

April 2000 study published by the University of Georgia.

### Preliminary Results of the Review

We preliminarily determine that the following dumping margins exist for the

period November 23, 1999, through May 31, 2001:

Exporter/manufacturer	Weighted-average margin percentage
Changsha Industrial Products & Minerals Import and Export Co., Ltd. (included in the PRC entity) .....	51.74
Qingdao Nannan Foods Co., Ltd. ....	0.00
Sanmenxia Lakeside Fruit Juice Co., Ltd. ....	0.00
Shaanxi Gold Peter Natural Drink Co., Ltd. ....	0.00
Shaanxi Haisheng Fresh Fruit Juice Co., Ltd. ....	0.00
Shaanxi Hengxing Fruit Juice Co. Ltd. ....	0.00
Shaanxi Machinery & Equipment Import & Export Corporation .....	0.00
Shandong Foodstuffs Import and Export Corporation .....	0.00
Shandong ZhongLu Juice Group Co. Ltd. ....	0.00
Xian Asia Qin Fruit Co., Ltd. ....	0.00
Yantai Oriental Juice Co., Ltd. ....	0.00
PRC-wide rate .....	51.74

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 30 days of the date of publication of this notice. Any hearing, if requested, will be held approximately 42 days after the publication of this notice, or the first workday thereafter. Issues raised in hearings will be limited to those raised in the case and rebuttal briefs. Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs within 30 days of the date of publication of this notice. Furthermore, as discussed in 19 CFR 351.309(d)(2), rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 35 days after the date of publication of this notice. Parties who submit case briefs or rebuttal briefs in this review are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument with an electronic version included.

The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or hearing, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

### Assessment Rates and Cash Deposit Requirements

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appraisement instructions directly to the Customs Service.

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section

751(a)(1) of the Act: (1) for the PRC companies named above, the cash deposit rates will be the rates for these firms established in the final results of this review, except that, for exporters with *de minimis* rates, *i.e.*, less than 0.50 percent, no deposit will be required; (2) for previously-reviewed PRC and non-PRC exporters with separate rates, the cash deposit rate will be the company-specific rate established for the most recent period during which they were reviewed; (3) for all other PRC exporters (including Changsha), the rate will be the PRC country-wide rate, which is 51.74 percent; and (4) for all other non-PRC exporters of subject merchandise from the PRC, the cash deposit rate will be the rate applicable to the PRC supplier of that exporter. These deposit 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) 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.

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

DATED: July 1, 2002.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-583-816]

### Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan: Preliminary Results and Preliminary Rescission in Part of Antidumping Duty Administrative Review

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

**ACTION:** Notice of the preliminary results and rescission in part of antidumping duty administrative review.

**SUMMARY:** In response to a request from respondent Ta Chen Stainless Pipe Co., Ltd. ("Ta Chen") and from Markovitz Enterprises, Inc. (Flowline Division), Shaw Alloy Piping Products Inc., Gerlin, Inc., and Taylor Forge ("petitioners"), the Department of Commerce ("Department") is conducting an administrative review of the antidumping duty order on certain stainless steel butt-weld pipe fittings from Taiwan. Specifically, the petitioners requested that the Department conduct the administrative review for Ta Chen Stainless Pipe Co., Ltd., Liang Feng Stainless Steel Fitting Co., Ltd. ("Liang Feng"), and Tru-Flow Industrial Co., Ltd. ("Tru-Flow"). This review covers Ta Chen, a manufacturer and exporter of the subject merchandise and Liang Feng and Tru-Flow, manufacturers of the subject merchandise. The period of review ("POR") is June 1, 2000 through May 31, 2001. With regard to Ta Chen, we preliminarily determine that sales have been made below normal value ("NV"). With regard to Liang Feng and Tru-Flow, we are preliminarily rescinding this review based on record evidence supporting the conclusion that there

were no entries into the United States of subject merchandise during the POR. For a discussion of the preliminary rescission as to Liang Feng and Tru-Flow, see the "Preliminary Rescission of Review in Part" section of this notice.

