

time for the Department to conduct its verifications, issue verification reports, and establish a briefing and hearing schedule that would allow the petitioner a full opportunity to review and comment on the issues in this investigation. On December 5, 2001, respondent Feili Furniture Development Co., Ltd. and Feili (Fujian) Co., Ltd. ("Feili Group") asked the Department to reject petitioner's request on the grounds that the preliminary determination was affirmative. On December 10, 2001, respondent Shin Crest Pte. Ltd. ("Shin Crest") requested that the Department postpone the final determination and extend the period that the provisional measures may remain in effect from four months to not more than six months.

In accordance with section 735(a)(2)(A) and 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative, (2) Shin Crest accounts for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist, we are granting the postponement request and are postponing the final determination until no later than 135 days after the publication of the preliminary determination in the **Federal Register**. We are also extending the provisional measures, from four months to six months, in accordance with 19 CFR 351.210(e)(2). Therefore, the final determination would now be due on April 17, 2002. Suspension of liquidation will be extended accordingly.

This notice is published in accordance with section 735(a)(2) of the Act.

Dated: December 20, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 01-32115 Filed 12-28-01; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-337-806]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: IQF Red Raspberries From Chile

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

ACTION: Notice of preliminary determination of sales at less than fair

value and postponement of final determination.

SUMMARY: We preliminarily determine that individually quick frozen ("IQF") red raspberries from Chile are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended. The estimated dumping margins are shown in the "Suspension of Liquidation" section of this notice.

Interested parties are invited to comment on this preliminary determination (*see* the "Public Comment" section of this notice).

EFFECTIVE DATE: December 31, 2001.

FOR FURTHER INFORMATION CONTACT:

Annika O'Hara, Cole Kyle, or Blanche Ziv, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3798, (202) 482-1503, or (202) 482-4207, respectively.

SUPPLEMENTARY INFORMATION:

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. In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department") regulations are to 19 CFR Part 351 (April 2001).

Background

Since the initiation of this investigation (*see Initiation of Antidumping Duty Investigation: IQF Red Raspberries from Chile*, 66 FR 34407 (June 28, 2001) ("Initiation Notice")), the following events have occurred:

On July 9 and 10, 2001, we solicited comments from interested parties regarding the criteria to be used for model-matching purposes. Interested parties filed comments from July 18, 2001 through August 3, 2001.

On July 16, 2001, the United States International Trade Commission ("ITC") preliminarily determined that there is a reasonable indication that imports of IQF red raspberries from Chile are materially injuring the United States industry (66 FR 38740 (July 25, 2001)).

On July 19, 2001, we selected the three largest producers/exporters of IQF red raspberries from Chile as the mandatory respondents in this proceeding. *See* Memorandum to Susan Kuhbach from Annika O'Hara entitled "Respondent Selection" which is on file

in the Central Records Unit ("CRU") in room B-099 of the main Department building.

We issued antidumping questionnaires to Comercial Fruticola ("Comfrut"), Exportadora Frucol ("Frucol"), and Fruticola Olmue ("Olmue") on August 3, 2001. We received responses to Section A of the questionnaire on August 31, 2001 and responses to Sections B, C, and D on September 25, 2001. We issued supplemental questionnaires between October 16 and November 30, 2001, to which we received responses in November and December 2001. We received comments from the petitioners on each of the respondents' questionnaire responses. Subsequently, we received comments from the respondents on the petitioners' comments concerning the respondents' questionnaire responses.

On October 12, 2001, the petitioners made a timely request to postpone the preliminary determination pursuant to 19 CFR 351.205(e). On October 18, 2001, we postponed the preliminary determination until no later than December 12, 2001. *See Notice of Postponement of Preliminary Antidumping Duty Determination: IQF Red Raspberries from Chile*, 66 FR 53775 (October 24, 2001).

On December 12, 2001, the Department further postponed the preliminary determination in this investigation pursuant to section 351.205(b)(2) of the regulations and section 733 (c)(1)(B)(i)(II) of the Act due to several novel costs issues involved in this investigation. *See Notice of Postponement of Preliminary Antidumping Duty Determination: IQF Red Raspberries from Chile*, 66 FR 65177 (December 18, 2001).

