

the product and services to the Government.

3. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46–48c) in connection with the product and services proposed for addition to the Procurement List. Comments on this certification are invited.

Commenters should identify the statement(s) underlying the certification on which they are providing additional information.

End of Certification

The following product and services are proposed for addition to Procurement List for production by the nonprofit agencies listed:

Product

Product/NSN: Flat Highlighter, Yellow, 7520-01-201-7791.

NPA: Winston-Salem Industries for the Blind, Winston-Salem, North Carolina.

Contracting Activity: Office Supplies & Paper Products Acquisition Center, New York, New York.

Services

Service Type/Location: Base Supply Center & Individual Equipment Element, Hill Air Force Base, Utah.

NPA: Industries for the Blind, Inc., Milwaukee, Wisconsin.

Contracting Activity: Hill Air Force Base, Utah.

Service Type/Location: Commissary Shelf Stocking, Custodial & Warehousing, Offutt Air Force Base, Nebraska.

NPA: BH Services, Inc., Box Elder, South Dakota.

Contracting Activity: Defense Commissary Agency, Fort Lee, Virginia.

Service Type/Location: Custodial & Grounds Maintenance, Navy and Marine Corps Reserve Center, 314 Graves Mill Road, Lynchburg, Virginia.

NPA: Goodwill Industries of the Valleys, Inc., Salem, Virginia.

Contracting Activity: Naval Facilities Engineering Command Contracts, Norfolk, Virginia.

Service Type/Location: Laundry Service, Fort Eustis, Virginia.

NPA: Louise W. Eggleston Center, Inc., Norfolk, Virginia.

Contracting Activity: Army Contracting Agency/NRCC Installation Division, Fort Eustis, Virginia.

Service Type/Location: Laundry Service, Veterans Integrated Service Network (VISN12), Jesse Brown VA Medical Center, 820 S. Damen Avenue, Chicago, Illinois (and its Divisions at Lake Side and Crown Point), VA Medical Center, Hines, 5th & Roosevelt Road, Hines, Illinois.

NPA: Goodwill Industries of Southeastern Wisconsin, Inc., Milwaukee, Wisconsin.

Contracting Activity: VISN 12, Great Lakes

Network, Milwaukee, Wisconsin.

Sheryl D. Kennerly,

Director, Information Management.

[FR Doc. 05-357 Filed 1-6-05; 8:45 am]

BILLING CODE 6353-01-U

BROADCASTING BOARD OF GOVERNORS

Sunshine Act Meeting

DATE AND TIME: January 11, 2005, 3 p.m.–5 p.m.

PLACE: Cohen Building, Room 3321, 330 Independence Ave., SW., Washington, DC 20237.

CLOSED MEETING: The members of the Broadcasting Board of Governors (BBG) will meet in closed session to review and discuss a number of issues relating to U.S. Government-funded non-military international broadcasting. They will address internal procedural, budgetary, and personnel issues, as well as sensitive foreign policy issues relating to potential options in the U.S. international broadcasting field. This meeting is closed because if open it likely would either disclose matters that would be properly classified to be kept secret in the interest of foreign policy under the appropriate executive order (5 U.S.C. 552b.(c)(1)) or would disclose information, the premature disclosure of which, would be likely to significantly frustrate implementation of a proposed agency action. (5 U.S.C. 552b.(c)(9)(B)). In addition, part of the discussion will relate solely to the internal personnel and organizational issues of the BBG or the International Broadcasting Bureau. (5 U.S.C. 552b.(c)(2) and (6)).

CONTACT PERSON FOR MORE INFORMATION:

Persons interested in obtaining more information should contact either Brenda Hardnett or Carol Booker at (202) 203-4545.

Dated: January 4, 2005.

Carol Booker,

Legal Counsel.

[FR Doc. 05-404 Filed 1-5-05; 9:53 am]

BILLING CODE 8230-01-M

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

Sensors and Instrumentation

Technical Advisory Committee; Notice of Open Meeting

The Sensors and Instrumentation Technical Advisory Committee will meet on January 25, 2005, 9:30 a.m., in the Herbert C. Hoover Building, Room

3884, 14th Street between Pennsylvania and Constitution Avenues, NW., Washington, DC. The Committee advises the Office of the Assistant Secretary for Export Administration with respect to technical questions that affect the level of export controls applicable to sensors and instrumentation equipment and technology.

Agenda

1. Introductions and opening remarks.
2. Update on Bureau of Industry and Security initiatives.
3. Update on Wassenaar Arrangement negotiations.
4. Discussion on future SITAC topics.
5. Presentation of papers and comments by the public.

The meeting will be open to the public and a limited number of seats will be available. Reservations are not accepted. To the extent that time permits, members of the public may present oral statements to the Committee. Written statements may be submitted at any time before or after the meeting. However, to facilitate distribution of public presentation materials to the Committee members, the Committee suggests that presenters forward the public presentation materials two weeks prior to the meeting date to Lee Ann Carpenter at *Lcarpent@bis.doc.gov*.

For more information contact Lee Ann Carpenter on (202) 482-2583.

Dated: January 4, 2005.

Lee Ann Carpenter,

Committee Liaison Officer.

[FR Doc. 05-367 Filed 1-6-05; 8:45 am]

BILLING CODE 3510-JT-M

DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-808]

Stainless Steel Wire Rods From India: Preliminary Results of Antidumping Duty Administrative Review, Intent To Revoke Order In Part, and Extension of Time for the Final Results of Review

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

SUMMARY: In response to requests from interested parties, the Department of Commerce is conducting an administrative review of the antidumping duty order on stainless steel wire rods from India. The period of review is December 1, 2002, through November 30, 2003. This review covers three companies.

We have preliminarily determined that Chandan Steel, Ltd., and Isibars Steel, Ltd., sold subject merchandise at less than normal value during the period of review and that the Viraj Group has made sales in the United States at prices not below normal value.¹ We have also preliminarily determined to revoke the order with respect to subject merchandise produced and exported by Viraj Alloys, Ltd., and VSL Wires, Ltd.

We invite interested parties to comment on these preliminary results. Parties who submit arguments in this segment of the proceeding are requested to submit with each argument a statement of the issue, and a brief summary of the argument.

EFFECTIVE DATE: January 7, 2005.

FOR FURTHER INFORMATION CONTACT: Hermes Pinilla or Minoo Hatten, AD/CVD Operations 5, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-3477 or (202) 482-1690 respectively.

Background

On October 20, 1993, the Department of Commerce (the Department) published the final determination in the **Federal Register** that resulted in the antidumping duty order on certain stainless steel wire rods (SSWR) from India. See *Final Determination of Sales at Less Than Fair Value: Certain Stainless Steel Wire Rods From India*, 58 FR 54110 (October 20, 1993) and *Antidumping Duty Order: Certain Stainless Steel Wire Rods from India*, 58 FR 63335 (December 1, 1993). On December 2, 2003, the Department published in the **Federal Register** a notice of opportunity to request an administrative review of this antidumping duty order. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation: Opportunity To Request Administrative Review*, 68 FR 67401 (December 2, 2003).

