

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.

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Tariff Act.

Dated: July 31, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-834]

Stainless Steel Sheet and Strip in Coils From the Republic of Korea: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results and partial rescission of antidumping duty administrative review of stainless steel sheet and strip in coils from the Republic of Korea.

SUMMARY: The Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on stainless steel sheet and strip in coils from the Republic of Korea in response to a request from respondents Pohang Iron & Steel Co., Ltd. ("POSCO"), Samwon Precision Metals Co., Ltd. ("Samwon"), Daiyang Metal Co., Ltd. ("DMC"), and petitioners,¹ who requested a review of Sammi Steel Co. ("Sammi") and any of its affiliates within the meaning of section 771(33) of the Tariff Act of 1930, as amended ("the Act"), including any successor or surviving company to Sammi. This review covers imports of subject merchandise from POSCO, Samwon, DMC and Sammi. The period of review ("POR") is January 4, 1999 through June 30, 2000.

Our preliminary results of review indicate that Samwon and DMC have sold subject merchandise at less than normal value ("NV") during the POR and that POSCO did not make any sales

below normal value during the POR. In addition, we have preliminarily determined to rescind the review with respect to Sammi because it had no shipments of subject merchandise to the United States 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 to assess antidumping duties on suspended entries for Samwon and DMC.

We invite interested parties to comment on these preliminary results. Parties who submit arguments in this segment of the proceeding should also submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: August 8, 2001.

FOR FURTHER INFORMATION CONTACT:

Laurel LaCivita (POSCO); Stephen Shin (Samwon); Amy Ryan (DMC), Brandon Farlander (Sammi); or Rick Johnson, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4243, (202) 482-0413, (202) 482-0961, (202) 482-0182 or (202) 482-3818, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended, 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 ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR Part 351 (2001).

Background

On July 20, 2000, the Department published in the **Federal Register** a notice of "Opportunity to Request Administrative Review" of the antidumping duty order on stainless steel sheet and strip in coils from the Republic of Korea (65 FR 45035). On July 27, 2000, petitioners requested a review of Sammi and its affiliates within the meaning of section 771(33) of the Act. On July 31, 2000, POSCO, Samwon, and DMC, producers and exporters of subject merchandise during the POR, in accordance with 19 CFR 351.213(b)(2), requested administrative reviews of the antidumping order covering the period January 4, 1999, through June 30, 2000. On September 6, 2000, the Department published in the **Federal Register** a notice of initiation of

administrative review of this order (65 FR 53980).

On September 20, 2000, and in subsequent submissions on September 28, 2000, October 13, 2000, and November 3, 2000, Sammi informed the Department that it had no shipments of subject merchandise to the United States during the POR. We have confirmed this with the Customs Service. See the Memorandum from Brandon Farlander to the File, "U.S. Customs Data Query for Entries During the 1999-2000 Antidumping Duty Administrative Review on Stainless Steel Sheet and Strip in Coils From the Republic of Korea," dated July 31, 2001. Consequently, in accordance with 19 CFR 351.213(d)(3) and consistent with our practice, we are preliminarily rescinding our review with respect to Sammi. For further discussion, see the "Partial Rescission of Review" section of this notice, below.

On November 27, 2000, and December 4, 2000, petitioners requested the Department to initiate a sales below cost investigation on Samwon and DMC, respectively. On February 2, 2001 and March 7, 2001, the Department initiated the sales below cost investigation on Samwon and DMC, respectively.

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for completion of an administrative review if it determines that it is not practicable to complete the review within the statutory time limit. On January 5, 2001, the Department extended the time limit for the preliminary results in this review to July 2, 2001. See *Stainless Steel Sheet and Strip in Coils From the Republic of Korea: Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review*, 66 FR 1085 (January 5, 2001). On March 14, 2001, the Department extended the time limit for the preliminary results in this review for an additional 30 days. The preliminary results are now due on July 31, 2001. See *Stainless Steel Sheet and Strip in Coils From the Republic of Korea: Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review*, 66 FR 14891 (March 14, 2001).

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

Scope of the Review

For purposes of this administrative review, the products covered are certain stainless steel sheet and strip in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other

¹ Allegheny Ludlum, AK Steel Corporation (formerly Armco, Inc.), J&L Specialty Steel, Inc., North American Stainless, Butler-Armco Independent Union, Zanesville Armco Independent Union, and the United Steelworkers of America, AFL-CIO/CLC.

elements. The subject sheet and strip is a flat-rolled product in coils that is greater than 9.5 mm in width and less than 4.75 mm in thickness, and that is annealed or otherwise heat treated and pickled or otherwise descaled. The subject sheet and strip may also be further processed (e.g., cold-rolled, polished, aluminized, coated, etc.) provided that it maintains the specific dimensions of sheet and strip following such processing.

The merchandise subject to this review is classified in the *Harmonized Tariff Schedule of the United States* (HTS) at subheadings: 7219.13.0031, 7219.13.0051, 7219.13.0071, 7219.13.0081², 7219.14.0030, 7219.14.0065, 7219.14.0090, 7219.32.0005, 7219.32.0020, 7219.32.0025, 7219.32.0035, 7219.32.0036, 7219.32.0038, 7219.32.0042, 7219.32.0044, 7219.33.0005, 7219.33.0020, 7219.33.0025, 7219.33.0035, 7219.33.0036, 7219.33.0038, 7219.33.0042, 7219.33.0044, 7219.34.0005, 7219.34.0020, 7219.34.0025, 7219.34.0030, 7219.34.0035, 7219.35.0005, 7219.35.0015, 7219.35.0030, 7219.35.0035, 7219.90.0010, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6010, 7220.20.6015, 7220.20.6060, 7220.20.6080, 7220.20.7005, 7220.20.7010, 7220.20.7015, 7220.20.7060, 7220.20.7080, 7220.20.8000, 7220.20.9030, 7220.20.9060, 7220.90.0010, 7220.90.0015, 7220.90.0060, and 7220.90.0080. Although the HTS subheadings are provided for convenience and Customs purposes, the Department's written description of the merchandise under review is dispositive.

