

Timber Ridge Forest Products  
 TimberWorld Forest Products Inc.  
 T'loh Forest Products Limited  
 Top Quality Lumber Ltd.  
 T. P. Downey & Sons Ltd.  
 Treeline Wood Products Ltd.  
 Triad Forest Products  
 Twin Rivers Cedar Products Ltd.  
 Tyee Timber Products Ltd.  
 Uneeda Wood Products  
 Uniforet Inc.  
 Uniforet Scierie-Pate  
 Vancouver Specialty Cedar Products/  
 Vancouver Specialty Cedar Products  
 Ltd.  
 Vanderhoof Specialty Wood Products  
 Vandermeer Forest Products (Canada)  
 Ltd.  
 Vanderwell Contractors (1971) Ltd.  
 Vanport Canada, Co.  
 Vernon Kiln and Millwork, Ltd.  
 Visscher Lumber Inc.  
 W. C. Edwards Lumber  
 W. I. Woodtone Industries Inc.  
 Welco Lumber Corporation  
 Wentworth Lumber Ltd.  
 Werenham Forest Products  
 West Bay Forest Products &  
 Manufacturing Ltd./West Bay Forest  
 Products and Manufacturing Ltd./  
 West Bay Forest Products & Mfg. Ltd.  
 West Can Rail Ltd.  
 West Chilcotin Forest Products Ltd.  
 West Hastings Lumber Products  
 Western Forest Products Inc.<sup>14</sup>  
 WFP Forest Products Limited  
 WFP Lumber Sales Limited  
 WFP Western Lumber Ltd.  
 Weston Forest Corp.  
 West-Wood Industries/West-Wood  
 Industries Ltd.  
 White Spruce Forst Products Ltd.  
 Wilfrid Paquet & Fils Ltee.  
 Wilkerson Forest Products Ltd.  
 Williams Brothers Limited/Williams  
 Brothers Ltd.  
 Winnipeg Forest Products, Inc.  
 Woodko Enterprises, Ltd.  
 Woodland Forest Products Ltd.  
 Woodline Forest Products Ltd.  
 Woodtone Industries Inc.  
 Woodwise Lumber Ltd.  
 Wynndel Box & Lumber Co. Ltd.  
 Zelensky Bros. Forest Products: 2.11,  
 2.10.

#### Cash Deposit Rates

Furthermore, the following deposit requirements will be effective upon

<sup>14</sup> On August 19, 2005, we found that Western Forest Products Inc. and its subsidiaries, WFP Products Limited, WFP Western Lumber Ltd., and WFP Lumber Sales Limited, were the successors-in-interest to Doman Industries Limited, Doman Forest Products Limited, and Doman Western Lumber Ltd. See Notice of Final Results of Antidumping Duty Changed Circumstances Review: Certain Softwood Lumber Products from Canada, 70 FR 48673 (August 19, 2005). We inadvertently omitted the new names in the final results and are including them here.

publication of the amended final results of this administrative review for all shipments of certain softwood lumber products from Canada entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results, as provided by section 751(a) of the Act: (1) For companies covered by this review, the cash deposit rate will be the rate listed above; (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 investigation, but the producer 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 producers or exporters will be 11.54 percent, the "All Others" rate calculated in the Department's recent determination under section 129 of the Uruguay Round Agreement Act. See Notice of Determination Under Section 129 of the Uruguay Round Agreements Act: Antidumping Measures on Certain Softwood Lumber Products from Canada, 70 FR 22636 (May 2, 2005). These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

#### Assessment Rates

In accordance with 19 CFR 356.8(a), the Department will issue appropriate assessment instructions directly to CBP on or after 41 days following the publication of these amended final results of review to effect the *Final Results* and these amended final results.

We are issuing and publishing this determination and notice in accordance with sections 751(a)(1), 751(h) and 771(i)(1) of the Act.

