351.218(d)(4). On September 12, 2005, the Department sent a letter to the respondents asking them to resubmit their substantive responses in order to revise the treatment of certain business-proprietary and public information. We also asked the domestic interested parties to re-submit their rebuttal comments to the respondents' revised responses. The respondents filed their revised substantive responses on September 15, 2005, and the domestic interested parties filed their revised substantive rebuttals on September 27, and October 12, 2005. Based on the responses received from interested parties, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(2)(i), the Department has conducted full (240-day) sunset reviews of these orders.

19 CFR 351.218(e)(1)(ii)(A) provides that the Secretary normally will conclude that respondent interested parties have provided adequate response to a notice of initiation where the Department receives complete substantive responses from respondent interested parties accounting on average for more than 50 percent, by volume, or value basis, if appropriate, of the total exports of the subject merchandise to the United States over the five calendar years preceding the year of publication of the notice of initiation. On July 21, 2005, the Department released its adequacy determination and found that the respondent interested parties accounted for more than 50 percent of exports by volume of the subject merchandise from Japan and Singapore to the United States. For more information, see Adequacy Determination Memorandum from the Sunset Team to Laurie Parkhill, dated July 21, 2005. In accordance with 19 CFR 351.218(e)(2)(i), the Department determined to conduct full sunset reviewed of these antidumping duty orders. The final results in the full sunset review of these antidumping duty orders are scheduled on or before January 27, 2006.

Scope of the Orders

The products covered by these orders are ball bearings and parts thereof. These products include all bearings that employ balls as the rolling element. Imports of these products are classified under the following categories: antifriction balls, ball bearings with integral shafts, ball bearings (including radial ball bearings) and parts thereof, and housed or mounted ball bearing units and parts thereof.

Imports of these products are classified under the following *Harmonized Tariff Schedule of the United States* (HTSUS) subheadings: 3926.90.45, 4016.93.00, 4016.93.10, 4016.93.50, 6909.19.5010; 8431.20.00, 8431.39.0010, 8482.10.10, 8482.10.50, 8482.80.00, 8482.91.00, 8482.99.05, 8482.99.2580, 8482.99.35, 8482.99.6595, 8483.20.40, 8483.20.80, 8483.50.8040, 8483.50.90, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, 8708.60.80, 8708.70.6060, 8708.70.8050, 8708.93.30, 8708.93.5000, 8708.93.6000, 8708.93.75, 8708.99.06, 8708.99.31, 8708.99.4960, 8708.99.50, 8708.99.5800, 8708.99.8080, 8803.10.00, 8803.20.00, 8803.30.00, 8803.90.30, and 8803.90.90.

Although the HTSUS subheadings above are provided for convenience and customs purposes, written descriptions of the scopes of these orders remain dispositive.

Analysis of Comments Received

All issues raised in this sunset review are addressed in the ''Issues and Decision Memorandum'' from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated December 19, 2005 (Decision Memo), which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the antidumping duty orders were revoked. Parties can find a complete discussion of all issues raised in these sunset reviews and the corresponding recommendations in this public memorandum, which is on file in room B–009 of the main Department building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at *http://ia.ita.doc.gov/frn,* under the heading ''December 2005.'' The paper copy and electronic version of the Decision Memo are identical in content.

Preliminary Results of Reviews

The Department preliminarily determines that revocation of the antidumping duty orders on ball bearings from Japan and Singapore is likely to lead to continuation or recurrence of dumping at the following weighted-average margins:

Manufacturers/exporters/producers	Weighted-average margin (percent)
Japan:	
Koyo Seiko Co., LtD	73.55
Minebea Co., Ltd	106.61
Nachi-Fujikoshi Corp	48.69
NSK Ltd	42.99
NTN Corp	21.36
All Other Japanese Manufacturers/Explorters/Producers	45.83
Singapore:	
NMB/Pelmec	25.08
All Other Singaporean Manufacturers/Exporters/Producers	25.08

Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Interested parties may submit case briefs no later than 30 days after the date of publication of this notice, in accordance with 19 CFR 351.309(c)(1)(i). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed no later than 5 days after the case briefs, in accordance with 19 CFR 351.309(d)(1). Any hearing, if requested, will be held two days after rebuttal briefs are due, in accordance with 19 CFR 351.310(d)(1). The Department will issue a notice of final results of these sunset reviews, which will include the results of its analysis of issues raised in any such briefs, no later than January 27, 2006.

We are issuing and publishing these results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: December 19, 2005.

Stephen J. Claeys,

Acting Assistant Secretary for Import Administration.

[FR Doc. 05–24510 Filed 12–27–05; 8:45am]

BILLING CODE 3510–DS–M

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–827]

Certain Cased Pencils from the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review and Intent to Rescind in Part

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

SUMMARY: The Department of Commerce (the Department) has preliminarily determined that sales by the respondents in this review, covering the period December 1, 2003, through November 30, 2004, have been made at prices less than normal value (NV). In addition, we are preliminarily rescinding this review with respect to

Tianjin Custom Wood Processing Co., Ltd. (TCW), because TCW reported that it made no shipments of subject merchandise to the United States during the period of review (POR).[1] If these preliminary results are adopted in the final results of this review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries. The Department invites interested parties to comment on these preliminary results.

EFFECTIVE DATE: December 28, 2005.

FOR FURTHER INFORMATION CONTACT: Paul Stolz or Cathy Feig, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482–4474 and (202) 482–3962, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 1, 2004, the Department published in the **Federal Register** a notice of ''Opportunity to Request Administrative Review'' of the antidumping duty order on certain cased pencils from the People's Republic of China (PRC) (the order) covering the period December 1, 2003, through November 30, 2004. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 69 FR 69889 (December 1, 2004).

