

that submission not addressed in Kuraray's January 9, 2003, letter. On February 4, 2003, the petitioners agreed to all of the revisions requested by Nippon Gohsei, and an additional revision requested by Kuraray. On February 5, 2003, the petitioners submitted a letter noting that they were in the process of reviewing Japan VAM & POVAL's exclusion request, and had not yet agreed to the exclusion request. Because there was insufficient time to properly consider Japan VAM & POVAL's exclusion request, we will address it in the final determination.

In December 2002 and January 2003, we received responses to the remaining sections of the Department's original questionnaire, as well as certain supplemental questionnaires, from Nippon Gohsei.

#### Period of Investigation

The 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).

#### Scope of Investigation

The merchandise covered by this investigation is PVA. This product consists of all PVA hydrolyzed in excess of 80 percent, whether or not mixed or diluted with commercial levels of defoamer or boric acid, except as noted below.

The following products are specifically excluded from the scope of this investigation:

- 1) PVA in fiber form.
- 2) PVA with hydrolysis less than 83 mole percent and certified not for use in the production of textiles.
- 3) PVA with hydrolysis greater than 85 percent and viscosity greater than or equal to 90 cps.
- 4) PVA with a hydrolysis greater than 85 percent, viscosity greater than or equal to 80 cps but less than 90 cps, certified for use in an ink jet application.
- 5) PVA for use in the manufacture of an excipient or as an excipient in the manufacture of film coating systems which are components of a drug or dietary supplement, and accompanied by an end-use certification.
- 6) PVA covalently bonded with cationic monomer uniformly present on all polymer chains in a concentration equal to or greater than one mole percent.
- 7) PVA covalently bonded with carboxylic acid uniformly present on all polymer chains in a concentration equal to or greater than two mole percent, certified for use in a paper application.
- 8) PVA covalently bonded with thiol uniformly present on all polymer chains, certified for use in emulsion

polymerization of non-vinyl acetic material.

9) PVA covalently bonded with paraffin uniformly present on all polymer chains in a concentration equal to or greater than one mole percent.

10) PVA covalently bonded with silan uniformly present on all polymer chains certified for use in paper coating applications.

11) PVA covalently bonded with sulfonic acid uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

12) PVA covalently bonded with acetoacetylate uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

13) PVA covalently bonded with polyethylene oxide uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

14) PVA covalently bonded with quaternary amine uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

The merchandise under investigation is currently classifiable under subheading 3905.30.00 of the *Harmonized Tariff Schedule of the United States* (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

#### Scope Comments

In accordance with the preamble to our regulations (*see Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997)), we set aside a period of time for parties to raise issues regarding product coverage and encouraged all parties to submit comments within 20 calendar days of publication of the initiation notice. *See the Initiation Notice*, 67 FR at 61591.

On September 30, 2002, the petitioners requested that we exclude PVA used as, or in the manufacture, of excipients.

On October 21, 2002, Kuraray and two importers of PVA (*i.e.*, Ricoh Electronics and Oxyvinyls) requested that the Department also revise the scope to exclude various PVA products with specific physical characteristics and/or specific end-uses. These products included: 1) C-polymers - certain copolymers of PVA and cationic monomer; 2) K-polymers - certain copolymers of PVA and carboxylic acid for use in a paper application; 3) M-polymers - certain copolymers of PVA and thiol for use in emulsion

polymerization of non-vinyl acetic material; 4) MP-polymers - certain copolymers of PVA and paraffin; 5) R-polymers - certain copolymers of PVA and silan that are used in paper coating applications; and 6) PVA hydrolyzed at less than 83 percent. Each of the exclusion requests specified ranges of hydrolysis and viscosity and maximum levels of volatiles and ash, by weight.

On December 23, 2002, the petitioners agreed to these requests, shown as items 2, 3, and 5 through 13 in the "Scope of Investigation" section above, and modified as noted below.

On January 9, 2003, Kuraray requested that the Department broaden these exclusions to cover certain additional products not produced in the United States. Specifically, Kuraray requested that the scope exclusions agreed to by the petitioners with respect to certain copolymer products specify a minimum percentage of the non-PVA monomers present in these copolymer products outlined above (*i.e.*, cationic monomer, carboxylic acid, thiol, and paraffin) instead of specifying exact levels of hydrolysis, viscosity, volatiles, and ash content as noted in the petitioners' December 23, 2002, submission.

On January 22, 2003, the petitioners agreed to the majority of the modifications proposed by Kuraray. Specifically, with respect to copolymers of PVA and carboxylic acid, the petitioners agreed to remove the specifications for hydrolysis, viscosity, volatiles, and ash content from the proposed exclusion language. However, the petitioners did not agree to change the end-use requirement in the proposed exclusion from "certified for use in a paper application" to "certified not for use in the production of textiles." With respect to copolymers of PVA and paraffin, the petitioners agreed to remove the specification for hydrolysis, viscosity, volatiles, and ash content from the proposed exclusion language. However, the petitioners did not agree to change the concentration level of the additional monomer from one percent to 0.5 percent (or lower). Finally, the petitioners agreed to lower the viscosity level of homopolymers hydrolyzed greater than 85 percent from 90 to 80 centipoise, provided that, when the product has a viscosity of greater than or equal to 80 centipoise and less than 90 centipoise, it is certified for use in an ink-jet application. Accordingly, certain exclusions have now been incorporated into the scope. *See the "Scope of the Investigation" section above.*

On January 27, 2003, Japan VAM & POVAL, one of the mandatory