Aromas & Essential Oils, Polarome, RKU, Sarcom, Schweizerhall, and Ungerer. *Response* of Rhodia, exhibit 3.

Figure I-1
Coumarin: U.S. imports from China, by quantity, 1991-99



Source: *Staff Report of January 17, 1995*, p. I-29, and *Memorandum INV-S-010* for 1991-93 data (which were from questionnaires); and official Commerce statistics for 1994-99, which include some products other than coumarin.

Table I-2
Coumarin (including FTZ):¹ U.S. imports, 1991-93, January-June 1993, January-June 1994,
and 1998-99

Item	1991	1992	1993	January-June		1998 ²	1999 ²
				1993	1994		
	Quantity (1,000 pounds)						
China: FTZ imports that were sub- sequently re-exported	***	***	***	***	***	(3)	(3)
Subject (including FTZ that were not subse- quently re-exported)	***	***	***	***	***	(3)	(3)
Subtotal	***	***	***	***	***	57	166
Japan	(4)	(4)	(4)	(4)	(4)	333	163
Other sources ⁵	***	***	***	***	***	102	43
Total	***	***	***	***	***	492	372
	Landed duty-paid value (1,000 dollars)						
China: FTZ imports that were sub- sequently re-exported	***	***	***	***	***	(3)	(3)
Subject (including FTZ)	***	***	***	***	***	(3)	(3)
Subtotal	***	***	***	***	***	373	858
Japan	(4)	(4)	(4)	(4)	(4)	2,027	857
Other sources ⁵	***	***	***	***	***	1,025	352
Total	***	***	***	***	***	3,425	2,067
	Landed duty-paid unit value (dollars per pound)						
China: FTZ imports that were sub- sequently re-exported	***	***	***	***	***	(3)	(3)
Subject (including FTZ)	***	***	***	***	***	(3)	(3)
Subtotal	***	***	***	***	***	\$6.54	\$5.17
Japan	(4)	(4)	(4)	(4)	(4)	6.09	5.26
Other sources ⁵	***	N/A	N/A	N/A	N/A	10.05	8.19
Average	***	***	***	***	***	6.96	5.56
Notes on next page.							

Notes.

¹ During the original investigation, one importer (***) imported coumarin into an FTZ to manufacture fragrance compounds, the majority of which were ultimately entered into the United States. The Commission concluded in its original views that "entries into an FTZ, with the exception of amounts that are re-exported from the FTZ without entering the customs territory of the United States, are subject imports for purposes of our injury analysis." *Coumarin from The People's Republic of China* (Final), p. I-10.

² Commerce data (which are presented for 1998 and 1999) include some product other than coumarin. Rhodia indicates that, "U.S. port arrival data indicate that the official import statistics may overstate the post-order volume of imports of subject merchandise because the reported imports under subheading 2932.21.0000 indicate merchandise not subject to the order, including methylcoumarin." *Response of Rhodia*, p. 9, citing TRADE Intelligence (January-November 1999) presented as exhibit 2. A comparison of the value figure listed in the table for CY 1998 to the FY 1998 figure from the Customs' *Antidumping/Countervailing Duty Annual Report* presented below also suggests that the HTS subheading contains substantial amounts of nonsubject product, not all of which could be explained by variations in the reporting periods (one of which is for CY, the other for FY).

³ Not available.

⁴ Separate data for Japan were not presented during the original investigation. U.S. imports of coumarin from Japan, however, were minimal in 1992 and 1993, but began entering in increasing numbers in 1994. See official Commerce statistics for HTS subheading 2932.21.0000.

⁵ China was, by far, the largest source of coumarin imports during the period reviewed in the original investigation. During 1998-99, Japan was the largest source of such imports, followed by China. Nonsubject product also entered from France, India, and Switzerland in 1998-99.

Note.--Data on the value of annual imports reviewed by Customs that are subject to the antidumping duty order for coumarin are as follows: \$264,128 for FY 1997 and \$97,828 for FY 1998. The data for FY 1994 through FY 1996 are confidential and not available to the Commission. Customs' *Antidumping/Countervailing Duty Annual Report*. (The corresponding landed duty-paid values from the HTS subheading that includes coumarin are \$227,737 for CY 1997 and \$372,797 for CY 1998.)

