

Import Administration, Room B-099, within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed.

#### Assessment Rates

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 appraisement instructions directly to the Customs Service. If these preliminary results are adopted in our final results, we will instruct the Customs Service to liquidate all entries subject to this review without regard to antidumping duties.

If these preliminary results are not adopted in the final results, we will instruct the Customs Service to assess antidumping duties on all appropriate entries covered by this review if any importer-specific assessment rates calculated in the final results of this review are above *de minimis* (i.e., at or above 0.5 percent). For assessment purposes, we intend to calculate importer-specific assessment rates for the subject merchandise by aggregating the antidumping duty margins calculated for all U.S. sales examined and dividing the amount by the total entered value of the sales examined.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) the cash deposit rate for the reviewed company (MAN Roland) will be that established in the final results of this review, except if the rate is less than 0.50 percent, and therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously reviewed or 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 30.72

percent, the "All Others" rate made effective by the LTFV investigation. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

#### Notification to Importers

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 antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are published in accordance with section 751(a)(1) of the Act and 19 CFR 351.221.

Dated: October 1, 2001.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

A-588-837

#### Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, From Japan: Preliminary Determination To Rescind the Administrative Review, in Part, To Revoke the Order, in Part, and Results of Antidumping Duty Administrative Review

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

**ACTION:** Notice of preliminary determination to rescind the administrative review, in part, to revoke to order, in part and results of antidumping duty administrative review.

**SUMMARY:** In response to a request by the petitioner and one producer/exporter of the subject merchandise, the Department of Commerce is conducting an administrative review of the antidumping duty order on large newspaper printing presses and components thereof, whether assembled or unassembled, from Japan. This review covers two manufacturers/exporters of the subject merchandise to the United States (Mitsubishi Heavy

Industries, Ltd. and Tokyo Kikai Seisakusho, Ltd.). The period of review is September 1, 1999 through August 31, 2000.

We have preliminarily found that no sales of subject merchandise by Tokyo Kikai Seisakusho, Ltd. have been made below normal value. If these preliminary results are adopted in our final results of administrative review, we will instruct the Customs Service not to assess antidumping duties on entries of the subject merchandise exported by Tokyo Kikai Seisakusho, Ltd. covered by this review. Furthermore, if these preliminary results are adopted in our final results of this administrative review, we intend to revoke the antidumping duty order with respect to Tokyo Kikai Seisakusho, Ltd., based on three consecutive review periods of sales at not less than normal value (see 19 CFR 351.222(b)(i)). See *Intent to Revoke* section of this notice. We also have preliminarily determined that the review of Mitsubishi Heavy Industries, Ltd. should be rescinded.

**EFFECTIVE DATE:** October 9, 2001.

#### FOR FURTHER INFORMATION CONTACT:

David J. Goldberger or Kate Johnson, AD/CVD Enforcement Group I, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4136 or (202) 482-4929, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Period of Review

The period of review (POR) is September 1, 1999 through August 31, 2000.

##### The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations are to 19 CFR part 351 (2000).

##### Background

During the previous administrative review period, covering sales of the subject merchandise for the period September 1, 1998 through August 31, 1999, Tokyo Kikai Seisakusho, Ltd. (TKS) requested that it defer reporting a sale to Dow Jones & Company (Dow Jones) until the next administrative review because, although TKS entered into a Large Newspaper Printing Presses

(LNPP) sales contract with Dow Jones during the POR, the entries relating to this sale would not have been fully delivered and installed by the conclusion of the POR. See TKS's letter to the Department dated December 14, 1999. On December 21, 1999, we notified TKS that it may report data on the Dow Jones sale after it is completed, during the next administrative review (1999–2000 review).

On September 20, 2000, the Department published in the **Federal Register** a notice advising of the opportunity to request an administrative review of this order for the period September 1, 1999, through August 31, 2000 (65 FR 56868).

On September 22, 2000, in accordance with 19 CFR 351.213(b), we received a request for a review and revocation of the antidumping duty order from TKS. On September 29, 2000, the petitioner, Goss Graphic Systems, Inc., requested an administrative review of the antidumping duty order for the following producers/exporters of LNPP: Mitsubishi Heavy Industries, Ltd. (MHI) and TKS. The petitioner also requested that the Department determine whether antidumping duties have been absorbed by MHI and TKS. On September 7, 2001, the Department requested proof that unaffiliated purchasers will ultimately pay the antidumping duties to be assessed on entries during the review period. See discussion in the "Duty Absorption section," below.

