

including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice.

#### Assessment Rates

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate appraisement instructions for the companies subject to this review directly to CBP within 15 days of publication of the final results of this review. Pursuant to 19 CFR 351.212(b)(1), we will calculate importer- or customer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of the dumping margins calculated for the examined sales to the total entered value of those same sales. For certain respondents for which we calculated a margin, we do not have the actual entered value because they are either not the importers of record for the subject merchandise or were unable to obtain the entered value data for their reported sales from the importer of record. For these respondents, we intend to calculate individual customer-specific assessment rates by aggregating the dumping margins calculated for all of the U.S. sales examined and dividing that amount by the total quantity of the sales examined. To determine whether the duty assessment rates are *de minimis* (i.e., less than 0.50 percent), in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we will calculate customer-specific *ad valorem* ratios based on export prices.

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any importer or customer-specific assessment rate calculated in the final results of this review is above *de minimis*.

For entries of the subject merchandise during the POR from companies not subject to these reviews, we will instruct CBP to liquidate them at the cash deposit rate in effect at the time of entry. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

#### Cash Deposit Requirements

The following deposit requirements will be effective upon publication of the final results of the administrative review for all shipments of certain preserved mushrooms from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication

date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rates for COFCO, Gerber, Green Fresh, Guangxi Hengxian, Guangxi Yulin, Jiufa, and XITIC, will be the rates determined in the final results of review (except that if a rate is *de minimis*, i.e., less than 0.50 percent, no cash deposit will be required); (2) the cash deposit rate for PRC exporters who received a separate rate in a prior segment of the proceeding (which were not reviewed in this segment of the proceeding) will continue to be the rate assigned in that segment of the proceeding (e.g., Guangxi Yizhou, Minhui, Nanning Runchao, Primera Harvest, Raoping Xingyu and its affiliate Raoping Yucun, Shenxian Dongxing, Shenzhen Qunxingyuan, Superlucky, Tak Fat and its affiliate Mei Wei, and Zhongjia); (3) the cash deposit rate for the PRC NME entity (including Dingyuan, Shantou Hongda, and Zhangzhou Jingxiang) will continue to be 198.63 percent; and (4) the cash deposit rate for non-PRC exporters of subject merchandise from the PRC will be the rate applicable to the PRC exporter that supplied that exporter.

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 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 antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice is in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: February 28, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-533-810]

#### Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review: Stainless Steel Bar From India

**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 bar from India with respect to Chandan Steel Ltd. This review covers sales of stainless steel bar from India to the United States during the period February 1, 2003, through January 31, 2004. We have preliminarily found that sales have been made below normal value by Chandan Steel Ltd. We invite interested parties to comment on these preliminary results.

We are also rescinding this administrative review with respect to Ferro Alloys Corp., Ltd.; Isibars Ltd.; Mukand, Ltd.; Venus Wire Industries Ltd.; and the Viraj Group, Ltd. (Viraj Alloys, Ltd.; Viraj Forgings, Ltd.; and Viraj Impoexpo, Ltd.).

**DATES:** *Effective Date:* March 7, 2005.

**FOR FURTHER INFORMATION CONTACT:** Melanie Brown or Julie Santoboni, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-4987 and (202) 482-4194, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On February 3, 2004, the Department of Commerce (the Department) published a notice in the **Federal Register** providing opportunity for interested parties to request an administrative review of the antidumping duty order on stainless steel bar (SSB) from India. *See Notice of Opportunity to Request Review of Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation*, 69 FR 5125 (February 3, 2004).

The Department received requests for an administrative review from Chandan Steel Ltd. (Chandan); Ferro Alloys Corp., Ltd. (FACOR); Isibars Ltd. (Isibars); Mukand, Ltd. (Mukand); Venus Wire Industries Limited (Venus); and Viraj Alloys, Ltd., Viraj Forgings, Ltd.

and Viraj Impoexpo, Ltd. (collectively referred to as the Viraj Group) on February 27, 2004.