Source: *Staff Report of January 17, 1995*, p. I-29, and *Memorandum INV-S-010* for 1991-93, January-June 1993, and January-June 1994 data (which were from questionnaires); official Commerce imports for consumption for 1998-99, which include some products other than coumarin. ("Imports for Consumption" measure the total of merchandise that has physically cleared through Customs either entering consumption channels immediately or entering after withdrawal for consumption from bonded warehouses under Customs custody or from FTZs.)

impact in drastically reducing the volume of subject imports."³⁷ It argues that, "the fact that subject imports declined so drastically after imposition of the order is a clear indication that the order is constraining a renewed surge of Chinese exports into the U.S. market."³⁸ Further, in February 1997, Commerce issued its amended final determination, which increased the antidumping margins from 15.04

³⁷ *Response of Rhodia*, pp. 8-9.

³⁸ *Id.*, p. 11.

percent to 31.02 percent for Jiangsu Native and from 50.35 percent to 70.45 percent for Tianjin Native. Rhodia maintains that “as a result,” reported imports from China fell further, to only 22,236 pounds in 1997, and remained at the “low level” of 56,658 pounds in 1998.³⁹ As shown in figure I-1 and table I-2, subject imports apparently have recently risen somewhat, increasing to 166,000 pounds in 1999. Rhodia points out that this increase is, however, “still far below pre-order levels.”⁴⁰

During the original investigation, there were virtually no nonsubject imports of coumarin (table I-2). China was, by far, the primary source of imported product. Since the imposition of the antidumping duty order, nonsubject coumarin, primarily from Japan,⁴¹ has been imported in increasing amounts. In 1999, China and Japan accounted for *** and *** percent, respectively, of U.S. imports of coumarin. Rhodia states in its *Response* that, “{t}he primary significant supply development has been the disruption in the U.S. market arising from activities by Japanese exporters.”⁴² It indicates that it believes at least a portion of the Japanese imports to be Chinese product that has been transshipped through Japan to the United States in “an effort to circumvent the order.”⁴³

There is minimal information on the record for current prices of Chinese coumarin. The Commission noted in its views for the original investigation that prices of coumarin from China were “generally below” U.S. producer prices for non-bid contract sales; for spot sales, prices of the subject product were “consistently below” U.S. producer prices. Further, “{i}n the second half of 1993 and the first half of 1994 ... prices for domestic coumarin remained relatively steady, while prices for Chinese coumarin declined, significantly widening the gap between domestic and import prices.”⁴⁴ The following tabulation lists landed duty-paid unit values for Chinese coumarin calculated from official Commerce statistics for 1994 to 1999 (in *dollars per pound*):

1994	1995	1996	1997	1998	1999
\$4.78	\$6.50	\$5.87	\$10.35	\$6.54	\$5.17

Rhodia points out that, for each post-order period, the unit values remained “well above the pre-order lows during 1993 and 1994.”⁴⁵ The decline in the unit values for 1999 reportedly is due to what Rhodia

³⁹ *Id.*, pp. 8-9.

⁴⁰ *Id.*, p. 9. Also, as discussed in notes to table I-2, there appears to be an increased amount of nonsubject product in the data shown for 1998 as compared to 1997. Customs’ *Antidumping/Countervailing Duty Annual Report* shows a decline from FY 1997 to FY 1998 in the value of subject coumarin that it reviewed, which contrasts with the increase in quantity figures shown for the HTS subheading that includes coumarin (and which are those shown in figure I-1 and table I-2).

⁴¹ A quantity was imported from the United Kingdom in 1994. See official Commerce statistics for HTS subheading 2932.21.0000.

⁴² *Response* of Rhodia, p. 21.

⁴³ *Id.*

⁴⁴ *Coumarin from The People’s Republic of China* (Final), p. I-11. The Commission added that, due to the high degree of substitutability of domestically-produced coumarin and the Chinese product, “{t}he record demonstrates that, as the price gap between domestic and imported coumarin has widened, purchasers have increasingly switched some or all of their purchases from the domestic product to Chinese imports.” *Id.*

⁴⁵ The unit value for 1999 that Rhodia cites in its *Response* (\$5.46) is based on January-November data. *Response* of Rhodia, exhibit 1.

labels “the current weakness in the market that renders the domestic industry vulnerable to a renewed flow of subject imports.” It anticipates that, if the order were revoked, “the prices of the Chinese imports would be likely to return to the very low and declining levels that prevailed before the order was imposed.”⁴⁶ Also, Japanese product entering the U.S. market “at very low prices” (\$5.26 per pound, as shown in table I-2) “has caused a depressive effect as well {on the U.S. market},”⁴⁷ as well as lowering Chinese import prices.⁴⁸

Apparent U.S. Consumption

Apparent U.S. consumption of coumarin was comparable in 1999 to what it was during the time of the original investigation (table I-3). Rhodia indicates that, “in general, demand conditions in the coumarin market have changed relatively little since the order was issued in 1995.”⁴⁹ Further, the “demand for coumarin is still a derived demand arising from the demand for downstream products.”⁵⁰

As shown in table I-3, U.S. producers’ domestic shipments and their market share declined *** during the original investigation, falling from *** percent in 1991 to *** percent in 1993 and, again, from *** percent in interim 1993 to *** of *** percent in interim 1994, as Chinese imports entered the U.S. market. By 1999, domestic market share had rebounded to at least *** percent.⁵¹ In contrast to the earlier period, nonsubject sources now account for a significant share of the U.S. market.

