

servicing means installation, maintenance, repair, modification or testing.

III. After notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to Pitts by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be subject to the provisions of this Order.

IV. This Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

V. This Order is effective immediately and shall remain in effect until June 23, 2007.

VI. In accordance with Part 756 of the Regulations, Pitts may file an appeal from this Order with the Under Secretary for Export Administration. The appeal must be filed within 45 days from the date of this Order and must comply with the provisions of Part 756 of the Regulations.

VII. A copy of this Order shall be delivered to Pitts. This Order shall be published in the **Federal Register**.

Dated: August 29, 2000.

**Eileen M. Albanese,**

*Director, Office of Exporter Services.*

[FR Doc. 00-23168 Filed 9-8-00; 8:45 am]

BILLING CODE 3510-DT-M

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-588-835]

#### **Oil Country Tubular Goods From Japan: Preliminary Results of Antidumping Duty Administrative Review and Final Partial Rescission of Antidumping Duty Administrative Review**

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

**ACTION:** Notice of preliminary results of antidumping duty administrative review and final partial rescission of antidumping duty administrative review.

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on oil country tubular goods (OCTGs) from Japan in response to requests by U.S. Steel Group (petitioner), respondent Sumitomo

Metal Industries, Ltd. (SMI), and Dril-Quip Inc. (Dril-Quip), an importer of OCTGs. This review, initiated on September 24, 1999, covers exports of subject merchandise to the United States during the period August 1, 1998 through July 31, 1999 and five respondents: Hallmark Tubulars Ltd. (Hallmark), Itochu Corp. (Itochu), Itochu Project Management Corp. (IPM), Nippon Steel Corp. (Nippon), and SMI (64 FR 53318; October 1, 1999).

We have determined that SMI had no reviewable sales of subject merchandise during the period of review (POR) and that the review of SMI should therefore be rescinded. We also preliminarily determine that adverse facts available should be applied to the remaining respondents, which did not respond to our questionnaires. Interested parties are invited to comment on these preliminary results.

**EFFECTIVE DATE:** September 11, 2000.

**FOR FURTHER INFORMATION CONTACT:**

Mark Hoadley, (202) 482-0666, or Thomas Gilgunn, (202) 482-0648, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington DC 20230.

*Applicable Statute and Regulations:* Unless otherwise stated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act. In addition, unless otherwise stated, all citations to the Department's regulations are references to the regulations as codified at 19 CFR Part 351 (April 1999).

**SUPPLEMENTARY INFORMATION:**

**Background**

On August 11, 1995, the Department published in the **Federal Register** (60 FR 41058) the antidumping duty order on OCTGs from Japan. On August 26, 1999, Dril-Quip, an importer of OCTGs, requested an administrative review of Hallmark, Itochu, IPM, and Nippon. On August 31, 1999, petitioner and SMI requested that the Department conduct a review of SMI. The Department initiated this antidumping administrative review on September 24, 1999 (64 FR 53318; October 1, 1999). On October 13, 1999, petitioner requested a duty absorption determination for SMI and its exporter, Sumitomo Corporation (SC). On November 30, 1999, the Department issued its antidumping duty questionnaire to all five respondents. On December 30, 1999, Nippon informed the Department that it would

not participate in the review. After receiving the Department's antidumping questionnaires, Nippon, Itochu, IPM, and Hallmark failed to respond. The Department is conducting this review in accordance with section 751(a) of the Act.

**Scope of Review**

The products covered by this order are OCTG, hollow steel products of circular cross-section, including oil well casing, tubing, and drill pipe, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished or unfinished (including green tubes and limited service OCTG products). This scope does not cover casing, tubing, or drill pipe containing 10.5 percent or more of chromium. The products subject to this order are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7304.21.30.00, 7304.21.60.30, 7304.21.60.45, 7304.21.60.60, 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.30.10, 7304.29.30.20, 7304.29.30.30, 7304.29.30.40, 7304.29.30.50, 7304.29.30.60, 7304.29.30.80, 7304.29.40.10, 7304.29.40.20, 7304.29.40.30, 7304.29.40.40, 7304.29.40.50, 7304.29.40.60, 7304.29.40.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.60.15, 7304.29.60.30, 7304.29.60.45, 7304.29.60.60, 7304.29.60.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.20.10.30, 7306.20.10.90, 7306.20.20.00, 7306.20.30.00, 7306.20.40.00, 7306.20.60.10, 7306.20.60.50, 7306.20.80.10, and 7306.20.80.50. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this order is dispositive.