On December 24, 2003, Isibars Steel, Ltd. (Isibars) requested that the Department initiate an administrative review of the antidumping duty order on SSWR from India. On December 31, 2003, the Viraj Group (Viraj) requested that the Department initiate an administrative review of the antidumping duty order on SSWR from India. On January 22, 2004, we published in the **Federal Register** the *Notice of Initiation of Antidumping and*

Countervailing Duty Administrative Reviews (69 FR 3117) in which we initiated the administrative review of the antidumping duty order on SSWR from India with respect to Isibars and Viraj. The Department did not include Chandan Steel, Ltd. (Chandan) in the initiation notice for December cases because on December 30, 2003, the company requested a review as a new shipper. The Department denied this request after publication of the January 22, 2004, initiation notice for December cases. This request was denied because the certifications provided by Chandan in conjunction with its request under section 351.214(b)(2) of the Department's regulations did not satisfy several requirements of the Department's regulations. However, Chandan's December 30, 2003, letter requesting a new shipper review also included a request for an administrative review, which was timely filed in accordance with section 351.213(b) of the Department's regulations. Therefore, the Department included Chandan in the 2002–2003 administrative review. Accordingly, all deadlines applicable to the companies included in the January 2004 initiation notice are applicable to Chandan.

On July 15, 2004, the Department extended the due date for the preliminary results. See *Stainless Steel Wire Rod from India: Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review*, 68 FR 42421 (July 15, 2004). In accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), the Department extended the due date for the notice of preliminary results by 100 days, from the original date of September 1, 2004, to December 10, 2004.

On November 26, 2004, in accordance with section 751(a)(3)(A) of the Act, the Department extended the due date for the notice of preliminary results by an additional 20 days from the revised due date of December 10, 2004, to December 30, 2004. See *Stainless Steel Wire Rods from India: Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review*, 69 FR 68882 (November 26, 2004).

Period of Review

The period of review (POR) is December 1, 2002, through November 30, 2003.

Scope of the Antidumping Duty Order

The products covered by this order are certain SSWR, which are hot-rolled or hot-rolled annealed and/or pickled rounds, squares, octagons, hexagons or

other shapes, in coils. SSWR are made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are only manufactured by hot-rolling, are normally sold in coiled form, and are of solid cross section. The majority of SSWR sold in the United States are round in cross-section shape, annealed and pickled. The most common size is 5.5 millimeters in diameter.

The products are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 of the *Harmonized Tariff Schedule of the United States* (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes our written description of the scope of this proceeding remains dispositive.

Verification

As provided in section 782(i)(3) of the Act, we verified sales and cost information provided by Chandan from October 25, 2004, through October 29, 2004, the sales information provided by Isibars from November 1, 2004, through November 5, 2004, and sales and cost information provided by Viraj from December 5, 2004, through December 16, 2004, using standard verification procedures, including an examination of relevant sales, cost, financial records, and selection of original documentation containing relevant information. For Chandan and Isibars, our verification results are outlined in the public versions of the verification reports and are on file in the Department's Central Records Unit located in Room B-099 of the main Department of Commerce Building, 14th Street and Constitution Avenue, NW., Washington, DC. The verification results for Viraj will be released subsequent to these preliminary results of review. Verification findings for Viraj and Chandan are reflected in these preliminary results.

Intent to Revoke

On December 31, 2003, Viraj requested the revocation of the order covering SSWR from India as it pertains to its sales.

Under section 751(d)(1) of the Act the Department "may revoke, in whole or in part" an antidumping duty order upon completion of a review. Although Congress has not specified the procedures that the Department must follow in revoking an order, the Department has developed a procedure for revocation that is set forth in 19 CFR 351.222. Pursuant to subsection 351.222(b), the Department may revoke

¹ The Viraj Group consists of Viraj Alloys Limited (VAL) and VSL Wires Limited (VSL).

an antidumping duty order, in part, if it concludes that (i) An exporter or producer has sold the merchandise at not less than normal value for a period of at least three consecutive years, (ii) the exporter or producer has agreed in writing to its immediate reinstatement in the order if the Secretary concludes that the exporter or producer, subsequent to the revocation, sold the subject merchandise at less than normal value, and (iii) the continued application of the antidumping duty order is no longer necessary to offset dumping. Subsection 351.222(b)(3) states that, in the case of an exporter that is not the producer of subject merchandise, the Department normally will revoke an order in part under subsection 351.222(b)(2) only with respect to subject merchandise produced or supplied by those companies that supplied the exporter during the time period that formed the basis for revocation.

A request for revocation of an order in part must address three elements. The company requesting the revocation must do so in writing and submit the following statements with the request: (1) The company's certification that it sold the subject merchandise at not less than normal value during the current review period and that, in the future, it will not sell at less than normal value; (2) the company's certification that, during each of the consecutive years forming the basis of the request, it sold the subject merchandise to the United States in commercial quantities; (3) the agreement to reinstatement in the order if the Department concludes that the company, subsequent to revocation, has sold the subject merchandise at less than normal value. See 19 CFR 351.222(e)(1).

We preliminarily determine that the request from Viraj meets all of the criteria of 19 CFR 351.222(e)(1). With regard to the criteria of subsection 351.222(b)(2), our preliminary margin calculations show that Viraj sold SSWR at not less than normal value during the current review period. See Preliminary Results of Review section below. In addition, it sold SSWR at not less than normal value in the two previous administrative reviews in which it was involved. See *Stainless Steel Wire Rods From India: Notice of Amended Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 68 FR 38301 (June 27, 2003), covering the period December 1, 2000, through November 30, 2001, and *Stainless Steel Wire Rods From India: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 69 FR 29923 (May 26, 2004),

covering the period December 1, 2001, through November 30, 2002 (*01-02 SSWR Final Results*).

Based on our examination of the sales data submitted by Viraj, we preliminarily determine that Viraj sold the subject merchandise in the United States in commercial quantities in each of the consecutive years cited by Viraj to support its request for revocation. See *Analysis Memorandum for Viraj Alloys Limited and VSL Wires Limited for the Preliminary Results of the Administrative Review of Stainless Steel Wire Rods from India*, dated December 30, 2004, (*Viraj Preliminary Analysis Memo*), which is in the Department's CRU, Room B-099. Thus, we preliminarily find that Viraj had zero or *de minimis* dumping margins for the last three consecutive administrative reviews and sold in commercial quantities in all three years. Also, we preliminarily determine that application of the antidumping order to Viraj is no longer warranted for the following reasons: (1) The company had zero or *de minimis* margins for a period of at least three consecutive years; (2) the company has agreed to immediate reinstatement of the order if the Department finds that it has resumed making sales at less than fair value; and (3) the continued application of the order is not otherwise necessary to offset dumping.

Therefore, we preliminarily determine that Viraj qualifies for revocation of the order on SSWR from India pursuant to 19 CFR 351.222(b)(2) and that the order with respect to merchandise produced and exported by Viraj Alloys, Ltd. and VSL Wires, Ltd. should be revoked.