If these preliminary results are adopted in our final results of administrative review, we will instruct the U.S. Customs Service to assess antidumping duties on entries of Ta Chen's merchandise during the period of review, in accordance with the Department's regulations (19 CFR 351.106 and 351.212(b)). The preliminary results are listed below in the section titled "Preliminary Results of Review."

**EFFECTIVE DATE:** July 9, 2002.

**FOR FURTHER INFORMATION CONTACT:**

Amy Ryan or James C. Doyle, Enforcement Group III—Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-0961 and (202) 482-0159, respectively.

**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's regulations are to 19 CFR part 351 (2001).

**Background**

On June 16, 1993, the Department published in the **Federal Register** the antidumping duty order on certain stainless steel butt-weld pipe fittings from Taiwan. See *Amended Final Determination and Antidumping Duty Order: Certain Stainless Steel Butt-Weld Pipe and Tube Fittings from Taiwan*, 58 FR 33250 (June 16, 1993). On June 11, 2001, we published in the **Federal Register** a notice of opportunity to request an administrative review of the antidumping duty order on certain stainless steel butt-weld pipe fittings from Taiwan covering the period June 1, 2000 through May 31, 2001. See *Notice of Opportunity to Request Administrative Review of Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation*, 66 FR 31203 (June 11, 2001). On June 29, 2001, respondent, Ta Chen requested that the Department conduct an administrative review for the period of June 1, 2000 to May 31, 2001. Additionally, on June 29, 2001, the petitioners requested that the

Department conduct an administrative review of Ta Chen, Liang Feng and Tru-Flow for the period of June 1, 2000 through May 31, 2001. On July 23, 2001, the Department published a notice of initiation of this antidumping duty administrative review for the period of June 1, 2000 through May 31, 2001. See *Notice of Initiation of Antidumping or Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 66 FR 38252 (July 23, 2001).

On July 25, 2001, the Department issued its antidumping questionnaire to Ta Chen, Liang Feng and Tru-Flow. On July 30, 2001, Liang Feng reported that it had no sales, entries or shipments of subject merchandise to the United States during the POR. Additionally, on July 31, 2001, Tru-Flow reported that it had no sales, entries or shipment of subject merchandise to the United States during the POR. On August 6, 2001, the petitioners opposed Liang Feng's and Tru-Flow's statements from their July 30 and July 31 letters, respectively.

On August 15, 2001, Ta Chen reported that it made sales of subject merchandise to the United States during the period of review ("POR") in its response to Section A of the Department's questionnaire. On September 7, 2001, Ta Chen submitted its response to Sections B, C, and D of the Department's questionnaire. On August 28, 2001, the Department issued to Ta Chen a supplemental questionnaire to Section A of the Department's questionnaire, for which Ta Chen submitted its response on September 25, 2001. On January 8, 2002, the Department issued to Ta Chen a supplemental questionnaire to Sections B, C, and D of the Department's questionnaire. On January 29, 2002, Ta Chen submitted its response to this supplemental questionnaire. On April 23, 2002, the Department issued to Ta Chen the second supplemental questionnaire to Sections A–D of the Department's questionnaire. On May 13, 2002, Ta Chen submitted its response to the second supplemental questionnaire for Sections A–D of the Department's questionnaire. On May 17, 2002, the Department asked Ta Chen to submit various pages that were missing from the exhibits in the May 13, 2002 submission. On May 17, 2002, Ta Chen submitted two sets of information, one of which contained the missing exhibit pages the Department requested. The larger submission Ta Chen submitted was additional information it claimed was inadvertently omitted from its response to the Department's second Sections A–D supplemental questionnaire. On June 12, 2002, the

Department requested that Ta Chen resubmit its U.S. sales database to incorporate one of the minor corrections from verification. Ta Chen submitted the revised U.S. sales database on June 14, 2002. On June 13, 2002, the Department asked Ta Chen an additional supplemental question regarding clarification of a specific home market sales observation.

