

**DEPARTMENT OF COMMERCE****Foreign-Trade Zones Board**

(Docket 53-2005)

**Foreign-Trade Zone 84 - Houston, Texas, Foreign-Trade Zone 38 - Spartanburg Co., South Carolina, Foreign-Trade Zone 126 - Reno, Nevada, Foreign-Trade Zone 70 - Detroit, Michigan, Request for Manufacturing Authority, Michelin North America (Wheel Assembly)**

Applications have been submitted to the Foreign-Trade Zones Board (the Board) by the following grantees, on behalf of Michelin North America (MNA), requesting authority to assemble wheels under FTZ procedures at the sites listed below. The applications were formally filed on October 20, 2005.

Grantee: FTZ 84, Port of Houston Authority

Site: SZ 84R

Location: 8800 City Park Loop, Houston, Texas

Employees: 50 employees

Grantee: FTZ 38, South Carolina State Ports Authority

Site: FTZ 38, Site 5

Location: 101 Michelin Drive, Laurens, South Carolina

Employees: 96 employees

Grantee: FTZ 126, Economic

Development Authority of Western Nevada

Site: FTZ 126, Site 7

Location: 14551 Industry Circle, Reno, Nevada

Employees: 36 employees

Grantee: FTZ 70, Greater Detroit Foreign Trade Zone, Inc.

Site: FTZ 70, Site 18

Location: 7111 Crabb Road,

Temperance, Michigan

Employees: 40 employees

The general-purpose zone sites are warehouses operated by TNT Logistics for MNA. The applicants are requesting to perform wheel assembly using domestic and foreign components on behalf of auto manufacturer clients at each of the sites. Foreign-sourced components include tires (HTSUS 4011.10, 4011.20, 4011.61, 4011.62, 4011.63, 4011.92, 4011.93, 4011.94, 4011.99, duty-free to 4.0%), wheel rims (HTSUS 8708.70, duty-free to 2.5%), flaps (HTSUS 4012.90, duty-free to 4.2%), valves (HTSUS 8481.80, duty-free to 5%), tubes (HTSUS 4013.10, duty-free to 3.7%), gaskets (HTSUS 4016.93, duty-free to 2.5%), sensors (HTSUS 8525.10, duty-free), and nuts (HTSUS 7318.16, duty-free).

FTZ procedures would exempt MNA from Customs duty payments on the

foreign components used in production for export to non-NAFTA countries. On shipments for U.S. consumption and to NAFTA markets, MNA could elect the wheel assembly duty rate (generally dutiable as an auto part - 2.5%) for the foreign components (mostly tires dutiable at 4%) listed above. The auto part duty rate (2.5%) would apply if the wheel assemblies are shipped via zone-to-zone transfer to U.S. motor vehicle assembly plants with subzone status. The applications indicate that the savings from FTZ procedures would help improve the facilities' international competitiveness.

In accordance with the Board's regulations, a member of the FTZ Staff has been designated examiner to investigate the application and report to the Board.

Public comment is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at one of the following addresses:

1. *Submissions Via Express/Package Delivery Services:* Foreign-Trade-Zones Board, U.S. Department of Commerce, Franklin Court Building - Suite 4100W, 1099 14th St. NW, Washington, D.C. 20005; or

2. *Submissions Via the U.S. Postal Service:* Foreign-Trade-Zones Board, U.S. Department of Commerce, FCB - Suite 4100W, 1401 Constitution Ave. NW, Washington, D.C. 20230.

The closing period for their receipt is December 30, 2005. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period (to January 17, 2006).

Copies of the requests will be available for public inspection at the Office of the Foreign-Trade Zones Board's Executive Secretary at address Number 1 listed above.

Dated: October 21, 2005.