The Department initiated an administrative review of the antidumping duty order on SSB from India for the above-named companies on March 26, 2004. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 69 FR 15788 (March 26, 2004). We issued questionnaires to each of these companies on March 30, 2004.

On April 15, 2004, the petitioners (i.e., Carpenter Technology Corp., Crucible Specialty Metals Division of Crucible Materials Corp., Electralloy Corp., Slater Steels Corp., Empire Specialty Steel and the United Steelworkers of America (AFL-CIO/CLC)) requested that the Department conduct a verification of all the respondents. Venus, Mukand, FACOR, Isibars, and the Viraj Group withdrew their requests for an administrative review on April 19, 2004, and May 3, 2004. For further discussion, see the "Partial Rescission of Review" section of this notice, below.

On May 3, 2004, we received a response to section A of the Department's questionnaire from Chandan. Chandan reported that it only had export sales of stainless steel bright bar (SSBB), and that its home market sales of stainless steel hot-rolled bar (SSHR) were less than 5 percent of the volume of its U.S. sales of SSBB. In addition, Chandan reported preliminary data on SSB sales made to its largest third-country markets. On May 18, 2004, Chandan submitted a response to sections B and C of the Department's questionnaire, containing complete sales databases for Chandan's largest third-country markets: Australia, Belgium, and Brazil. On June 14, 2004, the petitioners filed comments on Chandan's sections A-C responses, and recommended that the Department select Belgium as the third-country comparison market for normal value (NV), alleging that Chandan made more sales to Belgium than to Australia of merchandise identical to merchandise it sold in the United States.

On June 29, 2004, we issued a supplemental questionnaire to Chandan requesting the quantity and value of its home market sales of SSBB and SSHR, and the certifications required by 19 CFR 351.303(g). We received Chandan's response on July 6, 2004. In that response, Chandan reported that its home market sales of SSHR were of defective merchandise and that it did not sell defective merchandise in its export markets. On July 12, 2004, the

Department issued an additional supplemental questionnaire requesting that Chandan revise its home market data and report its home market sales of SSHR. We received Chandan's revised home market sales data on July 27, 2004.

On August 11, 2004, in response to Chandan's revised home market data, the petitioners alleged that Chandan's home market sales of SSHR were unsuitable for comparison purposes because the bar was defective and fundamentally different from the bar sold in the United States. As a result, the petitioners reiterated their recommendation that Belgium be selected as the comparison market. Simultaneously, they made a timely allegation that Chandan's third-country sales were made below the cost of production (COP).

On August 17, 2004, Chandan requested that the Department exclude certain stainless steel flat-bars from the antidumping duty order. The petitioners submitted comments in opposition to Chandan's scope exclusion request on August 19, 2004.

On September 24, 2004 we selected Australia as the third-country comparison market after determining that Chandan's home market was not viable. *See the September 24, 2004, memorandum to Susan Kuhbach from Team entitled, "Selection of Comparison Market for Chandan" (Comparison Market Memo)*. We chose Australia because it was the largest market by volume and the composition of merchandise sold to Australia provided a greater number of similar product matches for sales to the United States.

Also, on September 24, 2004, the Department found that, because of the complexity of assessing home market viability, choosing the appropriate third-country market, and the late filing of a cost allegation by the petitioners, it was not practicable to complete this review within the time period prescribed. Accordingly, we extended the time limit for completing the preliminary results of this review to no later than February 28, 2005, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.213(h)(2). *See Stainless Steel Bar from India; Extension of Time Limit for Preliminary Results in Antidumping Duty Administrative Review*, 69 FR 57265 (September 24, 2004).