Additionally, the Department sent questionnaires to two of Ta Chen's subcontractors on January 28, 2002, to which they responded on February 18, 2002. On April 25, 2002, the Department issued a supplemental questionnaire to the same two subcontractors. They sent in their responses on May 23, 2002.

Pursuant to section 751(a)(3)(A) of the Act, the Department may extend the deadline for conducting an administrative review if it determines that it is not practicable to complete the review within the statutory time limit of 245 days. On January 22, 2002, the Department extended the time limits for these preliminary results by 120 days to June 29, 2002 in accordance with the Act. However, because June 29, 2002 falls on a weekend, the Department stated it would release its preliminary results on July 1, 2002. See *Notice of Postponement of Preliminary Results of Antidumping Duty Administrative Review: Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan*, 67 FR 2856 (January 22, 2002).

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

**Preliminary Rescission of Review in Part**

The Department preliminarily finds that Liang Feng and Tru-Flow had no entries during the POR. Thus, the Department is preliminarily rescinding this review.

Pursuant to 19 CFR 351.213(d)(3), the Department may rescind an administrative review, in whole or with respect to a particular exporter or producer, if the Secretary concludes that, during the period covered by the review, there were no entries, exports, or sales of the subject merchandise. The Department explained this practice in the preamble to the Department's regulations. See *Antidumping Duties; Countervailing Duties* 62 FR 27296, 27317 (May 19, 1997) ("Preamble").

In July of 2001, both Liang Feng and Tru Flow provided letters on the record stating that they had no sales of subject merchandise during the POR. See Liang Feng's letter dated July 30, 2001 and Tru Flow's letter dated July 31, 2001. To confirm their statements, on August 14,

2001, the Department conducted a Customs inquiry and determined to its satisfaction on the record that there were no entries of subject merchandise during the POR. See the June 28, 2002 Memorandum to the File. See *Notice of Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review*, 67 FR 5789, 5790 (February 7, 2002) and *Stainless Steel Plate in Coils from Taiwan: Final Rescission of Antidumping Duty Administrative Review*, 66 FR 18610, (April 10, 2001).

Therefore, pursuant to 19 CFR 351.213(d)(3), the Department is preliminarily rescinding this review as to Liang Feng and Tru Flow because we find that there were no entries of subject merchandise during the POR.

### Scope of the Review

The products subject to this administrative review are certain stainless steel butt-weld pipe fittings, whether finished or unfinished, under 14 inches inside diameter. Certain welded stainless steel butt-weld pipe fittings ("pipe fittings") are used to connect pipe sections in piping systems where conditions require welded connections. The subject merchandise is used where one or more of the following conditions is a factor in designing the piping system: (1) Corrosion of the piping system will occur if material other than stainless steel is used; (2) contamination of the material in the system by the system itself must be prevented; (3) high temperatures are present; (4) extreme low temperatures are present; and (5) high pressures are contained within the system.

Pipe fittings come in a variety of shapes, with the following five shapes the most basic: "elbows", "tees", "reducers", "stub ends", and "caps." The edges of finished pipe fittings are beveled. Threaded, grooved, and bolted fittings are excluded from this review. The pipe fittings subject to this review are classifiable under subheading 7307.23.00 of the Harmonized Tariff Schedule of the United States ("HTSUS").

Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this review is dispositive. Pipe fittings manufactured to American Society of Testing and Materials specification A774 are included in the scope of this order.

### Period of Review

The POR for this administrative review is June 1, 2000 through May 31, 2001.

### Verification

As provided in section 782(i) of the Act, from May 20–23, 2002, the Department verified sales, cost and production information of Ta Chen's U.S. affiliate, Ta Chen International (CA) Corp., using standard verification procedures, including an examination of relevant sales, financial and production records, and selection of original documentation containing relevant information. Our verification results are outlined in the public versions of the verification reports and are on file in the Central Records Unit ("CRU") located in room 1870 of the main Department of Commerce Building, 14th Street and Constitution Avenue, NW., Washington, DC. For changes to Ta Chen's expenses based on verification findings, see "Facts Available" section below.