**Dennis Puccinelli,**  
*Executive Secretary.*

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**DEPARTMENT OF COMMERCE****Bureau of Industry and Security****[Docket No: 051017266-5266-01]****Revision to the Unverified List—Guidance as to “Red Flags”**

**AGENCY:** Bureau of Industry and Security, Commerce.

**ACTION:** Notice.

**SUMMARY:** On June 14, 2002, the Bureau of Industry and Security (“BIS”) published a notice in the **Federal Register** that set forth a list of persons in foreign countries who were parties to past export transactions where pre-licence checks or post-shipment verifications could not be conducted for reasons outside the control of the U.S. Government (“Unverified List”). Additionally, on July 16, 2004, BIS published a notice in the **Federal Register** that advised exporters that the Unverified List would also include persons in foreign countries in transactions where BIS is not able to verify the existence or authenticity of the end-user, intermediate consignee, ultimate consignee, or other party to the transaction. These notices advised exporters that the involvement of a listed person as a party to a proposed transaction constitutes a “red flag” as described in the guidance set forth in Supplement No. 3 to 15 CFR part 732, requiring heightened scrutiny by the exporter before proceeding with such a transaction. This notice adds five entities to the Unverified List. The entities are: T.Z.H. International Co. Ltd., Room 23, 2/F, Kowloon Bay Ind Center, No. 15 Wany Hoi Rd, Kowloon Bay, Hong Kong, Special Administrative Region; Design Engineering Center, House 184, Street 36, Sector F-10/1, Islamabad, Pakistan; Kantry, 13/2 Begovaya Street, Moscow, Russia 125284; Elaton Company, 20B Berezhkovskaya Naberezhnaya, Moscow, Russia; and Pskovenergo Service, 47-A Sovetskaya Street, Pskov, Russia Federation, 180000.

**DATES:** This notice is effective October 31, 2005.

**FOR FURTHER INFORMATION CONTACT:** Thomas W. Andrukonis, Office of Enforcement Analysis, Bureau of Industry and Security, Telephone: (202) 482-4255.

**SUPPLEMENTARY INFORMATION:** In administering export controls under the Export Administration Regulations (15 CFR parts 730 to 774) (“EAR”), BIS carries out a number of preventive enforcement activities with respect to individual export transactions. Such activities are intended to assess diversion risks, identify potential violations, verify end-uses, and determine the suitability of end-users to receive U.S. commodities or technology. In carrying out these activities, BIS officials, or officials of other federal agencies acting on BIS's behalf, selectively conduct pre-licence checks (“PLCs”) to verify the bona fides of the transaction and the suitability of the end-user or ultimate consignee. In addition, such officials sometimes carry out post-shipment verifications

(“PSVs”) to ensure that U.S. exports have actually been delivered to the authorized end-user, are being used in a manner consistent with the terms of a license or license exception, and are otherwise consistent with the EAR.

In certain instances BIS officials, or other federal officials acting on BIS’s behalf, have been unable to perform a PLC or PSV with respect to certain export control transactions for reasons outside the control of the U.S. Government (including a lack of cooperation by the host government authority, the end-user, or the ultimate consignee). BIS listed a number of foreign end-users and consignees involved in such transactions in the Unverified List that was included in BIS’s **Federal Register** notice of June 14, 2002. See 67 FR 40910. On July 16, 2004, BIS published a notice in the **Federal Register** that advised exporters that the Unverified List would also include persons in foreign countries where BIS is not able to verify the existence or authenticity of the end user, intermediate consignee, ultimate consignee, or other party to an export transaction. See 69 FR 42652.

The June 14, 2002 and July 16, 2004 notices advised exporters that the involvement of a listed person in a

transaction constituted a “red flag” under the “Know Your Customer” guidance set forth in Supplement No. 3 to 15 CFR part 732 of the EAR. Under that guidance, whenever there is a “red flag,” exporters have an affirmative duty to inquire, verify, or otherwise substantiate the proposed transaction to satisfy themselves that the transaction does not involve a proliferation activity prohibited in 15 CFR part 744, and does not violate other provisions of the EAR. The **Federal Register** notices further stated that BIS may periodically add persons to the Unverified List based on the criteria set forth above, and remove persons when warranted.