Postponement of Final Determination and Extension of Provisional Measures

Pursuant to section 735(a)(2)(A) of the Act, on December 12, 2001, Comfrut, Frucol, and Olmue, requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until not later than 135 days after the date of the publication of the preliminary determination in the **Federal Register**, and extend the provisional measures to not more than six months. In accordance with 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative, (2) Comfrut, Frucol, and Olmue account for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist, we are granting the respondents' request and are

postponing the final determination until no later than 135 days after the publication of this notice in the **Federal Register**. Suspension of liquidation will be extended accordingly.

Scope of the Investigation

The products covered by this investigation are imports of IQF whole or broken red raspberries from Chile, with or without the addition of sugar or syrup, regardless of variety, grade, size or horticulture method (*e.g.*, organic or not), the size of the container in which packed, or the method of packing. The scope of the investigation excludes fresh red raspberries and block frozen red raspberries (*i.e.*, puree, straight pack, juice stock, and juice concentrate).

The merchandise subject to this investigation is classifiable under 0811.20.2020 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

Comments on the Scope

On August 30, 2001, the respondents filed a letter with the Department seeking confirmation that frozen raspberries known as “dirty crumbles” are not covered by the scope of this investigation. On September 12, 2001, the petitioners submitted a letter opposing the respondents’ interpretation of the scope. The parties’ arguments are summarized in a September 26, 2001, memorandum to Susan Kuhbach from the Team, in which the Department determined that “dirty crumbles” are included in the scope of this investigation. This memorandum is on file in the CRU.

Period of Investigation

The period of investigation (“POI”) is April 1, 2000, through March 31, 2001.

Fair Value Comparisons

To determine whether sales of IQF red raspberries from Chile to the United States were made at less than fair value (“LTFV”), we compared the export price (“EP”) to the normal value, as described in the “Export Price” and “Normal Value” sections of this notice. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI weighted-average EPs to NVs.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced and sold by the respondents in the comparison market during the

POI that fit the description in the “Scope of the Investigation” section of this notice to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales of identical merchandise in the comparison market made in the ordinary course of trade, where possible. Where there were no sales of identical merchandise in the comparison market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. To determine the appropriate product comparisons, we considered the following physical characteristics of the products in order of importance: grade; variety; form; cultivation method; and additives.

Export Price

For all respondents, we calculated EP, in accordance with section 772(a) of the Act, because the merchandise was sold to the first unaffiliated purchaser in the United States prior to importation by the exporter or producer outside the United States, or to an unaffiliated purchaser for exportation to the United States. We based EP on the packed ex-factory, C&F, FOB, or delivered price to the unaffiliated purchasers in the United States. We made deductions from the starting price for movement expenses, including inland freight, warehousing, marine insurance, brokerage and handling, and international freight, in accordance with section 772(c)(2)(A) of the Act, where appropriate. We increased EP, where appropriate, for duty drawback in accordance with section 772(c)(1)(B) of the Act.

Normal Value

A. Home Market Viability

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared each respondent’s volume of home market sales of the foreign like product to its volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act.

Comfrut, Frucol, and Olmue reported that their home market sales of IQF red raspberries during the POI were less than five percent of their sales of IQF red raspberries in the United States. Therefore, none of the three respondents had a viable home market for purposes of calculating normal value. Comfrut and Frucol reported that the United Kingdom was their largest viable third country market, and Olmue reported

that France was its largest viable third country market. Accordingly, Comfrut and Frucol reported their sales to the United Kingdom and Olmue reported its sales to France for purposes of calculating normal value.

B. Cost of Production Analysis

Based on our analysis of an allegation contained in the petition, we found at the initiation of this investigation that there were reasonable grounds to believe or suspect that the respondents’ sales of the subject merchandise in their respective comparison markets were made at prices below their cost of production (“COP”). Accordingly, pursuant to section 773(b) of the Act, we initiated a country-wide sales-below-cost investigation (*see Initiation Notice*, 66 FR 34409).

1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the cost of materials and fabrication of the foreign like product, plus an amount for general and administrative expenses (“G&A”), interest expenses, and comparison market packing costs (*see the “Test of Comparison Market Sales Prices”* section below for treatment of comparison market selling expenses). We relied on the COP data submitted by the respondents, except where noted below:

Comfrut:

- a. We revised Comfrut’s interest expense to include the current portion of the net loss on monetary correction.
- b. We revised Comfrut’s affiliated processor’s reported costs for two items. First, we revised the affiliate’s interest expense to include the current portion of the net loss on monetary correction. Second, we weight-averaged the affiliated processor’s revised COP. We then increased Comfrut’s costs to include the higher of the transfer price or cost of the major input, processing services. *See* December 20, 2001, Calculation Memorandum for Comfrut, for further information.