Dated: January 12, 2006.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

A-427-820

#### Stainless Steel Bar from France: Preliminary Results of Antidumping Duty Administrative Review

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

**SUMMARY:** In response to a timely request by the petitioners,<sup>1</sup> the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on stainless steel bar (SSB) from France with respect to Ugitech S.A. (Ugitech). The period of review (POR) is March 1, 2004, through February 28, 2005.

We preliminarily determine that sales have been made below normal value (NV). Interested parties are invited to comment on the preliminary results. If the preliminary results are adopted in our final results of administrative review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries.

**EFFECTIVE DATE:** January 23, 2006.

**FOR FURTHER INFORMATION CONTACT:** David Goldberger or Rebecca Trainor, AD/CVD Operations, Office 2, Import Administration—Room B099, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4136 or (202) 482-4007, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On March 7, 2002, the Department published in the **Federal Register** an antidumping duty order on SSB from France. See *Notice of Antidumping Duty Order: Stainless Steel Bar from France*, 67 FR 10385 (*SSB Order*). On March 31, 2005, both the petitioners and Ugitech submitted letters timely requesting that the Department conduct an administrative review of the sales of SSB made by Ugitech, pursuant to section 751 of the Tariff Act of 1930, as amended (the Act). The Department published a notice of initiation of an administrative review with respect to Ugitech. See *Initiation of Antidumping and Countervailing Duty Reviews*, 70 FR

<sup>1</sup> The petitioners include the following companies: Carpenter Technology Corporation; Crucible Specialty Metals Division, Crucible Materials Corporation; and Electroalloy Corporation, a Division of G.O. Carlson, Inc.

20862, (April 22, 2005). On April 27, 2005, we issued an antidumping duty questionnaire to Ugitech. Responses to the questionnaire were received in June 2005. We issued a supplemental questionnaire in August 2005, and received responses in September and October 2005. Ugitech provided additional information in response to Department requests during November 2005.

On November 7, 2005, we extended the time limit for the preliminary results in this review until January 13, 2006. See *Notice of Extension of Time Limit for Preliminary Results in Antidumping Duty Administrative Review: Stainless Steel Bar From France*, 70 FR 69319 (November 15, 2005). The petitioners submitted comments for the preliminary results in late December 2005, but they were submitted too late for consideration in the preliminary results.

### Scope of the Order

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

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

The SSB subject to this order is currently classifiable under subheadings 7222.11.00.05, 7222.11.00.50, 7222.19.00.05, 7222.19.00.50, 7222.20.00.05, 7222.20.00.45, 7222.20.00.75, and 7222.30.00.00 of the *Harmonized Tariff Schedule of the*

*United States* (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

### Fair Value Comparisons

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

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

### Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by Ugitech covered by the description in the "Scope of the Order" section, above, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. As section 771(16)(A) and (B) define "foreign like product" to be merchandise that is produced in the same country and by the same person as the merchandise which is the subject of the investigation, we have excluded from our comparisons SSB sold by Ugitech in France but produced by an unaffiliated party. Pursuant to 19 CFR 351.414(e)(2), we compared U.S. sales to sales made in the home market within the contemporaneous window period, which extends from three months prior to the month of the U.S. sale until two months after the sale. Where there were no sales of identical merchandise in the comparison market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by Ugitech in the following order: general type of finish; grade; remelting process; type of final finishing operation; shape; and size range.

### Constructed Export Price

We calculated CEP in accordance with section 772(b) of the Act because the subject merchandise was sold for the account of Ugitech by its subsidiary, Ugine Stainless & Alloy, Inc. (US&A), in the United States to unaffiliated purchasers. In addition, Ugitech

reported sales of SSB which were further processed by US&A in the United States. For the subject merchandise further processed in the United States, we used the starting price of the subject merchandise and deducted the costs of further processing to determine CEP for such merchandise, in accordance with section 772(d)(2) of the Act. To calculate the cost of further manufacturing, we relied on Ugitech's reported cost of further manufacturing materials, labor, and overhead, plus amounts for further manufacturing general and administrative expenses (G&A) and financial expenses.