This notice advises exporters that BIS is adding T.Z.H. International Co. Ltd. in the Hong Kong Special Administrative Region, Design Engineering Center in Pakistan, Kantry in Russia, Elaton Company in Russia, and Pskovenergo Service in Russia to the Unverified List. A “red flag” now exists for transactions involving these entities due to their inclusion on the Unverified List. As a result, exporters have an affirmative duty to inquire, verify, or otherwise substantiate the proposed transaction to satisfy themselves that the transaction does not

involve a proliferation activity prohibited in 15 CFR part 744, and does not violate other provisions of the EAR.

The Unverified List, as modified by this notice, is set forth below.

**Wendy Wysong,**

*Deputy Assistant Secretary for Export Enforcement.*

#### **Unverified List (as of October 31, 2005)**

The Unverified List includes names, countries, and last known addresses of foreign persons involved in export transactions with respect to which: the Bureau of Industry and Security (“BIS”) could not conduct a pre license check (“PLC”) or a post shipment verification (“PSV”) for reasons outside of the U.S. Government’s control; and/or BIS was not able to verify the existence or authenticity of the end user, intermediate consignee, ultimate consignee or other party to an export transaction. Any transaction to which a listed person is a party will be deemed to raise a “red flag” with respect to such transaction within the meaning of the guidance set forth in Supplement No. 3 to 15 CFR part 732. The red flag applies to the person on the Unverified List regardless of where the person is located in the country included on the list.

Name	Country	Last known address
Lucktrade International .....	Hong Kong Special Administrative Region.	P.O. Box 91150, Tsim Sha Tsui, Hong Kong.
Brilliant Interinvest .....	Malaysia .....	14–1, Persian 65C, Jalan Pahang Barat, Kuala Lumpur, 53000.
Dee Communications M SDN. BHD ..	Malaysia .....	G5/G6, Ground Floor, Jin Gereja, Johor Bahru.
Peluang Teguh .....	Singapore .....	203 Henderson Road #09–05H, Henderson Industrial Park.
Lucktrade International PTE Ltd .....	Singapore .....	35 Tannery Road #01–07 Tannery Block, Ruby Industrial Complex, Singapore, Ltd. 347740.
Arrow Electronics Industries .....	United Arab Emirate .....	204 Arbift Tower, Benyas Road, Dubai.
Jetpower Industrial Ltd .....	Hong Kong Special Administrative Region.	Room 311, 3rd Floor, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui East, Kowloon.
Onion Enterprises Ltd .....	Hong Kong Special Administrative Region.	Room 311, 3rd Floor, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui East, Kowloon.
Lucktrade International .....	Hong Kong Special Administrative Region.	Room 311, 3rd Floor, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui East, Kowloon.
Litchfield Co. Ltd .....	Hong Kong Special Administrative Region.	Room 311, 3rd Floor, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui East, Kowloon.
Sunford Trading Ltd .....	Hong Kong Special Administrative Region.	Unit 2208, 22/F, 118 Connaught Road West.
Parrlab Technical Solutions, LTD .....	Hong Kong Special Administrative Region.	1204, 12F Shanghai Industrial Building, 48–62 Hennesey Road, Wan Chai.
T.Z.H. International Co. Ltd. ....	Hong Kong Special Administrative Region.	Room 23, 2/F, Kowloon Bay Ind Center, No. 15 Wany Hoi Rd, Kowloon Bay.
Design Engineering Cebter .....	Pakistan .....	House 184, Street 36, Sector F–10/1, Islamabad.
Kantry .....	Russia .....	13/2 Begovaya Street, Moscow.
Elaton Company .....	Russia .....	20B Berezhkovskaya Naberezhnaya, Moscow.
Pskovenergo Service .....	Russia .....	47–A Sovetskaya Street, Pskov, Russia Federation, 180000.