On December 28, 2004, in accordance with 19 CFR 351.213(b), a PRC exporter, Shandong Rongxin Import and Export Co., Ltd. (Rongxin), requested an administrative review of the order on certain cased pencils from the PRC. On December 30, 2004, CSR Industries, doing business as American Business Technology (CSR), requested that the Department conduct an administrative review of subject merchandise exported by Shanghai Weijun International Trading/Grand World Inc. (Weijun). Also on December 30, 2004, domestic interested parties, Sanford L.P., Musgrave Pencil Company, RoseMoon Inc., and General Pencil Company, requested that the Department conduct an administrative review of exports of subject merchandise made by ten producers/exporters.[2] In addition, on January 3, 2005, China First Pencil Company, Ltd, SFTC, and Shanghai Three Star requested a review of their exports of subject merchandise to the United States.[3]

The Department published a notice announcing its initiation of an antidumping duty administrative review covering the exports of the above–referenced companies during the POR. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 70 FR 4818 (January 31, 2005).[4] On February 1, 2005, we issued antidumping duty questionnaires to the exporters/producers subject to this review.

In their respective February 22, 2004, responses to the Department's questionnaire, TCW and GSSG stated that they did not export subject merchandise to the United States during the POR. CFP/Three Star, Orient International Holding Shanghai Foreign Trade Co., Ltd. (SFTC), and Rongxin submitted timely questionnaire responses. On March 10, 2005, in accordance with 19 CFR 351.213(d)(1), CSR withdrew its request for review. The remaining exporters/producers did not submit questionnaire responses and did not request that we extend the applicable deadlines for doing so.[5]

On July 22, 2005, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), the Department extended the time limit for the preliminary results of this review until December 16, 2005. *See Certain Cased Pencils from the People's Republic of China: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review*, 70 FR 42303 (July 22, 2005).

The Department is conducting this administrative review in accordance with section 751 of the Act.

Scope of the Order

Imports covered by this order are shipments of certain cased pencils of any shape or dimension (except as described below) which are writing and/or drawing instruments that feature cores of graphite or other materials, encased in wood and/or man–made materials, whether or not decorated and whether or not tipped (*e.g.*, with erasers, etc.) in any fashion, and either sharpened or unsharpened. The pencils subject to the order are currently classifiable under subheading 9609.10.00 of the Harmonized Tariff Schedule of the United States (HTSUS). Specifically excluded from the scope of the order are mechanical pencils, cosmetic pencils, pens, non–cased crayons (wax), pastels, charcoals, chalks, and pencils produced under U.S. patent number 6,217,242, from paper infused with scents by the means covered in the above–referenced patent, thereby having odors distinct from those that may emanate from pencils lacking the scent infusion. Also excluded from the scope of the order are pencils with all of the following physical characteristics: 1) length: 13.5 or more inches; 2) sheath diameter: not less than one–and-one quarter inches at any point (before sharpening); and 3) core length:

---

[1] We reviewed U.S. Customs and Border Protection (CBP) data and found no evidence that TCW made shipments of subject merchandise to the United States during the POR.

[2] The ten producers/exporters covered by the domestic interested parties' request are Anhui Import/Export Group Corporation, Beijing Light Industrial Products Import/Export Corporation, Beijing Yixunda Technology and Trade Co., Ltd., China First Pencil Company, Ltd. (CFP), Guangdong Stationery & Sporting Goods Import & Export Corp. (GSSG), Orient International Holding Shanghai Foreign Trade Co., Ltd., (SFTC), Rongxin, Sichuan Light Industrial Products Import/Export Corporation, Shanghai Three Star Stationery Industry Corp. (Three Star), and TCW.

[3] The Department was closed on December 31, 2004, a legal holiday. January 3, 2005 was the next business day.

[4] The Department initiated separate reviews of China First Pencil Company, Ltd. (CFP) and Shanghai Three Star Stationery Industry Corp. (Three Star) based on timely requests from interested parties. In the final results of the 2001–2002 administrative review the Department collapsed CFP and Three Star for purposes of its antidumping analysis. *See Certain Cased Pencils from the People's Republic of China; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 69 FR 29266 (May 21, 2004) and the accompanying Issues and Decision Memorandum at Comment 6. The Department continued to collapse CFP and Three Star in the final results of the 2002-2003 administrative review. *See Certain Cased Pencils from the People's Republic of China; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 42301 (July 22, 2005) and the accompanying Issues and Decision Memorandum at Comment 1 (Pencils 02/03). For this review, the Department continues to consider CFP and Three Star (hereinafter referred to as CFP/Three Star) to be a single entity.

[5] On April 18, 2005, we sent letters by commercial courier to Anhui Import/Export Group Corp. (Anhui), Beijing Yixunda Technology and Trade Co., Ltd. (Yixunda), and Sichuan Light Industrial Products (Sichuan) notifying them that the applicable deadlines for them to respond to our questionnaire had passed and that we had not received their questionnaire responses or requests to extend the deadline for receipt of their questionnaire responses. We confirmed by the courier's shipment tracking that these companies received our questionnaire. We asked them to notify us in writing if they had no shipments, sales or entries of subject merchandise. We notified Anhui, Yixunda, and Sichuan that, if they did not respond, we may use facts available which could be adverse to their interests. We also sent a letter to the Bureau of Fair Trade for Imports & Exports, Ministry of Commerce (MOFCOM) informing it that Anhui, Yixunda, and Sichuan had not responded to our questionnaire and that we may use facts available which could be adverse to the companies' interests. In addition, we informed MOFCOM that the questionnaires that we sent to Beijing Light Industrial Products Import Export Corporation (Beijing Light) and Guangdong Provincial Stationery & Sporting Goods Import & Export Corporation (Guangdong Provincial) had been returned as undeliverable and asked that MOFCOM forward copies of the questionnaire to Beijing Light and Guangdong Provincial. We confirmed using courier tracking that MOFCOM received this letter.

not more than 15 percent of the length of the pencil.

Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

Intent to Rescind Review in Part

We are preliminarily rescinding this review with respect to TCW because it reported that it made no shipments of subject merchandise to the United States during the POR. The Department reviewed CBP data which did not indicate that TCW exported subject merchandise to the United States during the POR.

