MOLASSES FROM FRANCE

Determination of the Commission in
Investigation No. 104-TAA-8
Under Section 104(b) of the
Trade Agreements Act of 1979,
Together With the Information
Obtained in the Investigation

USITC PUBLICATION 1248

MAY 1982

United States International Trade Commission / Washington, D.C. 20436

UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Bill Alberger, Chairman
Michael J. Calhoun, Vice Chairman
Paula Stern
Alfred E. Eckes
Eugene J. Frank
Veronica A. Haggart

Kenneth R. Mason, Secretary to the Commission

Staff Assigned:

Larry Reavis
Anita Miller
Lowell Grant
Eliza Patterson
Chand Mehta

John MacHatton

Address all communications to
Office of the Secretary
United States International Trade Commission
Washington, D.C. 20436

CONTENTS

Tables

Note.--Information that would disclose the confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 104-TAA-7

MOLASSES FROM FRANCE

Determination

Based on the record 1/ developed in investigation No. 104-TAA-8, the Commission unanimously determines pursuant to section 104(b) of the Trade Agreements Act of 1979, that an industry in the United States would not be materially injured, or threatened with material injury, nor would the establishment of an industry in the United States be materially retarded, by reason of imports of molasses from France covered by countervailing duty order T.D. 71-188, if the order were to be revoked.

Background

On March 28, 1980, the U.S. International Trade Commission received a request from the Delegation of the Commission of the European Communities for an investigation under section 104(b) of the Trade Agreements Act of 1979.

On October 28, 1981, the Department of Commerce published a notice in the Federal Register (46 F.R. 53200) of the final results of its first annual review of the net amount of the subsidy applicable to molasses from France. Subsequent to that determination by Commerce, the U.S. International Trade Commission, pursuant to section 104(b)(2) of the Trade Agreements Act, on January 26, 1982, instituted investigation No. 104-TAA-8 on Molasses from France, which currently enters under item 155.40 of the Tariff Schedules of the United States, to determine whether an industry in the United States would be materially injured or threatened with material injury, or the establishment

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

of an industry in the United States would be materially retarded, by reason of imports of molasses covered by the countervailing duty order if the order were to be revoked.

Notice of the institution of the Commission's investigation and of a public hearing was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C. 20436, and by publishing the notice in the Federal Register of February 3, 1982 (47 F.R. 5057). The hearing was held on April 5, 1982, in Washington, D.C. No testimony was offered by interested parties. No formal submissions were received from domestic producers. The Commission vote on this case was held in public session on May 6, 1982.

VIEWS OF THE COMMISSION

Imports of molasses from France have been subject to a countervailing duty order since June 19, 1971 1/. Based on the record developed in this investigation, we conclude that the revocation of this countervailing duty order would not result in material injury, threat of material injury, or the material retardation of the establishment of an industry in the United States.

The Domestic Industry 2/, 3/

Our initial consideration is the definition of the relevant domestic industry against which the impact of the subject imports must be assessed.

1/ T.D. 71-118, 36 F.R. 8365.

2/ In Investigation No. 104-TAA-7 involving sugar the Commission considered the domestic industry to include growers as well as processors. We did not include growers in this case because molasses is derived as a by-product of making sugar and is not the product for which the grower raises sugar cane or sugar beets. Vice Chairman Calhoun is of the view that an important additional factor is that molasses production is, for the greatest part, derivative of the primary activity, sugar production. As well, molasses demand is largely independent of sugar demand. Thus the impact of imports on molasses is not likely to affect sugar production.

3/ It is the view of Vice Chairman Calhoun that, since this case arises under section 104 of the Trade Agreements Act of 1979, the task before the Commission is to determine whether a domestic industry would be materially injured or threatened with material injury "by reason of imports of the merchandise subject to a countervailing duty order if the order were to be revoked." Similarly, under Title VII of the Tariff Act of 1930, the Commission determines whether a domestic industry is materially injured or threatened with material injury by reason of the imported merchandise under investigation. Since no standards or guidance is given for section 104 determinations, he has in prior cases used the standards and analytical methodology employed in our Title VII cases for guidance in determining what would happen if duties were to be revoked. In this case, the standards and methodology of Title VII are particularly useful as there have been no duties imposed in the past year, making data from that period especially helpful in predicting what would occur without the duty. Thus, when Title VII language and theories arise in this opinion it is, for his purposes, based on the above rationale.

Section 771(4)(A) of the Tariff Act of 1930 defines the term "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." The term "like product" is, in turn, defined in section 771(10) as meaning "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 title."

The scope of the outstanding countervailing duty order under consideration in this investigation covers "molasses from France." Historically, most imported molasses from France has been of the type derived from processing sugar beets into sugar and has been used for the production of citric acid. Sugar-beet molasses consists of about 48 percent sugar and 52 percent impurities. Molasses derived from sugar-cane generally has a similar sugar content, but its impurities are different and it is not used in citric acid production. We therefore have defined the appropriate "like product" as sugar-beet molasses. The relevant domestic industry under § 771(4)(A) consists of the 10 firms processing sugar from sugar beets at 42 plants in the United States located in Montana, Wyoming, Kansas, Colorado, Nebraska, Ohio, California, Minnesota, North Dakota, Idaho, Arizona, Oregon, Michigan, and Texas.

Condition of the industry

Since sugar-beet molasses is a byproduct of sugar production, there are no separate profit and loss or employment data available for the industry. Other factors indicate, however, that the industry performance has been favorable in recent years. Domestic sugar-beet molasses production increased irregularly from 946,174 short tons in 1978 to 996,302 short tons in 1981. Utilization of capacity was 88.9 percent in 1981, up 7.6 percentage points from 1978 levels. Shipments in 1981 were below the peak level reached in 1979, but were still above 1978 and 1980 levels. 4/

Likely Effect of Removal of the Countervailing Duty Order

The Department of Commerce has determined that for the period from January 1, 1980 through December 31, 1980, there was no net French subsidy on sugar-beet molasses. 5/ Therefore, the deposit of estimated countervailing duties on French imports has been waived until the next administrative review in June 1982.

Monitor Sugar Company and Northern Ohio Sugar Company, two of the original petitioners, have requested that the Commission terminate its investigation on imports of French molasses. 6/ No other domestic producer made any formal submission either to the Commission or to the Department of Commerce during the recent review of the outstanding order. Nor did the

4/ Report p.A-10

5/ Section 751(a)(1) of the Tariff Act of 1930 provides that Commerce shall conduct annual reviews of the amount of outstanding countervailing duty orders. For the period of Commerce's review, the EC did not make any restitution payment on exports of molasses from France to any country including the United States. The program of restitution payments, which has been determined to be countervailable, remains in effect. The resulting waiver of deposit will remain in effect only until the next administrative review, scheduled for June 1982. Section 104 of the 1979 Act requires the Commission to determine whether there is any material injury or threat of material injury "by reason of imports of the merchandise subject to the order." It is therefore appropriate for the Commission to continue a section 104 investigation so long as the order remains outstanding and the subsidy can be resumed.

6/ Report, Appendix C.

Commission receive any submission from the Department of Agriculture. This lack of participation by the domestic producers of molasses suggests that they do not anticipate material injury or the threat of material injury as a result of revocation of the order under review. Our findings support this view.

Imports of sugar-beet molasses from France in terms of quantity, value, and share of apparent domestic consumption substantially declined from 1978 to 1981. 7/ Pfizer, Inc., the only U.S. importer of sugar-beet molasses, uses the product in the manufacture of citric acid. From 1978 to 1980, Pfizer purchased both domestic and imported sugar-beet molasses. No domestic molasses was purchased by Pfizer in 1981. Because it could offer molasses to meet Pfizer's requirements at lower prices, the Netherlands rather than France was the beneficiary of Pfizer's shift to total reliance upon imports. The price of molasses from the Netherlands was significantly below that for the same product Pfizer purchased from France. 8/ Moreover, Pfizer claims that it has become increasingly difficult to acquire French-produced molasses meeting minimum sugar-content requirements. Consequently, as a share of Pfizer's consumption, imports from France declined markedly while imports from the Netherlands increased dramatically between 1980 and 1981.