### Product Comparison

In accordance with section 771(16) of the Act, we considered all pipe fittings produced by Ta Chen, covered by the description in the "Scope of Review" section of this notice and sold in the home market during the POR to be foreign like products for the purpose of determining appropriate product comparisons to pipe fittings sold in the United States. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by Ta Chen as follows (listed in order of preference): specification, seam, grade, size and schedule.

As in the 1999–2000 administrative review ("99/00 review"), the record shows that Ta Chen both purchased from, and entered into tolling arrangements with, two unaffiliated Taiwanese manufacturers of subject merchandise. See Ta Chen's August 15, 2001 Section A questionnaire response at 2. Also, as in the 99/00 review there is no evidence on the record that either manufacturer had knowledge that the subject merchandise would be sold into the United States market. See both subcontractors' questionnaire responses dated February 19, 2002 and their supplemental responses dated May 23, 2002. According to Ta Chen's August 15, 2001 Section A response, for subcontracted fittings, it labels itself as the manufacturer. Regarding these sales for which Ta Chen can identify with certainty which of the two unaffiliated Taiwanese companies was the producer, we have preliminarily determined that it is not appropriate to extract such sales from Ta Chen's U.S. sales database because we have no evidence on the record that the unaffiliated producers had knowledge that their subject fittings

were destined for sale by Ta Chen in the U.S. market. However, section 771(16) of the Act defines "foreign like product" to be "(t)he subject merchandise and other merchandise which is identical in physical characteristics with, and was produced in the same country by the same person as, that merchandise." Thus, consistent with the Department's past practice, we have restricted the matching of products which Ta Chen has identified with certainty that it purchased from a particular unaffiliated producer and resold in the U.S. market, to identical or similar products purchased by Ta Chen from the same unaffiliated producer and resold in the home market. Finally, 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 physical characteristics or to constructed value ("CV"), as appropriate.

### Date of Sale

The Department's regulations state that the Department will normally use the date of invoice, as recorded in the exporter's or producer's records kept in the ordinary course of business, as the date of sale. See 19 CFR 351.401(i). If Commerce can establish "a different date (that) better reflects the date on which the exporter or producer establishes the material terms of sale," Commerce may choose a different date. *Id.*

In the present review, Ta Chen claimed that invoice date should be used as the date of sale in both the home market and U.S. market. See Ta Chen's Sections B and C responses. (September 10, 2001). Moreover, Ta Chen did not indicate any industry practice which would warrant the use of a date other than invoice date in determining date of sale.

Accordingly, as we have no information demonstrating that another date is more appropriate, we preliminarily based date of sale on invoice date recorded in the ordinary course of business by the involved sellers and resellers of the subject merchandise in accordance with 19 CFR 351.401(i).

### Fair Value Comparisons

To determine whether sales of subject merchandise by Ta Chen to the United States were made at prices below normal value ("NV"), we compared, where appropriate, the constructed export price ("CEP") to the NV, as described below. Pursuant to section 777A(d)(2) of the Act, we compared the CEPs of individual U.S. transactions to

the monthly weight-averaged NV of the foreign like product where there were sales at prices above the cost of production ("COP"), as discussed in the "Cost of Production Analysis" section below. For a further discussion of the EP sales reclassification to CEP, see below.

#### Export Price/Constructed Export Price

Section 772(a) of the Act defines export price as "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 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. \* \* \*" Section 772(b) of the Act defines constructed export price as "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. \* \* \*"

Consistent with recent past reviews, all of the sales at issue are being considered CEP sales because the sale to the first unaffiliated customer was made between Ta Chen International (CA) Corp. ("TCI"), located in the United States, and the unaffiliated customer in the United States. *See Analysis Memorandum for Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan: Preliminary Results of the 2000-2001 Administrative Review of Certain Stainless Steel Butt-weld Pipe Fittings from Taiwan* (July 1, 2002) ("Analysis Memo"). *See also* Sections B-D supplemental questionnaire response (January 29, 2002). TCI takes title to subject merchandise, invoices the U.S. customer, and receives payment from the U.S. customer. In addition, TCI incurs seller's risk, relays orders and price requests from the U.S. customer to Ta Chen, and pays for U.S. Customs brokerage charges, U.S. antidumping duties, ocean freight and U.S. inland freight. *See* Section A Supplemental Questionnaire Response (September 5, 2001).