If these preliminary findings are affirmed in our final results, we will revoke the order in part with respect to SSWR from India produced and exported by Viraj Alloys, Ltd., (VAL) and VSL Wires, Ltd., (VSL). In accordance with 19 CFR 351.222(f)(3), we will terminate the suspension of liquidation for SSWR produced and exported by VAL and VSL that were entered, or withdrawn from warehouse, for consumption on or after December 1, 2003, and will instruct U.S. Customs and Border Protection (CBP) to refund any cash deposits for such entries.

Affiliation/Collapsing

Viraj

In the previous administrative review, the Department collapsed VAL and VSL because VAL and VSL were affiliated, would not need to engage in major retooling to shift production of SSWR from one company to the other, and were capable, through their sales and

production operations, of manipulating prices or affecting production decisions. See *Stainless Steel Wire Rods From India: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 68 FR 70765 (December 19, 2003), and, for detailed analysis, see the Memorandum to Edward C. Yang from Robert Bolling ("Collapsing Memorandum") (December 12, 2003), regarding the collapsing of VAL and VSL.

The production and sales structure of the sales currently under review is similar to that of the 2001–2002 administrative review. The record shows that VAL and VSL produce subject merchandise that is sold in the home and U.S. markets by VSL. The record also indicates, as in earlier reviews, that the various companies which make up the Viraj group are connected by a series of familial relationships between directors and significant shareholders.

Section 771(33)(A) of the Act states that the Department considers affiliated persons as "members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants." Section 771(33)(E) states that an affiliation exists when any person directly or indirectly owns, controls, or holds with power to vote, five percent or more of the outstanding voting stock or shares of two organizations. Section 771(33)(F) of the Act also states that, "two or more persons directly or indirectly controlling, controlled by, or under common control with, any person," shall be considered to be affiliated. A "person" may be an individual, corporation, or group. Further, section 771(33) of the Act states "a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person." The Department has analyzed the information regarding affiliation on the record in this administrative review, and preliminarily determines that VAL and VSL should be considered affiliated under sections 771(33)(A), (E), and (F) of the Act. For a detailed discussion, see memorandum to Barbara Tillman, Acting Deputy Assistant Secretary, titled "Antidumping Duty Administrative Review of Stainless Steel Wire Rods from India: Collapsing of Viraj Alloys, Ltd. and VSL Wires, Ltd." dated November 30, 2004, at pages 3 through 5 (*02-03 Viraj Collapsing Memo*).

Further, the Department preliminarily determines that VAL and VSL should be collapsed. As explained in the *02-03 Viraj Collapsing Memo*, VAL and VSL

have production facilities to produce similar or identical merchandise without substantial retooling and should be treated as a single entity in accordance with 19 CFR 351.401(f)(1). Additionally, in determining whether there is a significant potential for manipulation, as contemplated by 19 CFR 351.401(f)(2), the Department considers the totality of the circumstances of the situation and may place more reliance on some factors than others. The totality of the circumstances here shows that there is a significant potential for the manipulation of price or production. See *02-03 Viraj Collapsing Memo*.

Based on our analyses of the relationship between VAL and VSL, we conclude that they warrant treatment as a single entity. Applying the criteria of our collapsing inquiry as set forth at pages 5 through 9 of the *02-03 Viraj Collapsing Memo*, we find that: (1) VAL and VSL are affiliated under subsections 771(33)(A), (E), and (F) of the Act; (2) a shift in production would not require substantial retooling of the facilities of either company; and (3) there is a significant potential for price and production manipulation due to the significant degree of common ownership and the intertwining of operations between the two companies. Therefore, the Department determines that VAL and VSL are affiliated and should be collapsed for the purposes of this administrative review.

Isibars

Isibars is a respondent that requested an administrative review in this segment of the proceeding. As discussed in detail in the Use of Facts Available section below, we have preliminarily determined to apply an adverse-facts-available rate to all sales of Isibars subject to this review.

For these preliminary results, we have evaluated the information on the record with respect to Isibars and its affiliates (Zenstar Impex and Shaktiman Steel Casting Pvt. Ltd.). Based on this information, the Department has preliminarily determined to treat Isibars and its affiliates as a single entity and calculate a single dumping margin as discussed below.

Section 771(33)(F) of the Act provides that two or more persons directly or indirectly controlling, controlled by, or under common control with, any person, are affiliated. The Act goes on to state that a person shall be considered to control another person if that person is legally or operationally in a position to exercise restraint or direction over the other person. Evidence of actual control is not required; it is the ability to control

that is at issue. See section 771(33)(G) of the Act; *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27297–27298 (May 19, 1997). Moreover, the Department may consider control to arise from the potential for manipulation of price and production. See *Certain Welded Carbon Standard Steel Pipe and Tubes From India; Final Results of New Shippers Antidumping Duty Administrative Review*, 62 FR 47632, 47638 (September 10, 1997).

During the POR, all sales of Isibars' SSWR to the United States were made by Zenstar Impex (Zenstar). Zenstar also accounted for most of the home-market sales of Isibars' SSWR. During the last three months of the POR, Shaktiman Steel Casting Pvt. Ltd. (Shaktiman), made sales of Isibars' SSWR in the home market but not to the United States. Isibars claims that it is affiliated with Zenstar and Shaktiman. As explained below, based on the record, there is no cross ownership among Isibars, Zenstar, and Shaktiman.

Zenstar is a financing company and does not own any production facilities. It was founded in 1995 but was a dormant firm, not engaged in any activities, until its relationship with Isibars began in 2001. Since then, Zenstar's only activity is to sell Isibars' products. Zenstar provides the capital for the raw materials and other expenses incurred in production. Zenstar is the owner of the raw materials and finished products and those expenses are reflected in its financial statements. However, Isibars performs the actual transformation of Zenstar's raw materials and makes all the necessary arrangements for purchasing raw materials. A fee is paid for this transformation. Zenstar only sold Isibars' SSWR. See memorandum from the case analyst to the file titled, "Verification Report of Home-Market and U.S. Sales by Isibars Limited," dated December 30, 2004 (*Isibars Verification Report*), and Memorandum to File From Analyst titled "Communications with Isibars Limited," dated December 30, 2004 (*December 30, 2004 Memo*).

Usually, Zenstar pays a job work charge to Isibars after production is complete. In some cases, Zenstar paid in advance. Zenstar did not provide any loans to Isibars. Glance, a financing company that owns 80 percent of Zenstar, arranges for loan syndication for Isibars, and a director at Glance is a former employee of Isibars. See *Isibars Verification Report* at pages 2–6 and *December 30, 2004, Memo*.