Excluded from the scope of this review are the following: (1) Sheet and strip that is not annealed or otherwise heat treated and pickled or otherwise descaled, (2) sheet and strip that is cut to length, (3) plate (i.e., flat-rolled stainless steel products of a thickness of 4.75 mm or more), (4) flat wire (i.e., cold-rolled sections, with a prepared edge, rectangular in shape, of a width of not more than 9.5 mm), and (5) razor blade steel. Razor blade steel is a flat-rolled product of stainless steel, not

further worked than cold-rolled (cold-reduced), in coils, of a width of not more than 23 mm and a thickness of 0.266 mm or less, containing, by weight, 12.5 to 14.5 percent chromium, and certified at the time of entry to be used in the manufacture of razor blades. See Chapter 72 of the HTS, "Additional U.S. Note" 1(d).

In response to comments by interested parties, the Department has determined that certain specialty stainless steel products are also excluded from the scope of this review. These excluded products are described below.

Flapper valve steel is defined as stainless steel strip in coils containing, by weight, between 0.37 and 0.43 percent carbon, between 1.15 and 1.35 percent molybdenum, and between 0.20 and 0.80 percent manganese. This steel also contains, by weight, phosphorus of 0.025 percent or less, silicon of between 0.20 and 0.50 percent, and sulfur of 0.020 percent or less. The product is manufactured by means of vacuum arc remelting, with inclusion controls for sulphide of no more than 0.04 percent and for oxide of no more than 0.05 percent. Flapper valve steel has a tensile strength of between 210 and 300 ksi, yield strength of between 170 and 270 ksi, plus or minus 8 ksi, and a hardness (Hv) of between 460 and 590. Flapper valve steel is most commonly used to produce specialty flapper valves in compressors.

Also excluded is a product referred to as suspension foil, a specialty steel product used in the manufacture of suspension assemblies for computer disk drives. Suspension foil is described as 302/304 grade or 202 grade stainless steel of a thickness between 14 and 127 microns, with a thickness tolerance of plus-or-minus 2.01 microns, and surface glossiness of 200 to 700 percent Gs. Suspension foil must be supplied in coil widths of not more than 407 mm, and with a mass of 225 kg or less. Roll marks may only be visible on one side, with no scratches of measurable depth. The material must exhibit residual stresses of 2 mm maximum deflection, and flatness of 1.6 mm over 685 mm length.

Certain stainless steel foil for automotive catalytic converters is also excluded from the scope of this review. This stainless steel strip in coils is a specialty foil with a thickness of between 20 and 110 microns used to produce a metallic substrate with a honeycomb structure for use in automotive catalytic converters. The steel contains, by weight, carbon of no more than 0.030 percent, silicon of no more than 1.0 percent, manganese of no more than 1.0 percent, chromium of between 19 and 22 percent, aluminum

of no less than 5.0 percent, phosphorus of no more than 0.045 percent, sulfur of no more than 0.03 percent, lanthanum of less than 0.002 or greater than 0.05 percent, and total rare earth elements of more than 0.06 percent, with the balance iron.

Permanent magnet iron-chromium-cobalt alloy stainless strip is also excluded from the scope of this review. This ductile stainless steel strip contains, by weight, 26 to 30 percent chromium, and 7 to 10 percent cobalt, with the remainder of iron, in widths 228.6 mm or less, and a thickness between 0.127 and 1.270 mm. It exhibits magnetic remanence between 9,000 and 12,000 gauss, and a coercivity of between 50 and 300 oersteds. This product is most commonly used in electronic sensors and is currently available under proprietary trade names such as "Arnokrome III."³

Certain electrical resistance alloy steel is also excluded from the scope of this review. This product is defined as a non-magnetic stainless steel manufactured to American Society of Testing and Materials ("ASTM") specification B344 and containing, by weight, 36 percent nickel, 18 percent chromium, and 46 percent iron, and is most notable for its resistance to high temperature corrosion. It has a melting point of 1390 degrees Celsius and displays a creep rupture limit of 4 kilograms per square millimeter at 1000 degrees Celsius. This steel is most commonly used in the production of heating ribbons for circuit breakers and industrial furnaces, and in rheostats for railway locomotives. The product is currently available under proprietary trade names such as "Gilphy 36."⁴

Certain martensitic precipitation-hardenable stainless steel is also excluded from the scope of this review. This high-strength, ductile stainless steel product is designated under the Unified Numbering System ("UNS") as S45500-grade steel, and contains, by weight, 11 to 13 percent chromium, and 7 to 10 percent nickel. Carbon, manganese, silicon and molybdenum each comprise, by weight, 0.05 percent or less, with phosphorus and sulfur each comprising, by weight, 0.03 percent or less. This steel has copper, niobium, and titanium added to achieve aging, and will exhibit yield strengths as high as 1700 Mpa and ultimate tensile strengths as high as 1750 Mpa after aging, with elongation percentages of 3 percent or less in 50 mm. It is generally provided in thicknesses between 0.635

²Due to changes to the HTS numbers in 2001, 7219.13.0030, 7219.13.0050, 7219.13.0070, and 7219.13.0080 are now 7219.13.0031, 7219.13.0051, 7219.13.0071, and 7219.13.0081, respectively.

