

SORBITOL FROM FRANCE

**Determination of the Commission
in Investigation No. 731-TA-44 (Final)
Under the Tariff Act of 1930,
Together With the Information
Obtained in the Investigation**

USITC PUBLICATION 1233

MARCH 1982



UNITED STATES INTERNATIONAL TRADE COMMISSION

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C O N T E N T S

	<u>Page</u>
Determination-----	1
Views of Chairman Bill Alberger and Vice Chairman Michael J. Calhoun-----	3
Views of Commissioners Paula Stern and Alfred E. Eckes-----	9
Information obtained in the investigation:	
Introduction-----	A-1
Development of the instant case-----	A-1
The product:	
Description and uses-----	A-2
The imported product-----	A-4
U.S. tariff treatment-----	A-4
Nature and extent of sales at less than fair value-----	A-5
U.S. market and channels of distribution-----	A-5
The domestic industry:	
U.S. producers-----	A-7
U.S. importers-----	A-9
Foreign producers-----	A-9
Consideration of material injury:	
U.S. production, capacity, and capacity utilization-----	A-11
U.S. producers' commercial shipments-----	A-11
Inventories-----	A-17
Apparent U.S. consumption-----	A-17
U.S. employment and wages-----	A-20
Financial performance of U.S. producers-----	A-20
Producers' cost analysis-----	A-25
Consideration of threat of material injury-----	A-25
Consideration of the causal relationship between LTFV imports from France and the alleged material injury or threat thereof:	
U.S. imports and market penetration of LTFV imports-----	A-27
Prices-----	A-29
Estimates of delivered prices-----	A-34
Lost sales-----	A-38
Information from the preliminary investigation-----	A-38
Information from the current investigation-----	A-40
Appendix A. Department of Commerce notices-----	A-41
Appendix B. International Trade Commission notices-----	A-53
Appendix C. List of witnesses appearing at the Commission's hearing-----	A-61

Tables

1. Sorbitol: Selected firms' imports, by types and by sources, 1978-80, January-November 1980, and January-November 1981-----	A-10
2. Sorbitol: U.S. production, by types and by firms, 1978-80, January- November 1980, and January-November 1981-----	A-12
3. Sorbitol: U.S. production, production capacity, and capacity utilization, by firms, 1978-80, January-November 1980, and January- November 1981-----	A-13

CONTENTS

	<u>Page</u>
4. Sorbitol: U.S. producers' commercial shipments, by types and by firms, 1978-80, January-November 1980, and January-November 1981----	A-15
5. Sorbitol: U.S. producers' inventories, by types and by firms, as of Dec. 31 of 1978-80, Nov. 30, 1980, and Nov. 30, 1981-----	A-18
6. Sorbitol: U.S. production, imports for consumption, net change in inventories, exports, and apparent consumption, 1978-80, January-November 1980, and January-November 1981-----	A-19
7. Sorbitol: U.S. producers' open-market shipments, imports for consumption, net change in inventories, exports, and apparent open-market consumption, 1978-80, January-November 1980, and January-November 1981-----	A-19
8. Average number of employees in selected U.S. establishments producing sorbitol, total and production and related workers producing sorbitol, and wages paid to and hours worked by all production and related workers producing sorbitol, by firms, 1978-80, January-November 1980, and January-November 1981-----	A-21
9. Profit-and-loss experience of U.S. producers of sorbitol on overall sorbitol operations, by firms, 1978-80, January-November 1980, and January-November 1981-----	A-22
10. Profit-and-loss experience of U.S. producers of sorbitol on their crystalline sorbitol operations, by firms, 1978-80, January-November 1980, and January-November 1981-----	A-23
11. Profit-and-loss experience of U.S. producers of sorbitol on their liquid sorbitol operations, by firms, 1978-80, January-November 1980, and January-November 1981-----	A-24
12. U.S. producers' cash flow from operations on sorbitol, by selected firms, 1978-80, January-November 1980, and January-November 1981----	A-25
13. Liquid sorbitol: Producers' costs, by firms, 1979-81-----	A-26
14. Sorbitol: Imports by selected U.S. importers, by sources, 1978-80, January-November 1980, and January-November 1981-----	A-28
15. Sorbitol: U.S. imports from France and apparent open-market consumption, by types, 1978-80, January-November 1980, and January-November 1981-----	A-28
16. Crystalline sorbitol: U.S. producers' weighted-average prices to major end users, by firms and by quarter, January 1978-November 1981-----	A-29
17. Crystalline sorbitol: Weighted-average prices to end users of imported and domestic merchandise, by quarters, January 1978-November 1981-----	A-30
18. Liquid sorbitol: U.S. producers' weighted-average prices to major end users, by firms and by quarters, January 1978-November 1981-----	A-32
19. Liquid sorbitol: Weighted average prices to end users of imported and domestic merchandise, by quarters, January 1978-November 1981-----	A-33
20. Sorbitol: Pfizer's f.o.b. prices and average freight charges, by quarters, January 1978-November 1981-----	A-35

CONTENTS

	<u>Page</u>
21. Crystalline sorbitol: Domestic producers' f.o.b. price plus Pfizer's freight adjustment and importers' delivered price, by quarters, January 1978-November 1981-----	A-36
22. Liquid sorbitol: weighted average delivered prices to end users of imported and domestic merchandise in the New York City area, by quarters, January 1978- November 1981-----	A-37
23. Sorbitol: Comparison of selected delivered prices of Pfizer and Roquette to end users, October-December 1981-----	A-38

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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-44(Final)

SORBITOL FROM FRANCE

Determination

Based on the record 1/ developed in investigation No. 731-TA-44 (Final), the Commission determines 2/ that an industry in the United States is materially injured 3/ by reason of imports from France of sorbitol 4/, which the Department of Commerce has determined is being, or is likely to be, sold in the United States at less than fair value (LTFV). 5/

Background

On November 30, 1981, the Department of Commerce made a preliminary determination that there was a reasonable basis to believe that sorbitol imported from France was being, or was likely to be, sold in the United States at LTFV within the meaning of section 733(b) of the Tariff Act of 1930, 19 U.S.C 1673b(b). Accordingly, on December 10, 1981, the Commission instituted a final antidumping investigation under section 735(b)(1) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)(1)) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry is materially retarded, by reason of the imports of such merchandise into the United States.

1/ The "record" is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedures, 47 F.R. 6190, February 10, 1982.

2/ Commissioners Frank and Haggart did not participate.

3/ Commissioners Alberger and Calhoun determined an industry is being materially injured by imports of crystalline sorbitol only. Commissioner Eckes determined that an industry in the United States is materially injured, or is threatened with material injury by reason of imports from France of sorbitol.

4/ For purposes of this investigation, sorbitol is defined as a hexitol--a polyhydric alcohol with six hydroxyl (OH groups)--which has the formula $C_6H_8(OH)_6$, as provided for in item 493.68 of the Tariff Schedules of the United States. 1

5/ The retardation of the establishment of an industry in the United States was not an issue in this investigation.

Notice of the institution of the Commission's investigation and of the public hearing to be held in connection therewith was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on December 16, 1981, (46 F.R. 61354). The hearing was held in Washington, D.C. on February 24, 1982, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF CHAIRMAN BILL ALBERGER AND VICE CHAIRMAN MICHAEL J. CALHOUN

After considering all available information, we conclude: (1) that an industry in the United States is materially injured by reason of imports of crystalline sorbitol from France which are sold at less than fair value; (2) that an industry in the United States is not materially injured or threatened with material injury by reason of imports of liquid sorbitol from France which are sold at less than fair value.

The domestic industry

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." Section 771(10) defines "like product" as a product which is like, or in the absence of like, most similar in characteristics and uses with the article under investigation.

The staff report describes in detail 1/ the composition, characteristics, and uses of sorbitol. Generally, however, sorbitol is a sugar alcohol made from dextrose and is about 60 to 70 percent as sweet as sugar. It is used as a sugar substitute in foods and confections as well as a humectant, stabilizer, emulsifier and a surfactant in such diverse products as detergents, paints, dry cleaning formulations, cosmetics and drugs.

There are two types of sorbitol--crystalline, available in both granular and powdered forms, and an aqueous solution, i.e., liquid sorbitol. Both crystalline and one type of liquid sorbitol, the 70 percent solution are imported into the United States from France. These two types of sorbitol are

1/ Staff report, p. A-2-3.

essentially the same as the domestic products. All five domestic producers produce liquid sorbitol, but only two, Pfizer and ICI, produce crystalline sorbitol.

Crystalline and liquid sorbitol have distinct and dissimilar end uses, and the characteristics of each prevent their interchangeability. Crystalline sorbitol is primarily used in sugarless gums, mints, and other confections. Liquid sorbitol is used in toothpaste, cosmetics, foods, pharmaceuticals, and industrial surfactants.

Although crystalline and liquid sorbitol have the same chemical formula, their distinctiveness is further demonstrated in their production processes. Once liquid sorbitol is produced, it can be further processed into crystalline sorbitol on separate equipment (which may be housed in a different physical plant). This additional process is very capital intensive requiring considerable outlay for separate equipment and additional personnel. Crystalline sorbitol, therefore, sells for a much higher price than liquid sorbitol because of the extra production process. Thus, crystalline and liquid sorbitol do not compete with one another.

We conclude that there are two distinct products being imported and that there are two like products. We, therefore, find that there are two domestic industries, one producing crystalline and one producing liquid sorbitol.

Although the staff is uncomfortable with the allocations which are the basis of the separate profit and loss data for crystalline and liquid sorbitol, we do not believe that separate profit and loss data is always essential to measure the impact of imports on domestic production of separate products. Section 771(4)(D) states

that the effect of the dumped imports shall be assessed against the production of the like product "if available data permit the separate identification of production in terms of such criteria as the production process or the producer's profits," (emphasis added). The Commission's investigation has provided information on the separate production process for liquid and crystalline sorbitol. As well, we have separate information on the levels of domestic production, domestic shipments, domestic market share for each of the like products, and pricing and lost sales information. Although separate profit and loss data have also been supplied, their accuracy is subject to question. These data do, however, tend to support our view that the problems are in crystalline production, not liquid. In our view, sufficient data are available to permit our separate assessment of the impact of imports from France of crystalline and liquid sorbitol on the industries producing a like product.

Section 771(7)(B) directs the Commission in making its material injury determinations, to consider among other factors, (1) the volume of imports of the merchandise which is the subject of the investigation, (2) the effect of imports of such merchandise on prices in the United States for like products, and (3) the impact of imports of such merchandise on domestic producers of like products.

I. CRYSTALLINE SORBITOL

Material Injury

Our determination that dumped crystalline sorbitol from France has materially injured the domestic industry is based on steadily increasing imports from 1978 through 1981, on declines in production, and on substantial declines in commercial shipments and market share. 1/

⁵
1/ Due to the small number of firms comprising the domestic industry, nearly all the statistical information obtained by the Commission is regarded as confidential business information. For this reason, the information is discussed only in general terms.

Volume of imports: From 1978 through the first eleven months of 1981, imports of crystalline sorbitol from France have increased steadily. French imports of this product also took an increasingly higher share of the domestic market from 1978 through January-November 1981. In contrast to liquid sorbitol, imports of crystalline sorbitol did not decline in 1981. Furthermore, the percentage of total French sorbitol exports also steadily increased to the point where French exports occupy a substantial percentage of crystalline exports to the United States. 1/

Impact of imports on prices: Prices of imported crystalline sorbitol were consistently below the U.S. producers' prices from 1978 to 1980 often by substantial margins. In 1981, prices of imported crystalline rose to the point where they were slightly above domestic prices. Although U.S. producers' prices increased in each quarter of the period of investigation, these increases have not kept pace with price increases for other industrial chemicals or with price increases for the key raw material used in the production of sorbitol, i.e., dextrose. 2/

Impact of imports on the domestic industry: At the same time imports were increasing, domestic production of crystalline sorbitol steadily declined from 1978 through the first eleven months of 1981. 3/ Domestic shipments also declined substantially at this time, as did the value of these shipments. 4/ The U.S. producers continually lost market share during the period under investigation--with the most substantial loss coming in January-November 1981. Inventories remained fairly steady during

1/ Staff report, p. A-27.

2/ Id., p. A-29.

3/ Id., p. A-11.

4/ Id., pp. A-11 and A-14.

the period, but the ratio of inventories to sales increased from 1978 through January-November 1981. 1/ Although prices were allowed to rise, the increases were not sufficient to cover the high costs associated with the production of crystalline sorbitol. 2/ Additionally, the lost sales information gathered by the Commission shows that of those sales lost to French imports in 1980 and 1981, the largest quantities were of the crystalline type of sorbitol. For these reasons, we believe that the steadily increasing imports from France of crystalline sorbitol have caused material injury to the domestic industry producing the like product.

II. LIQUID SORBITOL

No material injury or threat of material injury

Several factors indicate that the domestic industry producing liquid sorbitol is on an upswing and is not materially injured. The most significant are decreasing imports and increasing production and shipments in 1981.

Volume of imports: In 1978 and 1980, French imports of liquid sorbitol rose steadily. However, when the first eleven months of 1981 are compared to the level of imports in the same period of 1980, it is apparent that imports of liquid sorbitol from France have begun to decline sharply, falling by nearly 17 percent. 3/

Effect of imports on prices: Although imports of liquid sorbitol from France consistently undersold the domestically produced product during 1979 and 1980, the imported product was consistently priced higher than the domestic product during the first eleven months of 1981. Furthermore, during 1979 and 1980, the margins of underselling were often not that great. Domestic producers' prices rose steadily throughout the period. The average price of liquid sorbitol rose by 41 percent from \$28.76 per 100 pounds in the first

1/ Staff report, p. A-17.

2/ Id., p. A-29.

3/ Id., p. A-27.

quarter of 1978 to \$40.48 per 100 pounds in October-November 1981. 1/

Impact of imports on the domestic liquid sorbitol industry: There are strong indications that the domestic industry is returning to a healthy state. Although domestic production of liquid sorbitol declined from 1978 to 1980, production increased in January-November 1981. 2/ Similarly, U.S. producers' commercial shipments declined from 1978 to 1980 and then recorded a sharp increase in January-November 1981. 3/ At the same time, inventories held as of November 1981, on an annualized basis, were significantly below year-end levels in 1978-1980. 4/

France did not maintain a very large share of the U.S. market for liquid sorbitol throughout the period of investigation. In fact, the January-November 1981 level of market penetration was well below that of the same period in 1980 and was only 0.5 percent higher than that reached in 1978. This sharply contrasts with the share of the market gained by imports from France of crystalline sorbitol. 5/ As shown previously, crystalline imports increased steadily from 1978 through November 1981.

We did not find that the domestic industry producing liquid sorbitol was threatened with material injury by reason of such imports from France. We have no information to indicate that additional unused capacity is available particularly for export to the U.S.. Further, Roquette has announced plans to begin producing liquid sorbitol at its U.S. subsidiary in November 1982. As this U.S. production comes on stream, imports of liquid sorbitol from France are expected to cease. 6/ All of these factors indicate that the domestic liquid sorbitol industry is on an upswing, recapturing domestic market share and returning to a healthy state.

1/ Staff report, p. A-31.

2/ Id., p. A-11.

3/ Id., p. A-11.

4/ Id., p. A-17.

5/ Id., pp. A-27 and A-28.

6/ Id., p. A-9.

VIEWS OF COMMISSIONERS PAULA STERN AND ALFRED E. ECKES

Based on the record of this investigation, we have found that an industry in the United States is materially injured by LTFV imports of sorbitol from France. 1/ The precipitous decline in the condition of the domestic sorbitol industry in 1980 is linked to the impact of LTFV imports from France in the U.S. market. The continuing strong performance of such imports in 1981 has prevented a return to prior performance levels for the domestic industry.

The Domestic Industry

Views of Commissioner Stern

I concur with the like product analysis of Chairman Alberger and Vice Chairman Calhoun, but find under section 771(4)(D) that the available data do not permit the separate identification of production of each like product. Separate data on liquid and crystalline sorbitol production are available on production levels, shipments, pricing, consumption, and imports, but not on profitability 2/, capacity, capacity utilization, employment, and exports. The available data demonstrate that import-related problems of crystalline sorbitol producers are more severe than those of liquid sorbitol producers. However, I do not consider that the available disaggregated data are

1/ Commissioner Eckes notes that the industry also faces a threat of material injury as well as present injury. The production of liquid sorbitol in the United States will commence in late 1982 at which time it seems that importations of that type of sorbitol should cease. Importation of crystalline sorbitol will continue for some time in the future. Certainly the clearly established past unfair pricing practices used to achieve market share would be continued in the absence of the antidumping order.

2/ Separate data on profitability were supplied by domestic producers, but the Commission's staff recommends against using these data which are based on standard cost allocations. See Report at A-20.

sufficient to make an assessment of material injury by reason of LTFV imports for production of each product. Therefore, in accordance with section 771(4)(D), I have assessed the effect of LTFV imports by examining the production of all sorbitol.

Views of Commissioner Eckes.

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." Section 771(10) defines "like product" as a product which is like, or in the absence of like, most similar in characteristics and uses with the article under investigation.

Sorbitol, which has a chemical formula of $C_6H_8(OH)_6$, is a sugar alcohol made from dextrose which is about 60 to 70 percent as sweet as sugar. There are two forms of sorbitol which are imported and also produced domestically--crystalline and liquid sorbitol, which do have different end uses. Because sorbitol can be digested without insulin and does not cause tooth decay, it is used as a sugar substitute in diet foods and candies. Sorbitol's chemical structure makes it useful as a humectant, stabilizer, emulsifier and a surfactant. Because of these characteristics, it is used in such diverse products as detergents, paints, drycleaning formulations, cosmetics, and drugs.

Commissioner Eckes concludes that the appropriate like product in this investigation is all isolated sorbitol, including the "polyols." ^{3/} Even

^{3/} The term "polyol" is used as the sorbitol industry uses it to mean non-USP sorbitol.

though crystalline and liquid sorbitol have different forms and end uses, they have the same fundamental characteristic--that is, the same chemical formula. Both are derived wholly from the same feedstock, namely dextrose. The only difference between the two types is that once liquid sorbitol is formulated, only additional physical concentration of liquid sorbitol is required to obtain the crystalline form; no further chemical changes are required. Thus the like product in this investigation consists of all sorbitol, and the domestic industry consists of all the producers of sorbitol.

A majority of the Commission has separated crystalline and liquid sorbitol production and found separate like products. At the request of the Commission, Pfizer and ICI, the only two domestic producers of both crystalline and liquid sorbitol, provided the Commission with separate profit and loss information regarding both types. These producers do not maintain separate profitability records on both types for their own use. The Commission staff was unable to recommend the data provided because of concerns regarding the allocation of costs between the types produced. The fact that these producers maintain only one profit center for their own cost analyses suggests the unity which characterizes the production of all sorbitol. The separation of crystalline and liquid sorbitol otherwise results in a product analysis against which the Senate Finance Committee cautioned:

The requirement that a product be "like" the imported article should not be interpreted in such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not "like" each other, nor should the definition of "like product" be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under investigation. 4/ (Emphasis added.)

4/ Senate Rep. No. 96-249, 96th Cong. 1st Sess. at 90-91 (1979); (emphasis added).

Condition of the Domestic Industry

Despite improved trends in 1981, the industry has been unable to reach its 1978/1979 levels of performance. The U.S. sorbitol industry experienced significant problems during 1980 when imports of less-than-fair-value sorbitol from France were at their highest level, both absolutely and as a share of open market domestic consumption.

Domestic production of all sorbitol declined slightly from 1978-1979 and then precipitously from 1979-1980, from 163 million pounds to 133 million pounds over the three year period. Production figures for January-November 1981 show increased levels over the corresponding 1980 period, but still well below 1978/1979 levels. Domestic sorbitol production capacity increased over the period at a rate comparable to capacity expansion in the over-all U.S. chemical industry. However, utilization of capacity steadily declined from 72 percent in 1978 to 52 percent in 1980. Comparison of January-November data shows somewhat increased utilization during 1981 when compared with 1980, but the 1981 level remains far below the 1978 level and the November 1981 operating rate of 70 percent for the chemical industry as a whole. ^{5/}

Levels of U.S. producers' commercial shipments followed a similar trend to production levels, declining by almost 16 percent from 1979 to 1980, from 143 million pounds to 122 million pounds, respectively. January-November 1981 shipments increased by 19 percent over the corresponding 1980 period, but were still below the 1978/1979 levels. Declines in producers' year-end inventories in 1980 could be attributable to selling off of inventories; inventories in

^{5/} The decline in capacity utilization is greater than can be accounted for by any increases in capacity.

November 1981, were 6 percent higher than comparable 1980 levels. Employment levels of all production and related workers producing sorbitol declined significantly throughout the period, resulting in a reduction of almost one-third of the work force from 1978 levels. 6/

The financial performance of the industry deteriorated significantly in 1980 and has not recovered to previous profitability levels. The ratio of net operating profits to net sales declined slightly from 1978 to 1979, then plummeted in 1980 and in 1981 remained well below earlier levels. Profitability in 1981 was still below the median for a chemicals industry, despite the fact that January-November 1981 net sales were at the highest levels for the period under consideration. 7/

Impact of LTFV Imports

The decline in the performance of the U.S. sorbitol industry between 1979 and 1980 coincided with a dramatic growth in U.S. imports from France. This substantial absolute increase in imports from France took place as the U.S. market for sorbitol contracted. 8/ As a result, market penetration by the French product nearly doubled. 9/

6/ Some of this decrease in employment may be attributable to increased productivity.

7/ See Office of Economics memorandum dated March 22, 1982.