We found that the petitioners' allegation of sales below cost provided a reasonable basis to believe or suspect that Chandan's comparison market sales were made at prices below COP, within

the meaning of section 773(b) of the Act. Consequently, on October 5, 2004, we initiated a COP investigation of Chandan's comparison market sales during the period of review (POR). *See the October 5, 2004 memorandum to Susan Kuhbach from Team entitled, "Antidumping Duty Administrative Review on Stainless Steel Bar from India: Allegation of Sales Below the Cost of Production for Chandan Steel, Ltd."* Accordingly, we notified Chandan that it must respond to section D of the antidumping duty questionnaire.

On October 1, 2004, we issued an additional supplemental questionnaire to Chandan addressing issues raised by sections A-C of its response. We received Chandan's supplemental A-C and section D questionnaire responses on November 12, 2004. Chandan's November 12, 2004 response was severely deficient; as a result, we requested a revised submission that Chandan submitted on November 16, 2004.

In the November 16, 2004 submission, the law firm that had been certifying and filing Chandan's submissions stated that it did not represent Chandan in the current administrative review. On November 22, 2004, we requested clarification of the relationship between the law firm and Chandan in the current proceeding. *See November 22, 2004 letter from Ryan Langan, Acting Program Manager, AD/CVD Enforcement, Office 1 to Mr. Peter Koenig*. Subsequently, we determined that the law firm had failed to file a formal notice of appearance and an official request for administrative protective order (APO) access. The Department afforded the law firm an opportunity to make such filings, but the Department received no response. Therefore, the Department ceased all correspondence with the law firm and corresponded directly with Chandan.

The Department issued additional supplemental questionnaires in December 2004 and January 2005. We received responses between December 2004 and February 2005.

On January 28, 2005, the petitioners commented on Chandan's January 5, 2005, response. In those comments, the petitioners noted the following problems: (1) Failure to provide adequate cost information on a finish-specific basis; (2) failure to provide clear information about Chandan's affiliate in the United States, Chandan USA; and (3) failure to provide importer of record and entered value information. The petitioners argued that, due to these deficiencies, the Department should either use partial facts available, adverse facts available or the Belgian sales as the

comparison market values. On February 18, 2005, we received comments from the petitioners regarding Chandan's February response.

### Scope of the Order

Imports covered by the order of shipments of SSB. SSB means articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. SSB includes cold-finished SSBs that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the term does not include stainless steel semi-finished products, cut-to-length flat-rolled products (*i.e.*, cut-to-length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes, and sections.

The SSB subject to these reviews is currently classifiable under subheadings 7222.11.00.05, 7222.11.00.50, 7222.19.00.05, 7222.19.00.50, 7222.20.00.05, 7222.20.00.45, 7222.20.00.75, and 7222.30.00.00 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 the order is dispositive.

### Scope Exclusion

On August 9, 2004, we received a scope exclusion request from Chandan. In that request, Chandan sought to exclude certain stainless steel flat-bars from the scope. Specifically, Chandan sought to exclude stainless steel hot rolled flat-bars with sizes ranging from  $\frac{3}{4}$ " x  $\frac{1}{8}$ " to 8" x 3" (19.05 mm x 3.18 mm to 203.20 mm x 76.20 mm), with a uniform solid cross section the length of the bar in rectangular shape. Chandan explained that the bars were not manufactured in the United States and that the stainless steel flat-bar

applications were different from those of stainless steel bar.

On August 19, 2004, the petitioners requested that the Department reject Chandan's exclusion request because Chandan failed to prove the necessary elements for a scope exclusion ruling as outlined in 19 CFR 351.225(c). Furthermore, the petitioners provided evidence from domestic producers of stainless steel hot rolled flat-bars that such bars are produced in the United States, in direct contradiction to Chandan's claims.

On February 11, 2005, we returned Chandan's scope exclusion request, with instructions to refile, because it failed to follow the scope exclusion requirements outlined in section 351.225(c) of the Department's regulations. *See* February 11, 2005, letter from Ryan Langan, Acting Program Manager, AD/CVD Enforcement, Office 1 to Chandan Steel Ltd., in c/o Mr. Pravin Jain. Specifically, Chandan failed to provide, as required by section 351.225(c)(1) of the Department's regulations, a detailed description of the product, its current HTSUS numbers and technical uses, citations to any applicable statutory authority, and factual information supporting the request.