³"Arnokrome III" is a trademark of the Arnold Engineering Company.

⁴"Gilphy 36" is a trademark of Imphy, S.A.

and 0.787 mm, and in widths of 25.4 mm. This product is most commonly used in the manufacture of television tubes and is currently available under proprietary trade names such as "Durphynox 17."⁵

Finally, three specialty stainless steels typically used in certain industrial blades and surgical and medical instruments are also excluded from the scope of this review. These include stainless steel strip in coils used in the production of textile cutting tools (e.g., carpet knives).⁶ This steel is similar to AISI grade 420 but containing, by weight, 0.5 to 0.7 percent of molybdenum. The steel also contains, by weight, carbon of between 1.0 and 1.1 percent, sulfur of 0.020 percent or less, and includes between 0.20 and 0.30 percent copper and between 0.20 and 0.50 percent cobalt. This steel is sold under proprietary names such as "GIN4 Mo." The second excluded stainless steel strip in coils is similar to AISI 420–J2 and contains, by weight, carbon of between 0.62 and 0.70 percent, silicon of between 0.20 and 0.50 percent, manganese of between 0.45 and 0.80 percent, phosphorus of no more than 0.025 percent and sulfur of no more than 0.020 percent. This steel has a carbide density on average of 100 carbide particles per 100 square microns. An example of this product is "GIN5" steel. The third specialty steel has a chemical composition similar to AISI 420 F, with carbon of between 0.37 and 0.43 percent, molybdenum of between 1.15 and 1.35 percent, but lower manganese of between 0.20 and 0.80 percent, phosphorus of no more than 0.025 percent, silicon of between 0.20 and 0.50 percent, and sulfur of no more than 0.020 percent. This product is supplied with a hardness of more than Hv 500 guaranteed after customer processing, and is supplied as, for example, "GIN6".⁷

Partial Rescission of Review

Sammi reported, and the Department confirmed through independent U.S. Customs Service data, that it had no shipments of subject merchandise during the POR. Therefore, in accordance with 19 CFR 351.213(d)(3) and consistent with the Department's practice, we are preliminarily rescinding our review with respect to Sammi. (See e.g., *Certain Welded Carbon Steel Pipe and Tube from Turkey; Final Results and Partial*

Rescission of Antidumping Administrative Review, 63 FR 35190, 35191 (June 29, 1998); and *Certain Fresh Cut Flowers from Colombia; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 62 FR 53287, 53288 (Oct. 14, 1997).)

Since Sammi did not report any shipments during the POR, we have no basis for determining a margin. Therefore, since Sammi did not participate in the original investigation, its cash deposit rate will remain at 12.12 percent, which is the all others rate established in the less than fair value ("LTFV") investigation.

Verification

As provided in section 782(i) of the Act, we verified sales and cost information, provided by POSCO, from February 2, 2001, to February 14, 2001, and February 19, 2001, to February 23, 2001, respectively, using standard verification procedures, including an examination of relevant sales, cost, and financial records, and selection of original documentation containing relevant information. In addition, we conducted a cost verification of Samwon from June 11, 2001, to June 15, 2001. Our verification results are outlined in the public version of the verification report and are on file in the Central Records Unit ("CRU") located in room B-099 of the main Department of Commerce Building, 14th Street and Constitution Avenue, NW., Washington, DC.

Normal Value Comparisons

To determine whether POSCO's sales of subject merchandise from Korea to the United States were made at less than fair value, we compared the constructed export price ("CEP") to the NV, as described in the "Constructed Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A(d)(2) of the Act, we calculated monthly weighted-average prices for NV and compared these to individual CEP transactions. We made corrections to reported U.S. and home market sales data based on the Department's findings at verification, as appropriate.

Transactions Reviewed

For POSCO, Samwon and DMC, we compared the aggregate volume of home market sales of the foreign like product and U.S. sales of the subject merchandise to determine whether the volume of the foreign like product sold in Korea was sufficient, pursuant to section 773(a)(1)(C) of the Act, to form a basis for NV. Because the volume of

home market sales of the foreign like product was greater than five percent of the U.S. sales of subject merchandise for all three companies, in accordance with section 773(a)(1)(B)(i) of the Act, we have based the determination of NV upon the home market sales of the foreign like product. Thus, we based NV on the prices at which the foreign like product was first sold for consumption in Korea, in the usual commercial quantities, in the ordinary course of trade, and, to the extent possible, at the same level of trade ("LOT") as the CEP or NV sales, as appropriate.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products covered by the "Scope of the Review" section above, which were produced and sold by POSCO, Samwon and DMC in the home market during the POR, to be foreign like products for purposes of determining appropriate comparisons to U.S. sales. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics and reporting instructions listed in the Department's questionnaire.

Facts Available (FA)

1. Application of FA

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 investigation; or (D) provides such information but the information cannot be verified, the Department shall use facts otherwise available in making its determination.

On November 27, 2000, petitioners submitted an allegation of sales below cost by Samwon. On January 4, 2001, the Department found reasonable grounds to believe or suspect that Samwon made home market sales at prices below COP, as set forth in 773(b) of the Act and initiated a cost-of-production investigation. Samwon's reported COP is based in part on an allocation methodology which does not reconcile to the company's own production records. Samwon has stated in its responses that the company's allocation methodology is based on the professional judgement of company engineers. At verification, the Department discovered that the allocation methodology does not reflect the company's own production

⁵ "Durphynox 17" is a trademark of Imphy, S.A.

⁶ This list of uses is illustrative and provided for descriptive purposes only.

