

DEPARTMENT OF COMMERCE**International Trade Administration**

[A-122-853, A-570-937]

Citric Acid and Certain Citrate Salts from Canada and the People's Republic of China: Initiation of Antidumping Duty Investigations

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

DATES: *Effective Date:* May 13, 2008.

FOR FURTHER INFORMATION CONTACT: Terre Keaton Stefanova (Canada) or Hallie Zink (People's Republic of China), AD/CVD Operations, Office 2 and China/NME Group, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1280 or (202) 482-6907, respectively.

SUPPLEMENTARY INFORMATION:**The Petitions**

On April 14, 2008, the Department of Commerce (the Department) received petitions concerning imports of citric acid and certain citrate salts from Canada (Canada petition) and the People's Republic of China (PRC) (PRC petition) filed in proper form by Archer Daniels Midland Company, Cargill, Incorporated, and Tate & Lyle Americas, Inc. (collectively, the petitioners). *See* the Petitions on Citric Acid and Certain Citrate Salts from Canada and the PRC filed on April 14, 2008. On April 17, 2008, the Department issued a request for additional information and clarification of certain areas of the petitions. Based on the Department's request, the petitioners filed supplements to the petitions for both countries on April 22, 2008 (Supplement to the Petition). The Department requested further clarifications from the petitioners by phone. *See* Memorandum to the File: Conference Call Regarding Scope Language, Petition for the Imposition of Antidumping and Countervailing Duties: Citric Acid and Certain Citrate Salts from Canada and the PRC, dated April 28, 2008. On May 1, 2008, the petitioners filed a revised scope. *See* *Citric Acid and Certain Citrate Salts from Canada and the People's Republic of China; Revision of Scope Definition*, dated May 1, 2008.

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that imports of citric acid and certain citrate salts from Canada and the PRC are being, or

are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that such imports materially injure, or threaten material injury to, an industry in the United States.

The Department finds that the petitioners filed these petitions on behalf of the domestic industry because the petitioners are interested parties as defined in section 771(9)(C) of the Act, and they have demonstrated sufficient industry support with respect to the investigations that they are requesting the Department to initiate (*see* "Determination of Industry Support for the Petitions" below).

Scope of Investigations

The scope of these investigations includes all grades and granulation sizes of citric acid, sodium citrate, and potassium citrate in their unblended forms, whether dry or in solution, and regardless of packaging type. The scope also includes blends of citric acid, sodium citrate, and potassium citrate; as well as blends with other ingredients, such as sugar, where the unblended form(s) of citric acid, sodium citrate, and potassium citrate constitute 40 percent or more, by weight, of the blend. The scope of these investigations also includes all forms of unrefined calcium citrate, including dicalcium citrate monohydrate, and tricalcium citrate tetrahydrate, which are intermediate products in the production of citric acid, sodium citrate, and potassium citrate. The scope of these investigations includes the hydrous and anhydrous forms of citric acid, the dihydrate and anhydrous forms of sodium citrate, otherwise known as citric acid sodium salt, and the monohydrate and monopotassium forms of potassium citrate. Sodium citrate also includes both trisodium citrate and monosodium citrate, which are also known as citric acid trisodium salt and citric acid monosodium salt, respectively. Citric acid and sodium citrate are classifiable under 2918.14.0000 and 2918.15.1000 of the Harmonized Tariff Schedule of the United States (HTSUS), respectively. Potassium citrate and calcium citrate are classifiable under 2918.15.5000 of the HTSUS. Blends that include citric acid, sodium citrate, and potassium citrate are classifiable under 3824.90.9290 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Comments on Scope of Investigations

During our review of the petitions, we discussed the scope with the petitioners

to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (*Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by May 27, 2008, the next business day after 20 calendar days from the date of signature of this notice. Comments should be addressed to Import Administration's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

Comments on Product Characteristics for Antidumping Duty Questionnaires

We are requesting comments from interested parties regarding the appropriate physical characteristics of citric acid and certain citrate salts to be reported in response to the Department's antidumping questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to more accurately report the relevant factors and costs of production, as well as to develop appropriate product comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate listing of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as (1) general product characteristics and (2) the product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, while there may be some physical product characteristics utilized by manufacturers to describe citric acid and certain citrate salts, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in product matching. Generally, the Department attempts to list the most

important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the antidumping duty questionnaires, we must receive comments at the above-referenced address by May 27, 2008. Additionally, rebuttal comments must be received by June 3, 2008.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A), or (ii) determine industry support using a statistically valid sampling method.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. *See USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001), citing *Algoma Steel Corp. Ltd. v.*

