

from KSC on February 18, 2004. On February 17, 2004 the petitioners submitted comments and on February 23, 2004, the petitioners submitted a request for an extension of time to comment on KSC's February 18, 2004 submission. The Department received rebuttal comments from KSC on February 25, 2004 and March 17, 2004 and from petitioners on March 10, 2004. In its February 18, 2004 comments, KSC provided data from the official record of the original SSSS investigation and the first administrative review concerning KSC's local and export merchandise identification methodologies which it claimed supports its contention that the company had no knowledge that the entries in question were eventually exported to the United States by an unrelated third party. Based on their contention that they had no knowledge that the entries in question were eventually exported to the United States, KSC concluded that the administrative review should be rescinded. In its March 10, 2004 submission, petitioners agreed that the entries were not KSC sales and that the review should be rescinded.

#### Analysis

After analyzing the data contained in the CBP-provided customs entry packages, petitioners' and KSC's comments and rebuttal comments, the Department notes that both parties agree these entries are not KSC shipments and the review should be rescinded. The Department further notes that KSC accounting records, which show that the entries at issue were coded by KSC as a domestic Japanese sale, supports KSC's contention that it had no knowledge these home market sales of subject merchandise were destined for the United States. Moreover, the data contained in the CBP entry packages shows that these entries were more likely shipped by a Japanese reseller to the United States. Further, based on the identities of the Japanese reseller and the Japanese importer, as reported in the CBP entry documentation, these two entities are part of the same corporate group one of whose companies was assigned a rate in the original investigation. Please see the accompanying analysis memorandum for identification of each of these entities. *See Memorandum to the File from Kit L. Rudd, Case Analyst through Edward C. Yang, Director, Office IX regarding Stainless Steel Sheet and Strip in Coils from Japan—Rescission Analysis Memorandum* dated April 1, 2004. We corroborated this understanding by examining the group's website which shows all these entities

as part of the same group. *See Id.* As a result of this analysis, we conclude that the exporter's cash deposit rate should have been posted, rather than the manufacturer's (KSC's) rate, and we will instruct CBP to liquidate those entries at that rate. Please refer to CBP for further information as to the circumstances relating to the incorrect rate claimed. For an explanation of the Department's automatic-liquidation regulation concerning circumstances where a reseller has been involved in the chain of commerce, please refer to the Department's May 6, 2003 explanation as published in the **Federal Register**. *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

Accordingly, we are rescinding this review. The cash deposit rate will continue to be the rate established in the most recently completed segment of this proceeding.

This notice is issued and published in accordance with sections 777(i) of the Act and 19 CFR 351.213(d)(4).

Dated: April 1, 2004.

Jeffrey May,

Acting Assistant Secretary for Import Administration.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-549-502]

#### Certain Welded Carbon Steel Pipes and Tubes From Thailand: Notice of Preliminary Results of Antidumping Duty Administrative Review

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

**SUMMARY:** In response to requests by two domestic producers, Allied Tube and Conduit Corporation, and Wheatland Tube Company (collectively, the "petitioners"), the Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on certain welded carbon steel pipes and tubes from Thailand. This review covers Saha Thai Steel Company, Ltd. ("Saha Thai"), a Thai manufacturer and exporter of the subject merchandise to the United States. The period of review (POR) is March 1, 2002 through February 28, 2003.

We have preliminarily determined that the respondent sold the subject merchandise at less than normal value

("NV") during the POR. For information on the weighted-average dumping margin, see the "Preliminary Results of Review" section below. If these preliminary results are adopted in our final results, we will instruct U.S. Customs and Border Protection (CBP) to liquidate appropriate entries during the POR at the proper assessment rates.

Interested parties are invited to comment on these preliminary results. Parties who submit argument in this proceeding should also submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument.

**EFFECTIVE DATE:** April 8, 2004.

**FOR FURTHER INFORMATION CONTACT:** Javier Barrientos or Sally Gannon, Office of AD/CVD Enforcement VII, Room 7866, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-2243 and (202) 482-0162, respectively.

#### SUPPLEMENTARY INFORMATION

##### Background

On March 11, 1986, the Department published in the **Federal Register**, an antidumping duty order on circular welded carbon steel pipes and tubes from Thailand. *See Antidumping Duty Order: Circular Welded Carbon Steel Pipes and Tubes from Thailand*, 51 FR 8341 (March 11, 1986). On March 3, 2003, the Department published a notice of opportunity to request an administrative review of this order covering the period March 1, 2002 through February 28, 2003. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 68 FR 9974 (March 3, 2003). Timely requests for an administrative review of the antidumping order with respect to exports by Saha Thai during the POR were filed by the petitioners. The Department published a notice of initiation of this antidumping duty administrative review on April 21, 2003. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 68 FR 19498 (April 21, 2003).