**Preliminary Rescission of Review for SMI**

Based on SMI and SC's joint ownership in several corporations, we have found the two companies to be affiliated.<sup>1</sup> Because of this finding, we

<sup>1</sup> The Department found SMI and SC to be affiliated in the previous review on this basis. Oil

consider the relevant U.S. sales date to be the date of sale from SC's U.S. affiliate to the first unaffiliated U.S. customer, which is the U.S. affiliate's date of shipment.<sup>2</sup> None of the U.S. sales reported by SC, however, has a sale date within the POR. Therefore, we are rescinding our review of sales of merchandise produced by SMI. We will instruct Customs to liquidate entries made during this POR of merchandise produced by SMI at the rate entered. For more detailed analysis, see Memorandum to the File, U.S. Sales by SC (August 30, 2000).

#### Duty Absorption

On October 13, 1999, petitioner requested that the Department determine whether antidumping duties had been absorbed during the POR by SMI or its exporter SC. Section 751(a)(4) of the Act provides that, during a review initiated two or four years after publication of the order, the Department, if requested, shall determine whether antidumping duties have been absorbed by a foreign producer or exporter, if the subject merchandise is sold in the United States through an affiliated importer. Because we have preliminarily determined to rescind the review of merchandise produced by SMI because of the absence of reviewable sales, the issue of duty absorption is moot.

#### Imports by Dril-Quip

On January 14, 2000, Dril-Quip made a submission, with supporting documentation, arguing that the OCTGs it imported under temporary import bond (TIB), which were produced by

Nippon and exported to the United States by Hallmark, were not entered for consumption in the United States and, therefore, not subject to antidumping duties. Dril-Quip had, however, paid the cash deposit required by the Customs Service. Dril-Quip argued that its situation was analogous to that of Okura & Company, an importer of OCTGs from Japan involved in a previous review. See Oil Country Tubular Goods From Japan; Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review, 64 FR 48589 (Sept. 7, 1999) (presenting the facts of the Okura transaction and the Department's preliminary analysis and conclusions, unmodified in Oil Country Tubular Goods From Japan; Final Results of Antidumping Duty Administrative Review, 65 FR 15305 (March 22, 2000)).

Section 632 of the Act and section 203 of the North American Free Trade Agreement (NAFTA) Act, 19 U.S.C. 1313 and 3333, respectively, implement Article 303 of the NAFTA, which addresses restrictions on drawback and duty deferral programs. See Statement of Administrative Action (NAFTA Act), H. Doc. No. 103-159, Vol. 1, 103d Cong., 1st Sess. 476 (1993). Article 303.3 of the NAFTA requires that merchandise imported into a NAFTA country under a duty deferral program, such as TIB, and subsequently reexported to another NAFTA country shall be treated by the first NAFTA country as if it were entered for consumption at the time of reexportation. For this reason, Dril-Quip was correctly required by Customs to pay a cash deposit on its importation of OCTGs. Because Dril-Quip had consumption entries, they are subject to antidumping review and, if warranted, the assessment of antidumping duties. As part of such review, we must calculate the export price or constructed export price of the subject merchandise, in accordance with section 772 of the Act, if the parties under review sell subject merchandise to either an unaffiliated U.S. purchaser or an unaffiliated purchaser for export to the United States. Evidence on the record shows that Nippon's sale of the OCTG in question to Itochu was the first sale to an unaffiliated party for export to the United States. Furthermore, evidence on the record indicates that Itochu and IPM's subsequent sale to Hallmark was also a sale to an unaffiliated party for export to the United States. See business proprietary version of Memorandum from Joseph A. Spetrini to Troy H. Cribb, Applicability of Antidumping Duties to Dril-Quip, Inc.'s Temporary

Import Bond Entries (August 30, 2000). However, as noted above, Nippon, Itochu, IPM, and Hallmark failed to respond to the Department's questionnaires. Consequently, as discussed below, the Department had no alternative but to apply an adverse facts available rate.