Frucol:

- a. We increased the per-unit conversion costs using the correct total quantity of raspberries processed. Also, we increased the total cost of manufacturing to include all of the affiliated processor’s expenses shown on its tax return. We used the tax return as the basis of costs for the affiliated processor because it does not prepare any financial statements.

- b. We revised the combined general and administrative (“G&A”) expenses to include land rent associated with the processing plant and general expenses.

We increased the cost of goods sold used in the denominator of the rate calculation to include the additional expenses shown on the affiliated processor's tax return.

c. We revised the combined interest expense to include the current portion of the net loss on monetary correction. We increased the cost of goods sold used in the denominator of the rate calculation to include the additional expenses shown on the affiliated processor's tax return.

See Memorandum from Aleta Habeeb to Neal Halper, Director Office of Accounting, dated December 19, 2001, "Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Determination."

Olmue:

We revised Olmue's interest expense to include the current portion of the net loss on monetary correction. See December 20, 2001, Calculation Memorandum for Olmue for further information.

2. Test of Comparison Market Sales Prices

On a product-specific basis, we compared the adjusted weighted-average COP to the comparison market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether the sale prices were below the COP. The prices were exclusive of any applicable movement charges, billing adjustments, commissions, warranty expenses, and other direct and indirect selling expenses. In determining whether to disregard home market sales made at prices less than their COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Act, whether such sales were made (1) within an extended period of time in substantial quantities, and (2) at prices which permitted the recovery of all costs within a reasonable period of time.

3. Results of the COP Test

Pursuant to section 773(b)(1), where less than 20 percent of a respondent's sales of a given product during the POI are at prices less than the COP, we do not disregard any below-cost sales of that product, because we determine that in such instances the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product during the POI are at prices less than the COP, we determine that the below-cost sales represent "substantial quantities" within an extended period of time, in accordance with section 773(b)(1)(A) of the Act. In such cases, we also determine whether such sales

were made at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(1)(B) of the Act.

We found that for each respondent, for certain specific products, more than 20 percent of the comparison market sales were at prices less than the COP and thus the below-cost sales were made within an extended period of time in substantial quantities. In addition, these sales were made at prices that did not provide for the recovery of costs within a reasonable period of time. We therefore excluded these sales and used the remaining sales, if any, as the basis for determining NV, in accordance with section 773(b)(1).

For Comfrut and Olmue's U.S. sales of subject merchandise for which there were no comparable comparison market sales in the ordinary course of trade (e.g., sales that passed the cost test), we compared those sales to constructed value ("CV"), in accordance with section 773(a)(4) of the Act.

C. Calculation of Constructed Value

Section 773(a)(4) of the Act provides that where NV cannot be based on comparison-market sales, NV may be based on CV. Accordingly, for Comfrut and Olmue, when sales of comparison products could not be found, either because there were no sales of a comparable product or all sales of the comparable products failed the COP test, we based NV on CV.

In accordance with section 773(e)(1) and (e)(2)(A) of the Act, we calculated CV based on the sum of the cost of materials and fabrication for the subject merchandise, plus amounts for selling expenses, G&A, including interest, profit and U.S. packing costs. We made the same adjustments to the CV costs as described in the "Calculation of COP" section of this notice. In accordance with section 773(e)(2)(A) of the Act, we based selling expenses, G&A and profit on the amounts incurred and realized by the respondent in connection with the production and sale of the foreign like product in the ordinary course of trade for consumption in the foreign country.

D. Level of Trade

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same level of trade ("LOT") as the EP. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent) 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. *Id.*; see also

Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa, 62 FR 61731, 61732 (November 19, 1997). 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"),¹ including selling functions,² 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 levels of trade for EP and comparison market sales (i.e., NV based on either home market or third country prices³), we consider the starting prices before any adjustments. See *Micron Technology, Inc. v. United States*, 243 F. 3d 1301, 1314-1315 (Fed. Cir. 2001) (affirming this methodology).