We based CEP on the packed prices to unaffiliated purchasers in the United States. We identified the correct starting price by adjusting for alloy surcharges, freight revenue, other revenue and billing adjustments associated with the sale, and by making deductions for discounts, where applicable, as required by section 772 of the Act. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act. These expenses included, where appropriate, foreign inland freight (including freight from the plant/warehouse to the port of exportation), brokerage and handling, ocean freight, marine insurance, U.S. inland freight expenses (including freight from the U.S. port to the warehouse, freight between warehouses, and freight from the warehouse to the unaffiliated customer), and U.S. customs duties and fees (including harbor maintenance fees and merchandise processing fees). In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (commissions, credit expenses, warranty expenses, other direct selling expenses and repacking expenses) and indirect selling expenses (indirect selling expenses and inventory carrying costs) incurred in the country of exportation and the United States. For the sales where the payment date was not reported because the customer had not yet paid, we set the payment date equal to October 5, 2005, the date of Ugitech's last submitted sales data base, and recalculated the imputed credit expense accordingly. We also deducted an amount for further-manufacturing costs, where applicable, in accordance with section 772(d)(2) of the Act, and made an adjustment for profit in accordance with section 772(d)(3) of the Act.

## Normal Value

### A. Home Market Viability

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared the volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act.

Because Ugitech'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 its home market was viable.

### B. Affiliated-Party Transactions and Arm's-Length Test

During the POR, Ugitech sold the foreign like product to affiliated customers. To test whether these sales were made at arm's-length prices, we compared, on a product-specific basis, the starting prices of sales to affiliated and unaffiliated customers, net of all discounts and rebates, movement charges, direct selling expenses, and packing expenses. Pursuant to 19 CFR 351.403(c) and in accordance with the Department's practice, where the price to the affiliated party was, on average, within a range of 98 to 102 percent of the price of the same or comparable merchandise sold to unaffiliated parties, we determined that sales made to the affiliated party were at arm's length. See *Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade*, 67 FR 69186, 69187 (November 15, 2002) (establishing that the overall ratio calculated for an affiliate must be between 98 percent and 102 percent in order for sales to be considered in the ordinary course of trade and used in the normal value calculation). Sales to affiliated customers in the home market that were not made at arm's-length prices were excluded from our analysis because we considered these sales to be outside the ordinary course of trade. See 19 CFR 351.102(b).

### Level of Trade

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same level of trade (LOT) as the export price (EP) or CEP. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent). See 19 CFR 351.412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing (*id.*); see also *Notice of Final*

*Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (November 19, 1997) (*Plate from South Africa*). In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the chain of distribution), including selling functions, class of customer (customer category), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying LOTs for EP and comparison market sales (*i.e.*, NV based on either home market or third country prices)<sup>2</sup>, we consider the starting prices before any adjustments. For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act. See *Micron Technology, Inc. v. United States*, 243 F.3d 1301, 1314 (Fed. Cir. 2001).

When the Department is unable to match U.S. sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, the Department may compare the U.S. sale to sales at a different LOT in the comparison market. In comparing EP or CEP sales at a different LOT in the comparison market, where available data make it practicable, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if the NV LOT is more remote from the factory than the CEP LOT and there is no basis for determining whether the difference in LOTs between NV and CEP affects price comparability (*i.e.*, no LOT adjustment was practicable), the Department shall grant a CEP offset, as provided in section 773(a)(7)(B) of the Act. See *Plate from South Africa*, 62 FR at 61731. We obtained information from Ugitech regarding the marketing stages involved in making the reported foreign market and U.S. sales, including a description of the selling activities performed for each channel of distribution.

Ugitech sold SSB to end-users and distributors in both the U.S. and home markets. Ugitech reported that it made CEP sales in the U.S. market (through its U.S. affiliate, US&A) through the following two channels of distribution: (1) sales of Ugitech-produced SSB purchased from Ugitech, and (2) sales of Ugitech-produced SSB purchased from Ugitech's Italian affiliate, Trafilerie

<sup>2</sup> Where NV is based on constructed value (CV), we determine the NV LOT based on the LOT of the sales from which we derive selling expenses, G&A expenses, and profit for CV, where possible.