Rescission of Review

We are rescinding this review in accordance with 19 CFR 351.213(d)(1) with respect to Weijun. CSR withdrew its request for review of Weijun on March 10, 2005. There was no other request for a review of Weijun and CSR's letter withdrawing its request for a review was timely filed.

Verification

As provided in section 782(i) of the Act, during September 2005, the Department conducted verifications of SFTC and Rongxin. During the verification of SFTC and Rongxin, the Department followed standard procedures in order to test the information submitted by the respondents. These procedures include on–site inspection of the manufacturers' facilities, examination of relevant sales and financial records, and selection of relevant source documentation as exhibits. We adjusted reported data used in our preliminary results based on our findings at verification as applicable. *See Memoranda from Charles Riggle, Program Manager, to the file, Margin Calculation Analysis: Orient Holding Shanghai Foreign Trade Co., Ltd. and Margin Calculation Analysis: Shandong Rongxin Import and Export Co., Ltd.*, both dated December 16, 2005 (Calculation Memoranda). Our verification findings are on file in the Department's Central Records Unit, room B099, of the main Commerce building (CRU–Public File). *See Memoranda from Charles Riggle, Program Manager, to Wendy Frankel, Office Director, AD/CVD Operations, Office 8, Verification Reports: U.S. Sales and Factors–of-production*, dated December 13, 2005 (Verification Reports).

Separate–Rates Determination

In proceedings involving non–market-economy (NME) countries, the Department begins with a rebuttable presumption that all companies within the country are subject to governmental control and thus should be assessed a single antidumping duty deposit rate. It is the Department's policy to assign all exporters of merchandise subject to investigation in an NME country this single rate unless an exporter can demonstrate that its export activities are sufficiently independent so that it should be granted a separate rate. Rongxin, CFP/Three Star, and SFTC provided the separate–rates information we requested and reported that their export activities are not subject to governmental control.

We examined the separate–rates information the respondents provided in order to determine whether the companies are eligible for separate rates. The Department's separate–rates test, which is used to determine whether an exporter is independent from governmental control, does not consider, in general, macroeconomic/border–type controls, *e.g.*, export licenses, quotas, and minimum export prices, particularly if these controls are imposed to prevent dumping. The test focuses, rather, on controls over the investment, pricing, and output decision–making process at the individual firm level. *See Certain Cut–to-Length Carbon Steel Plate from Ukraine: Final Determination of Sales at Less than Fair Value*, 62 FR 61754, 61757 (November 19, 1997), and *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 61276, 61279 (November 17, 1997).

To establish whether a firm is sufficiently independent from governmental control of its export activities so as to be entitled to a separate rate, the Department analyzes each entity exporting the subject merchandise under a test arising from the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (*Sparklers*) at Comment 1, as amplified by the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585, 22587 (May 2, 1994) (*Silicon Carbide*). In accordance with the separate–rates criteria, the Department assigns separate rates in NME cases only if the respondents can demonstrate the absence of both de jure and *de facto* governmental control over export activities.

1. Absence of De Jure Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies. *See Sparklers*, 56 FR at 20588 (May 6, 1991).

Rongxin, CFP/Three Star, and SFTC reported that the merchandise under review was not subject to restrictive stipulations associated with their business license (*e.g.*, pencils were not on the government's list of products subject to export restrictions or subject to export licensing requirements). Rongxin, CFP/Three Star, and SFTC submitted copies of their business licenses in their questionnaire responses. We found no inconsistencies in their statements regarding the absence of restrictive stipulations associated with their business licenses. Furthermore, Rongxin, CFP/Three Star, and SFTC submitted copies of PRC legislation demonstrating the statutory authority for establishing the *de jure* absence of governmental control over the companies. This legislation included the Company Law of the People's Republic of China, the Foreign Trade Law of the People's Republic of China, and other legislation. Thus, the evidence on the record supports a preliminary finding of the absence of *de jure* governmental control based on an absence of restrictive stipulations associated with the business licenses of Rongxin, CFP/Three Star, and SFTC, and the applicable legislative enactments decentralizing control of PRC companies.

2. Absence of De Facto Control

As stated in previous cases, there is some evidence that certain enactments of the PRC central government have not been implemented uniformly among different sectors and/or jurisdictions in the PRC. *See Silicon Carbide*, 56 FR at 22587 (May 2, 1994). Therefore, the Department has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates.

Typically, the Department considers the following four factors in evaluating whether a respondent is subject to *de facto* governmental control of its export functions: (1) whether the export prices are set by, or are subject to, the approval of a governmental agency; (2) whether the respondent has the authority to negotiate and sign contracts and other

agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding the disposition of profits or financing of losses. *See Silicon Carbide*, 59 FR at 22586–87; *see also Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995).

CFP/Three Star and SFTC reported that they determine prices for sales of the subject merchandise based on market principles, the cost of the merchandise, and profit. Rongxin reported that it set prices ''via direct competitive negotiation.'' Moreover, Rongxin, CFP/Three Star, and SFTC stated that they negotiated their prices directly with their customers. In addition, the record indicates that Rongxin, CFP/Three Star, and SFTC have the authority to negotiate and sign contracts and other agreements. Further, these companies claimed that their negotiations are not subject to review or guidance from any governmental organization. Finally, there is no evidence on the record to suggest that there is any governmental involvement in the negotiation of their contracts.

Furthermore, Rongxin, CFP/Three Star, and SFTC reported that they have autonomy in making decisions regarding the selection of management. All three companies indicated that their selection of management is not subject to review or guidance from any governmental organization.

Finally, Rongxin, CFP/Three Star, and SFTC reported that there are no restrictions on the use of their export revenues. There is no evidence on the record with respect to any of these companies to suggest that there is any governmental involvement in decisions regarding disposition of profits or financing of losses.