When the Department is unable to match U.S. sales to sales of the foreign like product in the comparison market at the same LOT as the EP, the Department may compare the U.S. sale to sales at a different LOT in the comparison market. In comparing EP sales at a different LOT in the comparison market, where available data show that the difference in LOT affects price comparability, we make a LOT adjustment under section 773(a)(7)(A) of the Act.

Comfrut and Frucol have reported that they sell to distributors in both the comparison market and in the United States. Olmue has reported that it sells to trading companies and end users in the comparison market and to trading companies and distributors in the United States. Each respondent has reported a single channel of distribution and a single level of trade in each market, and has not requested a level of trade adjustment. We examined the information reported by the respondents regarding their marketing processes for

¹ The marketing process in the United States and comparison markets begins with the producer and extends to the sale to the final user or customer. 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 each respondent to properly determine where in the chain of distribution the sale appears to occur.

² Selling functions associated with a particular chain of distribution help us to evaluate the level(s) of trade in a particular market. For purposes of this preliminary determination, we have organized the common selling functions into four major categories: sales process and marketing support, freight and delivery, inventory and warehousing, and quality assurance/warranty services. Other selling functions unique to specific companies were considered, as appropriate.

³ Where NV is based on CV, we determine the NV LOT based on the LOT of the sales from which we derive selling expenses, G&A and profit for CV, where possible.

making the reported home market and U.S. sales, including the type and level of selling activities performed and customer categories. See December 19 and 20, 2001, Calculation Memorandum for Comfrut, Frucol, and Olmue for further information. As Comfrut, Frucol, and Olmue have reported, we found a single level of trade in the United States, and a single, identical level of trade in the comparison market. Thus, it was unnecessary to make any LOT adjustment for comparison of EP and third country prices.

E. Calculation of Normal Value Based on Comparison Market Prices

We calculated NV based on ex-factory or delivered prices to unaffiliated customers in the comparison market. We made adjustments to the starting price for interest revenue and billing adjustments, where appropriate. We made deductions for movement expenses, including inland freight, warehousing, brokerage and handling expenses, and international freight, under section 773(a)(6)(B)(ii) of the Act. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410 for differences in circumstances of sale for imputed credit expenses, commissions, warranties, and other direct selling expenses, where appropriate.

Furthermore, we made adjustments for differences in costs attributable to differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411. We also deducted comparison market packing costs and added U.S. packing costs in accordance with section 773(a)(6)(A) and (B) of the Act.

F. Calculation of Normal Value Based on Constructed Value

For price-to-CV comparisons, we made adjustments to CV in accordance with section 773(a)(8) of the Act. We made adjustments to CV for differences in circumstances of sale in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. In addition, we added U.S. packing costs.

Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the exchange rates in effect on the dates of the U.S. sales as reported by the Dow Jones.⁴

⁴ We normally make currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. In this case, where costs and

Verification

As provided in section 782(i) of the Act, we will verify all information relied upon in making our preliminary determination.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise (except for entries of Comfrut or Frucol because these companies have *de minimis* and zero margins, respectively) that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage
Comercial Fruticola ...	0.31 (<i>de minimis</i>)
Exportadora Frucol	0.00
Fruticola Olmue	5.54
All Others	5.54

Pursuant to section 735(c)(5)(A), we have excluded from the calculation of the all-others rate margins which are zero or *de minimis*.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

Disclosure

We will disclose the calculations used in our analysis to parties in this proceeding in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs for this investigation must be submitted no later than one week after the issuance of the last verification report. Rebuttal briefs must be filed within five days after the deadline for

expenses were reported in Chilean pesos, we made currency conversions based on the exchange rates in effect on the dates of the U.S. sales as reported by the Dow Jones because the Federal Reserve Bank does not track the Chilean peso-to-dollar exchange rate.

submission of case briefs. A list of authorities relied upon, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Section 774 of the Act provides that the Department will hold a public hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

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, U.S. Department of Commerce, Room 1870, within 30 days of the 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 the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

We will make our final determination no later than 135 days after the publication of this notice in the **Federal Register**.

This determination is published pursuant to sections 733(f) and 777(i) of the Act.

Dated: December 20, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 01-32112 Filed 12-28-01; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-834]

Stainless Steel Sheet and Strip in Coils From the Republic of Korea: Notice of Preliminary Results of Changed Circumstances Antidumping Duty Administrative Review

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