Isibars' personnel handle almost all aspects of sales made by Zenstar. Isibars obtains and deals with the customers,

negotiates the price and terms of sale of SSWR, issues the order confirmations, makes arrangements for delivery of SSWR directly from the factory to the customer, collects payment for sales, and gives the payments to Zenstar to deposit in Zenstar's bank account. Zenstar only prints the invoice which is sent to the customer. Zenstar does not provide any warranties, technical or customer service, or registration services to the customers and cannot approve or reject a particular sale. See *Isibars Verification Report* at pages 2–6 and the *December 30, 2004, Memo*. We preliminarily conclude that Isibars and Zenstar are affiliated pursuant to section 771(33)(F) and (G) of the Act. As described above, Zenstar controls Isibars' production by providing the financing (capital for raw material and other expenses) and Isibars controls Zenstar's sales activities. The sales and production activities between these two companies are intertwined.

Prior to August 1, 2003, Zenstar bought the raw materials for Isibars' billets and was reimbursed at a charge per unit as described above. On August 1, 2003, Isibars contracted its entire billet-making capacity to Shaktiman under an exclusive agreement in which Shaktiman buys all the scrap and ferro alloys and Isibars uses its machinery, labor, consumables, etc. to produce billets from Shaktiman's raw materials. Shaktiman paid Isibars upon completion of the work and did not provide any loans or advances to Isibars during the POR. Unlike Zenstar, Shaktiman actually makes the arrangements for purchases of raw materials. Also, unlike Zenstar, Shaktiman is more involved in the production process. Shaktiman has its own staff at Isibars' mill for general supervision, and they consequently influence the production schedule and accordingly the production costs of Isibars. See *Isibars Verification Report* at pages 2–6 and the *December 30, 2004 Memo*.

Shaktiman sold a major part of Isibars' billets to Zenstar at a negotiated price, and Isibars converted those billets into SSWR for Zenstar for a charge. The remainder of the billets were either sold as billets by Shaktiman or converted into SSWR by Isibars for sale in the home market by Shaktiman. Shaktiman does not have any production facilities of its own. All foreign-like product sold by Shaktiman was processed by Isibars. Shaktiman's only business activity is its arrangement with Isibars. See *Isibars Verification Report* at pages 2–6 and *December 30, 2004, Memo*.

Isibars' personnel handle almost all aspects of sales made by Shaktiman.

Isibars obtains and deals with the customers, negotiates the price and terms of sale of SSWR, issues the order confirmations, makes arrangements for delivery of SSWR directly from the factory to the customer, collects payment for sales, and deposits it in Shaktiman's bank account. Shaktiman only prints the invoice which is sent to the customer. Shaktiman does not provide any warranties, technical or customer service, or registration services to the customers and cannot approve or reject a particular sale. See *Isibars Verification Report* at pages 2–6 and December 30, 2004, Memo. The reasons that Isibars' transactions are structured in such a non-traditional manner are proprietary in nature and are discussed in *Isibars Verification Report* at pages 2–4. We preliminarily find that Isibars and Shaktiman are affiliated, pursuant to section 771(33)(F) and (G). As described above, Shaktiman controls Isibars' production by providing the financing (capital for raw material and other expenses) and Isibars controls Shaktiman's sales activities. The sales and production activities between these two companies are intertwined.

Section 351.401(f) of our regulations states that the Department will treat two or more affiliated producers as a single entity where:

(1) Those producers have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities; and

(2) where there is a significant potential for the manipulation of price or production.

In identifying a significant potential for the manipulation of price or production, the Department may consider "whether operations are intertwined, such as through the sharing of sales information, involvement in production and pricing decisions, the sharing of facilities or employees, or significant transactions between affiliated producers."

The Department has long recognized that it is appropriate to treat certain groups of companies as a single entity, and to determine a single weighted-average margin for that entity, in order to determine margins accurately and to prevent manipulation that would undermine the effectiveness of the antidumping law. The Department "collapsed" entities prior to the promulgation of section 351.401(f) of its regulations. In *Queen's Flowers de Colon v. United States*, 981 F. Supp 617, 628 (CIT 1997). More recently the CIT found that collapsing exporters, rather than producers, is consistent with a "reasonable interpretation of the antidumping duty statute." See *Hontex Enterprises Inc. d/b/a Louisiana Packing Company v. United States of America*, 248 F. Supp. 2d. 1323 (CIT 2003) (Hontex).

While 19 CFR 351.401(f) applies only to producers, the Department has found it to be instructive in determining whether non-producers should be collapsed and used the criteria outlined in the regulation in its analysis. See *Freshwater Crawfish Tail Meat From the People's Republic of China: Final Results of Administrative Antidumping Duty and New Shipper Reviews, and Final Rescission of New Shipper Review*, 65 FR 20948 (April 19, 2000) and accompanying Issues and Decision Memorandum at section C (the administrative determination under review in Hontex) and *Certain Preserved Mushrooms From the People's Republic of China: Final Results of Sixth Antidumping Duty New Shipper Review and Final Results and Partial Rescission of the Fourth Antidumping Duty Administrative Review*, 69 FR 54635 (September 9, 2004) (where the Department collapsed a producer and its exporters).

Section 351.401(f)(2)(iii) specifically calls on the Department to examine whether "operations are intertwined, such as through the sharing of sales information, involvement in production and pricing decisions, the sharing of facilities or employees, or significant transactions between the affiliated {parties}." The evidence on the record, from Isibars' submissions and from verification, demonstrate that Isibars has significant control over the sales of Shaktiman and Zenstar. Moreover, the operations of Zenstar and Shaktiman demonstrate that Shaktiman and Zenstar have significant control over Isibars' production. While Zenstar and Shaktiman hold title to the goods and they provide complete financing to Isibars, these three companies' operations are so intertwined that there is a significant potential for the manipulation of price and production. Therefore, we find that these entities should be collapsed and assigned a single dumping margin and that the actual costs incurred by each company in producing the merchandise under consideration must be used for purposes of calculating constructed value and cost of production.

Use of Facts Available

In the instant review, despite numerous requests and clarifications from the Department, Isibars failed to adequately provide the information necessary for the margin analysis. As explained in detail below, the Department received deficient, misleading, and incomplete responses to the questionnaire and supplemental questionnaire from Isibars for section D. Moreover, the Department was unable to determine the accuracy of the information that Isibars did provide, which is necessary for the margin analysis.

On August 18, 2004, we sent the section D questionnaire to Isibars. On September 21, 2004, the Department received Isibars' section D response one day late. Isibars' section D response did not answer question II.A.7, which requested a list of major inputs purchased from affiliated parties and various information about those inputs such as the transfer price, the market price, and the affiliates cost of production. See 19 CFR 351.407(b). Further, Isibars' answers to questions III.A.1 and III.A.2.a, c, d, and e were insufficient and did not explain how the cost information contained in Isibars' constructed-value and cost-of-production databases was derived. For example, when asked to describe the method it used to compute the cost of direct materials and to describe how it used its financial accounting records to compute the cost of direct materials, Isibars responded, "We have arrived at the direct material cost based on the input output norms multiplied by the inefficiency factor multiplied by the yields during the hot rolled and cold finished products. See Isibars' section D Response, dated September 21, 2004, page 26. For direct labor, Isibars responded, "Direct labor includes labor charges paid by Isibars and wages including benefits thereon." See Isibars' section D Response, dated September 21, 2004, page 27. Isibars' response did not describe the method it used, or how it used its financial accounting records, to compute those expenses used to determine the constructed value and the cost of production reported in section D. Nor did Isibars explain whether it reported the actual expenses incurred by Zenstar and Shaktiman for raw materials or the actual expenses incurred by Isibars to produce the SSWR.

