

Dated: May 4, 2006.

David Spooner,

Assistant Secretary for Import  
Administration.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

A-588-707

#### Granular Polytetrafluoroethylene Resin From Japan: Preliminary Results of Antidumping Duty Administrative Review

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

**SUMMARY:** The Department of Commerce is conducting an administrative review of the antidumping duty order on granular polytetrafluoroethylene resin (PTFE) from Japan manufactured and exported by Asahi Glass Fluoropolymers, Ltd. (Asahi), in response to a request from Asahi. This review covers the period August 1, 2004, through September 30, 2005.

We have preliminarily determined that Asahi sold the subject merchandise to the United States at prices below normal value during the period of review. We invite interested parties to comment on these preliminary results.

**EFFECTIVE DATE:** May 11, 2006.

**FOR FURTHER INFORMATION CONTACT:** Catherine Cartos at (202) 482-1757 or Richard Rimlinger at (202) 482-4477, AD/CVD Operations, Office 5, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### Background

On August 24, 1988, the Department of Commerce (the Department) published in the **Federal Register** the antidumping duty order on PTFE from Japan. See *Notice of Antidumping Duty Order: Granular Polytetrafluoroethylene Resin from Japan*, 53 FR 32267 (August 24, 1988). On August 1, 2005, we published in the **Federal Register** a notice of opportunity to request an administrative review of this order covering the period August 1, 2004, through September 30, 2005. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 70 FR 44085 (August 1, 2005). On August 24, 2005, Asahi and AGC Chemicals America, Inc.

(AGC), requested that the Department conduct an administrative review of their sales. On September 28, 2005, the Department published in the **Federal Register** a notice of initiation of this administrative review. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 70 FR 56631 (September 28, 2005). The Department is conducting this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act). For a detailed analysis of the Department's calculation for this case see the Analysis Memorandum from the case analyst to the file dated May 3, 2006 (Analysis Memorandum).

##### Scope of Order

The merchandise covered by the antidumping duty order is PTFE, filled or unfilled. The order excludes PTFE dispersions in water, fine powders, and reprocessed PTFE powder. PTFE is currently classifiable under subheading 3904.61.00 of the *Harmonized Tariff Schedule of the United States* (HTSUS). This order covers all PTFE, regardless of its tariff classification. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the order remains dispositive.

##### Comparisons to Normal Value

To determine whether sales of PTFE from Japan were made in the United States at less than normal value, we compared the United States price to the normal value. When making comparisons in accordance with section 771(16) of the Act, we considered all comparable products sold in the home market that were in the ordinary course of trade for purposes of determining appropriate product comparisons to U.S. sales.

##### Constructed Export Price

For all sales to the United States, we calculated constructed export price (CEP), as defined in section 772(b) of the Act, because all sales to unaffiliated parties were made after importation of the subject merchandise into the United States through the respondent's affiliate, AGC. We based CEP on the packed, delivered prices to unaffiliated purchasers in the United States, net of billing adjustments. 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 (credit expenses) and indirect selling expenses. We made deductions, consistent with section 772(c)(2)(A) of the Act, for

movement expenses and for CEP profit under section 772(d)(3) of the Act.

##### Normal Value

###### A. Home-Market Viability

Based on a comparison of the aggregate quantity of home-market and U.S. sales, we determined that the quantity of foreign like product sold by Asahi in Japan was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States, pursuant to section 773(a) of the Act. Asahi's quantity of sales in the home market was greater than five percent of its sales to the U.S. market. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based normal value on the prices at which the foreign like product was first sold for consumption in the exporting country in the usual commercial quantities and in the ordinary course of trade.

###### B. Calculation of Normal Value

Because we were able to find contemporaneous home-market sales made in the ordinary course of trade for a comparison to all CEP sales, in accordance with section 773(a)(1)(B) of the Act we based normal value on the prices at which the foreign like product was sold for consumption in the home market. Home-market prices were based on delivered prices to unaffiliated purchasers. We made adjustments for differences in packing and for movement expenses, as appropriate, in accordance with sections 773(a)(6)(A) and (B) of the Act. We also made adjustments for differences in circumstances of sale in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410 by deducting home-market direct selling expenses from normal value. We also made an adjustment for the CEP offset in accordance with section 773(a)(7)(B) of the Act (see *Level of Trade*).