Therefore, the evidence on the record supports a preliminary finding of the absence of *de facto* governmental control based on record statements and supporting documentation showing the following: (1) Rongxin, CFP/Three Star, and SFTC set their own export prices independent of the government and without the approval of a governmental authority; (2) Rongxin, CFP/Three Star, and SFTC have the authority to negotiate and sign contracts and other agreements; (3) Rongxin, CFP/Three Star, and SFTC have adequate autonomy from the government regarding the selection of management; and (4) Rongxin, CFP/Three Star, and SFTC retain the proceeds from their sales and make independent decisions regarding the disposition of profits or financing of losses.

The evidence placed on the record of this review by Rongxin, CFP/Three Star, and SFTC demonstrates an absence of governmental control, both in law and in fact, with respect to their exports of the merchandise under review in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*. Therefore, for purposes of these preliminary results, we are granting separate rates to Rongxin, CFP/Three Star, and SFTC.

Fair–Value Comparisons

To determine whether the respondents' sales of subject merchandise were made at less than NV, we compared the export price (EP) to NV, as described in the ''Export Price'' and ''Normal Value'' sections of this notice, below.

Export Price

In accordance with section 772(a) of the Act, the Department calculated EPs for sales by Rongxin, CFP/Three Star, and SFTC to the United States because the subject merchandise was sold directly to unaffiliated customers in the United States (or to unaffiliated resellers outside the United States with knowledge that the merchandise was destined for the United States) prior to importation, and constructed export–price methodology was not otherwise indicated. In accordance with 19 CFR 351.401(c), we made deductions from the net sales price for foreign inland freight and foreign brokerage and handling. Each of these services was provided by an NME vendor and, thus, as explained in the ''Normal Value'' section below, we based the deductions for these movement charges on values from a surrogate country.

For the reasons stated in the ''Normal Value'' section below, we selected India as the primary surrogate country. To value brokerage and handling, the Department used an average of the publicly summarized data from the following two sources which we have placed on the record of this review: 1) data reported in the U.S. sales listing in the February 28, 2005, submission from Essar Steel Ltd. (Essar Steel) in the antidumping duty administrative review of Certain Hot–Rolled Carbon Steel Flat Products from India, A–533–820 (covering December 2003 - November 2004), and 2) data reported in Pidilite Industries' March 9, 2004, public version response submitted in the AD investigation of Carbazole Violet Pigment 23 from India, A–533–838 (covering the period November 2002 - September 2003). We identify the source used to value foreign inland freight in the ''Normal Value'' section of this notice, below. We adjusted these values, as appropriate, to account for inflation or deflation between the effective period and the POR. We calculated the inflation or deflation adjustments for these values using the wholesale price indices (WPI) for India as published in the *International Financial Statistics Online Service* maintained by the Statistics Department of the International Monetary Fund at the website http://www.imfstatistics.org on May 17, 2005 (*IFS*).

For Rongxin we also made deductions to two invoices for billing adjustments discovered by the Department during verification. For a full discussion of these expenses see the Rongxin verification report.

Normal Value

For exports from NME countries, section 773(c)(1) of the Act provides that the Department shall determine NV using a factors–of-production (FOP) methodology if the subject merchandise is exported from an NME country and available information does not permit the calculation of NV using home–market prices, third–country prices, or constructed value under section 773(a) of the Act. Section 351.408 of the Department's regulations sets forth the methodology the Department uses to calculate the NV of merchandise exported from NME countries. The Department has treated the PRC as an NME country in every proceeding involving the PRC. Because none of the parties to this proceeding contested such treatment, we calculated NV in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c).

In accordance with section 773(c)(3) of the Act, the FOPs the parties used in producing pencils include but are not limited to the following inputs: (1) hours of labor required, (2) quantities of raw materials employed, (3) amounts of energy and other utilities consumed, and (4) representative capital costs, including depreciation. In accordance with section 773(c)(4) of the Act, the Department valued the FOPs, to the extent possible, using the costs of the FOP in one or more market–economy countries that are at a level of economic development comparable to that of the PRC and are significant producers of comparable merchandise. We determined that India is comparable to the PRC in terms of *per capita* gross national product and the national distribution of labor. Furthermore, India is a significant producer of comparable

merchandise. In instances where we were unable to use Indian surrogate–value information, we relied on Indonesian or Filipino import data, and U.S. values as discussed below. Indonesia and the Philippines are also comparable to the PRC in terms of *per capita* gross national product and the national distribution of labor, and both are significant producers of comparable merchandise. See *Memorandum from Ron Lorentzen, Acting Director, Office of Policy, to Wendy Frankel, Office Director, China/NME Group, Office 8*, dated March 15, 2005, regarding potential surrogate countries, and *Memorandum from Paul Stolz to File*, dated December 16, 2005, regarding significant producers of pencils, which are available in the CRU - Public File.

In accordance with section 773(c)(1) of the Act, for purposes of calculating NV, we attempted to value the FOPs using surrogate values that were in effect during the POR. If we were unable to obtain surrogate values that were in effect during the POR, we adjusted the values, as appropriate, to account for inflation or deflation between the effective period and the POR. We calculated the inflation or deflation adjustments for all factor values, as applicable, except labor, using the WPI for the appropriate surrogate country as published in the *IFS*. We valued the FOPs as follows:

1) For producers that purchased Chinese lindenwood pencil slats, we valued slats using publicly available, published U.S. prices for American basswood lumber because price information for Chinese lindenwood and American basswood is not available from any of the potential surrogate countries.[6] The U.S. lumber prices for basswood are published in the *2005 Hardwood Market Report* for the period December 2003 through November 2004.
2) For producers that manufactured slats from Chinese lindenwood timber, we valued the timber using publicly available, published U.S. prices for American basswood timber because price information for Chinese lindenwood and American basswood is not available from any of the potential surrogate countries. The U.S. timber prices for basswood are published in the *Sawlog Bulletin*. Timber prices contemporaneous with the POR were not available for use in the preliminary results. We will attempt to obtain contemporaneous timber prices for use in the final results. For the preliminary results we inflated timber prices published in the *Sawlog Bulletin* in the months of January, February, April, May, July, August, October, and November 2003 using U.S. WPI data.
3) We valued the following material inputs using Indian import data from the World Trade Atlas (WTA) for December 2003 through November 2004: acetone, alkyds resin, butanes, butanol, butter, butyl ester, calcium carbonate, carbon black, erasers, eraser caps, ethanol, ethyl ester, foam grips, foil, formaldehyde, glitter, glue, graphite powder, gum arabic, hardening oil, heat transfer film, hooks, ink oil, lacquer, lithopone, malice acid ester, methanol, methyl benzene, oxalic acid, penetrating agent, petroleum jelly, plastic, plastic topper, printing ink, propylene, pyroxylin, sawdust/wood, sealing paper, sharpeners, soap, soft agent, stearic acid, syrup, talcum powder, tallow, thinner, titanium, velvet wrap and wooden boxes.
4) We valued the following material inputs using inflated Indian import data from the WTA for December 2002 through November 2003 because contemporaneous data were not available: beeswax, clear wax, dibutyl ester, diluent, dyestuff, ferrules, kaolin clay, key chains, nitro–paint/lacquer, pigment, sticker paper, wax, and yellow dye.
5) We valued the castor oil using inflated Indian import data from the WTA for December 2001 through November 2002 because contemporaneous data were not available.
6) We valued black and color cores using inflated Indonesian import data from the WTA for January 2002 through December 2002 because contemporaneous data were not reliable. We were not able to calculate separate surrogate values for black versus color cores based on information on the record of this review.
7) In accordance with 19 CFR 351.408 (c)(1), we valued color cores, erasers, eraser material, foam grips, and lacquer used by CFP/Three Star at acquisition cost because it purchased these inputs from market–economy suppliers and paid for them using a market–economy currency.
8) We valued the following packing materials using inflated Indian import data from the WTA for December 2002 through November 2003 because contemporaneous data were not available/reliable: cardboard cartons, master cartons, packing boxes, paper labels, plastic boxes, plastic canisters, polypropylene film.
9) We valued the following packing materials using Indian import data from the WTA for December 2003 through November 2004: packing tape, plastic shrink wrap, plastic straps, and polybags.
10) We valued electricity using rates from *Energy Prices and Taxes: Second Quarter 2003 (Energy Prices)*, published by the International Energy Agency. We valued coal using the *Teri Energy Data Directory & Yearbook* (2004). We adjusted these values, as appropriate, to account for inflation or deflation between the effective period and the POR. We valued steam using the value for natural gas, as adjusted, based on the ratio of British thermal units (BTU) generated by natural gas to the BTUs generated by steam. We inflated the surrogate value for steam using the U.S. wholesale price index for the POR as published in the *IFS*.
11) We valued labor, consistent with 19 CFR 351.408(c)(3), using the PRC regression–based wage rate as reported on Import Administration's home page, Import Library, Expected Wages of Selected NME Countries, revised in November 2005, and posted to Import Administration's website at *http://ia.ita.doc.gov/wages*. The source of this wage rate data on Import Administration's website is the Yearbook of Labour Statistics 2003, International Labor Office, (Geneva: 2003), Chapter 5B: Wages in Manufacturing (*http://laborsta.ilo.org*). The years of the reported wage rates range from 1998 to 2003. Because this regression–based wage rate does not separate the labor rates into different skill levels or types of labor, we have applied the same wage rate to all skill levels and types of labor reported by the respondent.
12) We derived ratios for factory overhead, selling, general and

[6] In the antidumping investigation of certain cased pencils from the PRC, the Department found Chinese lindenwood and American basswood to be virtually indistinguishable and thus used U.S. prices for American basswood to value Chinese lindenwood. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cased Pencils from the People's Republic of China*, 59 FR 55625, 55632 (November 8, 1994). This methodology was upheld by the Court of International Trade. *See Writing Instrument Manufacturers Association, Pencil Section, et al. v. United States*, 984 F. Supp. 629, 639 (CIT 1997), *aff'd* 178 F.3d 1311 (Fed. Cir. 1998).

administrative (SG&A) expenses, and profit using the 2003 financial statements of Asia Wood International Corporation (Asia Wood), a wood–products producer in the Philippines. As stated above, the Philippines is a significant producer of comparable merchandise. Asia Wood's financial statements represent the best available record information with which to derive financial ratios because Asia Wood employs a number of the same production processes as those used by the respondents, including, for example, cutting wood, sanding wood, glueing wood, and painting wood. From this information, we were able to calculate factory overhead as a percentage of direct materials, labor, and energy expenses, SG&A expenses as a percentage of the total cost of manufacturing, and profit as a percentage of the sum of the total cost of manufacturing and SG&A expenses.

13) We used the following sources to value truck and rail freight services provided to transport the finished product to the port and direct materials, packing materials, and coal from the suppliers of the inputs to the producers. To value truck freight, we used the freight rates published at *http://www.infreight.com*. We valued rail–freight services using the April 1995 rates published by the Indian Railway Conference Association. We adjusted these values, as appropriate, to account for inflation or deflation between the effective period and the POR using the WPI published by the Reserve Bank of India.

For further discussion of the surrogate values we used for these preliminary results of review, see the *Memorandum From Paul Stolz Regarding Factors–of-Production Valuation for Preliminary Results* (December 16, 2005), which is on file in the CRU - Public File.

Use of Partial Adverse Facts Available

Section 776(a)(1) and (2) of the Act provides that the Department shall apply ''facts otherwise available'' if, *inter alia*, necessary information is not on the record or an interested party or any other person: (A) withholds information that has been requested; (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding; or (D) provides information that cannot be verified as provided by section 782(i) of the Act. Section 776(b) of the Act further provides that the Department may use an adverse inference in applying the facts otherwise available when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information. Section 776(b) of the Act also authorizes the Department to use as adverse facts available (AFA) information derived from the petition, the final determination, a previous administrative review, or other information placed on the record.