Because the Department determined that it was not practicable to complete this review within the statutory time limits, on November 7, 2003, we issued a notice of extension of the time limit for this review. *See Certain Welded Carbon Steel Pipes and Tubes from Thailand: Extension of Time Limit for Preliminary Results of Antidumping Administrative Review*, 69 FR 4113

(January 28, 2004). As a result, we extended the deadline for these preliminary results to March 30, 2004. Unless extended, the deadline for the final results will be 120 days after publication of these preliminary results.

#### Period of Review

The POR is March 1, 2002 through February 28, 2003.

#### Scope of the Antidumping Duty Order

The products covered by this antidumping duty order are certain welded carbon steel pipes and tubes from Thailand. The subject merchandise has an outside diameter of 0.375 inches or more, but not exceeding 16 inches. These products, which are commonly referred to in the industry as "standard pipe" or "structural tubing," are hereinafter designated as "pipe and tube." The merchandise is classifiable under the Harmonized Tariff Schedule (HTS) item numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090. Although the HTS subheadings are provided for convenience and CBP purposes, our written description of the scope of the order is dispositive.

#### Verification

Pursuant to section 782(i) of the Act, the Department verified the information submitted by Saha Thai for use in our preliminary results. The Department used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondent.

#### Date of Sale

Saha Thai reported contract date as the date of sale for U.S. sales. Invoice date is the Department's presumptive date for date of sale (see section 351.401(i) of the Department's regulations). For purposes of this review, however, we examined whether invoice date or some other date better represents the date on which the material terms of sale were established. The Department examined sales documentation, including contracts and invoices, provided by Saha Thai for its U.S. sales, and found that the material terms of sale are set at the contract date. Specifically, any changes in quantity were within the specified contract tolerances and as such were not material. Unit prices for the products themselves did not change between the contract and invoice on the sales examined. As such, we preliminarily determine that contract date is the appropriate date of sale for U.S. sales in

this administrative review because it better represents the date upon which the material terms of sale were established. This is consistent with our decision in the last administrative review of this proceeding, where we determined that contract date better represented the date of sale because it better reflected the date on which the material terms of sale, *i.e.*, price and quantity, were established. See *Certain Welded Carbon Steel Pipes and Tubes From Thailand: Final Results of Antidumping Duty Administrative Review*, 66 FR 53388 (October 22, 2001) (99-00 Final Results).

With respect to home market sales, the invoice is the first written document that establishes the material terms of sale. Therefore, we are using the invoice date as the date of sale for home market sales, as reported by Saha Thai.

#### Normal Value Comparisons

To determine whether sales of the subject merchandise from Thailand to the United States were made at less than normal value, we compared the export prices to the normal values for Saha Thai as specified in the "Export Price" and "Normal Value" sections of this notice. In accordance with section 777A(d)(2) of the Act, we calculated monthly weighted-average prices for normal value and compared these to individual U.S. transactions.

#### Export Price

Based upon our review of the record evidence, we classified all Saha Thai sales to U.S. customers as export price (EP) sales because, as in previous segments of this proceeding, we found that Saha Thai is not affiliated with its U.S. distributors, which are the first purchasers in the United States. See 99-00 Final Results. Therefore, we calculated the EP based on the price from Saha Thai to the first unaffiliated purchaser in the United States, in accordance with section 772(a) of the Act.

Where appropriate, in accordance with section 772(c)(2) of the Act, we made deductions from the gross unit price for foreign inland freight, foreign brokerage and handling, foreign inland insurance, bill of lading charges, ocean freight to the U.S. port, U.S. brokerage and handling charges, and, U.S. duty.

Section 772(c)(1)(B) of the Act states that the EP should be increased by the amount of any import duties "imposed by the country of exportation which have been rebated, or which have not been collected, by reason of the exportation of the merchandise to the United States." In this review, Saha Thai claimed an adjustment to EP for

the amount of duties exempted on its imports of raw materials into a bonded warehouse.

In determining whether or not an adjustment should be made to EP for this exemption, we look for a reasonable link between the duties imposed and those rebated or exempted. We do not require that the imported input be traced directly from importation through exportation. We do require, however, that the company meet the following elements in order for this addition to be made to EP. The first element is that the import duty and rebate or exemption be directly linked to, and dependent on, one another; and the second element is that the company must demonstrate that there were sufficient imports of the imported material to account for the duty drawback paid for the export of the manufactured product (the "two pronged test"). See *e.g.*, *Rajinder Pipes Ltd. v. United States*, 70 F. Supp. 2d 1350, 1358 (CIT 1999); see also *Certain Welded Carbon Standard Steel Pipes and Tubes from India: Final Results of New Shippers Antidumping Duty Administrative Review*, 62 FR 47632 (September 10, 1997); *Federal Mogul Corp. v. United States*, 862 F. Supp. 384, 409 (CIT 1994).