THE FOREIGN INDUSTRY

The industry producing coumarin in China during the original investigation was believed to consist of 3 large producers and 10 smaller firms. According to the petition, the three large producers (Tianjin Number 1, Changzhou Number 2 Plant, and Shanghai Perfumery) had a combined annual capacity of 3.1 million pounds and current annual production of approximately 1.9 million pounds. The 10 smaller producers of the subject product were estimated to have a collective capacity of approximately 700,000 pounds and production of approximately 500,000 pounds. The Chinese coumarin-producing industry, therefore, was estimated to have a total capacity of approximately 3.7 million pounds,⁵² production of 2.4 million pounds, capacity utilization of 65 percent, and unused capacity amounting to approximately 1.3 million pounds. According to the trade publication *Chemical Marketing Reporter*, the capacity to produce coumarin in China reportedly increased by 30 to 50 percent “during the last three years” {as described in a publication dated November 1993}. The same

⁴⁶ *Id.*, pp. 14-15.

⁴⁷ *Id.*, p. 21.

⁴⁸ *Id.*, p. 15.

⁴⁹ *Id.*, p. 21.

⁵⁰ *Id.*, p. 6. The Commission stated in its original views that “because coumarin represents a small share of the cost of production of these fragrance products, a decline in the price of coumarin is not likely to result in a significant increase in coumarin demand.” *Coumarin from The People’s Republic of China* (Final), p. I-7.

⁵¹ To the extent that the HTS subheading for coumarin includes other products, import figures are overstated and the domestic market share, accordingly, is understated.

⁵² Figure listed in the original staff report.

Table I-3

Coumarin (including FTZ):¹ U.S. producer's U.S. shipments, importers' U.S. shipments, and apparent U.S. consumption, on the basis of quantity, 1991-93, January-June 1993, January-June 1994, and 1999

Item	1991	1992	1993	January-June		1999
				1993	1994	
	Quantity (1,000 pounds)					
U.S. producer's U.S. shipments	***	***	***	***	***	***
Importers' U.S. shipments: China	***	***	***	***	***	166 ²
Japan	(3)	(3)	(3)	(3)	(3)	163 ²
Other sources	***	***	***	***	***	43 ²
Total	***	***	***	***	***	372 ²
Apparent U.S. consumption	***	***	***	***	***	***
	Share of consumption (percent)					
U.S. producer's U.S. shipments	***	***	***	***	***	***
Importers' U.S. shipments: China	***	***	***	***	***	***
Japan	(3)	(3)	(3)	(3)	(3)	***
Other sources	***	***	***	***	***	***
Total	***	***	***	***	***	***

¹ See the notes to table I-2 for a discussion of imports of coumarin into a FTZ.

² Imports, not importers' U.S. shipments. (However, if consumption and market shares were recalculated on the basis of imports and not importers' U.S. shipments, the U.S. producer's market share would be *** percent in 1993, instead of *** percent as listed above.)

³ Separate data for Japan were not presented during the original investigation.

Source: *Staff Report of January 17, 1995*, pp. I-10 and I-31, for 1991-93, January-June 1993, and January-June 1994 data (of which import data were from questionnaires); 1999 import data are from official Commerce statistics, which include some products other than coumarin; and 1999 U.S. producers' shipments are from the *Response of Rhodia*, p. 20.

publication indicated that there was "fierce competition among Chinese producers" in the coumarin industry.^{53 54}

There are minimal data available for current capacity, production, or shipments of coumarin in China. Numerous firms, however, continue to produce and market the product. In its *Response*, Rhodia identified 16 Chinese firms that have produced and exported coumarin since 1993.⁵⁵ Five of these firms (namely, Jiangsu Wujian Tongshun, Nanjing China First, Nanjing Jianing Biochemicals, Shanghai Perfumery, and Tianjin Number 1) have an aggregate production capacity of about 3.1 million pounds and produced a total of about 1.3 million pounds of coumarin in 1999. Capacity utilization for this group of manufacturers was at a low 42 percent. The domestic interested party further believes that some of the other named firms have idle capacity that could be restarted if the order were revoked.⁵⁶ Therefore, unused coumarin production capacity in China is, at a minimum, 1.8 million pounds, which is almost *** U.S. consumption in 1999 (as reported in table I-3).⁵⁷