United States, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

Section 771(10) of the Act defines the 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." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation," (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioners do not offer a definition of domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that citric acid and certain citrate salts (unrefined calcium citrate, sodium citrate, and potassium citrate) constitute a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like product analysis in this case, *see* Antidumping Duty Investigation Initiation Checklist: Citric Acid and Certain Citrate Salts from Canada (Canada Initiation Checklist), and Antidumping Duty Investigation Initiation Checklist: Citric Acid and Certain Citrate Salts from the PRC (PRC Initiation Checklist) at Attachment II (Industry Support), on file in the Central Records Unit (CRU), Room 1117 of the main Department of Commerce building.

Our review of the data provided in the petitions, supplemental submissions, and other information readily available to the Department indicates that the petitioners have established industry support. First, the petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling). *See* Section 732(c)(4)(D) of the Act. Second, the domestic producers have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the petitions account for at least 25 percent of the total production of the domestic like product. Finally, the domestic producers have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the petitions account for more than 50 percent of the production of the

domestic like product produced by that portion of the industry expressing support for, or opposition to, the petitions. Accordingly, the Department determines that the petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. *See* Canada Initiation Checklist and PRC Initiation Checklist at Attachment II (Industry Support).

The Department finds that the petitioners filed the petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the antidumping investigations that they are requesting the Department initiate. *See* Canada Initiation Checklist and PRC Initiation Checklist at Attachment II (Industry Support).

Allegations and Evidence of Material Injury and Causation

The petitioners allege that the U.S. industry producing the domestic like product is being materially injured by reason of the imports of the subject merchandise sold at less than normal value (NV). The petitioners contend that the industry's injured condition is illustrated by the reduced market share, reduced production and capacity utilization, reduced employment, underselling and price depressing and suppressing effects, lost revenue and sales, a decline in financial performance, and an increase in import penetration. The Department has assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and the Department determines that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. *See* Canada Initiation Checklist and PRC Initiation Checklist at Attachment III.

Period of Investigations

In accordance with 19 CFR 351.204(b), because these petitions were filed on April 14, 2008, the anticipated period of investigation (POI) is April 1, 2007, through March 31, 2008, for Canada, and October 1, 2007, through March 31, 2008, for the PRC.

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which the Department has based its decision to initiate investigations with respect to Canada and the PRC. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail

in the Canada Initiation Checklist and the PRC Initiation Checklist. Should the need arise to use any of this information as facts available under section 776 of the Act, we may reexamine the information and revise the margin calculations, if appropriate.

Canada

Export Price

The petitioners calculated export price (EP) based on a POI price quote for subject merchandise produced by Jungbunzlauer Canada Inc. (JBL Canada), a potential Canadian respondent. The petitioners made adjustments for U.S. inland freight and brokerage and handling expenses. To calculate the transportation charges, the petitioners obtained freight estimates for transporting the subject merchandise by truck from the location of JBL Canada to the location of JBL Canada's U.S. customer. The petitioners obtained an estimate for brokerage fees related to crossing the border, by truck, from Canada to the United States. *See* Petition, Volume II at pages 10 through 13, and Exhibits II-6 and II-7; and Supplement to the Petition.

Normal Value

The petitioners calculated NV based on: (1) A published POI list price for citric acid in eastern Canada from a Canadian chemical industry publication; and (2) a POI price quote from a Canadian purchaser of subject merchandise, adjusted for a distributor mark-up amount. The petitioners adjusted both starting prices for freight expenses, calculated using a rate obtained from a trucking company that operates in Canada. The petitioners made a circumstance-of-sale (COS) adjustment to the home market prices for differences in imputed credit expenses between the Canadian and U.S. markets. The petitioners' calculated home market and U.S. imputed credit expenses using prime rates from the Bank of Canada and the U.S. Federal Reserve, respectively. We revised the petitioners' margin calculations to correct certain errors in the application of the COS adjustment for credit expenses. *See* Petition, Volume II, Supplement to the Petition, Volume II and Canada Initiation Checklist and Checklist Attachment V: Revised Margin Calculations.