Considering these developments, there is no reason to anticipate significant changes in the volume of French imports as a result of revocation. Revocation of the countervailing duty order will not adversely

7/ Report p. A-9

8/ Comparative pricing data between representative French and U.S. producers for 1981 are not available.

affect the performance of the domestic industry in the foreseeable future. Thus, we have concluded that the domestic industry would not be materially injured or threatened with material injury if the countervailing duty order were to be revoked.

INFORMATION OBTAINED IN THE INVESTIGATION

INTRODUCTION

In response to a letter from counsel acting on behalf of the Michigan Sugar Co., Saginaw, Mich.; the Monitor Sugar Co., Bay City, Mich.; American Crystal Sugar Co., Moorehead, Minn., Northern Ohio Sugar Co., Fremont, Ohio; and Buckeye Sugars, Inc.; Ottawa, Ohio, the Department of the Treasury published on May 5, 1971, in the Federal Register a countervailing duty order, T.D. 71-118 (36 F.R. 8365) on molasses from France. The order, which became effective on June 19, 1971, stated that exports of this merchandise benefited from bounties or grants within the meaning of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303), and, accordingly, imports into the United States were subject to countervailing duties. Treasury determined that the maximum amount of the subsidy on the exportation of molasses for which an equivalent countervailing duty could be applied was $1.80 or 10 francs per 100 kilograms. This was and is approximately 11 percent of the foreign value of the imports.

On January 1, 1980, the provisions of title I of the Trade Agreements Act of 1979 became effective and the authority for administering the countervailing duty law was transferred from the U.S. Department of the Treasury to the U.S. Department of Commerce. The Department of Commerce published in the Federal Register of May 13, 1980 (45 F.R. 31455), a notice of intent to conduct administrative reviews of all outstanding countervailing duty orders. Accordingly, Commerce conducted an administrative review of the order on molasses from France and published the final results in the Federal Register of October 28, 1981 (46 F.R. 53200). 1/ For the period covered by the review--January 1, 1980, through December 31, 1980--Commerce found that there were no net subsidies on the production or exportation of molasses from France. Therefore, as provided by section 751(a)(1) of the Tariff Act, Commerce instructed the U.S. Customs Service not to collect a cash deposit of estimated countervailing duties on any shipments entered or withdrawn from warehouse for consumption on or after the date of publication of these final results. This waiver of deposit will remain in effect until publication of the final results of the next administrative review, scheduled for June 1982.

The Trade Agreements Act of 1979, subsection 104(b)(1), requires the U.S. International Trade Commission, in the case of a countervailing duty order issued under section 303 of the Tariff Act of 1930, upon the request of a government or group of exporters of merchandise covered by the order, to conduct an investigation to determine whether an industry in the United States would be materially injured, or threatened with material injury, or whether the establishment of such industry would be materially retarded, if the order were to be revoked. On March 28, 1980, the Commission received a request from the Delegation of the Commission of the European Communities (EC) for the review of countervailing duty orders on several commodities, including molasses from France. On January 26, 1982, the Commission instituted investigation No. 104-TAA-8 on the subject commodity. Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was duly given by posting copies of the notice in

1/ Copies of Commerce's Federal Register notices of its preliminary and final reviews are shown in app. A.

the office of the Secretary, U.S. International Trade Commission, Washington, D.C. 20436, and by publishing the Notice in the Federal Register on February 3, 1982 (47 F.R. 5057). 1/ The hearing was held on April 5, 1982; however, no testimony was offered by interested parties.

If the Commission should determine in the negative in this investigation--that is, that an industry in the United States would not be materially injured or threatened with material injury, or the establishment of an industry would not be materially retarded if the countervailing duty order on molasses from France were to be revoked, then Commerce would revoke the order. If the Commission should vote in the affirmative, the countervailing duty order would remain in effect. No countervailing duties would be collected, however, until Commerce's next administrative review, and then only if Commerce determines that bounties or grants on the subject commodity exist. 2/

The Product

Description and uses

The imported product complained of by the petitioners was sugar-beet molasses from France. Molasses generally refers to the principal byproduct of sugar production, a viscous liquid of dark color that remains after the processing of sugar beets into sugar, the milling of sugarcane into raw sugar, or the refining of raw cane sugar into sugar. 3/ Molasses contains soluble nonsugar solids which account for more than 6 percent of the weight of its total soluble solids, and most molasses is not intended for human consumption or further processing into sugar. 4/ All imports of molasses from

---

1/ A copy of the Commission's notice of investigation and hearing is shown in app. B.

2/ Shortly after the Commission instituted the instant investigation, two of the original petitioners, Monitor Sugar Co. and Northern Ohio Sugar Co., submitted letters to the Commission withdrawing their individual requests for the imposition of countervailing duties on molasses from France. Copies of the letters are shown in app. C. One of the original petitioners, Buckeye Sugars, Inc., is no longer in existence. Northern Ohio Sugar Co. is now a subsidiary of the Great Western Sugar Co., Denver, Colo.

3/ There are also products known as molasses which are derived from sources other than sugarcane or sugar beets, such as corn molasses (hydrol), which is the byproduct of the extraction of dextrose from glucose sirup (corn sirup); and citrus molasses, which is the byproduct of the production of orange juice.

4/ Rarely is this product further processed into sugar; however, some is intended for human consumption, either directly as table sirup or indirectly as a sweetening/flavoring agent in commercial food preparations. Such molasses generally has a higher total sugar content than 48 percent, which is characteristic of the bulk of sugar-beet molasses sold worldwide. All of this molasses is either derived from sugarcane milling or cane sugar refining; none is derived from sugar-beet processing. One product often known as molasses, sugarcane sirup, is derived from sugarcane and has a nonsugar content of more than 6 percent, but it is not a byproduct of producing sugar. It's produced directly by milling sugarcane. It, too, is intended for human consumption and has a higher sugar content than 48 percent.

France have been byproducts of processing sugar beets into sugar. The U.S.-produced product and that produced in France do not differ appreciably: the sugar content of both is about 48 percent by weight of their total soluble solids, which is characteristic of the bulk of sugar-beet molasses produced and shipped worldwide. Sugar-beet molasses that is to be used without further processing normally requires a sugar content of no less than this amount.

In recent years approximately half of the sugar-beet molasses consumed in the United States has been used as an ingredient in livestock feed. The remainder has been used as an intermediate in the production of citric acid, monosodium glutamate, alcohol, and certain pharmaceuticals. All imports of this product, including that from France, were used for the production of citric acid. Although molasses derived from sugarcane milling and refining is also largely used in livestock feed, none is used in citric acid production. Sugar-beet molasses is considered superior to other types of molasses for this purpose. Another product, corn sirup, is also used in the United States to produce citric acid; however, the facilities manufacturing citric acid in the United States are designed to use one or the other raw material. To produce citric acid from corn sirup in a plant designed to use beet molasses would be uneconomical unless the price of molasses should become prohibitively high.

U.S. tariff treatment

Sugar-beet molasses and most other products generally referred to as molasses, i.e., products derived from sugarcane or sugar beets, not principally of crystalline structure nor in dry amorphous form, containing soluble non-sugar solids equal to over 6 percent by weight of the total soluble solids, and for use other than the commercial extraction of sugar or human consumption, are provided for under item 155.40 of the Tariff Schedules of the United States (TSUS). Currently, the column 1 or most-favored-nation (MFN) rate of duty on this item is 0.012 cent per pound of total sugar content, or about 0.1 percent ad valorem. 1/ There is no separate rate for the least developed developing countries (LDDC) for this item. 2/ Under the GSP, imports under this item from designated beneficiary developing countries

---

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

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

are eligible for duty-free treatment. 1/ The column 2 rate of duty for this item is 0.03 cent per pound of total sugar content. 2/ The United States has no nontariff restrictions on imports of molasses.

Nature and Extent of Subsidies

In 1971 Treasury determined that certain payments made by the Government of France on the exportation from France of molasses constituted a subsidy. The subsidy, as determined by Treasury, ranged as high as $1.80, or 10 francs, per 100 kilograms, which was equivalent to about 11 percent of the foreign value of the product. Effective June 19, 1971, Treasury ordered that a countervailing duty of this amount be applied to imports from France. Most entries of molasses from France since that time, however, have been accompanied by appropriate certification of the French Government assuring that no subsidy has been paid on such shipment, and these certifications have been accepted by the U.S. Customs Service.