⁷ "GIN4 Mo," "GIN5" and "GIN6" are the proprietary grades of Hitachi Metals America, Ltd.

experience in a manner that can be verified due to Samwon's record-keeping ability. See *Antidumping Duty Review on Stainless Steel Sheet and Strip in Coils from Korea: Cost Verification Report of Samwon Precision Metals*, dated July 24, 2001, at 11–14. Therefore, Samwon's methodology possesses serious flaws which render ineffective the Department's ability to accurately conclude whether HM sales have been made below the cost of production based on the company's reporting of model-specific costs. The Department notes that, although the overall cost pool captures all costs related to production of subject merchandise, we were unable to adjust the reported CONNUM-specific costs due to the broad nature of the company's allocation methodology and the inaccuracies contained within the company's own production records. As a result, the CONNUM-specific costs of production reported in Samwon's response cannot serve as a reliable basis for reaching a preliminary results of review. Therefore, pursuant to section 776(a) of the Act, we have instead relied on partial facts available for Samwon for this preliminary results of review.

Although the reported CONNUM-specific costs are unusable, we found that the overall costs reported by Samwon were consistent with the data kept by the company in the normal course of business. Also, in the aggregate, we did not find any reason to suggest that the total reported costs did not accurately reflect the costs associated with all subject merchandise in its entirety. Therefore, in accordance with section 782(e)(3) of the Act, we have not "declined to use information submitted on the record by an interested party and is necessary to the determination but does not meet all of the applicable requirements established by the administering authority." Consequently, as partial facts available, we have calculated one weighted-average COP and compared all home-market prices to the single COP for the purposes of determining sales below cost. See *Notice of Final Determination of Sales at Less Than Fair Value: Hot-Rolled Carbon Quality Steel Products from the Russian Federation*, 64 FR 38626 (July 19, 1999). Additionally, for comparisons of EP to CV, the Department is likewise using a single CV. For further details, see the memorandum from Stephen Shin through Rick Johnson to the File, *Analysis for the Preliminary Results of Stainless Steel Sheet and Strip in Coils From Korea—Samwon Precision Metals*

Co., Ltd. ("Samwon") ("Analysis Memo: Samwon"), July 31, 2001. Given the considerable variation between models of a given product, the Department notes that the use of a single weighted-average COP most often leads to results which do not accurately reflect the costs incurred in a company's own production process for a particular model. However, in the case at hand, the Department notes that a preponderance of Samwon's production and HM sales quantity centers around a small number of models that do not differ significantly in terms of the physical characteristics which the Department considers as having the greatest impact on the overall costs of production of the merchandise. As these models constitute the preponderance of Samwon's overall production quantity, these models also constitute the preponderance of Samwon's overall cost pool. Since the Department weighted the average COP calculated in this review by production quantity, this single weighted-average COP in fact approximates the production costs for the models of stainless steel sheet and strip which Samwon primarily produces. Thus, the Department finds that using one weighted-average COP in this instance does not lead to a significantly distortive COP given the fact that a preponderance of Samwon's costs are incurred in the production of a small number of models. See *Analysis Memo: Samwon* at 4–6.

Notwithstanding the Department's decision to use Samwon's reported COP in this manner, this decision does not represent an endorsement by the Department of Samwon's methodology for reporting COP. As noted in the verification report and the explanation above, there are flaws in Samwon's methodology which render ineffective the Department's established methodology of calculating dumping margins. In particular, the Department is advising Samwon that the reporting methodology used in this review will be unacceptable for future segments of this proceeding. In future segments, Samwon risks the application of adverse facts available in the event that it fails to report COP data that is allocated sufficiently to unique CONNUMs in a manner that is verifiable.

Because the data used by the Department as the basis of facts available is the respondent's own data, it is not secondary information within the meaning of section 776(c) of the Act. Consequently, the statute does not require the Department to corroborate this information.

Export Price and Constructed Export Price

In accordance with section 772(a) of the Act, export price is the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection (c). In accordance with section 772(b) of the Act, constructed export price is the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections (c) and (d).

POSCO

For purposes of this review, POSCO has classified its sales as export price ("EP") sales. However, after an analysis of POSCO's information on the record, we preliminarily determine that all of POSCO's sales to the United States should be classified as constructed export price sales.

POSCO identified the following two channels of distribution for U.S. sales: (1) POSCO sales through Pohang Steel America Corp. ("POSAM"), POSCO's wholly owned U.S. subsidiary, to an unaffiliated customer in the United States, and (2) POSCO sales through POSCO Steel Sales & Services Co., Ltd. ("POSTEEL"), POSCO's affiliated trading company in Korea, to POSAM, and finally, to an unaffiliated customer in the United States. We based our calculation on CEP, in accordance with subsections 772(b), (c), and (d) of the Act, for those sales to the first unaffiliated purchaser that took place prior to importation into the United States.

As noted above, POSCO has indicated that all of its U.S. sales made through POSAM should be treated as EP sales. POSAM takes title to the subject merchandise and, when it sold the subject merchandise to the unaffiliated U.S. customer, POSAM issued an invoice to the U.S. customer. See POSCO's October 3, 2000 Section A response, at A–10 and Appendix A–6 and A–10. Based on this information on the record, and, in light of *AK Steel Corp. v. United States*, 226 F.3d 1361 (Fed. Cir. September 12, 2000), we preliminarily determine that all of

POSCO's sales have taken place in the United States. Therefore, we determine that all of POSCO's sales are appropriately classified as CEP sales.