8/ Open market consumption declined 6 percent between 1979 and 1980.

9/ Commissioner Stern takes note that plans by Roquette to commence production of sorbitol in the United States are expected to affect future import trends. Roquette's subsidiary will commence production of liquid sorbitol in Gurnee, Illinois, in the fourth quarter of this year and production of crystalline sorbitol in mid-1983. The respondent has indicated that "Roquette's imports of liquid sorbitol will fall dramatically, followed by a similar drop in crystalline sorbitol, as production of these products in the United States come on stream."

In 1981 there was an upturn in the U.S. sorbitol market. Consumption rose roughly 19 percent over the 1980 level. Still, imports from France in large part retained the gain in market share obtained in 1980.

We did not look only at the rise in imports in assessing their impact. We also carefully analyzed data on prices to establish a causal nexus between the imports and the continuing difficulties present in the domestic industry. Data availability limited explicit price comparisons to U.S. producers' prices f.o.b. point of shipment and U.S. importers' prices delivered to end-user customers. This basis for price comparison tends to understate or perhaps even eliminate margins of underselling. Even on this basis, however, during most of 1980 when imports from France soared, reported margins of underselling were significant 10/ for both crystalline and liquid sorbitol. 11/

Even though in 1981 reported comparisons showed no clear pattern of underselling, we point out again that reported price comparisons may well understate underselling. 12/ Moreover, although domestic prices and import prices have risen substantially over the period of the investigation, it is evident that domestic prices have been significantly suppressed by imports. Prices have not risen enough to cover increasing costs and maintain acceptable profit levels. 13/ If domestic prices had been able to rise sufficiently to cover changes in producer costs, we expect there would have been a clear

10/ Underselling in several quarters in 1980 was higher than at any other period of this investigation.

11/ Commissioner Stern notes that the LTFV margins for each of these products contributed substantially to the underselling.

12/ The staff attempted to adjust the data to construct delivered price comparisons, but the results were still ambiguous. See Staff Report at A-31.

13/ See Office of Economics memorandum dated March 22, 1982, pp. 3-4.

pattern of underselling in 1981. Further, in 1981 the fact that this case was in progress and that the plant in the United States would soon start production may have influenced the importer's pricing policy. The link between the deteriorating condition of the U.S. industry and anti-competitive behavior of the foreign supplier has been established.

Finally, responses obtained by the Commission staff on alleged lost sales also support the attribution of injury in the domestic industry to LTFV imports. The responses confirmed that price was often a deciding factor in domestic purchases of French sorbitol.

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Information Obtained in the Investigation

Introduction

On November 30, 1981, the U.S. International Trade Commission received notice from the Department of Commerce (the administering authority) that a preliminary affirmative determination had been issued in connection with its antidumping investigation concerning sorbitol from France. 1/ Accordingly, on December 10, 1981, the Commission instituted investigation No. 731-TA-44 (Final) under section 735(b) of the Tariff Act of 1930 to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry is materially retarded, by reason of imports of the merchandise which is the subject of the investigation by the administering authority. As set forth under the act, the Commission is required to make its determination as to injury in this case before the later of--

- (a) The 120th day after the day on which the administering authority makes its affirmative preliminary determination (March 29, 1982, in this case), or
- (b) The 45th day after the day on which the administering authority makes its affirmative final determination (also March 29, 1982).

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 the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of December 16, 1981 (46 F.R. 61354). 2/ The public hearing was held in Washington, D.C., on February 24, 1982. 3/

Development of the Instant Case

Investigation No. 731-TA-44 evolved from an antidumping petition filed simultaneously with the Department of Commerce and the U.S. International Trade Commission on June 15, 1981, by Pfizer, Inc. The petition alleged that sorbitol imported from France is being, or is likely to be, sold in the United States at less than fair value within the meaning of section 733 of the Tariff Act of 1930. The Commission instituted a preliminary investigation effective June 15, 1981, and the notice of institution was published in the Federal Register of June 24, 1981 (46 F.R. 32700). On July 30, 1981, the Commission notified the Department of Commerce in investigation No. 731-TA-44 (Preliminary) that it had determined there was a reasonable indication that an industry in the United States was materially injured, or was threatened with

1/ Copies of the Commerce Department's notices are presented in app. A.

2/ Copies of the Commission's notices are presented in app. B.

3/ A copy of the list of witnesses appearing at the hearing is presented in app. C.

material injury, by reason of sorbitol imported from France, provided for in item 493.68 of the Tariff Schedules of the United States, which was allegedly being sold in the United States at less than fair value.

On November 30, 1981, Commerce issued a preliminary determination that sorbitol from France is being sold in the United States at less than fair value. Pursuant to its authority, Commerce directed the U.S. Customs Service to suspend liquidation of all entries of sorbitol entered, or withdrawn from warehouse, for consumption on or after the effective date of the publication of its notice. Furthermore, Commerce required that a cash deposit, bond, or other security in the amount of the estimated dumping margin be posted on the merchandise in question. On February 12, 1982, Commerce made its final affirmative determination in the investigation and so notified the Commission.

The Product

Description and uses

Sorbitol is a sugar alcohol found in a variety of fruits, trees, and algae. It is also produced synthetically by the hydrogenation of dextrose (dextrorotary glucose). Chemically, sorbitol is a hexitol--a polyhydric alcohol with six hydroxyl (OH) groups--which has the formula $C_6H_8(OH)_6$.

Commercially, sorbitol is available as a crystalline solid or in an aqueous solution. Crystalline sorbitol is available in both granular and powdered forms. United States Pharmacopoeia (USP) specifications for crystalline sorbitol allow for up to 9 percent of impurities such as other polyhydric alcohols or invert sugars. Virtually all crystalline sorbitol marketed in the United States is USP grade.

Aqueous solutions of sorbitol are usually sold as a USP grade, although other grades, some of which are called polyols, are available. The standard USP sorbitol solution, commonly referred to as liquid sorbitol, contains 69 to 71 percent solids in a water solution. The contained sorbitol must constitute at least 64 percent of the solution, with other polyhydric alcohols and invert sugars constituting most of the remaining solids.

Other grades of sorbitol usually contain more invert sugar or other polyhydric alcohols and sometimes less than the minimum amount of sorbitol required by USP specifications.

All domestic producers obtain sorbitol from the hydrogenation of dextrose (corn sugar). The dextrose is dissolved in water to a 50-percent solution, and a catalyst is added. The dextrose solution is then heated and pumped into an autoclave where hydrogen is added under pressure. The resulting sorbitol solution is then purified and evaporated to elevate the sorbitol content from 50 to 70 percent. The 70-percent solution may be further concentrated to obtain crystalline sorbitol. Additional capital investment in plant and equipment is required, however, to facilitate this added processing step.

Some producers use a batch process, whereas others use a semicontinuous process--continuous from the autoclave on. Others use a fully continuous process. Sorbitol production is capital intensive, requiring considerable outlay for plant and equipment. In addition to the autoclave, mixers, and evaporators, it is necessary to provide for the hydrogen used in the production process (this is usually produced on site), regeneration of the catalyst, and storage and transportation of the raw and finished materials.

Crystalline sorbitol is primarily used in sugarless gums, mints, and other confections. Aqueous solutions of sorbitol (USP and non-USP grades) are primarily used in toothpastes, cosmetics, foods, pharmaceuticals, industrial surfactants, plastics, and other miscellaneous applications. Although sorbitol is only 60 to 70 percent as sweet as sugar, it is often used as a sugar substitute. Because sorbitol is digested without the use of insulin, unlike sugar, it can thus be used in diabetic foods and candies. It is generally believed that sorbitol, which resists fermentation in the oral cavity, does not increase the incidence of dental decay. This anticariogenic property makes sorbitol advantageous for use in sugarless confections. These products may consist of up to 75 or 98 percent of sorbitol for gum and candy, respectively. Sorbitol also has a slight cooling effect in the mouth (resulting from its negative heat of solution). This effectively enhances the flavor and contributes to its popularity as a sugar substitute. Sorbitol reduces the undesirable aftertaste of saccharin and other artificial sweeteners in such foods as diet sodas and canned fruits.

Sorbitol's chemical structure gives it valuable properties. The presence of the many hydroxyl groups gives sorbitol a great capacity for hydrogen bonding (i.e., it tends to hold onto hydrogen-containing molecules like water and alcohols). This property makes sorbitol useful as a humectant, stabilizer, and emulsifier.

Sorbitol's anticariogenic and humectant properties, as well as its cool, sweet taste, have increased its popularity in the toothpaste market, where it has largely replaced glycerine. The cosmetic industry uses sorbitol and sorbitol-derived esters for their humectant, emulsifying, emollient, and foaming characteristics. In pharmaceuticals, sorbitol and its derivatives are used as stabilizers, humectants, antiflocculating agents, and a carrying vehicle. Most of the sorbitol used in dental hygiene products, cosmetics, and pharmaceuticals is in a 70-percent USP solution, although some USP crystalline grade is also consumed.

Sorbitol derivatives, usually esters, are used as surfactants because of such properties as emulsification and wetting. Softeners, detergents, and dry-cleaning formulations for textiles constitute large uses of industrial surfactants. Others include corrosion inhibitors, paints, and lubricants. Both 70-percent USP grade and technical grade solutions are used in industrial surfactants. Sorbitol is also used in such miscellaneous applications as flexible glues, tobacco humectants, and pet foods.

The imported product

Both the crystalline and the 70-percent solution of sorbitol are imported from France. There are no known imports of other grades of sorbitol.

U.S. tariff treatment

Sorbitol is classified under item 493.68 of the Tariff Schedules of the United States (TSUS). The column 1 (most-favored-nation) rate of duty for sorbitol is 8.4 percent ad valorem. 1/ This rate became effective on January 1, 1982, and is the third stage in a series of progressive duty reductions effective on January 1 of each year. These duty reductions will occur each year until 1987, when the final rate of 5.8 percent ad valorem will be reached. These annual duty reductions are the result of concessions granted in the Tokyo round of Multilateral Trade Negotiations (MTN). From January 1, 1972, to December 31, 1979, the column 1 rate of duty for sorbitol was 10 percent ad valorem and represented the final stage of reductions granted in the Kennedy round of trade negotiations.

The column 2 rate of duty for sorbitol is 50 percent ad valorem. 2/ Imports of sorbitol from certain designated developing countries are eligible for duty-free treatment under the GSP. 3/ Sorbitol imports from LDDC's are dutiable at 5.8 percent ad valorem 4/ unless they are eligible for duty-free treatment under the GSP.

1/ The col. 1 rates 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 rate for least developed developing countries (LDDC's).

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

3/ The Generalized System of Preferences, 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, as amended, applies to merchandise imported on or after Jan. 1, 1976, and is expected to remain in effect until Jan. 4, 1985.

4/ The LDDC rate is a preferential rate (reflecting the full U.S. MTN concession rate for a particular item without staging) and is applicable to products of the least developed developing countries designated in general headnote 3(d) of the TSUS that are not granted duty-free treatment under the GSP.

Nature and Extent of Sales at Less Than Fair Value

Effective February 12, 1982, the Department of Commerce determined that sorbitol imported from France, in both liquid and crystalline form, is being, or is likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930. Commerce calculated weighted average margins for liquid and crystalline sorbitol of 5.5 percent and 2.9 percent, respectively. Commerce held a public hearing in this matter on December 18, 1981.

On December 17, 1981, counsel for the petitioner (Pfizer, Inc.) filed a submission with Commerce alleging that certain grades of liquid sorbitol from France are being sold in the home market at less than the cost of production. Commerce dismissed the allegation for lack of sufficient source documentation and technical deficiencies contained in the petitioner's submission.

On February 4, 1982, Commerce received a request from counsel for the importer asking that the investigation be extended in order that Commerce might consider matters of concern expressed in a letter from the French Government. Additionally, respondent indicated that it needed more time to prepare its case before the Commission. Commerce denied respondent's request.

Commerce's investigation was limited to Societe Roquette Freres of Lille, France, the sole French producer of sorbitol and the only known French exporter of sorbitol to the United States. The investigation covered sales made between January 1, 1981, and June 30, 1981.

U.S. Market and Channels of Distribution

The United States is the largest single market for sorbitol. U.S. consumption of sorbitol can be broken down by the following end-use categories:

<u>End use</u>	<u>Percentage distribution of U.S. consumption 1/</u>
Confections and foods-----	29
Toothpaste, toiletries, and cosmetics-----	24
Ascorbic acid (vitamin C) 2/-----	20
Miscellaneous-----	27
	<u>100</u>

1/ Compiled from "Chemical Profile," Chemical Marketing Reporter, June 22, 1981.

2/ Sorbitol is produced as an intermediate during the manufacture of vitamin C but is not isolated and is not available for open-market sales.

The sugarless gum market is currently the largest market for sorbitol in the foods category. However, the market for sugarless mints is expected to grow at the most rapid rate for all food end uses. In other food applications, much smaller concentrations of sorbitol are required.

Toothpaste is the second major market for sorbitol. Toothpaste producers use sorbitol in concentrations of 30 to 50 percent. Only relatively small amounts of sorbitol and some sorbitol derivatives are used in other toiletries and cosmetics.

Currently, vitamin C (ascorbic acid) is manufactured by only two companies * * *. * * *.

Apparent U.S. consumption of sorbitol grew at an average annual rate of 14 percent from 1970 to 1980, spurred on by the increasing production of vitamin C and the increasing use of sorbitol in toothpaste formulations. However, industry sources now predict that growth in the sorbitol market will decelerate in the coming years, averaging only about 5 percent annually. 1/

The demand for sorbitol is largely a function of its unique combination of properties--its sweet, cool taste, its anticariogenic effect, and its hydrogen-bonding capability. Thus, demand is relatively insensitive to changes in price.

The sorbitol market consists of a relatively small number of major end users. It has been estimated that roughly 80 percent of the sorbitol is purchased by only 20 percent of the major customers 2/. Thus, U.S. producers are able to concentrate their sales efforts on these large accounts. U.S. producers sell roughly 90 percent of their sorbitol directly to end users. Distributors or dealers are used to service small-volume purchasers.

The large producers of toothpaste and sugarless confections may negotiate contracts for the purchase of sorbitol. Typically, these contracts are simply a way of guaranteeing a certain supply of sorbitol. They are negotiated annually and specify quantities, as well as dates of delivery. However, prices are subject to announced changes which may be made quarterly or even monthly.

For the most part, U.S. importers of sorbitol are chemical dealers or distributors that sell virtually all of their sorbitol imports to end users. These importers principally compete with U.S. producers for customers who purchase sorbitol in medium to small quantities. Generally, U.S. importers do not compete for the business of the toothpaste producers, which reportedly have stringent specifications for their sorbitol and which purchase in very large quantities. These requirements (rigid specifications and extremely large quantities) have supposedly made it difficult for importers to guarantee supply. However, during the last half of 1981, Roquette did manage to penetrate this market by securing a contract for a significant volume of business. Roquette's sales to this market are expected to increase over time.

1/ See "Chemical Profile", Chemical Marketing Reporter, October 1, 1981.

2/ See transcript of the hearing, p. 15.

Because sorbitol is essentially a fungible product (i.e., one producer's product is virtually the same as another's), and because the number of major end users is relatively small, the need for marketing, sales, and service personnel is limited. Although advertising costs are minimal, U.S. producers and some importers provide technical service and assist in developing new product formulations for customers and potential customers.

Sorbitol is usually transported to U.S. buyers in either truckloads or tank-car loads, depending on the volume being shipped. Although sorbitol prices are generally quoted on a delivered basis, U.S. producers more often than not freight-equalize from the point of the nearest producer-competitor. ICI, Pfizer, Merck, and Ethichem each maintain manufacturing facilities in the Eastern United States; Lonza maintains its production facility in the North Central region (Mapleton, Ill.).

While U.S. purchasers of sorbitol are not confined geographically, * * * maintains sorbitol inventories in a number of public warehouses in various regions in the United States, but these inventories are supplied from its own manufacturing facility in * * *.

The Domestic Industry

U.S. producers

The vast majority of sorbitol production in the United States is controlled by large, multinational chemical companies. There are six U.S. producers of sorbitol--Hoffman-LaRoche, ICI, Pfizer, Lonza, Merck, and Ethichem. However, Hoffman-LaRoche, a subsidiary of Hoffman-LaRoche Co. AG in Switzerland (the world's largest producer of vitamins) produces sorbitol solely as an intermediate for its production of vitamin C. At no time is the sorbitol isolated or available in a marketable form. Therefore, Hoffman-LaRoche will not be included in the domestic sorbitol industry in this report.

The largest U.S. producer of sorbitol is ICI. Originally, this company was part of E.I. duPont de Nemours & Co., but was split off into Atlas Chemical Industries, Inc., in 1914 as a result of antitrust litigation. Sorbitol was first produced by Atlas in 1932 and was obtained as a byproduct in the production of mannitol. Atlas also held the original patent on the direct production of sorbitol from the hydrogenation of dextrose. Atlas was acquired by Imperial Chemical Industries, Ltd., the largest chemical firm in the United Kingdom, in 1971. ICI still produces sorbitol by two separate processes. However, the relatively small amount of sorbitol obtained as a byproduct in the production of mannitol is not USP grade and is generally blended into ICI's industrial grades of sorbitol. * * *.

ICI produces three types of sorbitol--70-percent USP solution, crystalline, and non-USP non-crystallizing sorbitol. ICI also produces various other polyols and their derivatives at its sorbitol plant in Delaware, where sorbitol accounts for roughly * * * percent of the plant's output. The plant has been in existence since 1932; however, the equipment has been continually updated. The average age of the equipment is about * * * years.

The production process for liquid sorbitol is continuous. The latest plant improvement was the installation of a new crystalline plant in 1979. In this miniplant, * * *. This "miniplant" plant is dedicated exclusively to crystalline sorbitol, but the rest of the equipment is used to produce a variety of other polyols, including noncrystallizing sorbitol and other industrial polyols, all of which are included in the data in this report. * * *.

The second largest domestic producer is the petitioner, Pfizer Inc. Pfizer is a publicly owned corporation founded in 1899. It is primarily a manufacturer of prescription drugs and is the second largest producer of antibiotics in the world. Basically, Pfizer produces only two grades of sorbitol in its Groton, Connecticut plant--the 70-percent USP solution and the crystalline. However, the firm also produces what it calls a reduced color grade of sorbitol, which is the 70-percent solution with extra decolorization. * * *.

Pfizer began producing sorbitol in the late 1950's, but has continually upgraded the equipment and expanded the plant's capacity. The production process is batch-continuous, and the equipment is dedicated to sorbitol. * * *. The plant also produces bulk pharmaceutical chemicals and various vitamins.

The third largest producer is Lonza, Inc., a wholly owned subsidiary of Lonza AG, of Switzerland, which in turn, is owned by Schweizerische Aluminum AG. The sorbitol plant, which is located in Mapleton, Ill., and which produces only liquid sorbitol, originally belonged to Baird Chemical Industries, Inc., and was constructed in 1964. Lonza acquired Baird Chemical in 1969 and decided to expand the plant in 1974. Construction was started in 1975, and by 1977 a substantial portion of the equipment was functional. In 1979, Lonza added additional capacity aimed at competing in the crystalline sorbitol market. * * *. Lonza's production process is continuous, and the equipment is dedicated to liquid sorbitol and other polyols.

The fourth largest U.S. producer of sorbitol is Merck & Co., Inc., the world's largest producer of prescription drugs. Production of sorbitol began at the company's Danville, Pa., plant in the 1950's. The sorbitol produced was originally used in the manufacture of vitamin C, but has not been used for that purpose since 1976. Merck primarily produces the 70-percent USP grade of sorbitol. * * *. The equipment used to produce the sorbitol is dedicated to that purpose and runs on a batch basis. Although some of the equipment dates back to the 1950's, most of it has been replaced over the years. A variety of medicines and fine chemicals are also produced at the plant.

EthiChem, the smallest U.S. producer, is located in Carlstadt, N.J. EthiChem holds the patent on the use of sorbitol in frankfurters. Prior to 1974 it used certain amounts of sorbitol internally and acted as a distributor for other purchasers. When the price of sorbitol increased sharply in 1974, EthiChem decided it would produce its own sorbitol. New equipment was purchased and installed, and production began in July 1976. The equipment is dedicated to the production of liquid sorbitol and operates on a batch basis.

U.S. importers

U.S. importers of sorbitol are generally chemical dealers or distributors. However, several importers manufacture products such as sorbitol-based polyethers and sugarless mints containing sorbitol. The Commission obtained data on sorbitol imports from 14 companies. Together, these firms accounted for an average of 80 percent of total U.S. imports of sorbitol and virtually all imports of sorbitol from France during the period under consideration (table 1).

Gallard-Schlesinger (New York, N.Y.) was the exclusive dealer for Roquette Freres' sorbitol for more than 10 years. That relationship was terminated in October 1980. Since that time, the responsibility for importing sorbitol has been shifted to Roquette Freres' U.S. subsidiary, Roquette Corp., in New York City.

Gallard-Schlesinger is a chemical dealer that handles pharmaceuticals, health foods, intermediate chemicals, and research chemicals in addition to sorbitol. The sales staff actively solicited sales from all significant sorbitol purchasers. A company official estimated that about * * * percent of its sorbitol was imported to fulfill sales already negotiated (i.e., the material was already sold when it arrived). The remaining * * * percent was stored in warehouses and sold to small-volume purchasers.

