

practice, we have determined as a general matter that a fluctuation exists when the daily exchange rate differs from a benchmark by 2.25 percent. *See, e.g., Certain Stainless Steel Wire Rods from France; Preliminary Results of Antidumping Duty Administrative Review*, 61 FR 8915, 8918 (March 6, 1998), and *Policy Bulletin 96-1: Currency Conversions*, 61 FR 9434 (March 8, 1996). The benchmark is defined as the rolling average of rates for the past 40 business days. When we determine a fluctuation exists, we substitute the benchmark for the daily rate.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following weighted-average dumping margin exists:

STAINLESS STEEL SHEET AND STRIP IN COILS FROM FRANCE

Producer/manufacturer/exporter	Weighted-average margin (in percent)
Ugine	1.64

Pursuant to 19 CFR 351.224, the Department will disclose to any party to the proceeding, within ten days of publication of this notice, the calculations performed. 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 a computer 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.

Assessment

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 appraisement 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.

Cash Deposits

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 Ugine 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 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 9.38 percent. *See Antidumping Duty Order*, at 40565.

Notification to Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under regulation 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 is published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: July 31, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 02-19990 Filed 8-6-02; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-834]

Stainless Steel Sheet and Strip in Coils From the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review and Intent To Rescind in Part

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

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

SUMMARY: The Department of Commerce (“the Department”) is conducting an administrative review of the antidumping duty order on stainless steel sheet and strip in coils (“SSSS”) from the Republic of Korea in response to a request from respondents Pohang Iron & Steel Co., Ltd. (“POSCO”), Samwon Precision Metals Co., Ltd. (“Samwon”), Daiyang Metal Co., Ltd. (“DMC”), and petitioners,¹ who requested a review of POSCO and DMC. This review covers imports of subject merchandise from POSCO and DMC. The period of review (“POR”) is July 1, 2000, through June 30, 2001.

Our preliminary results of review indicate that POSCO and DMC have sold the subject merchandise at less than normal value (“NV”) during the POR. We have also preliminarily determined to rescind the review with respect to Samwon because the evidence on the record indicates that Samwon had no shipments of subject merchandise to the United States during the POR. If these preliminary results are adopted in our final results of review, we will instruct the U.S. Customs Service to assess antidumping duties on entries of POSCO’s and DMC’s subject merchandise during the POR, in accordance with Sections 19 CFR 351.106 and 351.212(b) of the Department’s regulations.

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

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

EFFECTIVE DATE: August 7, 2002.

FOR FURTHER INFORMATION CONTACT: Laurel LaCivita (POSCO and Samwon), Lilit Astvatsatryan (DMC), or Robert Bolling, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4243, (202) 482-6412, or (202) 482-3434, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

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 the regulations codified at 19 CFR part 351 (2001).

Background

On July 2, 2001, the Department published in the **Federal Register** a notice of "Opportunity to Request Administrative Review" of the antidumping duty order on stainless steel sheet and strip in coils from the Republic of Korea. *See Notice of Opportunity to Request Administrative Review of Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation*, 66 FR 34910 (July 2, 2001), as corrected, 66 FR 38455 (July 24, 2001). On July 31, 2001, petitioners requested a review of POSCO and DMC in accordance with 19 CFR 351.213(b)(1). Also, on July 31, 2000, POSCO, Samwon, and DMC, producers and exporters of subject merchandise during the POR, in accordance with 19 CFR 351.213(b)(2), each requested administrative reviews of the antidumping order covering the period July 1, 2000, through June 30, 2001. On August 20, 2001, the Department published in the **Federal Register** a notice of initiation of administrative review of this order. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 66 FR 43570 (August 20, 2001).

On August 27, 2001, Samwon informed the Department that it made no shipments of subject merchandise to

the United States during the POR. We have confirmed this information with the U.S. Customs Service. For further discussion, see the "Partial Rescission of Review" section of this notice, below.

On August 29, 2001, the Department issued questionnaires for this review to POSCO and DMC. POSCO and DMC submitted Section A questionnaire responses on October 3, 2001. On November 5, 2001, POSCO submitted its Sections B through D questionnaire responses and DMC submitted its Sections B through E questionnaire responses. POSCO submitted its cost reconciliation on November 5, 2001, in the context of the Section D response, and DMC submitted its cost reconciliation on November 19, 2001.

On October 23, 2001, DMC requested that the Department adjust DMC's cost reporting period to conform more closely with its fiscal year reporting period. On October 25, 2001, the Department requested additional information from DMC in order to evaluate DMC's request. DMC submitted the requested information on November 15, 2001. On the same date, petitioners submitted a letter regarding DMC's reporting of its cost using the fiscal year rather than the period of review. On November 27, 2001, the Department granted DMC's request to report its COP and CV information for its April 1, 2000, through March 31, 2001, fiscal year rather than for the period of review, July 1, 2000, through June 30, 2001.

