

Dated: September 29, 1999.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-357-804]

#### Silicon Metal From Argentina: Preliminary Results of Antidumping Duty Administrative Review

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of preliminary results of antidumping duty administrative review.

**SUMMARY:** In response to a request from the respondent, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on silicon metal from Argentina. The review covers one manufacturer/exporter of the subject merchandise to the United States and the period September 1, 1997 through August 31, 1998.

We have preliminarily determined that respondent has not made sales below normal value during the period of review. If these preliminary results are adopted in our final results of review, we will instruct the U.S. Customs Service not to assess antidumping duties on entries subject to this review.

**EFFECTIVE DATE:** October 12, 1999.

**FOR FURTHER INFORMATION CONTACT:** Helen M. Kramer or Linda Ludwig, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482-0405 or 482-3833, respectively.

**APPLICABLE STATUTE AND REGULATIONS:** Unless otherwise indicated, all citations to the Trade and Tariff Act of 1930, as amended (the Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act of 1994 (URAA). In addition, unless otherwise indicated, all references to the Department's regulations are to 19 CFR Part 351 (1998).

#### SUPPLEMENTARY INFORMATION:

##### Background

On September 26, 1991, the Department published an antidumping

duty order on silicon metal from Argentina (56 FR 48779), which was amended on July 10, 1995, pursuant to court remand (60 FR 35551). The Department published a notice of "Opportunity To Request Administrative Review" of the antidumping duty order for the 1997/1998 review period on September 11, 1998 (63 FR 49543). On September 30, 1998, the respondent, Electrometalurgica Andina S.A.I.C. ("Andina") filed a request for review. We published a notice of initiation of this review on October 29, 1998 (63 FR 58009).

Due to the complexity of issues involved in this case, the Department extended the time limit for completion of the preliminary results until September 30, 1999, in accordance with section 751(a)(3)(A) of the Act. See 64 FR 23056 (April 29, 1999). The deadline for the final results of this review will continue to be 120 days after the date of publication of this notice. The Department is conducting this review in accordance with section 751 of the Act.

#### Scope of the Review

The product covered by this review is silicon metal. During the less-than-fair-value (LTFV) investigation, silicon metal was described as containing at least 96.00 percent, but less than 99.99 percent, silicon by weight. In response to a request by the petitioners for clarification of the scope of the antidumping duty order on silicon metal from the People's Republic of China, the Department determined that material with a higher aluminum content containing between 89 and 96 percent silicon by weight is the same class or kind of merchandise as silicon metal described in the LTFV investigation. See Final Scope Rulings—Antidumping Duty Orders on Silicon Metal From the People's Republic of China, Brazil and Argentina (February 3, 1993). Therefore, such material is within the scope of the orders on silicon metal from the PRC, Brazil and Argentina. Silicon metal is currently provided for under subheadings 2804.69.10 and 2804.69.50 of the Harmonized Tariff Schedule (HTS) and is commonly referred to as a metal. Semiconductor-grade silicon (silicon metal containing by weight not less than 99.99 percent of silicon and provided for in subheading 2804.61.00 of the HTS) is not subject to this review. These HTS subheadings are provided for convenience and U.S. Customs purposes. Our written description of the scope of the proceeding is dispositive.

#### Verification

As provided in section 782(i)(3) of the Act, we verified sales and cost information provided by Andina at its headquarters in Buenos Aires and at its plant in San Juan, Argentina from May 17 through 28, 1999, using standard verification procedures, including inspection of the manufacturing facilities, examination of relevant sales and financial records, and selection of original documentation containing relevant information. As a result of our findings at verification, we adjusted the costs of wood chips and electricity. See "Verification of Cost at Electrometalurgica Andina S.A.I.C., San Juan and Buenos Aires, Argentina, May 17-21, 1999," dated August 6, 1999, "Verification of Sales at Electrometalurgica Andina S.A.I.C., San Juan and Buenos Aires, Argentina, May 24-28, 1999," dated August 6, 1999, and "Analysis of Electrometalurgica Andina S.A.I.C. for the Preliminary Results of the Administrative Review of Silicon Metal from Argentina for the Period September 1, 1997 through August 31, 1998," dated September 10, 1999.

#### Cost of Production Analysis

Because all of Andina's sales in the home market during the last completed segment of the proceeding failed the cost test and, as such, were disregarded, we initiated a cost of production ("COP") analysis in accordance with section 773(b) of the Act. We conducted the COP analysis as described below.

