

**DEPARTMENT OF COMMERCE****International Trade Administration**

[A-580-809]

**Circular Welded Non-Alloy Steel Pipe From the Republic of Korea; Final Results of Antidumping Duty Administrative Review**

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

**ACTION:** Notice of Final Results of Antidumping Duty Administrative Review.

**SUMMARY:** On December 8, 2003, the Department of Commerce published the preliminary results of the administrative review of the antidumping duty order on circular welded non-alloy steel pipe from the Republic of Korea. We gave interested parties an opportunity to comment on the preliminary results. Based on our analysis of the comments received and an examination of our calculations, we have made certain changes for the final results. We find that the companies reviewed sold circular welded non-alloy steel pipe from Korea in the United States below normal value during the period November 1, 2001, through October 31, 2002.

**EFFECTIVE DATE:** June 10, 2004.

**FOR FURTHER INFORMATION CONTACT:** Julie Santoboni, Scott Holland, or Andrew McAllister, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4194, (202) 482-1279, or (202) 482-1174, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

Since the publication of the preliminary results of this review (see *Notice of Preliminary Results of Antidumping Duty Administrative Review: Circular Welded Non-Alloy Steel Pipe from the Republic of Korea*, 68 FR 68331 (December 8, 2003) (“*Preliminary Results*”)), the following events have occurred:

The Department of Commerce (“the Department”) issued verification reports for Husteel Co., Ltd. (“Husteel”), SeAH Steel (“SeAH”), and Hyundai HYSCO (“HYSCO”) in November and December 2003. See Memoranda to the File, “Verification Report of the Sales and Cost Responses of Husteel in the 2001/2002 Antidumping Duty Administrative Review of Circular Non-Alloy Steel Pipe from Korea,” dated December 8, 2003;

“CEP Sales Verification Report—SeAH Steel,” dated December 10, 2003; “CEP Sales Verification Report—Hyundai HYSCO,” dated December 29, 2003; “Home-Market Sales and Cost Verification Report—Hyundai HYSCO,” dated December 30, 2003. These reports are on file in the Central Records Unit, Room B-099 of the main Department building (“CRU”).

On December 17, 2003, we notified the parties that the briefing schedule was extended, with case briefs due on January 26, 2004, and rebuttal briefs due on February 2, 2004. On January 8, 2004, we granted a request submitted by Husteel and SeAH for an extension to file rebuttal briefs until February 5, 2004. Case briefs were submitted by Husteel, SeAH, and HYSCO (collectively, “the respondents”) on January 26, 2004. Allied Tube and Conduit Corporation and Wheatland Tube Company (collectively, the “domestic interested parties”) submitted a case brief on January 28, 2004. Rebuttal briefs were submitted by the respondents on February 5, 2004. The domestic interested parties submitted a rebuttal brief on February 6, 2004.

On February 19, 2004, we published in the **Federal Register** an extension of the time limit for the completion of the final results of the review to no later than June 1, 2004, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (“the Act”). See *Certain Circular Welded Non-Alloy Steel Pipe From Korea: Notice of Extension of Time Limit for the Final Results of the Antidumping Duty Administrative Review*, 69 FR 7724 (February 19, 2004).

Due to the unexpected emergency closure of the main Commerce building on Tuesday, June 1, 2004, the Department has tolled the deadline for these final results by one day to June 2, 2004.

**Scope of the Order**

The merchandise subject to this review is circular welded non-alloy steel pipe and tube, of circular cross-section, not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be

used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and as support members for reconstruction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and other related industries. Unfinished conduit pipe is also included in this order.

All carbon-steel pipes and tubes within the physical description outlined above are included within the scope of this review except line pipe, oil-country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redrums, finished scaffolding, and finished conduit. In accordance with the Department’s *Final Negative Determination of Scope Inquiry on Certain Circular Welded Non-Alloy Steel Pipe and Tube from Brazil, the Republic of Korea, Mexico, and Venezuela*, 61 FR 11608 (March 21, 1996), pipe certified to the API 5L line-pipe specification and pipe certified to both the API 5L line-pipe specifications and the less-stringent ASTM A-53 standard-pipe specifications, which falls within the physical parameters as outlined above, and entered as line pipe of a kind used for oil and gas pipelines is outside of the scope of the antidumping duty order.

Imports of these products are currently classifiable under the following *Harmonized Tariff Schedule of the United States* (“HTSUS”) subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

**Period of Review**

The period of review (“POR”) is November 1, 2001, through October 31, 2002.

**Verification**

As stated in the *Preliminary Results* and provided in section 782(i) of the Act, we verified information submitted by the respondents using standard verification procedures, including on-site inspection of the manufacturers’ facilities and examination of the relevant sales, cost, and financial records.