On December 13, 2001, the Department issued supplemental questionnaires to POSCO and DMC covering their Section A through E responses. POSCO and DMC provided supplemental questionnaire responses on January 19, 2002.

On December 19, 2001, in a memorandum to the file from Catherine Bertrand through James Doyle, *Stainless Steel Sheet and Strip from Korea: Sales Below Cost Investigation*, we informed DMC that since the Department disregarded DMC's sales below cost from its analysis in the final results of the first administrative review (*see Stainless Steel Sheet and Strip From the Republic of Korea: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 66 FR 64950 (December 17, 2001)), it was therefore initiating a sales below cost investigation for the period July 1, 2000, through June 30, 2001. Our memorandum noted that DMC had already filed its Section D response on November 5, 2001.

The Department issued its second supplemental questionnaires to POSCO on March 21, 2002, and to DMC on April 4, 2002. POSCO responded on

April 5, 2002, and DMC responded on April 19, 2002. On May 8, 2002, DMC submitted its sales reconciliation. On June 6, 2002, POSCO submitted its sales reconciliation.

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for completion of an administrative review if it determines that it is not practicable to complete the review within the statutory time limit. On March 6, 2002, the Department extended the time limit for the preliminary results in this review to July 31, 2002. *See Stainless Steel Sheet and Strip in Coils From the Republic of Korea: Extension of Time Limits for the Preliminary Results of the Antidumping Duty Administrative Review*, 67 FR 10134 (March 6, 2002).

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

Scope of the Review

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

The merchandise subject to this order is classified in the *Harmonized Tariff Schedule of the United States* (HTS) at subheadings: 7219.13.0031, 7219.13.0051, 7219.13.0071, 7219.1300.81,² 7219.14.0030, 7219.14.0065, 7219.14.0090, 7219.32.0005, 7219.32.0020, 7219.32.0025, 7219.32.0035, 7219.32.0036, 7219.32.0038, 7219.32.0042, 7219.32.0044, 7219.33.0005, 7219.33.0020, 7219.33.0025, 7219.33.0035, 7219.33.0036, 7219.33.0038, 7219.33.0042, 7219.33.0044, 7219.34.0005, 7219.34.0020, 7219.34.0025, 7219.34.0030, 7219.34.0035, 7219.35.0005, 7219.35.0015, 7219.35.0030, 7219.35.0035, 7219.90.0010, 7219.90.0020, 7219.90.0025,

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

7219.90.0060, 7219.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6010, 7220.20.6015, 7220.20.6060, 7220.20.6080, 7220.20.7005, 7220.20.7010, 7220.20.7015, 7220.20.7060, 7220.20.7080, 7220.20.8000, 7220.20.9030, 7220.20.9060, 7220.90.0010, 7220.90.0015, 7220.90.0060, and 7220.90.0080. Although the HTS subheadings are provided for convenience and Customs purposes, the Department's written description of the merchandise covered by this order is dispositive.

Excluded from the scope of this order are the following: (1) Sheet and strip that is not annealed or otherwise heat treated and pickled or otherwise descaled, (2) sheet and strip that is cut to length, (3) plate (*i.e.*, flat-rolled stainless steel products of a thickness of 4.75 mm or more), (4) flat wire (*i.e.*, cold-rolled sections, with a prepared edge, rectangular in shape, of a width of not more than 9.5 mm), and (5) razor blade steel. Razor blade steel is a flat-rolled product of stainless steel, not further worked than cold-rolled (cold-reduced), in coils, of a width of not more than 23 mm and a thickness of 0.266 mm or less, containing, by weight, 12.5 to 14.5 percent chromium, and certified at the time of entry to be used in the manufacture of razor blades. *See* Chapter 72 of the HTS, "Additional U.S. Note" 1(d).

In response to comments by interested parties, the Department has determined that certain specialty stainless steel products were excluded from the scope of the investigation and the subsequent order. These excluded products are described below.

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

Also excluded is a product referred to as suspension foil, a specialty steel product used in the manufacture of suspension assemblies for computer disk drives. Suspension foil is described as 302/304 grade or 202 grade stainless steel of a thickness between 14 and 127 microns, with a thickness tolerance of plus-or-minus 2.01 microns, and surface glossiness of 200 to 700 percent Gs. Suspension foil must be supplied in coil widths of not more than 407 mm, and with a mass of 225 kg or less. Roll marks may only be visible on one side, with no scratches of measurable depth. The material must exhibit residual stresses of 2 mm maximum deflection, and flatness of 1.6 mm over 685 mm length. Certain stainless steel foil for automotive catalytic converters is also excluded from the scope of this order. This stainless steel strip in coils is a specialty foil with a thickness of between 20 and 110 microns used to produce a metallic substrate with a honeycomb structure for use in automotive catalytic converters. The steel contains, by weight, carbon of no more than 0.030 percent, silicon of no more than 1.0 percent, manganese of no more than 1.0 percent, chromium of between 19 and 22 percent, aluminum of no less than 5.0 percent, phosphorus of no more than 0.045 percent, sulfur of no more than 0.03 percent, lanthanum of less than 0.002 or greater than 0.05 percent, and total rare earth elements of more than 0.06 percent, with the balance iron.

