

Dated: February 28, 2001.

Bernard T. Carreau,

Deputy Assistant Secretary, Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-122-506]

Notice of Preliminary Results of Antidumping Duty Administrative Review: Oil Country Tubular Goods From Canada

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, Atlas Tube, Inc. (Atlas), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on oil country tubular goods (OCTG) from Canada. This review covers one manufacturer/exporter, Atlas, and the period June 1, 1999 through December 31, 1999. The period of review (POR) specified by the Department's opportunity to request administrative review was June 1, 1999 through May 31, 2000. *See Notice of Opportunity to Request Administrative Review of Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation* 65 FR 38242 (June 20, 2000). However, the Department revoked this antidumping duty order effective January 1, 2000; therefore, this administrative review only covers the period June 1, 1999 through December 31, 1999. *See Notice of Revocation of Antidumping Duty Orders: Circular Welded Non-Alloy Steel Pipe and Tube from Venezuela; Small Diameter Standard and Rectangular Pipe and Tube from Singapore; and Oil Country Tubular Goods from Canada and Taiwan* 65 FR 50954 (August 22, 2000).

We have preliminarily determined the dumping margin for Atlas to be 6.56 percent.

EFFECTIVE DATE: March 8, 2001.

FOR FURTHER INFORMATION CONTACT: Nithya Nagarajan or Michele Mire, Office 4, Group II, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW.,

Washington, DC 20230; telephone (202) 482-5253 or (202) 482-4711 respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, 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 (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations at 19 CFR part 351 (2000).

Background

The Department published an antidumping duty order on OCTG from Canada on June 16, 1986 (51 FR 21782) and an amended order on August 19, 1986 (51 FR 29579). On June 20, 2000, the Department published an Opportunity to Request Administrative Review (65 FR 38242). On July 9, 2000, Atlas Tube, Inc. requested the Department to initiate an administrative review pursuant to section 751(a)(1) of the Act, and 19 CFR 351.213(b)(2). We initiated this administrative review on July 31, 2000 (65 FR 46687) for the period June 1, 1999, through May 31, 2000. On August 22, 2000, the Department revoked the antidumping duty order effective January 1, 2000 (65 FR 50954). Due to the revocation of the antidumping duty order, we analyzed sales of the subject merchandise for the period June 1, 1999, through December 31, 1999, rather than the entire POR specified by the Department's opportunity to request administrative review.

The Department issued its questionnaire on August 28, 2000, and received Atlas' responses to Sections A, B, C, and D (corporate structure, home market sales, U.S. sales, and cost of production/constructed value, respectively) on October 30, 2000, and supplemental responses on December 21, 2000.

The Department is conducting this administrative review in accordance with section 751(a)(1) of the Act.

Scope of the Review

The products covered by this review include shipments of OCTG from Canada. This includes American Petroleum Institute (API) specification OCTG and all other pipe with the following characteristics except entries which the Department determined through its end-use certification procedure were not used in OCTG applications: Length of at least 16 feet;

outside diameter of standard sizes published in the API or proprietary specifications for OCTG with tolerances of plus $\frac{1}{8}$ inch for diameters less than or equal to $8\frac{5}{8}$ inches and plus $\frac{1}{4}$ inch for diameters greater than $8\frac{5}{8}$ inches, minimum wall thickness as identified for a given outer diameter as published in the API or proprietary specifications for OCTG; a minimum of 40,000 PSI yield strength and a minimum 60,000 PSI tensile strength; and if with seams, must be electric resistance welded. Furthermore, imports covered by this review include OCTG with non-standard size wall thickness greater than the minimum identified for a given outer diameter as published in the API or proprietary specifications for OCTG, with surface scabs or slivers, irregularly cut ends, ID or OD weld flash, or open seams; OCTG may be bent, flattened or oval, and may lack certification because the pipe has not been mechanically tested or has failed those tests. This merchandise is currently classifiable under the Harmonized Tariff Schedules (HTS) item numbers 7304.20, 7305.20, and 7306.20. The HTS item numbers are provided for convenience and U.S. Customs purposes. The written description remains dispositive.

United States Price

Atlas reported all United States sales of subject merchandise as export price (EP) transactions sold to unaffiliated U.S. customers prior to importation.