We published a notice of initiation of this review on October 30, 2000. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews, Requests for Revocation in Part, and Deferral of Administrative Reviews*, 65 FR 64662.

On October 25, 2000, we issued antidumping questionnaires to the two respondents. On December 11, 2000, MHI notified the Department that it had not made any U.S. sales or entries of subject merchandise during the POR. See the "Partial Rescission of Administrative Review" section of the notice below. The Department received a response to the questionnaire from TKS in January and February 2001.

On March 22, 2001, the Department extended the time limit for the preliminary results in this review until October 1, 2001. See *Large Newspaper Printing Presses, and Components Thereof, from Germany and Japan: Notice of Extension of Time Limits for Antidumping Duty Administrative Reviews*, 66 FR 16040.

We issued supplemental questionnaires to TKS in May and June 2001, and received responses to these questionnaires in June 2001. TKS

submitted updates and revisions to its responses in August 2001, as well as a post-verification submission in September 2001.

Pursuant to section 782(i)(2) and (3) of the Act, we conducted verification of TKS's sales and cost responses in Japan in August 2001. The verification report will be issued following the issuance of these preliminary results.

#### Scope of the Order

The products covered by the order are large newspaper printing presses, including press systems, press additions, and press components, whether assembled or unassembled, whether complete or incomplete, that are capable of printing or otherwise manipulating a roll of paper more than two pages across. A page is defined as a newspaper broadsheet page in which the lines of type are printed perpendicular to the running of the direction of the paper or a newspaper tabloid page with lines of type parallel to the running of the direction of the paper.

In addition to press systems, the scope of the order includes the five press system components. They are: (1) A printing unit, which is any component that prints in monochrome, spot color, and/or process (full) color; (2) a reel tension paster, which is any component that feeds a roll of paper more than two newspaper broadsheet pages in width into a subject printing unit; (3) a folder, which is a module or combination of modules capable of cutting, folding, and/or delivering the paper from a roll or rolls of newspaper broadsheet paper more than two pages in width into a newspaper format; (4) conveyance and access apparatus capable of manipulating a roll of paper more than two newspaper broadsheet pages across through the production process and which provides structural support and access; and (5) a computerized control system, which is any computer equipment and/or software designed specifically to control, monitor, adjust, and coordinate the functions and operations of large newspaper printing presses or press components.

A press addition is comprised of a union of one or more of the press components defined above and the equipment necessary to integrate such components into an existing press system.

Because of their size, large newspaper printing press systems, press additions, and press components are typically shipped either partially assembled or unassembled, complete or incomplete, and are assembled and/or completed

prior to and/or during the installation process in the United States. Any of the five components, or collection of components, the use of which is to fulfill a contract for large newspaper printing press systems, press additions, or press components, regardless of degree of assembly and/or degree of combination with non-subject elements before or after importation, is included in the scope of this order. Also included in the scope are elements of a LNPP system, addition, or component, which taken altogether, constitute at least 50 percent of the cost of manufacture of any of the five major LNPP components of which they are a part.

For purposes of the order, the following definitions apply irrespective of any different definition that may be found in Customs rulings, U.S. Customs law or the *Harmonized Tariff Schedule of the United States* (HTSUS): (1) the term "unassembled" means fully or partially unassembled or disassembled; and (2) the term "incomplete" means lacking one or more elements with which the LNPP is intended to be equipped in order to fulfill a contract for a LNPP system, addition or component.

This scope does not cover spare or replacement parts. Spare or replacement parts imported pursuant to a LNPP contract, which are not integral to the original start-up and operation of the LNPP, and are separately identified and valued in a LNPP contract, whether or not shipped in combination with covered merchandise, are excluded from the scope of this order. Used presses are also not subject to this scope. Used presses are those that have been previously sold in an arm's-length transaction to a purchaser that used them to produce newspapers in the ordinary course of business.