On October 20, 2004, the Department received Isibars' section D supplemental response two days late. Notwithstanding the delay, Isibars did not provide the requested explanation on the fixed and

variable overhead expenses. Although it provided more information on how the direct materials and direct labor costs were determined, for the first time, Isibars explained that it did not report the actual costs incurred by Isibars for producing the subject merchandise but instead reported the amount that Zenstar paid Isibars for production. This explanation is materially different than Isibars' September 21, 2004, response where it stated that "direct labor includes labor charges *paid by Isibars*" (emphasis added). Further, while Isibars listed some major inputs purchased from affiliates, it did not list the most significant major input, the job work charges of Isibars, and did not provide the requested information with respect to those charges. Isibars' incomprehensible explanations make it impossible for the Department to confirm the accuracy of the reported material and labor costs.

Section 782(c)(1) of the Act provides that if an interested party "promptly after receiving a request from {the Department} for information, notifies {the Department} that such party is unable to submit the information requested in the requested form and manner, together with a full explanation and suggested alternative form in which such party is able to submit the information," the Department may modify the requirements to avoid imposing an unreasonable burden on that party. Likewise, the August 18, 2004, questionnaire advised Isibars to contact the Department if it needed clarification. At no point before submitting its response did Isibars seek clarification or express confusion with regard to any of these questions.

Section 782(d) of the Act provides that, if the Department determines that a response to a request for information does not comply with the request, the Department will inform the person submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that person the opportunity to remedy or explain the deficiency. If that person submits further information that continues to be unsatisfactory, or this information is not submitted within the applicable time limits, the Department may, subject to section 782(e), disregard all or part of the original and subsequent responses, as appropriate. Consistent with section 782(d), on October 6, 2004, we issued a supplemental questionnaire to Isibars requesting it to clarify how it calculated the direct materials, direct labor, variable overhead, and fixed overhead used in the cost-of-production and constructed-value databases. We also

requested that Isibars answer question II.A.7 concerning its major inputs.

In reviews such as this where the Department is conducting a sales-below-cost investigation, it is necessary to have the cost-of-production information. Without this information the Department cannot determine the reliability of sales prices in the home market and, whether they form an appropriate basis for determining normal value. Given Isibars' failure to report its actual cost of production for the foreign-like product and subject merchandise, the Department is unable to calculate a dumping margin.

Section 776(a)(2) of the Act provides that, if necessary information is not available on the record because an interested party (A) withholds information that has been requested by the Department, (B) fails to provide such information in a timely manner or in the form or manner requested, (C) significantly impedes a proceeding under the antidumping statute, or (D) provides such information but the information cannot be verified, then the Department shall, subject to section 782(d) of the Act, use the facts otherwise available in reaching the applicable determination.

Because Isibars did not report its job-work charges as a major input purchased by affiliates Zenstar and Shaktiman, did not report its actual cost of production for this work, and did not provide complete and adequate responses as to how it computed the amounts for fixed and variable overhead, we preliminarily find that information specifically requested by the Department has been withheld. Finally, in the last review, the Department had similar difficulties obtaining major input information from Isibars. Given Isibars' familiarity with the requisite information, we must preliminarily conclude that it significantly impeded this proceeding. Therefore, we preliminarily determine that the use of facts otherwise available is warranted to determine a margin for Isibars' sales of merchandise subject to this review.

Section 776(b) of the Act provides that, if the Department finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information, the Department may use an inference that is adverse to the interests of that party in selecting from among the facts otherwise available. In addition, the *Statement of Administrative Action* accompanying the *Uruguay Round Agreements Act*, H. Doc. 316, Vol. 1, 103d Cong. (1994) (SAA), establishes that the Department may employ an

adverse inference " * * * to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully." See SAA at 870. It also instructs the Department, in employing adverse inferences, to consider " * * * the extent to which a party may benefit from its own lack of cooperation." *Id.*

In this case, we find that Isibars did not act to the best of its ability. Despite repeated requests and absent any indication of confusion or inability to provide the requisite information, Isibars provided incomplete, unusable responses to section D of our questionnaire. Although Isibars is appearing in this proceeding *pro se*, it has extensive experience with the Department's procedures and requirements, having participated in several stainless steel bar and SSWR reviews. In fact, one of the reasons we applied adverse facts available in the last review of SSWR was because Isibars failed to provide the requested information on its major inputs supplied by an affiliate. See *Stainless Steel Wire Rods from India: Preliminary Results and Partial Recision of Antidumping Duty Administrative Review*, 68 FR 70765, 70768 (December 19, 2003). Thus, Isibars was aware of the importance of providing the requested information on major inputs. Notwithstanding its previous experience, Isibars' responses were not clear and even misleading as to how it derived its reported cost-of-production information. Therefore, pursuant to sections 776(a)(2)(A) and (C) and section 776(b) of the Act, we have preliminarily determined to use adverse facts available in reaching the preliminary results of review.

As adverse facts available, we have preliminarily assigned Isibars a rate of 48.80 percent, which is the highest rate determined in any segment of the proceeding and the rate currently applicable to Isibars. See *Antidumping Duty Order: Stainless Steel Wire Rods from India*, 58 FR 63335 (December 1, 1993) and *01-02 SSWR Final Results*. This rate is based on information provided in the petition.

Section 776(b) of the Act states that an adverse inference may include reliance on information derived from the petition. See also 19 CFR 351.308(c); Uruguay Round Agreement Act, Statement of Administrative Action ("SAA") at 829-831. Section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition rates) as facts available, it must, to the extent practicable, corroborate that information from independent sources that are

reasonably at its disposal. The SAA clarifies that "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value. See SAA at 870. To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information used. See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996); *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Barium Carbonate From the People's Republic of China*, 68 FR 12664 (March 17, 2003). The Department's regulations state that independent sources used to corroborate may include, but are not limited to, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular review. See 19 CFR 351.308(d); SAA at 870. Further, in accordance with *F. LII De Cecco Di Filippo Fara S. Martino S.p.A. v. United States*, 216 F.3d 1027, 1034 (Fed. Cir. 2000), we examine whether information on the record supporting the selected adverse facts available is reasonable and has some basis in reality.