We calculated EP, in accordance with section 772(a) of the Act, because the merchandise was sold by the manufacturer/exporter Atlas in the exporting country to the first unaffiliated purchaser in the United States prior to importation and because evidence on the record did not otherwise warrant constructed export price (CEP) methodology. We based EP on the delivered price to unaffiliated purchasers in the United States. We adjusted the starting price by the amount Atlas reported for billing adjustments and made deductions from the starting price for discounts. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included foreign inland freight, U.S. inland freight, and U.S. brokerage and handling charges.

Normal Value

After testing (1) home market viability and (2) whether home market sales were made at below-cost prices, we calculated normal value (NV) as noted in the "Price-to-Price Comparisons" section of this notice.

1. Home Market Viability

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales), we compared Atlas' volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1) of the Act. Because Atlas' aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home market was viable for Atlas.

2. Cost of Production Analysis

Section 773(b)(2)(A)(ii) of the Act provides that there are reasonable grounds to believe or suspect that sales of the foreign like product were made at prices that are less than the cost of production (COP) of the product if we disregarded some or all of a specific exporter's sales below COP in the last completed administrative review of that exporter. In the last administrative review of this order which covered the period December 1, 1998, through May 31, 1999, we found sales below COP for Atlas which were disregarded. *See Notice of Preliminary Results of Antidumping Duty Administrative Review* 65 FR 36407, 36409 (June 8, 2000). As a result, the respondent provided COP information in response to Section D of the Department's antidumping duty questionnaire, on which we based our COP analysis as described below.

A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of Atlas' cost of materials and fabrication for the foreign like product, plus an amount for home market selling, general and administrative expenses (SG&A), including interest expenses, and packing costs.

B. Test of Home Market Sales Prices

We compared the weighted-average COP figures to home market sales of the foreign like product as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below COP. In determining whether to disregard home market sales made at prices less than 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. On a product-specific basis, we compared the COP to the home market prices, less any applicable movement charges and rebates.

C. Results of the COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." Where 20 percent or more of respondent's sales of a given product during the POR were at prices less than the COP, we determined such sales to be made in "substantial quantities" within an extended period of time in accordance with section 773(b)(1)(A) of the Act. In the instant case, we compared Atlas' home market prices to weighted-average COPs for the POR, and therefore determined that below-cost sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(1)(B) of the Act. Therefore, we disregarded such below-cost sales.

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. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on constructed value (CV), that of the sales from which we derive SG&A expenses and profit. With respect to U.S. price for EP transactions, the LOT is also the level of the starting-price sale, which is usually from the exporter to the importer.

To determine whether NV sales are at a different LOT than the U.S. sales, we examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different LOT and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and home market sales at the LOT of the export transaction, we make a LOT adjustment under section 773(a)(7)(A) of the Act. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997).

Atlas reported one customer category and one channel of distribution (*i.e.*, sales to unaffiliated distributors) for its home market sales. For its EP sales, Atlas also reported one customer category and one channel of distribution (*i.e.*, direct sales to unaffiliated distributors). Atlas claimed in its response that its EP sales were made at the same LOT as home market sales to unaffiliated distributors. For this reason, Atlas has not asked for a LOT adjustment to NV for comparison to its EP sales.

In determining whether separate LOTs actually existed in the home market and U.S. market, we examined whether Atlas' sales involved different marketing stages (or their equivalent) based on the channel of distribution, customer categories and selling functions. Atlas reported that its selling functions for home market sales are arranging for freight, warehousing, and warranty service; however, we noted that Atlas did not report any warehouse or warranty expenses for home market sales during the POR. After reviewing the record evidence for this current review, we agree with Atlas that its home market sales comprise a single LOT.

In analyzing Atlas' selling activities for its EP sales, we noted that the sales generally involved the same selling functions associated with the home market LOT described above. Atlas reported that these selling activities included arranging for freight, warehousing, and warranty services; however, Atlas reported that it did not incur any warehouse or warranty expenses for U.S. market sales during the POR. Based upon the record evidence for this current review, we have determined that there is one LOT for all EP sales and that it is the same LOT as in the home market. Therefore, because we find that the U.S. sales and home market sales are at the same LOT, we determine that a LOT adjustment under section 773(a)(7)(A) is not warranted.