Roquette Corp. was established in the United States in 1979. The company began construction of a sorbitol plant in Gurnee, Ill., in September 1981. Production of liquid sorbitol at the plant is scheduled to begin in November 1982, with plans for crystalline sorbitol production to begin in mid-1983. The plant is to utilize the parent company's production technology and will produce sorbitol * * *. Company officials have stated that Roquette Corp. was established primarily to oversee the construction of the sorbitol plant and eventually to run the plant. The importation of sorbitol was undertaken to allow Roquette direct control over its market share and to establish its presence directly in the U.S. market. If the plant construction proceeds without delay, U.S. imports of liquid sorbitol from France should be substantially reduced beginning late this year, with a similar reduction in imports of crystalline sorbitol occurring in mid-1983.

Foreign Producers

Sorbitol is produced in many countries--France, Finland, Italy, West Germany, Czechoslovakia, U.S.S.R., India, Japan, and the Republic of Korea, to name a few. The foreign countries with the largest capacity are France, West Germany, and Japan. Societe Roquette Freres, of Lille, France, is the sole French producer of sorbitol. It has produced sorbitol since the 1960's and is the largest sorbitol producer in the world. It is also the largest corn wet-miller in Europe, and obtains sorbitol from an intricate and fully integrated production process directly from corn. Roquette is a family-controlled corporation; the Roquette family owns 75 percent of the stock, and Rhone-Poulenc owns the remainder.

Table 1.--Sorbitol: U.S. imports by selected firms, by types and by sources, 1978-80, January-November 1980, and January-November 1981

Type and source	1978	1979	1980	January- November	
				1980	1981
				Quantity (1,000 pounds)	
70-percent solution: <u>1/</u>					
France-----	***	***	***	***	***
All other-----	***	***	***	***	***
Total-----	***	***	***	***	***
Crystalline:					
France-----	***	***	***	***	***
All other-----	***	***	***	***	***
Total-----	***	***	***	***	***
All sorbitol: <u>1/</u>					
France-----	***	***	***	***	***
All other-----	***	***	***	***	***
Total-----	7,723	10,014	15,370	11,235	10,483
Percent of total					
70-percent solution: <u>1/</u>					
France-----	***	***	***	***	***
All other-----	***	***	***	***	***
Total-----	***	***	***	***	***
Crystalline:					
France-----	***	***	***	***	***
All other-----	***	***	***	***	***
Total-----	***	***	***	***	***
All sorbitol: <u>1/</u>					
France-----	***	***	***	***	***
All other-----	***	***	***	***	***
Total-----	100.0	100.0	100.0	100.0	100.0

1/ Reported on a dry-weight basis.

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

Note.--Because of rounding, figures may not add to the totals shown.

Consideration of Material Injury

U.S. production, capacity, and capacity utilization

U.S. production of all isolated sorbitol, as reported to the Commission, declined from 163 million pounds in 1978 to 133 million pounds in 1980, or by 19 percent (table 2). However, production increased by 21 percent in January-November 1981 from the level reported for the corresponding period of 1980.

Total sorbitol production consists of the production of crystalline sorbitol, 70-percent USP solution, and various technical grades. From 1978 to 1980, the composition of U.S. sorbitol production remained fairly stable. Production of the crystalline product declined slightly, from *** percent of U.S. production in 1978 to *** percent in 1980. The standard sorbitol solution accounted for *** percent of production during the period. The technical grades increased from *** percent to *** percent of U.S. production from 1978 to 1980. In January-November 1981, the percentage of U.S. production accounted for by crystalline sorbitol declined to *** percent, while that accounted for by the liquid solution increased slightly to *** percent. The technical grades increased significantly to *** percent of U.S. production.

In contrast, the capacity of domestic firms to produce sorbitol increased regularly throughout the period under consideration (table 3). U.S. producers' capacity increased from 227 million pounds in 1978 to 255 million pounds in 1980, or by 12 percent. Capacity increased by another 2 percent in January-November 1981 over reported capacity in the corresponding period of 1980. The addition of new capacity in the U.S. sorbitol industry during 1978-80 closely paralleled capacity expansion in the U.S. chemical industry in general.

There was a steady and significant decline in U.S. producers' capacity utilization from 1978 to 1980, as the rate fell from 72 percent to 52 percent. In January-November 1981, U.S. producers' capacity utilization improved somewhat over the rate recorded in the corresponding period of 1980, rising from 49 percent to 58 percent. However, that rate was significantly below the operating rate (70 percent) for the chemical industry as a whole in November 1981. A recessionary economy combined with overcapacity in the sorbitol industry must be given a role in explaining the industry's low operating rates.

U.S. producers' commercial shipments

U.S. producers' commercial shipments of sorbitol declined from 1978 to 1980 and then recovered to the 1980 level in January-November 1981 (table 4). Total commercial shipments declined from 145 million pounds in 1978 to 122 million pounds in 1980, or by 16 percent. However, virtually all that decline occurred from 1979 to 1980. Such shipments rose to 124 million pounds in January-November 1981, increasing more than 19 percent over commercial shipments in the corresponding period of 1980.

Table 2.--Sorbitol: U.S. production, by types and by firms, 1978-80, January-November 1980, and January-November 1981

Item and firm	1978	1979	1980	January-November	
				1980	1981
	Quantity (1,000 pounds)				
70-percent solution: 1/					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	***	***	***	***	***
Crystalline:					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Total-----	***	***	***	***	***
All other: 1/					
ICI-----	***	***	***	***	***
Merck-----	***	***	***	***	***
Total-----	***	***	***	***	***
All sorbitol: 1/					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	163,471	159,242	132,900	113,781	137,512
	Percent of total				
70-percent solution: 1/					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	***	***	***	***	***
Crystalline:					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Total-----	***	***	***	***	***
All other: 1/					
ICI-----	***	***	***	***	***
Merck-----	***	***	***	***	***
Total-----	***	***	***	***	***
All sorbitol: 1/					
ICI-----	100.0	100.0	100.0	100.0	100.0
Pfizer-----	100.0	100.0	100.0	100.0	100.0
Lonza-----	100.0	100.0	100.0	100.0	100.0
Merck-----	100.0	100.0	100.0	100.0	100.0
EthiChem-----	100.0	100.0	100.0	100.0	100.0
Total-----	100.0	100.0	100.0	100.0	100.0

1/ Reported on a dry-weight basis.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. A-12

Note.--Because of rounding, figures may not add to the totals shown.

Table 3.--Sorbitol: U.S. production, production capacity, and capacity utilization, by firms, 1978-80, January-November 1980, and January-November 1981

Item		1978	1979	1980	January-November	
					1980	1981
Production: 1/						
ICI-----1,000 pounds--	***	***	***	***	***	***
Pfizer-----do-----	***	***	***	***	***	***
Lonza-----do-----	***	***	***	***	***	***
Merck-----do-----	***	***	***	***	***	***
EthiChem-----do-----	***	***	***	***	***	***
Total-----do-----	163,471	159,242	132,900	113,781	137,512	
Capacity: 1/ 2/						
ICI-----do-----	***	***	***	***	***	***
Pfizer-----do-----	***	***	***	***	***	***
Lonza-----do-----	***	***	***	***	***	***
Merck-----do-----	***	***	***	***	***	***
EthiChem-----do-----	***	***	***	***	***	***
Total-----do-----	226,930	228,930	255,230	231,638	235,838	
Capacity utilization:						
ICI-----percent--	***	***	***	***	***	***
Pfizer-----do-----	***	***	***	***	***	***
Lonza-----do-----	***	***	***	***	***	***
Merck-----do-----	***	***	***	***	***	***
EthiChem-----do-----	***	***	***	***	***	***
Total-----do-----	72.0	69.6	52.1	49.1	58.3	

1/ Reported on a dry-weight basis.

2/ Capacity is defined as the normal sustained production that can be achieved on an annual basis, making allowance for anticipated maintenance and downtime. Capacity is based on 24-hours-a-day operation, 7 days a week, and on the product mix in 1980.

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

With respect to the various types of sorbitol, U.S. producers' commercial shipments of liquid sorbitol declined from * * * in 1978 to * * * in 1980. As a percentage of total shipments, however, commercial shipments of liquid sorbitol rose from * * * percent in 1978 to * * * percent in 1980. In January-November 1981, liquid sorbitol constituted * * * percent of total commercial sorbitol shipments.

Commercial shipments of crystalline sorbitol declined in both absolute and relative terms from 1978 to January-November 1981. Such shipments declined from * * * in 1978 to nearly * * * in 1980, or from * * * percent of total commercial shipments in 1978 to * * * percent in 1980. In January-November 1981, crystalline shipments totaled * * * and made up * * * percent of all commercial sorbitol shipments.

Commercial shipments of the technical grades of sorbitol fell by nearly * * * percent from 1978 to 1980 but posted a sharp increase in January-November 1981. Shipments of the technical grades increased from * * * in January-November 1980 to * * * in January-November 1981.

From 1978 to January-November 1981, the average unit value of the technical grades of sorbitol increased by * * * percent to * * * cents per pound, the average unit value of the 70-percent solution increased by * * * percent to * * * cents per pound, and the average unit value of the crystalline grade increased by * * * percent to * * * cents per pound.

U.S. producers' exports of sorbitol were significant in 1978, but declined sharply, thereafter, as shown in the following tabulation (on a dry-weight basis):

<u>Period</u>	<u>Exports</u> <u>(1,000 pounds)</u>	<u>Ratio of exports to</u> <u>commercial shipments</u> <u>(percent)</u>
1978-----	***	***
1979-----	***	***
1980-----	***	***
January-November--		
1980-----	***	***
1981-----	***	***

U.S. producers' exports of sorbitol declined by * * * percent from 1978 to 1980 and then declined by another * * * percent in January-November 1981 from exports in the corresponding period of 1980. As a percentage of U.S. producers' commercial shipments, exports declined from * * * percent in 1978 to * * * percent in January-November 1981. The standard sorbitol solution was the predominant grade exported during the period under consideration.

Table 4.--Sorbitol: U.S. producers' commercial shipments, by types and by firms, 1978-80, January-November 1980, and January-November 1981

Item	1978	1979	1980	January- November	
				1980	1981
	Quantity (1,000 pounds)				
70-percent solution: <u>1/</u>					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	***	***	***	***	***
Crystalline:					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Total-----	***	***	***	***	***
All other: <u>1/</u>					
ICI-----	***	***	***	***	***
Merck-----	***	***	***	***	***
Total-----	***	***	***	***	***
All sorbitol: <u>1/</u>					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	145,004	143,404	122,140	103,916	124,053
	Percent of total quantity				
70-percent solution: <u>1/</u>					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	***	***	***	***	***
Crystalline:					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Total-----	***	***	***	***	***
All other: <u>1/</u>					
ICI-----	***	***	***	***	***
Merck-----	***	***	***	***	***
Total-----	***	***	***	***	***
All sorbitol: <u>1/</u>					
ICI-----	100.0	100.0	100.0	100.0	100.0
Pfizer-----	100.0	100.0	100.0	100.0	100.0
Lonza-----	100.0	100.0	100.0	100.0	100.0
Merck-----	100.0	100.0	100.0	100.0	100.0
EthiChem-----	100.0	100.0	100.0	100.0	100.0
Total-----	100.0	100.0	100.0	100.0	100.0

See footnote at end of table.

Table 4.--Sorbitol: U.S. producers' commercial shipments, by types and by firms, 1978-80, January-November 1980, and January-November 1981--Continued

Item	1978	1979	1980	January- November	
				1980	1981
Value (1,000 pounds)					
70-percent solution: <u>1/</u>					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	***	***	***	***	***
Crystalline:					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Total-----	***	***	***	***	***
All others: <u>1/</u>					
ICI-----	***	***	***	***	***
Merck-----	***	***	***	***	***
Total-----	***	***	***	***	***
All sorbitol: <u>1/</u>					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	66,357	70,465	65,899	56,413	74,566
Average unit value (per 100 pounds)					
70-percent solution: <u>1/</u>					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	***	***	***	***	***
Crystalline:					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Total-----	***	***	***	***	***
All others: <u>1/</u>					
ICI-----	***	***	***	***	***
Merck-----	***	***	***	***	***
Total-----	***	***	***	***	***
All sorbitol: <u>1/</u>					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	45.8	49.1	54.0	54.3	60.1

1/ Reported on a dry-weight basis.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. A-16

Note.--Because of rounding, figures may not add to the totals shown.

Inventories

U.S. producers' inventories of sorbitol declined steadily from 1978 to 1980 (table 5). Inventories of all types of sorbitol held as of December 31 fell by 10.2 percent from 1978 to 1979 and by 13.0 percent from 1979 to 1980. Inventories held as of November 30 increased by 5.7 percent from 1980 to 1981, coinciding with a 21-percent increase in U.S. production over the same period.

The ratio of U.S. producers' inventories to commercial shipments declined slightly from 1978 to 1980, falling from 12.5 percent in 1978 to 11.6 percent in 1980. The ratio of inventories held as of November 30 to commercial shipments during January-November declined slightly from 12.2 percent in 1980 to 10.8 percent in 1981.

U.S. producers' inventories of all types of sorbitol declined from 1978 to 1980 with the technical grade showing the sharpest decline. Yearend inventories of crystalline sorbitol declined from * * * in 1978 to * * * in 1980, or by * * * percent. Inventories held as of November 30, however, rose by * * * percent from 1980 to 1981. Yearend inventories of the 70-percent solution declined from * * * in 1978 to * * * in 1980, or by * * * percent. Inventories held as of November 30, 1981, remained at just under * * *. Inventories of the all other types of sorbitol fell * * * from 1978 to 1980. This trend was reversed however when, as of November 30, 1981, inventories of this class rose to * * *.

In relation to commercial shipments, yearend inventories of crystalline sorbitol and the 70-percent solution did not change significantly from 1978 to January-November 1981. For crystalline sorbitol, the ratio fluctuated between * * * percent and * * * percent. The ratio for the 70-percent solution varied from * * * percent to * * * percent. The ratio of inventories to commercial shipments of all other types of sorbitol fell from * * * percent in 1978 to * * * percent in 1979 and then rose to * * * percent in 1980.

Generally, U.S. importers of sorbitol do not maintain inventories of sorbitol. Typically, the merchandise is sold before it arrives and is routed directly to the purchaser, or the material is used by the importer as it comes into the country. Although three importers did report end-of-period inventories, they were of insignificant amounts and were imported from countries other than France.

Apparent U.S. consumption

Apparent U.S. consumption of sorbitol, including captive consumption, increased slightly from 1978 to 1979, declined in 1980, and increased again in 1981 (table 6). Apparent consumption increased from 153 million pounds in 1978 to 160 million pounds in 1979, or by 4 percent, but then declined to 145 million pounds in 1980, or by 9 percent. Apparent consumption increased to 147 million pounds in January-November 1981 from 124 million pounds in the corresponding period of 1980.

Table 5.--Sorbitol: U.S. producers' inventories, by types and by firms, as of Dec. 31 of 1978-80, Nov. 30, 1980, and Nov. 30, 1981

Item	As of Dec. 31--			As of Nov. 30--	
	1978	1979	1980	1980	1981
Inventories:					
70-percent solution: <u>1/</u>					
ICI-----1,000 pounds--	***	***	***	***	***
Pfizer-----do-----	***	***	***	***	***
Lonza-----do-----	***	***	***	***	***
Merck-----do-----	***	***	***	***	***
EthiChem-----do-----	***	***	***	***	***
Total-----do-----	***	***	***	***	***
Crystalline:					
ICI-----do-----	***	***	***	***	***
Pfizer-----do-----	***	***	***	***	***
Total-----do-----	***	***	***	***	***
All other: <u>1/</u>					
ICI-----do-----	***	***	***	***	***
Merck-----do-----	***	***	***	***	***
Total-----do-----	***	***	***	***	***
All sorbitol: <u>1/</u>					
ICI-----do-----	***	***	***	***	***
Pfizer-----do-----	***	***	***	***	***
Lonza-----do-----	***	***	***	***	***
Merck-----do-----	***	***	***	***	***
EthiChem-----do-----	***	***	***	***	***
Total-----do-----	18,165	16,317	14,196	12,734	13,458
Ratio of inventories to commercial shipments of--					
70-percent solution: <u>1/</u>					
ICI-----percent--	***	***	***	***	***
Pfizer-----do-----	***	***	***	***	***
Lonza-----do-----	***	***	***	***	***
Merck-----do-----	***	***	***	***	***
EthiChem-----do-----	***	***	***	***	***
Total-----do-----	***	***	***	***	***
Crystalline:					
ICI-----do-----	***	***	***	***	***
Pfizer-----do-----	***	***	***	***	***
Total-----do-----	***	***	***	***	***
All other: <u>1/</u>					
ICI-----do-----	***	***	***	***	***
Merck-----do-----	***	***	***	***	***
Total-----do-----	***	***	***	***	***
All sorbitol: <u>1/</u>					
ICI-----do-----	***	***	***	***	***
Pfizer-----do-----	***	***	***	***	***
Lonza-----do-----	***	***	***	***	***
Merck-----do-----	***	***	***	***	***
EthiChem-----do-----	***	***	***	***	***
Total-----do-----	12.5	11.4	11.6	12.2	10.8

1/ Reported on a dry-weight basis.

Table 6.--Sorbitol: U.S. production, imports for consumption, net change in inventories, exports, and apparent consumption, 1978-80, January-November 1980, and January-November 1981

(In thousands of pounds)						
Period	Production	Imports	Net change in inven- tories	Exports	Apparent consumption	
1978-----	163,471	7,723	***	***	153,222	
1979-----	159,242	10,014	***	***	159,876	
1980-----	132,900	15,370	***	***	145,321	
January-November--						
1980-----	113,781	11,235	***	***	124,076	
1981-----	137,512	10,483	***	***	147,022	

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

Apparent U.S. open-market consumption of sorbitol, which is based on U.S. producers' commercial shipments, followed a similar fluctuating pattern. Such consumption increased from 135 million pounds in 1978 to 144 million pounds in 1979, or by 7 percent, but then declined to 134 million pounds in 1980, or by 6 percent (table 7). In January-November 1981, apparent open-market consumption rose to 134 million pounds, up by 17 percent over that recorded in January-November 1980.

Table 7.--Sorbitol: U.S. producers' open-market shipments, imports for consumption, net change in inventories, exports, and apparent open-market consumption, 1978-80, January-November 1980, and January-November 1981

(In thousands of pounds)						
Period	Producers' open-market shipments 1/	Imports	Net change in inven- tories	Exports	Apparent open-market consumption	
1978-----	145,004	7,723	***	***	134,755	
1979-----	143,404	10,014	***	***	144,038	
1980-----	122,120	15,370	***	***	134,541	
January-November--						
1980-----	103,916	11,235	***	***	114,211	
1981-----	124,053	10,483	***	***	133,563	

1/ Based on U.S. producers' sales.

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

U.S. employment and wages

The reported data on employment and wages for the U.S. sorbitol industry generally show declining trends. The average number of all persons employed in U.S. establishments producing sorbitol--crystalline and liquid--fell by 22 workers (less than 1 percent) from 1978 to 1980 (table 8). In January-November 1981, the average number of all employees decreased by 5 percent to 2,476 compared with the average number employed in January-November 1980.

The average number of all production and related workers producing sorbitol declined from 220 in 1978 to 159 in 1980, or by 28 percent, and then declined by another 5 percent in January-November 1981 compared with the average number employed during the corresponding period of 1980.

Total hours worked by all production and related workers producing sorbitol also declined steadily, from 421,000 hours in 1978 to 302,000 hours in 1980, or by 28 percent. Hours worked declined by 6 percent to 265,000 hours in January-November 1981 compared with those in the corresponding period of 1980. The decline was, to some extent, offset by an increase in productivity. Aggregate productivity increased from 365 dry-weight pounds per worker in 1978 to 409 dry-weight pounds per worker in 1980, representing an increase of 12 percent. Aggregate productivity rose by another 31 percent to 490 dry-weight pounds in January-November 1981 compared with that in the corresponding period of 1980.

Wages paid to all production and related workers producing sorbitol fell from \$3.4 million in 1978 to \$3.0 million in 1980. In January-November 1981, wages paid remained virtually unchanged from wages paid in January-November 1980 (\$2.7 million).

Financial performance of U.S. producers

The Commission's questionnaire requested separate profit-and-loss data on crystalline sorbitol operations and liquid sorbitol operations. 1/ The two producers that produce both types of sorbitol (ICI and Pfizer) did comply with the Commission's request, * * *. * * * for this reason, the profit-and-loss experience of U.S. producers on overall sorbitol operations is believed to be more reliable than the disaggregated profit-and-loss data.

U.S. producers' net sales of sorbitol * * *.

U.S. producers' cost of goods sold * * *.

1/ * * *.