### Period of Review

The period of review is February 1, 2003, through January 31, 2004.

### Partial Rescission of Review

As noted above in the "Background" section of this notice, Venus, Mukand, FACOR, Isibars, and the Viraj Group withdrew their requests for an administrative review on April 19, 2004, and May 3, 2004. Because the petitioners did not request an administrative review for any of these companies and the requests to withdraw were made within the time limit specified under 19 CFR 351.213(d)(1), we are rescinding this administrative review as it pertains to these companies.

### Fair Value Comparisons

To determine whether sales of SSB by Chandan to the United States were made at less than NV, we compared export price (EP) and constructed export price (CEP), as appropriate, to the NV, as described in the "Export Price," "Constructed Export Price," and "Normal Value" sections of this notice.

Pursuant to section 777A(d)(2) of the Act, we compared the EPs and CEPs of individual U.S. transactions to the weighted-average NV of the foreign like product where there were sales made in the ordinary course of trade, as

discussed in the "Cost of Production Analysis" section below.

### Product Comparisons

When making comparisons in accordance with section 771(16) of the Act, we considered all products produced by Chandan as described in the "Scope of the Order" to be the foreign like product. Where there were no sales of identical merchandise in the comparison market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by Chandan in the following order: general type of finish, grade, remelting process, type of final finishing operation, shape, and size.

### Export Price and Constructed Export Price

Chandan reported that all of its sales of SSB to the United States during the POR were EP sales. According to Chandan, these sales were made to unaffiliated customers in the United States prior to the date of importation. However, the record is unclear with respect to Chandan's U.S. sales distribution processes to these companies, the identity of all the companies involved, and the relationship, if any, to Chandan. The record does indicate, however, that Chandan made certain U.S. sales through an affiliate in the United States, *i.e.*, Chandan USA, to unaffiliated customers. In addition, Chandan reported extra expenses for the sales made through Chandan USA. These extra expenses appear to be incurred by an unaffiliated party in the United States and are related to that party's activities in the United States on behalf of Chandan. According to information provided by Chandan, the unaffiliated party is later reimbursed for those extra expenses by Chandan through Chandan USA.

For these preliminary results, we are treating sales through Chandan's U.S. affiliate as CEP sales. As noted above, Chandan has an affiliated entity (Chandan USA) in the United States that appears to be the entity that makes the first sale in the United States to an unaffiliated customer, and Chandan appears to incur expenses that are related to economic activity in the United States. We intend to seek further information about these sales prior to our final results of review.

## Export Price

We calculated EP, in accordance with section 772(a) of the Act, for those sales Chandan made directly to unaffiliated purchasers in the United States prior to the date of importation. We based EP on packed, CFR prices to unaffiliated purchasers in the United States.

We made deductions from the EP starting price, where appropriate, for foreign inland freight from the plant/warehouse to the port of export, marine insurance, and international freight in accordance with section 772(c)(2) of the Act.

## Constructed Export Price

As stated above, we treated those sales made through Chandan's U.S. affiliate, Chandan USA, as CEP sales. We calculated CEP in accordance with 772(b) of the Act, based on packed, CIF and CFR prices to Chandan's unaffiliated customers in the United States. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight from the plant/warehouse to the port of export, marine insurance, and international freight. In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activity in the United States including: commissions, credit expenses, and extra expenses incurred in the United States. Additionally, we made an adjustment for profit in accordance with section 772(d)(3) of the Act.

## Normal Value

### *Selection of Comparison Market*

Because Chandan's home market sales were of defective merchandise, we based NV on sales to one of Chandan's third country markets. *See Comparison Market Memo.* In accordance with section 773(a)(1)(C) of the Act and 19 CFR 351.404, we selected Australia as the third-country comparison market.