From the time the countervailing duty order was issued to the time the authority for administering the countervailing duty law was transferred from Treasury to Commerce, no administrative reviews of the order on molasses from France were conducted. Commerce, however, conducted a review on this order and published the final results in the Federal Register of October 28, 1981 (46 F.R. 53200). During 1980, the period covered by the review, Commerce found that there were no net subsidies on molasses from France and instructed Customs to suspend any collection of countervailing duties. The only program that Commerce found countervailable was the program of restitution payments made through the Guidance and Guarantee Fund operated under the Common Agricultural Policy of the European Community. According to Commerce, the restitution payments are granted only when the world price of molasses as established by international markets is lower than the EC "threshold price." For the period of Commerce's review, the EC did not make any restitution payment on exports of molasses from France to any country including the United States. The program of restitution payments, however, remains in effect.

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

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

U.S Producers

In 1981, 10 firms processed sugar from sugar beets at 42 plant locations in the United States. Their names, plant locations and relative shares of sugar-beet molasses production in 1981 are shown in the following tabulation:

Firm	Number of beet-sugar refineries	Refinery location	Share of U.S. production of beet molasses in 1981 1/ (Percent)
Great Western Sugar Co., Denver Colo. 2/	12	Billings, Mont.	***
		Lovell, Wyo.	
		Goodland, Kans.	
		Greeley, Colo.	
		Loveland, Colo.	
		Fort Morgan, Colo.	
		Sterling, Colo.	
		Scottsbuff, Nebr.	
		Goring, Nebr.	
		Mitchell, Nebr.	
		Bayard, Nebr.	
		Freemont, Ohio	
American Crystal Sugar Co., Moorehead, Minn. 3/	6	Clarksberg, Calif.	***
		Moorehead, Minn.	
		Crookston, Minn.	
		East Grand Forks, Minn	
		Hills, N. Dak.	
		Drayton, N. Dak.	
Holly Sugar Corp. Colorado Springs, Colo.	7	Torrington, Wyo.	***
		Worland, Wyo.	
		Sidney, Mont.	
		Tracy, Calif.	
		Hamilton City, Calif.	
		Brawley, Calif.	
		Hereford, Tex.	
Amstar Corp. New York, N.Y.	5	Chandler, Ariz.	***
		Manteca, Calif.	
		Mendota, Calif.	
		Spreckles, Calif.	
		Woodland, Calif.	
The Amalgamated Sugar Co., Ogden, Utah	4	Nyssa, Oreg.	***
		Nampa, Idaho	
		Twin Falls, Idaho	
		Rupert, Idaho	
Union Sugar Co. San Francisco, Calif.	1	Santa Maria, Calif.	***

1/ See footnotes at end of tabulation.

Firm	Number of beet-sugar refineries	Refinery location	Share of U.S. production of beet molasses in 1981 1/ (Percent)
Michigan Sugar Co., Saginaw, Mich. 3/	4	Caro, Mich. Croswell, Mich. Carrollton, Mich. Sebewaing, Mich.	***
Minn-Dak Farmers Cooperative, Wahpeton, N. Dak.	1	Wahpeton, N. Dak.	***
Monitor Sugar Co., Bay City, Mich. 2/	1	Bay City Mich.	***
Southern Minnesota Beet Sugar Cooperative, Pennville, Minn.	1	Pennville, Minn.	4/

1/ Because of rounding, shares may not add to 100 percent.
2/ Northern Ohio Sugar Co., now a subsidiary of Great Western, and Monitor Sugar Co. were among the original petitioners for the countervailing duty order, but have recently withdrawn their complaint.
3/ American Crystal Sugar Co. and the Michigan Sugar Co. were among the original petitioners for the countervailing duty order, but have not withdrawn their complaint.
4/ Not available.

The two largest U.S. producers--Great Western Sugar Co. and American Crystal Sugar Co.--account for over *** percent of the sugar-beet molasses produced in the United States. Except for Great Western Sugar Co., Holly Sugar Corp., and Amstar Corp., which also refine raw cane sugar, sugar-beet processing accounts for nearly all of U.S. producers' sales. American Crystal Sugar Co., Minn-Dak Farmers Cooperative, and Southern Minnesota Beet Sugar Cooperative are owned, respectively, by the sugar-beet growers which supply these firms with their sugar-beet requirements. All of the other producers contract for their sugar beets with independent growers. None of the above firms operate sugar-beet processing facilities outside the United States, and none import sugar-beet molasses.

Since 1978, eight beet processing plants have been closed (four by U & I, Inc., Salt Lake City, Utah, which no longer produces sugar; and four by Great Western Sugar Co.) and one has been converted to sugar-cane refining. Total U.S. molasses production has not been affected by these closings because of increased sugar-beet production and increased utilization of plants. Amstar intends to close its plant at Spreckles, Calif., in the spring of this year.

U.S. Importers

One importer, Pfizer, Inc., New York, N.Y., accounted for *** of the sugar-beet molasses imported from France and elsewhere in recent years. Pfizer is a large, diversified, multinational chemical manufacturing corporation with plants in several locations in both the United States and abroad. Overall sales for Pfizer in 1980 were in excess of $3 billion.

As previously indicated, all of Pfizer's imports are used in the manufacture of citric acid. Pfizer produces citric acid at three plants in the United States: ***. At least *** percent of the molasses imported from France in recent periods was supplied to the plant in ***. Sales of citric acid account for less than *** percent of Pfizer's overall sales.

Foreign Producers

The only geographic region other than the United States in which significant quantities of sugar-beet molasses are produced is Europe. About 6.1 million short tons of sugar-beet molasses were produced in Europe, excluding the Soviet Union, during the 1980-81 crop year. Of that amount, approximately half was produced in the EC. Most of the product that is produced in Europe is consumed there. Since 1978, only about 15 percent has been exported, mostly by The Netherlands, Belgium, and France.

France, which accounts for about 1.1 million short tons of sugar-beet molasses annually, or 20 percent of European production, is the principal European producer. The number of molasses producers in France is unknown; however, the largest is reportedly General Sucriere, S.A., which ***.

U.S. Market

The U.S. market for sugar-beet molasses consists of two major segments: livestock producers, which use the molasses as an ingredient in feed stock; and industrial users, where molasses is allowed to ferment and is then used in the production of sodium glutamate, certain pharmaceuticals, alcohol, and citric acid. Trade sources estimate that in recent years industrial users accounted for about 50 percent of the sugar-beet molasses consumed in the United States. Whereas livestock producers prefer cane molasses, industrial users prefer beet molasses which ferments more rapidly.

Pfizer accounts for all of the sugar-beet molasses consumed in the United States for the production of citric acid. (The only other major producer of citric acid in the United States, Miles Laboratories, uses corn sirup for this purpose.) For the molasses that it imports, Pfizer contracts ***. Five U.S. trading companies--Westway Trading Co., Englewood Cliffs, N.J.; General Molasses Co., New York, N.Y.; Pacific Molasses Co., San Francisco, Calif.; National Molasses Co., Willow Grove, Pa.; and Cargill, Inc., Minneapolis, Minn.--account for the distribution of most of the sugar-beet molasses produced in the United States. Pfizer's contracts with the trading companies allow it to select the source of its U.S.-produced material on the basis of samples it receives from various plants. Since 1978, *** has supplied nearly all of the U.S.-produced molasses Pfizer has purchased. Most shipments of sugar-beet molasses within the continental United States are by rail.

The Question of Material Injury

U.S. imports

Most of the sugar-beet molasses that has been imported into the United States since 1978 originated in France. Such imports, however, have steadily declined, from *** short tons in 1978 to *** short tons in 1981, or by a decline of nearly 75 percent (table 1). The only other source of sugar-beet molasses imported into the United States in this period was the Netherlands. Pfizer imported *** short tons from the Netherlands in 1981. Although the absolute value of imports of sugar-beet molasses from France declined, the unit value of these imports increased substantially, from *** per short ton in 1978 to *** in 1981, representing an increase of over *** percent.

Official statistics of the U.S. Department of Commerce with respect to TSUS item 155.40 show significant quantities of imports from Italy and the Federal Republic of Germany. The importers of record for these imports advise that, while these imports are a byproduct of sugar-beet processing, they do not meet the minimum sugar content requirements for the uses of sugar-beet molasses: all sugar has been removed. These imports are mixed with pulp and other ingredients in the United States for eventual use in livestock feed.