Table 8.--Average number of employees in selected U.S. establishments producing sorbitol, total and all production and related workers producing sorbitol, and wages paid to and hours worked by all production and related workers producing sorbitol, by firms, 1978-80, January-November 1980, and January-November 1981

Item	1978	1979	1980	January-November--	
				1980	1981
Average number of all employees:					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	2,626	2,663	2,604	2,604	2,476
All production and related workers producing sorbitol:					
ICI-----	***	***	***	***	***
Pfizer-----	***	***	***	***	***
Lonza-----	***	***	***	***	***
Merck-----	***	***	***	***	***
EthiChem-----	***	***	***	***	***
Total-----	220	187	159	153	146
Wages paid to all production and related workers producing sorbitol:					
ICI-----1,000 dollars--	***	***	***	***	***
Pfizer-----do-----	***	***	***	***	***
Lonza-----do-----	***	***	***	***	***
Merck-----do-----	***	***	***	***	***
EthiChem-----do-----	***	***	***	***	***
Total-----do-----	3,455	3,198	2,984	2,737	2,741
Hours worked by all production and related workers producing sorbitol:					
ICI-----1,000 hours--	***	***	***	***	***
Pfizer-----do-----	***	***	***	***	***
Lonza-----do-----	***	***	***	***	***
Merck-----do-----	***	***	***	***	***
EthiChem-----do-----	***	***	***	***	***
Total-----do-----	421	359	302	281	265

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

Table 9. Profit-and-loss experience of U.S. producers of sorbitol on overall sorbitol operations, by firms, 1978-80, and January-November 1981

Year and firm	Net sales	Cost of goods sold	Gross profit	General, selling, and administrative expenses	Net operating profit or (loss)	Ratio of net operating profit to net sales	Ratio of cost of goods sold to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent	Percent
1978:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
1979:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
1980:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
January-November 1980:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
January-November 1981:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
1/ * * *							

A-22

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

Table 10.--Profit-and-loss experience of U.S. producers of sorbitol on their crystalline sorbitol operations, by firms, 1978-80, and January-November 1980, and January-November 1981

Year and firm	Net sales	Cost of goods sold	Gross profit	General, selling, and administrative expenses	Net operating profit	Ratio of Net operating profit to net sales	Ratio of cost of goods sold to net sales
			1,000 dollars			Percent	
1978:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
1979:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
1980:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
January-November 1980:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
January-November 1981:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***

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

Table 11. Profit-and-loss experience of U.S. producers of sorbitol on their liquid sorbitol operations, by firms, 1978-80, and January-November 1980, and January-November 1981

Year and firm	Net sales	Cost of goods sold	Gross profit	General, selling, and administrative expenses	Net operating profit	Ratio of Net operating profit to net sales	Ratio of cost of goods sold to net sales
			1,000 dollars			Percent	
1978:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
1979:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
1980:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
January-November 1980:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
January-November 1981:							
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
ICI	***	***	***	***	***	***	***
Pfizer	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***

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

U.S. producers' general, selling, and administrative expenses * * *.

Finally, U.S. producers' net operating profit * * *.

For the purposes of this report, cash flow from operations is defined as the net operating profit plus depreciation and amortization expenses. Cash flow from U.S. producers' sorbitol operations * * * (table 12).

Table 12.--U.S. producers' cash flow from operations on sorbitol, by firms, 1978-80, January-November 1980, and January-November 1981

(In thousands of dollars)						
Item	1978	1979	1980	January-November--		
				1980	1981	
ICI-----	***	***	***	***	***	***
Pfizer-----	***	***	***	***	***	***
Lonza-----	***	***	***	***	***	***
EthiChem-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***

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

Producers' cost analysis

Three U.S. producers--Pfizer, Lonza, and EthiChem--provided the Commission's staff with their costs of producing 70-percent solution sorbitol (table 13). * * *.

The single largest component of producers' production costs * * *.

All other production costs (including labor, energy, depreciation, and so forth) * * *.

Consideration of Threat of Material Injury

Roquette Freres has yearly sorbitol production capacity of approximately * * *. Its annual production of sorbitol * * *. In 1980, nearly * * * percent of Roquette's production was targeted for export markets; between January and July 1981, * * * percent of production went to exports.

Roquette Freres' principal export markets in 1980 and 1981 were * * *. Exports to the United States accounted for * * * percent of total exports in 1980 and * * * percent of total exports in January-July 1981. According to a

Table 13.----Liquid sorbitol: U.S. producers' costs, by firms, 1979-81

	Total manufac- ing costs	Raw materials			Labor	Energy	Depreci- ation	Other factory costs
		Total	Dextrose	Other				
Cents per pound, dry weight								
1979:								
Pfizer	***	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***	***
1980:								
Pfizer	***	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***	***
1981:								
Pfizer	***	***	***	***	***	***	***	***
Lonza	***	***	***	***	***	***	***	***
EthiChem	***	***	***	***	***	***	***	***
Percent of total								
1979:								
Pfizer	100.0	***	***	***	***	***	***	***
Lonza	100.0	***	***	***	***	***	***	***
EthiChem	100.0	***	***	***	***	***	***	***
1980:								
Pfizer	100.0	***	***	***	***	***	***	***
Lonza	100.0	***	***	***	***	***	***	***
EthiChem	100.0	***	***	***	***	***	***	***
1981:								
Pfizer	100.0	***	***	***	***	***	***	***
Lonza	100.0	***	***	***	***	***	***	***
EthiChem	100.0	***	***	***	***	***	***	***

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

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

company official, once Roquette's U.S. subsidiary comes on stream with its production facilities in November 1982, imports of the liquid sorbitol from France are expected to cease; likewise, if all goes as planned, crystalline sorbitol imported from France should cease by mid-1983. 1/

Consideration of the Causal Relationship Between LTFV Imports from France
and the Alleged Material Injury or Threat Thereof

U.S. imports and market penetration of LTFV imports

The official import statistics of the Department of Commerce are reported on a per-pound basis. Thus, a pound of 70-percent solution is reported the same as a pound of the crystalline material. These statistics are, therefore, not compatible with the data presented in the preceding sections of the report, since they are all on a dry-weight basis. Accordingly, for the purposes of this report, the data on imports supplied by those U.S. importers which responded to the Commission's questionnaire will be relied on. The data collected by the Commission account for all U.S. imports from France and an average of 80 percent of total U.S. imports (on a dry-weight basis). The data on imports by selected U.S. importers are presented in tables 1 and 14.

U.S. imports of all sorbitol, as reported to the Commission, increased from 7.7 million pounds in 1978 to 15.4 million pounds in 1980. Imports of 10.5 million pounds in January-November 1981 were slightly below the level reported in January-November 1980 (11.2 million pounds).

Imports of sorbitol from France * * *.

Imports of French crystalline sorbitol * * *.

U.S. imports of liquid sorbitol imported from France * * *.

As a percentage of apparent open-market consumption, total imports of sorbitol increased from 5.7 percent in 1978 to 11.6 percent in 1980, but then declined to 7.6 percent in January-November 1981 (table 14). * * * in table 15.

1/ See transcript of hearing, pp. 123 and 124.

Table 14.--Sorbitol: U.S. imports by selected firms, by sources, 1978-80, January-November 1980, and January-November 1981

Item	1978	1979	1980	January-November--	
				1980	1981
Imports: 1/					
From France--1,000 pounds--	***	***	***	***	***
All other-----do-----	***	***	***	***	***
Total-----do-----	7,723	10,014	15,390	11,235	10,483
Ratio of imports to apparent open-market consumption:					
From France-----percent--	***	***	***	***	***
All other-----do-----	***	***	***	***	***
Total-----do-----	5.7	7.1	11.6	9.6	7.6

1/ All types of sorbitol are included on a dry-weight basis.

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

Note.--Because of rounding, figures may not add to the totals shown.

Table 15.--Sorbitol: U.S. imports from France and apparent open-market consumption, by types, 1978-80, January-November 1980, and January-November 1981

	Apparent open-market consumption	Imports from France	Ratio of imports from France to apparent open market consumption
	----1,000 pounds/dry weight----		----Percent----
Crystalline:			
1978-----	***	***	***
1979-----	***	***	***
1980-----	***	***	***
January-November:			
1980-----	***	***	***
1981-----	***	***	***
Liquid:			
1978-----	***	***	***
1979-----	***	***	***
1980-----	***	***	***
January-November:			
1980-----	***	***	***
1981-----	***	***	***

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

Prices

Weighted average prices on sales by U.S. producers and by importers of crystalline and liquid sorbitol from France are presented on a quarterly basis from January 1978 through September 1981 and for October-November 1981 in tables 16 through 19. The prices were developed from data requested from the producers and importers on sales to their three largest end-use customers, dealers, and distributors. However, since the importers provided data only on sales to end-user customers the discussion will focus on price behavior in this segment of the market.

The average prices charged by two U.S. producers which market crystalline sorbitol--ICI and Pfizer--* * *. Between January-March 1978 and October-November 1981, domestic sorbitol prices increased by 25 percent from \$58 to \$72.40 per 100 pounds. The Bureau of Labor Statistics index of industrial chemical prices increased by 63 percent during this period, and the cost of dextrose, the principal raw material used in the production of sorbitol, increased by 78 percent. * * *.

Table 16.--Crystalline sorbitol: U.S. producers' weighted average prices 1/ to major end users, by firms and by quarters, January 1978-November 1981

(Per 100 pounds)						
Period	:	ICI	:	Pfizer	:	Weighted average 2/
1978:	:	:	:	:	:	
January-March-----:	:	***	:	***	:	\$58.00
April-June-----:	:	***	:	***	:	58.00
July-September-----:	:	***	:	***	:	58.00
October-December-----:	:	***	:	***	:	61.00
1979:	:	:	:	:	:	
January-March-----:	:	***	:	***	:	61.00
April-June-----:	:	***	:	***	:	61.00
July-September-----:	:	***	:	***	:	61.50
October-December-----:	:	***	:	***	:	63.50
1980:	:	:	:	:	:	
January-March-----:	:	***	:	***	:	64.00
April-June-----:	:	***	:	***	:	64.65
July-September-----:	:	***	:	***	:	68.76
October-December-----:	:	***	:	***	:	67.51
1981:	:	:	:	:	:	
January-March-----:	:	***	:	***	:	68.65
April-June-----:	:	***	:	***	:	70.44
July-September-----:	:	***	:	***	:	71.57
October-November-----:	:	***	:	***	:	72.40
:	:	:	:	:	:	

1/ F.O.B., U.S. point of shipment.

2/ Weighted on the basis of quantities sold.

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

Table 17.--Crystalline sorbitol: Weighted average prices to end users of imported and domestic merchandise, by quarters, January 1978-November 1981

	Domestically produced sorbitol	Imported sorbitol from France	Margin of underselling	
			Actual	Percent
	<u>Per 100 pounds</u>	<u>Per 100 pounds</u>		
1978:				
January-March-----:	\$58.00	***	***	***
April-June-----:	58.00	***	***	***
July-September-----:	58.00	***	***	***
October-December--:	61.00	***	***	***
1979:				
January-March-----:	61.00	***	***	***
April-June-----:	61.00	***	***	***
July-September-----:	61.50	***	***	***
October-December--:	63.50	***	***	***
1980:				
January-March-----:	64.00	***	***	***
April-June-----:	64.65	***	***	***
July-September-----:	68.76	***	***	***
October-December--:	67.51	***	***	***
1981:				
January-March-----:	68.65	***	***	***
April-June-----:	70.44	***	***	***
July-September-----:	71.57	***	***	***
October-November--:	72.40	***	***	***

1/ Prices for the imported merchandise are reported on a delivered basis.

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

Prices of imported sorbitol from France increased slightly more rapidly than U.S. prices during 1978-81, rising from * * * per 100 pounds in the first quarter of 1978 to * * * per 100 pounds in the first quarter of 1981, or by * * * percent. However, it is evident from table 17 that much of the increase occurred during the fourth quarter of 1980 and the first quarter of 1981.

Prices of imported crystalline sorbitol from France were consistently below U.S. prices in 1978, 1979, and 1980. During this period, margins of underselling ranged from * * * percent to * * * percent, with the largest margins occurring during the first three quarters of 1980. Since import prices are presented on a delivered basis and domestic prices are presented on an f.o.b. basis, the margins are slightly understated. The data in table 17 offer no evidence of underselling during 1981. However, since precise comparisons between domestic and import prices are not provided in the table, the possibility that underselling occurred in 1981 cannot be ruled out. Attempts by the staff to estimate domestic delivered prices and compare them with import prices are discussed in the next section.

Prices charged by five individual domestic producers of liquid sorbitol and the average price for all these producers is presented in table 18. ^{1/} Although the size of the transactions on which these prices were based varied widely, from as little as 60,000 to as much as 600,000 pounds, they typically ranged between 100,000 and 300,000 pounds. The average price of liquid sorbitol rose irregularly from \$28.76 per 100 pounds in January-March 1978 to \$40.48 per 100 pounds in October-November 1981, or by 41 percent.

Prices of imported liquid sorbitol from France rose from * * * per 100 pounds in January-March 1978 to * * * per 100 pounds in October-November 1981, or by * * * percent. However, a large share of this increase occurred during the second half of 1980 and the early part of 1981, as shown in table 19.

Underselling of liquid sorbitol occurred consistently from the second quarter of 1979 through the fourth quarter of 1980. During this period, margins of underselling ranged from * * * percent to * * * percent. Throughout January-November 1981, prices of the U.S. product were lower than prices of the imported product from France. However, since the import price is provided on a delivered basis, and the domestic price is presented on an f.o.b. basis, the full extent of underselling is slightly understated. Moreover, since f.o.b. domestic prices are being compared with delivered import prices, it is possible that underselling occurred during other quarters in 1978-81.

^{1/} Sales to toothpaste customers were included in the calculations of these average prices.

Table 18.--Liquid sorbitol: U.S. producers' weighted average prices to major end users, by firms and by quarters, January 1978-November 1981

(Per 100 pounds)							
Period	ICI	Pfizer	Lonza	Merck	EthiChem	Weighted average 1/	
1978:							
January-March-----	***	***	***	***	***		\$28.76
April-June-----	***	***	***	***	***		28.90
July-September-----	***	***	***	***	***		29.11
October-December-----	***	***	***	***	***		30.94
1979:							
January-March-----	***	***	***	***	***		30.78
April-June-----	***	***	***	***	***		30.50
July-September-----	***	***	***	***	***		30.33
October-December-----	***	***	***	***	***		31.08
1980:							
January-March-----	***	***	***	***	***		32.05
April-June-----	***	***	***	***	***		32.44
July-September-----	***	***	***	***	***		35.33
October-December-----	***	***	***	***	***		36.38
1981:							
January-March-----	***	***	***	***	***		38.44
April-June-----	***	***	***	***	***		39.20
July-September-----	***	***	***	***	***		38.76
October-November-----	***	***	***	***	***		40.48

1/ Weighted on the basis of quantities sold.

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

Table 19.--Liquid sorbitol: Weighted average prices to end users of imported 1/ and domestic merchandise, by quarters, January 1978-November 1981

Period	Domestically produced sorbitol	Imported sorbitol from France <u>1/</u>	Margin of underselling	
			Actual	Percent
	Per 100 pounds	Per 100 pounds		
1978:				
January-March-----	\$28.76	***	***	***
April-June-----	28.90	***	***	***
July-September----	29.11	***	***	***
October-December--	30.94	***	***	***
1979:				
January-March-----	30.78	***	***	***
April-June-----	30.50	***	***	***
July-September----	30.33	***	***	***
October-December--	31.08	***	***	***
1980:				
January-March-----	32.05	***	***	***
April-June-----	32.44	***	***	***
July-September----	35.33	***	***	***
October-December--	36.38	***	***	***
1981:				
January-March-----	38.44	***	***	***
April-June-----	39.20	***	***	***
July-September----	38.76	***	***	***
October-November--	40.48	***	***	***

1/ Prices for the imported merchandise are reported on a delivered basis.

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

Estimates of delivered prices

In the preceding discussion of sorbitol prices, data availability limited explicit price comparisons to U.S. producers' prices f.o.b. point of shipment compared with U.S. importers' prices delivered to end-users. Because comparing domestic ex-factory prices with delivery prices of imports can understate or even eliminate margins of underselling, Commission staff used estimated freight costs to convert domestic f.o.b. prices to delivered prices.

Estimates of freight costs were obtained from several sources. One domestic producer, Pfizer, provided estimates of average annual freight costs that would have been added to its f.o.b. prices if its sales had been on a delivered-price basis. Since these costs are not specific as to purchaser location or method of shipment, and are only available on an annual basis, they cannot be used to construct precise estimates of delivered prices. However, the data do give some idea of the average amount by which delivered prices exceeded annual f.o.b. prices during 1978-81.

From 1978 to 1981 average annual freight costs ranged from * * * percent to * * * percent of Pfizer's average f.o.b. price for crystalline sorbitol and from * * * percent to * * * percent of Pfizer's average f.o.b. price for liquid sorbitol (table 20). If Pfizer's delivery charges are representative of those for other domestic producers, * * *.

Pfizer's average annual freight charges were added to domestic producers' f.o.b. prices to obtain estimates of average delivered prices for crystalline sorbitol (table 21). The data on average freight charges are not detailed enough to establish the existence of underselling, so no attempt was made to use these average prices in computing margins of underselling. * * *. From 1978 to 1981, * * *.

One domestic producer, Merck, furnished both delivered and f.o.b. prices of liquid sorbitol, and the staff was able to estimate delivered prices for all producers for this product. Merck, whose plant is in Rahway, N.J., * * *.

The difference between f.o.b and delivered prices varies with the purchaser's location, the producer's location, and the method of shipment. In order to control for the purchaser's location, prices were compared only for purchasers in the New York City-northern New Jersey area. This area was chosen because it had the largest number of purchasers for which prices were reported. Domestic producers are in New Jersey, New York City, Delaware, Eastern Pennsylvania, and Illinois. * * *. Therefore, all domestic producers ship from points close to the New York City area, and variations in producers' locations will have a limited effect on the difference between f.o.b. and delivered prices. Producers ship liquid sorbitol in railroad tank cars, tank trucks, and drums. These data do not take into account the differences in cost of different methods of shipment.

The estimates of delivered prices of liquid sorbitol are presented in table 22; they indicate a pattern of underselling that is slightly different from the pattern shown in table 19, using f.o.b. prices.

Table 20.--Sorbitol: Pfizer's f.o.b. prices and average freight charges,
by quarters, January 1978-November 1981

Period	Crystalline			Liquid		
	Price	Freight charge	Ratio of freight charge to price	Price	Freight charge	Ratio of freight charge to price
	Per 100 pounds	Per 100 pounds	Percent	Per 100 pounds	Per 100 pounds	Percent
1978:						
January-March-----	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***
1979:						
January-March-----	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***
1980:						
January-March-----	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***
1981:						
January-March-----	***	***	***	***	***	***
April-June-----	***	***	***	***	***	***
July-September-----	***	***	***	***	***	***
October-December-----	***	***	***	***	***	***

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

Table 22.--Liquid sorbitol: Weighted average delivered prices to end users of imported and domestic merchandise in the New York City area, by quarters, January 1978-November 1981

Period of shipment	Domestically produced sorbitol	Imported sorbitol from France	Margins of underselling	
			Actual	Percent
	<u>Per 100 pounds</u>	<u>Per 100 pounds</u>		
1978:				
January-March-----	***	***	***	***
April-June-----	***	***	***	***
July-September-----	***	***	***	***
October-December-----	***	***	***	***
1979:				
January-March-----	***	***	***	***
April-June-----	***	***	***	***
July-September-----	***	***	***	***
October-December-----	***	***	***	***
1980:				
January-March-----	***	***	***	***
April-June-----	***	***	***	***
July-September-----	***	***	***	***
October-December-----	***	***	***	***
1981:				
January-March-----	***	***	***	***
April-June-----	***	***	***	***
July-September-----	***	***	***	***
October-November-----	***	***	***	***

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

* * *

Table 23.-- Sorbitol: Comparison of selected delivered prices of Pfizer and Roquette to end users, October-December 1981

Area	Product	Pfizer price	Roquette price	Margin of underselling	
				Actual	Percent
		Per 100 pounds	Per 100 pounds		
New York City-----	Liquid	***	***	***	***
New York City-----	Crystalline	***	***	***	***
Chicago-----	----do----	***	***	***	***

Source: The importer's prices are compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. * * *.

Lost sales

This section summarizes the information obtained concerning alleged lost sales of sorbitol by domestic producers in two time periods--January 1978 through May 1981, the period for which this information was obtained in the preliminary investigation, and January-November 1981, the period for which information was developed during the final investigation.

Information from the preliminary investigation.--During the preliminary investigation, three producers--Pfizer, Lonza, and Merck--reported that they lost a combined total of 23.7 million pounds in sales of sorbitol, valued at \$8.7 million, to 18 customers between January 1978 and May 1981 as a result of competition from imports of sorbitol from France. The Commission staff was able to contact 15 of the firms to which sales were allegedly lost. Of these firms, one refused to respond to the telephone inquiry and five stated that they buy all their sorbitol from domestic sources and/or from import sources other than France. Nine firms acknowledged that they purchased sorbitol from France.

Three of these nine firms stated that low prices of the imported sorbitol were not a consideration in their purchasing decision. They cited such factors as the desire to maintain an alternative supply source, the higher quality of the French product, and the superior technical service offered by Roquette Corp., the U.S. subsidiary of the French producer, as primary considerations. Domestic producers alleged that they lost sales amounting to 1.9 million pounds, valued at \$700,000, to these three firms between January 1978 and May 1981.

Three firms which allegedly accounted for lost sales of 1.9 million pounds of crystalline sorbitol, valued at \$1.5 million, and 700,000 pounds of liquid sorbitol, valued at \$300,000, stated that while low prices were a consideration in buying sorbitol from France, quality was a more important consideration, and that for certain applications, notably tableting, they found that the product from France worked better in their formulations. Two of these firms indicated that their desire to maintain an alternative supply source was also a reason for using sorbitol from France.

Three firms consider price to be a major consideration in their decision to buy sorbitol from France. One of these firms (* * *) has stated that there were special circumstances involved in its purchasing decision. The firm had an agreement with Roquette Freres to purchase substantial quantities of another commodity, but * * * wanted to withdraw from the agreement. However, a withdrawal would have required the payment of a large penalty. Therefore, the firm approached Roquette Freres with an offer to purchase crystalline sorbitol instead of the other commodity. According to the company official, the sorbitol was offered by Roquette at a price lower than that offered by domestic producers. * * *. Pfizer claims that it lost sales of * * * pounds, valued at * * *, in 1980 and * * * pounds, valued at * * *, to this firm in January-July 1981.