The Department first assigned this rate to Isibars in the preceding review and, at that time, also corroborated the rate, to the extent practicable. As to corroborating the rate for the current review, nothing on the record of this review calls into question the reliability of the rate. Further, the rate has not been judicially invalidated. There is no reason to believe that the rate we have selected is inappropriate for use as the total adverse facts-available rate with respect to Isibars. This rate is Isibars' current rate and, therefore, applying a lesser rate would reward Isibars for not cooperating fully. The Department assumes that if an uncooperative respondent could have demonstrated that its dumping margin is lower than the highest prior margin it would have provided information showing the margin to be less. See *Rhone Poulenc, Inc. v. United States*, 899 F.2d 1185, 1190–91 (Fed. Cir. 1990). We have preliminarily selected this rate because it is sufficiently high as to reasonably assure that Isibars does not obtain a more favorable result by failing to cooperate than if it had cooperated

fully. Therefore, we consider the selected rate to have probative value and to reflect the appropriate adverse inferences. Thus, we consider the rate of 48.80 percent as the most appropriate information on the record upon which to base adverse facts available with respect to Isibars in the instant review.

The implementing regulation for section 776 of the Act, codified at 19 CFR 351.308(d), states, "(t)he fact that corroboration may not be practicable in a given circumstance will not prevent the Secretary from applying an adverse inference as appropriate and using the secondary information in question." Additionally, the SAA at 870 states specifically that, where "corroboration may not be practicable in a given circumstance," the Department may nevertheless apply an adverse inference. The SAA at 869 emphasizes that the Department need not prove that the facts available are the best alternative information. Therefore, in accordance with 776(c) of the Act, we consider the rate selected to be corroborated to the extent practicable for purposes of these preliminary results. See *CTL Plate from Mexico*, where although the Department was provided no useful information by the parties and was unaware of other independent sources of information that would permit further corroboration of the margin calculated in the petition, the Department found that its efforts corroborated information contained in the petition to the extent practicable.

Although the Department has already given Isibars a second chance to correct its response deficiencies, we have decided to issue a second section D supplemental questionnaire to Isibars to allow it the opportunity to correct its responses before a final decision is rendered. We will analyze the sufficiency of the second supplemental response and, if appropriate, issue our preliminary analysis of that response prior to the deadline for the case briefs in this review.

Extension of Time for Final Results

Section 751(a)(3)(A) of the Act, requires the Department to issue the final results of an antidumping duty administrative review within 120 days of the date on which the preliminary results are published. The Act also provides that the Department may extend the 120-day period to 180 days, if it determines that it is not practicable to complete the review within the foregoing time period.

Because of the Department's decision to afford Isibars another opportunity to correct the deficiencies in its responses, the Department needs the additional time to analyze Isibars' responses and

conduct a cost verification. For this reason, the Department has determined that it is not practicable to complete the final results within the time limit mandated by section 751(a)(3)(A) of the Act. Therefore, in accordance with that section, the Department is extending the time limit for completion of the final results by 60 days.

The final results of review are now due no later than 180 days of the date on which the preliminary results are published. This extension of the time limit is in accordance with section 751(a)(3)(A) of the Act.

Normal Value Comparisons

To determine whether sales of subject merchandise from to the United States by Viraj were made at less than normal value, we compared the constructed export price (CEP), as appropriate, to the normal value, as described in the "Export Price and Constructed Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A(d)(2) of the Act, we calculated monthly weighted-average prices for normal value and compared these to individual CEP transactions.

As discussed below, Chandan had no home-market or third-country sales of subject merchandise during the POR. Therefore, in accordance with section 773(a)(4) of the Act, we used constructed value as the basis for normal value when making comparisons.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products described by the Scope of the Antidumping Duty Order section above, which were produced and sold by Viraj in the home market during the POR, to be foreign like products for purposes of determining appropriate comparisons to U.S. sales. 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 Department's questionnaire. Where there were no sales of identical or similar merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the constructed value of the product.

For Chandan, we compared U.S. sales to the constructed value of the product because Chandan did not have any home-market or third-country sales of SSWR during the POR. See the Normal Value section below for further discussion.

Export Price and Constructed Export Price

In accordance with section 772(a) of the Act, Export Price (EP) 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, as adjusted under subsections (c) and (d).

Chandan

For purposes of this review, Chandan has classified all sales as EP sales. Based on the information on the record, the Department determines that Chandan's U.S. sales were made "outside of the United States" within the meaning of section 772(a) of the Act and, thus, have been appropriately classified by Chandan as EP transactions.

The Department calculated EP, in accordance with section 772(a) of the Act, based on the packed price to the first unaffiliated customer in the United States. In accordance with section 772(c)(2)(A) of the Act, the Department made deductions for movement expenses.

Viraj

For purposes of this review, Viraj has classified all of its sales as CEP sales. Based on the information on the record, we are using CEP as defined in section 772(b) of the Act.

Viraj has classified those sales made by VSL through Viraj USA Inc. ("VUI"), an affiliated reseller in the United States, as CEP sales. VUI sells the goods to the unaffiliated U.S. customer, who makes payment to VUI.

Based on the record evidence, the Department preliminarily determines that VSL's U.S. sales through VUI were made "in the United States" within the meaning of section 772(b) of the Act and, thus, have been appropriately classified by Viraj as CEP transactions.

The Department calculated CEP, in accordance with section 772(b) of the Act, based on the packed ex-dock duty paid prices to the first unaffiliated customer in the United States. The Department made deductions for

movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, brokerage and handling, inland freight, international freight, U.S. customs duties, marine insurance, and customs clearance and delivery arrangements. In accordance with section 772(d)(1) of the Act, we deducted those selling expense associated with economic activities occurring in the United States, including direct selling expenses (bank charges and credit expenses) and indirect selling expenses.

We deducted the profit allocated to expenses deducted under sections 772(d)(1) 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 revenues 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 market.

Duty Drawback

Viraj

In the previous two administrative reviews, the Department denied Viraj's request for an upward adjustment to the U.S. starting price based on duty drawback pursuant to section 772(c)(1)(B) of the Act. See *Stainless Steel Wire Rods from India: Final Results of Antidumping Duty Administrative Review*, 67 FR 37391 (May 29, 2002) and *01-02 SSWR Final Results and accompanying Issues and Decision memorandum* at Comment 14. The Department denied the duty drawback adjustment because the reported duty drawback was not directly linked to the amount of duty paid on imports used in the production of merchandise for export as required by the Department's two-part test, which states there must be: (1) A sufficient link between the import duty and the rebate, and (2) a sufficient amount of raw materials imported and used in the production of the final exported product. See *Rajinder Pipes Ltd. v. United States*, 70 F. Supp. 2d 1350, 1358 (CIT September 17, 1999). The Court of International Trade has upheld the Department's past decisions to deny respondent an adjustment for duty drawback because there was not substantial evidence on the record to establish that part one of the Department's test had been met. See *Viraj Group, Ltd. v. United States*, 162 F.Supp. 2d 656 (CIT August 15, 2001).

Similarly, in the current review, the Department finds that Viraj has not provided substantial evidence on the record to establish the necessary link between the import duty and the reported rebate for duty drawback. Viraj has reported that it received duty drawback in the form of duty entitlement certificates which are issued by the Government of India to neutralize the incidence of basic custom duty on the import of raw materials used in the production of subject merchandise, but has failed to establish the necessary link between the import duty paid and the rebate given by the Government of India. See Viraj's April 12, 2004, response at C-24. As in the previous review, Viraj was not able to demonstrate that the import duty paid and the duty drawback rebate were directly linked. Therefore, the Department is denying a duty drawback credit for the preliminary results of this review.