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

Certain electrical resistance alloy steel is also excluded from the scope of this order. This product is defined as a non-magnetic stainless steel manufactured to American Society of Testing and Materials ("ASTM") specification B344 and containing, by weight, 36 percent nickel, 18 percent chromium, and 46 percent iron, and is most notable for its resistance to high temperature corrosion. It has a melting point of 1390

degrees Celsius and displays a creep rupture limit of 4 kilograms per square millimeter at 1000 degrees Celsius. This steel is most commonly used in the production of heating ribbons for circuit breakers and industrial furnaces, and in rheostats for railway locomotives. The product is currently available under proprietary trade names such as "Gilphy 36."⁴

Certain martensitic precipitation-hardenable stainless steel is also excluded from the scope of this order. This high-strength, ductile stainless steel product is designated under the Unified Numbering System ("UNS") as S45500-grade steel, and contains, by weight, 11 to 13 percent chromium, and 7 to 10 percent nickel. Carbon, manganese, silicon and molybdenum each comprise, by weight, 0.05 percent or less, with phosphorus and sulfur each comprising, by weight, 0.03 percent or less. This steel has copper, niobium, and titanium added to achieve aging, and will exhibit yield strengths as high as 1700 Mpa and ultimate tensile strengths as high as 1750 Mpa after aging, with elongation percentages of 3 percent or less in 50 mm. It is generally provided in thicknesses between 0.635 and 0.787 mm, and in widths of 25.4 mm. This product is most commonly used in the manufacture of television tubes and is currently available under proprietary trade names such as "Durphynox 17."⁵

Finally, three specialty stainless steels typically used in certain industrial blades and surgical and medical instruments are also excluded from the scope of this order. These include stainless steel strip in coils used in the production of textile cutting tools (*e.g.*, carpet knives).⁶ This steel is similar to AISI grade 420 but containing, by weight, 0.5 to 0.7 percent of molybdenum. The steel also contains, by weight, carbon of between 1.0 and 1.1 percent, sulfur of 0.020 percent or less, and includes between 0.20 and 0.30 percent copper and between 0.20 and 0.50 percent cobalt. This steel is sold under proprietary names such as "GIN4 Mo." The second excluded stainless steel strip in coils is similar to AISI 420-J2 and contains, by weight, carbon of between 0.62 and 0.70 percent, silicon of between 0.20 and 0.50 percent, manganese of between 0.45 and 0.80 percent, phosphorus of no more than 0.025 percent and sulfur of no more than 0.020 percent. This steel has a carbide density on average of 100

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

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

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

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

carbide particles per 100 square microns. An example of this product is "GIN5" steel. The third specialty steel has a chemical composition similar to AISI 420 F, with carbon of between 0.37 and 0.43 percent, molybdenum of between 1.15 and 1.35 percent, but lower manganese of between 0.20 and 0.80 percent, phosphorus of no more than 0.025 percent, silicon of between 0.20 and 0.50 percent, and sulfur of no more than 0.020 percent. This product is supplied with a hardness of more than Hv 500 guaranteed after customer processing, and is supplied as, for example, "GIN6."⁷

Partial Rescission of Review

As noted above, Samwon informed the Department that it had no shipments of subject merchandise to the United States during the POR. The Department subsequently contacted the U.S. Customs Service, requested Customs to conduct an inquiry into entries of Samwon's subject merchandise into the United States during the POR, and reviewed Customs' data. There is no evidence on the record which indicates that Samwon made exports of subject merchandise during the POR. Therefore, in accordance with 19 CFR 351.213(d)(3) and consistent with the Department's practice, we are preliminarily rescinding our review with respect to Samwon. *See, e.g., Certain Welded Carbon Steel Pipe and Tube from Turkey; Final Results and Partial Rescission of Antidumping Administrative Review*, 63 FR 35190, 35191 (June 29, 1998); *Certain Fresh Cut Flowers from Colombia; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 62 FR 53287, 53288 (Oct. 14, 1997).