Also excluded from the scope, in accordance with the Department's determination in a changed-circumstances antidumping duty administrative review of the order which resulted in the partial revocation of the order with respect to certain merchandise, are elements and components of LNPP systems, and additions thereto, which feature a 22 inch cut-off, 50 inch web width and a rated speed no greater than 75,000 copies per hour. See *Large Newspaper Printing Presses Components Thereof, Whether Assembled or Unassembled, from Japan: Final Results of Changed Circumstances Antidumping Duty Administrative Review and Intent to Revoke Antidumping Duty Order, In Part*, 64 FR 72315 (Dec. 27, 1999). In addition to the specifications set out in this paragraph, all of which must be met in order for the product to be excluded

from the scope of the order, the product must also meet all of the specifications detailed in the five numbered sections following this paragraph. If one or more of these criteria is not fulfilled, the product is not excluded from the scope of the order.

1. *Printing Unit:* A printing unit which is a color keyless blanket-to-blanket tower unit with a fixed gain infeed and fixed gain outfeed, with a rated speed no greater than 75,000 copies per hour, which includes the following features:

- Each tower consisting of four levels, one or more of which must be populated.
- Plate cylinders which contain slot lock-ups and blanket cylinders which contain reel rod lock-ups both of which are of solid carbon steel with nickel plating and with bearers at both ends which are configured in-line with bearers of other cylinders.
- Keyless inking system which consists of a passive feed ink delivery system, an eight roller ink train, and a non-anilox and non-porous metering roller.
- The dampener system which consists of a two nozzle per page spraybar and two roller dampener with one chrome drum and one form roller.
- The equipment contained in the color keyless ink delivery system is designed to achieve a constant, uniform feed of ink film across the cylinder without ink keys. This system requires use of keyless ink which accepts greater water content.

2. *Folder:* A module which is a double 3:2 rotary folder with 160 pages collect capability and double (over and under) delivery, with a cut-off length of 22 inches. The upper section consists of three-high double formers (total of 6) with six sets of nipping rollers.

3. *RTP:* A component which is of the two-arm design with core drives and core brakes, designed for 50 inch diameter rolls; and arranged in the press line in the back-to-back configuration (left and right hand load pairs).

4. *Conveyance and Access Apparatus:* Conveyance and access apparatus capable of manipulating a roll of paper more than two newspaper broadsheets across through the production process, and a drive system which is of conventional shafted design.

5. *Computerized Control System:* A computerized control system, which is any computer equipment and/or software designed specifically to control, monitor, adjust, and coordinate the functions and operations of large newspaper printing presses or press components.

Further, this order covers all current and future printing technologies capable of printing newspapers, including, but not limited to, lithographic (offset or direct), flexographic, and letterpress systems. The products covered by this order are imported into the United States under subheadings 8443.11.10, 8443.11.50, 8443.30.00, 8443.59.50, 8443.60.00, and 8443.90.50 of the HTSUS. Large newspaper printing presses may also enter under HTSUS subheadings 8443.21.00 and 8443.40.00. Large newspaper printing press computerized control systems may enter under HTSUS subheadings 8471.49.10, 8471.49.21, 8471.49.26, 8471.50.40, 8471.50.80, and 8537.10.90. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

#### Partial Rescission of Administrative Review

MHI notified the Department that it had not made any U.S. sales or entries of subject merchandise during the POR. Based on Customs Service information obtained to date, we find no indication of entries of subject merchandise by MHI. See Memorandum to the File dated September 28, 2001.

Therefore, consistent with the Department's practice, we preliminarily determine to rescind this review with respect to MHI. See *Stainless Steel Bar From India: Preliminary Results of Antidumping Duty Administrative Review and New Shipper Review, and Partial Rescission of Administrative Review*, 65 FR 12209 (March 8, 2000); *Persulfates From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, and Partial Rescission of Administrative Review*, 65 FR 18963 (Apr. 10, 2000).

#### Duty Absorption

On September 29, 2000, the petitioner requested that the Department determine whether antidumping duties had been absorbed during the POR. Section 751(a)(4) of the Act provides for the Department, if requested, to determine during an administrative review initiated two or four years after the publication of the order, 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. In this case, TKS sold to the United States through an importer that is affiliated within the meaning of section 771(33) of the Act.