#### Application of Facts Available

Section 776(a)(2) of the Act provides that if any interested party: (A) Withholds information that has been requested by the Department; (B) fails to provide such information in a timely manner or in the form or manner requested; (C) significantly impedes an antidumping proceeding; or (D) provides such information but the information cannot be verified, the Department shall use the facts otherwise available (FA) in reaching the applicable determination under this title.

As noted above, Nippon, Itochu, IPM, and Hallmark received questionnaires but did not respond to them, thereby withholding information requested by the Department. As such, consistent with sections 776(a)(2)(A) and (C) of the Act, we are forced to rely upon FA. Because these respondents have provided no information, sections 782(d) and (e) are inapplicable. Furthermore, we determine that these respondents did not cooperate to the best of their abilities to our requests for information, and that, pursuant to section 776(b) of the Act, the use of adverse FA is appropriate. While only Nippon explicitly stated that they would not participate in this review, the other three non-responding companies did not answer our questionnaire. We have made similar findings earlier in this proceeding. See, e.g., Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Oil Country Tubular Goods From Japan, 60 FR 6506 (Feb. 2, 1995) ("Given that neither Nippon nor Sumitomo responded to the Department's questionnaire, we find that they have not cooperated in this investigation"); and, Oil Country Tubular Goods From Japan; Notice of Partial Rescission of Antidumping Duty Administrative Review and Preliminary Results of Antidumping Administrative Review, 62 FR 25889 (May 12, 1997) (OCTG Review 1) (using adverse FA with respect to NKK Corporation of Japan (NKK), which did not respond to our questionnaire after claiming that it had no sales during the POR).

Under section 776(b) of the Act, adverse FA may include reliance on information derived from: (1) the petition, (2) a final determination in the investigation, (3) any previous review

Country Tubular Goods From Japan; Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review, 64 FR 48589, 48591 (Sept. 7, 1999); see also Memorandum from Barbara E. Tillman to Robert S. LaRussa, Affiliation of Sumitomo Metal Industries Ltd. and Sumitomo Corporation (Aug. 31, 1999) (proprietary version). Neither SMI nor SC has placed information on the record of this review suggesting that the basis for this finding has changed. Petitioner, however, placed information on the record (Jan. 18, 2000) of this review indicating that SMI and SC's joint involvement has increased. Cf. Certain Welded Carbon Steel Pipes and Tubes from Thailand; Preliminary Results of Antidumping Duty Administrative Review, 62 FR 17590 (April 10, 1997) ("Because we find no evidence on the record of this review to change this previous determination we do not consider Saha Thai/SAF to be affiliated with any U.S. importer.")

<sup>2</sup> Invoicing takes place after the date of shipment. In accordance with Department policy, when invoice date falls after ship date, we use ship date as the date of sale. See, e.g., Structural Steel Beams from South Korea; Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination, 65 FR 6984, 6985 (Feb. 11, 2000); and, Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil; Final Determination of Sales at Less Than Fair Value, 64 FR 38756, 38768 (July 19, 1999).

under section 751 of the Act or determination under section 753 of the Act, or (4) any other information placed on the record. We have determined to use the highest rate determined in any segment of the proceeding, 44.20 percent.

Section 776(c) of the Act provides that the Department shall, to the extent practicable, corroborate secondary information using independent sources reasonably at its disposal. The Statement of Administrative Action, H.R. Doc. No. 103-316, 870 (1994) (SAA) provides that "corroborate" means simply that the Department will satisfy itself that the secondary information to be used has probative value. See SAA, at 870.