**Analysis of Comments Received**

All issues raised in the case and rebuttal briefs by parties to this review are addressed in the “Issues and Decision Memorandum” from Jeffrey May, Deputy Assistant Secretary, Import Administration to James J. Jochum,

Assistant Secretary, Import Administration, dated June 2, 2004 (“*Decision Memorandum*”), which is hereby adopted by this notice. Attached to this notice as an appendix is a list of the issues which parties have raised and to which we have responded in the *Decision Memorandum*. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in the Department’s CRU. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Web at <http://ia.ita.doc.gov/frn/index.html>. The paper copy and electronic version of the *Decision Memorandum* are identical in content.

#### Fair Value Comparisons

We calculated export price (“EP”), constructed export price (“CEP”), normal value (“NV”), cost of production (“COP”), and constructed value (“CV”) based on the same methodologies used in the *Preliminary Results* with the following exception:

- We recalculated HYSCO’s COP, CV, and CEP profit rate using the reported combined costs for self-produced and further manufactured pipe. (See *Final Results Calculation Memorandum for Hyundai HYSCO* dated June 2, 2004, and *Decision Memorandum* at Comment 6).

#### Results of the COP Test

Pursuant to section 773(b)(1)(C)(i) of the Act, where less than 20 percent of a respondent’s sales of a given product were made 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 a respondent’s sales of a given product during the 12-month period were at prices less than the COP, we determined such sales to have been made in “substantial quantities” within an extended period of time in accordance with section 773(b)(1)(A) of the Act. In such cases, we also determined that such below-cost 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)(1)(B) of the Act.

We found that for each of the respondents, for certain specific products, more than 20 percent of the home market sales within an extended period of time were at prices less than the COP and, in addition, such sales did not provide for the recovery of costs within a reasonable period of time. We therefore excluded these sales and used

the remaining sales, if any, as the basis for determining NV, in accordance with section 773(b)(1) of the Act.

HYSCO had U.S. sales of subject merchandise for which there were no comparable home market sales in the ordinary course of trade (e.g., sales that passed the cost test). We compared those sales to CV, in accordance with section 773(a)(4) of the Act.

#### Currency Conversions

We made currency conversions in accordance with section 773A of the Act in the same manner as in the *Preliminary Results*.

#### Final Results of the Review

We determine that the following percentage margins exist for the period November 1, 2001, through October 31, 2002:

Exporter/producer	Weighted-average margin percentage
HYSCO .....	0.84
Husteel .....	1.82
SeAH .....	0.66

#### Assessment Rates

The Department shall determine, and U.S. Customs and Border Protection (“CBP”) shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b)(1), we have calculated importer (or customer)-specific assessment rates for merchandise subject to this review. To determine whether the duty assessment rates were *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer (or customer)-specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to that importer (or customer) and dividing this amount by the total value of the sales to that importer (or customer). Where an importer (or customer)-specific *ad valorem* rate was greater than *de minimis*, we calculated a per unit assessment rate by aggregating the dumping margins calculated for all U.S. sales to that importer (or customer) and dividing this amount by the total quantity sold to that importer (or customer).

The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of these final results of review.

#### Cash Deposit Rates

The following antidumping duty deposits will be required on all shipments of circular welded non-alloy

steel pipe from Korea entered, or withdrawn from warehouse, for consumption, on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rates for the reviewed companies will be the rates listed above (except no cash deposit will be required if a company’s weighted-average margin is *de minimis*, i.e., less than 0.5 percent); (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, the previous review, or the original 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) if neither the exporter nor the manufacturer is a firm covered in this or any previous reviews, the cash deposit rate shall be 4.80 percent, the “all others” rate established in the less than fair value investigation. See *Notice of Antidumping Orders: Certain Circular Welded Non-Alloy Steel Pipe from Brazil, the Republic of Korea (Korea), Mexico, and Venezuela, and Amendment to Final Determination of Sales at Less Than Fair Value: Certain Circular Welded Non-Alloy Steel Pipe from Korea*, 57 FR 49453 (November 2, 1992).

These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

#### Notification to Importers

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

#### Notification Regarding APOs

This notice also serves as a reminder to parties subject to administrative protective orders (“APOs”) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which 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 terms of an APO is a violation which is subject to sanction.

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

Dated: June 2, 2004.