U.S. production, capacity, and capacity utilization

Annual U.S. production of sugar-beet molasses increased from 946,174 short tons in 1978 to 982,423 short tons in 1979, declined to 915,340 short tons in 1980, and then recovered to 996,302 short tons in 1981 (table 2). None of the U.S. producers reported significant losses in production due to employment related problems, temporary equipment-related problems, sourcing problems, transition problems, or any other unusual circumstances during this period. Production data, as well as capacity and capacity utilization data, for each firm are shown in appendix D.

With the exception of certain storage facilities, all of the capital resources of the U.S. producers are devoted to the production of sugar. Thus, the capacity to produce molasses depends on the capacity to produce sugar, which, in turn, largely depends on the total tonnage of sugar beets available and the sugar content in the beets. Despite such limitations to capacity considerations, several firms, representing 80 percent of U.S. sugar-beet molasses production, estimated their capacity to produce sugar-beet molasses on the basis of utilizing all straight-time week days for the production of sugar from a normal crop of beets under constant levels of employment. The ability of these firms to produce sugar-beet molasses under these assumptions declined from 895,000 short tons in 1978 to 886,000 short tons in 1979, where it remained through 1980 and 1981 (table 2). (The loss in capacity of 9,000 short tons was due to ***.) Utilization of this capacity increased irregularly from 81.3 percent in 1978 to 88.9 percent in 1981.

Table 1.--Sugar-beet molasses: U.S. imports for consumption, by principal sources, 1978-81

Source	1978	1979	1980	1981
	Quantity (short tons)			
France	***	***	***	***
The Netherlands	***	***	***	***
Total	***	***	***	***
	Percent of total quantity			
France	***	***	***	***
The Netherlands	***	***	***	***
Total	***	***	***	***
	Value (1,000 dollars)			
France	***	***	***	***
The Netherlands	***	***	***	***
Total	***	***	***	***
	Unit value (dollars per ton)			
France	***	***	***	***
The Netherlands	***	***	***	***
Total	***	***	***	***

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

Table 2.--Sugar-beet molasses: U.S. production, capacity, and capacity utilization, 1978-81

Item	1978	1979	1980	1981
Total U.S. production 1/ short tons	946,174	982,423	915,340	996,302
Capacity 2/ do	895,000	886,000	886,000	886,000
Production by firms reporting capacity short tons	727,600	766,400	714,100	787,600
Ratio of production to capacity 2/ percent	81.3	86.5	80.6	88.9

1/ Does not include Southern Minnesota Coop.

2/ Does not include Monitor, Holly, Minn-Dak Coop, and Southern Minnesota Coop. In order to maintain consistency, the figures shown for capacity utilization were calculated on the basis of the production of only those firms reporting data on capacity.

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

U.S. producers' shipments and exports

Approximately 20 percent of the sugar-beet molasses produced in the United States is mixed with beet pulp by producers before it is shipped. U.S. producers' domestic shipments of sugar-beet molasses, both pure and mixed with pulp, increased from 920,798 short tons in 1978 to over 1 million short tons in 1979, declined to 909,175 short tons in 1980, and then increased slightly to 912,345 short tons in 1981 (table 3). The level of domestic shipments in 1981 was 9 percent below that in 1979.

Exports of U.S. produced sugar-beet molasses increased both absolutely and relative to total shipments from 1979 to 1981, but remained at less than 1.5 percent of total shipments throughout the period. ***.

Table 3.--Sugar-beet molasses: U.S. producers' domestic shipments and exports, 1/ 1978-81

Item	1978	1979	1980	1981
	Quantity (short tons)			
Domestic shipments:				
Pure molasses	684,184	796,012	749,766	704,649
Mixed with pulp 2/	236,614	207,878	177,133	224,578
Total	920,798	1,003,890	926,899	929,227
Exports	***	***	***	***
Total	***	***	***	***
	Value (1,000 dollars)			
Domestic shipments:				
Pure molasses	28,679	53,883	63,344	60,124
Mixed with pulp	3/	3/	3/	3/
Total	28,679	53,883	63,344	60,124
Exports	***	***	***	***
Total	***	***	***	***

1/ Does not include Southern Minn. Coop.
2/ Does not include the weight of pulp.
3/ Not available.

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

Information on U.S. producers' shipments and exports by firm are shown in appendix D.

Inventories

U.S. producers' yearend inventories of sugar-beet molasses declined from 224,476 short tons in 1978 to 183,606 short tons in 1980, but then increased to 238,536 short tons in 1981 (table 4). The trend of inventories relative to shipments is similar. As a share of the preceding year's shipments, U.S. producers' inventories of sugar-beet molasses decreased from 24.4 percent in 1974 to 20.0 percent in 1980, before increasing to 25.3 percent in 1981. Similar data, by firms, are shown in appendix D.

Table 4.--Sugar-beet molasses: U.S. producers' inventories, as of Dec. 31, 1977-81

Item	Dec. 31--				
	1977	1978	1979	1980	1981
Inventories 1/----short tons--:	199,100	224,476	202,909	183,606	238,536
Ratio (percent) of inventories to shipments during the preceding 12-month period 1/---:	2/	24.4	20.2	20.0	25.3

1/ Does not include Southern Minnesota Coop.
2/ Not available.

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

Employment and financial data of U.S. producers

In the U.S. sugar-beet-processing industry, virtually all employees and the hours worked by them are for the production of sugar, not molasses. Similarly, since molasses is strictly a byproduct of sugar production, no costs are allocated separately to molasses sales. The profitability of molasses is not considered separate from that of sugar. U.S. producers' sales of sugar-beet molasses, other than that mixed with beet pulp, increased from $28.7 million in 1978 to $64.0 million in 1980, but then declined by 4 percent to $61.4 million in 1981. U.S. producers' level of sugar-beet molasses sales in 1981 represents about 3.6 percent of their combined sales of molasses and sugar derived from sugar beets. Sales data for the U.S. producers are shown in table 3 and in appendix D.

The Question of the Threat of Material Injury

Data for recent periods on French production, imports, exports, consumption, and inventories of molasses, as compiled and estimated by the French Sugar Intervention Agency, are shown in table 5. According to this information, French exports have declined both absolutely and relative to production since 1979. Whereas production of sugar-beet molasses increased from 1,047 thousand short tons in 1979 to 1,081 thousand short tons in 1981, or by 3.2 percent, exports (virtually all sugar-beet molasses) declined from 227,000 short tons to 152,000 short tons, or by 33 percent, in the same period. In the immediate future it is expected that both production and exports will increase, although relative to production exports will continue to decline. The data in table 5 forecast production increasing by 12 percent and exports increasing by 1.4 percent in 1982.

The decline in exports from 1979 to 1981 was primarily due to an increase in consumption, which increased by more than 10 percent during the period, while inventories declined by more than 32 percent. In 1982, however, it is forecasted that inventories will increase. Although consumption is expected to increase by 1.1 percent to 1,408 thousand short tons in 1982, inventories are expected to increase by 40 percent to 118,000 short tons; however, this level of inventories is 6 percent below that in 1979 and 14 percent below that in 1980.

The increase in stocks of molasses that is forcasted for France in 1982 is also expected in the United States. Any downward pressure on prices as a result of this situation should affect U.S. and French producers concurrently. For most of the molasses Pfizer has purchased since 1978, French producers have had no competitive advantage over U.S. producers in regards to price (see the price section of this report).

Pfizer will undoubtedly continue to buy sugar-beet molasses from sources outside the United States. ***. Pfizer claims, moreover, that it has become increasingly difficult to acquire French-produced molasses that meets minimum

Table 5.--Molasses: French production, imports, exports, consumption, and inventories, 1979-81 and forecast for 1982

(In thousands of short tons)

Item	1979	1980	1981 1/	1982 2/
Beginning inventory	147.4	125.4	137.5	84.7
Production:				
Sugar-beet molasses	1,047.2	1,053.8	1,081.3	1,210.0
Sugar-cane molasses 3/	140.8	124.3	99.0	110.0
Total	1,188.0	1,178.1	1,180.3	1,320.0
Imports:				
Sugar-beet molasses	13.2	11.0	13.2	11.0
Sugar-cane molasses 3/	262.9	325.6	298.1	264.0
Total	276.1	336.6	311.3	275.0
Exports	226.6	159.5	151.8	154.0
Consumption	1,259.5	1,311.0	1,392.6	1,408.0
Ending inventory	125.4	137.5	84.7	117.7

1/ Estimate.
2/ Forecast.
3/ Sugar cane is milled in the French overseas departments of La Reunion, Guadeloupe, and Martinique.