We calculated CEP based on packed prices to unaffiliated purchasers in the United States. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight from the plant to the port of export, foreign brokerage and Korean customs clearance fees, international freight, marine insurance, U.S. customs duty, and U.S. brokerage and wharfage expenses (classified as other U.S. transportation expenses). Also, in accordance with section 772(c)(2)(A) of the Act, we deducted packing expenses because packing expenses are included in the constructed export price. In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (imputed credit expenses, postage and term credit expenses, and letter of credit and remittance expenses) and indirect selling expenses, including inventory carrying costs. For POSAM's indirect selling expenses, we adjusted POSCO's claimed imputed credit offset to include only the sum of imputed credit expenses reported for U.S. sales of subject merchandise. For CEP sales, we also made an adjustment for profit in accordance with section 772(d)(3) of the Act. Additionally, we added to the U.S. price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act.

DMC

DMC reported that it made all sales to the United States through its wholly-owned subsidiary in the United States, Ocean Metal Corporation ("OMC"). Consequently, it classified all of its U.S. sales as CEP sales. We calculated CEP based on packed prices to unaffiliated purchasers in the United States. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight from the plant to the port of export, foreign inland freight from the plant to the unaffiliated customer, foreign brokerage and Korean customs clearance fees, international freight, marine insurance, U.S. customs duty, and U.S. brokerage and wharfage expenses. Also, in accordance with section 772(c)(2)(A) of the Act, we deducted packing expenses because packing expenses are included in the constructed export price. In accordance with section 772(d)(1) of the Act, we

deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses and indirect selling expenses, including inventory carrying costs. For CEP sales, we also made an adjustment for profit in accordance with section 772(d)(3) of the Act. Additionally, we added to the U.S. price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act.

Samwon

For purposes of this review, Samwon has classified its sales as export price ("EP") sales. Based on the information on the record, we are using export price as defined in section 772(a) of the Act because the merchandise was sold, prior to importation, by Samwon to an unaffiliated purchaser for exportation to the United States, and constructed export price (CEP) methodology was not otherwise warranted based on the facts on the record. Samwon identified two channels of distribution for U.S. sales (sales to the U.S. through unaffiliated resellers and sales directly to unaffiliated U.S. customers) for its U.S. sales during the POR. We based EP on packed prices for export to the United States. We made deductions for inland freight (from Samwon's plant to the port of export), international freight, marine insurance, container handling fees, certification handling fees, and foreign brokerage and handling in accordance with section 772(c) of the Act. Additionally, we added to the U.S. price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act.

Normal Value

After testing home market viability and whether home market sales were at below-cost prices, we calculated NV as noted in the "Price-to-Price Comparisons" and "Price-to-Constructed Value ("CV") Comparison" sections of this notice.

Cost of Production ("COP") Analysis

POSCO

Because the Department determined that POSCO made sales in the home market at prices below the cost of producing the subject merchandise in the investigation and therefore excluded such sales from normal value (see, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils from the Republic of Korea*, 64 FR 30664, 30670 (June 8, 1999)), the Department determined that there are reasonable grounds to believe or suspect that POSCO made sales in the home market

at prices below the cost of producing the merchandise in this review. See section 773(b)(2)(A)(ii) of the Act. As a result, the Department initiated a cost of production inquiry to determine whether POSCO made home market sales during the POR at prices below their respective COP within the meaning of section 773(b) of the Act.

Samwon and DMC

Based on our examination of petitioners' allegation of sales below cost and our subsequent initiation of a sales below cost investigation, the Department required Samwon and DMC to submit Section D cost data to determine whether they made home market sales during the POR at prices below their respective COPs within the meaning of section 773(b) of the Act. See the Department's questionnaire to Samwon and DMC dated January 4, 2001 and March 2, 2001, respectively.

We conducted the COP analysis described below.

A. Calculation of COP

POSCO

In accordance with section 773(b)(3) of the Act, we calculated COP for POSCO, Samwon and DMC, based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for home market selling, general and administrative expenses ("SG&A"), interest expenses, and packing costs. We used home market sales and COP information provided by each company in its questionnaire responses, with the following exceptions, detailed in the proprietary version of the July 31, 2001 memorandum to Neal Halper, Director, Office of Accounting, *Cost of Production ("COP") and Constructed Value ("CV") Calculation Adjustments for the Preliminary Results of Pohang Iron & Steel Co., Ltd. ("POSCO")*:

1. POSCO purchased a major input from an affiliate and used the input's transfer prices in its calculation of COP and CV. For the preliminary results, we have increased the transfer price of these purchases to a market price in accordance with section 773(f)(2) and (3) of the Act.

2. In 1999, POSCO wrote off all of its deferred foreign exchange losses through retained earnings. POSCO originally capitalized these losses with the intention of recognizing the loss over time on its income statement. Subsequently, POSCO expensed these deferred losses directly to equity in 1999. Therefore, we adjusted POSCO's reported COP to include the entire

amount of the remaining deferred foreign exchange losses.

3. We adjusted POSCO's reported foreign exchange ratio to include gains and losses associated with cash and "other" accounts in the numerator.

Samwon

In accordance with section 773(b)(3) of the Act, as facts available, we calculated COP on a factory-wide basis on the sum of Samwon's cost of material and fabrication for the foreign like product, plus amounts for home market selling, general and administrative expenses ("SG&A"), including interest expenses, and packing costs. We used home market sales and COP information provided by Samwon in its questionnaire responses, with the following exceptions, detailed in the proprietary version of the memorandum from Stephen Shin to the file, *Analysis for the Preliminary Results of Stainless Steel Sheet and Strip in Coils from Korea—Samwon Precision Metals Co., Ltd.* ("Samwon"), July 31, 2001:

1. Samwon misclassified foreign exchange gain/loss, donation, foreign exchange valuation gain/loss, miscellaneous loss, service income, and gain on disposal of fixed assets as interest expenses which the Department normally considers G&A expenses. For the preliminary results, we have reclassified these expenses and recalculated Samwon's G&A and interest expense ratios.