For the reasons explained below, and pursuant to sections 776(a)(2)(A) and 776(b) of the Act, the Department has determined to apply partial AFA for certain U.S. sales that SFTC failed to report. On February 1, 2005, the Department requested that SFTC report all shipments of subject merchandise to the United States during the POR. In section A(4)(a) of the February 1, 2005, questionnaire, the Department requested that SFTC describe the date selected as the date of sale to be used in the POR. In section C of the questionnaire, the Department also requested that SFTC report the date of sale as defined in the Glossary of Terms at Appendix I, which states the Department will normally use the date of invoice, as recorded in the exporter's or producer's records kept in the ordinary course of business. On March 8, 2005, and April 7, 2005, SFTC submitted questionnaire responses to sections A and C, respectively, and responded that its date of sale is the date of invoice. On July 29, 2005, in a supplemental questionnaire response, SFTC stated that it compiled its reported U.S. sales list through a manual inspection of invoices. On April 7, 2005, SFTC submitted to the Department what it reported to be all sales of subject merchandise sold to the United States during the POR, based upon invoice date.

Prior to the start of verification, SFTC provided the Department with its submission of clerical errors and minor corrections.[7] However, during verification, the Department discovered several sales of subject merchandise to the United States during the POR which were not reported to the Department by SFTC. SFTC explained that it did not report these sales, which it deemed outside the POR, because SFTC did not believe the merchandise associated with these sales would have entered the United States until after the end of the POR. Nevertheless, the sales invoices were clearly dated within the POR. Therefore, because SFTC withheld information the Department requested, that is the sales in question, pursuant to section 776(a)(2)(A) of the Act, the Department is applying facts available to those transactions.

The U.S. Court of Appeals for the Federal Circuit has held that the ''best of its ability'' standard ''requires the respondent to do the maximum it is able to do.'' *See Nippon Steel Corp. v. United States*, 337 F.3d 1373, 1382 (Fed Cir. 2003) (*Nippon Steel*). The Department has determined that SFTC did not act to the best of its ability because it neither included nor notified the Department in a timely manner that it was not including these sales in its filing. This information was within SFTC's control. The company itself explained that the U.S. sales date should be based on invoice date. Under these circumstances, it is fully reasonable for the Department to expect that SFTC would be forthcoming with this information, and that its failure to do so demonstrates that SFTC failed to put forth the maximum effort. *Nippon Steel*, 337 F.3d at 1382; *see also Neuberg Fertigung GmbH v. United States*, 797 F. Supp. 1020, 1024 (CIT 1992) (''{u}ltimately it is the respondent's responsibility to make sure that {Commerce} understands, and correctly uses, any information provided by the respondent.'')

Section 776(b) of the Act states that AFA may include information derived from the petition, the final determination, a previous administrative review, or other information placed on the record. As AFA for the preliminary results, and in accordance with section 776(b), the Department is applying the highest transaction margin for SFTC from the current administrative review to SFTC's unreported sales.

Use of Total Adverse Facts Available

The PRC Entity

Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department shall promptly inform the party submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that party with an opportunity to remedy or explain the deficiency. Section 782(e) of the Act provides that the Department shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all the applicable requirements

[7] SFTC placed this submission on the record on September 21, 2005.

established by the administering authority.

Four producers/exporters named in the notice of initiation did not respond to the Department's questionnaire. The PRC–wide rate applies to all entries of subject merchandise except for entries from PRC producers/exporters that have their own calculated rate. Companies that have not demonstrated their entitlement to a separate rate are appropriately considered to be part of the PRC–wide entity. Therefore, we determine it is necessary to review the PRC–wide entity because it did not provide information necessary to the instant proceeding. In doing so, we note that section 776(a)(1) of the Act mandates that the Department use the facts available if necessary information is not available on the record of an antidumping proceeding. In addition, section 776(a)(2) of the Act provides that if an interested party or any other person: (A) withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i) of the Act, the Department shall, subject to section 782(d) of the Act, use the facts otherwise available in reaching the applicable determination under this title.

Because the PRC–wide entity provided no information, we determine that sections 782(d) and (e) of the Act are not relevant to our analysis. According to section 776(b) of the Act, 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 information that is adverse to the interests of the party as facts otherwise available. Adverse inferences are appropriate ''to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.'' *See* Statement of Administrative Action (SAA) accompanying the URAA, H. Doc. No. 316, 103d Cong., 2d Sess., Vol. 1 (1994) at 870. Furthermore, ''an affirmative finding of bad faith on the part of the respondent is not required before the Department may make an adverse inference.'' *Antidumping Duties; Countervailing Duties: Final Rule*, 62 FR 27296, 27340 (May 19, 1997).

As above stated, the PRC–wide entity did not respond to our requests for information. Because the PRC–wide entity did not respond to our requests for information in the form or manner requested, we find it necessary, under section 776(a)(2) of the Act, to use facts otherwise available as the basis for the preliminary results of review for the PRC–wide entity. In addition, pursuant to section 776(b) of the Act, we find that the PRC–wide entity failed to cooperate by not acting to the best of its ability to comply with a request for information. As noted above, the PRC–wide entity failed to respond in the proper format or in a timely manner to the Department's questionnaire, despite repeated requests that it do so. Thus, because the PRC–wide entity refused to participate fully in this proceeding, we find it appropriate to use an inference that is adverse to the interests of the PRC–wide entity in selecting from among the facts otherwise available. By doing so, we ensure that the companies that are part of the PRC–wide entity will not obtain a more favorable result by failing to cooperate than had they cooperated fully in this review. An adverse inference may include reliance on information derived from the petition, the final determination in the investigation, any previous review, or any other information placed on the record. *See* section 776(b) of the Act. It is the Department's practice to assign the highest rate from any segment of the proceeding as total AFA when a respondent fails to cooperate to the best of its ability. *See Honey from the People's Republic of China; Final Results and Final Rescission In Part of Antidumping Duty Administrative Review*, 70 FR 38873 (July 6, 2005). Specifically, as AFA, we have assigned to the PRC–entity 114.90 percent, which is the current PRC–wide rate.