In accordance with section 776(c) of the Act, to corroborate secondary information the Department will, to the extent practicable, examine the reliability and relevance of the information to be used. In this case, we have chosen to use the highest rate from any segment of the proceeding, which has been the "all others rate" throughout this proceeding, was used as the best information available rate for Nippon and Sumitomo in the investigation, and was used as the adverse FA rate for NKK in a previous review of this order (see OCTG Review 1). We corroborated the rate, which was originally taken from the petition, in OCTG Review 1, explaining: "That rate was based upon the difference between U.S. price of a representative OCTG product sold by one Japanese company and constructed value for that product. Our review of the information in the original petition pertaining to the price of the product and to the major inputs (e.g., iron ore, coke, scrap) and processes (ironmaking, steelmaking, and bloom and pipe production) used for the production of the final merchandise did not indicate that the analysis of the OCTG market in the petition is no longer appropriate to use as a basis for facts available." 62 FR at 25890. Nothing on the record of this review suggests that the rate we have selected does not represent reliable and relevant information. Moreover, because these four non-responding companies did not answer our questionnaire, we have no basis for comparing the circumstances of their sales, if they had any, to those facts submitted in the petition to ensure that the selected adverse FA rate is relevant. Furthermore, as this is the rate currently applicable to these respondents, we presume that if any of them could have demonstrated that its margin is lower, it would have participated and attempted to do so. Thus, in accordance with section 776(c),

we have corroborated this rate "to the extent practicable."

#### Preliminary Results of the Review

We preliminarily determine that the following weighted-average dumping margins exist:

Exporter/manufacturer	Per- cent <sup>1</sup>
Hallmark Tubulars Ltd .....	44.20
Itochu Corp .....	44.20
Itochu Project Management Corp ....	44.20
Nippon Steel Corp .....	44.20

<sup>1</sup> Weighted-average margin percentage.

Any interested party may request a hearing within 30 days of publication of this notice. Pursuant to 19 CFR 351.310(d), any hearing, if requested, will be held 44 days after the publication of this notice, or the first workday thereafter. Interested parties may submit case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. The Department will publish a notice of final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, not later than 120 days after the date of publication of this notice.

Upon issuance of the final results of review, the Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Upon completion of this review, the Department will issue appraisal instructions directly to the Customs Service.

Furthermore, the following deposit rates will be effective upon publication of the final results of these reviews for all shipments of OCTGs from Japan entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) The cash deposit rate for the reviewed companies will be the rates established in the final results of these reviews; (2) for merchandise exported by manufacturers or exporters not covered in these reviews but covered in the original investigation of sales at less than fair value (LTFV) or a previous review, the cash deposit will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this or a previous review, or the original 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) for all other

producers and/or exporters of this merchandise, the cash deposit rate shall be 44.20 percent, the "all others" rate established in the LTFV investigation (58 FR 7531, February 8, 1993).

These deposit rates, 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 this review period. 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 issued and published in accordance with sections 751(a)(1) and (a)(2)(C) of the Act (19 USC 1675(a)(1) and (a)(2)(C)), and 19 CFR 351.221(b)(4).

Dated: August 30, 2000.

**Troy H. Cribb,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 00-23255 Filed 9-8-00; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-533-810]

#### Stainless Steel Bar From India: Initiation of Antidumping New Shipper Review

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

**ACTION:** Notice of initiation of antidumping new shipper review.

**SUMMARY:** The Department of Commerce has received a request to conduct a new shipper review of the antidumping duty order on stainless steel bar from India. In accordance with section 751(a)(2)(B) of the Tariff Act of 1930, as amended, and 19 CFR 351.214, we are initiating this new shipper review.

**EFFECTIVE DATE:** September 11, 2000.

**FOR FURTHER INFORMATION CONTACT:** Blanche Ziv or Ryan Langan, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-4207 or (202) 482-1279, respectively.