Verification

As provided in section 782(i) of the Act, we verified sales and cost information provided by DMC from May 22, 2002, to May 30, 2002, in Seoul, Korea. We verified the CEP sales response of DMC's U.S. affiliate, Ocean Metal Corporation ("OMC"), from June 14, 2002, to June 18, 2002, in City of Industry, CA. We verified POSCO's sales and cost information from June 25 to July 5, 2002, at POSCO's plant headquarters in Pohang, Korea and their corporate offices in Seoul, Korea. We used standard verification procedures, including an examination of relevant sales, cost, and financial records, and selection of original documentation containing relevant information. Our verification results are outlined in the

public version of the verification reports and are on file in the Central Records Unit ("CRU") located in room B-099 of the main Department of Commerce Building, 14th Street and Constitution Avenue, NW., Washington, DC.

Normal Value Comparisons

To determine whether POSCO's and DMC's sales of subject merchandise from Korea to the United States were made at less than normal value, we compared the constructed export price ("CEP") to the NV, as described in the "Constructed Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A of the Act, we calculated monthly weighted-average prices for NV and compared these to individual CEP transactions.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products covered by the description in the "Scope of the Review" section of this notice *supra*, which were produced and sold by POSCO and DMC in the home market during the POR, to be foreign like products for purposes of determining appropriate product comparisons to SSSS products sold in the United States. We have relied on nine product characteristics to match U.S. sales of subject merchandise to comparison sales of the foreign like product: grade, hot or cold-rolled, gauge, surface finish, metallic coating, non-metallic coating, width, temper, and edge. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics and reporting instructions listed in the August 29, 2001, antidumping duty questionnaire and instructions, or to constructed value ("CV"), as appropriate.

Date of Sale

It is the Department's practice normally to use the invoice date as the date of sale, although we may use a date other than the invoice date if we are satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale. *See* 19 CFR 351.401(i). We have preliminarily determined that the of invoice date as the date of sale for respondents Dai Yang and POSCO. Consistent with the prior review, for home market sales, we used the reported date of the invoice from the Korean manufacturer.

For U.S. sales, POSCO reported its date of sale to be the earlier of the

shipment date from Korea or POSCO's invoice date, although these were CEP transactions. Additionally, POSCO reported that its sales are shipped directly from the factory in Korea to the U.S. customer. However, POSCO's U.S. affiliate, Pohang Steel America Corporation ("POSAM"), serves as the principal point of contact for the U.S. customer. Customers place their orders with POSAM, which then places an order with POSCO. Upon confirmation from POSCO, POSAM separately invoices the unaffiliated customer in the United States. POSAM is solely responsible for collecting payment from the U.S. customer, and for paying POSCO for the merchandise. Since POSCO's U.S. sales were made "in the United States" within the meaning of section 772(b) of the Act, we have treated these sales as CEP transactions, consistent with *AK Steel Corp. v. United States*, 226 F.3d 1361, 1374 (Fed. Cir. 2000). Thus, we have determined that the date of sale for these U.S. sale is the date of invoice from POSAM to the unaffiliated customer. Therefore, we have based date of sale on invoice date from the U.S. affiliate, unless that date was subsequent to the date of shipment to the unaffiliated customer from Korea, in which case that shipment date is the date of sale. *See Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Preliminary Results*, 65 FR 54197, 54201 (September 7, 2000), and *see Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Final Results of Antidumping Duty Administrative Reviews*, 66 FR 3540 (January 16, 2001).

Dai Yang reported that the date of sale for its U.S. sales, was the invoice date from its U.S. affiliate to the unaffiliated customer.

Export Price and Constructed Export Price

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

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

POSCO

For purposes of this administrative review, POSCO classified all of its sales as CEP sales. POSCO identified only one channel of distribution for U.S. sales through its wholly owned subsidiary, Pohang Steel America Corporation ("POSAM"), to its unaffiliated customer in the United States. We based our calculations on CEP, in accordance with subsections 772(b), (c), and (d) of the Act.

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

For CEP sales, we also made an adjustment for profit in accordance with section 772(d)(3) of the Act. We deducted the profit allocated to expenses deducted under sections 772(d)(1) and 772(d)(2) in accordance with sections 772(d)(3) and 772(f) of the Act. In accordance with section 772(f) of the Act, we computed profit based on total revenue realized on sales in both the U.S. and home markets, less all expenses associated with those sales. We then allocated profit to expenses incurred with respect to U.S. economic activity, based on the ratio of total U.S. expenses to total expenses for both the U.S. and home markets.

We made no changes to POSCO's reported CEP sales database as a result of verification. *See Sales and Cost Verification of Pohang Iron and Steel Corporation ("POSCO") in the*

Antidumping Administrative Review of Certain Stainless Steel Sheet and Strip in Coils from Korea ("POSCO Verification Report") (July 31, 2002); Analysis for the preliminary results of review for stainless steel strip in coils from Korea—Pohang Iron & Steel Company ("POSCO") ("POSCO Prelim Analysis Memo") (July 31, 2002).