Having determined such sales are CEP, we calculated the price of Ta Chen's sales based on CEP in accordance with section 772(b) of the Act. We calculated CEP based on FOB or delivered prices to unaffiliated purchasers in the United States and, where appropriate, we deducted discounts. In addition, in accordance with section 772(d)(1), the Department deducted commissions, direct selling expenses and indirect selling expenses,

including inventory carrying costs, which related to commercial activity in the United States. With respect to inventory carrying costs, we note that certain of Ta Chen's sales do not enter TCI's inventory prior to shipment to U.S. customers, but are shipped directly to the end user. Therefore, we removed the cost of goods sold for those sales used in the calculation of Ta Chen's reported inventory turnover ratio. We also made deductions for movement expenses, which include foreign inland freight, foreign brokerage and handling, ocean freight, containerization expense, harbor construction tax, marine insurance, U.S. inland freight, U.S. brokerage and handling, and U.S. Customs duties. We also deducted U.S. freight cost that TCI incurred when moving merchandise among its warehouses, in addition to freight expenses that TCI incurred on behalf of a customer returning merchandise. Finally, where appropriate, in accordance with sections 772(d)(3) and 772(f) of the Act, we deducted CEP profit.

#### Normal Value

After testing home market viability, as discussed below, we calculated NV as noted in the "Price-to-CV Comparisons" and "Price-to-Price Comparisons" sections of this notice.

##### 1. Home Market Viability

In accordance with section 773(a)(1)(C) of the Act, to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (i.e., the aggregate volume of home market sales of the foreign like product is greater than or equal to five percent of the aggregate volume of U.S. sales), we compared Ta Chen's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise. In addition, Ta Chen stated that the home market is viable since sales to the home market are more than five percent by quantity of sales in the United States. *See* Section A questionnaire response (August 15, 2001) at 3. Because Ta Chen's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we preliminarily determine that the home market was viable. We, therefore, based NV on home market sales.

##### 2. Cost of Production Analysis

Because we disregarded sales below the cost of production in the most-recently completed segment of this

proceeding,<sup>1</sup> we have reasonable grounds to believe or suspect that sales by Ta Chen in its home market were made at prices below the COP, pursuant to sections 773(b)(1) and 773(b)(2)(A)(ii) of the Act. Therefore, pursuant to section 773(b)(1) of the Act, we conducted a COP analysis of home market sales by Ta Chen.

##### A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated a weight-averaged COP based on the sum of Ta Chen's cost of materials and fabrication for the foreign like product, plus amounts for general and administrative expenses ("G&A"), interest expenses, and packing costs. We relied on the COP data submitted by Ta Chen in its original and supplemental cost questionnaire responses. For these preliminary results, we did not make any adjustments to Ta Chen's submitted costs.

##### B. Test of Home Market Prices

We compared the weight-averaged COP for Ta Chen to home market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP. In determining whether to disregard home market sales made at prices below the COP, we examined 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, in accordance with section 773(b)(1)(A) and (B) of the Act. On a product-specific basis, we compared the COP to home market prices, less any movement charges, discounts, and direct and indirect selling expenses.

##### C. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of Ta Chen's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." Where 20 percent or more of Ta Chen's sales of a given product during the POR were at prices less than the COP, we determined that such sales have been made in "substantial quantities" within an extended period of time, in accordance with section 773(b)(2)(B) of the Act. In such cases, because we use POR average

<sup>1</sup> See Notice of Final Results in the Antidumping Duty Administrative Review of Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan, 66 FR 66899, (December 21, 2001).

costs, we also determined that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, we disregarded the below-cost sales. Where all sales of a specific product were at prices below the COP, we disregarded all sales of that product.

