

purposes, the written description of the merchandise under investigation is dispositive.

Scope Comments

On March 12, 2003, DC CHEM filed a request to exclude from the scope of this investigation certain grades of a copolymer of PVA in which the PVA is covalently bonded with itaconic acid. On April 1, 2003, the petitioners commented on DC CHEM's exclusion request. In their comments, the petitioners state that three of the five grades of PVA listed in DC CHEM's exclusion request (*i.e.*, CL-05, CL-05A, and CL-05S) are not subject to this investigation because their level of hydrolysis is less than 80 percent. Regarding the remaining grades, the petitioners comment that PVA covalently bonded with itaconic acid (a type of carboxylic acid) for use in paper applications is also outside the scope of this investigation. *See* item 7 in the "Scope of the Investigation" section of this notice, above. However, the petitioners do not agree to exclude PVA covalently bonded with itaconic acid for non-paper applications because, they assert, these products are directly competitive with products produced by the domestic industry.

We have analyzed DC CHEM's request and the petitioners' objections and we find no modifications to the scope are warranted. Because PVA covalently bonded with itaconic acid for non-paper applications is clearly within the scope of the investigation, we find no basis on which to exclude these products.

Period of Investigation

The period of investigation (POI) is July 1, 2001, through June 30, 2002. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, September 2002).

Analysis of Comments Received

On April 11, 2003, we received comments from the petitioners in response to the preliminary determination. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in the *Decision Memo*, which is on file in the Central Records Unit, room B-099, of the main Department building. In addition, a complete version of the *Decision Memo* can be accessed directly on the Web at <http://ia.ita.doc.gov>. The paper copy and electronic version of the *Decision Memo* are identical in content.

Facts Available (FA)

The mandatory respondent in this case, DC CHEM, notified the Department on March 27, 2003, that it no longer intended to participate in the investigation. Section 776(a)(2) of the Act provides that, if an interested party: (A) Withholds information requested by the Department, (B) fails to provide such information by the deadline, or in the form or manner requested, (C) significantly impedes a proceeding, or (D) provides information that cannot be verified, the Department shall use, subject to sections 782(d) and (e) of the Act, facts otherwise available in reaching the applicable determination.

In selecting from among the facts otherwise available, section 776(b) of the Act authorizes the Department to use an adverse inference if the Department finds that an interested party failed to cooperate by not acting to the best of its ability to comply with a request for information. *See, e.g.*, *Notice of Final Determination of Sales of Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 55792, 55794-96 (August 30, 2002). To examine whether the respondent cooperated by acting to the best of its ability under section 776(b) of the Act, the Department considers, *inter alia*, the accuracy and completeness of submitted information and whether the respondent has hindered the calculation of accurate dumping margins. *See, e.g.*, *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products From Brazil*, 65 FR 5554, 5567 (February 4, 2000).

In the instant investigation, the accuracy and completeness of the submitted information has not been established because the respondent did not agree to verification of all of its responses. Without verified data on the record, the Department cannot calculate accurate margins. Therefore, the respondent's refusal to allow a complete verification has hindered the calculation of accurate dumping margins and impeded the proceeding within the meaning of section 776(a)(2)(C) of the Act. As a result, application of facts available is appropriate. Moreover, by refusing to allow the Department to verify all of its responses, the respondent did not act to the best of its ability as required by section 776(b) of the Act. Consequently, we have determined to make an adverse inference in determining an antidumping duty margin for DC CHEM.

Corroboration of Information

Section 776(b) of the Act authorizes the Department to use as adverse facts available (AFA) information derived from the petition, the final determination from the LTFV investigation, a previous administrative review, or any other information placed on the record.

Section 776(c) of the Act requires the Department to corroborate, to the extent practicable, secondary information used as FA. Secondary information is defined as "{i}nformation derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise." *See* 19 CFR 351.308 (c) and (d); *see also* the Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103-316 at 870 (1994).

The SAA clarifies that "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value. *See* the SAA at 870. The SAA also states that independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. *Id.*

In order to determine the probative value of the margins in the petition for use as AFA for purposes of this final determination, we used information submitted by DC CHEM on the record of this investigation. We reviewed the adequacy and accuracy of the information in the petition during our pre-initiation analysis of the petition, to the extent appropriate information was available for this purpose (*see* the September 25, 2002, Initiation Checklist, on file in the Central Records Unit, Room B-099, of the Main Commerce Department building, for a discussion of the margin calculations in the petition). In accordance with section 776(c) of the Act, to the extent practicable, we examined the key elements of the export price (EP) and normal value (NV) calculations on which the margins in the petition were based. *See* the August 4, 2003, memorandum to the file from the team entitled "Corroboration of Data Contained in the Petition for Assigning Facts Available Rates" (Corroboration Memo).