DMC

DMC reported that it made all sales of subject merchandise to the United States through its wholly-owned subsidiary in the United States, OMC. Consequently, it classified all of its U.S. sales as CEP sales. We based our calculations on CEP, in accordance with subsections 772(b), (c), and (d) of the Act.

We calculated CEP based on packed prices to unaffiliated purchasers in the United States. We made adjustments to the starting price for billing adjustments, where applicable. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight from the plant to the port of export, foreign brokerage and Korean customs clearance fees, international freight, marine insurance, U.S. inland freight from port to warehouse, U.S. inland freight from warehouse/plant to the unaffiliated customer, U.S. brokerage and handling, and U.S. customs duty. Also, in accordance with section 772(c)(2)(A) of the Act, we deducted packing expenses because packing expenses are included in the CEP. In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (*i.e.*, imputed credit, commissions, warranty expense, banking expenses, and domestic banking fees) and indirect selling expenses, including inventory carrying costs. Additionally, we added to the U.S. price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act.

For CEP sales, we also made an adjustment for profit in accordance with section 772(d)(3) of the Act. We deducted the profit allocated to expenses deducted under sections 772(d)(1) and 772(d)(2) in accordance with sections 772(d)(3) and 772(f) of the Act. In accordance with section 772(f) of the Act, we computed profit based on total revenue realized on sales in both the U.S. and home markets, less all expenses associated with those sales. We then allocated profit to expenses incurred with respect to U.S. economic

activity, based on the ratio of total U.S. expenses to total expenses for both the U.S. and home markets.

We made corrections to the data for certain variables included in the pre-selected sales examined at verification. *See Daiyang Metal Co., Ltd. Home Market Sales, United States Sales, and Cost of Production Verification Report; Antidumping Administrative Review on Stainless Steel Sheet and Strip in Coils from Korea (July 31, 2002) ("DMC Verification Report"); Verification Report of the Administrative Review of Stainless Steel Sheet and Strip from Korea—United States Sales Verification Report of Ocean Metal Corporation (July 31, 2002) ("OMC Verification Report"); Analysis for the preliminary results of review for stainless steel strip in coils from Korea—Daiyang Metal Co., Ltd. ("DMC Prelim Analysis Memo") (July 31, 2002).*

Normal Value

1. Home Market Viability

For POSCO and DMC, we compared the aggregate volume of home market sales of the foreign like product and U.S. sales of the subject merchandise to determine whether the volume of the foreign like product sold in Korea was sufficient, pursuant to section 773(a)(1)(C) of the Act, to form a basis for NV. Because the volume of home market sales of the foreign like product was greater than five percent of the U.S. sales of subject merchandise for both companies, in accordance with section 773(a)(1)(B)(i) of the Act, we have based the determination of NV upon the home market sales of the foreign like product. Thus, we used as NV the prices at which the foreign like product was first sold for consumption in Korea, in the usual commercial quantities, in the ordinary course of trade, and, to the extent possible, at the same level of trade ("LOT") as the CEP or NV sales, as appropriate.

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

2. Arm's-Length Test

POSCO and DMC reported that they each made sales in the home market to affiliated and unaffiliated end users and distributors/retailers. Sales to affiliated customers in the home market not made at arm's length were excluded from our analysis. To test whether these sales were made at arm's length, we compared the starting prices of sales to

affiliated and unaffiliated customers net of all billing adjustments, movement charges, direct selling expenses, discounts and packing, but including the alloy surcharge. Where prices to the affiliated party were on average 99.5 percent or more of the price to the unaffiliated party, we determined that sales made to the affiliated party were made at arm's length. *See 19 CFR 351.403(c).* Where no affiliated customer ratio could be calculated because identical merchandise was not sold to unaffiliated customers, we were unable to determine that these sales were made at arm's length and, therefore, excluded them from our analysis. *See, e.g., Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Argentina, 58 FR 37062, 37077 (July 9, 1993).* Where the exclusion of such sales eliminated all sales of the most appropriate comparison product, we made comparisons to the next most similar model. Certain of POSCO's and DMC's affiliated home market customers did not pass the arm's length test. However, we did not consider the downstream sales from these customers to the first unaffiliated customer because DMC's affiliated home market customers further manufactured the subject merchandise into merchandise outside of the scope of the order. With respect to POSCO, the total quantity of sales made through these affiliated parties was less than 5 percent of the total quantity of home market sales. Therefore, in accord with section 351.403 of the Department's regulations, we did not request information on the downstream sales.

3. Cost of Production ("COP") Analysis

Because the Department determined that POSCO and DMC made sales in the home market at prices below the cost of producing the subject merchandise in the previous administrative review of and therefore excluded such sales from normal value, the Department determined that there are reasonable grounds to believe or suspect that POSCO and DMC made sales in the home market at prices below the cost of producing the merchandise in this administrative review. *See section 773(b)(2)(A)(ii) of the Act.* As a result, the Department initiated a cost of production inquiry to determine whether POSCO and DMC made home market sales during the POR at prices below their respective COP within the meaning of section 773(b) of the Act.