Sales-Below-Cost Allegation

The petitioners provided information demonstrating reasonable grounds to believe or suspect that sales of citric acid in the Canadian market were made at prices below the fully absorbed cost

of production (COP), within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation. The Department's practice is to consider allegations of below-cost sales in the aggregate for a foreign country. See *Sodium Metal from France: Notice of Initiation of an Antidumping Duty Investigation*, 72 FR 65295, 65297 (November 20, 2007).

Cost of Production

Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing (COM), selling, general and administrative (SG&A) expenses, and packing. The petitioners calculated COM and packing based on a U.S. producer's cost experience, adjusted for known differences to manufacture citric acid in Canada using publicly available data since actual Canadian cost information was not reasonably available to the petitioners. To calculate an SG&A rate, including financial expenses, the petitioners relied on cost data for a U.S. producer of citric acid. We recalculated SG&A and interest expenses using the 2007 financial statements for Corn Products International (CPI), a company with substantial operations in Canada and in the same general industry as JBL Canada. Based upon a comparison of the prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation.

Constructed Value (CV)

Pursuant to section 773(e) of the Act, CV consists of the COM, SG&A expenses, financial expenses, packing expenses and profit.

Consistent with their calculation of COP above, the petitioners calculated COM and packing based on a U.S. producer's cost experience, adjusted for known differences to manufacture citric acid in Canada using publicly available data. See Canada Initiation Checklist for details of the calculation of COM. To calculate an SG&A rate, including financial expenses, the petitioners relied on cost data for a U.S. producer of citric acid. To calculate profit, the petitioners relied on the financial statements of CPI because it has substantial operations in Canada and is in the same general industry as JBL Canada. See Volume II of the Petition at pages 9 and 10, and Exhibit II-18, dated April 14, 2008. To be consistent with the calculation of CV

profit, we recalculated SG&A and financial expenses using CPI's financial statements. See Canada Initiation Checklist.

PRC

Export Price

The petitioners calculated the EP based on official U.S. import unit values for citric acid from the PRC during October 2007–February 2008, imported under the HTS subheading 2918.14.0000 (citric acid).¹ See Petition, Volume III, at page 12, Supplement to the Petition, at Revised Exhibit III-22, and PRC Initiation Checklist. Official U.S. import unit values for subject merchandise imported under HTS 2918.14.0000 do not differentiate between anhydrous and monohydrate forms of citric acid. Using PIERS data for the same time period, the petitioners were able to determine that the majority of citric acid imported under HTS 2918.14.0000, entered in the form of anhydrous citric acid. Because, however, some of the subject merchandise entered as citric acid monohydrate, the petitioners explain that it is necessary to adjust the unit value to reflect that citric acid monohydrate is relatively cheaper than the anhydrous form of the merchandise. See Petition, Volume III, at page 12, and PRC Initiation Checklist. Therefore, the petitioners converted the official U.S. import unit values for citric acid, imported under HTS 2918.14.0000, from the monohydrate form of citric acid to the anhydrous equivalent and used that figure to calculate an average unit, free on board ("FOB"), value. See Supplement to the Petition, at Revised Exhibit III-17, and PRC Initiation Checklist.

The petitioners calculated foreign brokerage and handling using Indian data because Indonesian data was not readily available. See Petition, Volume III, at page 14, and Supplement to the Petition, at Revised Exhibit III-18, and PRC Initiation Checklist. The petitioners inflated their calculated foreign brokerage and handling rate to the POI using the Wholesale Price Index (WPI) for India from the International Financial Statistics (IFS) of the International Monetary Fund (IMF) and converted imports valued in Rupees/kilogram (Rs/Kg) to U.S. Dollars/kilogram (US\$/Kg) using the exchange rates on the Department's Web site at:

¹ As reflected in the official U.S. import unit values, the bulk of U.S. imports of citric acid from the PRC (*i.e.*, citric acid (HTS 2918.14.0000), sodium citrate (HTS 2818.15.1000), and other salts and esters of citric acid (2918.15.5000)), entered under HTS subheading 2918.14.0000 (citric acid). See Petition, Volume I, at Exhibit I-10.