GSSG

Application of AFA to GSSG is appropriate in this review because GSSG withheld or failed to provide information specifically requested by the Department. In our original questionnaire (at C–1) we asked GSSG to ''Report for each U.S. sale of merchandise entered for consumption during the POR, except: (1) for EP sales, if you do not know the entry dates, report each transaction involving merchandise shipped during the POR. . . .'' See the antidumping questionnaire issued to GSSG on February 1, 2005. On February 22, 2005, GSSG submitted a letter requesting an extension of the due date to file its Section A response. GSSG further stated that no extension for Sections C and D was required because

'' . . . it had no exports to the United States during the period December 1, 2003 to November 30, 2004, and for at least several months prior to that time.'' On March 4, 2005, GSSG certified that it ''had no exports to the United States during 2003 and 2004.''

We reviewed CBP data and found information indicating that subject merchandise exported by GSSG entered the U.S. during the POR. On November 16, 2005, we issued a supplemental questionnaire (GSSG supplemental) to GSSG which included the CBP entry number, entry date, export date, and the quantity and value of the entry in question. The CBP data indicated that the entry date and export date are clearly within the POR. We specifically asked GSSG to ''Please review GSSG's sales, exports, and shipments made during the POR (and prior to the POR as applicable) and clarify whether GSSG had any exports, sales or entries of subject merchandise to the United States during the POR.'' On November 23, 2005, GSSG responded to our supplemental questionnaire stating that ''Because the date of the invoice is prior to the POR, the transaction is not a 'sale' that need have been reported.'' However, the invoice GSSG submitted as support was undated and did not cover subject merchandise. Moreover, GSSG did not dispute that the subject merchandise was exported during the POR and entered the United States during the POR. Neither did GSSG claim that it was unaware that the merchandise was destined for the United States.

On November 18, 2005, we requested from CBP entry documents covering the transaction in question. We received these documents on December 5, 2005. The entry documents show that the merchandise was destined for the United States and originated in the PRC. The CBP entry documents confirm that GSSG exported subject merchandise during the POR. Although given ample opportunity to provide the requested information which any producer/exporter would be expected to keep in the ordinary course of business, GSSG failed to provide this information. Accordingly, because GSSG failed to cooperate by not acting to the best of its ability to comply with a request for information, the Department is using information adverse to GSSG's interests as facts otherwise available. In its supplemental questionnaire response GSSG stated that ''The reference in GSSG's earlier submission to the fact that it had 'no sales, exports or entries' of subject merchandise was . . . slightly

inaccurate.'' *See* GSSG's supplemental questionnaire response dated November 23, 2005. However, GSSG did not clarify or correct the inaccuracies. Notwithstanding this, evidence on the record clearly substantiates the fact that GSSG exported subject merchandise to the United States during the POR, and that the merchandise entered the United States during the POR. See the GSSG supplemental and the memorandum from Paul Stolz to the file dated December 13, 2005 regarding customs entry documents. GSSG has not disputed these facts. In addition, GSSG stated in its supplemental response dated November 23, 2005, that it is attempting to locate additional records related to this transaction and will attempt to provide them to the Department as they are located. To date, GSSG has not submitted any information in this regard. Moreover, the commercial invoice GSSG submitted in support of its supplemental questionnaire response did not cover the transaction in question and was undated. GSSG made no attempt to explain this or to link this invoice to the sale of subject merchandise. Therefore, because the evidence shows that GSSG had at least one export of subject merchandise to the United States during the POR, but GSSG did not submit any sales or factors of production data as requested in the questionnaire, it is appropriate to use AFA. Furthermore, we find that GSSG does not merit a separate rate and will be subject to the PRC–wide rate. As stated above, with respect to the PRC–wide entity (including GSSG) we are applying as AFA, the current PRC–wide rate, which is 114.90 percent.

Corroboration

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as ''{i}nformation derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise.'' *See* SAA at 870. Corroborate means that the Department will satisfy itself that the secondary information to be used has probative value. *Id.* To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used. However, the Department need not prove that the selected facts available are the best alternative information. *Id.* at 869.

In this review, we are using as AFA the highest dumping margin from this or any prior segment of the proceeding, the current PRC–wide rate of 114.90 percent. This rate was calculated in the 1999 - 2000 administrative review of the order on certain cased pencils from the PRC. *See Notice of Amended Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Cased Pencils from the People's Republic of China*, 67 FR 59049 (September 19, 2002). Therefore, the PRC–wide rate of 114.90 percent constitutes secondary information within the meaning of the SAA. *See* SAA at 870. Unlike other types of information such as input costs or selling expenses, however, there are no independent sources for calculated dumping margins. Thus, in an administrative review, if the Department chooses as facts available a calculated dumping margin from the current or from a prior segment of the proceeding, it is not necessary to question the reliability of the margin if it was calculated from verified sales and cost data. The 114.90 percent PRC–wide rate is based on verified information provided by Kaiyuan Group Corporation in the 1999 - 2000 administrative review of the order on certain cased pencils from the PRC. This rate has not been invalidated judicially. Therefore, we consider this rate to be reliable.

With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance. Nothing in the record of this review calls into question the relevance of the margin we have selected as AFA. Moreover, the selected margin is the current PRC–wide rate and is currently applicable to exporters who do not have a separate rate. Thus, it is appropriate to use the selected rate as AFA in the instant review.