The two remaining firms indicated that price was the most important consideration in their purchasing decision. The first firm, which accounted for alleged lost sales of 1.3 million pounds, valued at \$400,000, does not buy directly from the importer, but from a chemical dealer. The official stated that the sorbitol from France was being obtained at prices that were 10 to 15 percent below those offered by domestic producers. A representative of the second firm indicated that quality and the maintenance of an alternative supply source were also important considerations. This individual stated that until early 1980 the sorbitol from France was of considerably better quality for his firm's applications and that he still believes that the sorbitol from France has a slight edge. The firm also believes that buying the sorbitol from France as an alternative source of supply forces domestic producers to be more competitive in their pricing policies. The representative estimated that his company purchased 300,000 pounds of sorbitol from France in 1978, 750,000 pounds in 1979, and 1.5 million pounds in 1980. * * *. Pfizer and Lonza reported that they suffered combined lost sales of * * * pounds, valued at * * *, to this firm as a result of competition from imports from France.

Information from the current investigation.--During the current investigation all five domestic producers alleged that they had lost sales to imports of sorbitol from France during January-November 1981. The combined lost sales reported by these producers amounted to 18.9 million pounds, valued at \$10.9 million. The Commission staff was able to contact 16 of these 18 customers by telephone in their efforts to investigate the lost sales allegations. Two of the firms were unwilling to respond to a telephone inquiry.

Seven of the firms which allegedly accounted for lost sales of 3.2 million pounds, valued at \$1.3 million stated that they did not purchase any sorbitol from France during 1981. In one case, * * *. Two other firms which rely entirely on domestic sorbitol reported that they reduced their overall purchases of sorbitol during 1981 as a result of adverse market conditions. Another firm indicated that it has relied * * *. Several firms, which purchase only domestic sorbitol at present, stated that sorbitol from France is generally cheaper than the comparable U.S. product. * * *.

Three of the remaining seven firms which buy sorbitol from France cited low prices as the primary reason for purchasing from this source. Combined sales lost to these three firms by domestic producers consisting largely of crystalline sorbitol, allegedly amounted to 3.2 million pounds, valued at \$4.2 million. Two of the firms stated that they * * *.

Two additional firms, which allegedly accounted for lost sales of 374,000 pounds, valued at \$131,400, indicated that price was the main consideration in their purchases, but both denied that they had increased purchases of the French product during 1981. * * *.

Two firms reported that price considerations induced them to increase purchases of domestic sorbitol relative to French sorbitol during 1981. These two firms allegedly accounted for lost sales of 518,000 pounds, valued at \$398,000, in 1981. One of the firms * * *.

A-41

APPENDIX A

DEPARTMENT OF COMMERCE NOTICES

A-41

Room 516, 1825 Connecticut Avenue, N.W., Washington, D.C. Persons outside the metropolitan area may send a postcard request for Order 81-7-24 to the Distribution Section, Civil Aeronautics Board, Washington, D.C. 20428.

By the Civil Aeronautics Board: July 6, 1981.

Phyllis T. Kaylor,
Secretary.

[FR Doc. 81-20303 Filed 7-9-81; 8:45 am]

BILLING CODE 6320-01-M

[Order 81-7-23]

Fitness Determination of Scheduled Skyways, Inc.; Order To Show Cause

AGENCY: Civil Aeronautics Board.

ACTION: Notice of Commuter Air Carrier Fitness Determination—Order 81-7-23, Order To Show Cause.

SUMMARY: The Board is proposing to find that Scheduled Skyways, Inc. is fit, willing, and able to provide commuter air service under section 419(c)(2) of the Federal Aviation Act, as amended; that it is capable of providing essential air service; and that the aircraft used in this service conform to applicable safety standards. The complete text of this order is available, as noted below.

DATES: Responses: All interested persons wishing to respond to the Board's tentative fitness determination shall serve their responses on all persons listed below no later than July 22, 1981, together with a summary of the testimony, statistical data, and other material relied upon to support the allegations.

ADDRESSES: Responses or additional data should be filed with Special Authorities Division, Room 915, Civil Aeronautics Board, Washington, D.C. 20428, and with all persons listed in Attachment A of Order 81-7-23.

FOR FURTHER INFORMATION CONTACT: Steven B. Farberman, Bureau of Domestic Aviation, Civil Aeronautics Board, 1825 Connecticut Avenue, N.W., Washington, D.C. 20428 (202) 673-5340.

SUPPLEMENTARY INFORMATION: The complete text of Order 81-7-23 is available from the Distribution Section, Room 516, 1825 Connecticut Avenue, N.W., Washington, D.C. Persons outside the metropolitan area may send a postcard request for Order 81-7-23 to the Distribution Section, Civil Aeronautics Board, Washington, D.C. 20428.

By the Civil Aeronautics Board: July 6, 1981.

Phyllis T. Kaylor,
Secretary.

[FR Doc. 81-20302 Filed 7-9-81; 8:45 am]

BILLING CODE 6320-01-M

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Docket No. 8-79]

Foreign-Trade Subzone No. 46-A, General Electric Company Facility, Evendale, Ohio—Withdrawal of Application for Expansion Approved

Notice is hereby given that the Greater Cincinnati Foreign-Trade Zone, Inc., grantee of FTZ Subzone 46-A at the General Electric plant, Evendale, Ohio, has withdrawn its application filed in September 1979 for the expansion of the subzone (44 FR 52857, 9-11-79). The withdrawal has been accepted and the case closed.

Dated: July 7, 1981.

John J. Da Ponte, Jr.,
Executive Secretary.

[FR Doc. 81-20285 Filed 7-9-81; 8:45 am]

BILLING CODE 3510-25-M

International Trade Administration

Initiation of Antidumping Investigation; Sorbitol From France

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: We are initiating an antidumping investigation to determine whether sorbitol from France is being, or is likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission ("ITC") of this action, so that it may preliminarily determine whether these imports are materially injuring or threatening to injure materially a U.S. industry. If both investigations proceed normally, the ITC will announce its preliminary determination by July 30, 1981, and we will announce ours by November 23, 1981.

EFFECTIVE DATE: July 10, 1981.

FOR FURTHER INFORMATION CONTACT: John Brinkmann, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230 (202-377-1279).

SUPPLEMENTARY INFORMATION:

Initiation of Investigation

On June 15, 1981, we received a petition from counsel for Pfizer, Inc., of New York, New York. Complying with the filing requirements of 19 CFR 353.38, the petition alleges that Societe Roquette Freres of Lille, France, is selling sorbitol in the United States at less than fair value, and that such sales are materially injuring a U.S. industry. Petitioner has cited lost sales, price suppression, and rapid penetration of the U.S. market as examples of injury to the domestic sorbitol industry. The petition also claims "critical circumstances" exist due to a rapid and intensive penetration of the U.S. market by massive imports of this merchandise during a relatively short period.

After conducting a summary review of the petition, as required by section 732(c)(1) of the Tariff Act of 1930, as amended (19 U.S.C. 1673a(c)(1)) ("the Act") we have found that the information it contains reasonably supports the allegations of material injury and of sales at less than fair value and justifies further investigation.

Therefore, in accordance with section 732(c)(2) of the Act, we are initiating an antidumping investigation to determine whether there is a reasonable indication that sorbitol from France is being sold in the United States at less than fair value.

We are publishing this notice in accordance with § 353.37(b) of the Commerce Regulations (19 CFR 353.37(b)). Unless we extend this investigation, we will make our preliminary determination by November 23, 1981.

Scope of the Investigation

Sorbitol is a polyol which is produced by the catalytic hydrogenation of sugars (glucose). It is commercially available in two forms: (1) crystalline sorbitol, used in the production of sugarless gum, candy, groceries and pharmaceuticals; and (2) liquid sorbitol, used in cosmetics and toiletries (such as toothpaste).

Sorbitol is currently classified under item number 493.6820 of the Tariff Schedules of the United States, Annotated.

Critical Circumstances

The petition also alleges that critical circumstances exist within the meaning of section 733(e)(1) of the Act (19 U.S.C. 1673b(e)(1)). In order to determine that critical circumstances exist, the Department must find there is a reasonable basis to believe or suspect that: (1)(a) there is a history of dumping in the United States or elsewhere of the

class or kind of merchandise which is the subject of the investigation; or (b) that the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise which is the subject of the investigation at less than fair value; and (2) there have been massive imports of the class or kind of merchandise which is the subject of the investigation over a relatively short period.

Since the petition has failed to provide us with sufficient information which establishes either a prior history of dumping or that the importer knew or should have known the exporter was selling the subject merchandise at less than fair value, we determine that at this time there is not a reasonable basis for concluding that critical circumstances exist with respect to imports of sorbitol from France. Accordingly, we have not addressed the issue of massive imports at this time.

Notification of ITC and Preliminary Determination

Section 732(d) of the Act (19 U.S.C. 1763a) also requires us to notify the ITC of this decision and to provide it with the information we used in making this decision. We will make available to the ITC all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

Pursuant to section 733(a) of the Act (93 Stat. 163, 19 U.S.C. 1673a), the ITC will determine by July 30 whether there is a reasonable indication that an industry in the United States is materially injured, or threatened with material injury, by reason of imports of sorbitol from France. If the ITC makes a negative determination, this investigation will terminate; otherwise, it will proceed to its conclusion.

This notice is published pursuant to section 732 of the Act (93 Stat. 162, 19 U.S.C. 1673(a) and § 353.37(b) of the Department Regulations (19 CFR 353.37(b)).

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

July 6, 1981.

[FR Doc. 81-20307 Filed 7-9-81; 8:45 am]

BILLING CODE 3510-25-M

Importers' and Retailers' Textile Advisory Committee; Renewal

AGENCY: International Trade Administration; Commerce.
ACTION: Notice of Renewal.

SUMMARY: In accordance with the provisions of the Federal Advisory Committee Act, (5 U.S.C. App. (1976), and Office of Management and Budget Circular A-63 (Revised), Advisory Committee Management, and after consultation with the General Services Administration, the delegate of the Secretary of Commerce has determined that the renewal of the Importers' and Retailers' Textile Advisory Committee is in the public interest in connection with the performance of duties imposed on the Department of Commerce by law.

SUPPLEMENTARY INFORMATION: The Committee was initially established by the Secretary of Commerce on August 13, 1963. Its purpose was, and continues to be, to advise Department officials on the effects on import markets and retailing of cotton, wool and man-made fiber textile agreements.

The Committee will continue to have balanced representation of not more than 25 members, appointed by the Secretary of Commerce. The Committee will continue to function solely as an advisory body and in compliance with the provisions of the Federal Advisory Committee Act.

Copies of the Committee's revised charter will be filed with appropriate committees of the Congress, and a copy will be forwarded to the Library of Congress.

FOR FURTHER INFORMATION CONTACT: Committee Control Officer, Arthur Garel, Director, Office of Textiles and Apparel, International Trade Administration, U.S. Department of Commerce, Room 2808, Washington, D.C. 20230, telephone: (202) 377-5078 or Mrs. Yvonne Barnes, Committee Management Analyst, U.S. Department of Commerce (202) 377-4217.

Dated: July 6, 1981.

Clifford J. Parker,
Acting Assistant Secretary for Administration.

[FR Doc. 81-20284 Filed 7-9-81; 8:45 am]

BILLING CODE 3510-17-M

National Oceanic and Atmospheric Administration

National Marine Fisheries Service; Permit Modification Request

Notice is hereby given that Normandeau Associates has requested a modification to Permit No. 213 issued

under the authority of the Endangered Species Act of 1973 (16 U.S.C. 1531-1543) and the regulations governing endangered species (50 CFR Parts 217-227) on November 25, 1977. Normandeau is requesting that the location of activities be modified to include the Hudson River Estuary.

Written data or views, or requests for a public hearing on this modification request should be submitted to the Assistant Administrator for Fisheries, National Marine Fisheries Service, U.S. Department of Commerce, Washington, D.C. 20235, by August 10, 1981. Those requesting a hearing should set forth the specific reasons why a hearing on this particular request would be appropriate. The holding of such hearing is at the discretion of the Assistant Administrator for Fisheries.

All statements and opinions contained in this request are summaries of those of the Applicant and do not necessarily reflect the views of the National Marine Fisheries Service.

Documentation pertaining to the above amendment request is available for review in the following offices:

Assistant Administrator for Fisheries, National Marine Fisheries Service, 3300 Whitehaven Street, N.W., Washington, D.C.; and

Regional Director, National Marine Fisheries Service, Northeast Region, 14 Elm Street, Federal Building, Gloucester, Massachusetts 01930.

Dated: July 2, 1981.

Richard B. Roe,

Acting Director, Office of Marine Mammals & Endangered Species, National Marine Fisheries Service.

[FR Doc. 81-20280 Filed 7-9-81; 8:45 am]

BILLING CODE 3510-22-M

New England Fishery Management Council; Public Meetings

AGENCY: National Marine Fisheries Service, NOAA, Commerce.

SUMMARY: The New England Fishery Management Council, established by Section 302 of the Magnuson Fishery Conservation and Management Act (Public Law 94-265), will meet to discuss the results of public hearings on the interim groundfish fishery management plan (FMP); status of the groundfish fishery and of lobster FMP development; reports of the groundfish and herring oversight committees; report of the Executive Director; approval of minutes, as well as other business.

DATES: The public meetings will convene on Tuesday, July 28, 1981, at approximately 10 a.m., and will adjourn on Wednesday, July 29, 1981, at

Methodology

In order to determine whether or not this product is being sold at less than fair value, we compared its purchase price with its foreign market value.

Purchase Price

We used purchase price as defined in section 772(b) of the Act, because the price to the unrelated purchaser was agreed to prior to importation of the subject merchandise. We calculated purchase price from the duty-paid, delivered price charged to the unrelated U.S. purchasers. We deducted transportation costs, insurance, handling, U.S. duty, and Customs clearance costs from all sales. Cash discounts and commissions were also deducted where applicable. Commissions were calculated as a percentage of the sales price less transportation cost, in keeping with the method used by EHA to determine commissions. No other adjustments were claimed or made.

Foreign Market Value

We used home market sales as the basis for foreign market value, as defined in section 773(a)(1)(A) of the Act. Since all of EHA's exports to the U.S. of valves subject to this investigation were sold in the replacement market, and since we found adequate sales of replacement type valves in the West German replacement market, we examined only these sales in our comparisons. Our investigation of home market sales to original equipment manufacturers showed that no replacement valves were sold to West German original equipment manufacturers.

We deducted transportation costs, insurance, handling, commissions, and cash discounts on all sales from the home market delivered price to find foreign market value. We calculated exchange rates in accordance with 353.56(a)(1), Commerce Regulations (19 CFR 353.56(a)(1)).

Results

We compared U.S. sales and home market sales and found only one sale at margin. This margin was 1.23 percent. The weighted average margin over all sales investigated was 0.0006 percent, which is *de minimis* and results in a final determination of sales at not less than fair value. A typographical error in the notice of the preliminary determination resulted in our reporting these figures as 0.01 percent and 0.000006 percent, respectively.

Verification

In accordance with section 776(a) of the Act, we verified all the information we have relied upon in making this final determination. We used traditional verification procedures, including on-site inspections of the manufacturer's operations and examination of accounting records and randomly selected documents containing relevant information.

Final Determination

Based on our investigation and in accordance with section 735(a) of the Act, we have reached a final determination that tubeless tire valves from West Germany are not being sold in the United States at less than fair value within the meaning of section 731 of the Act.

The Secretary has provided an opportunity for interested parties to present written and oral views pursuant to section 774 of the Act and all expressed views have been considered in making this final determination.

The International Trade Commission has been informed of this determination and this notice is being published in the Federal Register in accordance with section 735(d) of the Act.

Lawrence J. Brady,

Assistant Secretary for Trade Administration.

[FR Doc. 81-34253 Filed 11-27-81; 8:45 am]

BILLING CODE 3510-25-M

Sorbitol From France; Preliminary Determination of Sales at Less Than Fair Value

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of preliminary determination of sales at less than fair value.

EFFECTIVE DATE: November 30, 1981.

SUMMARY: We have preliminarily determined that sorbitol from France is being sold in the United States at less than fair value. Therefore, we have directed the U.S. Customs Service to suspend the liquidation of all entries or warehouse withdrawals of this merchandise and to require a cash deposit, bond, or other security in an amount equal to the estimated dumping margin of 3.9 percent. Unless we extend the investigation, we will make our final determination on or before February 5, 1982. Interested parties are invited to submit oral or written views concerning this determination.

FOR FURTHER INFORMATION CONTACT: Leon McNeill, Office of Investigations, Import Administration, U.S. Department

of Commerce, 14th Street & Constitution Avenue, N.W., Washington, D.C. 20230 (202-377-1273).

SUPPLEMENTARY INFORMATION:**Preliminary Determination**

Based on our investigation and in accordance with section 733(b) of the Tariff Act of 1930, as amended (the "Act"), we have preliminarily determined that there is reason to believe or suspect that sorbitol from France is being sold in the United States at less than fair value within the meaning of section 731 of the Act. The estimated weighted average margin is preliminarily determined to be 3.9%. Unless we extend this investigation, we will make our final determination on or before February 5, 1982.

Case History

On June 15, 1981, we received a petition from counsel for Pfizer, Inc. of New York, New York. The petition alleged that Societe Roquette Freres of Lille, France was selling sorbitol in the United States at less than fair value and that the sales were causing material injury to an industry in the United States within the meaning of section 731 of the Act.

After reviewing the petition, we determined that there were sufficient grounds to initiate an antidumping investigation. Therefore, we notified the U.S. International Trade Commission ("ITC") of our decision and on July 10, 1981, we announced the initiation in the Federal Register (46 FR 35716).

On July 23, 1981, the ITC preliminarily found that there is a reasonable indication that these imports are materially injuring or threatening to materially injure a U.S. industry. It published its determination in the Federal Register on August 5, 1981, (46 FR 39914).

Scope of the Investigation

The merchandise covered by this investigation is sorbitol, a polyol which is produced by the catalytic hydrogenation of sugars (glucose). Sorbitol is currently classified under item 493.6820 of the Tariff Schedules of the United States Annotated. Sorbitol is commercially available in two forms: (1) Crystalline sorbitol, used in the production of sugarless gum, candy, groceries and pharmaceuticals; and (2) liquid sorbitol, used in cosmetics and toiletries (such as toothpaste). Roquette Freres further identifies each form of sorbitol by specific grades, with the grades within each form generally varying only in their purity. During the period of investigation Roquette sold six

grades of liquid sorbitol and two grades of crystalline sorbitol to U.S. customers.

This investigation covers sales made between January 1, 1981 and June 30, 1981. Our investigation was limited to Societe Roquette Freres of Lille, France, the sole French exporter to the U.S. of the subject merchandise.

Methodology

In this preliminary determination we have made fair value comparisons by comparing the U.S. purchase price with its foreign market value. In making our fair value comparisons, whenever possible we compared the weighted-average foreign market value of a specific grade of sorbitol with U.S. prices of that same grade. Such a grade by grade comparison was possible on both grades of crystalline sorbitol and on one grade of the liquid sorbitol. The remaining five liquid grades sold in the U.S. were compared with a weighted-average foreign market value of all other grades of liquid sorbitol sold in France.

U.S. Purchase Price

We used purchase price as defined in section 772(b) of the Act because we determined that the price to the unrelated customer was agreed to before the sorbitol was imported to the United States. We calculated purchase price by taking the duty-paid, delivered price to the unrelated U.S. purchaser and deducting transportation costs, insurance, U.S. duty, customs brokerage fees, sales commissions and traffic manager fees.

Roquette Freres claimed that an addition to purchase price in the form of an "import levy refund" should be made as an adjustment under section 772(d)(1)(B) of the Act and 19 CFR 353.10(d)(1)(ii). Roquette made the adjustment claim on the premise that "the import levy refund is the result of export restitution payments made to return to users of corn the special import tax levied in European Communities ("EC") member countries on imports of corn, the principal raw material in the manufacture of sorbitol."

Roquette Freres is an integrated producer which directly imports much of the corn it utilizes in the production of sorbitol. Our verification did show that Roquette had paid an import levy on imported corn, and that it had received export restitution payments on the corn content of sorbitol exported to the United States. However, EC "export restitution" payments are paid on all exports of sorbitol outside the EC, regardless of whether the corn used to produce that sorbitol was domestic (within the EC) or imported. The import levy and the export restitution payments

are not directly linked to or dependent upon one another within the context of EC regulations. Therefore, we determine that the "import levy refund" is not an import duty imposed by the country of exportation which has been rebated by reason of the exportation of the merchandise to the United States, pursuant to section 772(d)(1)(B) of the Act, and thus it cannot be added back to the U.S. purchase price.

Foreign Market Value

We used home market sales as the basis for foreign market value as defined in section 773(a)(1)(A) of the Act. We calculated foreign market value by taking the delivered price to French customers and deducting freight charges, annual quantity rebates, special packaging costs, indirect sales expenses and credit cost differences. Based upon the results of our verification an adjustment claimed for a special commission on a small number of sales was disallowed, and the adjustment for differences in credit terms was allowed, but at a lesser amount than claimed in the response.

We applied exchange rates in accordance with 19 CFR 353.56(a)(1) Commerce Regulations.

Verification

In accordance with section 776(a) of the Act, we verified all the information we have relied upon in making this preliminary determination. The verification took place in the offices of Roquette Freres in Lille, France and the offices of Roquette Corporation in New York. Roquette Corporation is the wholly-owned U.S. subsidiary of Roquette Freres. We used standard verification procedures which included examination of sales orders, order confirmations, invoices, contractual agreements, shipping records, records of payment and appropriate accounting records.