Source: Attache Report (No. FR-1122) from the American Embassy, Paris, France, to the Foreign Agricultural Service of the U.S. Department of Agriculture.

sugar-content requirements. An increasing number of French sugar producers are using the Quinten process, which, by extracting more sugar from the beet, reduces the sugar content of the molasses byproduct to about 43 percent. Such molasses is adequate for livestock feed but not for fermentation. The rationale for Pfizer's purchases is further discussed in the price section of this report.

The Question of the Causal Relationship Between the Imports and the Alleged Injury

U.S. consumption and market penetration of imports

Apparent consumption of beet molasses increased by 4 percent from 1978 to 1979 and then declined by 8 percent to *** short tons in 1980. Although consumption increased by 4 percent in 1981 to ***, it was more than 4 percent below the level of consumption in 1979 (table 6). In terms of value, apparent consumption of sugar-beet molasses increased from *** in 1978 to *** in 1981.

As a share of total U.S. consumption of sugar-beet molasses, imports from France declined from *** percent in 1978 to *** percent in 1981. Imports from the Netherlands, which were *** in 1978-80, accounted for *** percent of U.S. consumption in 1981.

Table 7 shows consumption and penetration data for Pfizer alone.

* * * * * * * *

Table 6.--Sugar-beet molasses: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1978-81

(Quantity in short tons; value in thousands of dollars)

Year	Producers' shipments	Imports: From France	Imports: From the Netherlands	Imports: Total	Exports	Apparent consumption	Ratio (percent) of imports to consumption--: From France	Ratio (percent) of imports to consumption--: From the Netherlands	Ratio (percent) of imports to consumption--: Total
	Quantity								
1978--	***	***	***	***	***	***	***	***	***
1979--	***	***	***	***	***	***	***	***	***
1980--	***	***	***	***	***	***	***	***	***
1981--	888	***	***	***	***	***	***	***	***
	Value								
1978--	***	***	***	***	***	***	***	***	***
1979--	***	***	***	***	***	***	***	***	***
1980--	***	***	***	***	***	***	***	***	***
1981--	***	***	***	***	***	***	***	***	***

1/ Does not include the value of beet molasses mixed with pulp.

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

Prices

The price of sugar-beet molasses is directly affected by the supply and demand for the product and indirectly by the supply and demand for sugar. Indices of monthly prices for sugar-beet molasses and sugar are shown in table 8. Actual prices vary from location to location, but the data in table 8 are indicative of the movement of prices in recent periods. Between January 1979 and October 1980, the price of sugar-beet molasses increased by about 19 percent. From March to December 1981, however, the price fell 24 percent below its level in early 1979, reflecting an increase in the supply of both sugar and sugar-beet molasses. Changes in the price of sugar-beet molasses normally lag behind those for sugar by several months.

Prices for all of Pfizer's purchases of sugar-beet molasses from January 1979 through December 1981 are shown in table 9. In 1979-81 Pfizer contracted for *** shipments of sugar-beet molasses from *** sources, ***.

Table 7.--Sugar-beet molasses: Pfizer's purchases of domestic merchandise, imports, and consumption, 1978-81

* * * * * * * *

F.o.b. plant prices of U.S. producers were far below those of the French producers throughout the period. On delivery, most of the U.S.-produced product also had a competitive advantage, although at Pfizer's receiving point the gap in price between U.S.- and French-produced molasses narrowed considerably. While the cost of transporting U.S.-produced molasses to Pfizer's plant averaged more than *** percent of the total delivery price in 1979-80, the cost of transporting French-produced molasses averaged about *** percent of the total delivery price. The difference is that between rail and ship.

The delivery price for the U.S.-produced product is generally not indicative of the total cost borne by Pfizer in getting the product to its plant's storage facilities. There are indirect costs associated with rail transportation that are not associated with ocean freighter. Unlike an ocean freighter, which is equipped with relatively unlimited hauling capacity, a railroad must distribute any liquid product among several tanker cars of only 40 tons capacity each. Thus, while a shipment of 20,000 tons from Europe would be delivered in one freighter, the same shipment from within the United States would be delivered in 500 tanker cars. The logistics of controlling, handling, and emptying several hundred tanker cars are far greater than that for one freighter. During the winter months, moreover, molasses shipped by rail must often be heated before it can be emptied. ***.

***.

Lost sales

U.S. producers identified no specific instances of lost sales; however, the Michigan Sugar Co. stated that from January 1978 through December 1981 it has been unable to sell any molasses to Pfizer. (Pfizer reports that it purchased *** tons of molasses manufactured by Michigan from Westway Trading Co. in 1980; however, this does not refute Michigan's claim. ***.)

Table 8.--Sugar-beet molasses and sugar: Indices of prices, by months, January 1979-December 1981

(January 1979=100)

Period	Molasses 1/	Sugar 2/
1979:		
January	100	100
February	100	104
March	100	107
April	100	99
May	100	100
June	100	102
July	100	109
August	100	109
September	100	108
October	104	109
November	107	112
December	107	126
1980:		
January	107	139
February	110	174
March	113	150
April	113	160
May	113	225
June	113	227
July	113	210
August	113	234
September	113	255
October	119	295
November	119	126
December	119	213
1981: 1/		
January	119	209
February	119	184
March	119	168
April	110	141
May	107	123
June	107	134
July	102	135
August	102	123
September	102	109
October	83	111
November	82	115
December	76	121

1/ F.o.b. tank car, Colorado.
2/ F.o.b. New York.

Source: Compiled from official statistics of the U.S. Department of Agriuclture.

Table 9.--Sugar-beet molasses: Prices paid by Pfizer, by shipments, sources, and months, 1979-81

* * * * * * * *

APPENDIX A

COMMERCE'S NOTICES OF
PRELIMINARY AND FINAL
REVIEWS

COMMISSION ON CIVIL RIGHTS

Alaska Advisory Committee; Agenda and Notice of Open Meeting

Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights, that a meeting of the Alaska Advisory Committee to the Commission will convene at 9:00 a.m. and will end at 12:00 noon, on October 2, 1981, at the Federal Building, 701 C Street, Anchorage AK 99501. The purpose of this meeting is to plan programs for the upcoming year.

Persons desiring additional or planning a presentation to the Committee, should contact the Chairperson, Mr. Donald Peter, 108 Stewart Street, Anchorage, AK 99504, 907/272-9531, or the Northwestern Regional Office, 915 Second Avenue, Room 2852, Seattle, Washington 98174, 216/442-1246.

The meeting will be conducted pursuant to the provisions of the rules and regulations of the Commission.

Dated at Washington, DC, September 15, 1981.

John I. Binkley,

Advisory Committee Management Officer.

[FR Doc. 81-27506 Filed 9-21-81; 8:45 am]

BILLING CODE 6335-01-M

DEPARTMENT OF COMMERCE

International Trade Administration

Molasses From France; Preliminary Results of Administrative Review of Countervailing Duty Order

AGENCY: International Trade Administration, Department of Commerce.

ACTION: Notice of preliminary results of administrative review of countervailing duty order.

SUMMARY: The Department of Commerce has conducted an administrative review of the countervailing duty order on molasses from France. The review covers the period January 1, 1980 through December 31, 1980. There were no net subsidies on this review, the Department has preliminarily determined that no deposits of estimated countervailing duties should be collected on entries of this merchandise. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: September 22, 1981.

FOR FURTHER INFORMATION CONTACT: Josephine A. Russo or Joseph A. Black, Office of Compliance, Room 2803, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1168 or 377-1774).

SUPPLEMENTARY INFORMATION:

Procedural Background

On May 5, 1971, the Department of the Treasury published in the Federal Register a countervailing duty order, T.D. 71-118 (36 FR 8365), on molasses from France. This order became effective on June 19, 1971. The order stated that exports of this merchandise benefitted from bounties or grants within the meaning of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303) ("the Tariff Act"). Accordingly, imports into the United States of this merchandise were subject to countervailing duties.