Preliminary Results of Review

As a result of our review, we preliminarily determine that the following margins exist for the period December 1, 2003, through November 30, 2004:

Manufacturer/exporter	Margin (percent)
Shandong Rongxin Import and Export Co., Ltd	5.47
China First Pencil Company, Ltd./Shanghai Three Star Stationery Industry Corp	7.67
Shanghai First Writing Instrument Co., Ltd	7.67*
Shanghai Great Wall Pencil Co., Ltd	7.67*
China First Pencil Fang Zheng Co., Ltd	7.67*
Orient International Holding Shanghai Foreign Trade Co., Ltd	27.43
PRC–Wide Rate	114.90

* We collapsed CFP with its subsidiaries Shanghai First Writing Instrument Co., Ltd., Shanghai Great Wall Pencil Co., Ltd., and China First Pencil Fang Zheng Co., Ltd. in the previous segment of this proceeding. For this review we consider these parties to constitute a single entity.

In accordance with 19 CFR 351.224(b), the Department will disclose to interested parties within five days of the date of publication of this notice the calculations it performed for the preliminary results. An interested party may request a hearing within 30 days of publication of the preliminary results. *See* 19 CFR 351.310(c). Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs), which must be limited to issues raised in the case briefs, within five days after the time limit for filing case briefs. *See* 19 CFR 351.309(c)(1)(ii) and 19 CFR 351.309(d). Parties who submit arguments 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, the Department requests that parties submitting written comments provide the Department with a diskette containing the public version of those comments. We will issue a memorandum identifying the date of a hearing, if one is requested. Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, the Department will issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days of publication of the preliminary results.

Assessment Rates

Upon completion of this administrative review, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. We have calculated customer–specific antidumping duty assessment amounts for subject merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total quantity of sales examined. We calculated these

assessment amounts because there is no information on the record which identifies entered values or the importers of record. The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of the final results of review. If these preliminary results are adopted in the final results of review, we will direct CBP to assess the resulting assessment amounts, calculated as described above, on each of the applicable entries during the review period.

Cash Deposit Requirements

The following deposit requirements will apply to all shipments of pencils from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) the cash deposit rates for the reviewed companies named above will be the rates for those firms established in the final results of this administrative review; (2) for any previously reviewed or investigated PRC or non–PRC exporter, not covered in this review, with a separate rate, the cash deposit rate will be the company–specific rate established in the most recent segment of this proceeding; (3) for all other PRC exporters, the cash deposit rate will be the PRC–wide rate established in the final results of this review; and (4) the cash deposit rate for any non–PRC exporter of subject merchandise from the PRC will be the rate applicable to the PRC exporter that supplied that exporter. 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 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 this determination in accordance with sections section 751(a)(1) and 777(i)(1) of the Act.

Dated: December 16, 2005.

Stephen J. Claeys,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5–7881 Filed 12–27–05; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[A–122–822, A–428–815]

Initiation of Antidumping Duty Changed Circumstances Reviews: Certain Corrosion–Resistant Carbon Steel Flat Products from Canada and Germany

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

SUMMARY: In accordance with section 751(b) of the Tariff Act of 1930, as amended (the Act), and section 351.216(b) of the U.S. Department of Commerce's (the Department's) regulations, Eutectic Corporation (Eutectic), a U.S. importer, filed a request for a changed circumstances review of the antidumping duty (AD) orders on certain corrosion–resistant carbon steel flat products from Canada and Germany. Petitioners and domestic interested parties have affirmatively expressed a lack of interest in the continuation of the orders with respect to this product.[1] In response to this request, the Department is initiating changed circumstances reviews on certain corrosion–resistant carbon steel flat products from Canada and Germany with respect to ''wear plate'' (marketed as ''CastoDur Diamond Plate'') as described below.

EFFECTIVE DATE: December 28, 2005.

FOR FURTHER INFORMATION CONTACT: Angelica Mendoza or Abdelali Elouaradia, 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) 482–1374, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 7, 2005, Eutectic, a U.S. importer, requested that the Department exclude a product commonly known as ''wear plate'' and marketed under the name of ''CastoDur Diamond Plate.'' *See* Eutectic's letters to the Secretary, dated November 7, 2005 (Eutectic Request Letters). Specifically, Eutectic requested that the Department exclude from the AD orders on certain corrosion–resistant carbon steel flat products from Canada and Germany, imports meeting the following description: certain flat–rolled wear plate ranging from 30 inches to 50 inches in width, from 45 inches to 110 inches in length and from 0.187 inch to 0.875 inch in total thickness, having a layer on one side composed principally of a combination of boron carbides, chromium carbides, nickel carbides, silicon carbides, manganese carbides, niobium carbides, iron carbides, tungsten carbides, vanadium carbides, titanium carbides and/or molybdenum carbides fused to a non–alloy flat–rolled steel substrate. The carbides are in the form of MxCx where M stands for the metal and x for the atomic ratio. An example of a common carbide would be (Cr7C3). The carbide layer will be a visually distinct layer ranging in thickness from 0.062 inch to 0.312 inch with hardness at the surface of the carbide layer in excess of 55 HRC. *See* Eutectic Request Letters at 1.

Additionally, Eutectic included in its request letters from petitioners and domestic interested parties attesting to their lack of interest in having this merchandise, as described above, continue to be subject to the AD orders on corrosion–resistant carbon steel flat products from Canada and Germany. *See* Eutectic Request Letters at Attachments 1–4. The Department contacted these parties and confirmed their expressed lack of interest for this merchandise to be subject to the AD orders. *See* Memorandum to the File, from Angelica L. Mendoza, Senior Case Analyst, Office 7, ''Confirmation of Interested Parties' Lack of Interest for ''Wear Plate'' (marketed as ''CastoDur Diamond Plate'') to Be Subject to the Above–Captioned Antidumping Duty Orders,'' dated December 7, 2005.

Scope of the Orders

The products covered by each of these orders are corrosion–resistant carbon steel flat products (corrosion–resistant steel) from Canada and Germany, respectively. This scope includes flat–rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion–resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron–based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively

[1] Petitioners include: United States Steel Corporation (U.S. Steel) and Mittal Steel USA ISG Inc. (formerly Bethlehem Steel Corporation, Ispat Inland Steel, and LTV Steel Company, Inc.). Domestic interested parties include: Nucor Plate Group of Nucor Corporation and Ipsco Inc.