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

(A-351-828)

**Notice of Final Results of New Shipper Review of the Antidumping Duty Order on Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Products from Brazil**

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

**SUMMARY:** On August 19, 2005, the U.S. Department of Commerce (the Department) published the preliminary results of the new shipper review of the antidumping duty order on certain hot-rolled flat-rolled carbon quality steel products (hot-rolled steel products) from Brazil. The review covers one manufacturer/exporter, Companhia Siderúrgica de Tubarão (CST). Although interested parties had an opportunity to comment on our preliminary results, we received no comments. The Department has not made any changes in its analysis following the publication of the preliminary results. Therefore, the final results of review are unchanged from those presented in the preliminary results of review.

**EFFECTIVE DATE:** October 31, 2005.

**FOR FURTHER INFORMATION CONTACT:** Angelica Mendoza or David Kurt Kraus, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., NW, Washington, DC 20230; telephone: (202) 482-3019 and (202) 482-7871, respectively.

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

On August 19, 2005, the Department published the preliminary results of new shipper review of certain hot-rolled steel products from Brazil. See *Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Products from Brazil; Preliminary Results of New Shipper Review*, 70 FR 48668 (August 19, 2005). No party submitted comments on the preliminary results.

**Period of Review**

The period of review (POR) is March 1, 2004, through August 31, 2004.

**Scope of Review**

The products covered by this order are certain hot-rolled flat-rolled carbon-quality steel products of a

rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics of other non-metallic substances, in coils (whether or not in successively superimposed layers) regardless of thickness, and in straight lengths, of a thickness less than 4.75 mm and of a width measuring at least 10 times the thickness. Specifically included in this scope are vacuum degassed, fully stabilized (IF) steels, high strength low alloy (HSLA) steels, and the substrate for motor lamination steels. Steel products to be included in the scope of this agreement, regardless of Harmonized Tariff Schedule (HTS) definitions, are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds certain specified quantities.

The merchandise subject to the order is currently classifiable under subheadings 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7212.40.10.00, 7212.40.50.00, and 7212.50.00.00 of the HTS. Certain hot-rolled flat-rolled carbon-quality steel covered by this agreement, including vacuum degassed and fully stabilized, high strength low alloy, and the substrate for motor lamination steel may also enter under tariff numbers 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.00.00. Although the HTS subheading is provided for convenience and customs purposes, the written description of the merchandise under review is dispositive of whether or not the merchandise is covered by the scope of the order.

**Final Results of Review**

We determine that a margin of 0.00 percent exists for CST for the period March 1, 2004, through August 31, 2004.

**Assessment**

The Department will determine, and the U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries, pursuant to 19 CFR 351.212(b). We have 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 of the examined sales for each importer. We will direct CBP to assess the resulting assessment rates against the entered customs values for the subject merchandise on each of the importer's entries during the review period. The Department will issue appropriate assessment instructions directly to the CBP within 15 days of publication of these final results of review.

**Cash Deposit Requirements**

Bonding is no longer permitted to fulfill security requirements for shipments from CST of hot-rolled steel products from Brazil entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results of new shipper review. The following cash-deposit requirements will be effective upon publication of the final results of this new shipper review for all shipments of subject merchandise entered or withdrawn from warehouse for consumption on or after the publication date as provided for by section 751(a)(1) and 751 (a)(2)(C) of the Tariff Act of 1930, as amended (the Act):

- for subject merchandise manufactured and exported by CST the cash deposit rate shall be 0.00 percent;
- for subject merchandise exported by CST but not manufactured by CST the cash-deposit rate will continue to be the "all others" rate or the rate applicable to the manufacturer, if so established;
- the cash deposit rate for exporters who received a rate in a prior segment of the proceeding will continue to be the rate assigned in that segment of the proceeding;

- if the exporter is not a firm covered in this review or in any previous segment of this proceeding, but the manufacturer is, the cash deposit rate will be that established for the manufacturer in the most recent segment of these proceedings in which that manufacturer participated;