

instructions for the companies subject to this review directly to CBP within 15 days of publication of the final results of this review.

With respect to Agro Dutch, we intend to calculate importer-specific assessment rates for the subject merchandise by aggregating the dumping margins calculated for all of the U.S. sales examined and dividing this amount by the total entered value of the sales examined. We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any importer-specific assessment rate calculated in the final results of this review is above *de minimis* (i.e., at or above 0.50 percent). See 19 CFR 351.106(c)(1). 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The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the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 the reviewed company will be that 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(c)(1), in which case the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original 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 11.30 percent, the "All Others" rate made effective by the LTFV investigation (see *Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Preserved Mushrooms From India*, 64 FR 8311 (February 19, 1999)). These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) 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 are published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221.

Dated: October 31, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for 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 stainless steel butt-weld pipe fittings from Korea. The review covers one firm, SKBC. The period of review (POR) is February 1, 2004, through January 31, 2005.

We preliminarily determine that sales of stainless steel butt-weld pipe fittings from Korea have not been made below 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 not assess antidumping duties based on the difference between constructed export price (CEP) and NV. Interested parties are invited to comment on these preliminary results. Parties who submit arguments in this proceeding are requested to also submit: 1) a statement of the issues, 2) a brief summary of the argument, and 3) a table of authorities.

**EFFECTIVE DATE:** November 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, 14<sup>th</sup> Street and Constitution Avenue, NW, Room 7866, Washington, DC 20230; telephone: (202) 482-4475 or (202) 482-0649, respectively.

#### **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 (February 23, 1993). On February 28, 2005, 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 23, 2005. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 70 FR 14643 (March 23, 2005).

On March 31, 2005, 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 9, 2005. On May 27, 2005, SKBC filed its response to sections B and C of our questionnaire. The Department issued a supplemental questionnaire to SKBC on July 25, 2005. SKBC filed its response to this questionnaire on August 16, 2005.

##### **Scope of the 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.

### Product Comparison

In accordance with section 771(16) of the Tariff Act of 1930, as amended (the Act), we considered all stainless steel butt-weld pipe fittings covered by the "Scope of the Antidumping Duty Order" section of this notice, *supra*, which were produced and sold by SKBC in the home market during the POR to be foreign like products for the purpose of determining appropriate product comparisons to U.S. sales of stainless steel butt-weld pipe fittings.

We relied on five characteristics to match U.S. sales of subject merchandise to comparison sales of the foreign like product: type, grade, seam, size, and schedule. Where there were no sales of identical merchandise in the home market to compare to the U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the physical characteristics and reporting instructions listed in the antidumping questionnaire. We performed a difference in merchandise (DIFMER) test to ensure that all comparison matches had no more than a twenty percent difference in variable cost of manufacture to the merchandise sold in the United States. See 19 CFR § 351.411(b) and Import Administration Policy Bulletin, No. 92.2 (July 29, 1992).

### Level of Trade

In accordance with section 773(a)(1)(B)(i) of the Act, to the extent practicable, we determine NV based on sales in the home market at the same level of trade (LOT) as export price (EP) or the CEP. The NV LOT is that of the starting-price sales in the home market or, when NV is based on constructed value (CV), that of the sales from which we derive selling, general and administrative (SG&A) expenses and profit. For CEP, it is the level of the constructed sale from the exporter to an affiliated importer after the deductions required under section 772(d) of the Act.

To determine whether NV sales are at a different LOT than CEP, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the

comparison-market sales are at a different LOT and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP-offset provision). See *Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731, 61732-33 (November 19, 1997).

SKBC reported one LOT in the home market, and contended that home market sales to distributors and end-users were made at the same LOT. (See SKC May 9, 2005, response, at appendix A-3.) In its May 9, 2005, response, SKBC indicated that it performed similar levels of sales support (*i.e.*, customer correspondence, order review and approval, customer assistance, technical advice, and freight and delivery arrangement) on its home-market sales to distributors and to end-users. We analyzed the information submitted by SKBC and determined that one LOT exists for SKBC's sales in the home market. We also examined the CEP LOT (*i.e.*, the constructed sale from SKBC to its U.S. affiliate, Sungkwang Bend America (SKBA)) and found that SKBC's U.S. sales were made at the same LOT.

Moreover, the HM LOT is more advanced in the chain of distribution than the CEP LOT. In its May 9, 2005, response, SKBC indicated that SKBA performed many of the same selling functions on SKBC's CEP sales that SKBC performed on its home market sales. We compared the CEP LOT (after deductions made pursuant to section 772(d) of the Act) to the home market LOT. We determined that there were fewer services such as customer correspondence, order review and approval, post sales service/warranties, technical advice, advertising, freight delivery arrangement, credit services and import document clearance, performed by SKBC on its CEP LOT than on SKBC's home market LOT. See *id.* In addition, the differences in selling functions performed for home market and CEP LOTs indicate that the home market LOT involved a more advanced stage of distribution than the CEP LOT. See *id.* In the home market LOT, SKBC

provided marketing further down the chain of distribution by providing certain downstream selling functions that are normally performed by service centers in the U.S. market (*e.g.*, technical advice, credit and collection, *etc.*). See *id.*