2. We adjusted Samwon's reported G&A expense to include only foreign exchange gain/loss associated with the cost of materials used in the production of subject merchandise and to exclude all other types of foreign exchange gain/loss.

3. Since Samwon was unable to provide support for its claim of short-term interest income, we have adjusted Samwon's interest expense ratio to exclude interest income.

DMC

We made no changes to the submitted data for this administrative review.

B. Test of Home Market Prices

We compared the weighted-average COP from January 4, 1999, through June 30, 2000 ("cost reporting period") for POSCO, Samwon and DMC, adjusted where appropriate (see above), to its home market sales of the foreign like product as required under section 773(b) of the Act. 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.

C. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product within an extended period of time are at prices less than the COP, we do not disregard any below-cost sales of that product because the below-cost sales are not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product during the extended period are at prices less than the COP, we determine such sales to have been made in "substantial quantities." See section 773(b)(2)(C)(i) of the Act. The extended period of time for this analysis is the POR. See section 773(b)(2)(B) of the Act. Because each individual price was compared against the weighted average COP for the cost reporting period, any sales that were below cost were also at prices which did not permit cost recovery within a reasonable period of time. See section 773(b)(2)(D). We compared the COP for subject merchandise to the reported home market prices less any applicable movement charges. Based on this test, we disregarded below-cost sales from our analysis for POSCO, Samwon and DMC. Where all sales of a specific product were at prices below the COP, we disregarded all sales of that product.

D. Calculation of CV

In accordance with section 773(e)(1) of the Act, we calculated CV for POSCO, Samwon and DMC based on the sum of each company's cost of materials, fabrication, SG&A, including interest expenses, and profit. We calculated the COPs included in the calculation of CV as noted above in the "Calculation of COP" section of this notice. In accordance with section 773(e)(2)(A) of the Act, we based SG&A and profit on the amounts incurred and realized by each company in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country.

Price-to-Price Comparisons

POSCO

We based NV on the home market prices to unaffiliated purchasers and those affiliated customer sales which passed the arm's length test. We made adjustments, where applicable, for movement expenses (i.e., inland freight from plant to distribution warehouse, warehousing expense, and inland freight from either plant/distribution warehouse to customer) in accordance

with section 773(a)(6)(B) of the Act. We made circumstance-of-sale adjustments for credit, warranty expense and interest revenue, where appropriate. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs. Also, on certain sales, we added to NV an amount for duty drawback. We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

Samwon

We based NV on the home market prices to unaffiliated purchasers and those affiliated customers which passed the arm's length test. We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act. We made circumstance-of-sale adjustments or deductions for credit, warranty expense, and interest revenue, where appropriate. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs.

DMC

We based NV on the home market prices to unaffiliated purchasers and those affiliated customer sales which passed the arm's-length test. DMC reported that it incurred no freight expenses in the home market. Therefore, we made no adjustment for movement expenses in accordance with section 773(a)(6)(B) of the Act. We made a circumstance-of-sale adjustment for credit. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs. Also, on certain sales, we added to NV an amount for duty drawback. We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

Price-to-CV Comparisons

In accordance with section 773(a)(4) of the Act, we base NV on CV if we are unable to find contemporaneous home market sales of the foreign like product. Where applicable, we make adjustments to CV in accordance with section 773(a)(8) of the Act. We did not base NV upon CV for POSCO or Samwon for these preliminary results of review. However, for DMC, we based NV on CV when we were unable to find contemporaneous home market sales of the foreign like product.

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 CV, that of the sales from which we derive SG&A expenses and profit. For EP, the LOT is also the level of the starting-price sale, which is usually from the exporter to the importer. For CEP, it is the level of the constructed sale from the exporter to the affiliated importer.

To determine whether NV sales are at a different LOT than EP or CEP sales, we examine 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 comparison-market sales at the LOT of the export transaction, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the differences in the levels between NV and CEP sales affect price comparability, we adjust NV under section 773(A)(7)(B) of the Act (the CEP offset provision). See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Carbon Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997).

POSCO

In the present review, POSCO requested a LOT adjustment or a CEP offset if the Department determines that POSCO's sales through POSAM are CEP sales. (As noted above, we have preliminarily determined that all of POSCO's U.S. sales through POSAM are CEP sales.) To determine whether an adjustment was necessary, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and Korean markets, including the selling functions, classes of customer, and selling expenses.

In both the U.S. and home markets, POSCO reported one level of trade. See POSCO's August 14, 2000, Section A response, at A-11-12. POSCO sold through two channels of distribution in the home market: (1) Directly from its mill to unaffiliated end-users/OEM's and affiliated and unaffiliated service centers; and (2) through POSTEEL to unaffiliated end-users/OEM's and

unaffiliated service centers. POSCO sold through two channels of distribution in the U.S. market: (1) Through POSAM to unaffiliated trading companies; and (2) through POSTEEL to POSAM, and then to unaffiliated trading companies.

For sales in home market channel one, POSCO performed all sales-related activities, including arranging for freight and delivery; providing computerized accounting and sales systems; market research; warranty; sales negotiation; after-sales service; quality control; and extending credit. The same selling functions were performed in home market channel two; however, it was POSTEEL, not POSCO, which performed all the major selling functions. Because these selling functions are similar for both sales channels, we preliminarily determine that there is one LOT in the home market.