Bedini, S.r.l (Bedini). We compared the selling activities performed in each channel, and found that the same selling functions (*e.g.*, production planning, warranty, technical service, and freight & delivery) were performed at the same relative level of intensity in both channels of distribution. Accordingly, we find that all CEP sales constitute one LOT.

With respect to the home market, Ugitech reported five channels of distribution (channels 3 through 7) described as follows: (3) factory direct sales; (4) ex-inventory sales of standard SSB; (5) ex-inventory sales of SSB for special applications; (6) sales of ex-inventory French-origin standard SSB purchased from Bedini; and (7) sales of ex-inventory French-origin SSB for special applications purchased from Bedini. According to Ugitech, the direct sales (channel 3), the ex-inventory standard SSB sales (channels 4 and 6), and the ex-inventory SSB with special application sales (channels 5 and 7) constitute three distinct LOTs in the home market.<sup>3</sup>

In determining whether separate LOTs exist in the home market, we compared the selling functions performed across all channels of distribution. After our analysis of the information submitted for the record of this review, we find that all home market sales were made at the same LOT, consistent with our analysis and findings in the previous administrative review. See *Stainless Steel Bar from France: Preliminary Results of Antidumping Duty Administrative Review*, 70 FR 17411, 17414 (April 6, 2005), and *Stainless Steel Bar from France: Final Results of Antidumping Duty Administrative Review*, 70 FR 46482 (August 10, 2005) (*SSB from France 2003-2004*), Issues and Decision Memorandum at Comment 4.

Specifically with respect to this review, we found that, except for inventory maintenance, all selling functions were performed across all channels of distribution with only slight variances in the levels of intensity for a few sales activities listed within certain selling functions. We note that the selling functions (*e.g.*, strategy planning and marketing, customer sales contact, production/planning/order evaluation, advertising, warranty, technical service,

<sup>3</sup> Ugitech reported the selling functions performed in the home market according to the Ugitech entity responsible for the activity. As we find no basis to differentiate sales functions in this manner for purposes of our LOT analysis, we have "collapsed" this reporting in our analysis and considered the level of intensity performed for each selling function on the basis of the highest intensity performed by any Ugitech entity.

computer systems and freight and delivery) were all generally performed at the same or similar levels of intensity for the direct ex-works sales and both channels of inventory sales (standard and special application). As we noted in the previous review, although the level of intensity varies within a few of the selling activities performed for Ugitech's direct ex-works and inventory sales, these variances are not so significant to constitute distinct LOTs.

With respect to inventory maintenance, the Department has determined that sales from an inventory warehouse are not at a separate LOT from sales shipped directly from a mill simply by virtue of the inventory maintenance function (see, e.g., *SSB from France 2003-2004 and Stainless Steel Bar From Germany: Final Results of Antidumping Duty Administrative Review*, 70 FR 19419 (April 13, 2005), Issues and Decision Memorandum at Comment 2). Instead, we have looked at the variety and intensity of selling functions between these channels of distribution in order to determine whether there are distinguishable LOTs. We have maintained since the less-than-fair-value (LTFV) investigation in this proceeding that we do not consider the activities of light general warehousing services and further manufacturing/special services associated with special application sales that Ugitech has identified under inventory maintenance to be selling functions. See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Bar From France*, 66 FR 40201 (August 2, 2001); continued in *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Bar From France*, 67 FR 3143 (January 23, 2002) (*SSB from France LTFV Final*). Thus, these items are not relevant to the LOT analysis. However, we are accounting for some of these activities and the expenses associated with these activities in our calculations by deducting from the home market price the reported warehousing expenses, which include Ugitech's expenses for technical personnel working with the special application sales (see "Price-to-Price Comparisons" below).