Normal Value

After testing home market viability, we calculated normal value as stated in the "Price-to-CV Comparisons" and "Price-to-Price Comparisons" sections of this notice.

1. Home-Market Viability

In accordance with section 773(a)(1)(C) of the Act, to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating normal value (*i.e.*, the aggregate volume of home-market sales of the foreign like product is greater than or equal to five percent of the aggregate volume of U.S. sales), we compared the volume of home-market sales of the foreign like product by Viraj to the volume of its U.S. sales of subject merchandise. Pursuant to sections 773(a)(1)(B) and (C) of the Act, because the aggregate volume of home-market sales of the foreign like product by Viraj was greater than five percent of the aggregate volume of U.S. sales for the subject merchandise, we determined that sales in the home market provide a viable basis for calculating normal value. We therefore based normal value on home-market sales to unaffiliated purchasers made in the usual commercial quantities and in the ordinary course of trade for Viraj.

For normal value, we used the prices at which the foreign like product was first sold for consumption in India, in the ordinary course of trade, and, to the extent possible, at the same level of trade as the CEP as appropriate. After testing home-market viability and whether home-market sales were at

below-cost prices for Viraj, we calculated normal value as stated in the "Price-to-Price Comparisons" and "Price-to-CV" sections of this notice.

Because we determined that Chandan had neither home-market nor third-country sales of subject merchandise during the POR, in accordance with section 773(a)(4) of the Act, we used constructed value as the basis for calculating normal value.

2. Cost-of-Production Analysis

Because the Department disregarded certain Viraj Group sales made in the home market at prices below the cost of producing the subject merchandise in the most recently completed segment of this proceeding and excluded such sales from normal value, the Department determined that there are reasonable grounds to believe or suspect that Viraj made sales in the home market at prices below the cost of producing the merchandise in this review. See *01-02 SSWR Final Results*; section 773(b)(2)(A)(ii) of the Act. As a result, Viraj submitted its section D questionnaire response to the Department on April 12, 2004.

3. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated cost of production ("COP") based on the sum of Viraj's costs 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. The Department relied on the COP data submitted by Viraj in its original and supplemental cost questionnaire responses for this calculation.

4. Test of Home-Market Prices

We compared the weighted-average COP for Viraj's 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) In substantial quantities within an extended period of time; and (2) at prices which permitted the recovery of all costs within a reasonable period of time, in accordance with sections 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 selling expenses.

5. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, when less than 20 percent of a 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 the below-cost sales were not made in substantial quantities within an extended period of time. When 20 percent or more of a respondent's sales of a given product during the POR were at prices less than the COP, we disregarded the below-cost sales because they were made in substantial quantities within an extended period of time pursuant to sections 773(b)(2)(B) and (C) of the Act and, based on comparisons of prices to weighted-average COPs for the POR, we determined that these sales were 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. See *Viraj Preliminary Analysis Memo*. Based on this test, we disregarded below-cost sales with respect to Viraj.

Price-to-Price Comparisons

Viraj

For those product comparisons for which there were sales at or above the COP, we based normal value on the packed, ex-factory, or delivered prices to affiliated or unaffiliated purchasers. When applicable, we made adjustments for differences in packing and for movement expenses in accordance with sections 773(a)(6)(A) and (B) of the Act. We also made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411 and for differences in circumstances of sale in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410.

In accordance with the Department's practice, where all contemporaneous matches to a U.S. sale observation resulted in difference-in-merchandise adjustments exceeding 20 percent of the cost of manufacturing ("COM") of the U.S. product, we based normal value on CV.

Price-to-CV Comparisons

Viraj

In accordance with section 773(a)(4) of the Act, we based normal value on CV if we were unable to find a home-market match of identical or similar merchandise. We calculated CV based on the sum of the cost of materials, fabrication employed by Viraj in producing the subject merchandise, and

SG&A, including interest expenses, and profit. We calculated the COP included in the calculation of CV as stated 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 expense and profit on the amounts incurred and realized by the respondent in connection with the production and sale of the foreign like product in the ordinary course of trade for consumption in India. 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 Calculation of COP section above.

Our price comparisons reflect adjustments to reported costs and expenses as a result of findings at verification. For details regarding these findings and our calculations, see *Viraj Preliminary Analysis Memo*.

Chandan

Chandan had neither home-market sales nor third-country sales of SSWR. Accordingly, pursuant to section 773(a)(4) of the Act, we based normal value on constructed value. In accordance with section 773(e) of the Act, we calculated CV based on the sum of Chandan's cost of materials and fabrication for the subject merchandise, plus amounts for profit, SG&A, interest, and U.S. packing costs. For further details of our calculations, see *Analysis Memorandum for Chandan Steel Ltd. for the Preliminary Results of the Administrative Review of Stainless Steel Wire Rods from India*, dated December 30, 2004 (*Chandan's Preliminary Analysis Memo*).

Because Chandan does not have a viable comparison market, the Department cannot determine profit under section 773(e)(2)(A) of the Act, which requires sales by the respondent in question in the ordinary course of trade in a comparison market. Likewise, because Chandan does not have any sales in the same general category of products as the subject merchandise, we are unable to apply the alternative (i) of section 773(e)(2)(B) of the Act. Further, the Department cannot calculate profit based on alternative (ii) of this section without violating our responsibility to protect respondents' business proprietary information because Viraj is the only other respondent with viable home-market sales (19 CFR 351.405(b) requires that a profit ratio under this alternative be based solely on home-market sales) for which we have calculated a margin. If we were to use Viraj's profit ratio exclusively under this alternative, Chandan would be able to determine Viraj's proprietary profit rate.

Therefore, we have calculated Chandan's CV profit based on the third alternative, any other reasonable method, in accordance with section 773(e)(2)(B)(iii) of the Act. As a result, as a reasonable method, we calculated Chandan's CV profit based on the publicly available financial information of another Indian steel producer who is not a respondent in this administrative review. For a detailed discussion of our calculation see *Chandan's Preliminary Analysis Memo*.

Except for our calculation of surrogate CV profit, we have relied on submitted CV information. However, because we determined that Chandan had calculated its G&A ratio incorrectly, we recalculated Chandan's G&A ratio based on Chandan's fiscal year data. For a detailed description of our recalculation, see *Chandan's Preliminary Analysis Memo*.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine normal value based on sales in the comparison market at the same level of trade as the EP or CEP transaction. See also 19 CFR 351.412. The normal value level of trade is that of the starting-price sales in the comparison market or, when normal value is based on CV, that of the sales from which we derive SG&A expenses and profit. See 19 CFR 351.412(2)(iii). For EP, the level of trade is also the level of the starting-price sale, which is usually from the exporter to the importer. See 19 CFR 351.412(2)(i). For CEP, it is the level of the constructed sale from the exporter to the affiliated importer. See 19 CFR 351.412(c)(ii).