Based on our analysis of the record evidence on selling functions performed for the CEP LOT and the home market LOT, we determined the CEP and the starting price of home market sales represent different stages in the marketing process, and are thus at different LOTs within the meaning of 19 CFR § 351.412. Therefore, when we compared CEP sales to home market sales, we examined whether an LOT adjustment may be appropriate. In this case, SKBC sold at one LOT in the home market; thus, there is no basis upon which to determine whether there is a pattern of consistent price differences between LOTs. Thus, while SKBC cooperated to the best of its ability, the data available do not provide an appropriate basis to determine whether the difference in level of trade affected price comparability. Further, we do not have the information which would allow us to examine pricing patterns of SKBC's sales of other similar products, and there are no other respondents or other record evidence on which such an analysis could be based.

Because the data available do not provide an appropriate basis for making an LOT adjustment and the LOT of home market sales is at a more advanced stage than the LOT of the CEP sales, a CEP offset is appropriate in accordance with section 773(a)(7)(B) of the Act, as claimed by SKBC. We based the amount of the CEP offset on the amount of home market indirect selling expenses, and limited the deduction for home market indirect selling expenses to the amount of indirect selling expenses deducted from CEP in accordance with section 772(d)(1)(D) of the Act. We applied the CEP offset to NV, whether based on home market prices or CV.

### Comparisons

To determine whether sales of subject merchandise made by SKBC were made at less than fair value, we compared the CEP to the NV as described below. Pursuant to section 777A(d)(2) of the Act, we compared the CEP of individual U.S. transactions to the monthly weight-averaged NV of the foreign like product.

### Export Price and Constructed Export Price

Section 772(b) of the Act defines CEP as "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). For purposes of this administrative review, SKBC classified all of its U.S. sales as CEP transactions. Based on the record evidence, we preliminarily determine that SKBC's U.S. sales through its U.S. affiliate, SKBA, were made “in the United States” within the meaning of section 772(b) of the Act, and thus have been appropriately classified by SKBC as CEP transactions.

We based CEP on packed prices to unaffiliated purchasers in the United States. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included foreign inland freight, international freight, marine insurance, brokerage charges, U.S. inland freight and U.S. customs duties. As further directed by section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including billing adjustments and direct selling expenses (*i.e.*, credit expenses, technical service expenses, and bank charges), inventory carrying costs, and other indirect selling expenses. We also made an adjustment for profit in accordance with section 772(d)(3) of the Act.

#### Normal Value

In accordance with section 773(a)(1)(C) of the Act, to determine whether there was sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*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 SKBC's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise. Because SKBC's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home market was viable. We therefore based NV on home market sales to unaffiliated purchasers made in the usual commercial quantities and in the normal course of trade.

We made adjustments, where applicable, for movement expenses (consisting of inland freight) in accordance with section 773(a)(6)(B) of

the Act. In accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR § 351.410, we made circumstance of sale adjustments for imputed credit, warranty, bank charges, and technical service expenses. In addition, we made adjustments for differences in cost attributable to differences in the physical characteristics of the merchandise (*i.e.*, DIFMER adjustments) pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR § 351.410. We also made an adjustment, in accordance with 19 CFR § 351.410(e), for indirect selling expenses incurred in the home market where commissions were granted on sales in the United States. As noted in the “Level of Trade” section of this notice, we also made an adjustment for the CEP offset in accordance with section 773(a)(7)(B) of the Act. Finally, we deducted home market packing costs and added U.S. packing costs in accordance with section 773(a)(6) of the Act.

#### Currency Conversion

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

#### Preliminary Results of Review

As a result of our review, we preliminarily find the weighted-average dumping margin for the period February 1, 2004, through January 31, 2005, to be as follows:

Manufacturer / Exporter	Weighted Average Margin (percent-age)
Sungkwang Bend Company Ltd. (SKBC) .....	0.17

#### Public Comment

The Department will disclose calculations performed within five days of the date of publication of this notice in accordance with 19 CFR § 351.224(b). An interested party may request a hearing within 30 days of publication. *See* 19 CFR § 351.310(c). Any hearing, if requested, will be held 37 days after the date of publication, or the first business day thereafter, unless the Department alters the date pursuant to 19 CFR § 351.310(d). Interested parties may submit case briefs or written comments no later than 30 days after the date of publication of these preliminary results of review. Rebuttal briefs and rebuttals to written comments, limited to issues raised in the case briefs and comments, may be filed no later than 35 days after

the date of publication of this notice. *See* 19 CFR § 351.309(d)(2). Parties who submit arguments in these proceedings are requested to submit with the argument: 1) a statement of the issue, 2) a brief summary of the argument, and 3) a table of authorities. Further, parties submitting case briefs, rebuttal briefs, and written comments are requested to provide the Department with an additional copy of the public version of any such argument on diskette. The Department will issue final results of this administrative review, including the results of our analysis of the issues in any such case briefs, rebuttal briefs, and written comments, or at a hearing, within 120 days of publication of these preliminary results.