We conducted the COP analysis described below.

A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of POSCO's and DMC's cost of materials and fabrication for the foreign like product, plus amounts for home market selling, general and administrative expenses ("SG&A"), including interest expenses, and packing costs. We relied on the COP data submitted by POSCO and DMC in their original and supplemental cost questionnaire responses. For the preliminary results of review, we revised the COP information submitted by POSCO as follows: We reclassified net gains and losses on the valuation and disposition of marketable securities as financing expense, and we reclassified the reversal of an allowance for doubtful accounts as an indirect selling expense. *See POSCO Prelim Analysis Memo and POSCO Verification Report.*

We made no changes to the COP information provided by DMC to conduct the cost test.

B. Test of Home Market Prices

On a product-specific basis, we compared the weighted-average COP for POSCO and DMC, adjusted where appropriate, to their 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 less than the COP, we examined whether such sales were made: (1) Within an extended period of time, in substantial quantities; and (2) at prices which did not permit the recovery of all costs within a reasonable period of time in accordance with section 773(b)(1)(A) and (B) of the Act. We compared the COP to home market prices, less any applicable billing adjustments, 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 a respondent's sales of a given product within an extended period of time are at prices less than the COP, we did not disregard any below-cost sales of that product because 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 extended period were at prices less than the COP, we determined such sales to have been made in "substantial quantities" pursuant to section 773(b)(2)(C)(i)

within an extended period of time, in accordance with section 773(b)(2)(B) of the Act. In such cases, because we used POR average 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. As a result, we disregarded such below-cost sales. Where all sales of a specific product were at prices below the COP, we disregarded all sales of that product. Based on this test, we disregarded below-cost sales from our analysis for POSCO and DMC. For those sales of subject merchandise for which there were no comparable home market sales in the ordinary course of trade, we compared CEP to CV, in accordance with section 773(a)(4) of the Act.

D. Calculation of CV

In accordance with section 773(e)(1) of the Act, we calculated POSCO's and DMC's constructed value ("CV") based on the sum of their cost of materials, fabrication, SG&A, including interest expenses, and profit. We calculated the COPs included in the calculation of CV as noted above in the "Calculation of COP" section of this notice. In accordance with section 773(e)(2)(A) of the Act, we based SG&A and profit on the amounts incurred and realized by POSCO and DMC 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 weighted-average home market direct and indirect selling expenses. For CV, we made the same adjustments described in the COP section above.

Price-to-Price Comparisons

POSCO

For those product comparisons for which there were sales at prices above the COP, we based NV on the home market prices to unaffiliated purchasers and those affiliated customer sales which passed the arm's length test. We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

We made adjustments, where applicable, for movement expenses (*i.e.*, inland freight from plant to distribution warehouse, warehousing expense, and inland freight from plant/distribution warehouse to customer) in accordance with section 773(a)(6)(B) of the Act. We made circumstance-of-sale adjustments for credit, warranty expense and interest revenue, where appropriate in accordance with section 773(a)(6)(C). In

accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs. Also, on certain sales, we added to NV an amount for duty drawback. Finally, in accordance with section 773(a)(4) of the Act, where the Department was unable to determine NV on the basis of contemporaneous matches in accordance with 773(1)(B)(i), we based NV on CV.

We did not make any adjustments to POSCO's reported home market sales data in the calculation of NV.

DMC

For those product comparisons for which there were sales at prices above the COP, we based NV on the home market prices to unaffiliated purchasers and those affiliated customer sales which passed the arm's length test. We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

We calculated NV based on the home market prices to both affiliated and unaffiliated home market customers. Because all of DMC's home market sales were made on an ex-factory basis, we made no adjustments for inland freight from the plant or distribution warehouse to the customer in accordance with section 773(a)(6)(B) of the Act. We made circumstance-of-sale adjustments for credit, where appropriate. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs. Finally, in accordance with section 773(a)(4) of the Act, where the Department was unable to determine NV on the basis of contemporaneous matches in accordance with 773(1)(B)(i), we based NV on CV.

Price-to-CV Comparisons

In accordance with section 773(a)(4) of the Act, we base NV on CV if we are unable to find a home market match of identical or similar merchandise. For selling expenses, we used the actual weighted-average home market direct and indirect selling expenses. Where applicable, we make adjustments to CV in accordance with section 773(a)(8) of the Act.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade ("LOT") as the EP or CEP transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on CV, that of the sales from

which we derive selling, general and administrative ("SG&A") expenses and profit. For EP, the LOT is also the level of the starting price sale, which is usually from the exporter to the importer. For CEP, it is the level of the constructed sale from the exporter to the importer.