Ugitech has also reported the size of its sales quantities and the availability of just-in-time delivery to be distinct selling functions for purposes of the LOT analysis. However, the Department does not consider sales quantities (i.e., lot sizes) to be a selling function for purposes of distinguishing LOT (see, e.g., *Stainless Steel Bar From Germany: Final Results of Antidumping Duty Administrative Review*, 69 FR 32982

(June 14, 2004), Issues and Decision Memorandum at Comment 1). We also do not consider the just-in-time delivery ability to be a selling function. Rather, we find it to be an element of warehousing activity. We agree that there is a difference in the selling function of pre-sale warehousing, which is offered for ex-inventory sales and not for ex-mill sales. However, as noted above, this selling activity alone is not a sufficient basis to distinguish separate LOTs between factory direct and inventory sales. Accordingly, based on the record evidence of this review and the above analysis, we find few differences in the selling functions offered or in their intensity among Ugitech's three sales channels (factory direct, standard ex-inventory, and special application ex-inventory). Therefore, we have made our preliminary results treating all home market sales at the same LOT.

Finally, we compared the CEP LOT to the home market LOT and found that the selling functions performed for home market customers are either performed at a higher degree of intensity or are greater in number than the selling functions performed for the U.S. customer. For example, in comparing the selling activities noted under the various selling functions reported (e.g., strategy planning/marketing and customer sales contact), Ugitech performed each of these selling activities at a higher level of intensity in the home market than in the U.S. market. Similarly, we noted that the advertising selling function was performed at the highest level of intensity in the home market, whereas, in the U.S. market it was not performed at all. Therefore, we conclude that Ugitech's home market sales are at a more advanced LOT than its U.S. sales.

As home market and U.S. sales were made at different LOTs, we could not match CEP sales to home market sales at the same LOT. Moreover, as we found only one LOT in the home market, it was not possible to make an LOT adjustment to home market sales because such an adjustment is dependent upon our ability to identify a pattern of consistent price differences between the home market sales on which NV is based and home market sales at the LOT of the export transaction. Because the data available do not form an appropriate basis for making an LOT adjustment, but the home market LOT is at a more advanced stage of distribution than the CEP LOT, we have made a CEP offset to NV in accordance with section 773(a)(7)(B) of the Act. The CEP offset is calculated as the lesser of: (1) the indirect selling

expenses on home market sales, or (2) the indirect selling expenses deducted from the starting price in calculating CEP.

### Cost of Production Analysis

In the LTFV investigation, the most recently completed segment of this proceeding as of April 27, 2005, the date the questionnaire was issued in this review, we found that Ugitech (then known as Ugine-Savoie Imphy S.A) had made sales below the cost of production. See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Stainless Steel Bar From France*, 66 FR 40201, 40205 (August 2, 2001); affirmed in *SSB from France LTFV Final*. Subsequently, the Department also disregarded certain sales made by Ugitech in the 2003-2004 administrative review that were determined to be below the cost of production. See *Stainless Steel Bar from France: Preliminary Results of Antidumping Duty Administrative Review*, 70 FR 17411, 17416 (April 6, 2005); affirmed in *SSB from France 2003-2004*. Thus, in accordance with section 773(b)(2)(A)(ii) of the Act, there are reasonable grounds to believe or suspect that Ugitech made sales in the home market at prices below the cost of producing the merchandise in the current review period. Accordingly, we instructed Ugitech to respond to the section D (Cost of Production) questionnaire.

#### A. Calculation of Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated Ugitech's cost of production (COP) and constructed value (CV) based on the sum of Ugitech's costs of materials and conversion for the foreign like product, plus amounts for G&A expenses and interest expenses (see "Test of Home Market Sales Prices" section below for treatment of home market selling expenses). The Department relied on the COP data submitted by Ugitech in its most recent supplemental section D questionnaire response, dated October 5, 2005, for the COP calculation, except in the following instances:

1. In fiscal years 2003 and 2004, Ugitech accrued restructuring costs related to a multi-year restructuring plan which is expected to be completed in 2010. Although Ugitech's home-country generally accepted accounting principles (GAAP) require the company to accrue the total estimated costs during the year in which the costs are probable and reasonably estimable, Ugitech reported that the

accrued costs relate to activities which occurred or are expected to occur over multiple fiscal years. In the previous review period, we included the current portion of the accrued restructuring charges in Ugitech's G&A expenses for fiscal year 2003 by amortizing the total accrued charges over the period of restructuring (*see SSB from France 2003–2004*, Issues and Decision Memorandum at Comment 3). For the current review period, we continued to amortize the remaining accrued restructuring charges over the remaining period of restructuring.