#### Assessment Rates and Cash Deposit Requirements

Pursuant to 19 CFR 351.212(b), the Department calculates an assessment rate for each importer of the subject merchandise for each respondent. Upon issuance of the final results of this administrative review, if any importer-specific assessment rates calculated in the final results are above *de minimis* (*i.e.*, at or above 0.5 percent), the Department will issue appraisal instructions directly to U.S. Customs and Border Protection (CBP) to assess antidumping duties on appropriate entries.

To determine whether the duty assessment rates covering the period were *de minimis*, in accordance with the requirement set forth in 19 CFR § 351.106(c)(2), for each respondent we calculate importer (or customer)-specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to that importer (or customer) and dividing this amount by the total value of the sales to that importer (or customer). Where an importer (or customer)-specific *ad valorem* rate is greater than *de minimis*, and the respondent has reported reliable entered values, we apply the assessment rate to the entered value of the importer's/ customer's entries during the review period. Where an importer (or customer)-specific *ad valorem* rate is greater than *de minimis* and we do not have entered values, we calculate a per-unit assessment rate by aggregating the dumping duties due for all U.S. sales to each importer (or customer) and dividing this amount by the total quantity sold to the importer (or customer).

The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of the final results of this review. Furthermore, the following

deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of stainless steel butt-weld pipe fittings from Korea entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act:

1) The cash deposit rate for the reviewed company will be the rate established in the final results of review except if a rate is less than 0.50 percent, and therefore *de minimis* within the meaning of 19 CFR 351.106(c)(1) in which case the cash deposit rate will be zero;

2) For any previously reviewed or investigated company not listed above, the cash deposit rate will continue to be the company-specific rate published in the most recent period;

3) If the exporter is not a firm covered in this review, a prior 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) If neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be the "all others" rate from the LTFV investigation (21.2 percent). *See Notice of Final Determination of Sales at Less Than Fair Value; Certain Welded Stainless Steel Butt-Weld Pipe Fittings From Korea*, 58 FR 11029 (February 23, 1993).

#### Notice to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR § 351.402(f) 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 this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: October 31, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

(A-351-819, A-427-811, A-533-808)

#### Stainless Steel Wire Rods from Brazil, France, and India; Notice of Final Results of Five-year (Sunset) Reviews of Antidumping Duty Orders

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

**SUMMARY:** On July 1, 2005, the Department of Commerce (the Department) initiated the second sunset reviews of the antidumping duty orders on stainless steel wire rods from Brazil, France and India, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). On the basis of notices of intent to participate and adequate substantive responses filed on behalf of the domestic interested parties and inadequate response from respondent interested parties, the Department has conducted expedited sunset reviews of these antidumping duty orders. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the level indicated in the "Final Results of Reviews" section of this notice.

**EFFECTIVE DATE:** November 7, 2005.

**FOR INFORMATION CONTACT:** Jacqueline Arrowsmith or Dana Mermelstein, Antidumping/Countervailing Duty Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-5255 or (202) 482-1391, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On December 1, 1993, the Department published the *Antidumping Duty Order: Certain Stainless Steel Wire Rods from India*, 58 FR 63335 (December 1, 1993). On January 28, 1994, the Department published the *Antidumping Duty Order: Certain Stainless Steel Wire Rods from Brazil*, 59 FR 4021 and the *Amended Final Determination and Antidumping Duty Order: Certain Stainless Steel Wire Rods from France*, 59 FR 4022. On August 2, 2000, the Department published the *Continuation of Antidumping Duty Orders: Stainless Steel Wire Rod from Brazil, France, and India*, 65 FR 47403.

On July 1, 2005, the Department initiated the second sunset reviews of the antidumping duty orders on

stainless steel wire rods from Brazil, France and India, pursuant to section 751(c) of the Act. *See Initiation of Five-year ("Sunset") Reviews*, 70 FR 38101 (July 1, 2005). The Department received a notice of intent to participate from Carpenter Technology Corporation, Charter Specialty Steel, and Universal & Alloy Products, Inc. (collectively, the domestic interested parties), within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of the domestic like product.

We received a complete substantive response to the notice of initiation from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no responses from respondent interested parties to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted expedited sunset reviews of these orders.

#### Scope of the Orders

Imports covered by these orders are certain stainless steel wire rods (SSWR) from Brazil, France and India. SSWR are products 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 of chromium, with or without other elements. These products are only manufactured by hot-rolling and normally sold in coiled form, and are 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 merchandise subject to these orders is currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, 7221.00.0075 of the Harmonized Tariff Schedule of the United States (HTSUS).<sup>1</sup> The HTSUS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

#### Analysis of Comments Received

All issues raised in these reviews are addressed in the Issues and Decision

<sup>1</sup> The merchandise subject to the scope of these orders was originally classifiable under all of the following HTS subheadings: 7221.00.0005, 7221.00.0015, 7221.00.0020, 7221.00.0030, 7221.00.0040, 7221.00.0045, 7221.00.0060, 7221.00.0075, and 7221.00.0080. HTSUS subheadings 7221.00.0020, 7221.00.0040, 7221.00.0060, 7221.00.0080 are no longer contained in the HTSUS.