

Specifically, in making a normal successor-in-interest determination, 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 *Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review: Polychloroprene Rubber From Japan*, 67 FR 58 (Jan. 2, 2002) (*Polychloroprene Rubber from Japan*), and *Brass Sheet and Strip from Canada: Notice of Final Results of Antidumping Administrative Review*, 57 FR 20460 (May 13, 1992) (*Brass Sheet and Strip from Canada*). While no one of these factors is dispositive, the Department will generally consider the new company to be the successor to the previous company if its resulting operation is not materially dissimilar to that of its predecessor. See *Industrial Phosphoric Acid from Israel: Final Results of Changed Circumstances Review*, 59 FR 6944 (Feb. 14, 1994).

This analytical framework is tailored for exporters of subject merchandise, because any findings made pursuant to changed circumstances reviews are intended to apply to entities assigned their own specific cash deposit rates. Because the circumstances here involve a significant investment by a market economy company in a producer located in a nonmarket economy country (NME), not an exporter assigned a separate cash deposit rate, the analysis applied here differs from determinations in other changed circumstances reviews. See the *Initiation Notice*, 68 at FR 9637.

The Department's general practice in cases involving NME countries is to assign rates to exporters rather than producers because the exporters are the entities that determine the price at which the subject merchandise is sold to the United States. See *Notice of Final Determination of Sales at Less Than Fair Value: Persulfates From the People's Republic of China*, 62 FR 27222, 27228 (May 19, 1997) (*Persulfates LTFV Final*). See also *Manganese Metal from the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 63 FR 12441, 12449 (Mar. 13, 1998). See also *Notice of Final Determination of Sales at Less Than Fair Value: Pure Magnesium in Granular Form From the People's Republic of China*, 66 FR 49345 (Sept. 27, 2001) and accompanying decision memorandum at *Comment 2*. See also *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27295, 27303 (May 19, 1997). In the event that an exporter may qualify for revocation, however, such revocation normally is

limited to merchandise of certain producers. The regulations address revocation determinations involving non-producing exporters:

In the case of an exporter that is not the producer of subject merchandise, the Secretary normally will revoke an order in part under paragraph (b)(2) of this section only with respect to subject merchandise produced or supplied by those companies that supplied the exporter during the time period that formed the basis for the revocation.

See 19 CFR 351.222(b)(3).

Therefore, this changed circumstances review has relevance only to the extent that it will impact Ai Jian's future revocation eligibility. Pursuant to 19 CFR 351.222(b)(3), the Department will revoke an exporter (e.g., Ai Jian) from an order only with respect to subject merchandise produced or supplied by the producer(s) that supplied the exporter during the time period that forms the basis for the revocation (i.e., three consecutive years). Should the Department find that the factors of production have not changed substantially since Degussa AG's investment in AJ Works, the Department will consider in any future revocation inquiry any administrative reviews in which Ai Jian procured its products exported to the United States from AJ Works. On the contrary, should the Department find at the final results of this changed circumstances review that the factors of production of Degussa-AJ have changed so substantially from the merchandise produced by AJ Works that the resulting operation is materially dissimilar to that of its predecessor, Ai Jian will need to complete three new administrative reviews with Degussa-AJ, its "new" supplier, before it may qualify for revocation.

In order to evaluate whether Degussa AG's investment in AJ Works impacts the Department's previous dumping findings made with respect to Ai Jian, therefore, we have focused our analysis on any changes in Degussa-AJ's factors of production. Under the Department's NME methodology, these factors of production form the basis for normal value and, as a result, are an essential component of the margin calculated for Ai Jian. Therefore, we examined the following areas in making our determination: (1) management; (2) production facilities; and (3) supplier relationships. Because Degussa-AJ's customer base is not relevant to our

analysis, it is not necessary to address this component.<sup>1</sup>

In its April 1 and May 23, 2003, submissions, Degussa-AJ stated that there were no changes to its production facilities, production process, or product line since Degussa AG's investment in AJ Works.

Degussa-AJ explained that AJ Works began to undertake two changes to its ammonium persulfate workshop in early 2002. Degussa-AJ has continued work on these improvements, which were ongoing as of the submission date of Degussa-AJ's last questionnaire response. Specifically, Degussa-AJ is expanding its production capacity for producing ammonium persulfate and, in addition, is working on a process improvement to decrease the yield loss of one of the factors of production, ammonium sulfate, which should reduce the consumption of this material input in the production process. With the exception of these two ongoing changes to its ammonium persulfate workshop, Degussa-AJ has only evaluated, but not initiated, any other changes to its production facilities and production process.

Additionally, Degussa-AJ has not determined when the evaluation of other improvements to its production facilities or production process will be complete, much less when actual changes might take place. Therefore, although there are two ongoing improvements to Degussa-AJ's production facilities and production process that should impact one of the factors of production (i.e., self-produced ammonium sulfate), nothing in the respondent's questionnaire responses indicates that there have been any other changes, as of the date of the most recent questionnaire response, to Degussa-AJ's factors of production for persulfates as a result of Degussa AG's investment in AJ Works.

In addition to an examination of any changes to the production facility and production process, the Department

<sup>1</sup> We have not considered changes to Degussa-AJ's customer base in making our determination because: (1) any such changes do not have a substantive bearing on the company's factors of production; and (2) normally the Department considers neither an NME entity's home market customer base nor its home market sales transactions in making NME antidumping duty determinations. Furthermore, Degussa-AJ is merely a producer of subject merchandise and does not have its own separate antidumping duty rate. Were Degussa-AJ to sell subject merchandise to the United States, these entries would fall under the China-wide rate of 119.02 percent, not Ai Jian's rate. Changes to Degussa-AJ's customer base, therefore, would influence neither Degussa-AJ's nor Ai Jian's antidumping duty rate. For purposes of this determination, therefore, changes to Degussa-AJ's customer base do not have relevance.