##### A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP based on the sum of the cost of materials, processing, depreciation, interest expenses, general and administrative expenses, and packing costs. We used the period January through September 1998, as there was no production of silicon metal during the POR until January, and in the normal course of business Andina accounts for costs on a quarterly basis ending in September. We revised the reported cost of the first stage of production by increasing the cost of wood chips purchased from an affiliated supplier to reflect more closely the affiliate's actual costs. We increased the cost of energy purchased during the months of August and September to include a price increase not reflected in respondent's accounts until the preparation of the audited financial statements. We corrected the reported financial expenses by deducting interest revenue received from customers. Pursuant to section 773(f)(1)(C)(ii) of the

Act and section 351.407(d) of the Department's regulations, we denied a claimed adjustment for startup costs, as we determined Andina's investment in the rebuilding of the furnace used for production of silicon metal did not meet the Department's criteria for a "new production facility." Andina stated that the retooling of Furnace IV "involved the replacement of the furnace lining, and the acquisition and installation of a new production technology." See supplemental response of March 2, 1999, page 7. Section 351.407(d)(1)(i) of the Department's regulations provides that "new production facilities" includes the substantially complete retooling of an existing plant. Substantially complete retooling involves the replacement of nearly all production machinery or the equivalent rebuilding of existing machinery. As verified by the Department during a plant visit, Andina relined an existing furnace in an existing production facility and installed new equipment to lower electrodes into the furnace. We regard this investment as essentially maintenance of an existing facility.

#### *B. Test of Home Market Prices*

We compared the revised weighted-average COP to home market sales of the foreign like product as required under section 773(b) of the Act. We regarded all sales of silicon metal as identical products. See section 771(16)(A) of the Act. In determining whether to disregard home-market sales made at prices below the COP, we examined whether (1) within an extended period of time, such sales were made in substantial quantities, and (2) such sales were made at prices which permitted the recovery of all costs within a reasonable period of time. See sections 773(b)(2)(B)-(D) of the Act. We compared the COP to the home market prices, less any applicable movement charges and warehousing expenses. We found all home market sales were made at prices above the COP.

#### **Fair Value Comparisons**

To determine whether sales of the subject merchandise sold by Andina and exported to the United States were made at less than normal value ("NV"), we compared export price ("EP") to the NV, as described in the "Export Price" and "Normal Value" sections of this notice. Pursuant to section 777A(d)(2) of the Act, we compared the EPs of individual U.S. transactions to monthly weighted-average NVs of the foreign like product. We considered the merchandise sold in the U.S. and home markets to be identical products.

#### **Export Price**

We based United States price on EP, as defined in section 772(a) of the Act, because Andina sold the merchandise to an unaffiliated company prior to importation and constructed export price was not otherwise indicated by the facts of record.

We calculated EP based on the packed, delivered, duty-unpaid price to an unaffiliated trading company in the United States. We made deductions pursuant to section 772(c)(2) of the Act for foreign inland freight, ocean freight, brokerage and handling, and increased the United States price by the amount of duty drawback in accordance with section 772(c)(1)(A) of the Act.

#### **Normal Value (NV)**

In order to determine whether sales of the foreign like product in the home market are a viable basis for calculating NV, we compared the volume of home market sales of the foreign like product to the volume of subject merchandise sold in the United States, in accordance with section 773(a)(1)(C) of the Act. Andina's aggregate volume of home market sales of the foreign like product was greater than five percent of its respective aggregate volume of U.S. sales of the subject merchandise. Therefore, we have based NV on home market sales.

Andina made sales exclusively to unaffiliated customers in the home market during the period of review. Therefore we did not perform the arm's length test. All of the home market sales were made at prices above the cost of production. Home market prices were based on the packed, ex-factory or delivered prices to customers. We made deductions to NV according to section 773(a)(6)(B) of the Act, where appropriate, for inland freight, warehousing expense, credit expenses, and packing. We also made a deduction from NV for the gross revenue tax imposed on home market sales revenue, but not on export sales pursuant to section 773(a)(6)(B)(iii) of the Act.

#### **Level of Trade**

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade ("LOT") as the EP or CEP transaction. In this case, the record shows that sales in both markets were made at the same LOT. Andina made sales directly to its customers in the United States and Argentina. There were no differences in the selling functions performed for distributors, end-users or trading companies in either

market. Andina provided only packing and shipping services. No technical services or warranties were provided.

#### **Preliminary Results of Review**

We preliminarily determine that no margin exists for Andina for the period September 1, 1997 through August 31, 1998. Pursuant to section 351.224 of the Department's regulations, we will disclose the calculations performed to the parties to this proceeding within five days of the date of publication of this notice. An interested party may request a hearing within 30 days of publication. Any hearing, if requested, will be held 44 days after the date of publication, or the first business day thereafter. Issues raised in the hearing will be limited to those raised in the respective case briefs and rebuttal briefs. Interested parties may submit case briefs and rebuttal briefs not later than 30 days and 37 days, respectively, after the date of publication of these preliminary results of review. See 19 CFR 351.309(c)(1)(ii) and (d)(1).

Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited.

The Department will issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice.

Interested parties who wish to request a hearing or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, Room B-099, within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. See 19 CFR 351.310(c).

#### **Assessment Rates**

The Department shall determine, and Customs shall assess, antidumping duties on all appropriate entries. The Department will issue appraisal instructions directly to the Customs Service upon the completion of this review. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties.

## Cash Deposit Requirements

The following cash deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of silicon metal from Argentina entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for Andina will be the rate established in the final results of administrative review, except if the rate is less than 0.5 percent, and therefore, de minimis within the meaning of 19 CFR 351.106, in which case the cash deposit rate will be zero; (2) for merchandise exported by manufacturers or exporters not covered in this review, but covered in the original less than fair value (LTFV) investigation, the cash deposit rate will continue to be the rate published in the amended final determination; or (3) if the exporter is not a firm covered in this review or the LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 17.87 percent, the "All Others" rate made effective by the amended LTFV determination. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during these review periods. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: September 30, 1999.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-583-827]

#### Static Random Access Memory Semiconductors From Taiwan; Preliminary Results of Antidumping Duty New Shipper Review

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** In response to a request by GSI Technology, the Department of Commerce is conducting a new shipper review of the antidumping duty order on static random access memory semiconductors from Taiwan. The period of review is October 1, 1997, through September 30, 1998.

We have preliminarily determined that sales have been made below the normal value by GSI Technology. If these preliminary results are adopted in the final results of this review, we will instruct the Customs Service to assess antidumping duties on all appropriate entries.

**EFFECTIVE DATE:** October 12, 1999.

**FOR FURTHER INFORMATION CONTACT:** Shawn Thompson or Irina Itkin, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-1776 or (202) 482-0656, respectively.

**SUPPLEMENTARY INFORMATION:** Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce regulations are to 19 CFR Part 351 (1998).

#### Background

On October 15, 1998, GSI Technology requested that the Department of Commerce (the Department) conduct a new shipper review pursuant to section 751(a)(2)(B) of the Act and 19 CFR 351.214(b). In this request, GSI Technology certified that it did not export the subject merchandise to the United States during the period covered by the original less-than-fair-value (LTFV) investigation (the "POI"), and that it is not affiliated with any company which exported subject merchandise to the United States during the POI. Pursuant to 19 CFR 351.214(b)(2)(iv), GSI Technology submitted documentation establishing

the date on which it first entered subject merchandise for consumption into the United States, the volume of that shipment, and the date of the first sale to an unaffiliated customer in the United States. Based on the above information, the Department initiated a new shipper review covering GSI Technology (see *Static Random Access Memory Semiconductors from Taiwan: Initiation of New Shipper Antidumping Duty Administrative Review*, 63 FR 67456 (Dec. 7, 1998)). The Department is now conducting this review in accordance with section 751 of the Act and 19 CFR 351.214.

On December 8, 1998, we issued our questionnaire to GSI Technology. We received a response to this questionnaire in January 1999.

In February and April 1999, we issued supplemental questionnaires to GSI Technology. We received responses to these questionnaires in March and May 1999, respectively.

On May 24, 1999, the Department published in the **Federal Register** a notice of postponement of the preliminary results until no later than October 4, 1999 (64 FR 27966).

In June 1999, we issued an additional supplemental questionnaire to GSI Technology. We received a response to this questionnaire in July 1999.

In July, August, and September 1999, the Department conducted verification of the data submitted by GSI Technology, in accordance with section 782(i) of the Act and 19 CFR 351.307(b)(1)(iv).

Also in September 1999, the Department requested that GSI Technology submit a revised cost database incorporating the verification findings.

#### Scope of the Review

The products covered by this review are synchronous, asynchronous, and specialty SRAMs from Taiwan, whether assembled or unassembled. Assembled SRAMs include all package types. Unassembled SRAMs include processed wafers or die, uncut die and cut die. Processed wafers produced in Taiwan, but packaged, or assembled into memory modules, in a third country, are included in the scope; processed wafers produced in a third country and assembled or packaged in Taiwan are not included in the scope.

The scope of this review includes modules containing SRAMs. Such modules include single in-line processing modules, single in-line memory modules, dual in-line memory modules, memory cards, or other collections of SRAMs, whether unmounted or mounted on a circuit