Negative Determination of Critical Circumstances

In our July 10, 1981, Federal Register notice of initiation, we denied petitioner's allegation that critical circumstances existed with respect to imports of sorbitol from France. In that notice we concluded that petitioner had failed to provide us with sufficient information which established a prior history of dumping or that the importer knew or should have known that the exporter was selling the subject merchandise at less than fair value. Accordingly, we did not find it necessary to address the issue of massive imports over a relatively short period of time.

On July 31, 1981, petitioner filed an amendment to its petition, which again sought to "establish the existence of critical circumstances within the meaning of section 733(e) of the Act * * * based on information not available at the time the original petition was submitted."

We have considered the issues presented by petitioner within the context of information gathered during the course of this investigation. We can find no evidence in the new information presented which satisfies the requirements of section 733(e)(1) of the Act (19 U.S.C. 1673b(e)(1)) that the person by whom, or for whose account, the merchandise was imported knew or should have known the exporter was selling the merchandise which is the subject of the investigation at less than fair value, and that there have been massive imports of the class or kind of merchandise which is the subject of the investigation over a relatively short period of time. Specifically, with regards to massive imports over a short period of time, import records indicate that while the volume of imports of sorbitol from France have increased in the last several years, the increases have been gradual and in proportion to total imports. Therefore, we determine that there is no reasonable basis for concluding that critical circumstances exist with respect to imports of sorbitol from France.

Public Comment

As required by 19 CFR 353.47, if requested, we will hold a public hearing to afford interested parties an opportunity to comment orally on this preliminary determination. Interested parties who desire such a conference should so inform the Deputy Assistant Secretary for Import Administration, U.S. Department of Commerce, 14th & Constitution Avenue, NW., Washington, D.C. 20230. All requests must be received by the Deputy Assistant Secretary within 10 days of publication of this notice. This request should contain: (1) The party's name, address and telephone number, (2) the number of participants, and (3) a list of the issues to be discussed. In addition, prehearing briefs must be submitted to the Deputy Assistant Secretary by December 11, 1981. Oral presentations will be limited to issues raised in the briefs. If requested, this hearing is scheduled to begin at 10:00 a.m. on December 18, 1981, at the U.S. Department of Commerce, room 1851.

Any written views must be filed in accordance with the instructions contained in § 353.46(a) Commerce

Regulations (19 CFR 353.46(a)) at the above address, on or before December 28, 1981 and at least 10 copies.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the U.S. Customs Service to suspend the liquidation of all unliquidated entries of this merchandise entered or withdrawn from warehouse for U.S. consumption on or after the date of publication of this notice. We are also directing Customs to require a cash deposit, bond, or other security in the amount of 3.9 percent of the f.o.b. value of this merchandise. Until further notice this suspension of liquidation will remain in effect.

ITC Notification

We are making available to the U.S. International Trade Commission all nonprivileged and nonconfidential information relating to this investigation. We will allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

This notice is published pursuant to section 733 of the Act (19 U.S.C. 1673(b)) and § 353.39, Commerce Regulations (19 CFR 353.39).

Leonard S. Shamson,
Acting Deputy Assistant Secretary for Import Administration.

November 20, 1981. ITC Doc. 81-34300 Filed 11-27-81; 8:45 am. BILLING CODE 3510-25-M

National Oceanic and Atmospheric Administration

Reevaluation of Appropriateness of Elevating Georges Bank to Status of Active Candidate for National Marine Sanctuary Designation

AGENCY: National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice.

SUMMARY: To fulfill NOAA's responsibility under a Settlement Agreement dated December 22, 1980, the Acting Assistant Administrator for OCZM has reviewed the status of Georges Bank and determined that no site or sites on Georges Bank should be listed as an Active Candidate for marine sanctuary designation at this time.

FOR FURTHER INFORMATION CONTACT: Dr. Richard J. Podgorny, (202) 634-4236.

ADDRESS: NOAA, 3300 Whitehaven Street, NW, Washington, DC 20235.

SUPPLEMENTARY INFORMATION:

Background

NOAA is publishing this notice in accordance with a Settlement Agreement resolving protracted litigation dating back to 1978 in which the Commonwealth of Massachusetts and the Conservation Law Foundation (CLF) sought to require the Department of the Interior to establish additional environmental safeguards prior to offering OCS Lease Sale No. 42 which included portions of the productive Georges Bank fishery.

After several court decisions had resulted in postponing the lease sale, CLF and certain fishing organizations nominated the entire Georges Bank, approximately 20,000 square miles, for designation as a marine sanctuary pursuant to Title III of the Marine Protection, Research and Sanctuaries Act of 1972, 16 U.S.C. 1431-1434. NOAA evaluated this nomination in accordance with its regulations at 15 CFR 922.23 declaring the area an Active Candidate for designation on August 10, 1979 (44 FR 47132).

In late August 1979, NOAA conducted public workshops in Maine and Massachusetts to help determine whether to further consider the site for designation. On September 21, 1979, utilizing the information developed at the public workshops among other sources, NOAA negotiated an agreement with the Department of the Interior and the Environmental Protection Agency (EPA) that added a variety of environmental safeguards to protect the Bank. These measures were sufficiently similar to those which NOAA believed would have been appropriate regulations for a marine sanctuary that it withdrew the nomination from the Active Candidate's list on October 31, 1979 (44 FR 62553). As a result Massachusetts and CLF joined NOAA as a defendant in their action to enjoin rescheduled Lease Sale 42.

After the plaintiffs' motion for a preliminary injunction was denied, *Massachusetts v. Andrus*, 481 F. Supp. 685 (D. Mass. Nov. 5, 1979) *aff'd*, 623 F.2d 712 (1st Cir. Dec. 17, 1979), and the lease sale held, the parties negotiated a settlement agreement to finally dispose of the litigation. Paragraph 5 of this agreement provides as follows:

On or before December 1, 1981, NOAA shall evaluate available information pertaining to Georges Bank in light of the criteria of 15 CFR 922.23, including the adequacy of existing regulatory mechanisms to protect the marine resources of Georges Bank, and consider whether a site or sites on

all or parts of the Georges Bank area should be placed on the list of active candidates for marine sanctuary designation. NOAA shall prepare and provide to the public and the plaintiffs a statement of reasons for its decision. The December 1, 1981, date may be modified by the parties to reflect changes in the proposed OCS leasing schedule for the North Atlantic.

Bases of Determination

The Acting Assistant Administrator for OCZM has reviewed the status of Georges Bank in accordance with this agreement and determined that no site or sites on Georges Bank should be listed as an Active Candidate for marine sanctuary designation at this time. The bases for this determination are:

1. The low level of hydrocarbon exploration activity to date on Georges Bank has produced no evidence that substantially changes the results of the evaluation which NOAA conducted under § 922.23 when it withdrew the site as an Active Candidate in 1979.

2. Since the Settlement Agreement, NOAA has proposed a series of refinements and improvements to the methods and policies it uses to select and designate marine sanctuary candidates including a new nomination/designation process.

As contemplated by the September, 1979 interagency agreement providing additional safeguards, the Georges Bank Biological Task Force (BTF) for Lease Sale No. 42 has begun to function. During the past year, it has designed a field monitoring program for the affected areas of the Bank and has recommended to the Department of the Interior that this program be used as the primary monitoring mechanism to satisfy EPA's National Pollutant Discharge Elimination System (NPDES) permit requirements under the Clean Water Act for the discharge of operational effluents on Georges Bank. While the BTF may benefit from additional capability once activities increase, NOAA believes the basic concept remains viable. In addition, the Department of the Interior has proposed to retain the same environmental mitigating measures used for Lease Sale No. 42 for the next Georges Bank Lease Sale No. 52 scheduled for August 1982 and has excluded from this sale the 12 tracts at the head of Lydonia Canyon that were withdrawn on September 21, 1979.

Refinements in the Sanctuary Program's present nomination and designation procedures include:

- Elimination of the List of Recommended Areas, on which Georges Bank and several submarine canyons are presently listed. The list has caused substantial confusion and concern over

made not later than February 4, 1982, unless the investigation is extended:

Staff Report

A staff report containing preliminary findings of fact will be available to all parties on January 19, 1982.

Written Submissions

Any person may submit to the Commission on or before February 18, 1982, a written statement of information pertinent to the subject matter of this investigation. A signed original and nineteen copies of such a statement must be filed at the office of the Secretary, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436.

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 Commission's Rules of Practice and Procedure (19 CFR § 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Public Hearing

The Commission will hold a public hearing in connection with this investigation on February 11, 1982, in the Hearing Room of the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, beginning at 10:00 a.m., e.s.t. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m., e.s.t.) February 5, 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 10:00 a.m., e.s.t., January 21, 1982, in Room 117 at the U.S. International Trade Commission Building. Prehearing statements must be filed on or before February 5, 1982. For further information concerning the conduct of the investigation, hearing procedures, and rules of general applications, 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).

(Section 207.20 of the Commission's Rules of Practice and Procedure (19 CFR 207.20, 44 FR 76458))

Issued: December 7, 1981.

By order of the Commission,
Kenneth R. Mason,
Secretary.

[FR Doc. 81-35962 Filed 12-15-81; 8:45 am]

BILLING CODE 7020-02-M

[731-TA-44 (Final)]

Sorbitol From France; Institution of Final Antidumping Investigation and Scheduling of Hearing

AGENCY: International Trade Commission.

ACTION: Institution of a final antidumping duty investigation.

SUMMARY: On November 30, 1981, the United States Department of Commerce issued a preliminary determination that there is reason to believe or suspect that sorbitol from France is being sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930 (19 U.S.C. 1673b). Accordingly, the United States International Trade Commission (hereinafter "the Commission") hereby gives notice of the institution of investigation No. 731-TA-44 (Final) to determine whether an industry in the United States is materially injured or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise provided for in item 493.68 of the Tariff Schedules of the United States (TSUS). This investigation will be conducted according to the provisions of Part 207 of the Commission's Rules of Practice and Procedure (19 CFR Part 207), Subpart C, effective January 1, 1981.

EFFECTIVE DATE: November 30, 1981.

FOR FURTHER INFORMATION CONTACT: Mr. Tim Timberlake, Office of Investigations, U.S. International Trade Commission, Room 349, 701 E Street, NW., Washington, D.C. 20436; telephone (202) 523-0368.

SUPPLEMENTARY INFORMATION: On July 23, 1981, the Commission determined on the basis of the information developed during the course of investigation No. 731-TA-44 (Preliminary), that there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury by reason of imports of sorbitol from France, provided for in TSUS item 493.68 which is allegedly sold or likely to be sold at less than fair value. As a result of the Commission's determination, the Department of Commerce continued its investigation into the question of less-than-fair-value sales. The final determination by the Department of Commerce of whether sorbitol from

France is being, or is likely to be, sold in the United States at less than fair value will be made within 75 days after the date of its preliminary determination, or, in this case, by February 5, 1982.

Written submissions

Any person may submit to the Commission a written statement of information pertinent to the subject of this investigation. A signed original and nineteen (19) true copies of each submission must be filed at the Office of the Secretary, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, on or before February 17, 1982. All written submissions, except for confidential business data, will be available for public inspection.

Any submission of business information for which confidential treatment is desired shall be submitted separately from other documents. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information". Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6).

A staff report containing preliminary findings of fact will be available to all interested parties on February 2, 1982.

Public hearing

The Commission will hold a public hearing in connection with this investigation on February 24, 1982, in the Hearing Room of the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, beginning at 10:00 a.m., e.s.t. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m., e.s.t.), February 1, 1982. All persons desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 10:00 a.m., e.s.t., on February 3, 1982, in Room 117 of the U.S. International Trade Commission Building and must file prehearing statements on or before February 17, 1982. 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, Subpart C (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR 201).

The Commission has waived Commission rules § 201.12(d), "submission of prepared statements," in connection with this investigation. This

rule states that "Copies of witnesses' prepared statements should be filed with the Office of the Secretary of the Commission not later than 3 business days prior to the hearing and submission of such statements shall comply with §§ 201.6 and 201.8 of this subpart". It is nevertheless the Commission's request that parties submit copies of witnesses' prepared testimony as early as practicable before the hearing in order to permit Commission review.

(Section 207.20 of the Commission's Rules of Practice and Procedure (19 CFR 207.20))

Issued: December 10, 1981.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 81-35856 Filed 12-15-81; 9:45 am]
BILLING CODE 7020-02-00

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Manufacturer of Controlled Substances; Notice of Application

Pursuant to § 1301.43(a) of Title 21 of the Code of Federal Regulations (CFR), this is notice that on August 19, 1981, Endo Laboratories, Inc., 1000 Stewart Avenue, Garden City, New York 11530, made application to the Drug Enforcement Administration (DEA) for registration as a bulk manufacturer of the basic class of controlled substances listed below:

Drug	Schedule
Oxycodone (9143)	II
Hydrocodone (9133)	II
Oxymorphone (9852)	II

Any other such applicant and any person who is presently registered with DEA to manufacture such substances, may file comments or objections to the issuance of the above application and may also file a written request for a hearing thereon in accordance with 21 CFR 1301.54 and in the form prescribed by 21 CFR 1316.47.

Any such comments, objections or requests for a hearing may be addressed to the Acting Administrator, Drug Enforcement Administration, United States Department of Justice, 1405 I Street, N.W., Washington, D.C. 20537, Attention: DEA Federal Register Representative (Room 1203), and must be filed no later than January 11, 1982.

Dated: December 9, 1981.

Francis M. Mullen, Jr.,
Acting Administrator, Drug Enforcement Administration.

[FR Doc. 81-35857 Filed 12-15-81; 9:45 am]
BILLING CODE 4410-09-00

National Institute of Corrections

Grant and Contract Review Process; Procedures

Notice is hereby given that the National Institute of Corrections (NIC) has amended its procedures—which were published in the Federal Register Vol. 41, No. 216—Monday, November 8, 1976 at pp. 49200-49201, amended in the Federal Register, Vol. 43, No. 231—Friday, December 29, 1978 at pp. 61033-61035 and amended in the Federal Register, Vol. 46, No. 41—Tuesday, March 3, 1981 at pp. 15001-15002—for the internal processing of concept papers, grant applications and/or contracts. These procedures cover concept papers, grant applications and/or contracts submitted by appropriate individuals, organizations or agencies with NIC's enabling legislation, (18 U.S.C. 4351-4353 (1974)) as amended follow.

Allen F. Breed,
Director, National Institute of Corrections.

National Institute of Corrections

Grant and Contract Review Process

1. **Purpose:** To formalize the responsibilities of the Advisory Board, Executive Committee of the Advisory Board, Standing Committees of the Advisory Board, and the Director of the National Institute of Corrections with regard to grant and contract review and award. To detail the steps involved in the review and award process.

2. **Directives Affected:** Supersedes procedures contained in June 23-24, 1975, National Institute of Corrections Advisory Board Minutes. Supplements all official Government regulations.

3. Definition of Terms:

A. For purposes of this statement, the term "Director" means the Director of the National Institute of Corrections; the term "Advisory Board" means the Advisory Board of the National Institute of Corrections; and the term "Executive Committee" means the Executive Committee (Chairman and three (3) vice-chairmen) of the Advisory Board, and the Standing Committees refer to the program areas of the Institute: (1) Prisons, (2) Jails, (3) Community Corrections.

B. An "application" is a duly executed Standard Form 424—Federal Assistance, properly completed in

compliance with application instructions and submitted from eligible parties in accordance with Federal Management Circular FMC 74-7 and FMC 73-7.

C. A "concept paper" is any submission of materials other than the Standard Form 424 which outlines in brief the submitter's programmatic and budgetary proposal.

(Concept papers and applications for grants originate from three primary sources: (1) in response to announced initiative efforts; (2) solicited by National Institute of Corrections staff; and (3) forwarded to the National Institute of Corrections unsolicited.)

D. "Employee" means an officer or employee of the Department of Justice and includes a special Government employee (as defined in paragraph E of this section).

E. "Special Government Employee" means an individual who is retained, designated, appointed, or employed by the Department of Justice to perform, with or without compensation, for not more than 130 days during any period of 365 consecutive days, temporary duties either on a full-time or intermittent basis. For purposes of this policy statement, members of the National Institute of Corrections Advisory Board shall be considered "Special Government Employees."

F. "Conflict of Interest"—The Department of Justice Standards of Conduct, 28 CFR Part 45.735-4, defining "Conflicts of Interest," apply to "employees" and "special government employees" as defined in this section.

(1) A conflict of interest exists whenever the performance of the duties of an employee has or appears to have a direct and predictable effect upon a financial interest of such employee or of his spouse, minor child, partner, or person or organization with which he is associated or is negotiating for future employment.

(2) A conflict of interest exists even though there is no reason to suppose that the employee will, in fact, perform the duties to his/her own personal advantage rather than to the advantage of the Government.

(3) An employee shall not have a direct or indirect financial interest that conflicts, or appears to conflict, with his Government duties and responsibilities.

(4) This section does not preclude an employee from having a financial interest or engaging in a financial transaction to the same extent as private citizen not employed by the Government so long as it is not prohibited by statute.

(a) No employee shall have or make investments (a) in enterprises which it is

Sorbitol From France; Final Determination of Sales at Less Than Fair Value

AGENCY: International Trade Administration, Commerce.

ACTION: Final Determination of Sales at Less Than Fair Value.

SUMMARY: We have made a final determination that liquid sorbitol and crystalline sorbitol from France 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 Tariff Act of 1930 (the "Act"). The weighted-average margins for liquid and crystalline sorbitol are 5.5 percent and 2.9 percent of the f.o.b. value, respectively. We will notify the United States International Trade Commission ("ITC") of this determination. The ITC will make a final determination as to whether imports of sorbitol from France are materially injuring, or threatening to materially injure, a U.S. industry within 45 days of the publication of this notice.

EFFECTIVE DATE: February 12, 1982.

FOR FURTHER INFORMATION CONTACT: Leon McNeill, Office of Investigations, International Trade Administration, Department of Commerce, Washington, D.C. 20230 (202-377-1273).

SUPPLEMENTARY INFORMATION:

Case History

On June 15, 1981, we received a petition from counsel for Pfizer, Inc., of New York, New York. The petition alleged that Societe Roquette Freres of Lille, France was selling sorbitol in the United States at less than fair value and that the sales were causing material injury to an industry in the United States within the meaning of section 731 of the Act.

After reviewing the petition, we determined that there were sufficient grounds to initiate an antidumping investigation. Therefore, we notified the United States International Trade Commission ("ITC") of our decision and on July 10, 1981, we announced the initiation of an antidumping investigation in the Federal Register (46 FR 35716).

On July 23, 1981, the ITC preliminarily found that there is a reasonable indication that these imports are materially injuring, or threatening to materially injure, a U.S. industry. It published its determination in the Federal Register on August 5, 1981 (46 FR 39914).

In November 30, 1981, we published a notice of preliminary determination of sales at less than fair value in the Federal Register (46 FR 58134) which stated that the Department of Commerce

preliminarily had determined that sorbitol from France was being, or was likely to be, sold in the U.S. at less than fair value. The U.S. Customs Service was directed to suspend liquidation on all entries or warehouse withdrawals of this merchandise, and to require a cash deposit, bond or other security equal to the estimated dumping margin of 3.9 percent of the f.o.b. value.

On December 17, 1981, we received a submission from counsel for Pfizer alleging that certain grades of liquid sorbitol from France are being sold in the home market at less than the cost of production. After reviewing the submission, we dismissed the allegation on the grounds that the submission failed to provide sufficient source documentation and justification for the cost of production factors incorporated in the submitted analysis and because of technical deficiencies. In a subsequent submission, counsel for Pfizer reiterated their allegation of sales below cost of production. However, this submission also failed to contain the required information or to correct the technical deficiencies. Without proper source documentation and justification as to how the alleged cost of production figures are derived and correction of technical deficiencies, we do not have reasonable grounds to suspect there are sales below cost of production in the home market.

On December 18, 1981, we held a public hearing at the Department of Commerce to give interested parties an opportunity to comment. We have considered all issues presented to us during the course of this investigation.

We received a letter from the European Community ("EC") on January 22, 1982, asking us to reconsider our preliminary finding concerning the "import levy" and "export restitution payments." We have fully considered the arguments presented by the EC in reaching our final determination.

On February 4, 1982, we received a letter from counsel for the respondent requesting an extension of time in this investigation in order that we might consider a letter from the French government expressing its similar concern regarding the "import levy" issue. Further, respondent indicated that it needed additional time to prepare its arguments for the final injury determination by the ITC.

On February 5, 1982, we received an unofficial translation of the French government's letter. We have considered all comments received regarding the "import levy" and the "export restitution payments," and we have determined that no additional time

is required to resolve the issues present in this investigation.

The statement made in the preliminary determination that the final determination is due February 5, 1982 should have read February 8, 1982.

Scope of the Investigation

The merchandise covered by this investigation is sorbitol, a polyol which is produced by the catalytic hydrogenation of sugars (glucose). Sorbitol is currently classified under item 493.6820 of the Tariff Schedules of the United States Annotated. Sorbitol is commercially available in two forms: (1) Crystalline sorbitol, used in the production of sugarless gum, candy, groceries and pharmaceuticals; and (2) liquid sorbitol, used in cosmetics and toiletries (such as toothpaste). Roquette Freres further identifies each form of sorbitol by specific grades. The amount of pure sorbitol determines the grades. During the period of investigation, Roquette Freres sold to U.S. customers six grades of liquid sorbitol and two grades of crystalline sorbitol. This investigation covers sales made between January 1, 1981 and June 30, 1981 by Societe Roquette Freres of Lille, France, the only known French producer and exporter of the subject merchandise to the U.S.