Because this review was initiated four years after the publication of the

antidumping duty order, we will make a duty absorption determination in this segment of the proceeding.

On September 7, 2001, the Department requested proof that unaffiliated purchasers will ultimately pay the antidumping duties to be assessed on entries during the review period. On September 17, 2001, TKS responded to the Department's request stating that it has not entered into any written agreement with its U.S. customers whereby the customer would agree to pay any antidumping duties. As we have found preliminarily that there is no dumping margin for TKS with respect to its U.S. sales under this review, we find preliminarily that there is no duty absorption.

#### Fair Value Comparisons

To determine whether TKS's sales of LNPPs to the United States were made at less than normal value, we compared constructed export price (CEP) to the normal value, as described in the "Constructed Export Price" and "Normal Value" sections of this notice.

Although TKS's home market was viable, in accordance with section 773 of the Act and our past practice in this proceeding and in the companion proceeding involving Germany, we based normal value on constructed value because we determined that, even though the general product characteristics of LNPP systems are comparable enough for them to be considered a foreign like product, the physical differences in the sub-component specifications between LNPPs sold in the United States and the home market are so great that meaningful price-to-price comparisons cannot be made. See *Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Japan: Preliminary Results of Antidumping Duty Administrative Reviews*, 65 FR 62700, 62702 (October 19, 2000) (*1998-1999 Preliminary Results*), followed in *Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Japan: Final Results of Antidumping Duty Administrative Review*, 66 FR 11555 (February 26, 2001) (*1998-1999 Final Results*); and *Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Germany: Preliminary Results and Rescission in Part of Antidumping Duty Administrative Reviews and Final Determinations of Scope Inquiries*, 65 FR 62695, 62697 (October 19, 2000), followed in *Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled,*

from Germany: Final Results of Antidumping Duty Administrative Review, 66 FR 11557 (February 26, 2001).

### Constructed Export Price

We based the U.S. price on CEP, in accordance with sections 772(b), (c), and (d) of the Act, because the sales contracts were executed by TKS's affiliated sales agent in the United States.

We calculated CEP based on the packed, installed price to unaffiliated customers in the United States. We made deductions from the starting price, where appropriate, for foreign inland freight to port in Japan, foreign brokerage and handling, international freight expenses, freight and marine insurance, U.S. Customs duty, U.S. brokerage and handling, and unloading expenses, in accordance with section 772(c)(2)(A) of the Act.

We made additional deductions from CEP, where appropriate, for warranty, imputed credit, direct training expenses, testing expenses, other technical service expenses, and U.S. indirect selling expenses incurred by TKS and its U.S. affiliate associated with economic activity occurring in the United States, in accordance with section 772(d)(1) of the Act.

TKS reported warranty expenses based on actual warranty expenses incurred through August 2001. These expenses reflect services under TKS's standard warranty. However, TKS occasionally provides additional warranty coverage based on design or fabrication errors, as noted, for example, on page 25 of TKS's June 29, 2001, supplemental Section C questionnaire response. Such expenses are not included in the actual warranty expenses reported to the Department, but are reflected in the historical warranty expense information reported at Exhibit C-18 of the February 9, 2001, Section C response. Therefore, in order to estimate the warranty expense incurred on the sale of the subject merchandise, it is necessary to add both the actual warranty expense and the historical warranty experience. Accordingly, we have deducted from the CEP an additional amount, based on the historical warranty experience, to reflect the additional, post-warranty period expense.

As in prior segments of this proceeding, we calculated an imputed credit expense by multiplying an interest rate by the net balance of production costs incurred, and progress payments made, during the construction period. In accordance with the revised methodology discussed at Comments 7

and 8 to the Decision Memorandum in the 1998-1999 Final Results, we used the Japanese yen short-term interest rate for the production period, and the U.S. dollar short-term interest rate for the post-production imputed credit portion. TKS used the contract acceptance date to mark the end of the production period, rather than the installation date as requested in our supplemental questionnaire. For purposes of the preliminary results, we have accepted the imputed credit calculation using the contract acceptance date. However, we may consider this part of the methodology further in our final results.