**James J. Jochum,**

*Assistant Secretary for Import Administration.*

## Appendix I

### List of Comments in the Issues and Decision Memorandum

- Comment 1: Treatment of 201 Duties
- Comment 2: Duty Drawback Adjustment
- Comment 3: Inclusion of U.S. Affiliates' Interest Expenses as a Component of U.S. Indirect Selling Expenses
- Comment 4: New Information Submitted by HYSCO at Verification
- Comment 5: HYSCO's Home Market Credit Expense Calculation
- Comment 6: Cost Files Used in HYSCO's Margin Calculation
- Comment 7: CEP Offset for Husteel and SeAH
- Comment 8: Husteel's Allocation of Export Selling Expenses
- Comment 9: Husteel's General and Administrative Expenses Calculation
- Comment 10: Husteel's and SeAH's Treatment of Foreign Exchange Gains and Losses
- Comment 11: New Information Submitted by SeAH at Verification
- Comment 12: SeAH's Consignment Sales
- Comment 13: Credit Expenses Incurred by SeAH's Home Market Affiliated Resellers HSC and SSP
- Comment 14: SeAH's U.S. Indirect Selling Expense Calculation

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-863]

### Honey From the People's Republic of China: Amended Final Results of First Antidumping Duty Administrative Review

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

**ACTION:** Notice of amended final results of first antidumping duty administrative review.

**SUMMARY:** On May 5, 2004, the U.S. Department of Commerce (the Department) published in the **Federal Register** the final results of the first administrative review of the antidumping duty order on honey from

the People's Republic of China (PRC) covering the period February 10, 2001, through November 30, 2002<sup>1</sup> (69 FR 25060). On May 4, 2004, in accordance with 19 CFR 351.224(c)(2), we received timely-filed ministerial error allegations from respondent, Zhejiang Native Produce and Animal By-Products Import & Export Corp. a.k.a. Zhejiang Native Produce and Animal By-Products Import and Export Group Corporation (Zhejiang). We did not receive comments from petitioners.<sup>2</sup> Based on our analysis of Zhejiang's ministerial error allegations, the Department has revised the antidumping duty rate for Zhejiang. Accordingly, we are amending the final results. See the "Amended Final Results of Review" section below.

**EFFECTIVE DATE:** June 10, 2004.

#### FOR FURTHER INFORMATION CONTACT:

Angelica Mendoza or Brandon Farlander at (202) 482-3019 or (202) 482-0182, respectively; Antidumping and Countervailing Duty Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

#### Scope of the Antidumping Duty Order

The products covered by this order are natural honey, artificial honey containing more than 50 percent natural honey by weight, preparations of natural honey containing more than 50 percent natural honey by weight, and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, comb, cut comb, or chunk form, and whether packaged for retail or in bulk form.

The merchandise subject to this review is currently classifiable under subheadings 0409.00.00, 1702.90.90, and 2106.90.99 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and the U.S. Customs and Border Protection (CBP) purposes, the Department's written description of the merchandise under order is dispositive.

#### Amended Final Results of Review

Zhejiang alleged that the Department did not calculate a raw honey value

<sup>1</sup> The period of review (POR) for those entities with an affirmative critical circumstances finding from the less-than-fair-value investigation (including Zhejiang) is February 10, 2001, through November 30, 2002. For all other companies, the period of review is May 11, 2001, through November 30, 2002.

<sup>2</sup> Petitioners in this proceeding are the American Honey Producers Association and the Sioux Honey Association.

representative of the POR, as it intended to do, in calculating Zhejiang's final *ad valorem* margin. Specifically, Zhejiang alleged that the Department: (1) Incorrectly double-counted for the December 2001 raw honey surrogate value, adjusted for inflation, in its calculation of a POR average value and (2) failed to inflate the raw honey surrogate value by an average rate of inflation for the period February 2001 through November 2001, which was inconsistent with its calculation of inflation for the period June 2002 through November 2002. Additionally, Zhejiang noted that the Department incorrectly described the denominator used to calculate inflation for the period June 2002 through November 2002.

We agree in part with Zhejiang. The Act, as well as the Department's regulations, define a ministerial error as one involving "addition, subtraction, or other arithmetic function, clerical errors resulting from inaccurate copying, duplication, or the like, and any other type of unintentional error which the Secretary considers ministerial." See section 751(h) of the Act and 19 CFR 351.224(f) of the Department's regulations. We agree with Zhejiang's claim that we inadvertently failed to inflate the raw honey surrogate value by an average rate of inflation for the period February 2001 through November 2001. Therefore, we have corrected Zhejiang's final margin program accordingly. However, the Department disagrees with Zhejiang's other claim that the Department double-counted the December 2001 raw honey surrogate value in its calculations. In fact, the Department only represented the December 2001 raw honey surrogate value (adjusted for inflation) once in its calculation. See Memorandum to the File regarding Final Results of the First Administrative Review of the Antidumping Duty Order on Honey from the People's Republic of China; Factors of Production Valuation (April 28, 2004) (Final FOP Memo) at Attachment 2, in which the Department notes that it calculated an average raw honey surrogate value for the period January 2002 through May 2002. Therefore, since the Department did not commit an error with respect to the December 2001 surrogate value, we are not making any adjustments in regard to our use of the December 2001 raw honey surrogate value in our final calculation of the final POR average value. See the June 1, 2004, memorandum to James J. Jochum, Assistant Secretary for Import Administration, from Joseph A. Spetrini, Deputy Assistant Secretary for