To determine whether NV sales are at a different LOT than EP or CEP sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the customer. If the comparison market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the differences in the levels between NV and CEP sales 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 Carbon Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997).

In implementing these principles in this administrative review, we obtained information from POSCO and DMC about the marketing stages involved in its reported U.S. and home market sales, including a description of the selling activities performed by POSCO and DMC for each channel of distribution. In identifying levels of trade for CEP, we considered only the selling activities reflected in the price after the deduction of expenses 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). Generally, if the reported levels of trade are the same in the home and U.S. markets, the functions and activities of the seller should be similar. Conversely, if a party reports levels of trade that are different for different categories of sales, the functions and activities should be dissimilar.

In the present review, neither POSCO nor DMC requested a LOT adjustment. To determine whether an adjustment was necessary, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and home markets, including the selling functions, classes of customer, and selling expenses.

POSCO

In the present review, POSCO did not request a LOT adjustment. However, because POSCO claims that the adjustment for the function of the U.S. operation would result in a U.S. level of trade that is less advanced than the home market level of trade, POSCO claims that a CEP offset is required. To determine whether an adjustment was necessary, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and Korean markets, including the selling functions, classes of customer, and selling expenses.

In both the U.S. and home markets, POSCO reported one level of trade. See POSCO's October 3, 2001, Section A response, at A-9 through A-13. POSCO sold through two channels of distribution in the home market: (1) directly from its mill to all customers in the home market: end users, domestic trading companies and service centers; and (2) POSCO sold a limited quantity of overrun and secondary merchandise through the internet. POSCO sold through one channel distribution in the U.S. market: through POSAM to unaffiliated trading companies.

For sales in home market channel one, POSCO performed all sales-related activities, including arranging for freight and delivery; providing computerized accounting and sales systems; market research; warranty; sales negotiation; after-sales service; quality control; and extending credit. POSCO's home market sales in channel 1 were produced to order. The same selling functions were performed in home market channel two; however, all internet sales were made from inventory. Because these selling functions are similar for both sales channels, we preliminarily determine that there is one LOT in the home market.

For all U.S. sales made through POSAM, POSCO determined the price and terms of sale and performed all sales-related activities (with the exception of extending credit and invoicing the customers). Since all sales in the United States are made through a single channel of distribution, we preliminarily determine that there is one LOT in the U.S. market.

In comparing POSCO's home market and U.S. market sales, it appears that POSCO's offered many of the same selling functions in both markets, including: negotiating prices; meeting with customers; providing inventory; personnel management and training; technical advice; providing computerized accounting and sales

systems; engineering services; research and development and technical programs; procurement services; and quality control. Accordingly, we preliminarily determine that there is not a significant difference in the selling functions performed in the home market and U.S. market and that these sales are made at the same LOT. Consequently, we preliminarily determine that a LOT adjustment or CEP offset is not warranted in this case.

DMC

In the present review, DMC made no claims that a LOT adjustment was appropriate. To determine whether an adjustment is necessary, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and home markets, including the selling functions, classes of customer, and selling expenses.

In both the U.S. and home markets, DMC reported one level of trade. *See* DMC's October 3, 2001, Section A response, at A-8 through A-11. DMC sold through two channels of distribution in the home market: (1) Directly from its mill to affiliated and unaffiliated manufacturers; and (2) directly from its mill to unaffiliated distributors. DMC sold through two channels of distribution in the U.S. market: (1) Through OMC to unaffiliated customers in the United States; and (2) through OMC for further manufacturing into stainless steel pipe, which is not covered by the order.

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

In the U.S. market, DMC sold all of its merchandise through its U.S. subsidiary, OMC. Consequently, DMC claimed that OMC performed the requisite selling activities, such as the negotiation of sales terms, maintenance and collection of accounts receivable, evaluation of customer credit, importation of subject merchandise and delivery of the merchandise to the unaffiliated customer. For the U.S. market, DMC's selling functions are limited to freight and delivery arrangements, which did not vary by customer type. Therefore, we preliminarily determine that there is

one LOT in the U.S. market. For these CEP sales, we determined that fewer and different selling functions were performed for CEP sales to OMC than for sales at the home market LOT. We found sales at the home market LOT were at a more advanced stage of distribution (to end users) compared to the CEP sales.

We attempted to examine whether the difference in LOTs affects price comparability. However, we were unable to quantify the LOT adjustment in accordance with section 773(a)(7)(A) of the Act, as we found that there is only one LOT in the home market. Because of this, we were unable to calculate a LOT adjustment, as we found the LOT in the home market did not match the LOT of the CEP transactions. Therefore, because the NV is established at a more advanced level of trade than the LOT of the CEP transactions, we adjusted NV under section 773(a)(7)(B) of the Act (the CEP offset provision). Because of this, we did not calculate a LOT adjustment. Instead, a CEP offset was applied to the NV-CEP comparison.