In addition, we deducted the cost of any further manufacturing or assembly expenses in accordance with section 772(d)(2) of the Act. Pursuant to section 772(d)(3) of the Act, we further reduced the starting price by an amount for profit, to arrive at CEP. In accordance with section 772(e) of the Act, we calculated the CEP profit rate using the expenses incurred by TKS and its affiliate on their sales of the subject merchandise in the United States and the foreign like product in the home market and the profit associated with those sales.

### Normal Value

As noted above under the "Fair Value Comparisons" section of this notice, we based normal value on constructed value in accordance with section 773 of the Act because we determined that the unique, custom-built nature of each LNPP sold does not permit proper price-to-price comparisons, even though the home market was viable for TKS.

### Cost of Production Analysis and Constructed Value

Pursuant to section 773(b)(2)(A)(ii) of the Act, there are reasonable grounds to believe or suspect TKS made sales in the home market at prices below its cost of production (COP) in this review because the Department disregarded certain sales made by TKS during the less-than-fair-value (LTFV) investigation and during the previous administrative reviews pursuant to a finding that sales failed the cost test. See 1998-1999 Final Results. As a result, the Department initiated an investigation to determine whether TKS made home market sales during the POR at prices below the COP within the meaning of section 773(b) of the Act.

We calculated the COP based on the sum of TKS's cost of materials and fabrication for the foreign like product, plus amounts for general and administrative (G&A) and financial expenses, in accordance with section 773(b)(3) of the Act.

We compared the COP figures to home market prices 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 the COP. On a contract-specific basis, we compared the COP to home market prices, less any applicable movement charges, direct and indirect selling expenses, and packing expenses. As discussed above under "Constructed Export Price," TKS's reported warranty expenses included only actual warranty expenses incurred through August 2001, and did not include post-warranty period expenses that may occur. Accordingly, we have deducted an additional amount from the home market price based on the historical warranty expense reported in the response to estimate the post-warranty period expenses. We also deducted payments for non-subject merchandise included in the contract price for certain sales.

In determining whether to disregard home market sales made at prices below the COP, we examined whether such sales were made: (1) In substantial quantities within an extended period of time; and (2) at prices which permitted the recovery of all costs within a reasonable period of time in the normal course of trade. See section 773(b)(1) of the Act.

The results of our cost test for TKS indicated that certain home market sales were at prices below COP within an extended period of time, were made in substantial quantities, and would not permit the full recovery of all costs within a reasonable period of time. In accordance with section 773(b)(1) of the Act, we therefore excluded the below-cost sales from our analysis and used the remaining sales as the basis for determining selling expenses and profit. In accordance with section 773(e) of the Act, we calculated constructed value based on the sum of TKS's cost of materials, fabrication, selling, general and administrative (SG&A) expenses and U.S. packing costs. In accordance with section 773(e)(2)(A), we based SG&A expenses and profit on the amounts incurred and realized by TKS in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country.

We relied on TKS's reported COP and constructed value amounts except for G&A, where we applied a revised rate, based on information developed at verification and submitted for the record by TKS on September 10, 2001, at Tab C.

### CEP to Constructed Value Comparisons

For CEP to constructed value comparisons, where appropriate, we deducted imputed credit, in accordance with sections 773(a)(6)(C)(iii) and 773(a)(8) of the Act. We calculated imputed credit for constructed value purposes in accordance with the methodology explained in the "Constructed Export Price" section of this notice.

We also made a CEP offset adjustment to normal value, as explained below, in accordance with section 773(a)(7)(B) of the Act, by deducting the home market indirect selling expenses up to the amount of indirect selling expenses incurred on U.S. sales.

### Level of Trade and CEP Offset

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate normal value based on sales at the same level of trade (LOT) as the export price or CEP transaction. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent). See 19 CFR 351.412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. See, *id.*; see also *Notice of Final Determination of Sales of Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731, 61732 (November 19, 1997) (*Steel Plate*). In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the "chain of distribution"),<sup>1</sup> including selling functions, class of customer (customer category), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying LOTs for export and comparison market sales (*i.e.*, normal value based on either home market or third country prices<sup>2</sup>), we consider the starting prices before any adjustments. For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses

<sup>1</sup> The marketing process in the United States and comparison markets begins with the producer and extends to the sale to the final user or consumer. The chain of distribution between the two may have many or few links, and the respondents' sales occur somewhere along this chain. In performing this evaluation, we considered the narrative responses of the respondent to properly determine where in the chain of distribution the sale occurs.