For U.S. sales through either channel one or two, POSCO or POSTEEL performed many of the same major selling functions, such as freight and delivery; market research; warranty; sales negotiation; after-sales service; and quality control. Because these selling functions are similar for both sales channels, we preliminarily determine that there is one LOT in the U.S. market.

Based on our analysis of the selling functions performed for sales in the home market and CEP sales in the U.S. market, we preliminarily determine that there is not a significant difference in the selling functions performed in the home market and U.S. market and that these sales are made at the same LOT. Therefore, we preliminarily determine that a LOT adjustment or CEP offset is not warranted in this case.

Samwon

In the present review, Samwon stated that a LOT adjustment was not applicable. (As noted above, we have preliminarily determined that all of Samwon's U.S. sales are EP sales.) To determine whether an adjustment is necessary, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and United States markets, including the selling functions, classes of customer, and selling expenses.

In both the home and U.S. market, Samwon reported two levels of trade. See Samwon's October 12, 2000 Section A response at A-9 and November 6, 2000 Section B&C response, at B-12. Samwon sold through two channels of distribution in each market: (1) Made-to-order sales directly to end-users and (2) made-to-order sales to resellers/traders.

For sales in the home market to either end-users or resellers/traders, Samwon arranged inland freight. Samwon reported that the company provided technical support through on-site visitation upon customer request regardless of channel of distribution. Samwon reported no other sales or warranty services. Because these selling functions are similar for both sales channels, we preliminarily determine that there is one LOT in the home market.

For U.S. sales, Samwon arranged inland freight, ocean freight, and insurance upon customer request. Samwon reported no other sales services or a warranty service. Because the selling functions are similar for both sales channels, we preliminarily determine that there is one LOT in the U.S. market.

Based on our analysis of the selling functions performed for sales in the home market and EP sales in the U.S. market, we preliminarily determine that, despite the additional selling function (*i.e.*, technical visits) offered to home market customers, there is no significant difference in the selling functions performed in the home market and U.S. market and that these sales are made at the same LOT. Therefore, we preliminarily determine that a LOT adjustment or CEP offset is not warranted in this case.

DMC

In the present review, DMC made no claims that a LOT adjustment was appropriate. (As noted above, we have preliminarily determined that all of DMC's U.S. sales CEP are sales.) To determine whether an adjustment is necessary, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and home markets, including the selling functions, classes of customer, and selling expenses.

For sales in the home market to either end-users or distributors, DMC's selling activities in the home market consisted of receiving and processing customers' orders, arranging freight and delivery for small customers, delivery services for customers purchasing large quantities, inventory maintenance for small distributors, and warranty services. Because DMC's selling activities did not vary by channels of distribution, we preliminarily determine that there is one LOT in the home market.

In the U.S. market, DMC sold all of its merchandise through its U.S. subsidiary, OMC. Consequently, DMC claimed that OMC performed the requisite selling activities and that it did

not perform any selling activities such as the negotiation of sales terms, maintenance and collection of accounts receivable, and evaluation of customer credit, importation of subject merchandise and delivery of the merchandise to the unaffiliated customer. For the U.S. market, DMC's selling functions are limited to freight and delivery arrangements, which do not vary by customer type. Therefore, we preliminarily determine that there is one LOT in the U.S. market and that it is at a different level of trade than the comparison market.

We attempted to examine whether the difference in LOTs affects price comparability. However, we were unable to quantify the LOT adjustment in accordance with section 773(a)(7)(A) of the Act, as we found that there is only one LOT in the home market. Because of this, we were unable to calculate a LOT adjustment. Therefore, because the NV is established at a more advanced level of trade than the LOT of the CEP transactions, we adjusted NV under section 773(a)(7)(B) of the Act (the CEP offset provision).

Currency Conversion

For purposes of the preliminary results, we made currency conversions in accordance with section 773A of the Act, based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank of New York. Section 773A(a) of the Act directs the Department to use the daily exchange rate in effect on the date of sale in order to convert foreign currencies into U.S. dollars, unless the daily rate involves a "fluctuation." In accordance with the Department's practice, we have determined as a general matter that a fluctuation exists when the daily exchange rate differs from a benchmark by 2.25 percent. *See, e.g., Certain Stainless Steel Wire Rods from France; Preliminary Results of Antidumping Duty Administrative Review*, 61 FR 8915, 8918 (March 6, 1998), and Policy Bulletin 96-1: Currency Conversions, 61 FR 9434 (March 8, 1996). The benchmark is defined as the rolling average of rates for the past 40 business days. When we determine a fluctuation exists, we substitute the benchmark for the daily rate.

Preliminary Results of Review

As a result of our review, we preliminarily determine that the following weighted-average dumping margin exists for the period January 4, 1999 through June 30, 2000:

STAINLESS STEEL SHEET AND STRIP IN COILS FROM KOREA

Manufacturer/exporter/reseller	Margin (percent)
POSCO	0.00
Samwon	7.88
DMC	2.96

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties to this proceeding in accordance with 19 CFR 351.224(b). An interested party may request a hearing within 30 days of publication of these preliminary results. *See* 19 CFR 351.310(c). Any hearing, if requested, will be held 37 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 35 days after the date of publication. Furthermore, we would appreciate it if parties submitting written comments also provide the Department with an additional copy of those comments on diskette. 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.

Assessment

Upon issuance of the final results of this review, the Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b), we have calculated exporter/importer-specific assessment rates. We divided the total dumping margins for the reviewed sales by the total entered value of those reviewed sales for each importer. We will direct the U.S. Customs Service to assess the resulting percentage margin against the entered customs values for the subject merchandise on each of that importer's entries under the relevant order during the review period. Upon completion of this review, the Department will issue appraisal instructions directly to the Customs Service.