The comparability of the data on the Chinese industry provided by Rhodia in its *Response* and that provided by the petition in the original investigation is not clear. Both sets of information, however, show that there were and are several Chinese manufacturers of coumarin; capacity utilization of their productive capacity was and remains low. ***-published data on Chinese coumarin indicates that production amounted to ***.⁵⁸ Rhodia reports that Chinese manufacturers typically sell their coumarin to export agents, who resell the product to foreign customers. Chinese domestic demand for coumarin is extremely small and represents a very small fraction of total Chinese production capacity."⁵⁹

Table I-4 lists world exports of Chinese-manufactured coumarin, in order of destination for 1999. As shown, total Chinese exports increased slightly, albeit irregularly, from 1997 to 1999. Exports during this period, however, are significantly lower than the *** figure of *** pounds for 1995, which is listed above.⁶⁰ This apparent difference may well be due to the "closure" of the EU to Chinese coumarin. In its *Response*, Rhodia states that Europe is "by far" the largest market for coumarin outside the United States. Effective April 5, 1996, however, the EU imposed antidumping duties on Chinese coumarin, "which effectively closed the EU market to the Chinese exporters who were unable to ship without dumping."⁶¹

⁵³ *Chemical Marking Reporter*, p. 35, November 15, 1993. Likewise, the vice president and managing director of Polarome testified that "as far as competition in China ... there are independent and different factories who would like to sell coumarin to whoever they can find ... whoever will deal with that group or that factory." *Conference transcript*, p. 96.

⁵⁴ *Staff Report of January 17, 1995*, pp. I-26 and I-27.

⁵⁵ *Response of Rhodia*, exhibit 4.

⁵⁶ *Id.*, p. 11.

⁵⁷ Rhodia stated in its *Response* that, "while aggregate demand is growing only slowly, substantial global excess capacity to produce coumarin exists, much of which is in China and, therefore, under the discipline of the antidumping duty order. The order, therefore, helps to shield the U.S. market from the negative effects of the excess Chinese capacity—the prospective source of a new surge of dumped imports." *Id.*, p. 7.

⁵⁸ ***.

⁵⁹ *Response of Rhodia*, pp. 4 and 12.

⁶⁰ As shown in the relevant citations, the *** figure is derived from "*China Chemical Commodities Import & Exports Statistics*" and the World Trade figure is from "China Customs."

⁶¹ *Response of Rhodia*, p. 11, citing Council Regulation 600/96 of 25 March 1996 Imposing a Definitive Anti-dumping Duty on Imports of Coumarin Originating in the People's Republic of China, 1996 O.J. (L 086) 1. See pp.

Table I-4
Coumarin:¹ Chinese exports, 1997-99

Item	1997	1998	1999
	(1,000 pounds)		
Hong Kong	571	259	344
United States	127	80	209
EU	114	105	147
All other	491	435	789
Total	1,303	879	1,489

¹ Data include nonsubject ethylcoumarin and methylcoumarin.

Source: *The World Trade Atlas* (which cites China Customs).

11-12 of the *Response* for data on Chinese exports of coumarin to the EU and for information on the status of the EU antidumping order.

Rhodia argues that existence of the EU antidumping order “indicates that the Chinese producers’ practice of aggressive pricing was not limited to their pre-order sales to the U.S. market, but rather is a general commercial practice that is likely to be repeated in the U.S. market if the U.S. order were revoked.” *Id.*, p. 15.

APPENDIX A
***FEDERAL REGISTER* NOTICES**

**INTERNATIONAL TRADE
COMMISSION****[Investigation No. 731-TA-677 (Review)]****Coumarin From China****AGENCY:** United States International Trade Commission.**ACTION:** Scheduling of an expedited five-year review concerning the antidumping duty order on coumarin from China.

SUMMARY: The Commission hereby gives notice of the scheduling of an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty order on coumarin from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of this review 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, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: April 6, 2000.

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

SUPPLEMENTARY INFORMATION:**Background**

On April 6, 2000, the Commission determined that the domestic interested party group response to its notice of institution (64 FR 73576, December 30, 1999) was adequate and the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting a full review.¹ Accordingly, the Commission determined that it would conduct an

¹ A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's web site.

expedited review pursuant to section 751(c)(3) of the Act.