<sup>2</sup> Where normal value is based on constructed value, we determine the normal value LOT based on the LOT of the sales from which we derive selling expenses, G&A and profit for constructed value, where possible.

and profit under section 772(d) of the Act. See *Micron Technology, Inc. v. United States*, 243 F. 3d 1301, 1314–1315 (Fed. Cir. 2001).

When the Department is unable to match sales of the foreign like product in the comparison market at the same LOT as the export price or CEP, the Department may compare the U.S. sale to sales at a different LOT in the comparison market. In comparing export price or CEP sales at a different LOT in the comparison market, where available data make it practicable, we make a LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if a normal value LOT is more remote from the factory than the CEP LOT and we are unable to make a LOT adjustment, the Department shall grant a CEP offset, as provided in section 773(a)(7)(B) of the Act. See *Steel Plate*, 62 FR at 61731, 61732.

TKS claims that it made home market sales at only one level of trade (*i.e.*, direct sales to end users), which is more advanced than the level of trade in the U.S. market (*i.e.*, CEP sales to the U.S. affiliate). According to TKS, the level of trade in the home market is not comparable to the CEP level of trade because the majority of the selling functions with respect to its home market sales were performed by TKS in Japan at a more advanced level of trade than those selling functions relating to its U.S. sales, which are generally performed by its U.S. affiliate. TKS claims that the selling functions between the two markets differ even further once the applicable selling expenses are deducted from the CEP starting price. Therefore, TKS requested that the Department grant it a CEP offset under section 773(a)(7)(B) of the Act.

In order to determine whether normal value was established at a different LOT than CEP sales, we examined stages in the marketing process and selling functions along the chain of distribution between the respondent and its home market customers. We compared the selling functions performed for home market sales with those performed with respect to the CEP transactions, exclusive of economic activities occurring in the United States, pursuant to section 772(d) of the Act, to determine if the home market level of trade constituted a different and more advanced stage of distribution than the CEP level of trade.

TKS reported that it sold through one channel of distribution in the home market, and through a different channel in the United States. In Japan, TKS sold subject merchandise directly to unaffiliated customers, while in the United States, TKS sold the subject

merchandise through its affiliate TKS (U.S.A.), who then sold the subject merchandise directly to unaffiliated purchasers.

We compared the selling functions and the level of activity in each distribution channel and found that several of the functions performed in the comparison market either were not performed in connection with the U.S. sale at the export level of trade, or were performed at a significantly lower level of activity on the part of TKS.

Moreover, as we have determined that installation expenses incurred on the U.S. sales should be treated as further manufacturing expenses, the CEP after deduction for all expenses under section 772(d) of the Act reflects an uninstalled LNPP. Supporting this contention is the fact that many of the same selling functions that are performed at the comparison market level of trade are performed not at the export level of trade, but by TKS's U.S. affiliate. Based on this analysis, we conclude that the comparison market and U.S. channels of distribution and the sales functions associated with each are sufficiently different so as to constitute two different levels of trade, and we find that the comparison market sales are made at a more advanced level of trade than are CEP sales. Because TKS made sales in the home market at only one level of trade, the difference in the level of trade cannot be quantified. Further, we do not have information which would allow us to examine pricing patterns based on TKS's sales of other products, and there are no other respondents or other record information on which such an analysis could be based. Accordingly, because the data available do not form an appropriate basis for making a level of trade adjustment, but the level of trade in the home market is at a more advanced stage of distribution than the level of trade of the CEP, we have made a CEP offset to normal value in accordance with section 773(a)(7)(B) of the Act.

### Currency Conversion

We made currency conversions, in accordance with section 773A(a) of the Act, based 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.

### Intent To Revoke

On September 22, 2000, TKS requested that, pursuant to 19 CFR 351.222(b), the Department revoke the antidumping duty order in the above-referenced proceeding with respect to TKS at the conclusion of this administrative review. TKS submitted

along with its revocation request a certification stating that: (1) The company sold subject merchandise at not less than normal value during the POR, and that in the future it would not sell such merchandise at less than normal value (*see* 19 CFR 351.222(e)(1)(i)); (2) the company has sold the subject merchandise to the United States in commercial quantities during each of the past three years (*see* 19 CFR 351.222(e)(1)(ii)); and (3) the company agrees to immediate reinstatement of the order, if the Department concludes that the company, subsequent to revocation, sold the subject merchandise at less than normal value (*see* 19 CFR 351.222(e)(1)(iii)).