Citing 19 CFR 351.404(e)(1), the petitioners have argued that Belgium, not Australia, is the most appropriate third-country comparison market. The petitioners claim that the Department erred in selecting Australia as the third-country comparison market when it determined the number of potential matches in the Australian market by examining size ranges, rather than the number of matches of identical size. The petitioners assert that using a specific size would result in a higher percentage of identical matches in Belgium. Furthermore, the petitioners argue that the Department must calculate Chandan's NV using identical model

matches because, when looking at the most recent third-country databases supplied by Chandan, there still are significant differences regarding the product characteristics. The petitioners state that, assuming that size ranges are an adequate measure for product matching, there are significantly more similar sales matches based on grade, shape, finish, and diameter between sales to the United States and to Belgium than there are between sales to the United States and sales to Australia or Brazil.

We considered all the criteria under 19 CFR 351.404(e) in determining the appropriate third-country comparison market including: (1) Whether the foreign like product exported to a particular third country is more similar to the subject merchandise exported to the United States than is the foreign like product exported to other third countries; (2) whether the volume of sales to a particular third country is larger than the volume of sales to other third countries; and (3) other factors as the Secretary considers appropriate.

We found that Australia is Chandan's largest third-country market by volume. When we compared the sales made to the United States to those made to the third-country markets reported by Chandan, we were able to identify a greater number of similar matches of U.S. sales to Australian sales, than to Belgian sales. This is the same approach the Department uses in its margin analysis. Therefore, in accordance with 19 CFR 351.404(e), we have chosen Australia as the appropriate third-country market.

### *Cost of Production*

As stated above in the "Background" section of this notice, the petitioners submitted a below-cost allegation. We found that the petitioners' allegation provided a reasonable basis to believe or suspect that Chandan's third-country sales were made at prices below the COP, pursuant to section 773(b)(2)(A)(i) of the Act. *See* the October 5, 2004 memorandum from Team to Susan Kuhbach entitled "*Allegation of Sales Below the Cost of Production for Chandan Steel, Ltd.*" As a result, we initiated an investigation to determine whether Chandan made comparison market sales during the POR at prices below their COPs.

#### 1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for general and administrative expenses (G&A), and

interest expenses. For purposes of these preliminary results, we have relied on the COP data submitted by Chandan. Before the final results, we intend to seek additional information from Chandan about its finishing costs.

#### 2. Test of Comparison Market Prices

On a product-specific basis, we compared the weighted-average COP to the comparison market sales of the foreign like product during the POR, as required under section 773(b) of the Act, in order to determine whether sales had been made at prices below the COP. For purposes of this comparison, we used COPs exclusive of selling and packing expenses. The comparison market prices were exclusive of any applicable movement charges, commissions, indirect selling expenses, and packing expenses. In determining whether to disregard home market sales made at prices below the COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Act, whether such sales were made: (1) Within an extended period of time in substantial quantities; and (2) at prices which did not permit the recovery of costs within a reasonable period of time.

#### 3. Results of the COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of the respondent's sales of a given product are at prices less than the COP, we do not disregard any below-cost sales of that product, because we determine that in such instances the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product are at prices less than the COP, we disregard those sales of that product, because we determine that in such instances the below-cost sales represent "substantial quantities" within an extended period of time, in accordance with section 773(b)(2)(B) and (C) of the Act. In such cases, we also determine whether such sales were made at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(1)(B) and (2)(D) of the Act.

We found that, for certain specific products, more than 20 percent of Chandan's comparison market sales were at prices less than the COP. In addition, such sales were made within an extended period of time and did not provide for the recovery of costs within a reasonable period of time. Therefore, we excluded these sales and used the remaining above-cost sales as the basis for determining NV in accordance with section 773(b)(1) of the Act.