Cash Deposit

The following cash deposit requirements will be effective upon publication of these final results for all shipments of the subject merchandise

entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results of administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate listed above (except that if the rate for a particular product is *de minimis*, *i.e.*, less than 0.5 percent, a cash deposit rate of zero will be required for that company); (2) for previously investigated companies not listed above, the cash deposit rate 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 review, a prior 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) the cash deposit rate for all other manufacturers or exporters will continue to be the "all others" rate of 12.12 percent, which is the all others rate established in the LTFV investigation. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification to Interested Parties

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) 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 the antidumping duties occurred and the subsequent assessment of double antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305, that continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: July 31, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 01-19783 Filed 8-7-01; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-427-814]

Preliminary Results of Antidumping Administrative Review: Stainless Steel Sheet and Strip in Coils From France

AGENCY: Import Administration, International Trade Administration, U.S. Department of Commerce.

ACTION: Notice of preliminary results in the antidumping duty administrative review of stainless steel sheet and strip in coils from France.

SUMMARY: In response to a request from Ugine S.A. ("Ugine"), the U.S. Department of Commerce ("Department") is conducting an administrative review of the antidumping duty order on stainless steel sheet and strip ("SSSS") from France for the period January 4, 1999 through June 30, 2000. The Department preliminarily determines that a dumping margin exists for Ugine's sales of SSSS in the United States. If these preliminary results are adopted in our final results of this administrative review, we will instruct the U.S. Customs Service to assess antidumping duties on entries of Ugine's merchandise during the period of review. The preliminary results are listed in the section titled "Preliminary Results of Review," infra.

EFFECTIVE DATE: August 8, 2001.

FOR FURTHER INFORMATION CONTACT:

Robert Bolling or James Doyle, Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Washington, DC 20230; telephone: 202-482-3434, or 202-482-0159, respectively.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("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 ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR Part 351 (2001).

Background

On July 27, 1999, the Department published in the **Federal Register** the amended antidumping duty order on SSSS from France. *See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils from France*, 64 FR 40562 (July 27, 1999). On July 20, 2000, the Department published in the **Federal Register** a notice of "Opportunity to Request Administrative Review" of this antidumping duty order on stainless steel sheet and strip in coils from France for the period January 4, 1999 through June 30, 2000. *See Opportunity to Request Administrative Review* 65 FR 45035 (July 20, 2000). On July 28, 2000, Ugine, a French producer and exporter of subject merchandise, requested that the Department conduct a review of its sales of the Department's antidumping duty order on SSSS from France. On September 6, 2000, in accordance with section 751(a) of the Act, the Department published in the **Federal Register** a notice of initiation of this antidumping duty administrative review for the period January 4, 1999 through June 30, 2000. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 65 FR 53980 (September 6, 2000).

On October 16, 2000, Ugine reported that it made sales of subject merchandise to the United States during the period of review in its response to Section A of the Department's questionnaire. On November 7, 2000, Ugine submitted its responses to Sections B, C, D, and E of the Department's questionnaire. On December 21, 2000, the Department issued a supplemental questionnaire for Sections A and B of Ugine's questionnaire response. On January 5, 2001, the Department issued a supplemental questionnaire for Section C of Ugine's questionnaire response. On January 25, 2001, the Department published an extension of time limit for the preliminary results of the antidumping duty administrative review. *See Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review of Stainless Steel Sheet and Strip in Coil from France*, 66 FR 7738 (January 25, 2001). On January 26, 2001, the Department issued a supplemental questionnaire for Sections D and E of Ugine's questionnaire response. On January 29, 2001, February 9, 2001, and February 23, 2001, Ugine submitted its response to the Department's first set of supplemental questionnaires. On March

29, 2001, the Department issued its second supplemental questionnaire for Sections A through E of Ugine's supplemental response. On April 13, 2001, Ugine submitted its response to the second supplemental questionnaire. On June 19, 2001, the Department published an extension of time limit for the preliminary results of the antidumping duty administrative review. *See Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review of Stainless Steel Sheet and Strip in Coil from France*, 66 FR 32936 (June 19, 2001).

Scope of Review

For purposes of this administrative review, the products covered are certain stainless steel sheet and strip in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product in coils that is greater than 9.5 mm in width and less than 4.75 mm in thickness, and that is annealed or otherwise heat treated and pickled or otherwise descaled. The subject sheet and strip may also be further processed (e.g., cold-rolled, polished, aluminized, coated, etc.) provided that it maintains the specific dimensions of sheet and strip following such processing.

The merchandise subject to this order is currently classifiable in the Harmonized Tariff Schedule of the United States ("HTS") at subheadings: 7219.13.0031, 7219.13.0051, 7219.13.0071, 7219.1300.81,¹ 7219.14.0030, 7219.14.0065, 7219.14.0090, 7219.32.0005, 7219.32.0020, 7219.32.0025, 7219.32.0035, 7219.32.0036, 7219.32.0038, 7219.32.0042, 7219.32.0044, 7219.33.0005, 7219.33.0020, 7219.33.0025, 7219.33.0035, 7219.33.0036, 7219.33.0038, 7219.33.0042, 7219.33.0044, 7219.34.0005, 7219.34.0020, 7219.34.0025, 7219.34.0030, 7219.34.0035, 7219.35.0005, 7219.35.0015, 7219.35.0030, 7219.35.0035, 7219.90.0010, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6010, 7220.20.6015,

¹ Due to changes to the HTS numbers in 2001, 7219.13.0030, 7219.13.0050, 7219.13.0070, and 7219.13.0080 are now 7219.13.0031, 7219.13.0051, 7219.13.0071, and 7219.13.0081, respectively.