<http://ia.ita.doc.gov/exchange/index.html>. See Supplement to the Petition, Volume III, at pages 2–3, and Revised Exhibits III-18–21, and PRC Initiation Checklist. The petitioners then deducted the foreign brokerage and handling charge from the anhydrous equivalent average unit value. See Supplement to the Petition, Volume III, at Revised Exhibit III-21, and PRC Initiation Checklist. The petitioners did not adjust EP for inland freight charges in China. See Petition, Volume III, at page 14, and PRC Initiation Checklist.

Normal Value

The petitioners note that the Department's long-standing treatment of the PRC as a non-market economy (NME) country remains in effect until revoked by the Department, and notes that no such revocation determination has been made to date. See Volume III of the Petition, at page 1, and PRC Initiation Checklist. The Department has previously examined the PRC's market status and determined that NME status should continue for the PRC. See Memorandum from the Office of Policy to David M. Spooner, Assistant Secretary for Import Administration, regarding The People's Republic of China Status as a Non-Market Economy, dated May 15, 2006.² In addition, in recent investigations, the Department has continued to determine that the PRC is an NME country. See *Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 19690 (April 19, 2007); *Final Determination of Sales at Less Than Fair Value: Certain Activated Carbon from the People's Republic of China*, 72 FR 9508 (March 2, 2007).

In accordance with section 771(18)(C)(i) of the Tariff Act of 1930, as amended (Act), the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production valued in a surrogate market economy country, in accordance with section 773(c) of the Act. In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and

² This document is available online at <http://ia.ita.doc.gov/download/prc-nme-status/prc-nme-status-memo.pdf>.

the granting of separate rates to individual exporters.

The petitioners assert that of the five countries normally considered as alternative surrogate market economies for the PRC, *i.e.*, India, Egypt, Indonesia, the Philippines and Sri Lanka, only Indonesia appears to have production of subject merchandise. *See* Petition, Volume I, at Exhibit I-2, and Volume III, at page 2, and PRC Initiation Checklist. The petitioners note that although the Department has regularly used India as its preferred surrogate country for determining the NV of merchandise from the PRC, they were unable to identify any current producers of subject merchandise in India. *See* Petition, Volume III, at page 2, Supplement to the Petition, Volume III, at pages 3-4, and Revised Exhibit III-22, and PRC Initiation Checklist.

According to the petitioners, however, Indonesia is a significant producer of subject merchandise. Further, a significant producer of subject merchandise in Indonesia, Budi Acid Jaya PT (Budi Jaya), employs similar manufacturing techniques, equipment and economics to that of a large Chinese producer of subject merchandise. *See* Petition, Volume III, at page 4, Supplement to the Petition, Volume III, at pages 4-6, and PRC Initiation Checklist. In addition, the petitioners contend that Indonesia is a regular importer of corn (which, the petitioners state, is the principal input of the subject merchandise in China), and information on raw materials, energy inputs and import data for additional bulk chemicals are readily available for Indonesia. *See* Petition, Volume III, at pages 4-5, and PRC Initiation Checklist. Thus, the petitioners have used Indonesia as the surrogate country for China. However, after initiation of the investigation, interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value factors of production within 40 days after the date of publication of the preliminary determination.

The petitioners provided dumping margin calculations using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. *See* Petition, Volume III, at page 5, and PRC Initiation Checklist. The petitioners calculated NV, with adjustments made for known differences, based on their own experience and knowledge, which the petitioners state, reflects the experience of a large Chinese producer of subject

merchandise. *See* Petition, Volume III, pages at 5-7, and PRC Initiation Checklist. As noted above, the petitioners made adjustments in their calculation of NV to take into account known differences in the PRC production process, which included adjustments related to corn usage, labor hours and usage factors for calcium carbonate and sulphuric acid. *See* Petition, Volume III, at page 6, Supplement to the Petition, Volume III, at page 12 and Revised Exhibits III-6 and III-7, and PRC Initiation Checklist.

The petitioners valued the factors of production based on reasonably available, public surrogate country data, including Indonesian government import statistics. *See* Petition, Volume III, at page 8, and PRC Initiation Checklist. The petitioners sourced the Global Trade Atlas for the latest available six-month period, *i.e.*, July 2007-December 2007, excluding values from countries previously determined by the Department to be NME countries, as well as imports into Indonesia from India, the Republic of Korea, and Thailand because they maintain broadly available, non-industry specific, export subsidies. Where the petitioners were unable to find imports into Indonesia for a particular input during that time period, they used imports during the next most recent time period. *See* Supplement to the Petition, Volume III, at Revised Exhibit III-8, and PRC Initiation Checklist.