#### D. Calculation of Constructed Value

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of Ta Chen's cost of materials, fabrication, G&A (including interest expenses), U.S. packing costs, direct and indirect selling expenses, and profit. In accordance with section 773(e)(2)(A) of the Act, we based SG&A and profit on the amounts incurred and realized by Ta Chen in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country. For selling expenses, we used the actual weight-averaged home market direct and indirect selling expenses.

#### Price-to-Price Comparisons

For those product comparisons for which there were sales at prices above the cost of production ("COP"), we based NV on prices to home market customers. We calculated NV based on prices to unaffiliated home market customers. Where appropriate, we deducted early payment discounts, credit expenses, and inland freight. We also made adjustments, where applicable, for home market indirect selling expenses to offset U.S. commissions in CEP comparisons. We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act. Additionally, in accordance with section 773(a)(6) of the Act, we deducted home market packing costs and added U.S. packing costs. In accordance with section 773(b)(1) of the Act, where there were no usable contemporaneous matches to a U.S. sale observation, we based NV on CV.

#### 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 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 CEP, it is the level of the constructed sale from the exporter to the importer.

To determine whether NV sales are at a different LOT than CEP, 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 difference in levels between NV and CEP affects 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 Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731, 61732 (November 19, 1997).

In reviewing a respondent's request for a LOT adjustment, we examine all types of selling functions and activities reported in respondent's questionnaire response on LOT. In analyzing differences in selling functions, we determine whether LOT's identified by the respondent are meaningful. *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27371 (May 19, 1997).

Ta Chen reported one LOT in the home market based on two channels of distribution: trading companies and end-users. We examined the reported selling functions and found that Ta Chen's selling functions to its home market customers, regardless of channel of distribution, include inventory maintenance, technical services, packing, after-sales services, freight and delivery arrangements, general selling functions, some research and development, and customer service. *See Ta Chen's September 25, 2002 Section A supplemental questionnaire response at 7-9.* We, therefore, preliminarily conclude that the selling functions for the reported channels of distribution are sufficiently similar to consider them as one LOT in the comparison market.

Because Ta Chen reported that all of its U.S. CEP sales are made through TCI, Ta Chen is claiming that there is only one LOT in the U.S. market for its constructed export price sales and we preliminarily agree with Ta Chen that its U.S. sales constitute a single LOT. We examined the reported selling functions and found that Ta Chen's selling functions for sales to TCI include order processing, payment of marine

insurance and packing for shipment to the United States. TCI handles the remaining selling functions for U.S. sales, such as: Communicating with U.S. customers; handling customer orders; dealing with U.S. Customs duties, brokerage, inland freight and U.S. warehousing; taking seller's risk; and, incurring inventory carrying costs on the water and ocean freight.

Accordingly, for these U.S. sales, we preliminarily find that Ta Chen performed fewer selling functions than it did in the home market. Ta Chen requested a CEP offset due to differences in level of trade between its home market and U.S. sales (*see Ta Chen's August 15, 2001 Section A questionnaire response*). When, as here, the NV is established at a LOT that is at a more advanced stage of distribution than the LOT of the CEP transactions, the Department's practice is to adjust NV to account for this difference. However, we were unable to quantify the LOT adjustment in accordance with section 773(a)(7)(A) of the Act. Therefore, we applied a CEP offset to the NV-CEP comparisons, in accordance with section 773(a)(7)(B) of the Act.

#### Facts Available

We preliminarily determine that the use of facts available is appropriate for two elements of Ta Chen's dumping margin calculation. Section 776(a)(2) of the Act provides that if an 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, subject to subsections 782(c)(1) and (e) of the Act; (C) significantly impedes a determination under the antidumping statute; or (D) provides such information but the information cannot be verified, the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

In this case, at the verification of TCI from May 20-23, 2002, TCI presented as a minor correction a very small number of previously unreported U.S. sales from one of its U.S. warehouses. The information TCI supplied to the Department included the POR warehouse expenses, the total sales value, the total weight in kilograms and the total number of pieces. *See U.S. Verification Report of Ta Chen International (CA) Corp.: Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan* (July 1, 2002) at page 2 and Exhibit 1.