Price-to-Price Comparisons

We calculated NV based on delivered prices to unaffiliated customers. The NV price was reported on a Goods and Services Tax-exclusive basis. We adjusted the starting price by the amount Atlas reported for billing adjustments. We made deductions from the starting price for rebates, inland freight, and inland freight insurance. We made adjustments for differences in merchandise in accordance with section 773(a)(6)(C)(ii) of the Act. We made further adjustments, under section 773(a)(6)(C)(iii) of the Act, for

differences in circumstances of sale for imputed credit expenses. Finally, we deducted home market packing costs and added U.S. packing costs in accordance with sections 773(a)(6)(A) and (B) of the Act.

Currency Conversion

Pursuant to section 773A(a) of the Act, we made currency conversions into U.S. dollars based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Preliminary Results of Review

As a result of this review, we preliminarily determine that a 6.56 percent dumping margin exists for Atlas for the period June 1, 1999 through December 31, 1999.

The Department will disclose the calculations we performed within five days of the date of publication of this notice to the parties of this proceeding in accordance with 19 CFR 351.224(b). An interested party may request a hearing within thirty days of publication of these preliminary results. See 19 CFR 351.310(c). Any hearing, if requested, will be held 44 days after the date of publication, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results of review. Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 37 days after the date of publication. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results. Interested parties are invited to comment on these preliminary results. Parties who submit argument in this proceeding are requested to submit with the argument: (1) A statement of the issue; and (2) a brief summary of the argument. Further, we would appreciate it if parties submitting written comments also provide the Department with an additional copy of the public version of those comments on diskette.

Upon completion of this administrative review, the Department shall determine, and the U.S. Customs Service (Customs) shall assess, antidumping duties on all appropriate entries. There was only one importer during the POR for merchandise sold by Atlas. We have calculated an importer-specific duty assessment rate based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered

value of examined sales. Atlas reported entered value by subtracting discounts, freight, and brokerage and handling costs from the reported U.S. price. Where the importer-specific rate is above *de minimis*, we will instruct Customs to assess duties on that importer's entries of subject merchandise. The Department will issue appraisement instructions directly to Customs.

Pursuant to section 751(d)(2) of the Act, on August 22, 2000, the Department revoked the antidumping duty order on OCTG from Canada, effective January 1, 2000 (65 FR 50954). Therefore, we instructed Customs to liquidate all entries of subject merchandise made on or after January 1, 2000, without regard to antidumping duties. Therefore, we will not issue cash deposit instructions to Customs based on the results of this 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 in accordance with sections 751(a)(1) and 777(i)(1). Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of Assistant Secretary for Import Administration.

Dated: February 28, 2001.

Bernard T. Carreau,

Deputy Assistant Secretary, Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-001]

Potassium Permanganate From the People's Republic of China: 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 ("the Department") has received a request from Groupstars Chemical Co. Ltd. ("Shandong") ("Groupstars") to

conduct a new shipper review of the antidumping duty order on potassium permanganate from the People's Republic of China ("PRC"). In accordance with 19 CFR 351.214(d) of the Department's regulations, we are initiating this new shipper review.

EFFECTIVE DATE: March 8, 2001.

FOR FURTHER INFORMATION CONTACT: Paul Stolz or Howard Smith, AD/CVD Enforcement, Office 4, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4474 or (202) 482-5193 respectively.

The Applicable Statute and Regulations

Unless otherwise indicated, 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 indicated, all citations to the Department's regulations are to the current regulations, codified at 19 CFR part 351 (2000).

Background

On January 30, 2001 the Department received a request, in accordance with section 751(a)(2)(B) of the Act and 19 CFR 351.214(c), for a new shipper review of the antidumping duty order on potassium permanganate.

On February 7, 2001 the Department received comments from Carus Chemical Company ("petitioner") in response to Groupstars' request for a new shipper review. Petitioner argued that the Department should reject Groupstars' request based on errors in Groupstars' certifications and alleged that Groupstars is affiliated with a company that exported potassium permanganate to the United States during the period of investigation ("POI"). On February 20, 2001 the Department sent a letter to Groupstars requesting that it clarify inconsistencies with respect to, among other things, its certifications. On February 22, 2001, Groupstars responded to the Department's letter by clarifying and correcting these inconsistencies. Also on February 22, 2001, petitioner objected to the Department providing Groupstars with an opportunity to correct its request for review and restated its argument that respondent's request for review is deficient and thus, a review should not be initiated. On February 27, 2001, Groupstars clarified that it was requesting the review on behalf of Groupstars Chemical Co., Ltd.