

SUPPLEMENTARY INFORMATION:**Background:**

On January 27, 2003, Solvay Solexis SpA and Solvay Solexis, Inc. (collectively, Solvay Solexis) requested that the Department of Commerce (the Department) initiate and conduct an expedited changed circumstances review, in accordance with section 351.216 and 351.221(c)(3)(ii) (2003) of the Department's regulations, to confirm that Solvay Solexis is the successor-in-interest to Ausimont SpA and Ausimont USA, Inc. (collectively, Ausimont). In its request, Solvay Solexis stated that Solvay S.A. acquired the assets of Ausimont from its parent company, Montedison, on May 7, 2002. Furthermore, Solvay Solexis requested that Ausimont's cash deposit rate be applied to Solvay Solexis retroactive to January 1, 2003, the effective date of Ausimont's name change. Solvay Solexis also requested that the Department conduct an expedited changed circumstances review pursuant to section 351.221(c)(3)(ii).

On February 10, 2003, Solvay Solexis, formerly Ausimont, submitted additional information and documentation regarding its purchase by the Solvay Group, an international chemical and pharmaceutical company, and Ausimont's subsequent name change to Solvay Solexis. On February 11, 2003, the petitioner, E.I. DuPont de Nemours & Company, opposed Solvay Solexis' requests for an expedited changed circumstances review and for a retroactive assignment of a company-specific cash deposit rate.

Scope of the Review

The product covered by this review is granular PTFE resin, filled or unfilled. This order also covers PTFE wet raw polymer exported from Italy to the United States. *See Final Affirmative Determination; Granular Polytetrafluoroethylene Resin from Italy*, 58 FR 26100 (April 30, 1993). This order excludes PTFE dispersions in water and fine powders. Such merchandise is classified under item number 3904.61.00 of the Harmonized Tariff Schedule of the United States (HTSUS). We are providing this HTSUS number for convenience and customs purposes only. The written description of the scope remains dispositive.

Initiation and Preliminary Results of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), the Department will conduct a changed circumstances review upon receipt of information concerning, or a request

from an interested party for a review of, an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order. As indicated in the Background section, we have received information indicating that Ausimont has been acquired by the Solvay Group. This constitutes changed circumstances warranting a review of the order. Therefore, in accordance with section 751(b)(1) of the Act, we are initiating a changed circumstances review based upon the information contained in Solvay Solexis' submissions.

Section 351.221(c)(3)(ii) of the regulations permits the Department to combine the notice of initiation of a changed circumstances review and the notice of preliminary results in a single notice if the Department concludes that expedited action is warranted. In this instance, because we have the information necessary to make a preliminary finding already on the record, we find that expedited action is warranted and have combined the notice of initiation and the notice of preliminary results.

In making successor-in-interest determinations, the Department examines several factors including, but not limited to, changes in: (1) management; (2) production facilities; (3) supplier relationships; and (4) customer base. *See, e.g., Polychloroprene Rubber from Japan: Final Results of Changed Circumstances Review*, 67 FR 58 (January 2, 2002) citing, *Brass Sheet and Strip from Canada: Notice of Final Results of Antidumping Duty Administrative Review*, 57 FR 20460 (May 13, 1992). While no single factor, or combination of factors, will necessarily prove dispositive, the Department will generally consider the new company to be the successor to its predecessor company if the resulting operations are essentially the same as the predecessor company. *Id.* citing, *Industrial Phosphoric Acid from Israel: Final Results of Changed Circumstances Review*, 59 FR 6944, 6945 (February 14, 1994). Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as its predecessor, the Department will assign the new company the cash-deposit rate of its predecessor.

In its January 23, 2003, submission Solvay Solexis stated that, prior to its acquisition of Ausimont, neither the Solvay Group, nor any affiliated party of the Group, manufactured or exported subject merchandise. The Solvay Group merged its fluoropolymers business

with that of Ausimont's and Ausimont changed its name to Solvay Solexis effective January 1, 2003. Furthermore, in both its January 23 and February 10, 2003, submissions, Solvay Solexis stated that the change in ownership has not significantly changed the companies' personnel, operations, supplier/customer relationships, or facilities. To support its claims, Solvay Solexis provided press releases discussing Solvay Group's purchase of Ausimont, investor presentations, an application for amended certificate of authority, an amended certificate of incorporation, shareholder meeting minutes, management charts, a letter to customers, and product labels.

In its February 11, 2003, submission the petitioner contended that Solvay Solexis did not provide adequate legal documentation regarding the acquisition or support for its claim that management had not changed substantially as a result of the purchase of Ausimont by the Solvay Group. Furthermore, the petitioner argued that the Department should require Solvay Solexis to submit additional information before the Department made a preliminary finding in this review. Finally, the petitioner argued that the applicable cash deposit rate should not apply to Solvay Solexis retroactively.

Based on the information submitted by Solvay Solexis, we preliminarily find that Solvay Solexis is the successor-in-interest to Ausimont. We find that the company's senior management, production facilities, supplier relationships, and customers have not changed significantly. Furthermore, Solvay Solexis provided management charts in its February 10, 2003, submission that addressed the petitioner's concerns and demonstrated management did not change significantly as a result of the Solvay Group's purchase of Ausimont. Based on all the evidence reviewed, we find that Solvay Solexis operates as the same business entity as Ausimont. Thus, we preliminarily find that Solvay Solexis should receive the same antidumping duty cash-deposit rate (*i.e.*, 12.08 percent) with respect to the subject merchandise as Ausimont, its predecessor company.

However, because cash deposits are only estimates of the amount of antidumping duties that will be due, changes in cash deposit rates are not made retroactive. If Solvay Solexis believes that the deposits paid exceed the actual amount of dumping, it is entitled to request an administrative review during the anniversary month of the publication of the order of those entries to determine the proper