Consistent with section 776(a)(2)(B) of the Act, we have preliminarily

determined that the use of partial facts available is warranted for these unreported U.S. sales. This U.S. sales information should have been reported in respondent's questionnaire responses. By failing to report the information until verification, respondent prevented the Department from gathering and verifying further information that was necessary to calculate an actual margin for those sales. Therefore, the Department finds it necessary to apply partial facts available for these sales. As facts available, the Department applied the average positive margin to the total value of the sales that TCI failed to report. *See Analysis Memo.*

Also, at verification, the Department found that in TCI's POR third country export sales of subject merchandise, it had included some sales to a location that is considered a U.S. territory. Because this location is a U.S. territory, the Department considers sales to that territory as U.S. sales. Consistent with section 776(a)(2)(B) of the Act, we preliminarily determine that use of partial facts available is warranted, because respondent failed to report the U.S. sales information in the form or manner requested. As with the above mentioned unreported U.S. sales, the Department has applied the average positive margin to the total sales value of the unreported sales to the U.S. territory. *See the proprietary version of the Analysis Memo for the identification of the U.S. territory.*

#### Currency Conversion

For purposes of the preliminary results, we made currency conversions based on the exchange rates in effect on the dates of the U.S. sales as published by the Federal Reserve Bank of New York. Section 773A(a) of the Act directs the Department to use a daily exchange rate in effect on the date of sale of subject merchandise 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, 1996) and *Policy Bulletin 96-1: Currency Conversions*, 61 FR 9434, March 8, 1996. As indicated in these precedents, the benchmark is defined as the rolling average of rates for the past 40 business days. When we determined a fluctuation existed, we substituted the benchmark for the daily rate.

#### Preliminary Results of the Review

As a result of this review, we preliminarily determine that the following weight-averaged dumping margin exists for the period June 1, 2000 through May 31, 2001: Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan

Producer/manufacturer/exporter	Weight-averaged margin (in percent)
Ta Chen .....	2.63

The Department will disclose to any party to the proceeding, within five days of publication of this notice, the calculations performed (19 CFR 351.224(b)). Any interested party may request a hearing within 30 days of publication. 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. 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. Parties who submit arguments are requested to submit with the argument: (1) A statement of the issue, (2) a brief summary of the argument and (3) a table of authorities. Further, the Department requests that parties submitting written comments provide the Department with an additional copy of the public version of any such comments on diskette. The Department will publish the final results of this administrative review, which will include the results of its analysis of issues raised in any such written comments or at a hearing, within 120 days after the publication of this notice.

Upon issuance of the final results of review, the Department shall determine, and Customs shall assess, antidumping duties on all appropriate entries. The Department will issue appraisal instructions directly to Customs. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the results and for future deposits of estimated duties. For duty assessment purposes, we calculated an importer-specific assessment rate by dividing the total dumping margins calculated for the U.S. sales to the importer by the total entered value of these sales. This rate will be used for the assessment of antidumping duties on all entries of the subject merchandise by that importer during the POR.

Furthermore, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review, as provided in section 751(a)(1) of the Act: (1) The cash deposit rate for Ta Chen, the only reviewed company, will be that established in the final results of this review; (2) for previously reviewed or investigated companies not covered in this review, 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 less than fair value ("LTFV") investigation, but the manufacturer is, the cash deposit rate will be the rate established in the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will continue to be the "all other" rate established in the LTFV investigation, which was 51.01 percent.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: July 1, 2002.

**Joseph A. Spetrini,**  
Acting Assistant Secretary for Import Administration.

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#### DEPARTMENT OF COMMERCE

##### International Trade Administration

[A-583-831]

#### Stainless Steel Sheet and Strip in Coils From Taiwan: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review

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