2. In accordance with its home-country GAAP, Ugitech incurred and recognized a loss for the impairment of fixed assets during fiscal year 2004. Ugitech reported its depreciation expenses based on the impaired asset values. However, Ugitech excluded the loss from the company's reported G&A expenses for purposes of this administrative review. Consistent with our treatment of Ugitech's fiscal year 2003 impairment losses in the prior review period (*see SSB from France 2003–2004*, Issues and Decision Memorandum at Comment 1) and because the impairment loss relates to the general operations of the company, we included Ugitech's fiscal year 2004 impairment in the company-wide G&A expenses for the current review period.
3. Ugitech excluded certain miscellaneous financial expenses from the reported calculation of the financial expense ratio of Ugitech's parent company, Arcelor S.A. (Arcelor). The expenses were recognized in Arcelor's audited financial statement as financial expenses, but were excluded from the calculations in Ugitech's responses. We revised Ugitech's calculations to include Arcelor's miscellaneous financial expenses in the financial expense ratio.

Our revisions to Ugitech's COP data are discussed in the Memorandum from Joseph Welton, Accountant, to Neal Halper, Director, entitled *Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results – Ugitech, S.A.*, dated January 12, 2006.

#### B. Test of Home Market Sales Prices

On a product-specific basis, we compared the adjusted weighted-average COP to the home market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether the sale prices

were below the COP. For purposes of this comparison, we used COP exclusive of selling and packing expenses. The prices (inclusive of alloy surcharges, freight revenue, service charge revenue, processing charge revenue and billing adjustments, where appropriate) were exclusive of any applicable movement charges, rebates, discounts, and direct and indirect selling expenses and packing expenses, revised where appropriate, as discussed below under the "Price-to-Price Comparisons" section. In determining whether to disregard home market sales made at prices less than their COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Act, whether such sales were made: (1) within an extended period of time, (2) in substantial quantities, and (3) at prices which did not permit the recovery of all costs within a reasonable period of time.

#### C. Results of the COP Test

In determining whether to disregard home market sales made at prices below the COP, we examined, in accordance with sections 773(b)(1)(A) and (B) or the Act: (1) whether, within an extended period of time, such sales were made in substantial quantities; and (2) whether such sales were made at prices which permitted the recovery of all costs within a reasonable period of time in the normal course of trade. Where less than 20 percent of the respondent's home market sales of a given product are at prices less than the COP, we do not disregard any below-cost sales of that product, because we determine that in such instances the below-cost sales were not made within an extended period of time and in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product are at prices less than the COP, we disregard the below-cost sales because: (1) they were made within an extended period of time in "substantial quantities," in accordance with sections 773(b)(2)(B) and (C) of the Act, and (2) based on our comparison of prices to the weighted-average COPs for the POR, they were at prices which would not permit the recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act.

We found that, for certain specific products, more than 20 percent of Ugitech's home market sales were at prices less than the COP and, in addition, such sales did not provide for the recovery of costs within a reasonable period of time. We therefore excluded these sales and used the remaining sales as the basis for determining NV, in

accordance with section 773(b)(1) of the Act.

#### Price-to-Price Comparisons

As discussed in the "Normal Value" section above, we calculated NV based on delivered prices to unaffiliated customers or prices to affiliated customers that were determined to be at arm's length. We made adjustments, where appropriate, to the starting price for alloy surcharges, freight revenue, service charge revenue, processing charge revenue, billing adjustments, early payment discounts and rebates. We made deductions, where appropriate, from the starting price for inland freight (from the plant to the warehouse or plant to the customer), warehousing expenses, and inland insurance, under section 773(a)(6)(B)(ii) of the Act.