## Level of Trade

In accordance with section 773(a)(1)(B)(i), to the extent practicable, the Department will calculate NV based on sales at the same level of trade (LOT) as the EP or CEP. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent). See 19 CFR 351.412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. *Id.*; see also *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (November 19, 1997) (*Plate from South Africa*). In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the chain of distribution), including selling functions, class of customer (customer category), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying levels of trade for EP and comparison market sales, (*i.e.*, NV based on either home market or third country prices<sup>1</sup>) we consider the starting prices before any adjustments. For CEP sales, we consider only the selling expenses 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).

When the Department is unable to match U.S. sales to sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, the Department may compare the U.S. sale to sales at a different LOT in the comparison market. In comparing EP or CEP sales at a different LOT in the comparison market, where available data make it practicable, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if an NV LOT is more remote from the factory than the CEP LOT and there is no basis for determining whether the difference in LOTs between NV and CEP affects price comparability (*i.e.*, no LOT adjustment was practicable), the Department shall grant a CEP offset, as provided in section 773(a)(7)(B) of the Act. See *Plate from South Africa*, 62 FR at 61733.

Chandan reported one level of trade in both U.S. and third-country markets. We found no difference between the relevant selling activities of the CEP LOT and the third-country LOT. In addition, we found that the only difference in selling activities between the third-country LOT and the EP LOT was that there were commissions incurred on some U.S. sales but none on third-country sales. This difference was not substantial. Therefore, we find that selling activities were performed at the same relative level of intensity in both markets, and that the EP and CEP levels of trade were the same as the third-country LOT. Accordingly, all sales comparisons are at the same LOT for Chandan and an adjustment pursuant to section 773(a)(7)(A) is not warranted.

## Calculation of Normal Value

### Price to Price Comparisons

We based NV on packed FOB, CIF, and CFR prices to Chandan's third-country unaffiliated customers. We made deductions from the starting price, where appropriate, for movement expenses in accordance with section 773(a)(6)(B)(ii) of the Act, including: Foreign inland freight from the plant/warehouse to the port of export, marine insurance, and international freight.

We also reduced the starting price for comparison market packing costs incurred on the comparison market sales, in accordance with section 773(a)(6)(B)(i), and increased NV to include U.S. packing expenses in accordance with section 773(a)(6)(A). We made circumstance-of-sale adjustments for credit expenses, where appropriate, pursuant to section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. In addition, we made an adjustment to NV to account for commissions paid on some U.S. sales but not on sales in the third country, in accordance with 19 CFR 351.410(e). As the offset for U.S. commissions, we used third-country indirect selling expenses to the extent of the lesser of the commission or the indirect selling expenses. In addition, we made adjustments to NV, where appropriate, for differences in costs attributable to differences in the physical characteristics of the merchandise, pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411.

### Currency Conversion

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

## Verification

As provided in section 782(i) of the Act, we intend to verify all information to be used in making our final results.

## Preliminary Results of Review

We preliminarily find the following weighted-average dumping margin:

Manufacturer/producer/exporter	Weighted-average margin percentage
Chandan Steel Ltd .....	10.28

The Department will disclose to parties the calculations performed in connection with these preliminary results within five days of the date of publication of this notice. Interested parties may request a hearing within 30 days of publication. Any hearing, if requested, will be held two days after the date rebuttal briefs are filed. Pursuant to 19 CFR 351.309, interested parties may submit cases briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than 35 days after the date of publication of this notice. The Department will issue the final results of the administrative review, including the results of its analysis of issues raised in any such written comments, within 120 days of publication of these preliminary results.

## Assessment Rate

Upon completion of the administrative review, the Department shall determine, and U.S. Customs and Border Protection shall assess, antidumping duties on all appropriate entries. According to 19 CFR 351.212(b)(1), for those sales with a reported entered value, we will calculate importer-specific assessment rates based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of those sales. Chandan did not to report entered value for the importers it identified. Therefore, to estimate entered value, we deducted from gross unit price international freight, marine insurance, and document clearing expenses. If, at the final results, we find that determining assessment rates on an *ad valorem* basis is not appropriate, we will do so on a per unit assessment basis.