On January 1, 1980, the provisions of title I of the Trade Agreements Act of 1979 ("the TAA") became effective. On January 2, 1980, the authority for administering the countervailing duty law was transferred from the Department of the Treasury to the Department of Commerce ("the Department"). On April 3, 1980, the International Trade Commission ("the ITC") notified the Department that the European Communities ("the EC") had requested an injury determination for this order under section 104(b) of the TAA. Therefore, following the requirements of that section, liquidation was suspended on April 3, 1980 on all shipments of molasses from France entered, or withdrawn from warehouse, for consumption on or after that date. The Department published in the Federal Register of May 13, 1980 (45 FR 31455) a notice of intent to conduct administrative reviews of all outstanding countervailing duty orders. As required by section 751 of the Tariff Act, the Department has conducted an administrative review of the order on molasses from France.

Scope of the Review

Imports covered by this review are molasses imported directly or indirectly from France. These imports are currently classifiable under item number 155.40 of the Tariff Schedules of the United States. The review covers the period January 1, 1980 through December 31, 1980, and is limited to the program of restitution payments made through the Guidance and Guarantee Fund operated under the Common Agricultural Policy of the EC. France is a member state of the EC. This was the only program found counter-vailable in the final determination.

Analysis of the Program

The restitution payments are granted only when the world price of molasses as established by international markets is lower than the EC "threshold price." For the period of review, the EC has not made any restitution payments on exports of molasses from France to any country including the United States. The program itself remains in effect.

We verified information, submitted by the Delegation of the Commission of the European Communities, through a review of public documents published by the EC.

Preliminary Results of the Review

As a result of our review, we preliminarily conclude that exports of molasses from France did not receive any restitution payments from the EC for the period January 1, 1980 though December 31, 1980. There are no known unliquidated entries of this merchandise entered, or withdrawn from warehouse, for consumption prior to January 1, 1981.

The Department intends to instruct the Customs Service not to collect a cash deposit of estimated countervailing duties on any shipments entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. This waiver of deposit shall remain in effect until publication the final result of the next administrative review.

Pending publication of the final results of the present review, the existing deposit of estimated duties shall continue to be required, at the rates set forth in T.D. 71-118, on each entry, or withdrawal from warehouse, for consumption of this merchandise, and liquidation shall continue to be suspended until the Department is notified of an injury determination by the ITC.

Interested parties may submit written comments on these preliminary results on or before October 21, 1981, and may request disclosure and/or a hearing on or before October 7, 1981. The Department will publish the final results of this administrative review including the results of its analysis of any such comments or hearing.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 355.41 of the Commerce Regulations (19 CFR 355.41).

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

September 16, 1981.

[FR Doc. 81-27507 Filed 9-21-81; 8:45 am]

BILLING CODE 3510-25-M

National Technical Information Service

Albany International Corp; Intent To Grant Exclusive Patent License

The National Technical Information Service (NTIS), U.S. Department of Commerce, intends to grant to Albany International Corporation, having a or apparatus of equivalent scientific value to the foreign articles, for such purposes as these articles are intended to be used, was being manufactured in the United States at the time the articles were ordered. Reasons: Each foreign article to which the foregoing applications relate is a conventional transmission electron microscope (CTEM). The description of the intended research and/or educational use of each article established the fact that a comparable CTEM is pertinent to the purposes for which each is intended to be used. We know of no CTEM which was being manufactured in the United States either at the time of order of each article described above or at the time of receipt of application by the U.S. Customs Service.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to any of the foreign articles to which the foregoing applications relate, for such purposes as these articles are intended to be used, which was being manufactured in the United States either at the time of order or at the time of receipt of application by the U.S. Customs Service.

(Catalog of Federal Domestic Assistance Program No. 11.105, Importation of Duty-Free Educational and Scientific Materials)

Frank W. Creel,

Acting Director, Statutory Import Programs Staff.

[FR Doc. 81-31194 Filed 10-27-81; 8:45 am]

BILLING CODE 3510-25-M

University of Illinois Campus at Urbana-Champaign; Decision on Application for Duty-Free Entry of Scientific Article

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

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

Docket No. 81-00209. Applicant: University of Illinois Campus at Urbana-Champaign, Purchasing Division, 223 Administration, Urbana, Illinois 61801. Article: Bede Double Axis X-Ray Diffractometer System and Related Components. Manufacturer: Bede Scientific Instruments, Ltd., United Kingdom. Intended use of article: See Notice on page 31466 in the **Federal Register** of June 16, 1981.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States. Reasons: The article provides double crystal diffractometry. The National Bureau of Standards advises in its memorandum dated October 8, 1981 that (1) the capability of the foreign article described above is pertinent to the applicant's intended purpose and (2) it knows of no domestic instrument or apparatus of equivalent scientific value to the foreign article for the applicant's intended use.

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

(Catalog of Federal Domestic Assistance Program No. 11.105, Importation of Duty-Free Educational and Scientific Materials)

Frank W. Creel,

Acting Director, Statutory Import Programs Staff.

[FR Doc. 81-31192 Filed 10-27-81; 8:45 am]

BILLING CODE 3510-25-M

Molasses From France; Final Results of Administrative Review of Countervailing Duty Order

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of final results of administrative review of countervailing duty order.

SUMMARY: On September 22, 1981, the Department of Commerce published the preliminary results of its administrative review of the countervailing duty order on molasses from France. The review covered the period January 1, 1980 through December 31, 1980. Interested parties were given an opportunity to submit written or oral comments. We received no comments. Therefore, as described in our preliminary results, we have determined that there were no net subsidies on molasses from France during the period of review and deposits of estimated countervailing duties shall not be collected on future entries of this merchandise.

EFFECTIVE DATE: October 28, 1981.

FOR FURTHER INFORMATION CONTACT: Josephine A. Russo or Joseph A. Black, Office of Compliance, Room 2802, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1168 or 377-1774).

SUPPLEMENTARY INFORMATION:

Procedural Background

On May 5, 1971, the Department of the Treasury published in the **Federal Register** a countervailing duty order, T.D. 71-118 (36 FR 8365), on molasses from France. This order became effective on June 19, 1971. The order stated that exports of this merchandise benefited from bounties or grants within the meaning of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303) ("the Tariff Act"). Accordingly, imports into the United States of this merchandise were subject to countervailing duties.

On September 22, 1981, the Department of Commerce ("the Department") published in the **Federal Register** a notice of the preliminary results of its administrative review of that countervailing duty order (46 FR 46819). In the notice, we stated that there was no net subsidy on this merchandise during the period of review and that no deposit of estimated countervailing duties would be required on any entries until completion of the next administrative review. Interested parties were invited to comment.

Scope of the Review

Imports covered by this review are molasses imported directly or indirectly from France. These imports are currently classifiable under item number 155.40 of the Tariff Schedules of the United States. The review covered the period January 1, 1980 through December 31, 1980, and was limited to the program of restitution payments made through the Guidance and Guarantee Fund operated under the Common Agricultural Policy of the EC. This was the only program found counteravailable in the final determination.

Final Results of the Review

Since we have received no comments, the final results of our review are the same as those presented in the preliminary results of the review. There are no known unliquidated entries of this merchandise.

Therefore, as provided by section 751(a)(1) of the Tariff Act, the Department will instruct the Customs Service not to collect a cash deposit of estimated countervailing duties on any shipments entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results. This waiver of deposit shall remain in effect until publication of the final results of the next administrative review. The Department intends to conduct the next review by the end of June 1982.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 355.41 of the Commerce Regulations (19 CFR 355.41).

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

October 23, 1981.

[FR Doc. 81-31288 Filed 10-27-81; 8:45 am]

BILLING CODE 3510-25-M

Bicycle Tires and Tubes from Taiwan: Reopened Investigation—Final Countervailing Duty Determination

AGENCY: International Trade Administration, Commerce.

ACTION: Reopened investigation—final countervailing duty determination.

SUMMARY: This notice is to advise the public that, as ordered by the United States Court of International Trade, a reopened countervailing duty investigation has resulted in a final determination that Taiwan authorities have given benefits on the manufacture, production, or exportation of bicycle tires and tubes, with respect to one manufacturer, which constitute bounties or grants. With regard to the remaining companies, the Taiwan authorities have given benefits on the manufacture, production, or exportation of bicycle tires and tubes, but we have determined that these benefits are *de minimis* in amount, and thus do not constitute countervailable bounties or grants, within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303).

EFFECTIVE DATE: October 28, 1981.