The petitioners also relied on Global Trade Atlas data to value packing inputs. *See* Petition, Volume III, at page 11 and Exhibit III-16, Supplement to the Petition, Volume III, at page 10, and Revised Exhibit III-8, and PRC Initiation Checklist. The petitioners valued electricity using a World Bank publication, *Electricity for All: Options for Increasing Access in Indonesia*. Specifically, the petitioners used the Batam and Tarakan average electricity tariffs from 2004, the most recent time period for which data is available. *See* Petition, Volume III, at pages 9-10, and Exhibit III-12, Supplement to the Petition, at Revised Exhibit III-12, and PRC Initiation Checklist. The petitioners valued steam using a methodology developed in *Hot-Rolled Steel from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 66 FR 22183 (May 3, 2001), and accompanying Factors of Production Memorandum at Exhibit 7, and used in *Tissue Paper from the PRC*.³ *See* Petition, Volume III, at page

³ Certain Tissue Paper Products and Certain Crepe Paper Products From the People's Republic of China: Notice of Preliminary Determinations of

10, Supplement to the Petition, at Revised Exhibit III-13, and PRC Initiation Checklist. The petitioners valued water based on information contained in a United Nations Report from 2006 which discusses the average water tariff in Jakarta for large factories. *See* Petition, Volume III, at page 10, Supplement to the Petition, at Revised Exhibit III-14, and PRC Initiation Checklist.

The petitioners valued labor using US\$ 0.83/hour labor rate for the PRC currently available for 2004 on the Department's Web site. *See* Supplement to the Petition, Volume III, at pages 8-9, and Revised Exhibit III-11, and PRC Initiation Checklist. For the surrogate financial expenses for factory overhead, SG&A, and profit, the petitioners relied on the financial ratios of Budi Jaya, a significant producer of subject merchandise in Indonesia. *See* Petition, Volume I, at Exhibit I-2, Volume III, at page 4, and Exhibit III-3 at 30, 41, 42, and PRC Initiation Checklist.

Where the petitioners were unable to find input prices contemporaneous with the POI, they adjusted for inflation using the WPI for Indonesia, as published in IFS by the IMF. *See* Supplement to the Petition, at page 11, and Revised Exhibit III-9, and PRC Initiation Checklist. For exchange rates to convert Indonesian rupiah to U.S. dollars, the petitioners averaged the foreign currency exchanges rates, as provided on the Department's Web site, for each day of the POI. Monetary conversions were applied only after having first applied a rupiah-based inflator to the original source rupiah value, as necessary. *Id.*, at 11 and Revised Exhibit III-10, and PRC Initiation Checklist.

Fair-Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of citric acid and certain citrate salts from Canada and the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV that we revised as discussed above, the estimated dumping margins for Canada are 22.91 percent (EP-to-NV comparison where NV is based on a home market price quote), 111.83 percent (EP-to-NV comparison where NV is based on a published list price), and 57.06 percent (EP-to-CV comparison). Based on a comparison of EP to NV, the estimated

Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination for Certain Tissue Paper Products, 69 FR 56407 (September 21, 2004) ("*Tissue Paper from the PRC*").

dumping margin for the PRC is 156.87 percent.

Initiation of Antidumping Investigations

Based upon the examination of the petitions on citric acid and certain citrate salts from Canada and the PRC and other information reasonably available to the Department, the Department finds that these petitions meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of citric acid and certain citrate salts from Canada and the PRC are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act, unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Respondent Selection

Canada

For Canada, the Department intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. import during the POI. We intend to release the CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO within five days of publication of this **Federal Register** notice, and make our decision regarding respondent selection within 20 days of publication of this notice. The Department invites comments regarding the CBP data and respondent selection within 10 days of publication of this **Federal Register** notice.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Instructions for filing such applications may be found on the Department's Web site at <http://ia.ita.doc.gov/apo>.

PRC

For the PRC, the Department will request quantity and value information from all known exporters and producers identified, with complete contact information, in the petition. The quantity and value data received from NME exporters/producers will be used as the basis to select the mandatory respondents.