## Cash Deposit Requirements

To calculate the cash deposit rate for each producer and/or exporter included in this administrative review, we divided the total dumping margins for

<sup>1</sup> Where NV is based on CV, we determine the NV LOT based on the LOT of the sales from which we derive selling expenses, G&A and profit for CV, where possible.

each company by the total net value for that company's sales during the review period.

Further, the following deposit requirements will be effective for all shipments of SSB from India, entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided for by section 751(a)(2)(C) of the Act: (1) The cash deposit rates for the reviewed companies will be the rates established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106, the cash deposit will be zero; (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, or the less than fair value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 12.45 percent, the "All Others" rate established in the LTFV investigation. *See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Bar from India*, 59 FR 66915, 66921 (Dec. 28, 1994). These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice 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 antidumping duties occurred and the subsequent assessment of double antidumping duties.

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

Dated: February 28, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary, Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-580-813]

#### **Stainless Steel Butt Weld Pipe Fittings From Korea: Preliminary Results of Antidumping Duty Administrative Review**

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

**SUMMARY:** In response to a request by Sungkwang Bend Company Ltd., (SKBC), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order of certain stainless steel butt weld pipe fittings from Korea. The review covers one firm, SKBC. The period of review (POR) is February 1, 2003, through January 31, 2004.

We preliminarily determine that sales of stainless steel butt weld pipe fittings from Korea have been made below the normal value (NV) for SKBC. If these preliminary results are adopted in our final results of administrative review, we will instruct Customs and Border Protection (CBP) to assess antidumping duties based on the difference between the export price (EP) or constructed export price (CEP) and NV. Interested parties are invited to comment on these preliminary results. Parties who submit argument in these proceedings are requested to submit with the argument: (1) A statement of the issues, (2) a brief summary of the argument, and (3) a table of authorities.

**DATES:** *Effective Date:* March 7, 2005.

**FOR FURTHER INFORMATION CONTACT:** Michael J. Heaney, or Robert James, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Room 3520, Washington, DC 20230; telephone (202) 482-4475 or (202) 482-0649.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On February 23, 1993, the Department published the antidumping duty order on stainless steel butt weld pipe fittings from Korea. *See Antidumping Duty Order: Certain Stainless Steel Butt Weld Pipe Fittings from Korea*, 58 FR 11029. On February 27, 2004, SKBC requested an administrative review of the antidumping duty order on stainless steel butt weld pipe fittings from Korea in response to the Department's notice of opportunity to request a review published in the **Federal Register**. The

Department initiated the review for SKBC on March 26, 2004. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 69 FR 15788 (March 26, 2004).

On April 7, 2004, the Department issued sections A, B, and C of the antidumping questionnaire to SKBC. SKBC filed its response to section A of our questionnaire on May 12, 2004. On May 23, 2004, SKBC filed its response to sections B and C of our questionnaire.

The Department issued an additional supplemental questionnaire to SKBC on August 7, 2004. SKBC filed its response to our August 7, 2004, questionnaire on September 2, 2004.

On August 3, 2004, the Department extended the time limit for issuance of the preliminary results of the administrative review to February 28, 2005. *See Stainless Steel Butt Weld Pipe Fittings from Korea; Extension of Time Limit for Preliminary Results of Administrative Review*, 69 FR 46516 (August 3, 2004).

##### **Scope of the Antidumping Duty Order**

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

Pipe fittings come in a variety of shapes, and the following five are the most basic: "elbows," "tees," "reducers," "stub ends," and "caps." The edges of finished fittings are beveled. Threaded, grooved, and bolted fittings are excluded from this review. The pipe fittings subject to this review are classifiable under subheading 7307.23.00 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this order is dispositive.

##### **Verification**

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), we verified sales information provided