The company started with the actual per unit amount of raw material input it imported. To this, Saha Thai added a raw material yield/loss credit constant, that was set by the Government of Thailand (GOT), in order to calculate the amount of duty exempted on raw material imports that were incorporated into exported products. See *Memorandum to the File, from Javier Barrientos, AD/CVD Financial Analyst and Jaqueline Arrowsmith, Case Analyst, through Sally Gannon, Program Manager; Verification of Questionnaire Responses submitted by Saha Thai Steel Pipe Company, Ltd. ("Saha Thai")*, March 26, 2004 ("Cost Verification Report") at 16. At verification, we compared the GOT-set yield/loss credit constant on the raw material to the actual production loss rate the company experienced. We found that the GOT-set yield/loss credit constant was not a reasonable reflection of the company's experience because it overstates the yield/loss credit, thus not balancing yielded raw material imports to finished product exports. *Id.* at 14. Therefore, for these preliminary results, we have adjusted Saha Thai's claimed addition to EP to reflect the company's actual usage/yield experience during the period, based on the information found at verification. See *Memorandum to the File, from Javier Barrientos, AD/CVD Financial Analyst, through Sally*

*Gannon, Program Manager; Analysis of Saha Thai Steel Pipe Company, Ltd. for the Preliminary Results* (March 30, 2004).

In addition, the company claimed an adjustment to EP for an exemption it received for antidumping duties on certain imports subject to antidumping duties imposed by the GOT. However, because the Department has not specifically addressed this unique issue of whether to allow an adjustment for exempted antidumping duties on raw material inputs, the Department is requesting interested parties to comment on this issue in their case and rebuttal briefs. Therefore, for purposes of these preliminary results, no adjustment has been made to EP with respect to these exempted antidumping duties.

### Section 201 Duties

The Department notes that merchandise subject to this review is subject to duties imposed under section 201 of the Trade Act of 1974, as amended (section 201 duties). Because the Department has not previously addressed the appropriateness of deducting section 201 duties from EP and CEP, on September 9, 2003, the Department published a request for public comments on this issue. See *Antidumping Proceedings: Treatment of Section 201 Duties and Countervailing Duties*, 68 FR 53104 (September 9, 2003). Comments were received by October 9, 2003, and rebuttal comments were received by November 7, 2003. As the Department is currently analyzing these comments, for purposes of these preliminary results, no adjustment has been made to EP.

### Normal Value

*Home Market Viability:* In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating normal value (NV), we compared the volume of Saha Thai's home market sales of the foreign like product to the volume of U.S. sales of subject merchandise, in accordance with section 773(a)(1) of the Act. Based on this comparison, we determined that the aggregate volume of Saha Thai's home market sales of the foreign like product is greater than five percent of the aggregate volume of Saha Thai's U.S. sales. Thus, we determined that Saha Thai had a viable home market during the POR. Consequently, we based normal value on home market sales.

*COP Analysis:* Pursuant to section 773(b)(2)(A)(ii) of the Act, there were reasonable grounds to believe or suspect that Saha Thai had made home market

sales at prices below its cost of production ("COP") in this review because the Department had disregarded Saha Thai sales that had failed the cost test in the 1999–2000 administrative review (*i.e.*, the most recently completed review at the time we issued our antidumping questionnaire in the instant review). See 99–00 *Final Results*. As a result, the Department initiated an investigation to determine whether Saha Thai made home market sales during the contemporaneous period at prices below its COP. We calculated the COP based on the sum of respondent's cost of materials and fabrication for the foreign like product, plus an amount for selling, general and administrative expenses ("SG&A"), and packing, in accordance with section 773(b)(3) of the Act.

*Cost Test:* For these preliminary results, we are using respondent's verified COP. Pursuant to section 773(b) of the Act, we compared the COP to the home market sale prices (less any applicable movement charges and discounts) of the foreign like product on a product specific basis, in order to determine whether home market sales had been made at prices below the COP.

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

Pursuant to section 773(b)(2)(C) of the Act, when less than 20 percent of the respondent'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." When 20 percent or more of the respondent's sales of a given product during the contemporaneous period were at prices less than the COP, in accordance with sections 773(b)(2)(B) and (C) of the Act, we determined such sales to have been made in substantial quantities within an extended period of time. In such cases, based on comparisons of prices to weight-averaged costs in the cost reference period, we determined that these sales were made at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Based on this test, we disregarded the below-cost sales.