The Department requires that the respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. See *Circular Welded Austenitic Stainless Pressure Pipe from the*

People's Republic of China: Initiation of Antidumping Duty Investigation, 73 FR 10221, 10225 (February 26, 2008); and *Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People's Republic of China*, 70 FR 21996, 21999 (April 28, 2005). Appendix I of this notice contains the quantity and value questionnaire that must be submitted by all NME exporters/producers no later than May 27, 2008. In addition, the Department will post the quantity and value questionnaire along with the filing instructions on the Import Administration Web site, at <http://ia.ita.doc.gov/ia-highlights-and-news.html>. The Department will send the quantity and value questionnaire to those PRC companies identified in the petition, Volume I, at Exhibit I-8.

Separate Rates

In order to obtain separate-rate status in NME investigations, exporters and producers must submit a separate-rate status application. See *Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea and the People's Republic of China: Initiation of Antidumping Duty Investigations*, 73 FR 23188, 23193 (April 29, 2008) (*Certain Circular Welded Carbon Quality Steel Line Pipe from the PRC*). The specific requirements for submitting the separate-rate application in this investigation are outlined in detail in the application itself, available on the Department's Web site at <http://ia.ita.doc.gov/ia-highlights-and-news.html> on the date of publication of this initiation notice in the **Federal Register**. The separate-rate application will be due sixty (60) days from the date of publication of this initiation notice in the **Federal Register**.

Use of Combination Rates in an NME Investigation

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. The Separate Rates/Combination Rates Bulletin states:

[w]hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is

referred to as the application of combination rates because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.

See *Certain Circular Welded Carbon Quality Steel Line Pipe from the PRC*.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the petitions have been provided to the representatives of the Governments of Canada and the PRC. Because of the particularly large number of producers/exporters identified in the petitions, the Department considers the service of the public version of the petitions to the foreign producers/exporters satisfied by the delivery of the public version to the Governments of Canada and the PRC, consistent with 19 CFR 351.203(c)(2).

International Trade Commission (ITC) Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determination by the International Trade Commission

The ITC will preliminarily determine, no later than May 27, 2008, whether there is a reasonable indication that imports of citric acid and certain citrate salts from Canada and the PRC materially injure, or threaten material injury to, a U.S. industry. A negative ITC determination covering all classes or kinds of merchandise covered by the petitions would result in the investigations being terminated. Otherwise, these investigations will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: May 5, 2008.

David M. Spooner,
Assistant Secretary for Import Administration.

Appendix I

Where it is not practicable to examine all known exporters/producers of subject merchandise, section 777A(c)(2) of the Tariff Act of 1930, as amended, permits us to investigate (1) a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or (2) exporters and producers accounting for the largest volume and value of the subject

merchandise that can reasonably be examined.
 In the chart below, please provide the total quantity and total value of all your

sales of merchandise covered by the scope of this investigation (see "Scope of Investigation" section of this notice), produced in the PRC, and exported/

shipped to the United States during the period October 1, 2007, through March 31, 2007.

Market	Total quantity in metric tons	Terms of sale	Total value
United States			
1. Export Price Sales			
2. a. Exporter Name			
b. Address			
c. Contact			
d. Phone No.			
e. Fax No.			
3. Constructed Export Price Sales			
4. Further Manufactured			
Total Sales			

Total Quantity:

- Please report quantity on a metric ton basis. If any conversions were used, please provide the conversion formula and source.

Terms of Sales:

- Please report all sales on the same terms (e.g., free on board at port of export).

Total Value:

- All sales values should be reported in U.S. dollars. Please indicate any exchange rates used and their respective dates and sources.

Export Price Sales:

- Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated customer occurs before importation into the United States.
- Please include any sales exported by your company directly to the United States.
- Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.
- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please do not include any sales of subject merchandise manufactured in Hong Kong in your figures.

Constructed Export Price Sales:

- Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated customer occurs after importation. However, if the first sale to the unaffiliated customer is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation.

- Please include any sales exported by your company directly to the United States;
- Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.
- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please do not include any sales of subject merchandise manufactured in Hong Kong in your figures.

Further Manufactured:

- Sales of further manufactured or assembled (including re-packaged) merchandise is merchandise that undergoes further manufacture or assembly in the United States before being sold to the first unaffiliated customer.
- Further manufacture or assembly costs include amounts incurred for direct materials, labor and overhead, plus amounts for general and administrative expense, interest expense, and additional packing expense incurred in the country of further manufacture, as well as all costs involved in moving the product from the U.S. port of entry to the further manufacturer.

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