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TO CLIENTS AND FRIENDS OF THE FIRM:

**Re: Petroleum Wax Candles from the People's Republic of China:
Initiation of Anticircumvention Inquiries of Antidumping Duty Order**

In response to requests from the National Candle Association ("NCA"), the Department of Commerce ("DOC") is initiating two anticircumvention inquiries regarding mixed wax candles composed of petroleum wax and varying amounts of either palm or vegetable-based waxes.

One inquiry is intended to determine whether mixed composition wax candles are a "minor alteration" of "petroleum wax candles," and, therefore, should be considered within the scope of the antidumping duty order on petroleum wax candles from the People's Republic of China ("PRC").

The second inquiry addresses whether mixed composition wax candles are "later-developed" products that can also be considered subject to the antidumping duty order on PRC petroleum wax candles. Despite the fact that earlier ITC determinations recognized the existence of mixed composition candles, Commerce has concluded that it never addressed the percentages of the mixtures, and that it must now "make a conclusive determination that candles with non-petroleum waxes in a different proportion are not later-developed merchandise."

For both inquiries, DOC will consult with interested parties and establish a schedule for the distribution of questionnaires and the submissions of comments on the issues. Parties may submit comments regarding the appropriateness of the Department's later-developed analysis as provided in the Notice of Initiation, no later than thirty days from the date of publication of its notice. As of this writing, the inquiry has not been published; in a conversation with the appropriate party at DOC today, we have been advised that it should be published tomorrow, or at the latest, on Monday.

The DOC has not yet ordered the suspension of liquidation of entries of any additional merchandise. However, if the DOC does issue a preliminary affirmative determination, it will then instruct U.S. Customs and Border Protection ("CBP") to suspend liquidation and require a cash deposit of estimated duties on the merchandise. The current PRC-wide rate is 108.30 percent; all imports after the Federal register date are potentially subject to suspension of liquidation and coverage of the order.

Copies of the DOC Notice of Initiation and fact sheet are available from this office.

Importers with a significant candle import program may wish to consider filing comments on these investigations.

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Note: The above comments are intended for general information only, and not as legal advice. Legal advice can only be offered after a review of a client's specific facts and circumstances, which may affect the applicability of any general comments contained herein.