Currency Conversion

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

Preliminary Results of Review

As a result of our administrative review, we preliminarily determine that the following weighted-average dumping margin exists for the period July 1, 2000, through June 30, 2001:

STAINLESS STEEL SHEET AND STRIP IN COILS FROM KOREA

Manufacturer/exporter/reseller	Margin (percent)
POSCO	1.01
DMC	5.42

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties to this proceeding in accordance with 19 CFR 351.224(b). An interested party may request a hearing within 30 days of publication of these preliminary results. *See* 19 CFR 351.310(c). Any hearing, if requested, will be held 37 days after the date of publication, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results of review. *See* 19 CFR 351.309(c)(ii). 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. *See* 19 CFR 351.309(d). Parties submitting 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. Case and rebuttal briefs and comments must be served on interested parties in accordance with 19 CFR 351.303(f). Further, we would appreciate it if parties submitting written comments also provide the Department with an additional copy of those comments on diskette. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results, pursuant to Section 751(a)(3)(A) of the Act.

Assessment

Upon issuance of the final results of this review, the Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. Pursuant to 19 CFR 351.212(b), the Department has calculated an assessment rate applicable to all appropriate entries. We calculated importer-specific duty assessment rates on the basis of the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value, or entered quantity, as appropriate, of the examined sales for that importer. Upon completion of this review, where the assessment rate is above *de minimis*, we will instruct the U.S. Customs Service to assess duties on

all entries of subject merchandise by that importer.

Cash Deposit

The following cash deposit requirements will be effective upon publication of these final results for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results of administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for each of the reviewed companies will be the rate listed in the final results of review (except that if the rate for a particular product is *de minimis*, i.e., less than 0.5 percent, no cash deposit will be required for that company); (2) for previously investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less than fair value ("LTFV") investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be the "all others" rate of 2.49 percent, which is the all others rate established in the LTFV investigation. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification to Interested Parties

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of the antidumping duties occurred and the subsequent assessment of double antidumping duties.

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

hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

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

Dated: July 31, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 02-19992 Filed 8-6-02; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-475-824]

Preliminary Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils from Italy

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

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

SUMMARY: In response to requests from domestic interested parties, ThyssenKrupp Acciai Speciali Terni S.p.A. ("TKAST")¹, a producer and exporter of subject merchandise, and ThyssenKrupp AST USA, Inc. ("TKAST USA"), an importer of subject merchandise, the Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on stainless steel sheet and strip in coils ("SSSS") from Italy. This review covers imports of subject merchandise from TKAST. The period of review ("POR") is July 1, 2000 through June 30, 2001.

The Department preliminary determines that SSSS from Italy has been sold in the United States at less than normal value during the POR. If these preliminary results are adopted in our final results of this administrative review, we will instruct the U.S. Customs Service ("Customs") to assess antidumping duties equal to the difference between export price and normal value.

EFFECTIVE DATE: August 7, 2002.

FOR FURTHER INFORMATION CONTACT:
Robert A. Bolling at 202-482-3434,

¹ On January 18, 2002 Acciai Speciali Terni S.p.A.'s shareholders voted to change the company's name to ThyssenKrupp Acciai Speciali Terni S.p.A. On February 27, 2002, Acciai Speciali Terni USA, Inc. became ThyssenKrupp AST USA, Inc. Throughout most of the responses, the companies refer to themselves as TKAST and TKAST USA, respectively.

Import Administration, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("Act"), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 C.F.R. part 351 (2001).

Background

On July 2, 2001, the Department published in the Federal Register a notice of opportunity to request an administrative review of the antidumping duty order on stainless steel sheet and strip in coils ("SSSS") from Italy. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 66 FR 34910 (July 2, 2001). On July 31, 2001, domestic industry parties from the original investigation ("petitioners"), TKAST and TKAST USA requested that the Department conduct an administrative review of the antidumping duty order. On August 20, 2001, the Department initiated an administrative review of the antidumping duty order on SSSS from Italy with regard to TKAST. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 66 FR 43570 (August 20, 2001).

On August 31, 2001, the Department issued an antidumping duty questionnaire to TKAST. On September 21, 2001, TKAST submitted its response to Section A of the questionnaire. On November 5, 2001, TKAST submitted its responses to Sections A through E of the questionnaire. On November 19, 2001, TKAST submitted its cost reconciliation to the Department. On December 21, 2001, petitioners submitted comments on TKAST's Sections A through C responses, which included concerns regarding TKAST's reported insurance revenues, indirect selling expenses, and export price sales. On January 31, 2002, petitioners submitted comments on TKAST's cost reconciliation, and TKAST's Sections D and E responses, which included concerns regarding tying the Section D cost data to TKAST's financial statements, the use of fiscal year 2000 data in reporting costs,