Methodology of Fair Value comparisons

In order to determine whether or not this product is being sold at less than fair value, we compared U.S. price with its foreign market value. We made a grade to grade comparison to the extent possible. Such a comparison was possible on both grades of crystalline sorbitol and on one of the six grades of liquid sorbitol. For the remaining five liquid grades, we compared each sale in the U.S. with a weighted-average foreign market value of all liquid grades sold in France other than that grade which was compared on a grade to grade basis.

U.S. Price

Roquette Freres sold sorbitol to unrelated U.S. importers through an exclusive U.S. sales agent. Since the price to the unrelated customer was agreed to before the sorbitol was imported into the United States, we used purchase price as defined in section 772(b) of the Act.

We calculated purchase price by using the duty-paid, delivered price to the unrelated U.S. purchaser and deducting, where appropriate, transportation costs, insurance, U.S. Customs duty, customs brokerage fees, sales commissions and traffic manager fees. Roquette Freres claimed that an

adjustment to purchase price for an "import levy refund" should be made under section 772(d)(1)(B) of the Act.

Roquette Freres made a claim for this adjustment on the basis that an "import levy refund" includes an "export restitution payment" made to exporters of products that contain corn. There is an import tax levied by member countries of the European Communities ("EC") on imports of corn. However, EC "export restitution payments" are paid on all exports of sorbitol outside the EC, regardless of whether the corn used to produce that sorbitol was domestic (from within the EC) or imported. The "import levy" and the "export restitution payments" are not directly linked to, or dependent upon, one another within the context of EC regulations. The exporters may receive these payments regardless of whether or not they imported corn and paid the "import levy". It is irrelevant in this particular case that Roquette Freres could show it had paid an "import levy" on imported corn and received "export restitution payments" on the corn content of sorbitol, since Roquette Freres would have received the "export restitution payments" regardless of whether or not they had actually paid an "import levy". We determine that the "export restitution payment" (Roquette Freres refers to it as an "import levy refund") is not a rebate of an import levy imposed by the EC on corn which has been rebated by reason of the exportation of sorbitol to the United States. Therefore, in this case we have not allowed the payment as an adjustment to the U.S. price.

Foreign Market Value

To determine foreign market value we used home market price as defined in section 773(a)(1)(A) of the Act, because there were sufficient sales in the home market. We calculated home market price on the basis of the delivered prices to unrelated home market customers. Where appropriate, we deducted shipping charges, special packaging costs, annual quantity rebates, indirect sales expenses and differences in interest expenses resulting from the extension of credit.

Roquette Freres claimed that an interest expense adjustment was appropriate because of the longer period for which credit was extended on sales in the home market compared to U.S. sales. We verified the actual interest expense from the extension of credit incurred on both home market sales and U.S. sales. We verified that the period during which credit was actually extended was longer in the home market than in the U.S., and we allowed the

actual difference as an adjustment to the foreign market value.

In calculating foreign market value, we made currency conversions from French francs to U.S. dollars in accordance with 19 CFR 353.56(a)(1) using certified exchange rates on a daily or quarterly basis, depending upon the degree of fluctuation in the exchange rates.

Specific Issues of the Investigation

A number of issues were raised during the course of our investigation which relate to both the U.S. purchase price and the foreign market value. These issues are discussed below:

Petitioner contended that the costs and expenses of maintaining Roquette Corporation, in New York, including any profits absorbed by Roquette Corporation on the sale of sorbitol by Roquette Freres should be deducted from the purchase price. We have not allowed any of the costs and expenses of maintaining Roquette Corporation in New York as an adjustment to U.S. price, because Roquette Corporation did not participate directly in the sales of sorbitol in the U.S. All of the costs associated with the U.S. sales and distribution were assumed by Permal Distribution Services or Gallard-Schlesinger, who were paid fees for the services they performed. These fees were allowed as adjustments to the U.S. price of sorbitol.

Petitioner claims that we did not state any justification for allowing quantity rebate adjustments to the home market sales price. We verified that there were annual quantity rebates made in the home market during the period of investigation. The rebates were based on the customer purchasing a certain quantity of sorbitol during a calendar year. These rebates were made in the form of credits which would be applied on purchases made during the following year. We allowed the quantity rebate as a circumstance of sale adjustment to foreign market value in accordance with § 353.15 of the Commerce Department's Regulations.

Petitioner has made an allegation that Roquette Freres is selling certain grades of liquid sorbitol in the home market at prices below their cost of production. We have dismissed the allegation on the grounds that petitioner's submissions failed to provide proper source documentation and justification for the cost of production factors incorporated in the analysis and for technical deficiencies. Even if we had found the allegation to contain reasonable grounds on which to base a cost of production investigation, we would have been unable to complete a cost of production

investigation within the statutory time that remained in this case. However, if an antidumping order is issued for sorbitol from France, and the petitioner provides a timely, sufficient allegation of sales below cost with the required source documentation and justification and correct technical specifications, the sales below cost of production allegation could be examined in the context of a section 751 review.

The respondent claims that liquid and crystalline sorbitol should be considered as two products for purposes of this investigation. Respondent maintains that the two products are not interchangeable; they have separate uses, physical characteristics, manufacturing processes, and commercial value. For these reasons we have separated the two products and calculated weighted-average margins of sales at less than fair value for each product.

Respondent has made a claim that the payment terms offered to customers in the United States should be compared to payment terms offered to French customers, rather than the actual payment experience of the two, to determine the proper adjustment for credit cost differences. Roquette Freres claims that the payment terms offered to French customers exceed those offered to U.S. customers. We allowed as an adjustment to foreign market value the actual difference in payment experienced in the two markets and not the offered terms of payment. We found that the actual average difference in the extension of credit between sales in the home market and sales in the U.S. market was less than that claimed.

Verification

In accordance with section 776(a) of the Act, we have verified the information we used in making this final determination. We were granted access to the books and records of Roquette Freres in Lille, France and of Roquette Corporation in New York. Roquette Corporation is the wholly-owned U.S. subsidiary of Roquette Freres. We used standard verification procedures, including on-site inspection of the manufacturer's operations and examination of accounting records and randomly selected documents containing relevant information.

Negative Determination of Critical Circumstances

On July 10, 1981, in a Federal Register notice of initiation, we denied petitioner's allegation that critical circumstances existed with respect to imports of sorbitol from France. In that

notice we stated that petitioner had failed to provide us with sufficient information which established a prior history of dumping, or that the importer knew or should have known that the exporter was selling the subject merchandise at less than fair value. Accordingly, we did not find it necessary to address the issue of massive imports over a relatively short period of time.

On July 31, 1981, petitioner filed an amendment to its petition, which again sought to "establish the existence of critical circumstances within the meaning of section 733(e) of the Act . . . based on information not available at the time the original petition was submitted". In our preliminary determination of November 30, 1981, we again determined that based on the facts presented, that there was not a reasonable basis to conclude that critical circumstances existed with respect to imports of sorbitol from France. No additional information regarding the issue of critical circumstances has been presented since the time of the preliminary determination.

Results of Fair Value Comparisons

We made fair value comparisons on approximately 97 percent of the sales of sorbitol from France to the United States during the period of investigation. For liquid sorbitol, the comparisons resulted in margins ranging from 0 percent to 29 percent, with a weighted average margin of 5.5 percent. For crystalline sorbitol, the comparisons resulted in margins ranging from 0 percent to 9.8 percent, with a weighted-average margin of 2.9 percent.

Final Determination

Based on our investigation and in accordance with section 735(a) of the Act (93 Stat. 169, 19 U.S.C. 1673d), we have reached a final determination that sorbitol from France is being, or is likely to be, sold at less than fair value within the meaning of section 731 of the Act. The Department of Commerce has provided an opportunity for interested parties to present written and oral views pursuant to section 774 of the Act, and all expressed views have been considered in making this determination.

We will notify the ITC of this determination, and it will make a final determination as to whether imports of sorbitol are materially injuring, or threatening to materially injure, a U.S. industry. That determination will be due on or before March 29, 1982. If the ITC's final determination is negative, this investigation will be terminated.

However, if the ITC makes a final affirmative determination in this case, we will issue an antidumping order on sorbitol from France.

In accordance with section 735(c)(1)(A) of the Act, we are making available to the ITC all nonprivileged and nonconfidential information relating to this investigation. We will also allow the ITC access to all privileged and confidential information in our files, provided that it confirms that it will not disclose such information either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

In accordance with section 733(d) of the Act, we are directing the U.S. Customs Service to continue the suspension of liquidation of all unliquidated entries of this merchandise entered or withdrawn from warehouse for U.S. consumption. We are also directing the U.S. Customs Service to require a cash deposit, bond, or other security in the amount of 5.5 percent of the f.o.b. value for liquid sorbitol and 2.9 percent of the f.o.b. value for crystalline sorbitol. Until further notice, this suspension of liquidation will remain in effect.

This notice is published pursuant to section 735(d) of the Act (19 U.S.C. 1673d(d)) and § 353.44, Commerce Regulations (19 CFR 353.44).

Gary N. Horlick,

Acting Assistant Secretary for Trade Administration.

February 8, 1982.

[FR Doc. 82-3887 Filed 2-11-82; 8:45 am]

BILLING CODE 3510.25.M

National Telecommunications and Information Administration

Senior Executive Service Performance Appraisal System

Susan G. Stuebing, Deputy Assistant Secretary, has been designated as Chairperson of the National Telecommunications and Information Administration Performance Review Board. This is in accordance with the Senior Executive Service Performance Appraisal System.

Jo Ann Sondey-Hersh,

Executive Secretary, National Telecommunications and Information Administration, Performance Appraisal System.

[FR Doc. 82-3884 Filed 2-11-82; 8:45 am]

BILLING CODE 3510

DEPARTMENT OF DEFENSE

Corps of Engineers, Department of the Army

Intent To Prepare a Draft Environmental Impact Statement (DEIS) for Possible Deepening of the Entrance Channel at the Mouth of the Columbia River, Oregon and Washington

AGENCY: U.S. Army Corps of Engineers, DoD.

ACTION: Notice of Intent to Prepare a DEIS.

The Portland District, Corps of Engineers is currently studying the feasibility of deepening the entrance channel at the mouth of the Columbia River. The existing entrance channel is 2,640 feet wide, 48 feet deep and 5 miles long.

The following alternative plans are being considered:

1. Increase the depth of the existing channel.
2. Narrow the channel to a 2,000-foot width and increase the depth.
3. Increase the depth of the northern 2,000-foot width and maintain the remaining 640 feet of channel width at the existing 48-foot depth.
4. Improve forecasting of bar conditions.
5. No action.

In regard to the increased depth associated with alternative plans 1, 2, and 3, various depths in the mid-50's range are being studied.

The scoping process will formally commence in February 1982, with the publication of a public notice containing a draft outline of alternative plans and potential effects which will be discussed in the DEIS. Federal, State, and local agencies, Indian tribes, interested organizations, and individuals will be requested to comment on the draft outline and to identify significant issues relating to the preferred plan. Scoping meetings will be held if necessary for public participation in the preparation of the EIS. The DEIS is scheduled for agency and public review and comment in September 1982. The final EIS is tentatively scheduled for publication in the spring of 1983.

ADDRESS: If you have any further questions, please contact Nandranie Tuck, (503) 221-8438 (FTS 423-8438), U.S. Army Corps of Engineers, Natural

APPENDIX B
INTERNATIONAL TRADE COMMISSION NOTICES

indeed purchased barium carbonate from West Germany. Almost all indicated that price was a factor in their decision to purchase the product from West Germany rather than the comparable domestic product, and several indicated that price was the primary reason.¹⁹

The Congress has indicated that "the law does not . . . contemplate that injury from LTFV imports be weighted against other factors . . ." and advises further that it "does not view overall injury caused by unfair competition, such as dumping, to require as strong a causation link to unfairly competitive imports as would be required for determining the existence of injury under fair trade conditions."²⁰ Although other factors are considered, the essential point is that the Commission "must satisfy itself that in the light of all the information presented, there is a sufficient causal link between the less-than-fair-value imports and the requisite injury."²¹

In addition to the impact of imports on the barium carbonate industry, there appear to be a number of other factors affecting the industry's performance. These include the general decline in longrun demand for barium carbonate brought about by discontinuance of certain uses and decreased usage in the manufacture of other products, the cyclical drop in consumption occasioned by the domestic decline in manufacturing in 1980, FMC's campaign production process, and the heavy costs borne by various producers related to environmental regulations and transportation costs. However, we are satisfied that a sufficient causal nexus does exist between the material injury of the domestic industry and the LTFV imports. As discussed above, this link is reflected by the pattern of market penetration together with substantial margins of underselling.

Issued: June 12, 1981.

By order of the Commission:

Kenneth R. Mason,
Secretary.

[FR Doc. 81-18706 Filed 6-23-81; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 731-TA-44 (Preliminary)]

Sorbitol From France

AGENCY: International Trade Commission.

ACTION: Institution of preliminary antidumping investigation.

SUMMARY: The U.S. International Trade Commission hereby gives notice of the institution of investigation No. 731-TA-44 (Preliminary) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from France of sorbitol, provided for in item 493.68 of the Tariff Schedules of the United States, which is allegedly sold or likely to be sold in the United States at less than fair value (LTFV).

EFFECTIVE DATE: June 19, 1981.

FOR FURTHER INFORMATION CONTACT: Ms. Miriam Bishop, Office of Investigations, U.S. International Trade Commission, Room 350, 701 E Street NW., Washington, D.C. 20436; telephone 202-523-0291.

SUPPLEMENTARY INFORMATION: On June 15, 1981, petitions were simultaneously filed with the U.S. Department of Commerce and the U.S. International Trade Commission by Pfizer Inc. alleging that sorbitol from France is being sold in the United States at LTFV and that an industry in the United States is being materially injured or threatened with material injury by reason of such imports. Accordingly, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)), the Commission is instituting preliminary antidumping investigation No. 731-TA-44 (Preliminary) to determine whether a reasonable indication of such injury exists. The Commission must make its determination within 45 days after the date on which the petition was received, or in this case by July 30, 1981. The investigation will be conducted according to the provisions of part 207, subpart B, of the Commission's Rules of Practice and Procedure (19 CFR Part 207).

Written Submissions: Any person may submit to the Commission a written statement of information pertinent to the subject of the investigation. A signed original and nineteen (19) true copies of each submission must be filed at the Office of the Secretary, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, on or before July 16, 1981. All written submissions except for confidential business data will be available for public inspection.

Any business information for which confidential treatment is desired shall be submitted separately. The envelope

and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6).

For further information concerning the conduct of the investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and B (19 CFR Part 207), and part 201, subparts A through E (19 CFR Part 201).

Conference: The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 10 a.m., e.d.t., on Monday, July 13, 1981, at the U.S. International Trade Commission Building. Parties wishing to participate in the conference should contact the investigator for this investigation, Ms. Miriam Bishop (202-523-0291). It is anticipated that parties in support of the petition for the imposition of antidumping duties and parties opposed to such petition will each be collectively allocated one (1) hour within which to make an oral presentation at the conference. Further details concerning the conduct of the conference will be provided by the investigator.

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

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR 207.12).

Issued: June 19, 1981.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 81-18701 Filed 6-23-81; 8:45 am]
BILLING CODE 7020-02-M

[Investigation No. 731-TA-33 (Final)]

Strontium Nitrate From Italy

Determination

On the basis of the record¹ developed in investigation No. 731-TA-33 (Final), the Commission unanimously determines, pursuant to section 735(b)(1) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)(1)), that an industry in the United States is materially injured by reason of imports from Italy of strontium nitrate, provided for in item 421.74 of the Tariff Schedules of the United States.²

¹ The record is defined in § 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(i)).

¹⁹ Id. at A-31-A-33.

²⁰ H. Rep. No. 96-317, 96th Cong., 1st Sess. 47 (1979).

²¹ S. Rep. No. 96-249, 96th Cong., 1st Sess. 75 (1979).

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Federal Register / Vol. 46, No. 150 / Wednesday, August 5, 1981 / Notices

[Investigation No. 337-TA-96]

Certain Modular Pushbutton Switches and Components Thereof; Addition of International Telephone & Telegraph Co. as a Party

AGENCY: U.S. International Trade Commission.

ACTION: Addition of a party.

SUMMARY: Upon consideration of Motion Docket 96-3, as certified to the Commission by the Administrative Law Judge (ALJ) on June 9, 1981 and ALJ's recommendation that the motion be granted, the Commission has ordered that said motion is granted and that International Telephone and Telegraph Company is added as a party.

Copies of the Commission action and order are available to the public during official business hours (8:45 a.m. to 5:15 p.m.) at 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, telephone 202-523-0480.

By order of the Commission.

Issued: July 28, 1981.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 81-22822 Filed 8-4-81; 8:45 am]
BILLING CODE 7020-02-M

[TA-201-45]

Fishing Rods and Parts Thereof; Investigation

AGENCY: United States International Trade Commission.

ACTION: Following receipt of a petition on July 13, 1981, filed by nineteen U.S. manufacturers of fishing rods and parts thereof, the U.S. International Trade Commission on July 27, 1981, instituted an investigation (No. TA-201-45) under section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) to determine whether fishing rods and parts thereof, provided for in item 731.15 of the Tariff Schedules of the United States, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

EFFECTIVE DATE: July 13, 1981.

FOR FURTHER INFORMATION CONTACT: John MacHatton, Supervisory Investigator, U.S. International Trade

Commission, Washington, D.C. 20436 (202-523-0439).

SUPPLEMENTARY INFORMATION:

Public hearing ordered. A public hearing in connection with this investigation will be held in Washington, D.C., at 10 a.m. e.d.t. on Friday, October 2, 1981, in the Hearing Room, U.S. International Trade Commission Building, 701 E Street, NW. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission at his office in Washington no later than the close of business Wednesday, September 23, 1981.

Prehearing procedures. To facilitate the hearing process, it is requested that persons wishing to appear at the hearing submit prehearing briefs enumerating and discussing the issues which they wish to raise at the hearing. An original and nineteen copies of such prehearing briefs should be submitted to the Secretary no later than the close of business Wednesday, September 23, 1981. Copies of any prehearing briefs submitted will be made available for public inspection in the Office of the Secretary. While submission of prehearing briefs does not prohibit submission of prepared statements in accordance with section 201.12(d) of the Commission's Rules of Practice and Procedure (19 CFR 201(d)), it would be unnecessary to submit such a statement if a prehearing brief is submitted instead. Any prepared statements submitted will be made a part of the transcript. Oral presentations should, to the extent possible, be limited to issues raised in the prehearing briefs.

A prehearing conference will be held on Friday, September 25, 1981, at 10 a.m. e.d.t. in Room 117 of the U.S. International Trade Commission Building.

Persons not represented by counsel or public officials who have relevant matters to present may give testimony without regard to the suggested prehearing procedures outlined above.

Other written submissions. Other written submissions, except for posthearing briefs, should be filed with the Secretary to the Commission prior to the public hearing. Commercial or financial data which are confidential should be clearly marked "Confidential Business Information" and should be submitted in accord with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). Submissions should also conform to the general requirements of section 201.8 of the Commission's rules (19 CFR 201.8).

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

Issued: July 28, 1981.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 81-42619 Filed 8-4-81; 8:45 am]
BILLING CODE 7020-02-M

Investigation No. 731-TA-44 (Preliminary)]

Sorbitol From France

Determination

On the basis of the record¹ developed in investigation No. 731-TA-44 (Preliminary), the Commission unanimously determines that there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury,² by reason of imports of sorbitol from France, provided for in item 493.88 of the Tariff Schedules of the United States, which are allegedly being sold in the United States at less than fair value (LTFV).

Background

On June 15, 1981, Pfizer Inc., filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that sorbitol imported from France is being sold in the United States at LTFV. The Commission instituted a preliminary antidumping investigation under section 733(a) of the Tariff Act of 1930, 19 U.S.C. § 1673b(a), to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of sorbitol from France. The statute directs that the Commission make its determination within 45 days of its receipt of the petition or, in this investigation, by July 30, 1981.

Notice of the institution of the Commission's investigation and of a public conference to be held in connection with the investigation was duly given by posting copies of the notice in the Office of the Secretary, U.S.

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

² Chairman Alberger and Commissioner Bedell found only that there is a reasonable indication that an industry in the United States is materially injured. Material retardation of the establishment of an industry is not at issue in this investigation because five U.S. firms currently produce sorbitol. This issue is not discussed further.

International Trade Commission . Washington, D.C. and by publishing the notice in the Federal Register. 46 Fed Reg 32700 (June 24, 1981). A public conference was held in Washington, D.C., on July 13, 1981, and all persons who requested the opportunity were permitted to appear in person or by counsel.

Views of the Commission

Our determination is based on the following considerations.

The Domestic Industry

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."³ A like product is defined 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."⁴

The subject of this investigation is sorbitol imported from France in two forms, crystalline and liquid.⁵ U.S. firms produce crystalline sorbitol and liquid sorbitol. Some U.S. producers also manufacture technical grades of sorbitol. Nearly all technical grades of sorbitol are manufactured from a different raw material (fructose) in a separate manufacturing process than liquid and crystalline sorbitol.⁶ For the most part, technical grades of sorbitol have distinct uses.