FOR FURTHER INFORMATION CONTACT: Raymond Busen, Office of Investigations, International Trade Administration, U.S. Department of Commerce, Room 2120, Washington, D.C. 20230 (202-377-1276).

Reopening of Investigation

On August 3, 1981, a notice of "Reopening of Countervailing Duty Investigation" was published in the Federal Register (46 FR 39464). The notice stated that, as ordered by the United States Court of International Trade, we were reopening the countervailing duty investigation on bicycle tires and tubes from Taiwan for the purpose of seeking the additional information on two programs specifically required by the Court in its order of June 19, 1981. We were directed to report our redetermination to the Court.

Scope of Investigation

For the purposes of both the previous determination and this redetermination the term "bicycle tires and tubes" means pneumatic bicycle tires and tubes of rubber or plastics, whether such tires and tubes are sold together as units or separately. Bicycle tires and tubes currently are covered under Items 772.48 and 772.57, respectively, of the Tariff Schedules of the United States (TSUS). The period we investigated covers calendar year 1977, which is the same period covered in the original investigation.

Background

On January 8, 1979, a notice of "Final Countervailing Duty Determination" was published in the Federal Register (44 FR 1815). The notice stated that the Department of the Treasury ("Treasury") had determined that benefits had been paid by Taiwan authorities on the manufacture/exportation of bicycle tires and tubes, but that the benefits involved an aggregate amount considered to be *de minimis* in size, and that, therefore, no bounty or grant was being paid or bestowed, directly or indirectly, within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303), upon the manufacture, production or exportation of bicycle tires and tubes from Taiwan.

The notice further stated that the Taiwan bicycle tire and tube manufacturers received benefits from Taiwan authorities under the following programs: (1) Preferential income tax ceiling—weighted-average benefit of .27 percent *ad valorem*, (2) preferential export financing—no firm received a benefit greater than .03 percent *ad valorem*, and the weighted-average benefit for all manufacturers/exporters was only .005 percent, and (3) deferred payment of duties on machinery and equipment imported into Taiwan—only one firm received benefits, and the benefit was only .002 percent *ad valorem*. The notice also indicated that Treasury determined that the "aggregate weighted-average benefit received by the industry during the period investigated was .28 percent *ad valorem*, with no single firm receiving more than .44 percent". Treasury determined that those benefits were *de minimis*.

On March 8, 1979, counsel for the petitioner filed suit in the United States Customs Court to challenge the Secretary of the Treasury's final countervailing duty determination (*Carlisle Tire and Rubber Co.* v. *United States*, No. 79-3-00423). Specifically, plaintiff alleged that (1) a *de minimis* benefit must be countervailed, and (2) the amount of the benefits received were substantially larger than those found by the Secretary of the Treasury.

On June 19, 1981, the United States Court of International Trade held that the *de minimis* doctrine was applicable to cases arising under the countervailing duty statute. In addition, the Court stayed the proceedings and vacated Treasury's negative countervaling duty determination. Further, the Court remanded the case to the Secretary of Commerce for "further inquiries as may be needed to determine the ad valorem benefit provided the Taiwanese bicycle tire and tube manufacturers by * * * Taiwan" with respect to portions of two programs—(1) preferential income tax ceiling and (2) preferential export financing.

We visited the following Taiwan bicycle tire and tube manufacturers, located in Taichung and surrounding areas: Kenda Rubber Industrial Co., Ltd. (Kenda); Li-Hsin Rubber Industrial Co., Ltd. (Li-Hsin); and Seven-Stars Rubber Co., Ltd. (Seven-Stars). We also visited the Taichung branch of the International Commercial Bank of China (ICBC), and the Tax Audit Department of Taiwan's Central Region, located in Taichung City.

Results of the Investigation

Preferential Income Tax Ceiling

The Federal Register notice of January 8, 1979, stated that

> under the Statute for the Encouragement of Investment, firms whose establishment or expansion was approved before December 31, 1973, qualify for a tax ceiling equivalent to 25 percent of the firms' taxable income. The usual tax rate is 35 percent of taxable income.

In conducting the countervailing duty investigation, the Secretary of the Treasury had received two sets of figures, virtually identical, from the Taiwan authorities and the Taiwan Bicycle Tire and Tube Manufacturers Association (the "Association"), respectively.

The Court stated that there had been insufficient data to substantiate the correct figures, and thus it could neither approve the Secretary of the Treasury's findings as to the *ad valorem* benefit of the 25 percent tax rate, nor could it accept plaintiff's computations based on the Taiwanese authorities' figures. Consequently, the Court remanded the case to the Department of Commerce for futher inquiry to resolve this issue.

APPENDIX B

COMMISSION'S NOTICE OF INVESTIGATION AND HEARING

Corporation, and Tanaka Electronics Industries Co., Ltd., supported complainant's motion. The Commission investigative attorney opposed the motion.

On September 23, 1981, the Commission published a notice in the Federal Register requesting comment from the public and interested Federal agencies on the settlement agreements (46 FR 47031). The only objection to termination on the basis of the settlement agreements came from the Justice Department which noted that termination of the investigation would leave important patent issues unresolved.

On January 27, 1982, the Commission terminated this investigation on the basis of the settlement agreements. The Commission concluded that the presence of the Commission investigative attorney is not required at settlement negotiations and that the public interest would not be adversely affected by the absence of Commission rulings on the patent issues noted by the Justice Department.

Notice of the institution of this investigation was published in the Federal Register of January 28, 1981 (46 FR 9262).

Copies of the Commission's Action and Order and all other nonconfidential documents in the record of this investigation are available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, telephone 202-523-0161.

FOR FURTHER INFORMATION CONTACT: Scott Daniels, Esq., Office of the General Counsel, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, telephone 202-523-0074.

By order of the Commission.

Issued: January 28, 1982.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-2795 Filed 2-2-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 104-TAA-8]

Molasses From France; Countervailing Duty Investigation; Hearing

AGENCY: United States International Trade Commission.

ACTION: Institution of a countervailing duty investigation.

SUMMARY: On June 19, 1971 in T.D. 71-118, the Department of the Treasury (Treasury) imposed countervailing duties, under section 303 of the Tariff Act of 1930, on molasses imported from France. Imports of molasses from France are currently provided for under item 155.40 of the Tariff Schedules of the United States.

On January 1, 1980, the provisions of the Trade Agreements Act of 1979 became effective, and on January 2, 1980, the authority for administering the countervailing duty statute was transferred from Treasury to the Department of Commerce (Commerce). On May 13, 1980, Commerce published a notice in the Federal Register (44 FR 31455) of intent to conduct an annual administrative review of all outstanding countervailing duty orders.

On March 28, 1980, the U.S. International Trade Commission received a request from the Delegation of the Commission of the European Communities for an investigation under section 104(b)(1) of the Trade Agreements Act of 1979, with respect to molasses from France. In accordance with section 104(b)(3) of the Act, the Commission notified the Department of Commerce of its receipt of the request for this investigation.

As required by section 751(a)(1) of the Tariff Act of 1930, Commerce has conducted its first annual administrative review of the countervailing duty order on molasses from France. As a result, on October 28, 1981, Commerce published in the Federal Register (46 FR 53200), its final determination that, for the period of review, there were no net subsidies on molasses from France. The review covers the period January 1, 1980, through December 31, 1980, and is limited to the program of restitution payments made through the Guidance and Guarantee Fund operated under the Common Agricultural Policy of the European Communities (EC). This was the only program found countervailable in the final determination. According to Commerce the restitution payments are granted only when the world price of molasses as established by international markets is lower than the EC "threshold price." The EC did not make any restitution payments on exports of molasses from France for the period of review, although Commerce maintains that the program itself remains in effect. Prior to Commerce's review, imports of molasses from France were subject to a maximum countervailing duty of $1.80 per 100 kilograms. Pursuant to section 104(b)(2) of the Trade Agreements Act, the U.S. International Trade Commission is instituting this countervailing duty investigation to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of molasses from France provided for under item 155.40 of the Tariff Schedules of the United States, covered by the countervailing duty order, if the order were to be revoked.

EFFECTIVE DATE: January 26, 1982.

FOR FURTHER INFORMATION CONTACT: Larry Reavis, U.S. International Trade Commission, Washington, D.C. 20436 (202-523-0296).