The Department "may revoke, in whole or in part" an antidumping duty order upon completion of a review under section 751 of the Act. While Congress has not specified the procedures that the Department must follow in revoking an order, the Department has developed a procedure for revocation that is described in 19 CFR 351.222. This regulation requires, *inter alia*, that a company requesting revocation must submit the following: (1) A certification that the company has sold the subject merchandise at not less than normal value in the current review period and that the company will not sell at less than normal value in the future; (2) a certification that the company sold the subject merchandise in each of the three years forming the basis of the request in commercial quantities; and (3) an agreement to reinstatement of the order if the Department concludes that the company, subsequent to the revocation, sold subject merchandise at less than normal value. (*See* 19 CFR 351.222(e)(1).) Upon receipt of such a request, the Department may revoke an order, in part, if it concludes that: (1) The company in question has sold subject merchandise at not less than normal value for a period of at least three consecutive years; (2) the company has agreed to immediate reinstatement of the order if the Department concludes that the company, subsequent to the revocation, sold subject merchandise at less than normal value, and (3) the continued application of the antidumping duty order is not otherwise necessary to offset dumping. *See* 19 CFR 351.222(b)(2). *See also Professional Electric Cutting Tools From Japan: Final Results of the Fifth Antidumping Duty Administrative Review and Revocation of the Antidumping Duty Order, in Part*, 64 FR 71411 (December 21, 1999); and

*Final Results of Antidumping Duty Administrative Review and Determination Not To Revoke Order in Part: Pure Magnesium from Canada*, 64 FR 12977, 12982 (March 16, 1999).

We received no comments from the petitioner on TKS's request for revocation.

Upon review of the three criteria outlined at § 351.222(b) of the Department's regulations and the evidence in the record, we have preliminarily determined that the Department's requirements for revocation have been met. Based on the preliminary results in this review and the final results of the two preceding reviews, TKS has preliminarily demonstrated three consecutive years of sales at not less than normal value. Furthermore, we find that TKS's aggregate sales to the United States have been made in commercial quantities during all segments of this proceeding. TKS also agreed in writing to the immediate reinstatement of the antidumping duty order if the Department concludes that, subsequent to the partial revocation, TKS sold the subject merchandise at less than normal value.

Based on the above facts, and absent a determination that the continued application of the antidumping duty order is otherwise necessary to offset dumping, we preliminarily intend to revoke the antidumping duty order with respect to TKS. If these preliminary findings are affirmed in our final results, we intend to revoke the order with respect to all LNPP produced by TKS that are also exported by TKS. In accordance with 19 CFR 351.222(f)(3), we will terminate the suspension of liquidation for any such merchandise entered, or withdrawn from warehouse, for consumption on or after the first day after the period under review, and will instruct the Customs Service to refund any cash deposit.

#### Preliminary Results of Review

As a result of our review, we preliminarily determine that the following margin exists for the period September 1, 1999, through August 31, 2000:

Manufacturer/exporter	Percent margin
Tokyo Kikai Seisakusho, Ltd .....	0.00

We will disclose the calculations used in our analysis to parties to this proceeding within five days of the date of publication of this notice. *See* 19 CFR 351.224(b). Any interested party may request a hearing within 30 days of

publication. *See* 19 CFR 351.310(c). If requested, a hearing will be held 44 days after the publication of this notice, or the first workday thereafter.

Issues raised in the hearing will be limited to those raised in the respective case briefs and rebuttal briefs. *See* 19 CFR 351.310(c). Case briefs from interested parties and rebuttal briefs, limited to the issues raised in the respective case briefs, may be submitted not later than 30 days and 35 days, respectively, from the date of publication of these preliminary results. *See* 19 CFR 351.309(c) and (d). Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited.

The Department will issue the final results of these administrative reviews, including the results of its analysis of issues raised in any written briefs, not later than 120 days after the date of publication of this notice.

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

#### Assessment Rates

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 appraisement instructions directly to the Customs Service. If these preliminary results are adopted in our final results, we will instruct the Customs Service to liquidate all entries subject to this review without regard to antidumping duties.

If these preliminary results are not adopted in the final results, we will instruct the Customs Service to assess antidumping duties on all appropriate entries covered by this review if any importer-specific assessment rates calculated in the final results of this review are above *de minimis* (*i.e.*, at or above 0.5 percent). For assessment purposes, we intend to calculate importer-specific assessment rates for the subject merchandise by aggregating the antidumping duty margins calculated for all U.S. sales examined

and dividing the amount by the total entered value of the sales examined.

### Cash Deposit Requirements

The following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of LNPP from Japan that are entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(c) of the Act: (1) No cash deposit will be required for LNPP from Japan that are produced by TKS and that are also exported by TKS (unless the margin established for the company in the final results of this review is above *de minimis*); (2) for previously reviewed or 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 58.69 percent, the "All Others" rate made effective by the LTFV investigation. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

### Notification to Importers

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 antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are published in accordance with section 751(a)(1) of the Act and 19 CFR 351.221.

Dated: October 1, 2001.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 01-25272 Filed 10-5-01; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-580-829]

#### Stainless Steel Wire Rod From the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review

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

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

**SUMMARY:** In response to requests from U.S. producers of the subject merchandise, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on stainless steel wire rod (SSWR) from the Republic of Korea (Korea). The review covers two manufacturers/exporters of subject merchandise to the United States during the period of review (POR), September 1, 1999 through August 31, 2000. Based upon our analysis, the Department has preliminarily determined that dumping margins exist for both manufacturers/exporters. If these preliminary results are adopted in our final results of administrative review, we will instruct the United States Customs Service (Customs) to assess antidumping duties as appropriate. Interested parties are invited to comment on these preliminary results. Parties who submit arguments in this proceeding are requested to submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument.

**EFFECTIVE DATE:** October 9, 2001.

**FOR FURTHER INFORMATION CONTACT:** Alexander Amdur or Karine Gziryman, AD/CVD Enforcement, Office IV, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 482-5346 or (202) 482-4081, respectively.

#### SUPPLEMENTARY INFORMATION:

#### Applicable Statute and Regulations

Unless otherwise stated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions as of 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 references to the regulations of the Department are to 19 CFR part 351 (2000).

## Background

On September 15, 1998, the Department published in the **Federal Register** the antidumping duty order on SSWR from Korea. See *Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Stainless Steel Wire Rod From Korea*, 63 FR 49331 (September 15, 1998). On September 20, 2000, the Department published a notice of "Opportunity to Request an Administrative Review" of the antidumping duty order on SSWR from Korea. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 65 FR 56868 (September 20, 2000). On September 29, 2000, the petitioners, Carpenter Technology Corp., Empire Specialty Steel, and the United Steel Workers of America, AFL-CIO/CLC, requested an administrative review of Changwon Specialty Steel Co., Ltd. (Changwon) and Dongbang Specialty Steel Co., Ltd. (Dongbang) (collectively, respondents) for the period September 1, 1999 through August 31, 2000. On October 24, 2000, the Department initiated an administrative review of Changwon and Dongbang.<sup>1</sup>

On October 20, 2000, we issued an antidumping questionnaire to Changwon and Dongbang. The Department received Changwon's and Dongbang's responses in December 2000. We issued supplemental questionnaires to Changwon and Dongbang in February and May 2001, and received responses from Changwon and Dongbang in March and June 2001.

On June 11, 2001, the Department published in the **Federal Register** a notice extending the deadline for issuing the preliminary results in this case until no later than October 1, 2001. See *Stainless Steel Wire Rod From the Republic of Korea: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review*, 66 FR 31210 (June 11, 2001).

#### Scope of the Review

For purposes of this review, SSWR comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares,

<sup>1</sup> The Department inadvertently omitted this case from the initiation notice published on October 30, 2000. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews, Requests for Revocation in Part and Deferral of Administrative Reviews*, 65 FR 64662 (October 30, 2000). However, a correction in the subsequent initiation notice was published on November 30, 2000. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 65 FR 71299 (November 30, 2000).