*Constructed Value:* In accordance with section 773(a)(4) of the Act, we

used constructed value (CV) as the basis for NV when there were no contemporaneous sales of identical or similar merchandise in the comparison market that passed the cost test. We calculated CV, in accordance with section 773(e) of the Act, based on the sum of Saha Thai's cost of materials, fabrication, SG&A, profit, and packing. In accordance with section 773(e)(2)(A) of the Act, we based SG&A and profit on the actual amounts incurred and realized by Saha Thai 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 average of the selling expenses reported for home market sales that passed the cost test, weighted by the total quantity of those sales. For profit, we first calculated the difference between the home market sales value and its corresponding COP, and divided the difference by this COP. We then multiplied this percentage by the COP for the respective U.S. model to derive a profit amount.

*Home Market Price:* To calculate Saha Thai's home market net price, we deducted discounts, home market credit expenses, and inland freight, where appropriate. In addition, in accordance with section 773(a)(6) of the Act, we deducted home market packing costs and added U.S. packing costs, U.S. imputed credit, bank charges, and penalty fees.

### Level of Trade

As set forth in section 773(a)(1)(B)(i) of the Act and in the Statement of Administrative Action, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade ("LOT") as the EP. The NV LOT is that of the starting-price sale in the comparison market or, when NV is based on CV, that of the sales from which we derive selling, general and administrative expenses and profit. For EP, the U.S. LOT is the level of the starting-price sale, which is usually from exporter to importer. To determine whether NV sales are at a different LOT than EP sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make an LOT adjustment under section 773(a)(7)(A) of the Act. 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 (November 19, 1997).

For the U.S. market, Saha Thai reported only one LOT for its EP sales. This single LOT represents large volume sales to unaffiliated distributors in the United States. In the home market, Saha Thai reported that it made sales at one LOT. These sales were made to unaffiliated end-users and distributors.

We have examined the selling functions in each market and find that there are no significant differences in the selling functions Saha Thai performs for its customers in the home market from those it performs in the United States. Therefore, we conclude that EP and NV sales are made at the same LOT and no adjustment is warranted.

**Currency Conversion**

We made currency conversions into U.S. dollars in accordance with section 773A of the Act, based on exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

**Preliminary Results of Review**

We preliminarily determine that the following weighted-average dumping margin exists:

Manufacturer/Exporter	Period	Margin
Saha Thai Steel Pipe Company, Ltd. ....	3/1/02–2/28/03	2.00%

**Assessment Rates**

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. For Saha Thai the assessment rate will be based on the margin above. The Department will issue appropriate appraisalment instructions directly to CBP within 15 days of publication of the final results of review. We will direct CBP to assess the resulting assessment rates against the entered customs values for the subject merchandise on each of the entries during the period of review.

**Cash Deposit Requirements**

The following deposit rates will be effective with respect to all shipments of certain welded carbon steel pipes and tubes from Thailand entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results as provided for by section 751(a)(2)(C) of the Act: (1) For Saha Thai, the cash deposit rate will be the company-specific rate established in the final results of this review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will be the company-specific rate established for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the 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 subject merchandise; and (4) for all other producers and/or exporters of this merchandise, the cash deposit rate shall be the "all others" rate established in the LTFV investigation, which is 15.67 percent. *See Order*. These deposit rates, when imposed, shall remain in effect until the publication of the next administrative review.

**Public Comment**

Pursuant to section 351.224(b) of the Department's regulations, the

Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of publication of this notice. Pursuant to section 351.309 of the Department's regulations, interested parties may submit written comments in response to these preliminary results. Case briefs are to be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, are to be submitted no later than five days after the time limit for filing case briefs. Parties who submit arguments in this proceeding are requested to submit with the argument: (1) A statement of the issues, and (2) a brief summary of the argument. Case and rebuttal briefs must be served on interested parties in accordance with section 351.303(f) of the Department's regulations. Also, pursuant to section 351.310 of the Department's regulations, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs. Parties will be notified of the time and location. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief, not later than 120 days after publication of these preliminary results, unless extended.

**Notice to Importers**

This notice serves as a preliminary reminder to importers of their responsibility under section 351.402(f) of the Department's regulations 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.

These preliminary results of review and notice are issued in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 19 U.S.C 1677f(i)(1)).

Dated: March 30, 2004.

**Jeffrey May,**

*Acting Assistant Secretary for Import Administration.*

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[C–533–825]

**Notice of Preliminary Results and Rescission in Part of Countervailing Duty Administrative Review: Polyethylene Terephthalate Film, Sheet, and Strip From India**

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

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

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on polyethylene terephthalate film, sheet, and strip (PET film) from India. The review covers one company; the period of review (POR) is October 22, 2001, through December 31, 2002.<sup>1</sup> For

<sup>1</sup> For the purposes of these preliminary results, we have analyzed data for the period January 1, 2001, through December 31, 2001, to determine the