SUPPLEMENTARY INFORMATION: *Public Hearing:* The Commission will hold a public hearing in connection with this investigation on April 5, 1982, in the Commission's Hearing Room, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, beginning at 10 a.m. The hearing on this investigation will be held concurrently with the hearing on sugar from the European Communities (Investigation No. 104-TAA-7). Requests to appear at the hearing should be filed with the Office of the Secretary, U.S. International Trade Commission, Washington, D.C. 20436, not later than the close of business (5:15 p.m.) on March 18, 1982. All persons desiring to appear at the hearing and make oral presentations must file prehearing statements and should attend a prehearing conference to be held at 10 a.m., on March 22, 1982, in room 117 of the U.S. International Trade Commission Building. Prehearing statements must be filed with the Commission on or before March 31, 1982.

A staff report containing preliminary findings of fact in this investigation will be available to all interested parties on March 17, 1982.

Testimony at the public hearing is governed by § 207.23 of the Commission's Rules of Practice and Procedure (19 CFR 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing statements and to new information. The Commission will not receive prepared testimony for the public hearing, as would otherwise be provided for in rule § 201.12(d). All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing statements in accordance with rule § 207.22. Posthearing briefs should be filed with the Commission by no later than the close of business, April 13, 1982.

Written submissions.—Any person may submit to the Commision on or before April 13, 1982, written statements of information pertinent to the subject matter of the investigation. A signed original and nineteen true copies of such statements must be submitted in accordance with § 201.8 of the Commission's rules of practice and procedure, 19 CFR 201.8 (1980). All written submissions, except confidential business data, will be available for public inspection.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the rules of practice and procedure (19 CFR 201.6).

For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's rules of practice and procedure, Part 207, Subparts A and C (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201).

This notice is published pursuant to § 207.20 of the Commission's rules of practice and procedure (19 CFR 207.20, 44 FR 76458).

By order of the Commission.

Issued: January 27, 1982.

Kenneth R. Mason,

Secretary.

[FR Doc 82-2796 Filed 2-2-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 337-TA-115]

Certain Power Woodworking Tools, Their Parts, Accessories and Special Purpose Tools; Order

Pursuant to my authority as Chief Administrative Law Judge of this Commission, I hereby designate Administrative Law Judge Janet D. Saxon as Presiding Officer in this investigation.

The Secretary shall serve a copy of this order upon all parties of record and shall publish it in the Federal Register.

Issued: January 26, 1982.

Donald K. Duvall,

Chief Administrative Law Judge.

[FR Doc 82-2797 Filed 2-2-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 104-TAA-7]

Sugar From The European Communities; Countervailing Duty Investigation

AGENCY: United States International Trade Commission.

ACTION: Institution of a countervailing duty investigation.

SUMMARY: On July 31, 1978 in T.D. 78-53, the Department of the Treasury (Treasury) imposed countervailing duties, under section 303 of the Tariff Act of 1930, on sugar imported from the European Communities. Imports of sugar from the European Communities, currently provided for under items 155.20 and 155.30 of the Tariff Schedules of the United States were subject to countervailing duties of 10.84 cents per pound.

On January 1, 1980, the provisions of the Trade Agreements Act of 1979 became effective, and on January 2, 1980, the authority for administering the countervailing duty statute was transferred from Treasury to the Department of Commerce (Commerce). On May 13, 1980, Commerce published a notice in the Federal Register (44 FR 31455) of intent to conduct an annual administrative review of all outstanding countervailing duty orders.

On March 28, 1980, the U.S. International Trade Commission received a request from the Delegation of the Commission of the European Communities for an investigation under section 104(b)(1) of the Trade Agreements Act of 1979, with respect to sugar from the European Communities (EC). In accordance with section 104(b)(3) of the act, the Commission notified the Department of Commerce of its receipt of the request for this investigation.

As required by section 751(a)(1) of the Tariff Act of 1930, Commerce has conducted its first annual administrative review of the countervailing duty order on sugar from the European Communities. As a result, on September 23, 1981, Commerce published in the Federal Register (46 FR 46984), its final determination that the net subsidy conferred was 3.5 cents per pound. On the basis of that determination, the U.S. International Trade Commission, pursuant to section 104(b)(2) of the Trade Agreements Act, is instituting this countervailing duty investigation to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of sugar from the European Communities provided for under items 155.20 and 155.30 of the Tariff Schedules of the United States, covered by the countervailing duty order, if the order were to be revoked.

EFFECTIVE DATE: January 27, 1982.

FOR FURTHER INFORMATION CONTACT: T. Vernon Greer, Commodity-Industry Analyst, U.S. International Trade Commission, Washington, D.C. 20436 (202-724-0074).

SUPPLEMENTARY INFORMATION: *Public Hearing.* The Commission will hold a public hearing in connection with this investigation on April 5, 1982, in the Commission's Hearing Room, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, beginning at 10 a.m. The hearing on this investigation will be held concurrently with the hearing on molasses from France (Investigation will be held concurrently with the hearing on molasses from France (Investigation No. 104-TAA-8). Requests to appear at the hearing should be filed with the Office of the Secretary, U.S. International Trade Commision, Washington, D.C. 20436, not later than the close of business (5:15 p.m.) on March 18, 1982. All persons desiring to appear at the hearing and make oral presentations must file prehearing statements and should attend a prehearing conference to be held at 10 a.m., on March 22, 1982, in room 117 of the U.S. International Trade Commission Building. Prehearing statements must be filed with the Commission on or before March 31, 1982.

A staff report containing preliminary findings of fact in this investigation will be available to all interested parties on March 17, 1982.

Testimony at the public hearing is governed by § 207.23 of the Commission's Rules of Practice and Procedure (19 CFR 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing statements and to new information. The Commission will not receive prepared testimony for the public hearing, as would otherwise be provided for in § 201.12(d). All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing statements in accordance with rule § 207.22. Posthearing briefs should be filed with the Commission by no later than the close of business, April 13, 1982.

A-25

Written submissions.—Any person may submit to the Commission on or before April 13, 1982, written statements

APPENDIX C

LETTERS OF WITHDRAWAL FROM
MONITOR SUGAR CO. AND NORTHERN OHIO SUGAR CO.

MONITOR SUGAR COMPANY

BIG CHIEF
SUGAR

CHARLES L. BELL
PRESIDENT

BAY CITY, MICHIGAN 48707
(517) 686-0161

RECEIVED
82 FEB 2 A9:15
OFFICE OF THE SECRETARY
DOCKET USITC

January 29, 1982

Mr. William Fry
Director of Investigations
United States International
   Trade Commission
Washington, D.C. 20436

RE: Countervailing Duty Review on
Molasses from France, T.D. 71-118

Dear Mr. Fry:

Monitor Sugar Company hereby withdraws its request for the imposition of countervailing duties under the above referenced countervailing duty order. However, such withdrawal is made with the express proviso that termination of the countervailing duty order as a consequence of this withdrawal should not be considered prejudicial to future complaints, if countervailing subsidies or grants on molasses from France in the future cause or threaten to cause injury to a domestic industry.

Very truly yours,

Charles L. Bell

Charles L. Bell

jal

FINE GRANULATED SUGAR

Northern Ohio Sugar Company

REQUEST FOR ACTION
NO. 82-11
TO ~~GC~~ INV
Office of the Secretary
Intl. Trade Commission

FACTORIES
FREMONT, OHIO
FINDLAY, OHIO

General Offices
P.O. BOX 5308
DENVER, COLORADO 80217
PHONE (303) 893-4600

February 10, 1982

RECEIVED
82 FEB 16 P1:59
OFFICE OF THE SECRETARY
DOCKET / USITC

Mr. Kenneth R. Mason
Office of the Secretary
United States Trade Commission
Washington, D. C. 20436

RE: Countervailing Duty
Order T. D. 71-118
Investigation #104-TAA-8

Dear Mr. Mason:

The Northern Ohio Sugar Company hereby withdraws its request for the imposition of countervailing duties under the above referenced duty order. However, such withdrawal is made with the express provise that termination of the countervailing duty order as a consequence of this withdrawal should not be considered prejudiced to future complaints, if subsidies on molasses from France in the future causes or threatens to cause injury to the domestic industry.

Very truly yours,

James P. Nault

James P. Nault
President and Chief Executive Officer

JF/JPN/ec

APPENDIX D

STATISTICAL TABLES

(Tables D-1 through D-3 have been removed for reasons of confidentiality)