Crystalline and liquid sorbitol are produced from the same primary raw material, dextrose derived from corn, and all are manufactured by similar processes. Continued purification and concentration of liquid sorbitol results in the crystalline form. The different forms and grades of sorbitol vary in their purity; however, one producer's crystalline sorbitol is essentially fungible with another producer's product. The same is true for liquid sorbitol.⁷ Crystalline sorbitol, both

granular and powdered, is primarily used in sugarless gum, mints, and other confections. Liquid sorbitol is primarily used in toothpastes, cosmetics, foods, pharmaceuticals, and industrial surfactants. For some uses crystalline and liquid sorbitol are substitutable. For other end uses substitution is more difficult, but not impossible. Substitutability is largely a function of the cost of the additional processing necessary to convert from one to another.

The best evidence available to us at this preliminary stage suggests that both crystalline and liquid sorbitol constitute a single like product. Therefore, we find that the domestic industry consists of all producers of USP isolated sorbitol in either crystalline or liquid form. However, we would not want to preclude arguments in a final investigation that the two forms constitute separate like products.

Available data do not permit the separate identification of technical grades of sorbitol in terms of producers' profits or production processes. Therefore, under section 771(4)(D), the effect of the imports will have to be assessed against domestic production of all sorbitol for the purpose of this preliminary investigation.⁸

Reasonable Indication of Material Injury or Threat Thereof

In making a determination of material injury or threat of material injury by reason of LTFV imports, the Commission is directed to consider, among other factors: (1) the volume of imports of the subject merchandise; (2) the effect of these imports on the price of like products in the United States; and (3) the impact of imports on the affected domestic industry.⁹ The following discussion applies this standard to the facts of this investigation.

Volume of imports. Since 1978 imports of sorbitol from France have increased both absolutely and relatively to consumption.¹⁰ The level of imports increased steadily between 1978 and 1981, with the greatest increases occurring since 1979. Between 1979 and 1980, imports increased by 72 percent and for the period January-May 1981 imports were 59 percent above the level for January-May 1980.

³ 19 U.S.C. § 1677(4)(A).

⁴ *Id.* § 1677(10).

⁵ Pfizer petition at 1. Liquid sorbitol conforms to United States Pharmacopoeia (USP) specifications for a 70 percent solution. All crystalline sorbitol also conforms to USP specifications.

⁶ Sorbitol can occur in nonisolated form as an intermediate product of ascorbic acid production. Nonisolated sorbitol has never been marketed and has no end use other than continued processing into ascorbic acid and therefore is excluded from the domestic industry as defined. Staff report A-3, A-5.

⁷ USP grade crystalline sorbitol may contain up to 9 percent inert sugars or other polyhydric alcohols and USP grade liquid sorbitol may contain up to 6 percent of these solid impurities. Technical grade liquid sorbitol contains more of these impurities than USP grade sorbitol. Staff report A-2.

⁸ 19 U.S.C. § 1677(4)(D).

⁹ 19 U.S.C. § 1677(7)(B).

¹⁰ Import data used by the Commission were obtained from responses of importers primarily to the Commission's questionnaire. Imports from France have been made by a single U.S. firm and thus the specific figures are confidential. Official Department of Commerce import statistics could not be used for purposes of our analysis of injury since they are not collected on a comparable basis to other data before the Commission. Staff report A-22.

The increase in imports between 1979 and 1980 is of particular interest because it took place during a period of declining U.S. consumption of sorbitol.¹¹ As a result, the ratio of imports to consumption that had grown minimally from 1978 to 1979 increased significantly from 1979 to 1980. In the growing sorbitol market of 1981 the alleged LTFV imports have maintained the market share performance established for the full year 1980 and, compared with the January-May period, have increased their share of the domestic market significantly.¹²

Effect of imports on prices. The Commission's investigation revealed indications of both price suppression and underselling by the alleged LTFV imports. Weighted average prices for crystalline sorbitol increased by 22 percent and those for liquid sorbitol increased by 33 percent for the period under review from January 1978 through May 1981. These price increases, however, failed to keep pace with the 113 percent increase in the price of dextrose,¹³ the primary raw material for the manufacture of sorbitol.¹⁴ Information on price developments in the toothpaste market support the view that price suppression by imports is taking place.¹⁵ Within the toothpaste market, where imports have not penetrated significantly, prices rose 45 percent as contrasted with 22 percent and 33 percent increases for general sales.

Sorbitol imports from France consistently undersold the domestic product from 1978 to 1980. Although in

¹¹ Apparent U.S. open market consumption of sorbitol increased by 5 percent from 1978 to 1979, declined by 7 percent in 1980, and then increased by 6 percent in January-May 1981 over the same period in 1980. *Id.* at A-18.

¹² Vice Chairman Calhoun and Commissioner Stern note that Roquette Frères, the sole French exporter of the alleged LTFV imports, is the largest sorbitol producer in the world and thus presumably is in a position to maintain and possibly increase its exports to the United States. More information—including Roquette Frères' plans to construct a U.S. production facility and its domestic and export commitments—is necessary to evaluate the threat situation and should be available in a final investigation.

¹³ Dextrose accounts for roughly 70 percent of the cost of manufacturing sorbitol. Staff report A-21; conference transcript 20, 47.

¹⁴ Commissioner Stern points out that the failure of producer prices to keep up with dextrose price levels could, of course, have as much to do with price suppression caused by price levels of competitive producers or price competition between domestic producers as to price suppression by imports. This issue should be further explored in the final investigation.

¹⁵ Commissioner Stern notes that information developed in this preliminary investigation gives rise to a question of whether it is appropriate to include data on domestic production of sorbitol for the toothpaste market in the profile of the domestic industry's performance.

1981 the level of underselling was negligible for crystalline sorbitol, underselling continues in the liquid sorbitol market. We note that underselling was greatest and at significant levels for both liquid and crystalline sorbitol from late 1979 through 1980.

Impacts of imports on the domestic producer. Despite the fluctuation in sorbitol consumption from 1979 to 1980,¹⁶ a number of important indicators of industry performance have declined over the entire period. These performance indicators began to slip between 1978 and 1979 and fell substantially between 1979 and 1980, coincident with the substantial underselling of domestic products by the alleged LTFV imports.

Specific indications of the increasing difficulties faced by the domestic industry include: a 17 percent drop in production from 1979 to 1980 followed by an additional 7 percent drop from January-May 1980 levels during the same period in 1981; a 16 percent drop in shipments from 1979 to 1980 with only negligible growth in shipments from January-May 1981 compared with those for the same period in 1980; a substantial decline in capacity utilization particularly from 1979 to date, which is greater than can be accounted for by capacity increases; and a significant drop in exports by the domestic industry from 1978 to May 1981.¹⁷

Employment and profitability data available to the Commission, although representing less than half of the U.S. industry, indicates declining trends.¹⁸

Further indications of problems facing the industry are reflected in the data obtained on lost sales. The Commission staff confirmed the existence of two lost sales of domestic sorbitol to the imported product as a result of price considerations.¹⁹ At the conference Roquette Frères confirmed a third lost sale alleged by Pfizer. This sale resulted from a special arrangement in which price may or may not have been a major consideration. The purchaser substituted French sorbitol for the purchase of another Roquette product in order to avoid contract penalties.²⁰

¹⁶ Footnote 9, *supra*.

¹⁷ Declining exports, although not directly attributable to import levels, indicate vulnerability of the industry to import problems.

¹⁸ Data were requested from the entire industry. A more complete response should be available in a final investigation, particularly on normal profit levels for an industry of this nature.

¹⁹ Staff report A-31 to 32.

²⁰ *Id.* at A-31 to 32; Roquette Frères post conference brief at 11-12.

Commissioner Stern notes that both Roquette Frères and Pfizer cited this third lost sale in support

Conclusion

On the basis of available data we determine that the investigation should continue.

Issued: July 30, 1981.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 81-22821 Filed 8-4-81; 8:48 am]

BILLING CODE 7020-02-M

DEPARTMENT OF JUSTICE

Antitrust Division

United States v. CBS Inc.; Proposed Final Judgment and Competitive Impact Statement

Notice is hereby given pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. Section 16 (b) through (h), that a proposed Final Judgment, Stipulation and Competitive Impact Statement have been filed with the United States District Court for the Southern District of New York in *United States v. CBS Inc.* 78 Civ. 2491 (P.N.L.). The complaint in this action alleged that CBS's 1977 acquisition of Fawcett Publications, Inc. may substantially lessen competition in mass market paperback publishing by eliminating competition between CBS's Popular Library division and Fawcett in violation of Section 7 of the Clayton Antitrust Act.

of their respective positions. Pfizer contends that this lost sale was due to price considerations and is a further showing of material injury by reason of alleged LTFV imports. Roquette Frères, on the other hand, contends that this lost sale explains almost all the increase in French imports for the period under review and that it was not lost as a result of price considerations. Roquette Frères then concludes that there is no causal nexus between the difficulties the industry may be facing and the alleged LTFV imports.

The circumstances of this lost sale will need to be explored further should this case return for a final investigation, as will other possible causes of injury raised in this investigation such as declining exports and the impact of the recession. Congress has indicated that "the law does not . . . contemplate that injury from LTFV imports be weighed against other factors . . . and further that it does not view overall injury caused by unfair competition, such as dumping to require as strong a causation link to unfairly competitive imports as would be required for determining the existence of injury under fair trade conditions." H.R. Rep. No. 98-317, 96th Cong., 1st Sess. 47 (1979). Although other factors are considered, the essential point is that the Commission "must satisfy itself that in the light of all the information presented, there is a sufficient causal link between the less-than-fair value imports and the requisite injury." S. Rep. No. 249, 96th Cong., 1st Sess. 75 (1979). In this preliminary investigation, the information on import levels and penetration, possible price suppression, and underselling provide a reasonable indication of a causal connection between the alleged LTFV imports and the adverse trends in domestic industry performance.

The proposed Final Judgment requires CBS to sell its Popular Library division

within two years. CBS is further prohibited from acquiring any other mass market paperback publisher for a period to ten years, except with prior written consent of the United States or by approval of the Court.

Public comment is invited within the statutory 60 day comment period. Such comments, and the Government's responses thereto, will be published in the Federal Register and filed with the Court. Comments should be directed to Alan L. Marx, Acting Chief, General Litigation Section, Antitrust Division of the Department of Justice, Washington, D.C. 20530.

Joseph H. Widmar,

Director of Operations.

United States District Court, Southern District of New York

United States of America, Plaintiff, v. CBS Inc., Defendant: 78 Civ. 2491 (P.N.L.). Filed: July 23, 1981.

Stipulation

It is stipulated by and between the undersigned parties, by their respective attorneys, that:

1. A Final Judgment in the form hereto attached may be filed and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act, 15 U.S.C. 16, and without further notice to any party or other proceedings: *Provided That* Plaintiff has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on Defendant and by filing that notice with the Court.

2. In the event Plaintiff withdraws its consent or if the proposed Final Judgment is not entered pursuant to this Stipulation, this Stipulation shall be of no effect whatever and the making of this Stipulation shall be without prejudice to the Plaintiff and Defendant in this or any other proceeding.

Dated: July 15, 1981.

For the Plaintiff:

William F. Baxter,

Assistant Attorney General, Antitrust Division.

Mark Liddy,

Deputy Director of Operations, Antitrust Division.

Alan L. Marx,

Acting Chief, General Litigation Section Antitrust Division.

Charles E. Hamilton, III,

Gary L. Halling,

Angela L. Hughes,

Margaret H. Fitzpatrick,

Attorneys, Antitrust Division, United States Department of Justice, Washington, D.C. 20530.

A-57

made not later than February 4, 1982, unless the investigation is extended.

Staff Report

A staff report containing preliminary findings of fact will be available to all parties on January 19, 1982.

Written Submissions

Any person may submit to the Commission on or before February 18, 1982, a written statement of information pertinent to the subject matter of this investigation. A signed original and nineteen copies of such a statement must be filed at the office of the Secretary, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436.

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 Commission's Rules of Practice and Procedure (19 CFR § 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Public Hearing

The Commission will hold a public hearing in connection with this investigation on February 11, 1982, in the Hearing Room of the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, beginning at 10:00 a.m., e.s.t. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m., e.s.t.) February 5, 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 10:00 a.m., e.s.t., January 21, 1982, in Room 117 at the U.S. International Trade Commission Building. Prehearing statements must be filed on or before February 5, 1982. 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).

(Section 207.20 of the Commission's Rules of Practice and Procedure (19 CFR 207.20, 44 FR 70458))

Issued: December 7, 1981.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 81-35062 Filed 12-15-81; 9:45 am]

BILLING CODE 7020-02-46

[731-TA-44 (Final)]

Sorbitol From France; Institution of Final Antidumping Investigation and Scheduling of Hearing

AGENCY: International Trade Commission.

ACTION: Institution of a final antidumping duty investigation.

SUMMARY: On November 30, 1981, the United States Department of Commerce issued a preliminary determination that there is reason to believe or suspect that sorbitol from France is being sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930 (19 U.S.C. 1673b). Accordingly, the United States International Trade Commission (hereinafter "the Commission") hereby gives notice of the institution of investigation No. 731-TA-44 (Final) to determine whether an industry in the United States is materially injured or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise provided for in item 493.68 of the Tariff Schedules of the United States (TSUS). This investigation will be conducted according to the provisions of Part 207 of the Commission's Rules of Practice and Procedure (19 CFR Part 207), Subpart C, effective January 1, 1981.

EFFECTIVE DATE: November 30, 1981.

FOR FURTHER INFORMATION CONTACT: Mr. Tim Timberlake, Office of Investigations, U.S. International Trade Commission, Room 349, 701 E Street, NW., Washington, D.C. 20436; telephone (202) 523-0368.

SUPPLEMENTARY INFORMATION: On July 23, 1981, the Commission determined on the basis of the information developed during the course of investigation No. 731-TA-44 (Preliminary), that there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury by reason of imports of sorbitol from France, provided for in TSUS item 493.68 which is allegedly sold or likely to be sold at less than fair value. As a result of the Commission's determination, the Department of Commerce continued its investigation into the question of less-than-fair-value sales. The final determination by the Department of Commerce of whether sorbitol from

France is being, or is likely to be, sold in the United States at less than fair value will be made within 75 days after the date of its preliminary determination, or, in this case, by February 5, 1982.

Written submissions

Any person may submit to the Commission a written statement of information pertinent to the subject of this investigation. A signed original and nineteen (19) true copies of each submission must be filed at the Office of the Secretary, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, on or before February 17, 1982. All written submissions, except for confidential business data, will be available for public inspection.

Any submission of business information for which confidential treatment is desired shall be submitted separately from other documents. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information". Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6).

A staff report containing preliminary findings of fact will be available to all interested parties on February 2, 1982.

Public hearing

The Commission will hold a public hearing in connection with this investigation on February 24, 1982, in the Hearing Room of the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, beginning at 10:00 a.m., e.s.t. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m., e.s.t.), February 1, 1982. All persons desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 10:00 a.m., e.s.t., on February 3, 1982, in Room 117 of the U.S. International Trade Commission Building and must file prehearing statements on or before February 17, 1982. 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, Subpart C (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR 201).

The Commission has waived Commission rules § 201.12(d), "submission of prepared statements," in connection with this investigation. This

A-58

rule states that "Copies of witnesses' prepared statements should be filed with the Office of the Secretary of the Commission not later than 3 business days prior to the hearing and submission of such statements shall comply with §§ 201.6 and 201.8 of this subpart". It is nevertheless the Commission's request that parties submit copies of witnesses' prepared testimony as early as practicable before the hearing in order to permit Commission review.

(Section 207.20 of the Commission's Rules of Practice and Procedure (19 CFR 207.20))

Issued: December 10, 1981.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 81-35966 Filed 12-15-81; 8:45 am]

BILLING CODE 7020-02-M

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Manufacturer of Controlled Substances; Notice of Application

Pursuant to § 1301.43(a) of Title 21 of the Code of Federal Regulations (CFR), this is notice that on August 19, 1981, Endo Laboratories, Inc., 1000 Stewart Avenue, Garden City, New York 11530, made application to the Drug Enforcement Administration (DEA) for registration as a bulk manufacturer of the basic class of controlled substances listed below:

Drug	Schedule
Oxycodone (9143).....	II.
Hydrocodone (9183).....	II.
Oxycodone (9652).....	II.

Any other such applicant and any person who is presently registered with DEA to manufacture such substances, may file comments or objections to the issuance of the above application and may also file a written request for a hearing thereon in accordance with 21 CFR 1301.54 and in the form prescribed by 21 CFR 1316.47.

Any such comments, objections or requests for a hearing may be addressed to the Acting Administrator, Drug Enforcement Administration, United States Department of Justice, 1405 I Street, N.W., Washington, D.C. 20537, Attention: DEA Federal Register Representative (Room 1203), and must be filed no later than January 11, 1982.

Dated: December 9, 1981.

Francis M. Mullen, Jr.,
Acting Administrator, Drug Enforcement
Administration.

[FR Doc. 81-35967 Filed 12-15-81; 8:45 am]

BILLING CODE 4410-08-M

National Institute of Corrections

Grant and Contract Review Process; Procedures

Notice is hereby given that the National Institute of Corrections (NIC) has amended its procedures—which were published in the Federal Register Vol. 41, No. 216—Monday, November 8, 1976 at pp. 49200–49201, amended in the Federal Register, Vol. 43, No. 251—Friday, December 29, 1978 at pp. 61033–61035 and amended in the Federal Register, Vol. 46, No. 41—Tuesday, March 3, 1981 at pp. 15001–15002—for the internal processing of concept papers, grant applications and/or contracts. These procedures cover concept papers, grant applications and/or contracts submitted by appropriate individuals, organizations or agencies with NIC's enabling legislation, (18 U.S.C. 4351–4353 (1974)) as amended follow.

Allen F. Breed,

Director, National Institute of Corrections.

National Institute of Corrections

Grant and Contract Review Process

1. *Purpose:* To formalize the responsibilities of the Advisory Board, Executive Committee of the Advisory Board, Standing Committees of the Advisory Board, and the Director of the National Institute of Corrections with regard to grant and contract review and award. To detail the steps involved in the review and award process.

2. *Directives Affected:* Supersedes procedures contained in June 23–24, 1975, National Institute of Corrections Advisory Board Minutes. Supplements all official Government regulations.

3. Definition of Terms:

A. For purposes of this statement, the term "Director" means the Director of the National Institute of Corrections; the term "Advisory Board" means the Advisory Board of the National Institute of Corrections; and the term "Executive Committee" means the Executive Committee (Chairman and three (3) vice-chairmen) of the Advisory Board, and the Standing Committees refer to the program areas of the Institute: (1) Prisons, (2) Jails, (3) Community Corrections.

B. An "application" is a duly executed Standard Form 424—Federal Assistance, properly completed in

compliance with application instructions and submitted from eligible parties in accordance with Federal Management Circular FMC 74-7 and FMC 73-7.

C. A "concept paper" is any submission of materials other than the Standard Form 424 which outlines in brief the submitter's programmatic and budgetary proposal.

(Concept papers and applications for grants originate from three primary sources: (1) in response to announced initiative efforts; (2) solicited by National Institute of Corrections staff; and (3) forwarded to the National Institute of Corrections unsolicited.)

D. "Employee" means an officer or employee of the Department of Justice and includes a special Government employee (as defined in paragraph E of this section).

E. "Special Government Employee" means an individual who is retained, designated, appointed, or employed by the Department of Justice to perform, with or without compensation, for not more than 130 days during any period of 365 consecutive days, temporary duties either on a full-time or intermittent basis. For purposes of this policy statement, members of the National Institute of Corrections Advisory Board shall be considered "Special Government Employees."

F. "Conflict of Interest"—The Department of Justice Standards of Conduct, 28 CFR Part 45.735-4, defining "Conflicts of Interest," apply to "employees" and "special government employees" as defined in this section.

(1) A conflict of interest exists whenever the performance of the duties of an employee has or appears to have a direct and predictable effect upon a financial interest of such employee or of his spouse, minor child, partner, or person or organization with which he is associated or is negotiating for future employment.

(2) A conflict of interest exists even though there is no reason to suppose that the employee will, in fact, perform the duties to his/her own personal advantage rather than to the advantage of the Government.

(3) An employee shall not have a direct or indirect financial interest that conflicts, or appears to conflict, with his Government duties and responsibilities.

(4) This section does not preclude an employee from having a financial interest or engaging in a financial transaction to the same extent as private citizen not employed by the Government so long as it is not prohibited by statute.

(a) No employee shall have or make investments (a) in enterprises which it is

A-61

APPENDIX C

LIST OF WITNESSES APPEARING AT THE COMMISSION'S HEARING

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing on:

Subject : Sorbitol from France

Inv. No. : 731-TA-44 (Final)

Date and time: February 24, 1982 - 10:00 a.m., e.s.t.

Sessions were held in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

In support of the petition:

Freeman, Meade, Wasserman & Schneider--Counsel
New York, N.Y.
on behalf of

Pfizer, Inc., New York, N.Y.

and

Lonza, Inc., Fair Lawn, New Jersey

John E. McVeigh, Senior Vice President, Pfizer, Inc.

Charles Mastin, Regional Manager, Pfizer Chemicals Div.

Zaven Dadekian, Vice President, Lonza, Inc.

Pfizer, Inc.

Michael A. McManus, Esq., Corporate Counsel

Freeman, Meade, Wasserman & Schneider

Jack Gumpert Wasserman)
Ms. Beth C. Ring)--OF COUNSEL

- more -

In opposition to the petition:

Fox, Glynn & Melamed--Counsel
New York, N.Y.
on behalf of

Roquette Freres

National Economic Research Associates, Inc.

Joel B. Dirlam, Special Consultant

Robert Olsen, Associate Analyst

Roquette Corporation, New York, N.Y.

Patrick O'Winter, President

Walter H. Tschorn, Jr., Vice President

Raymond F. Steckel)
Edward C. Marschner) --OF COUNSEL