To determine the level of trade of a sale, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. Substantial differences in selling activities are a necessary, but not sufficient condition for determining that there is a difference in the stage of marketing. See 19 CFR 351.412(c)(2). If the comparison market sales are at a different level of trade, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which normal value is based and comparison-market sales at the level of trade of the export transaction, we make a level-of-trade adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the normal value 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 normal value and

CEP sales affect price comparability, we adjust normal value under section 773(A)(7)(B) of the Act (the CEP offset provision). See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997).

In implementing these principles in this review, we obtained information from Viraj about the marketing stages involved in its U.S. and home-market sales, including a description of the selling activities 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 differences in levels of trade the functions and activities should be dissimilar.

In the present review, we performed a level-of-trade analysis for Viraj. 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.

Viraj claimed three levels of trade in the home market. See Viraj sections B, C, and D Questionnaire Response, dated April 12, 2004 ("Viraj Sections B-D Response") at B-17. Additionally, Viraj reported that it sold through one channel of distribution in the home market: directly to unaffiliated customers ("actual user", "trading company", and "distributors"). See *Viraj Sections B-D Response* at B-9. For sales in the home market, Viraj reported that all of its sales are sold ex-works. See *Viraj Sections B-D Response* at B-12. Viraj reported that it performs the following selling functions in the home market: Sales promotion, packing, order input/processing, and direct sales personnel. See Viraj section A Questionnaire Response, dated March 24, 2004, at A-29. Because there is only one channel of distribution in the home market and identical selling functions are performed for all home-market sales, we preliminarily determine that there is one level of trade in the home market.

Viraj claimed three levels of trade in the U.S. market. See *Viraj Sections B-D Response* at C-17. Viraj reported that it sold through one channel of distribution in the U.S. market, directly

from its mill to its U.S. affiliate (*i.e.*, VUI). See *Viraj Section B and C Response* at C-10. The Department examined the selling functions and services performed by Viraj to its U.S. affiliate. We found that the selling functions (*i.e.*, sales promotion, packing, order input/processing, direct sales personnel, paying commissions, and providing freight and delivery) Viraj performs after the section 772(d) adjustments are the same for all of its U.S. sales. See Viraj section A Questionnaire Response March 24, 2004 ("Viraj Section A Response") at A-29. Therefore, we preliminarily determine that Viraj has one level of trade in the U.S. market based on its selling functions to the United States.

In order to determine whether normal value was established at a different level of trade than CEP sales, we examined stages in the marketing process and selling functions along the chains of distribution between (1) Viraj and its home market customers and (2) Viraj and its affiliated U.S. reseller, VUI, after deductions for expenses and profits. Specifically, we compared the selling functions performed for home-market sales with those performed with respect to the CEP transaction, after deductions for economic activities occurring in the United States, pursuant to section 772(d) of the Act, to determine if the home-market level of trade constituted a different level of trade than the CEP level of trade.

Viraj did not request a CEP offset. Nonetheless, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and Indian markets, including the selling functions, classes of customer, and selling expenses to determine whether a CEP offset was necessary. For CEP sales, we found that Viraj provided many of the same selling functions and expenses for its sale to its affiliated U.S. reseller VUI as it provided for its home-market sales, including sales promotion, packing, order input/processing, and direct sales personnel. Based on our analysis of the channels of distribution and selling functions performed for sales in the home market and CEP sales in the U.S. market, we preliminarily find that there is no significant difference in the selling functions performed in the home market and the U.S. market for CEP sales. Thus, we find that Viraj's normal value and CEP sales were made at the same level of trade, and no level of trade adjustment or CEP offset need be granted.

Currency Conversion

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

Preliminary Results of Review

As a result of our review, we preliminarily determine that the following weighted-average dumping margins exist for the period December 1, 2002, through November 30, 2003:

Producer or exporter	Weighted-average margin (percent)
Chandan Steel, Ltd	1.27
Isibars Steel, Ltd., Zenstar Impex, and Shaktiman Steel Casting Pvt. Ltd	48.80
The Viraj Group (Viraj Alloys, Ltd. and VSL Wires, Ltd.)	0.00

Pursuant to section 351.224(b) of the Department's regulations, the Department will disclose to parties calculations performed in connection with these preliminary results within five days of the date of publication of this notice. Any interested party may request a hearing within 30 days of publication of this notice. We will notify parties of the exact date, time, and place for any such hearing.

Issues raised in hearings will be limited to those raised in the respective case and rebuttal briefs. Parties who submit case or rebuttal briefs in these proceedings are requested to submit with each argument (1) a statement of the issue, and (2) a brief summary of the argument with an electronic version included. The Department will notify all parties as to the applicable briefing schedule.

As discussed in the Extension of Final Results section above, the Department will publish a notice of final results of this administrative review, which will include the results of its analysis of issues raised in the case briefs, within 180 days from the publication of these preliminary results.

Assessment

Upon issuance of the final results of this review, the Department shall determine, and CBP 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 CBP 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 the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this 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 company 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 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 48.80 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.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: December 30, 2004.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5-33 Filed 1-6-05; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

North American Free-Trade Agreement, Article 1904 NAFTA Panel Reviews: Request for Panel Review

AGENCY: NAFTA Secretariat, United States Section, International Trade Administration, Department of Commerce.

ACTION: Notice of first request for panel review.

SUMMARY: On December 27, 2004, the counsel for the Sivaco Wire Group 2004 LLP (formerly Ivaco Inc.), Sivaco Ontario a Division of Sivaco Wire Group 2004 LLP (formerly Sivaco Ontario a Division of Ivaco Inc.), and Ivaco Rolling Mills 2004 L.P. (formerly Ivaco Rolling Mills L.P.) filed a First Request for Panel Review with the United States Section of the NAFTA Secretariat pursuant to Article 1904 of the North American Free Trade Agreement. Panel review was requested of the final results of the antidumping duty administrative review made by the United States Department of Commerce, International Trade Administration, respecting Carbon and Certain Alloy Steel Wire Rod from Canada. This determination was published in the **Federal Register**, (69 FR 68309) on November 24, 2004. The NAFTA Secretariat has assigned Case Number USA-CDA-2004-1904-02 to this request.

FOR FURTHER INFORMATION CONTACT:

Caratina L. Alston, United States Secretary, NAFTA Secretariat, Suite 2061, 14th and Constitution Avenue, Washington, DC 20230, (202) 482-5438.

SUPPLEMENTARY INFORMATION: Chapter 19 of the North American Free-Trade Agreement ("Agreement") establishes a mechanism to replace domestic judicial review of final determinations in antidumping and countervailing duty cases involving imports from a NAFTA country with review by independent binational panels. When a Request for Panel Review is filed, a panel is established to act in place of national courts to review expeditiously the final determination to determine whether it conforms with the antidumping or countervailing duty law of the country that made the determination.