For the sales where the payment date was not reported because the customer had not yet paid, we set the payment date equal to October 5, 2005, the date of Ugitech's last submitted sales data base, and recalculated the imputed credit expense accordingly.

We made adjustments for differences in costs attributable to differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410 for differences in circumstances of sale for imputed credit expenses, receivables insurance expenses, and warranty expenses. At the Department's request, Ugitech reported per-unit warranty expenses based on two methodologies: one allocating warranty expenses according to its reported sales channels and LOTs, and another allocating warranty expenses over all home market sales. We applied the reported per-unit amount calculated based on the second allocation methodology described above (*i.e.*, the AVWARRH variable) as Ugitech reported no difference in warranty terms or expenses according to sales channel, and we determined that all home market sales were made at the same LOT.

We also deducted home market packing costs and added U.S. packing costs, in accordance with section 773(a)(6)(A) and (B) of the Act. Finally, as discussed above under the "Level of Trade" section, we made a CEP offset pursuant to section 773(a)(7)(B) of the Act and 19 CFR 351.412(f). We calculated the CEP offset as the lesser of the indirect selling expenses on the comparison-market sales or the indirect selling expenses deducted from the starting price in calculating CEP.

Pursuant to the Department's request, Ugitech reported per-unit home market indirect selling expenses based on multiple expense allocation methodologies in accordance with its reported sales channels and its claimed LOTs. Consistent with our LOT determination explained above, we applied the reported indirect selling expense variables which represented the expense amounts allocated over all home market sales, rather than by reported sales channel and claimed LOT.

#### Currency Conversion

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

#### Preliminary Results of Review

As a result of this review, we preliminarily determine that the weighted-average dumping margin for the period March 1, 2004, through February 28, 2005, is as follows:

Manufacturer/Exporter	Percent Margin
Ugitech S.A. ....	9.70

We will disclose the calculations used in our analysis to parties to this proceeding within five days of the publication date of this notice. See 19 CFR 351.224(b). Any interested party may request a hearing within 30 days of publication. See 19 CFR 351.310(c). If requested, a hearing will be scheduled after determination of the briefing schedule.

Interested parties who wish to request a hearing or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, Room B-099, within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. See 19 CFR 351.310(c).

Issues raised in the hearing will be limited to those raised in the respective case briefs. Case briefs from interested parties and rebuttal briefs, limited to the issues raised in the respective case briefs, may be submitted in accordance with a schedule to be determined. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed

five pages and a table of statutes, regulations, and cases cited.

The Department will issue the final results of this administrative review, including the results of its analysis of issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries, in accordance with 19 CFR 351.212. The Department will issue appropriate appraisal instructions for the companies subject to this review directly to CBP within 15 days of publication of the final results of this review.

For assessment purposes, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping margins calculated for the examined sales to the total entered value of those same sales. 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 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 3.90 percent, the "All Others" rate made effective by the LTFV investigation. See *SSB Order*. 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: January 12, 2006.

**David M. Spooner,**

Assistant Secretary for Import Administration.

[FR Doc. E6-658 Filed 1-20-06; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-489-807]

#### Certain Steel Concrete Reinforcing Bars From Turkey; Notice of Partial Rescission of Antidumping Duty Administrative Review

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

**EFFECTIVE DATE:** January 23, 2006.

**FOR FURTHER INFORMATION CONTACT:** Irina Itkin or Alice Gibbons at (202) 482-0656 or (202) 482-0498, respectively, AD/CVD Operations, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### Background

On April 1, 2005, the Department of Commerce (the Department) published in the **Federal Register** a notice of "Opportunity to Request Review" of the antidumping duty order on certain steel concrete reinforcing bars (rebar) from Turkey for the period of review April 1, 2004, through March 31, 2005. See