Staff Report

A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on May 2, 2000, and made available to persons on the Administrative Protective Order service list for this review. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

Written Submissions

As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided individually adequate responses to the notice of institution,² and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before May 5, 2000, and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by May 5, 2000. However, should Commerce extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the review must be served on all other parties to the review (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 review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: April 20, 2000.

Donna R. Koehnke,

Secretary.

[FR Doc. 00-10425 Filed 4-25-00; 8:45 am]

BILLING CODE 7020-02-P

² The Commission has found the response submitted by PACE Local 2-00948 to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

DEPARTMENT OF COMMERCE

International Trade Administration
[A-570-830]

Coumarin From the People's Republic of China; Final Results of Expedited Sunset Review

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

ACTION: Notice of final results of expedited sunset review.

SUMMARY: On December 30, 1999, the Department of Commerce published the notice of initiation of sunset review of the antidumping duty order on coumarin from the People's Republic of China ("China"). On the basis of a notice of intent to participate and an adequate substantive response from domestic interested parties and inadequate response (in this case no response) from respondent interested parties, we determined to conduct an expedited sunset review. Based on our analysis of the substantive comments received, we find that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels listed below in the section entitled "Final Results of the Review."

EFFECTIVE DATE: May 4, 2000.

FOR FURTHER INFORMATION CONTACT: Martha V. Douthitt or Carole A. Showers, Office of Policy, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5050 and (202) 482-3217, respectively.

SUPPLEMENTARY INFORMATION:

Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("the Act"), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department's") regulations are to 19 CFR part 351 (1999). Guidance on methodological or analytical issues relevant to the Department's conduct of

sunset reviews is set forth in the Department Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin* 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

Background

On December 30, 1999, the Department published the notice of initiation of the sunset review of the antidumping duty order on coumarin from China (64 FR 73510) pursuant to section 751(c) of the Act. We invited parties to comment. On the basis of a notice of intent to participate and adequate substantive response of domestic interested parties, inadequate response (in this case no response) from respondent interested parties, we determined it was appropriate to conduct an expedited sunset review. The Department has conducted this sunset review in accordance with sections 751 and 752 of the Act.

Scope of Review

The product covered by this order is coumarin from China. Coumarin is an aroma chemical with the chemical formula $C_9H_6O_2$ that is also known by other names, including 2H-1-benzopyran-2-one, 1,2-benzopyrone, cis-o-coumaric acid lactone, coumarin anhydride, 2-Oxo-1,2-benzopyran, 5,6-benzo-alpha-pyrone, ortho-hydroxycinnamic acid lactone, cis-ortho-coumaric acid anhydride, and tonka bean camphor. All forms and variations of coumarin are included within the scope of the order, such as coumarin in crystal, flake, or powder form, and "crude" or unrefined coumarin (i.e. prior to purification or crystallization). Excluded from the scope of this order are ethylcoumarins $C_{11}H_{10}O_2$ and methylcoumarins $C_{10}H_8O_2$. Coumarin is classifiable under subheading 2932.21.0000 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 review is dispositive.

The antidumping duty order remains in effect for all manufacturers, producers, and exporters of coumarin from China.

Analysis of Comments Received

All issues raised in the substantive responses by parties to this sunset review are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Jeffrey A. May, Director, Office of Policy, Import Administration,

to Troy H. Cribb, Acting Assistant Secretary for Import Administration, dated April 28, 2000, which is hereby adopted in this notice. The issues discussed in the attached Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in the Department's Central Record Unit, Room B-099, 14th Street and Constitution Ave., NW, Washington, DC 20230.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at www.ita.doc.gov/import-admin/records/frn. The paper copy and electronic version of the Decision Memo are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturer/producer/exporter	Margin (percent)
Jiangsu Native Produce Import/Export Corporation	31.02
Tianguin Native Produce Import/Export Corporation	70.45
All Others	160.80

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this determination and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: April 28, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00-11169 Filed 5-3-00; 8:45 am]

BILLING CODE 3510-DS-P

APPENDIX B
STATEMENT ON ADEQUACY

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Coumarin from the People's Republic of China, Inv. No. 731-TA-677 (Review)

On April 6, 2000, the Commission determined that it should proceed to an expedited review in the subject five-year review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. 1675(c)(3)(B). The Commission determined that the domestic interested party group response was adequate. In this regard, the Commission received a joint response from the only domestic producer of coumarin and the labor union that represents the domestic production workers at that producer's facilities. The Commission did not receive a response from any respondent interested party. Consequently, the Commission determined that the respondent interested party group response was inadequate. The Commission did not find any circumstances that would warrant conducting a full review. The Commission, therefore, determined to conduct an expedited review. A record of the Commissioners' votes is available from the Office of the Secretary and at the Commission's web site.