##### Level of Trade

Asahi reported two channels of distribution in the home market, the large industrial-user (OEM) channel and the service-market (distributor) channel. We examined the differences in selling functions Asahi reported in its responses with regard to the two channels of distribution in the home market. We found that the selling activities associated with sales to OEMs differed significantly from activities associated with sales to distributors in terms of sales forecasting, distributor/dealer training, and use of direct sales personnel. Specifically, Asahi provides sales-forecasting services and direct sales personnel to its OEM customers

but not to its distributor customers and Asahi provides distributor dealer training to its distributor customers but not to its OEM customers. Based on these differences we found that the two home-market channels constituted two different levels of trade.

In the U.S. market, based on our overall analysis we found that there were significant differences between the selling activities associated with the CEP level of trade and those associated with each of the home-market levels of trade. For example, the CEP level of trade involved no advertising, sales promotion, market research, and technical assistance - selling activities offered at both home-market levels of trade. Therefore, we consider the CEP level of trade to be different from either home-market level of trade and at a less advanced stage of distribution than either home-market level of trade. Consequently, we could not match U.S. sales to sales at the same level of trade in the home market nor could we determine a level-of-trade adjustment based on Asahi's home-market sales of the foreign like product because the CEP level is not identical to either home-market level of trade. We also have no other information that provides an appropriate basis for determining a level-of-trade adjustment. Thus, for AGC's CEP sales, to the extent possible, we determined normal value at the same level of trade as the U.S. sale to the unaffiliated customer and made a CEP-offset adjustment in accordance with section 773(a)(7)(B) of the Act.

#### Preliminary Results of Review

As a result of our review, we preliminarily determine that a margin of 41.96 percent exists for Asahi for the period August 1, 2004, through July 31, 2005.

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties calculations performed in connection with these preliminary results within five days of the date of publication of this notice. Any interested party may request a hearing within 30 days of publication of this notice. A hearing, if requested, will be held at the main Department building. We will notify parties of the exact date, time, and place for any such hearing.

Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. Case briefs from interested parties may be filed no later than 30 days after publication of this notice. Rebuttal briefs, limited to the issues raised in case briefs, may be submitted no later than five days after the deadline for filing case briefs. Parties who submit case or rebuttal

briefs are requested to submit with each argument a statement of the issue and a brief summary of the argument with an electronic version included.

The Department will issue a notice of final results of this administrative review, which will include the results of its analysis of issues raised in the case briefs, within 120 days from the date of publication of these preliminary results.

#### Assessment

The Department shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate instructions directly to the CBP within 15 days of the publication of the final results of this review.

In accordance with 19 CFR 351.212(b)(1), we have calculated an exporter/importer (or customer)-specific assessment rate for merchandise subject to this review. For Asahi's CEP sales we divided the total dumping margins for the reviewed sales by the total entered value of those reviewed sales for each importer. We will direct CBP to assess the resulting percentage margin against the entered customs values for the subject merchandise on each of that importer's entries during the review period. See 19 CFR 351.212(b).

The Department clarified its "automatic assessment" regulation on May 6, 2003 (68 FR 23954). This clarification will apply to entries of subject merchandise during the period of review produced by Asahi for which Asahi did not know that its merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction. For a full discussion of this clarification, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

#### Cash Deposit

Further, the following deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of PTFE entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(1) of the Act: (1) The cash-deposit rate for Asahi will be the rate established in the final results of review; (2) for previously reviewed or investigated companies not mentioned 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 less-than-fair-value (LTFV) investigation but the manufacturer is, then the cash-deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the producer is a firm covered in this review, a prior review, or the LTFV investigation, the cash-deposit rate shall be 91.74 percent, the all-others rate established in the LTFV investigation. See *Notice of Final Determination of Sales at Less Than Fair Value: Granular Polytetrafluoroethylene Resin From Japan*, 53 FR 25191 (July 5, 1988). These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

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

Dated: May 3, 2006.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

(A-533-820)

#### Certain Hot-Rolled Carbon Steel Flat Products from India: Notice of Extension of Time Limit for Final Results of Antidumping Duty Administrative Review

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

**EFFECTIVE DATE:** May 11, 2006.

#### FOR FURTHER INFORMATION CONTACT:

Kavita Mohan or Jeff Pedersen, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution