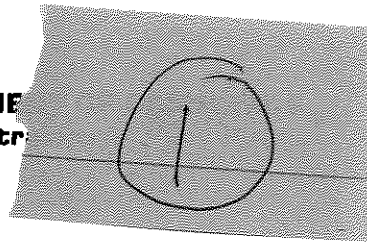




**UNITED STATES DEPARTMENT OF COMMERCE**  
**International Trade Administration**  
Washington, D.C. 20230



A-570-862  
Scope Ruling  
Public Document  
DAS III / 9 / JHC

May 31, 2002

**FOR PUBLIC FILE**

VIA Certified Mail, Return Receipt Requested  
To All Interested Parties:

Re: Foundry Coke from the People's Republic of China

On April 16, 2002, the Department of Commerce ("Department") received a request from Shook Group LLC ("Shook"), for a scope ruling on whether certain coke (specifically, shipments of coke in which it is determined less than 50 percent of the shipment is larger than 100 mm in diameter, after drop shatter testing) is covered by the antidumping duty order on foundry coke from the People's Republic of China ("China"). On May 3, 2002, the Department received a virtually identical scope exclusion request from Dajin U.S. Trading, Inc. ("Dajin").

Shook and Dajin misconstrue the proper application of the test to determine whether a shipment of coke is covered by the antidumping duty order on foundry coke from China. In accordance with 19 C.F.R. 351.225(k)(1), the Department has determined that the coke discussed by Shook and Dajin in their submissions is within the scope of the antidumping duty order on foundry coke from China.

Enclosed is a memorandum containing the Department's analysis. We are notifying the U.S. Customs Service of this decision. If you have any questions, please contact Juanita H. Chen at 202-482-0409.

Sincerely,

Edward C. Yang  
Director  
AD/CVD Enforcement Group III, Office 9

Enclosure



A-570-862

Scope Ruling  
Proprietary Document  
PUBLIC VERSION  
DAS III / 9 / JHC

May 31, 2002

FOR PUBLIC FILE

**MEMORANDUM FOR:** Joseph A. Spetrini  
Deputy Assistant Secretary  
AD/CVD Enforcement Group III

**FROM:** Edward C. Yang *RB for EY*  
Director  
AD/CVD Enforcement Group III, Office 9

**SUBJECT:** Final Scope Ruling on the Antidumping Duty Order on Foundry  
Coke from the People's Republic of China: Shook Group LLC and  
Dajin U.S. Trading, Inc.

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### Summary

On April 16, 2002, the Department of Commerce ("Department") received a request from Shook Group LLC ("Shook"), for a scope ruling to determine whether a shipment of coke is covered by the antidumping order on foundry coke from the People's Republic of China ("China") where less than 50 percent of that shipment is larger than 100 mm in diameter. *See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Foundry Coke Products from The People's Republic of China*, 66 FR 48025 (September 17, 2001); *See Final Determination of Sales at Less Than Fair Value: Foundry Coke Products From The People's Republic of China*, 66 FR 39487, 39489 (July 31, 2001) ("Final Determination"). On May 3, 2002, the Department received a scope exclusion request from Dajin U.S. Trading, Inc. ("Dajin") based on significantly overlapping grounds, but regarding a different shipment. No parties commented on Shook's and Dajin's scope requests. We note that Shook's and Dajin's requests seek a reinterpretation of the application of the test used in the Final Determination to determine whether a shipment of coke is covered by the antidumping duty order on foundry coke from China. Shook and Dajin base their arguments on a misconstruction of the relevant test. In accordance with 19 C.F.R. 351.225(k)(1), we recommend that the Department determine that the coke discussed by Shook and Dajin in their submissions is within the scope of the antidumping duty order on foundry coke from China.

## Background

The regulations governing the Department's antidumping scope determinations are found at 19 C.F.R. 351.225. On matters concerning the scope of an antidumping duty order, the Department will take into account the descriptions of the merchandise contained in the petition, the initial investigation, and the determinations of the Department (including prior scope determinations) and the International Trade Commission ("ITC"). *See* 19 C.F.R. 351.225(k)(1). This determination may take place with or without a formal inquiry. If the Department determines that these descriptions are dispositive of the matter, the Department will issue a final scope ruling as to whether or not the subject merchandise is covered by the order. *See* 19 C.F.R. 351.225(d).

Conversely, where the descriptions of the merchandise are *not* dispositive, the Department will consider the five additional factors set forth at 19 C.F.R. 351.225(k)(2). These criteria are: i) the physical characteristics of the product; ii) the expectations of the ultimate purchasers; iii) the ultimate use of the product; iv) the channels of trade in which the product is sold; and v) the manner in which the product is advertised and displayed. The determination as to which analytical framework is most appropriate in any given scope inquiry is made on a case-by-case basis after consideration of all evidence before the Department. *See, e.g.* Petroleum Wax Candles from the People's Republic of China (A-570-504), Scope Ruling Analysis Memo (July 30, 2001).

In the instant case, the Department has evaluated Shook's and Dajin's requests in accordance with 19 C.F.R. 351.225(k)(1), and the Department finds that the descriptions of the product contained in the petition, the initial investigation, and the final determinations of the Secretary and the ITC are, in fact, dispositive. Therefore, the Department finds it unnecessary to consider the additional factors set forth at 19 C.F.R. 351.225(k)(2).

Documents and parts thereof from the underlying investigation deemed relevant by the Department to this scope ruling were made part of the record of this scope determination and are referenced herein. Documents that were not presented to the Department, or placed by it on the record, do not constitute part of the administrative record for this scope determination.

In their petition, ABC Coke, Citizen's Gas and Coke, Tonawanda Coke, and Erie Coke (hereinafter collectively "Petitioners"), requested that the investigation cover:

coke larger than 100-mm (4 inches) in maximum diameter and at least 50 percent of which is retained on a 100-mm (4-inch) sieve, of a kind used in foundries.

*See Petition for Imposition of Antidumping Duties: Foundry Coke Products from China*, at 3 (September 20, 2000). The Department followed the scope of the petition, and defined the scope of the investigation in its notice of initiation as:

coke larger than 100 mm (4 inches) in maximum diameter and at least 50 percent of which is retained on a 100-mm (4 inch) sieve, of a kind used in foundries.

*See Initiation of Antidumping Duty Investigation: Foundry Coke Products From the People's Republic of China*, 65 FR 61303, 61304 (October 17, 2000). This scope language carried forward in the preliminary determination. *See Notice of Preliminary Determination of Sales at Less Than Fair Value: Foundry Coke From the People's Republic of China*, 66 FR 13885, 13886 (March 8, 2001) ("Preliminary Determination"). This scope language also carried forward in the final determination. *See Final Determination; Notice of Amended Final Determination of Sales at Less Than Fair Value: Foundry Coke From the People's Republic of China*, 66 FR 45962 (August 31, 2001); *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Foundry Coke Products From The People's Republic of China*, 66 FR 48025 (September 17, 2001). For the Final Determination, and subsequent amendments to the final determination, the Department stated that:

For purposes of this investigation, the product covered is coke larger than 100 mm (4 inches) in maximum diameter and at least 50 percent of which is retained on a 100-mm (4 inch) sieve, of a kind used in foundries.

The foundry coke products subject to this investigation were classifiable under subheading 2704.00.00.10 (as of Jan. 1, 2000) and are currently classifiable under subheading 2704.00.00.11 (as of July 1, 2000) of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS subheadings are provided for convenience and Customs purposes, our written description of the scope of this investigation is dispositive.

*Id.* Of particular relevance to the present scope inquiry is the Department's decision in the Final Determination regarding Sinochem International Company, Ltd.'s ("Sinochem") argument regarding the scope of the investigation. *See Issues and Decision Memorandum for the Less Than Fair Value Investigation of Foundry Coke from the People's Republic of China*, at Comment 12 (July 23, 2001) ("Decision Memo"). Sinochem's argument revolved around one of its U.S. sales of coke which "straddled" the scope of the proceeding (*i.e.* the sale contained coke both within and without the scope). The Department found in its Preliminary Determination that Sinochem should have reported this sale, as it contained foundry coke. *See Preliminary Determination*, 66 FR at 13889. Sinochem argued its sale was not subject merchandise, as less than 50 percent of the "straddling" shipment was over 100 mm. *See Decision Memo* at Comment 12. However, in the Final Determination, the Department found that Sinochem misinterpreted the scope description. *Id.* The Department noted that Sinochem incorrectly applied the 50 percent threshold to the entire volume of the "straddling" shipment, and stated that the 50 percent threshold test is correctly applied only to coke that is sold as being larger than 100 mm. *Id.*

The ITC adopted the Department's definition of scope in the ITC's final determination, "commensurate with Commerce's definition of the scope of this investigation." *See*

### **Shook's Scope Request**

Shook is a U.S. importer of metallurgical coke. Shook argues that shipments of coke in which it is determined less than 50 percent of the shipment is larger than 100 mm in diameter, after drop shatter testing, should be excluded from the scope of the order.

Shook states that it entered a shipment of coke from China for which U.S. Customs ("Customs") initially set forth different and conflicting applications of drop shatter testing, but eventually drop shatter tested and determined that [ \* \* \* ] percent of the shipment was above 100 mm. Customs subsequently imposed antidumping duties on [ \* \* \* ] percent of the shipment. In doing so, Shook argues, Customs reinterpreted the language of the order to require duties on each percentage of a shipment of coke that is larger than 100 mm in diameter.

Shook argues that Customs should apply ASTM D 3038 as the standardized test for application of the order. Shook notes that the Committee for Statistical Annotation of Tariff Schedules assigned foundry coke HTSUS number 2704.00.00.10 and indicated that "2704.00.00.10 describes foundry coke in terms of size (>4 inches) and shatter testing pursuant to ASTM D3038." Shook claims that the language of the order "makes it clear that the order applies only to those sales where coke larger than four inches comprises at least 50 percent of the sale." Shook further argues that Customs misinterpreted the language of the order in imposing antidumping duties on Shook's shipment, essentially ignoring the 50 percent threshold and the plain language of the order.

Shook then faults the Department with developing an "illogical" interpretation of the order, referencing the Department's decision in the Final Determination regarding Sinochem's shipment of coke. Specifically, while Shook agrees that the two conditions in the scope language ("coke larger than 100 (4 inches) in maximum diameter," and "at least 50 percent of which is retained on a 100-mm (4 inch) sieve") are inextricably linked, it believes the Department's conclusion in the Final Determination effectively ignores the second condition of the test. Shook argues the first condition is to identify whether the shipment is being entered as foundry coke, which has a minimum size of 100 mm. Shook points to the scope language used in the investigation for another product, blast furnace coke, to argue the "essential role of the 100 mm criteria for first determining the type of coke product contained in the shipment."

Shook states that the scope language in the blast furnace coke investigation first distinguished the type of coke contained in the shipment using the 100 mm criteria, and then included only those shipments "with a majority of individual pieces less than 100 MM (4 inches)" as falling under the order. Shook argues the Department should similarly apply the 50 percent threshold test for determining whether a shipment falls within the foundry coke order. Shook notes that in clarifying the application of the test, the Department stated in the Final Determination that it is illogical to perform the test, "which appears designed to determine whether coke sized above 100

mm will be retained on a 100 mm sieve, to material which is known to be less than 100 mm as there is no possibility of such material passing the test.” See Decision Memo, at Comment 12. Shook reverses the analysis to argue that it is then “equally illogical” to perform the test on coke sized above 100 mm, as 100 percent of such coke would always be retained on a 100 mm sieve and there would be no possibility of such material failing the test.

Shook argues that had the ITC not terminated the blast furnace coke investigation at the preliminary determination, the blast furnace coke scope in combination with the foundry coke decision in the Final Determination could result in two sets of duties imposed on one shipment of coke. Shook provides the example of a shipment of coke containing 75 percent of coke under 100 mm and 25 percent of coke over 100 mm. Shook argues the abstract blast furnace order would impose duties on the entire shipment, and the foundry coke order would impose duties on 25 percent of the shipment, resulting on duties being paid twice on 25 percent of the shipment. Accordingly, Shook argues that the proper application of the 50 percent test would be to impose duties only on those shipments on which at least 50 percent of the coke is larger than 100 mm after testing.

Shook additionally argues it did not intend to import foundry coke, to the extent there is an “element of intent” in the scope, wherein the Department stated that “the test is to determine whether fifty percent or more of the coke sold as being larger then {sic} 100 mm is retained on the 100 mm sieve.” See Decision Memo, at Comment 12 (emphasis added). Shook emphasizes that it sold the merchandise as less than 100 mm coke at the customer’s request, and sold the coke at its price typical for less than 100 mm coke (substantially below its price for above 100 mm coke).

Shook argues that the Department’s interpretation of the scope “deviates so significantly from the language of the order that the Department has illegally amended the order.” Shook cites various cases in which the Court of International Trade found that the Department added conditions not in the original order or impermissibly broadened the original language of an order. Shook argues the order imposes duties on shipments comprising over 50 percent of pieces over 100 mm, but the Department’s interpretation impermissibly changes the order to require duties on any portion of a shipment over 100 mm. By ignoring the “50 percent” language of the order, Shook argues the Department and Customs abuse their discretion under the law to interpret the scope.

Shook also notes the Department’s interpretation of the scope is inconsistent with the scope used throughout the investigation. In the investigation, the respondents reported an entire shipment as subject merchandise where more than 50 percent of the shipment was above 100 mm. Shook claims that the Department verified this methodology and accepted the companies’ approach for the reported sales. However, Shook argues, the Department’s “new” approach does not count an entire shipment as subject merchandise, but rather counts only that part of the shipment above 100 mm as U.S. sales. Shook argues the language of the final order must express the results of each stage of the antidumping proceedings, including the injury investigation, without any alterations. Thus, concludes Shook, as the ITC did not base its determination only on that part of

the shipment above 100 mm, the Department has expanded the scope of the order in violation of the law.

Shook argues that applying the 50 percent test as a "bright line" rule is consistent with the Department's and Customs' practice in previous cases. Shook notes that in the honey from Argentina and China cases, the scope includes "artificial honey containing more than 50 percent natural honey by weight . . ." for which the Department established a bright line test, where shipments with 50 percent or more of natural honey by weight fall within the order. Shook also notes that in the magnesium from China, the Russian Federation and Ukraine cases, the scope includes magnesium that contains "50% or greater, but less than 99.8% primary magnesium, by weight," and the Department also applied a bright line test, where merchandise containing less than 50 percent pure magnesium falls outside the order. As a result, Shook argues, the Department's current interpretation of the antidumping duty order is inconsistent with past practice, as it does not establish a bright line test, and is not commercially viable.

Shook argues the Department may alter the scope of an order only where it finds circumvention of the order, pursuant to 19 U.S.C. §1677j. Shook argues the plain language of the foundry coke order addresses injury to the domestic industry, imposing antidumping duties on entire shipments of coke so long as at least 50 percent of the shipment contains coke over 100 mm, the scope the ITC used to make the finding of injury to the domestic market. Shook asserts that its coke shipment does not circumvent the foundry coke order, as set forth in 19 U.S.C. §1677j, as it did not undergo assembly or processing, it was imported in the condition in which it left the ovens in China, and it was not altered in form or appearance. Absent circumvention, argues Shook, neither the Department nor Customs have authority to change the language of the order to include in its scope a shipment that contains less than 50 percent of foundry coke.

Shook asserts that proper application of the order involves first testing the shipment through a 100 mm sieve, then imposing duties only on those shipments of which at least 50 percent is coke larger than 100 mm after testing. Shook concludes that because Customs determined Shook's shipment consisted of [ \* \* \* ] percent coke over 100 mm, it is outside of the order.

### **Dajin's Scope Request**

Dajin is a wholly-owned subsidiary of Shanxi Dajin, International (Group) Co., Ltd. ("Shanxi"), a PRC manufacturer of coke and a respondent in the antidumping duty investigation. Like Shook, Dajin argues that shipments of coke in which it is determined less than 50 percent of the shipment is larger than 100 mm in diameter, after drop shatter testing, should be excluded from the scope of the order.

Dajin states that prior to concluding a contract for the sale of industrial coke, Shanxi and its customer made inquiries with the Department, the ITC and Customs, to ensure their shipment would conform with the order on foundry coke from China. Like Shook, Dajin argues that Customs has set forth different and conflicting applications of drop shatter testing (e.g. testing the whole shipment versus a representative sample versus that part of the shipment above four

inches, etc.). Dajin claims that Customs stated that foundry coke was defined as coke containing at least 50 percent of plus four-inch coke pieces after performance of the ASTM drop shatter test. As a result, Shanxi had a laboratory in China perform the ASTM test on samples of coke taken during loading of the ship. Dajin, as importer of record, submitted the laboratory test results to Customs showing that [ \* \* \* ] percent of the coke had been retained on a 100 mm sieve. A customary sizing analysis conducted later indicated that [ \* \* \* ] percent of the shipment was over 100 mm. Customs notified Dajin that "a large portion of this bulk shipment meets the specifications of foundry coke, which is subject to dumping case #A-570-832-001," required drop shatter testing on the percentage of coke found greater than 100 mm in maximum diameter and, in the interim, imposed duties on the [ \* \* \* ] percent of the shipment containing plus 100 mm coke, as indicated by the various certificates. Dajin submitted a report prepared by the testing company SGS to Customs indicating that an average of [ \* \* \* ] percent of the coke was retained by a 4 inch sieve after ASTM D 3038 drop shatter testing, to which Customs did not respond. Dajin then submitted a petition to Customs, to which Customs has not responded.

The arguments in Dajin's scope exclusion submission are virtually identical to Shook's submission, with the exception of Shook's argument regarding the "element of intent." See *supra*; Shook's submission at 13-14. Dajin did not make the argument that it did not intend to ship foundry coke. However, Dajin made two additional arguments to those found in Shook's submission.

First, Dajin asserts that because its shipment of coke was for the manufacture of rock wool insulation, such coke is industrial coke and outside the scope of the order. Dajin claims that, at the express request of Petitioners, the scope of the foundry coke investigation excluded coke used by industrial consumers, as Petitioners consider such coke to be "industrial coke." Dajin posits that smaller size is not a dispositive factor in differentiating industrial coke from foundry coke. Dajin notes that Petitioners stated that industrial coke "differs from foundry coke by size, and most importantly, by end user, customer perception, and price" in their post-conference brief during the investigation. Dajin also notes that a rock wool manufacturer testified before the ITC during the investigation, that to meet manufacturing needs for 3-4 inch pieces, an importer processes coke that is larger than 4 inches, to compensate for degradation that occurs in handling coke. In transit, much of the coke degrades to the desired size, although there may still be coke above 4 inches at the time of delivery. Accordingly, rock wool manufacturers expressed concern that an antidumping order on plus 4 inch coke would negatively affect the ability of industrial coke users to obtain optimum-sized non-subject imports. Dajin complains that despite Petitioners' assurances that industrial coke was not subject to the investigation and that they would assist in preventing industrial coke from being included in the order, industrial users' concerns have come to pass, as antidumping duties have been imposed on Dajin's shipment.

Second, Dajin argues that it should not be penalized for Customs' failure to correctly interpret the order. Dajin asserts that it detrimentally relied on Customs' advice regarding its shipment of coke. As outlined, *supra*, many inquiries were made with Customs prior to shipment. Dajin points out that it was Customs who stated that foundry coke was defined as coke containing at least 50 percent of plus four-inch coke pieces after performance of the ASTM drop shatter test



and who advised Dajin to perform the ASTM drop shatter test prior to shipment from China. Dajin also claims that it was conversations with Customs subsequent to testing which led Shanxi and Dajin to determine the coke shipment fell outside the order. Because Customs is the agency charged with administering and enforcing the order, Dajin argues that it should not be penalized for relying on Customs' advice which failed to correctly interpret the order.

Like Shook, Dajin asserts that proper application of the order involves first testing the shipment through a 100 mm sieve, then imposing duties only on those shipments of which at least 50 percent is coke larger than 100 mm after testing. Dajin concludes that because its shipment consisted of [ \* \* \* ] percent coke over 100 mm, it is outside of the order.

### **Analysis**

With respect to the instant request, we recommend finding, for the reasons outlined below, the coke discussed by Shook and Dajin in their submissions is within the scope of the Order.

Shook and Dajin either are misinterpreting the application of the antidumping duty order on foundry coke from China, or are requesting that the Department change its interpretation of the order. Either way, Shook and Dajin are not asking for exclusion from the scope of the antidumping duty order on foundry coke from China. As noted above, the order on foundry coke from China stated that:

For purposes of this investigation, the product covered is coke larger than 100 mm (4 inches) in maximum diameter and at least 50 percent of which is retained on a 100-mm (4 inch) sieve, of a kind used in foundries.

The foundry coke products subject to this investigation were classifiable under subheading 2704.00.00.10 (as of Jan. 1, 2000) and are currently classifiable under subheading 2704.00.00.11 (as of July 1, 2000) of the HTSUS. Although the HTSUS subheadings are provided for convenience and Customs purposes, our written description of the scope of this investigation is dispositive.

As noted by Shook in its submission, the Committee for Statistical Annotation of Tariff Schedules stated that the HTSUS 2704.00.00.10 describes foundry coke in terms of size (>4 inches) and shatter testing pursuant to ASTM D3038. We agree with Shook that in interpreting the order, drop shatter testing pursuant to ASTM D3038 appears to be a reasonable testing methodology. This is an industry standard test, specifically applicable to foundry coke. However, we disagree with Shook's interpretation of the order to mean that the test should be applied to the entirety of the shipment.

As explained in the Final Determination, we determined that all coke sold as larger than 100 mm (4 inches) in maximum diameter is within the scope of the order, so long as the second condition is met: at least 50 percent of that coke sold as larger than 100 mm is retained on a 100 mm sieve. While Shook argues that it is illogical to expect that any coke sized above 100 mm test would not

be retained on a 100 mm sieve, we must point out that, as recognized by Dajin in its submission, coke is material which degrades in handling and in transit. Accordingly, while coke that is sold as larger than 100 mm may start out as larger than 100 mm, the industry expects and understands that such coke will suffer degradation from the effects of handling and transportation.

As a result, applying drop shatter testing on coke sold as larger than 100 mm is altogether logical, as it is probable that such coke will not all be retained on a 100 mm sieve. Application of this industry standard test is necessary to distinguish whether the coke continues to be defined as foundry coke (as opposed to industrial coke which is smaller than 100 mm) after the degradation which occurs. This is where the second condition of the scope comes into play. If such coke sold as larger than 100 mm is to be considered foundry coke, there cannot have been so much degradation that a majority of that coke is 100 mm or smaller. Accordingly, so long as at least half of that coke remains larger than 100 mm (*i.e.* so long as fifty percent of the coke sold as being over 100 mm is retained on a 100 mm sieve), the entire portion of the shipment of coke sold as over 100 mm qualifies as foundry coke within the scope of the order.

Shook's concern that the order on foundry coke from China will conflict with the blast furnace coke scope is irrelevant, since, as admitted by Shook, no order on blast furnace coke exists. Thus, there is no chance that a shipment of coke could be charged duties under a blast furnace coke order as well as a foundry coke order. Nor is Shook's argument that the "bright line" rule from the honey and magnesium cases, which arguably involve looking at 50 percent of the entire shipment by weight, relevant. The scope of neither the honey nor magnesium cases incorporated an application of an industry standard test. As the drop shatter test is an industry standard which applies to coke, the tests for honey and magnesium have no bearing on the application of the standard test.

While Shook argues that the Department's current interpretation of the scope is inconsistent with the scope used in the investigation, this is not the case. As evidenced, *supra*, the Department stated its position on and interpretation of the scope as set forth in the Final Determination. See Decision Memo, at Comment 12. The Department has not altered the scope of the order. There is no aspect of the interpretation of scope that has changed since the Final Determination. In fact, only if the Department adopted the interpretation of scope that Shook and Dajin now espouse would an inconsistency in interpretation arise.

Nor do Dajin's arguments support their interpretation of the scope of the order. First, merely because Petitioners stated that they considered coke used for the manufacture of rock wool insulation to be industrial coke does not change the application of the conditions in the scope of the order to its merchandise. While we understand that rock wool manufacturers need to take into account the effect of degradation in shipping coke that will result in optimum sized coke, as noted by Dajin, and that the desired size of coke for these industrial coke users is close in size to the scope of this order (*i.e.*, 3-4 inches), these considerations cannot override the existing scope

of the order.<sup>1</sup> Moreover, we note that the industrial coke users concede the relevance of the 100 mm test and the unsuitability for their preferred uses of foundry coke in that Dajin has admitted that if the coke does not degrade enough, remaining larger than 4 inches, it is not the desired size (*i.e.* it is not industrial coke size). Thus, the rock wool industry itself would not consider such coke to be industrial coke.

Second, in claiming that it is being unfairly penalized for Customs' failure to interpret to order correctly prior to its shipping the subject merchandise to the United States, Dajin is raising an issue which is not relevant to whether its merchandise is properly included in the scope of the order. With respect to the substance of Customs' decision on Dajin's shipment, while a ruling by Customs may be instructive in the context of a scope inquiry, it is not dispositive; in any event, it appears that Customs' decision was consistent with the Department's analysis contained herein.

We note that the ITC determination adopted the product definition and scope of the Department's Final Determination. As stated in the "Background" section of this memorandum, *supra*, the Department finds that the descriptions of the product contained in the petition, the final determinations of the Secretary and the ITC, the initial investigation, and the antidumping duty order are clearly dispositive under 19 C.F.R. 351.225(k)(1). Therefore, the Department finds it unnecessary to consider the additional factors set forth at 19 C.F.R. 351.225(k)(2).

## **Conclusion**

Shook and Dajin do not challenge that above 100 mm coke should be considered foundry coke. Rather, Shook and Dajin challenge the application of an industry standard test, and whether the 50 percent condition of the test applies to the entire shipment or a portion of the shipment which is sold as being over 100 mm. This issue was clearly addressed in the investigation at the Final Determination, wherein it was determined that the 50 percent condition applies only to that portion of the shipment sold as larger than 100 mm coke, and if at least 50 percent of such coke is retained on a 100 mm sieve, such coke is within the scope of the order. This conclusion is consistent with the scope of the investigation and the order, as defined in the petition, as well as the Department's and the ITC's determinations.

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<sup>1</sup> We note that no party raised any industrial rock wool issues during the pre-Final Determination briefing phase of the underlying antidumping duty investigation, thereby declining the opportunity to clarify the language of the scope prior to its final issuance.

**Recommendation**

Based on the preceding analysis, we recommend that the Department find the coke discussed by Shook and Dajin in their submissions is within the scope of the antidumping duty order on foundry coke from China, subject to proper application of the drop shatter test. If you agree, we will send the attached letter to the interested parties, and notify Customs of our determination.

AGREE     *JS*    

DISAGREE \_\_\_\_\_

*Joseph A. Spetrini*

Joseph A. Spetrini  
Deputy Assistant Secretary  
AD/CVD Enforcement Group III

5-31-02

Date

Attachment